

ABF

THE SOLDIERS'

CHARITY

The Army's National Charity



ANNUAL REPORT & CONSOLIDATED ACCOUNTS

2020-21

**SUPPORT US
AND YOU SUPPORT
THE WHOLE ARMY FAMILY.**

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VICE PATRON

Her Royal Highness The Duchess of Cornwall

PRESIDENT

General Sir James Everard KCB CBE

TRUSTEES

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Lieutenant General (Ret'd) Philip Jones CB CBE DL

VICE CHAIRMAN

Simon Martin

MEMBERS

Sarah Booth (Appointed 1st July 2020)

Mary Fagan

Rowena Fell (Appointed 1st July 2020)

Simon Heale (Appointed 1st July 2020)

Paul Hearn

David London (Appointed 1st July 2020)

Amanda Metcalfe

Warrant Officer Class One Gavin Paton
(The Army Sergeant Major)

James Rous

Anthony Scott

Major General Neil Sexton CB

Major General (Ret'd) Malcolm Wood CBE

Lisa Worley

SENIOR MANAGEMENT TEAM

Major General (Ret'd) Martin Rutledge CB OBE,
Chief Executive

Brigadier (Ret'd) Robin Bacon
(Retired 31st March 2021),
Chief of Staff & Company Secretary

Brigadier (Ret'd) Peter Monteith MBE
(Appointed 31st March 2021),
Chief of Staff & Company Secretary

Temidayo Ajakaiye,
Director of Finance

Sean Bonnington,
Director of National Fundraising

Colonel (Ret'd) Kevin Haugh CBE,
Director of Grants and Welfare

Jenny Redman,
Director of Communications and Marketing

Brigadier (Ret'd) Colin Tadier CBE,
Director of Regions

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ABF The Soldiers' Charity is an incorporated charity registered with the Charity Commission for England and Wales with Charity No. 1146420, and in Scotland with the Office of the Scottish Charity Regulator with Scottish Charity Register No. SC039189.

ABF The Soldiers' Charity is a company limited by guarantee in England and Wales (07974609) and was incorporated on 2nd March 2012.



COVER: A soldier from The Royal Regiment of Scotland takes a test sample at a COVID-19 testing centre at Glasgow Airport, April 2020 (Andrew Milligan-WPA Pool/Getty Images).

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WELCOME FROM THE CHAIRMAN

The foresightedness of our founders has paid off this year. They envisaged a charity that has resilience and endurance for the long haul. A charity that can withstand shocks while remaining a reliable safe harbour for individuals and organisations less able to cope. Part of this vision was for the charity to be simple in concept but sufficiently agile to remain relevant and highly effective at what it does.

The charity's resilience throughout the COVID-19 crisis – indeed its terrific performance, as this report testifies – is not all about founding concepts, however. As Chairman of the Board of Trustees, I pay heartfelt tribute to every single person who has answered the call to arms over the past many, many months in ways that would make our founders, living with the aftermath of the Second World War, glow with pride. Our people have been magnificent, from the Chief Executive right through to the most fleeting volunteer. In particular, I pay tribute to our young professional staff who despite having their lives turned upside-down have continued to adapt, innovate and persist with great creativity and energy. This combination of a sound charitable model and great people has stood us well.

It's too early to tell how COVID-19 and its aftermath will impact on our charity's mid- to long-term strategy. This is something our Board will wrestle with in our next few meetings. We are well positioned and ready to do this work. Over the past year we have welcomed a new President, General Sir James Everard, who most recently was the Deputy Supreme Allied Commander Europe. And we have a terrific group of new Trustees on the Board, all of whom were thrown into the deep end in the midst of the crisis and all of whom have contributed already.

Great leadership has helped us navigate this crisis, and the professional leadership team deserve our deepest gratitude for the way in which they worked astonishingly hard to steer the ship. In amongst all of the COVID pressure we said farewell to our wonderful Chief of Staff, Robin Bacon, and welcomed his successor, Peter Monteith. Crucially for the charity, we have selected Major General Tim Hyams to



LIEUTENANT GENERAL (RET'D)
PHILIP JONES CB CBE DL
CHAIRMAN

be Martin Rutledge's successor as Chief Executive later this year. Martin's energy and excellence will be greatly missed but I have every confidence in Tim to pick up the torch and run with it.

While the Board thinks carefully about the charity's next steps, the professional and volunteer team have continued over this past year to do what they do best: raise money, manage investments, and deliver grants on time and on target. This is a gross simplification of course. But to see creative innovation spark in every dimension of the charity's activity around this simple model in the extreme circumstances of the pandemic has been inspirational and heart-warming. The end result is that we can, with our hands on our hearts, feel confident that every request for help has been answered to the standard that everyone has a right to expect.

It is now a cliché to say that this has been a tough year for everyone – but it has. Despite my objective and realistic positivity, the charity is not unscathed and we are all still interpreting what has happened over the period of this report. In the circumstances, the charity has fared better than we had a right to expect. But the worst is probably not over yet.

“WE CAN, WITH OUR HANDS ON OUR HEARTS, FEEL CONFIDENT THAT EVERY REQUEST FOR HELP HAS BEEN ANSWERED TO THE STANDARD THAT EVERYONE HAS A RIGHT TO EXPECT.”

WELCOME FROM THE CHIEF EXECUTIVE

In my foreword to last year's Annual Report I talked about it 'spanning a truly unique year'. Now, some 12 months later, I feel I need an even more exceptional description to really capture the extraordinary circumstances we have faced since then.

In the round, this last financial year has been rather better than we might have anticipated and the unexpectedly small end of year deficit (net expenditure) reflects that position. Three factors have combined to achieve that result. First, our charitable expenditure has remained low, despite our best efforts to sustain our continuing support to those in need. This may seem counter-intuitive in a time of national crisis but significantly fewer individuals have presented with requests for help, and many of the other charities and organisations that we support have cancelled or postponed programmes and so required less funding. That said, we would not interpret that as a reduction in need – it is just taking longer to filter through, not least due to some government support measures such as the furlough scheme and the uplift to universal credit. At no stage has affordability been a factor in terms of our ability to support our beneficiaries, and our latest grants committee made some very substantial grants to key delivery partners.

Second, we are fortunate that this charity has a very broad mix of income streams, which have proven remarkably resilient in the current circumstances. Almost all our physical events, both nationally and regionally, have been cancelled but on the other hand substantial virtual events have boomed and many of our supporters have made an extra effort to help us.

Finally, careful management of our resources has made a significant contribution – helped by robust investment values. In particular, I pay tribute to our staff who have accepted the imposition of furlough with good grace, despite the fact that we very reluctantly decided not to 'top up' the difference – so this has significantly hit their pay packets. We have done this to help sustain structures and capabilities for the future, rather than cutting into the muscle for short-term relief but risking long-term damage, and they have wholeheartedly supported us in that endeavour.



MAJOR GENERAL (RET'D)
MARTIN RUTLEDGE CB OBE
CHIEF EXECUTIVE

The net result of all the above is our charity enters the new financial year in as good a position as we could reasonably expect given the current challenges. We have protected key capabilities, we have made appropriate use of our reserves, and we are able to budget for a significant increase in our charitable activity, applying further resources as necessary and appropriate in the coming year.

As ever, none of this could happen without our very calm and pragmatic Board; the determination of our staff to fight through the current difficulties and remain focused on our fundamental purpose; and finally, of course, most importantly our many and varied supporters. Thank you.

Looking to the future, we are absolutely clear we can sustain our operations going forward, despite the current challenges, and indeed we see significant opportunities for our sector to adapt and further improve.

Finally, I should say that I depart ABF The Soldiers' Charity in November after nine stimulating and enjoyable years. I think the timing is immaculate as hopefully by then the future may look a little more certain; and an excellent new Chief Executive can bring fresh ideas and perspective to the next phase for the charity.

“OUR CHARITY ENTERS THE NEW FINANCIAL YEAR IN AS GOOD A POSITION AS WE COULD REASONABLY EXPECT GIVEN THE CURRENT CHALLENGES.”

OUR VISION

All serving soldiers, veterans and their immediate families should have the opportunity to avoid hardship and enjoy independence and dignity.



02

OUR OBJECTIVES

Since our formation in 1944, our objectives have been to benefit persons who are serving or who have served in the British Army, or their dependants, in any charitable way by the provision of grants, loans, gifts, pensions or otherwise. We work with veterans of every conflict, from the Second World War to the most recent operations, whether they live in the British Isles or overseas.



01



03

OUR MISSION

We are the Army's national charity, giving a lifetime of support to serving soldiers, former soldiers and their immediate families when they are in need.

PUBLIC BENEFIT

When reviewing The Soldiers' Charity's aims and objectives, and when setting grant-making policy and planning for the future, the Trustees have carefully considered the Charity Commission's guidance on public benefit. The Soldiers' Charity provides a public benefit in that it supports the Army community, contributing to the defence of the UK and its interests. Through its external grants programme, The Soldiers' Charity also enables other charities to maximise their public benefit, in support of the Army family.

01 Walter got into financial difficulty after an operational injury ended his career in 5 SCOTS. We awarded a grant towards household furnishings to ensure he, his wife and five daughters had somewhere homely and comfortable to live.

02 We awarded almost £30,000 to the Royal Caledonian Educational Trust, which specialises in the educational and developmental needs of children from Armed Forces families. This marks our third year supporting their 'Teen Talks' programme, a youth participation project that works with over 100 secondary school pupils from Armed Forces families.

03 Our longstanding partner Erskine provides nursing, dementia, palliative and respite care for Armed Forces veterans and their spouses in Scotland. Our latest £150,000 grant will contribute towards the cost of caring for the 94 Army veterans currently resident at their Bishopton home.

04 Norris was injured by a rocket-propelled grenade in Afghanistan in 2013, which left him with a spinal injury and PTSD. Thanks to the support of The Poppy Factory, one of 43 charities we funded in FY20-21, he has found employment and a new sense of purpose.



04

CHARITABLE ACTIVITIES OVERVIEW

As the Army's national charity, the welfare of soldiers, veterans and their immediate families has always been at the heart of everything we do.

In the past year, we have supported around 60,000 members of the Army family in 63 countries across the globe. This has been achieved via our individual grants programme and by providing essential funding for 43 other charities and organisations to enable them to deliver specialist services to the Army family. By supporting us, you truly do support the whole Army family.

In the financial year 2020-21, our charitable expenditure was £8.3m. Our aim, as ever, was to ensure a complete spectrum of support to the Army family in the areas it was needed most, such as: enabling independent living; caring for the elderly; training and education to increase employability; improving mental fitness and securing the provision of suitable housing.

It is important to highlight that our ability to provide support was not stymied by the coronavirus pandemic. We were determined that our grants programme should continue as normal and we were able to provide support to, for example, individuals who had lost their income and were struggling with essential living costs or unlikely to find employment soon. We were also able to continue making substantial grants to our partner charities, in support of the Army family.

The number of grants awarded has reduced this year but this was in many cases driven by a decrease in demand for support from other charities and organisations that were forced to scale back planned activity. We also received fewer requests for assistance from individuals, potentially due to government initiatives such as the furlough scheme, the uplift in universal credit, and protocols provided under the Coronavirus Act 2020 that protected social and private tenants by delaying when landlords could evict them. We also believe some individuals were not comfortable talking remotely with caseworkers, or allowing tradespeople into their homes, or thought issues could wait until after the pandemic had passed or lockdowns were eased.



Our £60,000 grant to Care For Veterans supports former soldiers like Steve, who was left partially paralysed following a motorcycle collision. Steve, who was a serving Warrant Officer at the time of the accident, refuses to allow his injuries to define him. With the support of staff, he recently completed an 874-mile virtual cycle from Land's End to John O'Groats.

At no stage have we constrained our charitable giving for affordability reasons. As ever, we pride ourselves on acting immediately when help is needed and provide true through-life support, the breadth and variety of which is explained in this publication.

OUR THREE MECHANISMS FOR PROVIDING SUPPORT

1

We make grants to individuals, through their Regimental and Corps charities.

2

We make grants to other charities and organisations that deliver specialist support to soldiers, veterans, and their immediate families.

3

We play a key role in the military welfare ecosystem by: funding organisations that carry out Army-related casework (particularly SSAFA); investing in the Casework Management System (to ensure grants are reviewed and disbursed quickly); and collaborating with and providing advice and support to other military charities and organisations such as Cobseo and Veterans Scotland.

CHARITABLE ACTIVITIES OVERVIEW

Supporting the Army family

The overall scale, breadth and variety of our support is vast. We are here to help soldiers, veterans and families of all 'ages and stages' – our youngest beneficiary in FY20-21 was a two-year-old and our eldest was 103. We are here to help the Army family through life's challenges – whether that involves bereavement, injury, getting back to work, elderly care, and much more besides.

We are never judgemental and we always adopt an integrated approach to the person or family in need of support. Often, an individual in need will receive an initial grant, delivered through their Regimental or Corps charity; then be referred to a specialist charity that we have funded. They may then receive support from other partner charities – with assistance from us at every stage. Throughout, we rigorously focus on their need and allocate our support accordingly across a wide range of charity partners. We give grants to support other charities both large and small, local and international, depending on our assessment of where the need is. Our grants programme is continually evolving and we never 'rubber stamp' applications – all cases are based on merit, with rigorous due diligence checks on outcomes (or, put another way, the positive effect of our spend).

Finally, and crucially, we act with speed. When we are alerted that a person or family needs help, we aim to make the relevant grant within 48 hours.



In FY20-21 we spent **£8.3M** supporting **60,000** members of the Army family



The youngest person we supported was **TWO YEARS OLD**, the eldest was **103**



We funded **43 OTHER CHARITIES** and organisations that provide support for the Army family



We have supported the British Army family all over the world – in **63 COUNTRIES** this year



Around **38% OF THE GRANTS** we made to other charities benefited the serving Army



We spend around **£52,000 A WEEK** on grants to individuals



SUPPORTING THE DEFENCE MEDICAL WELFARE SERVICE

hospital and a DMWS welfare officer was provided to give her the emotional support she needed to reduce her isolation and anxiety.

Susan said: "Due to COVID-19, the wards were closed and I was not able to see my husband. Having someone visit him and then update me was so much easier than trying to contact the hospital; I felt like I had someone on my side."

Supporting soldiers and veterans on their road to recovery was more important than ever during the COVID-19 pandemic, when so many of them were prevented from seeing their loved ones.

During FY20-21 we awarded the Defence Medical Welfare Service (DMWS) a further grant of £200,000. This supports a network of welfare officers who work within 11 NHS Trusts providing practical and emotional support to patients in the Armed Forces community and their families. This latest grant takes our support to around £1.7m over the last four years.

Welfare officers are specialists in helping patients navigate the recovery pathway, which reduces the pressure on the NHS. With the welfare officer focused on unlocking the solutions that will enable independent living, clinicians are able to focus on providing the very best medical care. And by identifying the support needed when the patient returns home, the discharge process is made more efficient and unnecessary readmission is avoided.

So far, more than 5,500 members of the Armed Forces community have benefited from the service, with 75 percent of them reporting an increase in wellbeing.

Susan was unable to visit her husband in hospital due to COVID-19 restrictions after he sustained a life-threatening head injury. An iPad was made available so she could see him after he woke from an induced coma. She was also assisted with accommodation near to the

Throughout the pandemic, the DMWS has continued to assist new and existing patients from the Armed Forces community, adapting its service provision where possible to ensure that lonely and isolated people receive regular friendly contact. This was a project we initiated and for which we were fortunate to obtain LIBOR funding in addition to using our own resources. We are now looking to broaden this project further to reach out to more potential beneficiaries in due course.

"WORKING IN PARTNERSHIP WITH ABF THE SOLDIERS' CHARITY HAS ENABLED THE DEFENCE MEDICAL WELFARE SERVICE TO OPTIMISE SUPPORT TO THOSE THAT NEED IT MOST. IT IS AT EXTRAORDINARY TIMES LIKE THESE THAT BOTH ORGANISATIONS STEP FORWARD AND MAKE A REAL DIFFERENCE ON THE GROUND."

PAUL GAFFNEY CEO OF THE DMWS

CHARITABLE ACTIVITIES HELPING ARMY FAMILIES

We are here to help the families of those who have served their country when they find themselves in need.

Our support comes in many forms – from helping with unexpected bills or expenses for a family in crisis; to assisting with funeral costs so a loved one can be buried with dignity. We work hard to ensure Army families are empowered to overcome challenges and move forward with their lives.

We fund charities and organisations that provide services for military families across the British Isles. This includes the Royal Caledonian Education Trust, which supports Scottish Armed Forces families; Reading Force, which uses books to bring Forces children and families closer together; and a £491,000 grant to the Army Welfare Service (utilising LIBOR funds we managed to access for a wide-ranging project) to help improve the experiences of children growing up on Army bases around the UK.

We also awarded £30,000 to SSAFA's Gildea House, which provides a safe haven for Armed Forces women and children who are estranged, widowed or fleeing unsafe living environments. This support seemed particularly appropriate during the pandemic, when reports of domestic abuse rose considerably. It is vital that military women have a safe, comfortable refuge in times of crisis.



WE ASSISTED WITH 305 funerals – spending £297,563 so those in financial hardship could bury their loved ones with dignity



One of the 43 charities we supported in FY20-21 was Reading Force, which operates a shared reading initiative for Armed Forces families. We have been working in partnership since 2014 to encourage military families to read together - even when separated by deployment or training. This has been particularly important during the COVID-19 pandemic, when loved ones have been kept apart during successive lockdowns. Pictured: Reading Force founder Alison Baverstock with an Army family, Aldershot.



WE AWARDED £25,000 to the Army Widows' Association, which offers comfort, support and friendship to the widowed spouses of servicemen and women



WE PROVIDED A £10,000 grant to fund the Wellington family bedroom at Fisher House, supporting Army families while their loved ones are being treated at Queen Elizabeth Hospital Birmingham



“IT’S JUST BRILLIANT KNOWING THAT THERE’S SOMEBODY THERE TO HELP YOU.”

LEANNE, JAMIE'S MUM

THE WELLS FAMILY'S STORY

We were delighted to team up with three military charities to purchase a purpose-built trike and specialist bed for Jamie, the disabled son of a Royal Signals veteran.

Jamie lives with his parents Graham and Leanne and brother Leo in the Wirral. He has faced major health setbacks throughout his short life and is not yet able to walk or talk. On top of this, he was diagnosed with a bowel condition called Hirschsprungs disease and now has a stoma bag. Leanne says: "Jamie has been super brave and makes us proud every single day."

Following an appeal from Graham and Leanne, our charity worked with The Royal British Legion, the Kyte Charitable Trust and the Royal Signals Charity to award almost £12,000 towards the trike and bed. Our charity also supported Leanne with a three-year bursary towards her Occupational Therapy degree, which she is currently undertaking at Liverpool University.

The family spent most of the pandemic shielding, but were able to take occasional trips to a quiet location for Jamie to exercise. The trike has transformed Jamie's quality of life, enabling him to explore the outdoors with his family.

CHARITABLE ACTIVITIES ENABLING INDEPENDENT LIVING

We are here to ensure that soldiers, past and present, and their families can lead full and independent lives, regardless of age or disability.

From funding organisations that provide expert recovery and rehabilitation for injured soldiers to awarding grants to disabled veterans for home adaptations, we are committed to ensuring the Army family receives the support it needs to live with independence and dignity. For those experiencing problems with mobility, we provide grants for specialist equipment including mobility scooters, ramps, rails and stairlifts to ensure they can live safely and confidently at home.

We also award grants to charities and organisations that provide specialist services and support. In FY20-21 this included a £30,000 grant to our long-standing partner, the Spinal Injuries Association (SIA), which assists serving and former members of the Armed Forces who are living with a spinal cord injury.



WE SPENT £246,800 assisting 324 individuals with grants for mobility aids



£116,000 WAS SPENT helping 140 people buy electrically powered vehicles, allowing them to access local communities



WE HELPED BUY 116 electric beds / riser recliners to reduce pain and discomfort for those living with disability or chronic pain



Former soldier Adrian was diagnosed with muscular dystrophy in 2005. Our charity awarded him a grant for a specialist standing wheelchair and he is now able to stand and kiss his wife Lucy again.

“I CANNOT EXPLAIN THE LOOK OF DELIGHT ON LUCY’S FACE WHEN I STOOD UP FOR THE FIRST TIME IN THREE YEARS. THANK YOU SO MUCH FOR GIVING ME BACK MY INDEPENDENCE.”

ADRIAN



ADAM’S STORY

Adam served with the Royal Dragoon Guards for 17 years before joining the Army Reserve. He deployed to Iraq with the East and West Riding Regiment, where he sustained extensive injuries in a grenade attack in 2003. Adam underwent 20 major operations and has been left with severe spinal injuries.

Adam was medically discharged from the Army in 2006. He works part-time at Leeds City Council and lives with his wife Maria, who cares for him. His mobility has worsened in recent years and he is paralysed from the waist down.

Our charity awarded Adam a grant towards home adaptations, including a ramp and hoist, and an attachment for his wheelchair.

“WITHOUT YOUR HELP AND ASSISTANCE, LIFE WOULD BE SO MUCH MORE DIFFICULT. THANK YOU FOR EVERYTHING THAT YOU DO.”

ADAM

CHARITABLE ACTIVITIES

CARE FOR THE ELDERLY

We are committed to ensuring that soldiers of every conflict and their families can live with independence and dignity, long after their service has ended.

From providing substantial support to leading care homes for veterans to providing specialist equipment to protect elderly veterans from pain, discomfort and injury – we are here to provide lifelong support for those who have served their country.

Our external grants programme continues to provide far-reaching assistance for care providers that assist elderly veterans and their families, including those living with disability or dementia. One such organisation is Royal Star & Garter Homes, which operates five care homes across the UK. At the height of the COVID-19 pandemic, we awarded a £50,000 emergency grant to assist with their virus response, including providing PPE and increased staffing at their homes in the West Midlands, Surrey and Buckinghamshire.

2020 was an important year for the Army family, as we marked the 75th anniversary of the end of World War Two. With national celebrations placed on hold due to the pandemic, we worked with five leading care homes to bring VE Day street parties into the homes. On 8th May, residents enjoyed music, singing and refreshments before pausing to remember friends and comrades who fought during World War Two.



WE MADE GRANTS totalling £604,000 to other charities and organisations that help elderly veterans



WE SPENT £770,000 on individual grants to veterans aged over 65

SUPPORTING BROUGHTON HOUSE

During FY20-21, we were delighted to award Broughton House an £80,000 contribution towards supporting elderly Army veterans in its care home.

Established in 1916, Broughton House was founded to provide treatment to the thousands of injured servicemen returning from the trenches during World War One. It has since evolved into a dedicated care home for veterans in the North West. The £14m Veteran Care Village marks the next stage in their inspiring vision to enable and empower the Armed Forces community to live with independence and dignity, long after their service has ended.

Once completed, the two-acre site in Greater Manchester will comprise a 64-bedroom care home; up to 30 independent living apartments; a military support hub; a memorial park and landscaped gardens with a bowling green and bandstand.

In September 2020, residents of Broughton House moved into their new accommodation following the completion of the first stage of the project.



World War Two veteran Len served in the Royal Army Service Corps as a Despatch Rider. He took part in the Normandy landings and Operation Market Garden and was in Germany on VE Day. Now in his nineties, Len lives at Care For Veterans, one of 43 charities we were delighted to fund.

“SUDDENLY A SPITFIRE WAS FLYING ABOVE ME AND THE PILOT GAVE ME A THUMBS-UP AND MOUTHED ‘VICTORY!’ THAT’S WHEN I KNEW IT WAS ALL OVER.”

LEN

CHARITABLE ACTIVITIES TRAINING AND EDUCATION TO IMPROVE EMPLOYABILITY

We are here to equip former soldiers with the training and education they need to succeed in their chosen field.

We are very conscious that this area may become a higher priority as we emerge from the current crisis.

We provide direct financial assistance to help former soldiers prepare for employment as they transition into civilian life. This might involve providing a bursary for a young, disabled veteran to attend university; or funding training schemes and workshops for service leavers to embark on rewarding new careers. Our goal is to ensure former soldiers have the opportunities to put their varied skills and experience to best use.

We fund a range of partner charities and organisations that provide education and employment support to the Army family. This includes our support for the Open University's Disabled Veterans' Scholarship programme, which this year enabled ten ex-service personnel to attend undergraduate and postgraduate courses. Thanks to this scheme, disabled veterans have been able to study subjects ranging from social sciences and psychology to law, counselling and IT.



“IT’S FANTASTIC TO BE ABLE TO MAKE A DIFFERENCE AND OFFER EMOTIONAL SUPPORT TO PEOPLE I CAN RELATE TO.”

DONNA

DONNA’S STORY

Donna is the eighth generation of her family to serve in the Armed Forces. She joined the Royal Signals straight from school, serving for almost five years before being medically discharged due to her mental health.

She says: “I really lost my way. I went from one bad job to another. I spent five years working in the call centre of a bank, where I was told again and again that I wasn’t good enough for promotion.” Donna’s mental health continued to suffer, until eventually she tried to take her own life. “I’d been feeling that everyone would be better off without me.”

Donna’s partner encouraged her to seek help, and she was referred to Veterans NHS Wales. She started working with a therapist, who helped her rebuild her confidence. When she was ready to re-enter employment, Donna received vital support from two organisations we are proud to fund – the Poppy Factory and RBLI’s Lifeworks programme.

Donna now works as a Family Support Officer at The Family Foundation, where she has initiated a programme to support veterans and their families.



Chris served in the Army Air Corps until a foot injury ended his Army career. We awarded him a grant towards a cycle mechanics course, enabling him to pursue his dream of becoming a self-employed cycle repairman.



OVER 500 PEOPLE were helped into employment following participation in the programmes we support



WE SPENT £290,000 on education support for individuals, including training fees



OUR GRANTS TO OTHER CHARITIES INCLUDED some £267,000 to the RFEA to enable its comprehensive employment support and job-finding service; and £60,000 to The Poppy Factory’s programme that supports wounded, injured and sick Army veterans into employment or during their first year in a role

CHARITABLE ACTIVITIES INCREASING MENTAL FITNESS

Safeguarding the mental and physical wellbeing of the Army family is a key priority.

We provide wide-ranging assistance to ensure that serving and former soldiers can access specialist treatment and support, including those with complex mental health conditions. This ranges from funding a young soldier to receive counselling for childhood trauma; to enabling an older veteran to access virtual peer support while they manage the symptoms of PTSD.

The COVID-19 pandemic has adversely impacted people's mental health both here in the British Isles and across the world. We have been working closely with a number of partner organisations to ensure that the Army family receives timely, appropriate help. When the pandemic struck we acted swiftly to award Combat Stress a £250,000 grant towards their operating costs, which included adapting their service provision over lockdown.



OUR GRANT OF £7,500 to Thistle directly supported 25 vulnerable veterans who were using its service, which helps people living with disabilities and long-term conditions to improve their quality of life



ETHAN'S STORY

Former soldier Ethan struggled with PTSD and alcohol dependency after leaving the Army. Now, with a little help from our charity, he is looking forward to the future. Assigned female at birth, Ethan joined the Women's Royal Army Corps in 1990 shortly before his 18th birthday. He deployed on operational tours of Northern Ireland and Bosnia, which left a lasting impact on him.

Ethan is transgender, and began transitioning in the early 2000s. The strain of this process exacerbated his service-related PTSD and alcohol dependency. Eventually, he lost his job and home and spent eight months sleeping in his car. "I had nowhere to turn. All I had was a car with my life inside it." Ethan turned to SSAFA, our longstanding partner, and was assigned a caseworker.

We awarded Ethan a grant for accommodation and meals while he completed rehabilitation for his alcohol dependency. He completed the course and is now working full time as a gardener.

"I'M GETTING BACK ON TOP AND LOOKING TO THE FUTURE WHERE I DIDN'T THINK I HAD ONE. IT'S ALL GOING TO BE OK."

ETHAN



OUR GRANT OF £30,000 to We Are With You supported the charity's 'Right Turn' programme, which aims to reduce substance misuse by veterans across England, helping to prevent unemployment, debt, family breakdown, homelessness and suicide



OUR GRANT OF £15,000 to Hft supported beneficiaries in the Army family who are living with learning disabilities - including enabling support for family members who care for them



The Matthew Project is one of 43 charities and organisations we support. In FY20-21 we awarded a £15,000 grant towards its 'Outside The Wire' project, a bespoke drug and alcohol service offering confidential advice and support to serving and former Armed Forces personnel and their families across Norfolk, Suffolk and Essex.

CHARITABLE ACTIVITIES ENSURING THE PROVISION OF SUITABLE HOUSING

We are committed to ensuring that soldiers, former soldiers and their families can live in safe and comfortable homes.

We are here to support the Army family with any housing issues they may face. That might involve awarding grants for urgent repairs or helping an individual in financial distress to avoid eviction and homelessness.

We also fund a range of leading charities and organisations that provide suitable accommodation for soldiers, past and present, and their families across the British Isles. One such organisation is Launchpad, which provides accommodation and communal facilities for homeless veterans. This year, we awarded over

£23,550 to Launchpad to cover a range of services, including a Specialist Case Worker at its Avondale House property and welcome packs of bedding and toiletries for new residents, who often arrive with no possessions of their own.

Also of note is our £300,000 grant to Royal British Legion Industries (RBLI) – the final tranche of £1m we are providing to support RBLI's Centenary Village, which provides housing, welfare support and care to over 300 members of the Armed Forces community.



We made grants **TOTALLING £980,000** to individuals with housing needs

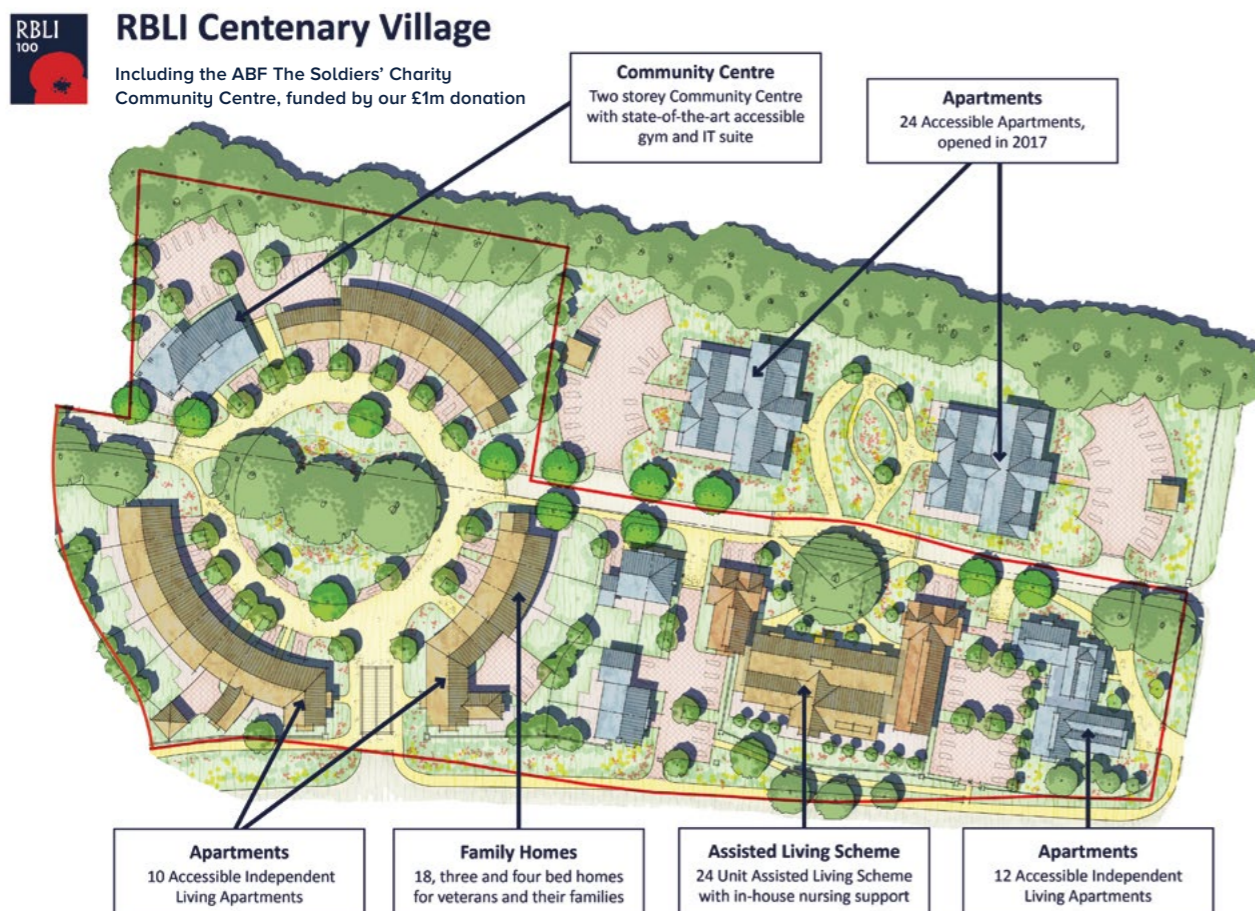


£361,998 WAS SPENT on essential furnishings and domestic appliances for individuals in need



WE SPENT £393,550 on grants to other charities addressing veterans' housing issues

Our £300,000 grant to RBLI will go towards the ABF The Soldiers' Charity Community Centre in the heart of its Centenary Village, which is currently under construction in Aylesford. Once finished, the site will provide housing, welfare support and care to over 300 members of the Armed Forces community. This takes our total contribution towards the Centenary Village to £1m over the past four years.



KUZIVA'S STORY

Kuziva left the Royal Horse Artillery to pursue his passion for nursing. During his studies, Kuziva and his wife, who have two young sons, struggled to support their family on a minimal wage.

When his boiler broke, the family could not afford a replacement and Kuziva became desperately worried. We supported him with a grant for a boiler replacement to ensure his family could be kept safe and warm. During the COVID-19 pandemic, Kuziva worked as an intensive care nurse, caring for critically ill patients. He says: "I saw some of the sickest COVID patients. Some managed to recover, but I saw the worst as well. I continued in this role throughout the pandemic, working shift hours as well as undertaking further nursing training."

Our support at this juncture meant Kuziva was able to continue focusing on his nursing training and care for the most vulnerable in our community, free from worry about his family's wellbeing.



"I WORKED IN INTENSIVE CARE, NURSING SOME OF THE SICKEST PATIENTS. SOME MANAGED TO RECOVER BUT I SAW THE WORST AS WELL."

KUZIVA

SUPPORTING THE MILITARY WELFARE ECOSYSTEM

We take great care and invest substantial resource in playing a key role in the military welfare ecosystem, collaborating with our sister Service charities (the Royal Naval Benevolent Trust, the Royal Navy and Royal Marines Charity and the Royal Air Force Benevolent Fund), other charities that support the Army family, government, and the Army, to ensure we have a comprehensive picture of need and can guard against duplication of effort. This will be ever-more important in the face of the challenges emanating from the pandemic.

This financial year we have spent £2.09m on activities that directly enable and support our grant-making programmes; and are key to ensuring soldiers, veterans and their immediate families' needs are met in a timely and effective manner.

FUNDING CASEWORK

All our grants are made in partnership with the Regimental and Corps charities and are supported by detailed casework as a key element of our governance procedures. These organisations aim to help all those who currently serve or have served in their respective Regiments or Corps (including any antecedent Regiments/Corps) and who find themselves or their dependants in need. We rely on organisations such as SSAFA and The Royal British Legion (TRBL) to undertake casework. Both SSAFA and TRBL train volunteers and staff to visit soldiers, veterans and their families and report on the need as they find it, including a review of their financial situation. In FY20-21, we spent £200,000 on behalf of the Army funding SSAFA to ensure that need could be speedily assessed.

FUNDING THE CASEWORK MANAGEMENT SYSTEM

Nearly all individual grants we make, some 3,111 this financial year, are via the presentation of casework on the Casework Management System. This digital platform enables detailed information to be passed securely between Regimental and Corps charities, caseworkers (such as SSAFA) and grant makers (such as The Soldiers' Charity) – and enables grants to be paid out quickly. This system continues to require substantial investment of both money and staff time from us to ensure data is secure and to guarantee that those in need can have their case assessed and, if appropriate, have a grant disbursed to support them as quickly as possible.

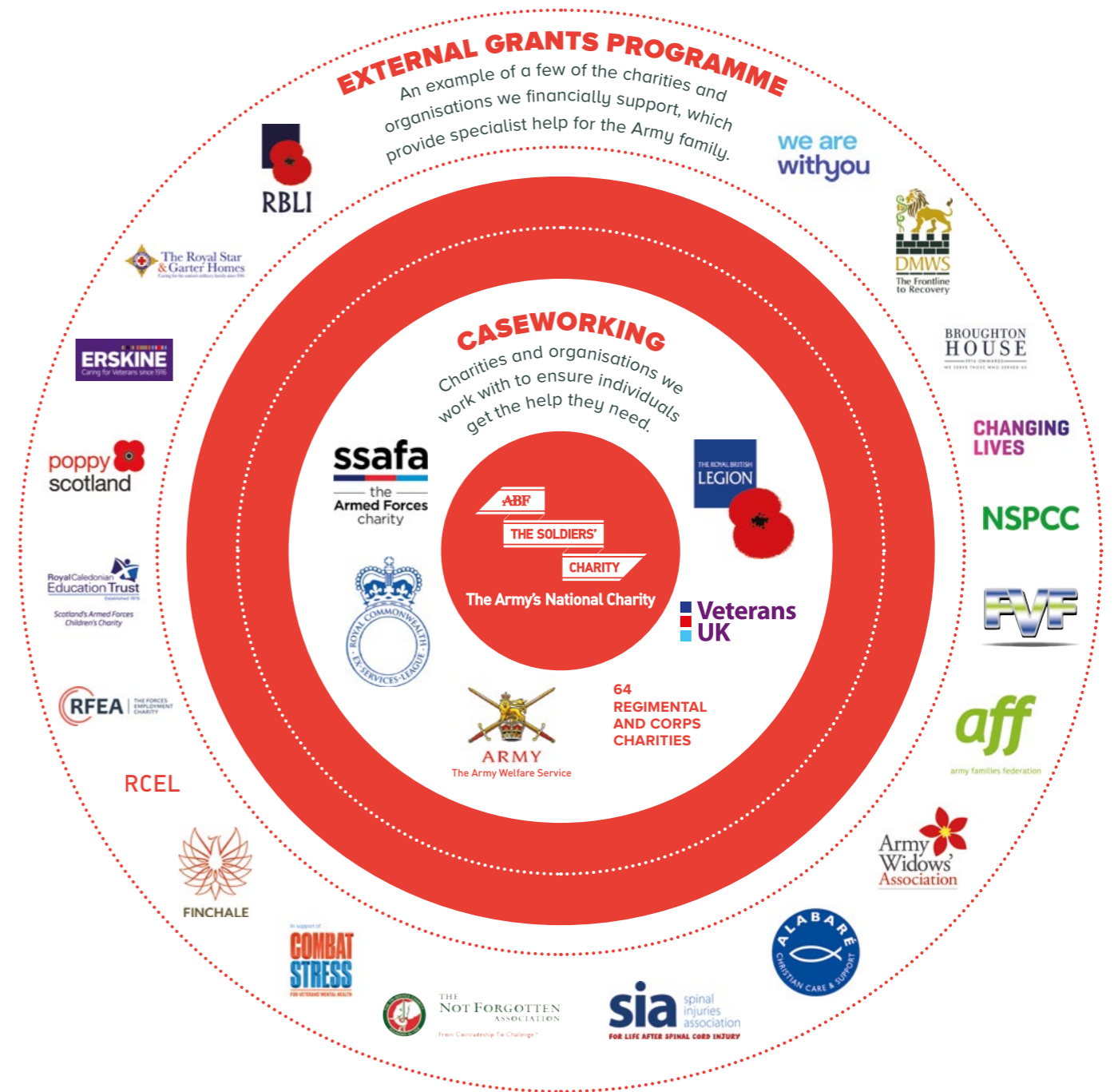
DUE DILIGENCE

Our governance process is at the heart of all we do, and accordingly substantial staff resource is invested. Applications from partner charities are assessed by our Grants Committee, which considers the long-term impact of each project, its financial sustainability and organisational credibility prior to reaching a funding decision. Grantees are monitored and evaluated on an annual basis, including regular project visits, which are often Trustee-led, to ensure that we fund only the most efficient and effective interventions. These visits also help to provide an overall picture of the military welfare ecosystem and assist us with gauging the 'need' landscape.

ADMINISTERING FUNDS ON BEHALF OF OTHERS

We continue to administer funds on behalf of the nation, such as the Falklands Fund, Gulf Fund and Afghanistan Fund. These primarily provide very long-term support to veterans wounded or injured in those conflicts, as well as their families. These funds are subject to the same governance processes and staff resources, but we have absorbed the costs associated with their management in the interest of efficiency, partnership and collaboration – ensuring that optimal financial support is obtainable and distributed to those in need. It is worth noting, in the current COVID-19 climate, that these long-term funds have never been more important, as they mean we can continue to provide support when external circumstances bring challenges.

OUR SUPPORT TO THE MILITARY WELFARE ECOSYSTEM



HOW WE HELP: MECHANICS OF BENEVOLENCE

Our grants programme provides a comprehensive package of support to serving and former members of the British Army and their immediate families. Our priority is our individual grants programme, which this year assisted 3,111 individuals and families.

OUR SUPPORT FOR INDIVIDUALS AND FAMILIES: WHO WE HELP

We are proud to support the whole Army family. Those eligible for our help are as follows:

- Members and former members of the Regular Army who have completed adult basic training. Exceptionally, individuals who are medically discharged as a direct result of an injury sustained during their basic training will also be supported.
- Dependent spouses/civil partners, widows, widowers, children and other immediate family members.

- Members and former members of the Army Reserve (and their dependants as outlined above), providing they have completed one year's satisfactory service, including Phase 1 training. Exceptionally we will provide support for a lesser period of service if the death, injury or distress arises from any action or incident while on military duty or the soldier had deployed on a designated operation.

HOW WE HELP

In the case of serving soldiers and their immediate families, the soldier will contact their Unit Welfare Officer, Personnel Recovery Officer, Resettlement Officer, or the Army Welfare Service in the first instance. We then stand ready to assist with funding as appropriate.

Many cases we support relate to veterans and their immediate families. Generally, cases will initially be submitted to the appropriate Regimental and Corps charity. We provide support through our partnership with these charities, dealing with around half of all cases presented to them.

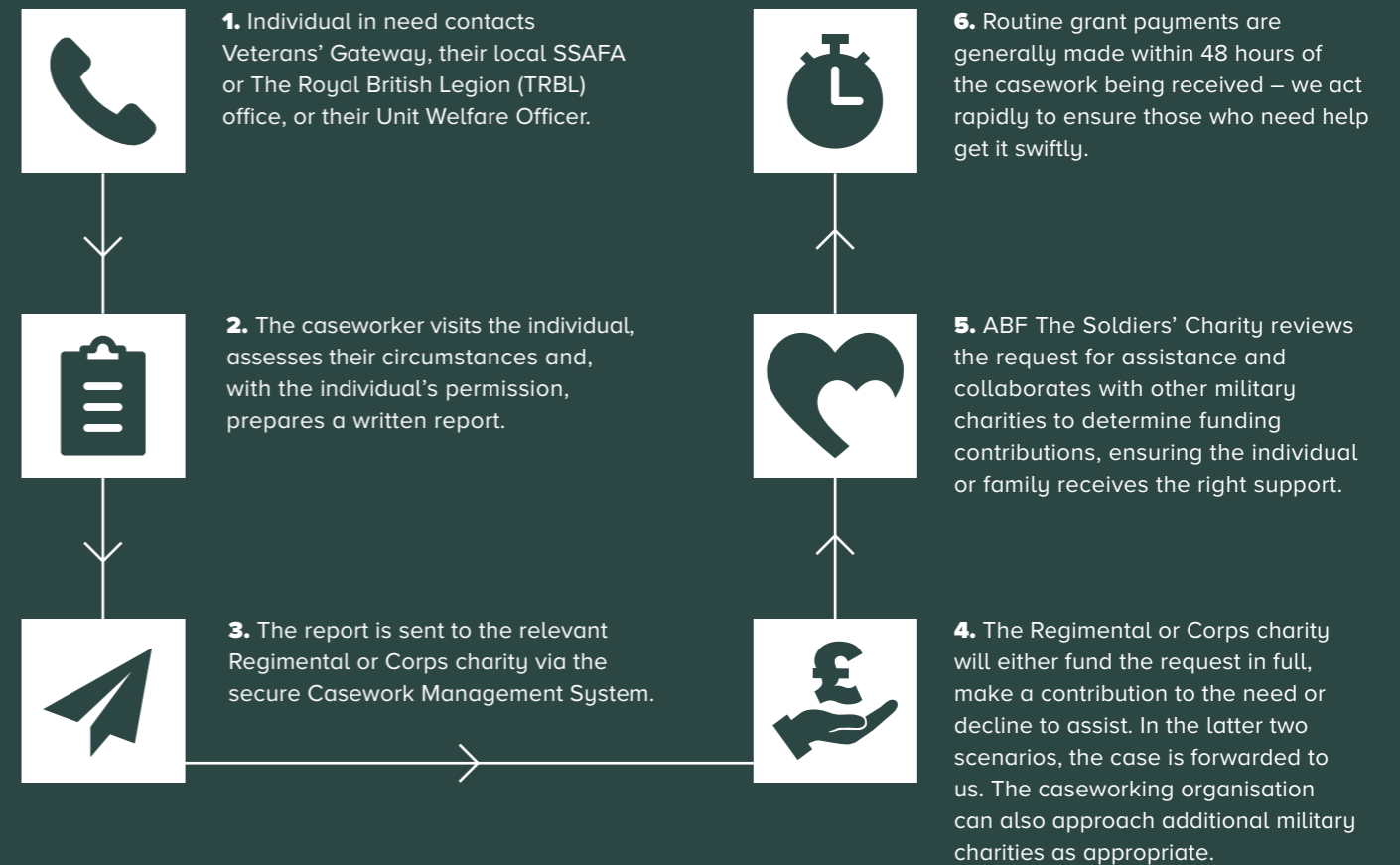
All cases are considered on their merits. Underlying every case is a clearly identified individual case of need that cannot be met by other sources.

COLLABORATION IS KEY

Since 1944, ABF The Soldiers' Charity has worked in partnership with the Regimental and Corps charities to ensure that all soldiers, past and present, and their immediate families have equal access to welfare support. Our grants to individuals also depend on the efforts of caseworking organisations such as SSAFA and The Royal British Legion (TRBL), which conduct the casework necessary for us to provide financial assistance. The diagram on the right sketches out a typical support pathway for an individual in need of help.

WE ARE ONE OF THE BIGGEST PROVIDERS OF GRANTS TO OTHER CHARITIES AND ORGANISATIONS IN THE MILITARY CHARITY SECTOR.

TYPICAL SUPPORT PATHWAY FOR AN INDIVIDUAL IN NEED OF HELP



OUR SUPPORT FOR OTHER CHARITIES AND ORGANISATIONS

Our priority will always be our individual grants programme, but it is important to note that we are one of the biggest providers of grants to other charities and organisations in the military charity sector. Our well-established and substantial grants programme provides vital funding for other charities and organisations that support the Army family.

The broad range of charities and organisations that we support is extensive and covers every aspect of social care, including but not limited to care for a disabled child, marriage guidance, hospice care, addressing homelessness amongst former soldiers, managing post-traumatic stress disorder and helping disabled soldiers renew their sense of self-worth through sport.

As part of our due diligence processes (outlined on p.24), we have in place established guidelines for applicant

charities and organisations. Preference is given to charities and organisations that are members of the Confederation of Service Charities (Cobseo) or Veterans Scotland.

Grant applications are considered individually by our Grants Committee, which includes external sector and subject experts, and confirmed by Trustees. In assessing applications, the following are taken into consideration: the governance and trustees of the organisation, the financial viability of the organisation, the degree of need for the project requiring funding, the amount the organisation spends on administration and fundraising compared with charitable activities, and the ability of the charity to gain sufficient funding for the project from other sources.

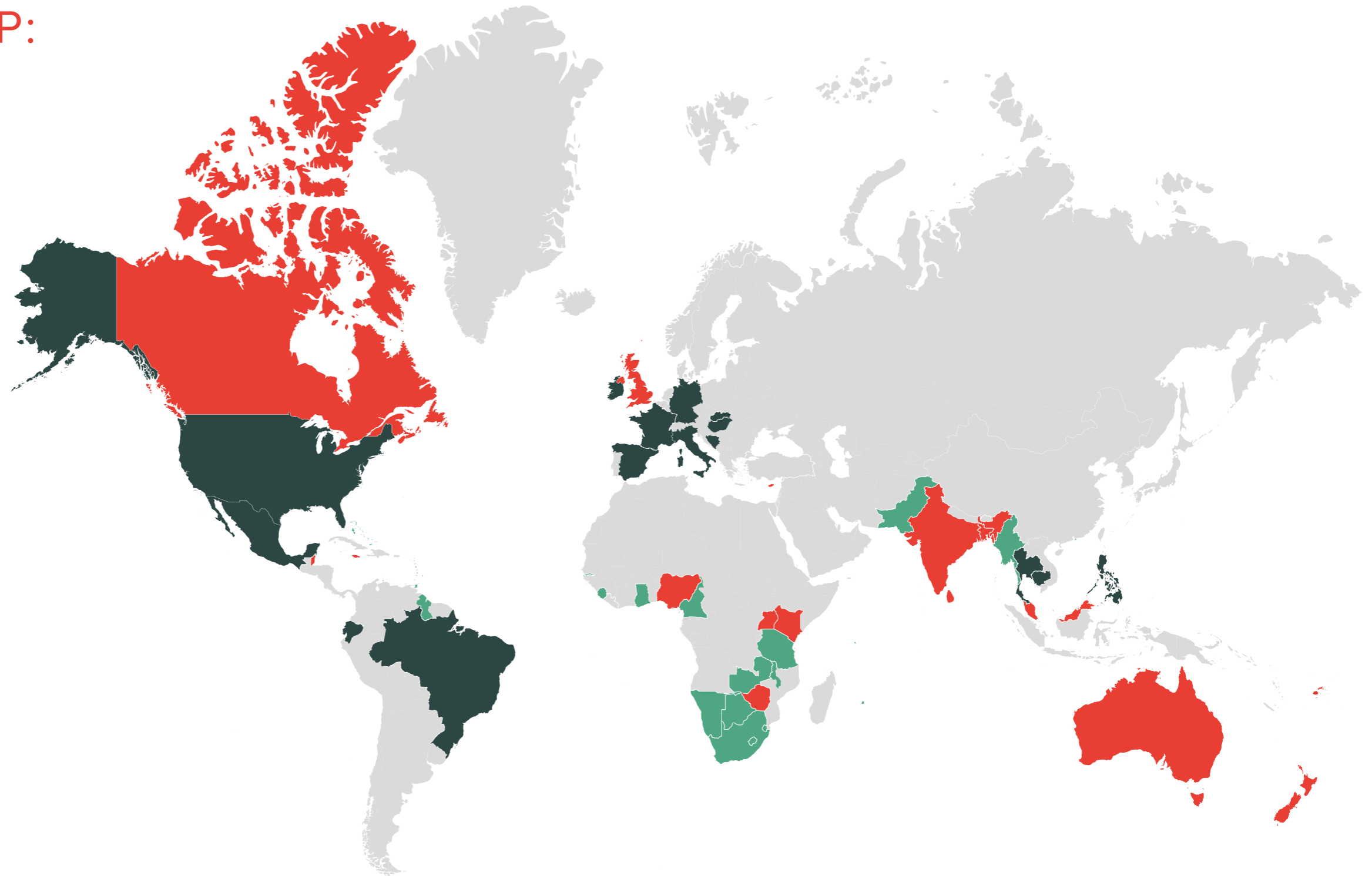
Finally, as part of our governance procedures, charities or organisations that are awarded a significant grant are required to complete outcomes reports, so we can gauge the impact of the funds we provide. This year, we funded 43 charities to the tune of £3.5m.



WHERE WE HELP: A GLOBAL FOOTPRINT

Thanks to our supporters, we are able to help the Army family all over the world. The Army continues to recruit extensively from across the Commonwealth and many soldiers and their families later settle overseas, often in places where they have served. In FY20-21, we reached 60,000 people in 63 countries through a combination of grants to individuals and other organisations. A significant proportion of our overseas work is delivered in partnership with the Royal Commonwealth Ex-Services League (RCEL), which assists veterans and their spouses in 48 countries across the Commonwealth.

Here are just some of the ways your support made a difference to soldiers, former soldiers and their families around the world.



KEY

- Our individual grants
- Grants made through RCEL
- Countries where both our individual grants and grants made through RCEL are delivered

One of the ways we helped in:

ECUADOR

We awarded a grant to a former soldier who needed to purchase a mobility scooter following major surgery to both knees.

One of the ways we helped in:

JAMAICA

We contributed to the cost of a new minibus for the Curphey Home in Jamaica, where several elderly veterans reside.

One of the ways we helped in:

GERMANY

We helped a soldier's former wife and their child to purchase furniture following a house move during the COVID-19 pandemic.

One of the ways we helped in:

KENYA

We made a contribution towards care costs for an elderly veteran who had served the British Crown in Kenya.

One of the ways we helped in:

AUSTRALIA

We awarded a grant to a disabled veteran who was struggling to provide for his family after being made redundant.

One of the ways we helped in:

FIJI

We helped a Fijian veteran to rebuild his house after Tropical Cyclone Harold destroyed his family home.

FUNDRAISING

We could not annually assist more than 60,000 members of the Army family across 63 countries without our fantastic supporters. We are extremely grateful to every person and organisation that makes our grant-making possible. The impact of the pandemic during the last year has made this more important than ever.

At the end of the previous financial year (FY19-20), the Headley Court Charity very generously donated £1m to our charity. Given the pandemic, this donation has been enormously helpful in enabling us to sustain our grant-making activities. Specifically, it has helped us deliver very substantial support to the Defence Medical Welfare Service (see p.11); as well as to We Are With You, which achieves significant outcomes for those dealing with substance misuse; the Spinal Injuries Association; and also Care for Veterans, which provides care and rehabilitation to those with neurological and medical disabilities. Furthermore, we have developed our relationship with the Defence Medical Rehabilitation Centre, with a firm intent to continue our cooperation and collaboration where appropriate.

In what has been an extremely difficult year for us all, we have been grateful that many of our long-term supporters have continued to donate to us, despite cancellation of income-generating activities. In particular, we would like to acknowledge The Royal Edinburgh Military Tattoo, which provided a grant despite cancellation of the Tattoo; and The National Garden Scheme, which overcame a range of logistical issues to open their gardens and nevertheless gifted our full grant amount. Although the Wimbledon Championships did not take place, The Wimbledon Foundation still supported our beneficiaries with housing needs. Similarly, many of our corporate supporters faced challenges this year, including RIFT Ltd, BAE Systems, Oshkosh and MBDA and still donated to our work. Finally, Regimental Charities including the Army Air Corps Fund, Gurkha Welfare Trust, REME and RLC have also made notably generous donations. By continuing to stand with

us, they all ensured we were able to achieve our key aim of sustained support to those soldiers, veterans and their immediate families most in need.

We have also been humbled by the generosity of our other supporters during the past year as the pandemic took hold of every aspect of our lives. We had to cancel or postpone the vast majority of our physical fundraising events from mid-March 2020, and have been astonished by the number of people who have refused refunds, deferred their places or taken part in one or more of our virtual events. This support has allowed us to maintain our grant giving under the most difficult circumstances any of us could have foreseen.

FUNDRAISING STANDARDS

We adhere to the highest fundraising standards. Our fundraising success is directly related to our reputation and we go to great lengths to protect the public, including vulnerable people, by, for example, avoiding cold calling, street 'chugging' or any other practices that are not in line with The Soldiers' Charity's values. We are committed to the Fundraising Regulator's Code of Fundraising Practice to ensure we meet the highest standards, so supporters and volunteers can give and fundraise with confidence and trust.

OUR BEHAVIOUR

We promise to always show respect and never pressure anyone to make a donation. We want the decision to give to always be an active choice on the part of the giver and we are particularly sensitive when dealing with vulnerable people. We have a comprehensive supporter-engagement policy, which incorporates all elements of fundraising and associated activities. We do not sell personal details to other charities or other third parties. We only share personal information with suppliers that we engage to process data on our behalf; and such processing is only conducted under formal data processing agreements.

SAFEGUARDING

The Soldiers' Charity is proactively committed to safeguarding children, young people and vulnerable adults with whom staff, or any organisation acting on our behalf, come into contact during fundraising, benevolence or outreach activities. We comprehensively reviewed our safeguarding policy in 2018, taking expert counsel, and we continue to update and improve it, including a full annual Trustee review, to ensure it is fully up-to-date and fit for purpose. We take all reasonable care to protect our beneficiaries and supporters, and comply with all relevant legal obligations and statutory guidance. Safeguarding is integral to our recruiting process. There is also a documented procedure for reporting serious incidents to the Charity Commission and relevant statutory bodies. In FY20-21 there were no such matters to report.

ACCESSIBILITY

We make it easy for people to get in touch with us either by phone, letter or email. Whether someone wants to ask a question about our work or how we spend donations, or wants to find out about an event we are organising, or to update their communication preferences, we pride ourselves on being responsive and accessible. Over the last year, and including periods of full lockdown, a small skeleton staff has worked from our national headquarters to make absolutely sure mail is opened and phones are answered promptly so nobody is ignored. As you would expect of the Army's national charity, our mantra has very much been to continue supporting the Army family during these exceptional times – rather than use the pandemic as an excuse for delay or inaction. And, of course, we have a complaints process in place, should any supporter be unhappy or express concerns about our activity; and complaints received this financial year remain at a very low level.

COMPLYING WITH GDPR

The General Data Protection Regulation (GDPR) came into force in May 2018 and was subject to a significant update in the wake of the UK's departure from the EU; and implementing it has not been without its difficulties. In order to take forward the raft of complex and often inter-related technical and procedural issues, we have established a Data Management Working Group (DMWG), which meets regularly to resolve issues, agree priorities and impose better coherence on how data is managed within the charity.

INFORMATION SYSTEMS

We have modernised and raised the standard of our technical processes and infrastructure that support fundraising. Importantly, this has been achieved without increasing the budget; our highly-skilled IT team has removed the need for costly third-party support. On-premises solutions for file storage and sharing, telephony and so on have been replaced with the Microsoft Office 365 stack of services, which enables far more efficient working regardless of home/office location. We have also taken advantage of gratis offerings from the likes of Microsoft and Amazon, such as free cloud storage. This progress has continued to improve the performance, reliability, security and compliance of our information systems. Security has been a critical priority, given the significant additional vulnerabilities of home working.

RELATIONSHIPS WITH AGENCIES AND COMMERCIAL PROVIDERS

We have a small in-house fundraising team and we employ external agencies to add additional expertise or capacity, for example event-management companies when we are organising large-scale events. This is more cost effective than trying to do everything ourselves. We always ensure signed contracts are in place.



Friday Night In - Clare Balding (see p.32)



Kim Wilde attending the Lord Mayor's Big Curry Lunch Garden

FINANCIAL HIGHLIGHTS

OVERVIEW

At the outset of the year, and given the uncertain scale and outcome of the pandemic, the Board rapidly reset our budget to better reflect our sense of the situation. In the event the budgeted net expenditure of £3.04m was substantially improved upon to deliver an eventual net expenditure of £460k.

On the downside, our normal 600-plus fundraising events were almost entirely lost and other sources of income such as corporate activity were similarly very challenging. On the other hand, the charity moved quickly to further exploit our existing capability to mount significant virtual events; many of our supporters went out of their way to provide further help, and legacies flourished.

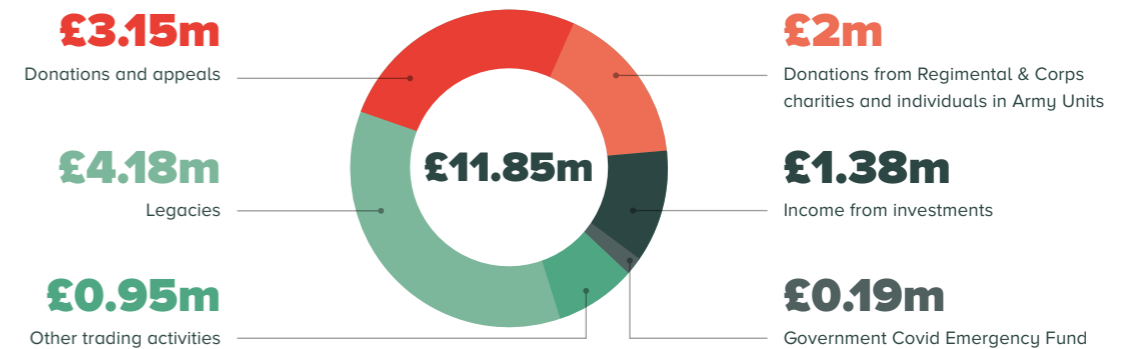
Overall, our sense is that our broad and varied fundraising activities, and a distinct slant to long-standing relationships, have stood us in very good stead over this unique period of difficulty. We were also well placed to enter this exceptional period because we had taken advantage of robust investment valuations in the previous year to reinforce our cash position; and we also took advantage of a Barclays Coronavirus Business Interruption Loan Scheme (CBILS) loan of £2m to provide further resilience, although in the event it was not required. Finally, the use of flexible furlough allowed us to align activity with operating costs from December 2020 onwards.

As a charity, we benefit from the generosity of a number of organisations who give freely of their time, energy and financial support. There are too many to name here but we are grateful to them all. As well as the organisations already mentioned on p.30 of this report, special thanks this year must go to: The Soldiers Fund (USA), the Utley Foundation, Robert Galbraith Ltd., the Covenant Trust, the Virtual Lord Mayor's Big Curry Lunch Committee and The PF Charitable Trust.

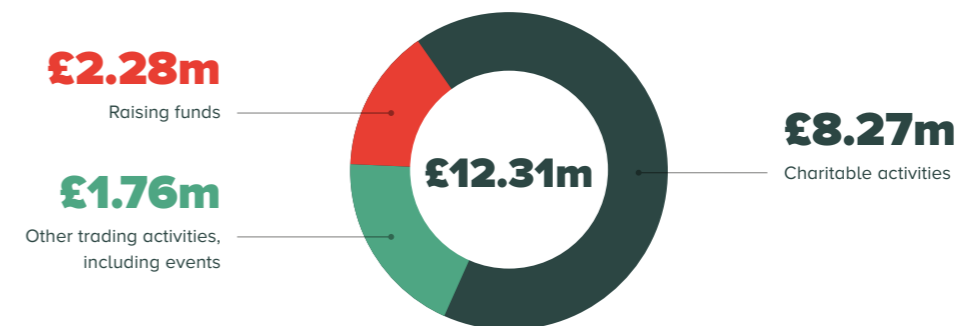
We are also grateful to the Army Dependants' Trust, which has again made a substantial contribution towards our work – and in particular our continuing ability to sustain support to the bereaved over the long term. Our ongoing relationship and coordination with the Army Dependants' Trust, and indeed the Army Central Fund, is vital because it enables the most effective use of Army charitable funding on behalf of serving soldiers, veterans and their immediate families. We would also like to express our gratitude to the Chancellor of the Exchequer for LIBOR funds, which have contributed to two significant projects: the Defence Medical Welfare Service (see p.11) and the Army's HQ Regional Command programme to help improve the experiences of children growing up on Army bases around the UK.

We have further stress tested our ability to continue to meet our obligations for the foreseeable future. That includes continued use of flexible furlough where it is appropriate. In autumn 2021, Trustees will take stock of what the period beyond the current circumstances might look like and how we can best adapt.

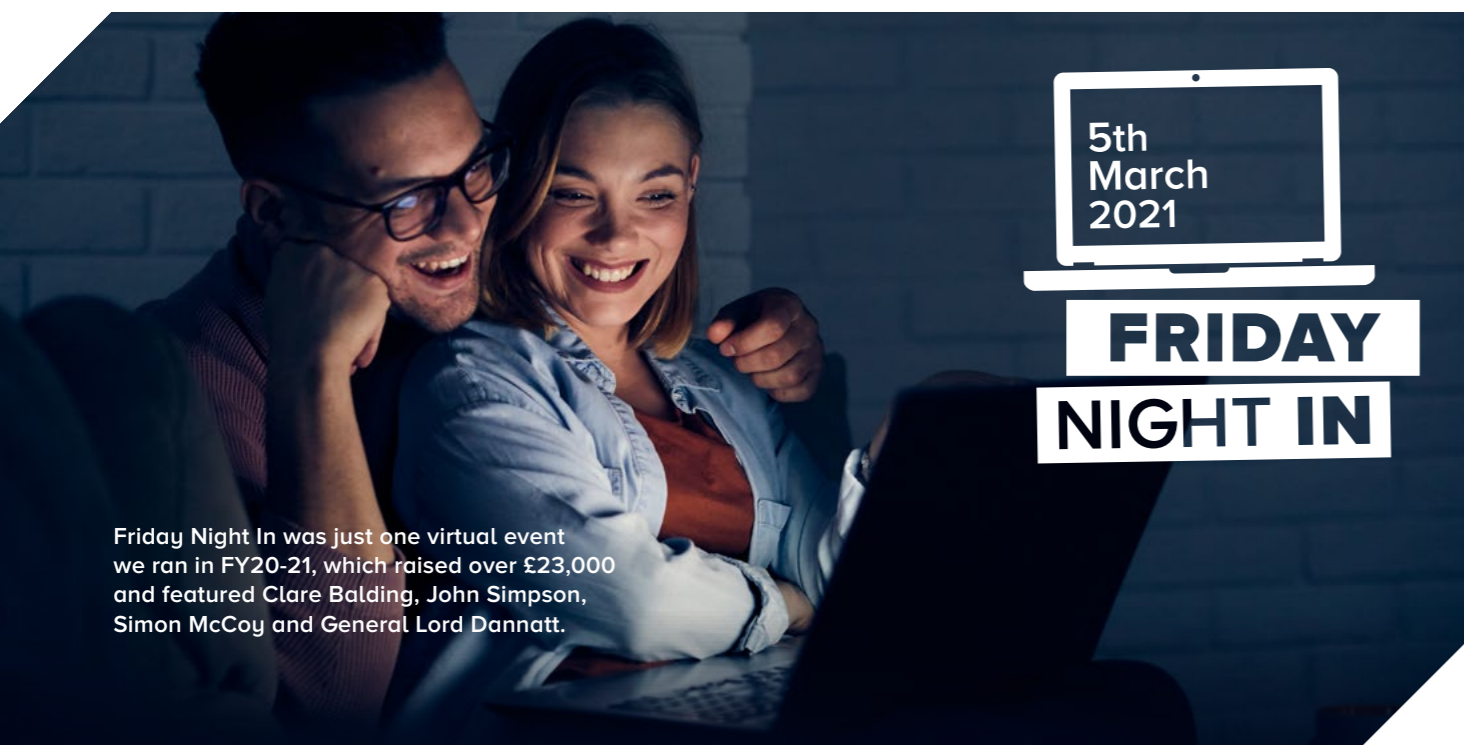
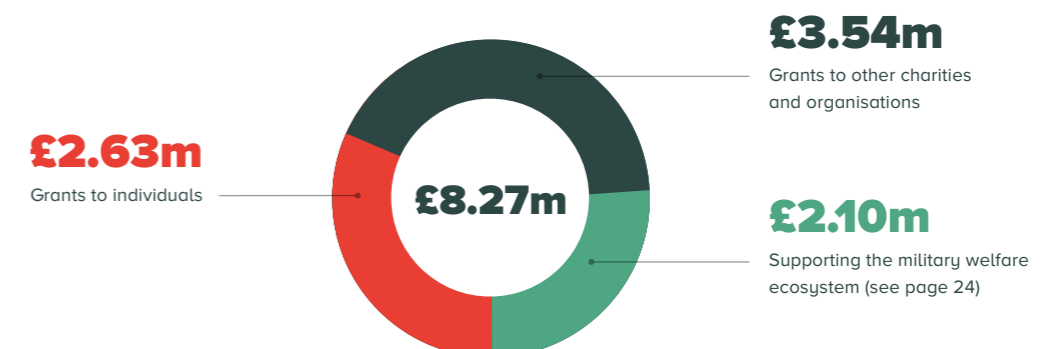
WHERE OUR FUNDING CAME FROM



HOW WE SPENT AND ALLOCATED MONEY



HOW WE SUPPORTED THE ARMY FAMILY



Friday Night In was just one virtual event we ran in FY20-21, which raised over £23,000 and featured Clare Balding, John Simpson, Simon McCoy and General Lord Dannatt.

FINANCIAL HIGHLIGHTS

(CONTINUED)

As detailed earlier in this report, our charitable expenditure was £8.3m, representing a decrease of 25% on last year (excluding the additional LIBOR-related grant to the Regional Command of a net £1.1m in FY19-20). Whilst there is clear evidence that significant need in our community persists and has probably been exacerbated by this very difficult year, demands on our resources have been well below normal levels. The reasons are various but the requirement for individual grants was suppressed and many delivery charities cancelled or curtailed projects. At no stage were grants reduced or applications rejected because of lack of available resources – although we do have an increasingly sharp eye on whether organisations seeking funding are sustainable given current pressures.

The total cost of raising funds was £4.04m (FY19-20: £5.93m) reflecting amongst other things a substantial reduction in planned events and therefore lower costs. The use of flexible furlough also helped reduce our staff costs. We continue to bear the total cost of raising and administering funds, with the proceeds being passed on for free to the 43 partner charities and organisations we supported this year.

Total expenditure decreased to £12.3m (FY19-20: £18.1m), reflecting both significantly reduced charitable spend and heavily suppressed activity levels reducing operating costs.

We are delighted to have been able to continue making a real and significant difference to the Army family, whether serving or retired, under even these most difficult circumstances – and are steadfast in our commitment to being able to provide this support for soldiers, veterans and their families for the very long term. A key element this year has been support to the serving community, for example by funding welfare officers in many NHS hospitals, so allowing the Army to better focus on supporting the nation's fight against COVID-19.

INVESTMENT MANAGEMENT

Our overall investment objective is focused on capital growth of the investments in real terms with an appropriate return from our income units.

At the year end, the charity held long term investments with a market value of £82,766k and short-term cash deposits of £5,005k (2020: £70,583k and £1,504k respectively). Values were impacted by exceptional year-end volatility as we entered the COVID-19 crisis but

markets recovered surprisingly quickly and even moved beyond valuations at the end of last year. The charity's long-term investments continue to be held in BlackRock Armed Forces Charities Growth & Income Fund and the CCLA Common Investment Fund with the aim of achieving a balance between the two investment managers.

Our investment performance and holdings are reviewed regularly by the Finance & Investment Committee against our investment objectives and its benchmarks. Both investment managers have performed satisfactorily, or better, in difficult market conditions.

RESERVES

Our reserves policy is set to ensure that our work is protected from the risk of disruption at short notice due to lack of funds, or indeed sudden pressures on the Army and its people in this very uncertain world. At the same time, we need to ensure that we do not hold income or capital for longer than required – but equally we must ensure that we meet our strategic imperative to act 'for the long haul'. The current crisis serves to reinforce the importance of adequate reserves, both to cover our own needs and those of the organisations which may depend on us.

We aim to hold free reserves (defined as unrestricted general funds) representing twelve months of budgeted core expenditure for the next financial year (equivalent to £13.2m in unrestricted reserves) to reflect our commitments to grants delivery, our staff and other stakeholders should our annual income not meet our expectations.

Total funds at 31 March 2021 were £93.9m (2020: £77.9m). Of these, £7.9m (2020: £7.2m) was restricted to specific purposes by the donors. A further £53.8m (2020: £55.2m) represent designated funds. These include substantial funds such as the Afghanistan Fund, which is solely for families affected by this conflict. We are privileged to administer these funds on behalf of the nation. We willingly absorb the cost of managing these funds in the interest of efficiency, partnership and collaboration – ensuring that optimal financial support is available and delivered to those in need.

Designated funds also include money that has been set aside to ensure we, and by extension the wider Army family of Regimental and Corps charities, can meet the needs of our current and future beneficiaries against potential future risks such as a collapse in investment values or adverse changes in government policy, for example in relation to elderly care. This strategic reserve underpins the fundamental purpose of The Soldiers' Charity – established as it was by the War Cabinet in 1944 to act as the Army's backstop in times of exceptional need.

Finally, our designated funds also cover remaining LIBOR funding that will be disbursed for specific projects in partnership with the Army's Regional Command; and a

sum to cover our eventual relocation from the current head office. The latter is a strategic issue for us, given our role as landlord to six co-located charities, and our continuing wish to drive efficiency across our sector.

The balance of our unrestricted general reserves at 31 March 2021 was £32.1m (2020: £15.5m), which is significantly more than our target. The increase in free reserves is mainly attributable to unrealised gains on investments.

Our Board is clear that the fundamental purpose of accumulating reserves is to mitigate unanticipated risks (such as major conflict and indeed the recent pandemic) and to bring strategic impact to bear on the sector when opportunities arise.

This year our reserves position clearly changed as a result of the coronavirus pandemic. Markets plunged, resulting in significant losses as at last year-end, but then substantially recovered. We continue to take a long-term view and manage our resources accordingly. That said, we found it necessary to make available more cash, and Trustees are fully prepared to draw down further from the reserves in FY21-22.

Full details of the reserves and our reserves policy can be found in the Notes to Accounts (see notes 17-20).

RISKS AND UNCERTAINTIES

Trustees place considerable importance on achieving compliance with employment, health and safety and other relevant legislation. The Board of Trustees reviews major risks at each meeting and ensures that the senior management team has taken all reasonable measures to manage these risks.

Risks are graded by likelihood and severity, including measures to mitigate them. In the event of a major situation involving or otherwise affecting The Soldiers' Charity, business continuity and disaster recovery plans are in place, and were of course fully tested in the final month of last year.

The Soldiers' Charity's solicitors review the principal charity policies on a regular basis and all other policies are reviewed periodically by the senior management team.

In the certain knowledge that we will need to continue to provide support to soldiers, veterans and their immediate families for many decades, we regularly update and review our financial plan, reserves and investment policies. Internal financial controls are reviewed by the Finance & Investment Committee on a regular basis.

This year, whilst we are very conscious of the need for any organisation to continuously check and improve the management of risks, in practice this has proven difficult given the relentless and necessary focus on fighting

the short term 'battle' associated with the pandemic. In particular, it has proved difficult to comprehensively 'end to end' check some of our more complex processes given the extent of our remote and distributed working. That said we have begun to make significant inroads into this requirement in the last month of the financial year.

The Trustees have declared themselves satisfied that major risks have been identified and adequately mitigated, wherever reasonably practicable. It is recognised that systems can only provide reasonable not absolute assurance that major risks have been adequately managed.

PLANS FOR FUTURE PERIODS

This year has been obviously dominated by the huge and unprecedented impact of the global COVID-19 pandemic. Its wide-reaching and enduring effects are likely to continue through 2021 and beyond, having a significant financial impact on the charity and the whole sector, not only imposing a significant burden and frictions on our organisation but also reducing our opportunities for raising income. We drew further down our reserves as appropriate, made use of furlough in a flexible and intelligent way and have taken further steps to adjust our operations to meet the new challenges, for example reinforcing our innovation through several successful virtual events at both national and regional level.

The pandemic is not the only uncertainty; indeed, it may prove not to be the biggest. Our sector already faced substantial potential change, some of which has been accelerated, increased or perhaps ameliorated by the COVID-19 crisis. Examples include the rapidly declining size of our beneficiary base; a sadly continuing need to fundamentally reform the nation's provision of health and social care including for the elderly; the status of the Armed Forces community in society; the impact of the Integrated Security Review (ISR) and other radical underlying change on the Army, and therefore tangentially on us; some impact of Brexit (on an Army community with a large non-UK dependency); increasing governance and regulatory compliance changes; and a longstanding need to evolve a very particular Service charity sector.

Going forward, The Soldiers' Charity's approach will be to maintain our resilience in sustaining our activities and outputs, ensuring that we remain effective and well positioned to continue to support the whole Army family with substantial grants; and demonstrating our relevance and leadership whilst engaging effectively with our supporters to retain their goodwill and continuing support. We have adapted to new ways of working through COVID-19 'lockdown' and will continue to adapt to the 'new normal' with a flexible but rigorous approach.

FINANCIAL HIGHLIGHTS

(CONTINUED)

Notwithstanding the COVID-19 crisis, the underlying demands for charitable support continue to be broadly stable – but we do see potential increases in areas such as employment support, mental wellbeing, domestic abuse and the position of our non-UK dependency.

Our first priority is to continue supporting potential beneficiaries with individual grants, with the distinct possibility of there being significant additional demands on our grant-giving next year. This may need to be balanced by awarding fewer grants to other charities and organisations, as we and our charity partners come under increased pressure from the wider political and economic challenges emanating from COVID-19.

Our past deliberate approach to act as landlord to other co-located Service charities in Mountbarrow House, our national headquarters, has exposed us to the risk of them vacating the building and us being unable to replace them, thus incurring greater rental costs that fall to The Soldiers' Charity. We will be doing our utmost to fill the space with paying tenants and certainly reviewing the lease arrangements prior to the mutual rolling break clause in March 2024. In the meantime, vacant floorspace has greatly helped our ability to provide appropriate safely-distanced working arrangements for all our staff in London.

The Soldiers' Charity must continue to be cognisant of, and adapt to, the new regulatory environment; continue to protect its reputation and engender high levels of trust; continue to be pro-active in engaging, cooperating and coordinating activities between related Service charities and the Army; embrace up-to date digital practice and adapt to becoming a more vibrant and networked business; and have in place a culture of continuous improvement and an unrelenting focus on outcomes.

As we rebalance our own operations, we continue to play a key role in encouraging the wider sector to further collaborate and consolidate. We are clear that the current exceptional circumstances provide opportunities as well as risks. With the financial pressures that have been brought to bear by the current crisis, our sector will face some consolidation and we are key stakeholders in work underway to shape that change rather than merely be subject to it.

Finally, to help guarantee our ability to meet our ongoing commitments without having to liquidate devalued assets, we took advantage of the government's VAT deferral scheme and also borrowed £2m through the Coronavirus Business Interruption Loan Scheme (CBILS), although as mentioned earlier the CBILS loan was not ultimately required. We further released additional capital to guarantee our operations until at least the next financial year. The Board of Trustees is clear that our reserves exist to safeguard our operations in time of crisis, like now, but equally we need to preserve our long-term ability to act as the Army's 'strategic reserve' for benevolence.

GOVERNANCE STRUCTURES, GOVERNANCE AND MANAGEMENT

REFERENCE AND ADMINISTRATIVE DETAILS

ABF The Soldiers' Charity, formerly the Army Benevolent Fund, is a Company limited by guarantee not having a share capital (Company No. 07974609), governed by the Articles of Association of ABF The Soldiers' Charity. The Soldiers' Charity was incorporated on 2 March 2012 and was registered with the Charity Commission on 14 March 2012 (Charity No.1146420). It is also registered with the Office of the Scottish Charity Regulator, the registration number is SC039189.

The Soldiers' Charity is governed by the Board of Trustees, which is ultimately responsible for the organisation's strategic direction. The Board of Trustees is assisted by four trustee-led committees: the Governance Committee, which is responsible for governance policies and procedures; the Finance & Investment Committee, which is responsible for oversight of all aspects of The Soldiers' Charity's financial policies and operations; the Grants Committee, which provides direction and scrutiny of all grant-giving; and the Fundraising & Marketing Committee, which provides expert guidance on The Soldiers' Charity's approach to fundraising and marketing.

Trustees are appointed for an initial period of three years, which can be extended for up to two further three-year periods. No trustee can serve for a consecutive period of more than nine years, except when approved by a majority of the other Trustees by special resolution. Two Trustees (Damien Francis and Peter Baynham) retired in late 2019, but given the planned retirement of a number of Trustees in early 2022, the opportunity was taken to replenish and diversify the Board further. In the event, four highly qualified Trustees from a very wide range of backgrounds were selected through external recruitment.

On appointment, each Trustee undergoes an induction programme tailored to their knowledge and experience – albeit somewhat constrained under current circumstances. All Trustees are offered briefings on charity governance, charity finance and their individual and collective legal responsibilities. A register of Trustees' interests is held centrally and Trustees are required to disclose all relevant interests, register them with the Secretary to the Board of Trustees, and in accordance with The Soldiers' Charity's policy, withdraw from decisions where a conflict of interest arises. Trustees receive no remuneration or benefits-in-kind, but are reimbursed for their expenses as noted in the accounts. The Trustees are responsible for the strategic direction of The Soldiers' Charity and, through its committees, for monitoring the activities of the executive staff. Trustees receive and review regular reports from the committees and senior management team. The Board of Trustees met four times in the FY20-21.

The Chief Executive and senior management team are responsible for the day-to-day management of The Soldiers' Charity's affairs and for implementing the strategies and policies agreed by the Board of Trustees.

The Soldiers' Charity provides support for the Army family through a range of other charities and organisations, as shown on pages 10-21. The Trustees are grateful to these bodies, and especially the unpaid caseworkers and other volunteers, without whom we would be unable to meet the needs of our beneficiaries.

The charity is firmly aligned with the Charity Governance Code, closely adhering to the code's seven principles, applying the recommended practices and thus able to continually demonstrate good governance.



GOVERNANCE STRUCTURES, GOVERNANCE AND MANAGEMENT

(CONTINUED)

STAFF

Engaged, competent employees are key to the success of the organisation – and never more so than in the current exceptional circumstances. Our sector was already subject to significant headwinds before the current crisis emerged – requiring more innovation and agility across all our activities. With the onset of lockdown just before the start of this year, these qualities were tested to the full. We moved relatively seamlessly to full remote working, based on existing robust back up plans, but supplemented by some further measures which have stood the test of time as circumstances unfolded. From the outset we were determined that lockdown, and whatever might follow, was to be no excuse for not continuing to deliver on all our responsibilities. The staff have responded throughout with energy, innovation and pragmatism – exploiting the benefits of remote working while returning to near-normal office working as circumstances permitted and so building momentum and resilience for the next wave of restrictions. This approach has served us extremely well.

The charity employed an average staff of 85, some of whom are part time. The key management personnel for the charity comprise the Trustees and the senior management team (see page 2 for more information).

APPRENTICESHIP LEVY SCHEME

We have contributed to the government's Apprenticeship Levy scheme in FY20-21.

REMUNERATION POLICY

Making effective decisions in relation to remuneration and reward is crucial to the continued success of The Soldier's Charity's overall aims. We aim to pay competitively against our relevant comparators in the voluntary sector. We draw our benchmark data from 'Croner's Charity Rewards', which gave indicative median salaries for all roles and grades from a very wide selection of national charities in 2020-21. All positions in The Soldiers' Charity are assessed and placed within an appropriate generic pay band, with each pay band divided into increments to allow for job weighting, experience and performance.

We also aim to enhance the organisation's competitive positioning by promoting a total-reward approach, recognising that other aspects of the employment package (such as benefits and development opportunities, as well as the intrinsic moral value of working for a charity) are also valuable to employees.

REMUNERATION REVIEW AND ANNUAL PAY AWARD

Having drawn on inflation index data (HM Treasury and ONS statistics) and taken note of pay settlements for other similar charities, especially in the military charity sector, the Trustees were minded to award an appropriate increase for FY20-21. In the event, given our need to re-set our budget post the onset of Covid, the Board revised their position and agreed a flat 1.9% across-the-board increase, which at that juncture in April was markedly less than other charities were paying. The Board also carefully examined the potential to apply furlough across the staff but decided that would critically impinge on both our fundraising and grant-making activities. That said, from December 2020 the charity utilised the more helpful flexible furlough scheme, which was applied across most staff, calibrated according to the needs of the business by post and function. We continue to pay no performance-related bonuses or retention inducements whatsoever, to any member of staff, irrespective of their position in the organisation. Benefits available to eligible staff include: defined contribution pension scheme; staff travel allowance; group life insurance and a sickness income protection scheme – our travel arrangements have been sensibly adapted to our new circumstances.

In accordance with the Charities Statement of Recommended Practice (Charities SORP), The Soldiers' Charity discloses: all payments to Trustees (our Trustees do not receive remuneration but are reimbursed for valid transport and subsistence expenses) and the number of staff in receipt of more than £60,000 in salary and other benefits (note 9).

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of ABF The Soldiers' Charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare the financial statements for each financial year.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure of the charitable group, for that period.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements have been prepared in accordance with 'Accounting and Reporting by Charities: Statement of Recommended Practice' applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant material audit information of which the charitable company's auditor is unaware; and
- Trustees have taken the necessary steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Approved by the Board of Trustees and signed on its behalf on 10th September 2021.



LIEUTENANT GENERAL (RET'D)
PHILIP JONES CB CBE DL
CHAIRMAN



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF ABF THE SOLDIERS' CHARITY

OPINION ON THE FINANCIAL STATEMENTS

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2021 and of the Group's incoming resources and application of resources and the Parent Charitable Company's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

We have audited the financial statements of ABF The Soldiers' Charity ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the charity statement of financial activities, the consolidated and charity balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

We remain independent of the Group and the Parent Charitable Company in accordance with the ethical requirements 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.

CONCLUSIONS RELATED TO GOING CONCERN

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

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

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

OTHER INFORMATION

The Trustees are responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OTHER COMPANIES ACT 2006 REPORTING

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;

- proper and adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the

financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charitable Company 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 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 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.

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

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

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and the sector within which it operates, and considered the risk of acts by the Group that were contrary to applicable laws and regulations, including fraud. We considered the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error, the Group's compliance with laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and other laws and regulations applicable to the group such as employment law, taxation legislation, data protection and health and safety legislation. We considered financial performance, key performance indicators and other performance targets. We also considered the risks of non-compliance with requirements imposed by the Charity Commission, and other regulators, and we considered the extent to which non-compliance might have a material effect on the group financial statements.

We also communicated relevant identified laws and regulations, potential fraud risks and that there were no known matters of significant non-compliance with laws and regulations, to all engagement team members including internal specialists audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

As a result of these procedures we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: donations and legacy revenue recognition, events income and furlough claim income. Our tests included:

- agreeing the financial statement disclosures complied with applicable legislation
- enquiries of the Finance & Investment Committee, management and internal audit, review of minutes of meetings of those charged with governance
- reviewing correspondence with HMRC
- audit testing a sample of gift aid claims and ensuring these have been made in accordance with the regulations
- challenging assumptions made by management in their significant accounting estimates in particular in relation to the legacy accrual
- audit testing claims for furlough income to ensure that there was entitlement to the income and that amounts were claimed in accordance with HMRC guidance; and
- performed audit procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

As in all of our audits, we also addressed the risk of management override of internal controls, including testing journals, whether there was evidence of bias in accounting estimates by management or the Board that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

USE OF OUR REPORT

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

HEATHER WHEELHOUSE
(SENIOR STATUTORY AUDITOR)

15th September 2021
For and on behalf of BDO LLP, statutory auditor, London, UK

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

ABF THE SOLDIERS' CHARITY

Consolidated statement of financial activities (Incorporating the consolidated income and expenditure account) for the year to 31 March 2021

		Unrestricted Funds (note 18)	Designated Funds (note 19)	Restricted Funds (note 20)	Total 2021	Total 2020
NOTES	£	£	£	£	£	£
Income from:						
Donations and legacies						
The public						
		3,147,683	–	–	3,147,683	4,323,840
		4,175,464	–	–	4,175,464	3,685,661
		<u>7,323,147</u>	<u>–</u>	<u>–</u>	<u>7,323,147</u>	<u>8,009,501</u>
Army personnel						
		106,769	–	–	106,769	102,311
		964,700	–	–	964,700	776,025
		929,000	–	–	929,000	800,000
		<u>2,000,469</u>	<u>–</u>	<u>–</u>	<u>2,000,469</u>	<u>1,678,336</u>
	3	1,026,036	176,300	182,586	1,384,922	2,129,207
Investments						
Other trading activities						
		951,608	–	–	951,608	2,960,291
	4	187,818	–	–	187,818	–
		<u>11,489,078</u>	<u>176,300</u>	<u>182,586</u>	<u>11,847,964</u>	<u>14,777,335</u>
Total Income						
Expenditure on:						
Raising funds						
	5	1,760,177	–	4	1,760,181	3,055,666
	6	2,277,875	–	–	2,277,875	2,876,600
		<u>4,038,052</u>	<u>–</u>	<u>4</u>	<u>4,038,056</u>	<u>5,932,266</u>
Charitable activities						
	7	2,524,184	2,665	105,166	2,632,015	3,924,697
	8	1,672,184	1,575,973	295,360	3,543,517	5,863,227
		4,196,368	1,578,638	400,526	6,175,532	9,787,924
	9	2,069,284	8,400	16,800	2,094,484	2,393,800
		<u>6,265,652</u>	<u>1,587,038</u>	<u>417,326</u>	<u>8,270,016</u>	<u>12,181,724</u>
		<u>10,303,704</u>	<u>1,587,038</u>	<u>417,330</u>	<u>12,308,072</u>	<u>18,113,990</u>
Total expenditure						
		1,185,374	(1,410,738)	(234,744)	(460,108)	(3,336,655)
Net income/(expenditure) before net gains/(losses) on investments						
	13	15,487,472	–	976,924	16,464,396	(3,627,460)
Net gains/(losses) on investments						
		<u>16,672,846</u>	<u>(1,410,738)</u>	<u>742,180</u>	<u>16,004,288</u>	<u>(6,964,115)</u>
Net income/(expenditure) for the year						
Net interest in the results for the year in associates						
	14	(24,975)	–	–	(24,975)	10,996
Net movement in funds						
		15,498,850	55,242,846	7,168,574	77,910,270	84,863,389
Funds balances at 1 April						
		<u>32,146,721</u>	<u>53,832,108</u>	<u>7,910,754</u>	<u>93,889,583</u>	<u>77,910,270</u>
Funds balances at 31 March						

ABF THE SOLDIERS' CHARITY

Charity statement of financial activities (incorporating the income and expenditure account) for the year to 31 March 2021

		Unrestricted Funds (note 18)	Designated Funds (note 19)	Restricted Funds (note 20)	Total 2021	Total 2020
NOTES	£	£	£	£	£	£
Income from:						
Donations and legacies						
The public						
		3,147,683	–	–	3,147,683	4,323,840
		4,175,464	–	–	4,175,464	3,685,661
		<u>7,323,147</u>	<u>–</u>	<u>–</u>	<u>7,323,147</u>	<u>8,009,501</u>
Army personnel						
		106,769	–	–	106,769	102,311
		964,700	–	–	964,700	776,025
		929,000	–	–	929,000	800,000
		<u>2,000,469</u>	<u>–</u>	<u>–</u>	<u>2,000,469</u>	<u>1,678,336</u>
	3	1,026,036	176,300	182,586	1,384,922	2,129,207
Investments						
Other trading activities						
		873,750	–	–	873,750	2,894,366
	4	187,818	–	–	187,818	–
		<u>11,411,220</u>	<u>176,300</u>	<u>182,586</u>	<u>11,770,106</u>	<u>14,711,410</u>
Total Income						
Expenditure on:						
Raising funds						
	5	1,683,933	–	4	1,683,937	2,978,525
	6	2,277,875	–	–	2,277,875	2,876,600
		<u>3,961,808</u>	<u>–</u>	<u>4</u>	<u>3,961,812</u>	<u>5,855,125</u>
Charitable activities						
	7	2,524,184	2,665	105,166	2,632,015	3,924,697
	8	1,672,184	1,575,973	295,360	3,543,517	5,863,227
		4,196,368	1,578,638	400,526	6,175,532	9,787,924
	9	2,063,901	8,400	16,800	2,089,101	2,388,726
		<u>6,260,269</u>	<u>1,587,038</u>	<u>417,326</u>	<u>8,264,633</u>	<u>12,176,650</u>
		<u>10,222,077</u>	<u>1,587,038</u>	<u>417,330</u>	<u>12,226,445</u>	<u>18,031,775</u>
Total expenditure						
		1,189,143	(1,410,738)	(234,744)	(456,339)	(3,320,365)
Net income/(expenditure) before net gains/(losses) on investments						
	13	15,487,472	–	976,924	16,464,396	(3,627,460)
Net gains/(losses) on investments						
		<u>16,676,615</u>	<u>(1,410,738)</u>	<u>742,180</u>	<u>16,008,057</u>	<u>(6,947,825)</u>
Net income/(expenditure) for the year						
Net interest in the results for the year in associates						
	14	(24,975)	–	–	(24,975)	10,996
Net movement in funds						
		15,456,342	55,242,846	7,168,574	77,867,762	84,804,591
Funds balances at 1 April						
		<u>31,107,982</u>	<u>53,832,108</u>	<u>7,910,754</u>	<u>93,850,844</u>	<u>77,867,762</u>
Funds balances at 31 March						

ABF THE SOLDIERS' CHARITY

Group and charity balance sheets as at 31 March 2021

	NOTES	GROUP		CHARITY	
		2021	2020	2021	2020
		£	£	£	£
Fixed assets					
Tangible assets	12	111,061	144,796	111,061	144,796
Investments	13	82,765,693	70,583,273	82,765,694	70,583,274
Associate undertaking	14	12,537	37,513	12,537	37,513
		<u>82,889,291</u>	<u>70,765,582</u>	<u>82,889,292</u>	<u>70,765,583</u>
Current assets					
Stocks		50	213	–	–
Other debtors	15	4,178,693	5,088,060	4,173,217	5,085,393
Short term deposits		5,005,044	1,503,834	5,005,044	1,503,834
Cash at bank and in hand		5,103,729	1,601,063	5,060,714	1,552,835
		<u>14,287,516</u>	<u>8,193,170</u>	<u>14,238,975</u>	<u>8,142,062</u>
Creditors amounts falling due within one year	16	<u>(3,287,224)</u>	<u>(1,048,482)</u>	<u>(3,277,423)</u>	<u>(1,039,883)</u>
Net current assets		<u>11,000,292</u>	<u>7,144,688</u>	<u>10,961,552</u>	<u>7,102,179</u>
Net assets	17	<u>93,889,583</u>	<u>77,910,270</u>	<u>93,850,844</u>	<u>77,867,762</u>
Represented by					
Income funds					
Restricted funds	20	7,910,754	7,168,574	7,910,754	7,168,574
Designated funds	19	53,832,108	55,242,846	53,832,108	55,242,846
Unrestricted funds	18	32,146,721	15,498,850	32,107,982	15,456,342
Total Funds		<u>93,889,583</u>	<u>77,910,270</u>	<u>93,850,844</u>	<u>77,867,762</u>

Approved by the Board of Trustees and signed on their behalf



LIEUTENANT GENERAL (RET'D)
PHILIP JONES CB CBE DL
CHAIRMAN



ANTHONY SCOTT
CHARTERED FCSI
HONORARY TREASURER

10th September 2021

Registered in England and Wales, company number 07974609

ABF THE SOLDIERS' CHARITY

Consolidated statement of cash flows for the year to 31 March 2021

	2021	2020
	£	£
Cash flows from operating activities:		
Net cash (used in) operating activities	<u>(655,721)</u>	<u>(8,244,967)</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments	1,384,922	2,129,207
Purchase of equipment	(7,301)	(30,760)
Proceeds from the sale of investments	51,975,070	12,208,407
Purchase of investments	(47,693,094)	(9,261,334)
Net cash provided by investing activities	<u>5,659,597</u>	<u>5,045,520</u>
Cash flows from financing activities:		
Cash inflows from new borrowing	2,000,000	–
Net cash provided by financing activities	<u>2,000,000</u>	<u>–</u>
Change in cash in the reporting period	<u>7,003,876</u>	<u>(3,199,447)</u>
Cash at the beginning of the reporting period	<u>3,104,897</u>	<u>6,304,344</u>
Cash at the end of the reporting period	<u>10,108,773</u>	<u>3,104,897</u>

Reconciliation of net income/ (expenditure) to net cash flow from operating activities

	2021	2020
	£	£
Net income/ (expenditure) for the reporting period (as per the statement of financial activities)	<u>16,004,288</u>	<u>(6,964,115)</u>

Adjustments for:

Depreciation charges	41,037	40,084
(Gains)/losses on investments	(16,464,396)	3,627,460
Decrease in stocks	163	1,283
Decrease in debtors	909,367	81,874
Increase/(Decrease) in creditors	238,742	(2,902,346)
Dividends, interest and rents from investments	(1,384,922)	(2,129,207)
Net cash used in operating activities	<u>(655,721)</u>	<u>(8,244,967)</u>

Analysis of cash

	2021	2020
	£	£
Cash in hand	5,103,729	1,601,063
Notice deposits (less than 3 months)	5,005,044	1,503,834
Total cash	<u>10,108,773</u>	<u>3,104,897</u>

Analysis of changes in net debt

	At 1 April 2020	Cash flows	At 31 March 2021
	£	£	£
Cash	1,601,063	3,502,666	5,103,729
Notice deposits (less than 3 months)	1,503,834	3,501,210	5,005,044
	<u>3,104,897</u>	<u>7,003,876</u>	<u>10,108,773</u>
Loan	–	(2,000,000)	(2,000,000)
	<u>3,104,897</u>	<u>5,003,876</u>	<u>8,108,773</u>

ABF THE SOLDIERS' CHARITY
Notes to the accounts
for the year ended 31 March 2021

1. ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The Accounts have been prepared on a going concern basis under the historical cost convention, unless otherwise stated in the relevant accounting policy note, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)) including the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006.

ABF The Soldiers' Charity ('the Charity') has taken advantage of the exemption to prepare a Statement of Cash Flows on the basis that it is a qualifying entity. The consolidated Statement of Cash Flows, within the financial statements, includes the Charity's cash flows.

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

CONSOLIDATION

The Accounts consolidate ABF The Soldiers' Charity and its trading subsidiary company, Soldiers' Trading Limited on a line by line basis.

INCOME

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations and income from fundraising events are recorded in the Accounts when receivable. Income received from events is recognised in the period in which the event takes place. Income from legacies is taken into the Statement of Financial Activities when received or when receipt is probable, and the value can be measured with sufficient reliability. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. Investment income is recognised when received.

Grants are included as income when these are receivable.

COSTS OF RAISING FUNDS

Costs of raising funds comprise fundraising costs and the costs incurred in subsidiary trading company activities. Fundraising costs include advertising, producing

publications, printing, and mailing fundraising material, associated staff costs and an appropriate allocation of support costs.

CHARITABLE EXPENDITURE

Grants payable in furtherance of the Charity's objects are recognised as expenditure in the year in which the grant is formally approved by the Charity and has been communicated to the recipient, except to the extent that it is subject to conditions that enable the Charity to revoke the award. Any refunds of grants are credited to the line in which they were originally allocated in the Accounts.

GRANT MAKING AND OTHER SUPPORT COSTS

Grant making costs are those costs incurred in support of the Charity's primary objective of paying grants to those in need. Other support to charities reflects the support given to other charities in terms of management and staff time; other associated infrastructure costs and in certain circumstances subsidies for accommodation costs for office space occupied at Mountbarrow House. Governance costs represent those costs associated with the governance arrangements of the Charity which relate to the general running of the Charity. Such costs include external audit fees, legal costs, related trustee costs and costs associated with compliance with statutory requirements.

INVESTMENTS IN ASSOCIATES

Investments in associates are measured in accordance with Section 14 of FRS 102 including Update Bulletin 1, 'Investments in Associates', using the equity model. As such, investments in associates are initially recognised at the transaction price and are subsequently adjusted to reflect the Charity's share of the surplus, other comprehensive income, and equity of the associate.

INVESTMENTS

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. The investment portfolio does not acquire put options, derivatives, or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors. All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

ABF THE SOLDIERS' CHARITY
Notes to the accounts
for the year ended 31 March 2021

1. ACCOUNTING POLICIES (CONTINUED)

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Rental income is recognised in the period to which it relates.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing more than £1,000 are capitalised and included at cost, including any incidental expenses relating to the acquisition. Depreciation is provided for all tangible fixed assets so as to write off their cost in equal instalments over their expected useful lives as follows:

Computer equipment	3 years
Operating softwares	8 years
Office furniture and fittings	3-5 years
Leasehold improvements	Over the term of the lease

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

GOING CONCERN

The Trustees have assessed whether there are material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees have made this assessment in respect of a period of at least one year from the date of the approval of the Accounts.

The Trustees have considered the impact of COVID-19 and have considered the projections for income and expenditure as well as long-term cash flow, taking into account pressures on fundraising income. These continue to be regularly monitored by the Trustees and senior management team. The Charity holds significant reserves and has liquid assets in the form of investments that are readily available to convert into cash.

The Trustees have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees believe that, whilst uncertainty exists, this does not pose a material uncertainty that would cast doubt on the Charity's ability to continue as a going concern. The Charity therefore continues to adopt the going concern basis in preparing its Accounts.

LOANS TO BENEFICIARIES

Loans to beneficiaries are concessionary loans provided for the benefit of the Charity's beneficiaries. Such loans are initially recognised and measured at the amount paid, with the carrying amount adjusted at each Balance Sheet date to reflect repayments and any accrued interest, less any impairment.

DEBTORS

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

OPERATING LEASES

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the period of the lease.

PENSION COSTS

Eligible employees are automatically enrolled into a Group Personal Pension scheme which is operated on a contributory basis. The assets of the Group Personal Pension Scheme are held separately from those of the Charity and contributions payable by the Charity are charged in the Statement of Financial Activities in the year in which they are payable.

FOREIGN CURRENCY

Transactions denominated in foreign currencies are recorded at the exchange rates ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are converted to Sterling at the rates of exchange ruling at the balance sheet date. The Accounts of overseas operations are translated to Sterling at the approximate rates of exchange ruling at the balance sheet date. All differences are recorded in the Statement of Financial Activities.

ABF THE SOLDIERS' CHARITY
Notes to the accounts
for the year ended 31 March 2021

1. ACCOUNTING POLICIES (CONTINUED)

VOLUNTEERS

The Charity benefits greatly from the involvement and enthusiastic support of its volunteers. These include our President, Trustees, and regional fundraising groups. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not included in the Accounts.

ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, the Trustees are required to make estimates and judgements. The matters considered below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and cash flows.

A) COST ALLOCATION

Support costs not attributable to a single charitable activity are allocated or apportioned on a basis consistent with identified cost drivers for that cost category. Cost drivers utilised include head count, staff time allocation,

and effort and judgement is exercised in applying cost drivers to cost categories.

B) LEGACY INCOME ACCRUAL

Legacy income is recognised in accordance with the income recognition policy. In calculating the level of legacy accrual, management is required to exercise estimation and judgement, particularly in determining the amount and probability of receipt.

GOVERNMENT GRANTS

The Charity joined the flexible furlough scheme from December 2020 in line with business needs to manage the impact of the lockdown on our fundraising activities. Payments received from the government for furloughed employees are a form of grant. This grant money is receivable as a compensation for expenses already incurred and is recognised in income in the period in which it becomes receivable and the related expenses are incurred.

In September 2020, the Charity also took out a £2m Coronavirus Business Interruption Loan, repayable over a six-year period. The loan interest in the first year is paid as a Business Interruption payment (grant) by the government.

2. SUBSIDIARY COMPANY'S RESULTS

SOLDIERS' TRADING LIMITED

Included in Donations and appeals income in Income is general purpose trading income arising in Soldiers' Trading Limited. The results were as follows:

	2021	2020
	£	£
Turnover	120,366	124,723
Cost of Sales	(66,325)	(68,899)
Gross Profit	54,041	55,824
Administrative expenses	(15,302)	(13,316)
Profit on ordinary activities	38,739	42,508
Tax on profit	–	–
Profit after tax and for the financial year	38,739	42,508
Opening retained earnings	42,508	58,798
Payment to parent charity under Gift Aid	(42,508)	(58,798)
Closing retained earnings	38,739	42,508

3. INVESTMENT INCOME – GROUP AND CHARITY

	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£	£
Dividends and Distributions	681,343	153,824	182,586	1,017,753	1,571,557
Bank interest	44,184	22,476	–	66,660	65,998
	725,527	176,300	182,586	1,084,413	1,637,555
Rental Income	300,509	–	–	300,509	491,652
Total	1,026,036	176,300	182,586	1,384,922	2,129,207

Rental income arises from the sub-letting of office space in Mountbarrow House to a number of other Service charities. The significant reduction largely relates to the almost complete withdrawal of the Officers Association from the building.

4. GOVERNMENT GRANTS – GROUP AND CHARITY

	2021	2020
	£	£
Government furlough scheme	162,498	–
Government Business Interruption payment on CBILS	25,320	–
Total	187,818	–

Government grants were unrestricted in the current year.

5. FUNDRAISING TRADING

	GROUP		CHARITY	
	2021	2020	2021	2020
	£	£	£	£
Fundraising trading costs	678,718	1,845,973	602,474	1,768,823
Central and administrative costs	718,288	794,398	718,288	794,398
Regional office costs	363,175	415,295	363,175	415,295
Total	1,760,181	3,055,666	1,683,937	2,978,516

ABF THE SOLDIERS' CHARITY
Notes to the accounts
for the year ended 31 March 2021

6. OTHER COSTS OF RAISING FUNDS - GROUP AND CHARITY

	2021	2020
	£	£
Other Costs of raising funds	954,370	1,226,604
Advertisements and promotion	424,240	630,443
Central and administrative costs	233,444	258,179
Regional office costs	665,821	761,374
Total	2,277,875	2,876,600

7. GRANTS FOR THE BENEFIT OF INDIVIDUALS

All grants made for the benefit of soldiers, former soldiers and their families are paid through their parent regimental or corps associations. The total value of these grants made during the year was £2,632,015 (2020: £3,924,697).

8. GRANTS TO CHARITIES AND OTHER ORGANISATIONS

The Charity, on behalf of the partnership of Army charitable funds, makes grants to national charities and occasionally other organisations which support soldiers, former soldiers, and their immediate families.

By the nature of Service charities and other charities supporting serving and former soldiers, many of The Soldiers' Charity's Trustees and senior management work closely with, or serve as Trustees for, some of the charities listed below that receive grants from us. Where this applies, the trustee or member of the management team will not take part in the grant-making decision process.

The total values of the grants made during the year for the Group and Charity were:

	2021	2020
	£	£
GRANTS FROM UNRESTRICTED FUNDS:		
ELDERLY		
Age In Spain	20,000	25,000
Broughton House	80,000	96,000
Care for Veterans (Queen Alexandra Hospital Home)	60,000	69,322
Erskine Hospital	150,000	150,000
Royal Commonwealth Ex-Services League	204,000	200,000
Royal Hospital Chelsea	40,000	40,000
Royal Star & Garter Home	50,000	102,000
	604,000	682,322

8. GRANTS TO CHARITIES AND OTHER ORGANISATIONS (CONTINUED)

	2021	2020
	£	£
GRANTS FROM UNRESTRICTED FUNDS (CONTINUED):		
EMPLOYMENT AND TRAINING		
Finchale Training College	–	30,000
Forces in the Community	–	10,000
Groundwork MSSTT	–	20,000
Highground	6,000	5,000
Prisoners Education Trust	–	20,124
Recruit for Spouses	–	5,000
Regular Forces Employment Association (RFEA)	67,000	338,146
Resume Foundation	15,000	–
Services Sound and Vision Corporation (Academy)	–	40,000
The Officers' Association	–	(25,000)
The Poppy Factory	20,000	30,000
Walking with the Wounded	5,000	–
X-Forces	20,000	48,000
	133,000	521,270
FAMILY		
Army Families Federation	30,000	32,077
Army Welfare Service - Welfare Minibuses	–	188
Army Widows' Association	11,000	32,000
Cobseo, The Confederation of Service Charities	25,000	25,000
Home-Start Hampshire	–	13,654
Home-Start Kennet	–	20,000
Home-Start Medway	–	30,640
Hong Kong LEP Trust	8,000	9,000
Lord Kitchener Memorial Holiday Centre	–	10,000
NSPCC	–	20,000
QEHB - Fisher House	–	10,000
Rainbow Trust Children's Charity	–	15,000
Royal Caledonian Educational Trust	20,000	34,200
Reading Force	10,000	–
Ruskin Mill Land Trust	–	17,356
Scotty's Little Soldiers	–	5,000
SSAFA Central Office	70,000	299,892
SSAFA CMS Costs	83,134	1,941
The Ripple Pond	–	10,000
University of Winchester (Service Children project)	–	9,400
Veterans Scotland	15,000	–
	272,134	595,348

ABF THE SOLDIERS' CHARITY

Notes to the accounts
for the year ended 31 March 2021

8. GRANTS TO CHARITIES AND OTHER ORGANISATIONS (CONTINUED)

	2021	2020
	£	£
GRANTS FROM UNRESTRICTED FUNDS (CONTINUED):		
HOUSING		
Alabaré Christian Care & Support	20,000	10,000
Amicus Trust	–	20,000
Armed Forces & Veterans Launchpad	23,550	25,000
Bournemouth War Memorial Homes	–	15,000
Changing Lives	20,000	20,000
Lord Leycester	–	35,000
Queen Victoria Seamen's Rest	–	15,000
RBLI	226,000	150,000
Scottish Veterans Residences	–	15,000
Stoll	25,000	40,000
	<u>314,550</u>	<u>345,000</u>
WELLBEING		
BASIC	–	10,000
Brighterway Charity	–	10,000
Bristol Drugs Project	–	15,000
CAIS – Change Step	–	45,000
Combat Stress	126,000	120,000
Company of Makers	–	7,576
Deafblind UK	5,000	10,000
Defence Medical Rehabilitation Centre Benevolent Fund	–	35,000
Defence Medical Welfare Service	45,000	40,000
Dundee Therapy Garden	–	15,000
Fares 4 Free	5,000	5,000
Glen Art/Bravehound	–	11,152
Help 4 Homeless Veterans	–	15,000
Home Farm Trust	15,000	36,563
Improving Lives Plymouth	–	15,000
Lothian Veterans Centre	–	10,000
Military Wives Choirs Foundation	–	5,000
Music in Hospitals	–	10,000
Mutual Support	–	10,000
Nottingham Forest Community Trust	–	6,100
Phyllis Tuckwell Hospice	5,000	5,000
Poppy Scotland	30,000	25,000
Sharks Community Trust	–	20,000
Spinal Injuries Association	30,000	25,000
St Margaret's Somerset Hospice	–	5,000
Stand Easy	–	2,650
Step Together	–	20,000
Taxi Charity for Military Veterans	10,000	12,000

ABF THE SOLDIERS' CHARITY

Notes to the accounts
for the year ended 31 March 2021

8. GRANTS TO CHARITIES AND OTHER ORGANISATIONS (CONTINUED)

	2021	2020
	£	£
GRANTS FROM UNRESTRICTED FUNDS (CONTINUED):		
WELLBEING: (CONTINUED)		
The Bridge for Heroes	–	10,000
The League of Remembrance	–	2,275
The Matthew Project	10,000	8,848
The Not Forgotten Association	30,000	35,000
The Warrior Programme	–	40,000
Thistle Health and Wellbeing	2,500	10,000
Together Co	–	10,000
Turn to Starboard	–	20,000
University Hospitals Birmingham (Fisher House)	5,000	–
Veterans Outreach Support	–	20,000
Veterans Scotland	–	15,000
Victory Services Club	–	40,000
Vine Drop-In Centre	–	5,000
Waterloo Uncovered	–	10,000
We Are With You (formerly Addaction)	30,000	30,000
	<u>348,500</u>	<u>802,164</u>
Total Grants from Unrestricted Funds	<u>1,672,184</u>	<u>2,946,104</u>
GRANTS FROM DESIGNATED FUNDS:		
EMPLOYMENT EDUCATION AND TRAINING		
Highground	4,000	5,000
Regular Forces Employment Association (RFEA)	100,000	60,000
Services Sound and Vision Corporation (Academy)	–	10,000
The Poppy Factory	10,000	55,000
The Poppy Factory	5,000	–
Walking With The Wounded	8,000	–
X-Forces	127,000	130,000
	<u>127,000</u>	<u>130,000</u>
FAMILY		
Army Families Federation	10,000	10,000
Army Widows' Association	10,000	–
DIO – LIBOR Supporting Army Families	491,000	1,631,072
National Gulf Veterans & Families Association	5,000	6,000
Royal Caledonian Educational Trust	9,247	–
Scotty's Little Soldiers	–	5,000
SSAFA Central Office	140,000	50,000
The Ripple Pond	–	10,000
	<u>665,247</u>	<u>1,712,072</u>

ABF THE SOLDIERS' CHARITY
Notes to the accounts
for the year ended 31 March 2021

8. GRANTS TO CHARITIES AND OTHER ORGANISATIONS (CONTINUED)

	2021	2020
	£	£
GRANTS FROM DESIGNATED FUNDS (CONTINUED):		
HOUSING		
Armed Forces & Veterans Launchpad	–	7,489
RBLI	50,000	100,000
Stoll	5,000	10,000
	<u>55,000</u>	<u>117,489</u>
WELLBEING		
“Not Forgotten” Association	–	20,000
CAIS – Change Step	–	5,000
Combat Stress	100,000	100,000
Defence Medical Welfare Service (including LIBOR)	593,726	473,462
Fares 4 Free	5,000	5,000
PoppyScotland	20,000	20,000
Spinal Injuries Association	–	5,000
The Matthew Project	5,000	15,000
University Hospitals Birmingham (Fisher House)	5,000	–
The Warrior Programme	–	10,000
Victory Services Club	–	35,000
	<u>728,726</u>	<u>688,462</u>
Total Grants from Designated Funds	<u>1,575,973</u>	<u>2,648,023</u>
GRANTS FROM RESTRICTED FUNDS:		
EMPLOYMENT EDUCATION AND TRAINING		
Finchale	–	20,000
Highground	–	10,000
On Course Foundation	–	7,100
Regular Forces Employment Association (RFEA)	100,000	–
The Poppy Factory	30,000	15,000
Walking With The Wounded	5,000	–
X-Forces	8,360	–
	<u>143,360</u>	<u>52,100</u>
FAMILY		
Army Widows' Association	4,000	–
National Gulf Veterans and Families Association	25,000	32,000
South Atlantic medal Association 1982	–	5,000
SSAFA Central Office	20,000	50,000
	<u>49,000</u>	<u>87,000</u>

ABF THE SOLDIERS' CHARITY
Notes to the accounts
for the year ended 31 March 2021

8. GRANTS TO CHARITIES AND OTHER ORGANISATIONS (CONTINUED)

	2021	2020
	£	£
GRANTS FROM RESTRICTED FUNDS (CONTINUED):		
WELLBEING		
“Not Forgotten” Association	–	10,000
Combat Stress	24,000	30,000
Defence Medical Welfare Service	20,000	15,000
Falklands Veterans Association	10,000	15,000
Fares 4 Free	5,000	5,000
PoppyScotland	15,000	20,000
The Matthew Project	–	15,000
Thistle Health & Wellbeing	5,000	5,000
	<u>79,000</u>	<u>115,000</u>
HOUSING		
Armed Forces & Veterans Launchpad	–	5,000
RBLI	24,000	–
Stoll	–	10,000
	<u>24,000</u>	<u>15,000</u>
Total Grants from Restricted Funds	<u>295,360</u>	<u>269,100</u>
Grants from Unrestricted Funds	1,672,184	2,946,104
Grants from Designated Funds	1,575,973	2,648,023
Grants from Restricted Funds	295,360	269,100
	<u>3,543,517</u>	<u>5,863,227</u>

9. GRANT MAKING AND OTHER SUPPORT COSTS

	GROUP		CHARITY	
	2021	2020	2021	2020
	£	£	£	£
Central and administrative costs	1,002,027	1,127,209	1,002,027	1,127,209
Auditors: Audit fees	36,732	31,715	31,349	26,641
Trustee expenses	1,754	2,090	1,754	2,090
Regional Office costs	181,588	207,647	181,588	207,647
Advertisement and promotion	228,437	339,469	228,437	339,469
Support costs	570,228	607,740	570,228	607,740
Other costs	73,718	77,930	73,718	77,930
Total	<u>2,094,484</u>	<u>2,393,800</u>	<u>2,089,101</u>	<u>2,388,726</u>

ABF THE SOLDIERS' CHARITY
Notes to the accounts
for the year ended 31 March 2021

10. STAFF COSTS – GROUP AND CHARITY

	2021	2020
	£	£
TOTAL STAFF COSTS COMPRISED:		
Wages and salaries	3,314,106	3,413,989
Social security costs	311,410	330,895
Pensions contributions	165,075	166,215
	<u>3,790,591</u>	<u>3,911,099</u>

The Charity employed an average staff of 85 (11 part-time) (2020: 89 including 12 part-time) of whom 44 (2020: 50) are employed at the Charity's head office. A small number of these individuals are on short-term contracts to cover vacant posts and also from time to time we engage a limited number of contract and agency staff. There is £13,581

included in salaries and wages related to redundancies or settlements. (2020: £10,800).

The number of employees whose employee benefits exceeded £60,000 was;

	2021	2020
	No.	No.
£60,001 – £70,000	1	–
£70,001 – £80,000	1	1
£80,001 – £90,000	3	3
£90,001 – £100,000	1	1
£140,001 – £150,000	1	1

An increasing number of our employees who have previously served in the Army have become unable to participate in the Charity's pension scheme due to current HMRC Lifetime Allowance restrictions. Noting that this constitutes a significant reduction in their overall employee benefits, the Charity may elect to make a compensating taxable payment, in lieu of their eligibility to an employer contribution, which is therefore included in the above figures. Pension contributions of £20,949 (2020: £24,619) were made on behalf of eligible higher paid employees.

The key management personnel for the charity comprise the Trustees and the executive board (senior management board). The Trustees received no remuneration or benefits-in-kind during the year (2020: £nil). They were reimbursed expenses during the year as stated in note 11.

The total remuneration including employer's pension contributions and employer's National Insurance contributions paid to the executive board amounted to £725,998 (2020: £758,659).

ABF THE SOLDIERS' CHARITY
Notes to the accounts
for the year ended 31 March 2021

11. RELATED PARTY TRANSACTIONS

No Trustees have been remunerated for their role as a trustee. Five Trustees were reimbursed £1,754 for travel expenses which had been directly incurred during the year under review (2020: £2,090 to four Trustees).

During the year ending 31 March 2021, the charity charged its subsidiary £5,000 for management fees relating to Soldiers' Trading Limited's activities (2020: £5,000). Soldiers' Trading Limited donated £42,508 to ABF The Soldiers' Charity from its profits (2020: £58,798). At 31 March 2021, there was a balance of £5,868 (2020: 13,550) owed to ABF The Soldiers' Charity by Soldiers' Trading Limited.

12. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Leasehold Improvements		Office furniture, fittings & equipment		Total 2021	Total 2020
	2021	2020	2021	2020	£	£
	£	£	£	£	£	£
Cost:						
At 1 April	134,371	106,680	289,720	316,298	424,091	422,978
Additions during the year	–	27,691	7,301	3,069	7,301	30,760
Disposals during the year	–	–	–	(29,647)	–	(29,647)
At 31 March	<u>134,371</u>	<u>134,371</u>	<u>297,021</u>	<u>289,720</u>	<u>431,392</u>	<u>424,091</u>
Depreciation:						
At 1 April	35,258	11,912	244,036	256,946	279,294	268,858
Charge for the year	26,874	23,346	14,163	16,737	41,037	40,083
Disposals for the year	–	–	–	(29,647)	–	(29,647)
At 31 March	<u>62,132</u>	<u>35,258</u>	<u>258,199</u>	<u>244,036</u>	<u>320,331</u>	<u>279,294</u>
Net book value at 31 March	<u>72,239</u>	<u>99,113</u>	<u>38,822</u>	<u>45,684</u>	<u>111,061</u>	<u>144,796</u>

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13. INVESTMENTS – GROUP AND CHARITY

	Unrestricted Funds	Designated Funds	Restricted Funds	Total
	£	£	£	£
Market value 1 April 2020	66,100,079	–	4,483,194	70,583,273
Purchase of investments	47,693,094	–	–	47,693,094
Sale of investments	(51,629,020)	–	(346,050)	(51,975,070)
Net gains on investments	15,487,472	–	976,924	16,464,396
Market value 31 March 2021	77,651,625	–	5,114,068	82,765,693
Cost				
At 31 March 2021	63,384,412	–	2,268,863	65,653,275
At 31 March 2020	61,188,713	–	2,418,863	63,607,576

All of the investments listed above are held by the Charity, including 100% of the issued share capital of Soldiers' Trading Limited. Both the cost and valuation of this shareholding is £1.

The investment portfolio comprises the following at market value:

	Unrestricted Funds	Designated Funds	Restricted Funds	Total
	£	£	£	£
BLACKROCK - ARMED FORCES CHARITIES GROWTH AND INCOME FUND				
Income units	–	–	5,114,068	5,114,068
Accumulation units	42,363,257	–	–	42,363,257
CCLA – COIF				
Accumulation units	35,288,368	–	–	35,288,368
Market value 31 March 2021	77,651,625	–	5,114,068	82,765,693

14. ASSOCIATES

The Soldiers' Fund (TSF) was incorporated as a tax-exempt charity in the United States in 2012, its primary purpose being to raise funds for British Army personnel, past and present, and their families in times of need. As ABF The Soldiers' Charity can appoint three of the eleven directors

of TSF, it is treated as an associate undertaking for the purposes of the consolidated accounts. The Charity's share of TSF's deficit as at 31st March 2021 was £24,975 (2020: surplus, £10,996). The Charity's share of TSF's net assets was £12,537 (2020: £37,513).

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15. OTHER DEBTORS AND PREPAYMENTS

	GROUP		CHARITY	
	2021	2020	2021	2020
	£	£	£	£
Prepayments and accrued income	4,120,929	4,999,200	4,109,585	4,995,193
Other debtors	57,764	88,860	57,764	76,650
Due from subsidiary	–	–	5,868	13,550
Total	4,178,693	5,088,060	4,173,217	5,085,393

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		CHARITY	
	2021	2020	2021	2020
	£	£	£	£
Deferred income				
At 1 April	696,179	3,606,836	696,179	3,606,836
Arising during the year	1,361,145	1,589,390	1,361,145	1,589,390
Released during the year	(1,197,955)	(4,500,047)	(1,197,955)	(4,500,047)
At 31 March	859,369	696,179	859,369	696,179
Trade creditors	133,264	143,586	131,153	141,045
Accrued expenses	268,269	191,224	254,713	171,616
Other creditors	26,322	17,493	32,188	31,043
Coronavirus Business Interruption Loan Scheme (CBILS)	2,000,000	–	2,000,000	–
Total	3,287,224	1,048,482	3,277,423	1,039,883

The Charity took out a £2m Coronavirus Business Interruption Loan in September 2020 over a six-year period. The loan interest in the first year is paid as a Business Interruption payment by the government. Although

£1,766,667 is due after one year, it is the intention of the Trustees to repay the £2m Coronavirus Business Interruption loan in full within the next twelve months.

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Notes to the accounts
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17. RESERVES POLICY AND ANALYSIS OF NET ASSETS BETWEEN FUNDS

RESERVES POLICY

Our reserves policy is set to ensure that our work is protected from the risk of disruption at short notice due to a lack of funds, or indeed sudden operational pressures on the Army and its people in this very uncertain world. At the same time, we need to ensure that we do not hold income or capital for longer than required – but equally balance that against the strategic requirement to act as the Army's benevolence reserve, the fundamental purpose for which we were established. The current exceptional circumstances, and future substantial turbulence for the Army and its people as they adjust to the recently announced Integrated Review of Security, Defence, Development and Foreign Policy (The Integrated Review), further reinforce that fundamental purpose of the Charity.

Trustees review the level of reserves in both individual funds, as well as in total, and are very aware of their responsibility to 'smooth' the provision of support – setting aside significant reserves in the good times, but equally being prepared to run substantial deficits whenever circumstances demand.

In considering the current level of reserves, the Trustees are aware that the fundraising environment is increasingly more challenging, and against a backdrop of very considerable future pressures on statutory public service welfare provision, which will lead to increased demands for The Soldiers' Charity's assistance – even if this year demand has been suppressed. Meanwhile, the British Army grapples with The Integrated Review which, whilst it provides opportunities, also poses significant challenges and risks which historically can tend to adversely impact on its people - with potential knock on for our work. Finally, whilst we are currently in a robust position, many of the charities we fund are less so.

Our reserves are held as Unrestricted, Designated and Restricted Funds (with further details at Notes 18 to 20). Much of the latter two categories are monies, such as the Falklands Fund, which we have the privilege to administer. These will be disbursed over many years until the last eligible soldier or their immediate families are no longer alive. In each case we absorb much of the efforts of managing these substantial funds in the interest of efficiency, partnership and collaboration – ensuring that the optimal financial support is available and delivered to those in need.

Within Designated Funds are also:

- The Strategic Reserve. Its current £32.2m is determined by a number of interrelated factors:

Given the evident potential for future global instability, and our particular role in direct support of the Army, which will often bear the brunt of deployments, it is considered prudent for The Soldiers' Charity to hold in reserve an amount equivalent to approximately two years' expenditure on benevolence grants for individuals and to other charities, in order to guarantee our

grant-making activities irrespective of any other pressures we may have at the time. This equates to reserves holdings in the region of £14 million – on the assumption that current reduced levels of charitable expenditure are atypical due to COVID-19.

- In parallel, The Soldiers' Charity was also set up to act as a strategic reserve for other Army charitable funds, including those of Regiments and Corps, which currently make benevolence grants of around £5 million a year – indeed this was the rationale for our establishment in 1944 following the failures of the Regimental system to cope in 1919. Whilst currently prolonged conflict with above-average numbers of casualties may appear a remote possibility, in such circumstances we could also be called upon to support the Army Dependents' Trust (ADT), which provides immediate support to the next of kin of the deceased. It is considered that The Soldiers' Charity should therefore hold in reserve an amount equivalent to approximately two years' Regimental and Corps benevolence grants, and combined with the obligation to the ADT, this requires a reserve holding of £14 million.

- In addition, The Soldiers' Charity needs to ensure it can maintain the appropriate infrastructure to make the above associated benevolence payments for a period of up to two years. The reserves required to satisfy this obligation are around £4.2 million.

- The Current Operations Fund (See Note 19).

- The LIBOR Fund (See Note 19).

- The Relocation Fund. This was established to provide for the anticipated relocation of The Soldiers' Charity's head office when the current building leases expire – currently 2025. The need for this contingency is further emphasised by the high importance placed by Trustees on the needs of those Service charities co-located with us, noting that most of their work directly relates to the needs of Army personnel. Co-location, joint working and sharing overheads are important drivers for us as the Army's national charity. Indeed, we believe it may be prudent to plan the capacity for more, given the desirability of other charities folding into us in future years and we will keep our plans under very careful review – taking into account of course any fundamental changes to office working.

The balance of the Unrestricted Fund is, in effect, the Soldiers' Charity's contingency reserve. We aim to hold free reserves (defined as unrestricted general funds) representing twelve months of budgeted core expenditure for the next financial year (equivalent to £13.2m in unrestricted reserves) to reflect our commitments to grants delivery, our staff and other stakeholders should our annual income not meet our expectations. The Trustees believe that in the current very uncertain climate this level of contingency reserve remains prudent and appropriate.

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17. RESERVES POLICY AND ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

	Tangible Fixed Assets 2021	Investments and Associates 2021	Net Current Assets 2021	Group Total
	£	£	£	£
GROUP:				
Unrestricted Funds				
Designated Funds				
Afghanistan Fund	111,061	77,664,161	(45,628,501)	32,146,721
Current Operations Fund	–	–	6,790,622	6,790,622
LIBOR Fund	–	–	2,389,088	2,389,088
Relocation Fund	–	–	452,398	452,398
Strategic Fund	–	–	12,000,000	12,000,000
	–	–	32,200,000	32,200,000
			53,832,108	53,832,108
Restricted Funds				
Commandos Benevolent	–	–	253,852	253,852
DEFLOG VQ Trust	–	–	1,647,122	1,647,122
Falklands Fund	–	3,423,663	176,799	3,600,462
George Purse Trust Fund	–	1,690,406	396,403	2,086,809
Gulf Fund	–	–	322,509	322,509
	–	5,114,069	2,796,685	7,910,754
	111,061	82,778,230	11,000,292	93,889,583

	Tangible Fixed Assets 2020	Investments and Associates 2020	Net Current Assets 2020	Group Total
	£	£	£	£
GROUP:				
Unrestricted Funds				
Designated Funds				
Afghanistan Fund	144,796	66,137,591	(50,783,537)	15,498,850
Current Operations Fund	–	–	7,036,634	7,036,634
LIBOR Fund	–	–	2,604,088	2,604,088
Relocation Fund	–	–	1,402,124	1,402,124
Strategic Fund	–	–	12,000,000	12,000,000
	–	–	32,200,000	32,200,000
	–	–	55,242,846	55,242,846
Restricted Funds				
Commandos Benevolent	–	–	260,395	260,395
DEFLOG VQ Trust	–	–	1,862,891	1,862,891
Falklands Fund	–	2,812,028	174,040	2,986,068
George Purse Trust Fund	–	1,388,417	345,280	1,733,697
Gulf Fund	–	282,750	42,773	325,523
	–	4,483,195	2,685,379	7,168,574
	144,796	70,620,786	7,144,688	77,910,270

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17. RESERVES POLICY AND ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

	Tangible Fixed Assets 2021	Investments and Associates 2021	Net Current Assets 2021	Group Total
	£	£	£	£
CHARITY:				
Unrestricted Funds	111,061	77,664,162	(45,667,241)	32,107,982
Designated Funds				
Afghanistan Fund	–	–	6,790,622	6,790,622
Current Operations Fund	–	–	2,389,088	2,389,088
LIBOR Fund	–	–	452,398	452,398
Relocation Fund	–	–	12,000,000	12,000,000
Strategic Fund	–	–	32,200,000	32,200,000
	–	–	53,832,108	53,832,108
Restricted Funds				
Commandos Benevolent	–	–	253,852	253,852
DEFLOG VQ Trust	–	–	1,647,122	1,647,122
Falklands Fund	–	3,423,663	176,799	3,600,462
George Purse Trust Fund	–	1,690,406	396,403	2,086,809
Gulf Fund	–	–	322,509	322,509
	–	5,114,069	2,796,685	7,910,754
	111,061	82,778,231	10,961,552	93,850,844
	Tangible Fixed Assets 2020	Investments and Associates 2020	Net Current Assets 2020	Group Total
	£	£	£	£
CHARITY:				
Unrestricted Funds	144,796	66,137,592	(50,826,046)	15,456,342
Designated Funds				
Afghanistan Fund	–	–	7,036,634	7,036,634
Current Operations Fund	–	–	2,604,088	2,604,088
LIBOR Fund	–	–	1,402,124	1,402,124
Relocation Fund	–	–	12,000,000	12,000,000
Strategic Fund	–	–	32,200,000	32,200,000
	–	–	55,242,846	55,242,846
Restricted Funds				
Commandos Benevolent	–	–	260,395	260,395
DEFLOG VQ Trust	–	–	1,862,891	1,862,891
Falklands Fund	–	2,812,028	174,040	2,986,068
George Purse Trust Fund	–	1,388,417	345,280	1,733,697
Gulf Fund	–	282,750	42,773	325,523
	–	4,483,195	2,685,379	7,168,574
	144,796	70,620,787	7,102,179	77,867,762

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18. UNRESTRICTED FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY

UNRESTRICTED FUND	GROUP		CHARITY	
	2021	2020	2021	2020
	£	£	£	£
At 1 April	15,498,850	19,514,586	15,456,342	19,455,788
Income	11,489,078	14,275,178	11,411,220	14,209,253
Expenditure	(10,303,704)	(15,090,662)	(10,222,077)	(15,008,447)
Gains/(losses)	15,462,497	(3,200,252)	15,462,497	(3,200,252)
Transfers	–	–	–	–
At 31 March	32,146,721	15,498,850	32,107,982	15,456,342

19. DESIGNATED FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY

	Afghanistan Fund 2021	Current Operations Fund 2021	LIBOR Fund 2021	Strategic Fund 2021	Relocation Fund 2021	Total 2021
	£	£	£	£	£	£
Income						
Income from charitable activities	–	–	–	–	–	–
Income from investments	176,300	–	–	–	–	176,300
Total income	176,300	–	–	–	–	176,300
Expenditure						
Direct charitable expenditure	(8,400)	–	–	–	–	(8,400)
Grants to other charities	(411,247)	(215,000)	(949,726)	–	–	(1,575,973)
Grants for the benefit of individuals	(2,665)	–	–	–	–	(2,665)
Total expenditure	(422,312)	(215,000)	(949,726)	–	–	(1,587,038)
Net income/ (expenditure) before net gains/ (losses) on investments	(246,012)	(215,000)	(949,726)	–	–	(1,410,738)
Net gains/(losses) on investments	–	–	–	–	–	–
Net income/(expenditure) for the year	(246,012)	(215,000)	(949,726)	–	–	(1,410,738)
Net movement in funds	(246,012)	(215,000)	(949,726)	–	–	(1,410,738)
Fund balances at 1 April	7,036,634	2,604,088	1,402,124	32,200,000	12,000,000	55,242,846
Fund balances at 31 March	6,790,622	2,389,088	452,398	32,200,000	12,000,000	53,832,108

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19. DESIGNATED FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY (CONTINUED)

	Northern Ireland Special Relief Fund 2020	Afghanistan Fund 2020	Current Operations Fund 2020	LIBOR Fund 2020	Strategic Fund 2020	Relocation Fund 2020	Total 2020
	£	£	£	£	£	£	£
Income							
Income from charitable activities	–	–	–	–	–	–	–
Income from investments	–	316,842	–	–	–	–	316,842
Total income	–	316,842	–	–	–	–	316,842
Expenditure							
Direct charitable expenditure	(4,202)	(8,400)	–	–	–	–	(12,602)
Grants to other charities	(20,000)	(548,489)	–	(2,079,534)	–	–	(2,648,023)
Grants for the benefit of individuals	(8,068)	(8,890)	–	–	–	–	(16,958)
Total expenditure	(32,270)	(565,779)	–	(2,079,534)	–	–	(2,677,583)
Net income/ (expenditure) before net gains/ (losses) on investments	(32,270)	(248,937)	–	(2,079,534)	–	–	(2,360,741)
Net gains/(losses) on investments	–	–	–	–	–	–	–
Net income/(expenditure) for the year	(32,270)	(248,937)	–	(2,079,534)	–	–	(2,360,741)
Net movement in funds	(32,270)	(248,937)	–	(2,079,534)	–	–	(2,360,741)
Fund balances at 1 April	32,270	7,285,571	2,604,088	3,481,658	32,200,000	12,000,000	57,603,587
Fund balances at 31 March	–	7,036,634	2,604,088	1,402,124	32,200,000	12,000,000	55,242,846

Designated Funds, within Unrestricted Funds, are set aside at the discretion of the Trustees for specific purposes and time. The Designated Funds now consist of the Current Operations Fund (COF), the Afghanistan Fund, the Relocation Fund (RF), the LIBOR Fund and the Strategic Reserve.

- The Current Operations Fund was established in 2007 to provide a continuing fund for soldiers, former soldiers, and their dependants in times of need who are suffering distress as a result of military operations being undertaken at that time and all subsequent military operations. It will continue in place until such time as all eligible beneficiaries no longer survive.
- The Afghanistan Fund was set up to support Army families affected by the Afghanistan campaign. Similarly, this will be time limited.

- The LIBOR funding of £3m was set up to deliver the better provision of childcare/community facilities for those serving Army families who face particular disadvantage. This project will be completed in 2022.
- The Strategic Reserve of £32.2 million – see Note 17, for comprehensive information about what this entails.
- The Relocation Fund of £12 million, to provide for the anticipated relocation of the Charity's head office when the building lease expires – currently 2025, although these plans are under constant review.

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20. RESTRICTED FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY

	Commandos Benevolent Fund 2021	DEFLOG VQ Fund 2021	Falklands Fund 2021	George Purse Fund 2021	Gulf Fund 2021	Total 2021
	£	£	£	£	£	£
Income						
Income from charitable activities	–	–	–	–	–	–
Income from investments	–	–	116,360	57,451	8,775	182,586
Total income	–	–	116,360	57,451	8,775	182,586
Expenditure						
Direct charitable expenditure	–	–	(12,600)	–	(4,204)	(16,804)
Grants to other charities	–	(133,360)	(100,000)	–	(62,000)	(295,360)
Grants for the benefit of individuals	(6,543)	(82,409)	(1,000)	(6,329)	(8,885)	(105,166)
Total expenditure	(6,543)	(215,769)	(113,600)	(6,329)	(75,089)	(417,330)
Net income/ (expenditure) before net gains/ (losses) on investments	(6,543)	(215,769)	2,760	51,122	(66,314)	(234,744)
Net gains/(losses) on investments	–	–	611,634	301,990	63,300	976,924
Net income/(expenditure) for the year	(6,543)	(215,769)	614,394	353,112	(3,014)	742,180
Net movement in funds	(6,543)	(215,769)	614,394	353,112	(3,014)	742,180
Fund balances at 1 April	260,395	1,862,891	2,986,068	1,733,697	325,523	7,168,574
Fund balances at 31 March	253,852	1,647,122	3,600,462	2,086,809	322,509	7,910,754

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20. RESTRICTED FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY (CONTINUED)

	Commandos Benevolent Fund 2020	DEFLOG VQ Fund 2020	Falklands Fund 2020	George Purse Fund 2020	Gulf Fund 2020	Total 2020
	£	£	£	£	£	£
Income						
Income from charitable activities	–	–	–	–	–	–
Income from investments	560	2,811	114,122	56,347	11,475	185,315
Total income	560	2,811	114,122	56,347	11,475	185,315
Expenditure						
Direct charitable expenditure	–	–	(12,603)	(3)	(4,203)	(16,809)
Grants to other charities	–	(32,100)	(135,000)	–	(102,000)	(269,100)
Grants for the benefit of individuals	–	(39,270)	(1,063)	(16,825)	(2,678)	(59,836)
Total expenditure	–	(71,370)	(148,666)	(16,828)	(108,881)	(345,745)
Net income/ (expenditure) before net gains/ (losses) on investments	560	(68,559)	(34,544)	39,519	(97,406)	(160,430)
Net gains/(losses) on investments	–	–	(261,064)	(128,898)	(26,250)	(416,212)
Net income/(expenditure) for the year	560	(68,559)	(295,608)	(89,379)	(123,656)	(576,642)
Net movement in funds	560	(68,559)	(295,608)	(89,379)	(123,656)	(576,642)
Fund balances at 1 April	259,835	1,931,450	3,281,676	1,823,076	449,179	7,745,216
Fund balances at 31 March	260,395	1,862,891	2,986,068	1,733,697	325,523	7,168,574

20. RESTRICTED FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY (CONTINUED)

The Restricted Funds consist of:

- The Army Commandos' Benevolent Fund gave the bulk of its winding up funds as a grant to The Soldiers' Charity for the assistance of any such persons who have served in the Commandos and in making grants to charitable organisations which directly or indirectly benefits the persons or dependents of persons who have served in the Commandos.
- The DEFLOG VQ Trust was set up from the funds received from The DEFLOG VQ Trust, which folded into The Soldiers' Charity two years ago. The funds are restricted to advance education and training and to relieve unemployment; and relieve the needs of people who are at risk of becoming socially excluded, through the promotion of social inclusion. We might assume that there will be greater call for these funds as the true economic impact of COVID-19 becomes more apparent.
- The Falklands Fund, which exists to meet the needs of soldiers, former soldiers and their dependants who have suffered distress as a result of the Falklands conflict.
- The George Purse Trust Fund which exists to make grants that would not otherwise be provided out of Charity Unrestricted funds to support the welfare needs of ex-Army personnel, dependants and carers residing in the former boundaries of the counties of Glamorgan and Monmouthshire.
- The Gulf Trust (Army and Civilian) Fund, which exists to meet the needs of soldiers, civilian personnel attached to or accompanying the Armed Forces and their dependants who have suffered distress as a result of the Gulf conflict and any continuing operations.

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21. PENSION COSTS

Employer contributions to the auto enrolment scheme during the year to 31 March 2021 amounted to £165,075 (2020: £166,215).

There was an outstanding pension contribution of £28,541 as at 31 March 2021 (2020: £28,620).

22. OPERATING LEASE COMMITMENTS

At 31 March 2021 the Charity had future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Land and buildings 2021	Office machinery 2021	Vehicles 2021	Total 2021
	£	£	£	£
Not later than one year	689,356	11,919	47,566	748,841
Later than one year and not later than five years	2,322,284	38,869	27,156	2,388,309
Later than five years	–	–	–	–
	3,011,640	50,788	74,722	3,137,150
	Land and buildings 2020	Office machinery 2020	Vehicles 2020	Total 2020
	£	£	£	£
Not later than one year	677,673	11,919	21,373	710,965
Later than one year and not later than five years	2,845,879	47,842	21,548	2,915,269
Later than five years	165,824	2,980	–	168,804
	3,689,376	62,741	42,921	3,795,038

The lease between The Soldiers' Charity and Grosvenor Estate Belgravia covers the first, second and third floors at Mountbarrow House.

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23. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITY

		Total 2021	Unrestricted Funds (note 18)	Unrestricted Funds (note 19)	Unrestricted Funds (note 20)	Total 2020
NOTES	£	£	£	£	£	£
Income from:						
Donations and legacies						
The public						
Donations and Appeals Income		3,147,683	4,323,840	–	–	4,323,840
Legacies		4,175,464	3,685,661	–	–	3,685,661
		<u>7,323,147</u>	<u>8,009,501</u>	<u>–</u>	<u>–</u>	<u>8,009,501</u>
Army personnel						
From individuals in Army Units		106,769	102,311	–	–	102,311
Regimental and Corps Benevolent Funds		964,700	776,025	–	–	776,025
Army Dependants Trust		929,000	800,000	–	–	800,000
		<u>2,000,469</u>	<u>1,678,336</u>	<u>–</u>	<u>–</u>	<u>1,678,336</u>
Investments	3	1,384,922	1,627,050	316,842	185,315	2,129,207
Other trading activities						
Other donations and events		951,608	2,960,291	–	–	2,960,291
Government grants	4	187,818	–	–	–	–
Total income		<u>11,847,964</u>	<u>14,275,178</u>	<u>316,842</u>	<u>185,315</u>	<u>14,777,335</u>
Expenditure on:						
Raising funds						
Fundraising trading	5	1,760,181	3,055,657	–	9	3,055,666
Other costs of raising funds	6	2,277,875	2,876,596	4	–	2,876,600
		<u>4,038,056</u>	<u>5,932,253</u>	<u>4</u>	<u>9</u>	<u>5,932,266</u>
Charitable activities						
Grants to Regiments and Corps for the benefit of individuals	7	2,632,015	3,847,903	16,958	59,836	3,924,697
Grants to other charities	8	3,543,517	2,946,104	2,648,023	269,100	5,863,227
		<u>6,175,532</u>	<u>6,794,007</u>	<u>2,664,981</u>	<u>328,936</u>	<u>9,787,924</u>
Grant making and other support costs	9	2,094,484	2,364,402	12,598	16,800	2,393,800
		<u>8,270,016</u>	<u>9,158,409</u>	<u>2,677,579</u>	<u>345,736</u>	<u>12,181,724</u>
Total expenditure		<u>12,308,072</u>	<u>15,090,662</u>	<u>2,677,583</u>	<u>345,745</u>	<u>18,113,990</u>
Net (expenditure) before net gains/(losses) on investments		(460,108)	(815,484)	(2,360,741)	(160,430)	(3,336,655)
Net gains/(losses) on investments	13	16,464,396	(3,211,248)	–	(416,212)	(3,627,460)
Net income/(expenditure) for the year		16,004,288	(4,026,732)	(2,360,741)	(576,642)	(6,964,115)
Net interest in the results for the year in associates	14	(24,975)	10,996	–	–	10,996
Net movement in funds		15,979,313	(4,015,736)	(2,360,741)	(576,642)	(6,953,119)
Funds balances at 1 April		77,910,270	19,514,586	57,603,587	7,745,216	84,863,389
Funds balances at 31 March		<u>93,889,583</u>	<u>15,498,850</u>	<u>55,242,846</u>	<u>7,168,574</u>	<u>77,910,270</u>

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The Army's National Charity