



Army veteran Richard's tour of Iraq completely changed him



Royal Navy veteran Dave joined up when he was just 17

# ANNUAL REPORT & ACCOUNTS 2020



Army veteran Davina's tour to Bosnia turned her to stone inside

**COMBAT  
STRESS**  
FOR VETERANS' MENTAL HEALTH

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Images on the front cover are taken from the film for Combat Stress 100 – one of the projects undertaken to mark our Centenary. Capturing the voices of military veterans, this living archive project was undertaken in partnership with reminiscence charity Age Exchange, thanks to funding from the National Lottery Heritage Fund.



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# COMBAT STRESS AT A GLANCE

“

I now understand my mental health and can better cope with any bad thoughts or bad days. I can even do things I never thought I'd be able to do again.”

Army veteran Richard

46%

of calls made to our Helpline came from new callers

15,000

During the year our Helpline received almost 15,000 calls

2,000

new veterans were referred to us for our specialist support

83%

of those who seek our help have served in the Army

3,000+

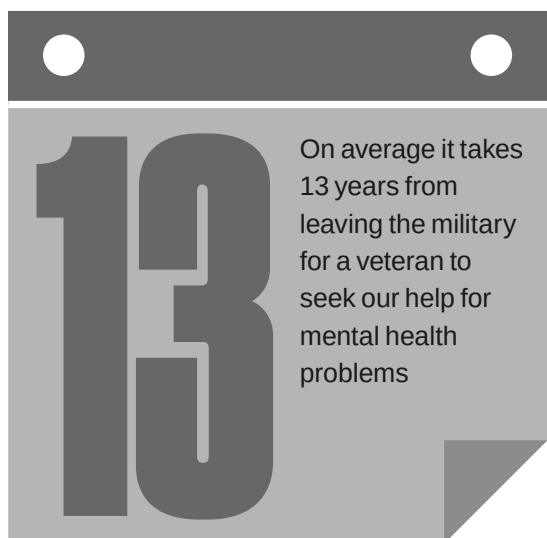
Over 3,000 veterans were helped by our charity in the last year

# 21 YEARS OLD

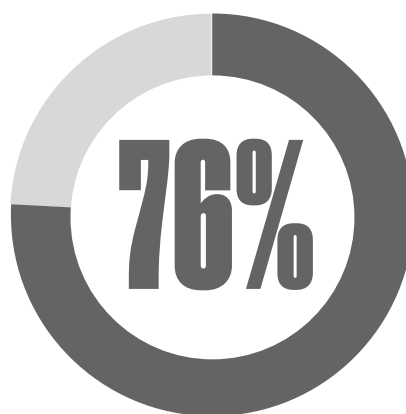
The youngest veteran we supported was 21 years old

# 96 YEARS OLD

The oldest veteran we supported was 96 years old



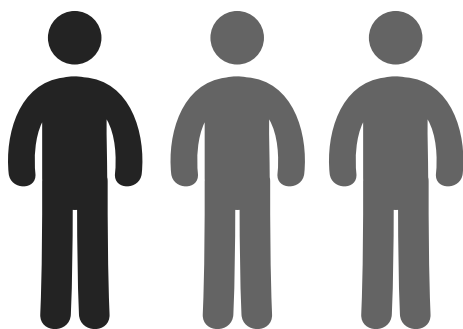
of the veterans we treat have PTSD and at least two other mental health conditions\*



of veterans taking part in our six-week PTSD Intensive Treatment Programme saw significant improvement in PTSD symptoms\*\*

# 32%

of the veterans we support have served in two or more conflicts



# “

My issues were really hindering my day to day life but treatment from Combat Stress literally changed my life.”

Army veteran Dean

# “

I’ve come on a lot from being suicidal to being able to cope. There’s been a definite improvement – people have said to me they’ve noticed a change in me.”

RAF veteran Robert

# “

Talking about what I’d been through for the first time felt like a giant weight had been lifted. I realised that what I’d been feeling wasn’t my fault.”

Royal Navy veteran Dave

All statistics relate to our last financial year (1 April 2019 to 31 March 2020).

\*Combat Stress research \*\*Based on a sample of veterans taking part in the programme during our financial year 19–20



# DAVINA'S STORY

“

It's the hardest thing to say you need help but at Combat Stress they understand. I used to feel like I didn't deserve help – I still had all my limbs after all – but I learnt that I was there because I needed to be. My body might be intact, but my mind got damaged.”

---

Davina, a veteran who has received our treatment and became a veteran volunteer interviewer for the Combat Stress 100 project.

# INTRODUCTION

**Since our founding in 1919, our mission to support former servicemen and women with psychological rehabilitation has not changed. For over 100 years we have been there for those in their darkest hour, providing increasingly specialist and evidence-based treatment.**

This year analysis of our treatment outcomes showed our six-week PTSD Intensive Treatment Programme, which has run since 2011, continues to deliver positive outcomes, with 76% of those sampled seeing significant improvement in PTSD symptoms. Our two-week residential Anger Management Programme also demonstrated a 71% improvement in PTSD symptoms and a 68% improvement in anger difficulties.

We undertook a full scale organisation-wide transformation starting in April. This involved a comprehensive review of our charitable purpose, assessment of the changing needs of veterans with complex mental health needs, our position in the veterans mental health pathway, an assessment of the latest practice evidence, an evaluation of our programme impact, and the identification of the organisational skills needed to continue and sustain our services.

We published our service redesign plans to ensure we deliver the best possible treatment to veterans with complex mental health needs in our next financial year (2020–21). We have been operating in a challenging fundraising environment which

has since worsened further due to the COVID-19 pandemic. This has impacted on our ability to maintain the same levels of service for veterans as has been delivered in previous years. We have protected our income as much as possible to deliver a strong and sustainable service for the future.

We have consulted widely with key partners during the course of the service redesign, working closely with veterans and the Office for Veterans' Affairs, the NHS and the Confederation of Service Charities (Cobseo) to name just a few, and have also drawn from international best practice. We now have strengthened relationships and pledges of support from major funders: the benevolent sector, NHS commissioners, and military trusts and charities.

From April 2020, our service will focus on veterans with complex PTSD and supporting their families. We will use our clinical expertise and income to help this group which the wider healthcare system does not support well.

The life-changing impact of the COVID-19 pandemic has been felt by all of us. We reacted quickly to Government restrictions and modified our working practices to provide our vital services remotely. The wellbeing of our staff, veterans, colleagues and friends has been paramount during this unprecedented event and we have sought to support all as much as we can.



**Giles Peel**  
Chairman of the Board of Trustees



**Sue Freeth**  
Chief Executive

# VISION, MISSION, VALUES AND AIMS

## 2017-2022

### OUR VISION

We want all former servicemen and women with complex mental health problems to live full and meaningful lives.

### OUR MISSION

To provide support and treatment to veterans with complex mental health problems to help them tackle the past and take on the future.

### OUR VALUES

#### Together

We are united in purpose, collaborative in action.

#### Bold

We'll do and say what we must to achieve our organisation's vision.

#### Focused

We're clear about what we will and won't do to deliver the best outcomes.

#### Personal

We respect diversity and appreciate everyone's individual needs and talents.

### OUR STRATEGIC AIMS

#### AIM 1

Deliver sustainable, accessible services to meet the needs of veterans with complex mental health problems.

#### AIM 2

Develop a distinct brand positioning to improve engagement and sustain and grow our supporter and financial base.

#### AIM 3

Build a healthy, cohesive and effective organisation – a place where people want to work.



# RICHARD'S STORY

“

I had to relive it, every day and every night. Luckily for me, Combat Stress was there to help.

So, take that leap. Make that call. It will change your life.”

---

Richard, a veteran who has received our treatment and was interviewed for the Combat Stress 100 project.



# STRATEGIC AIM 1

Deliver sustainable, accessible services to meet the needs of veterans with complex mental health problems

When it comes to veterans with complex mental health needs, Combat Stress has been leading the field for 100 years. We're internationally recognised for our expertise and treatment programme outcomes. No other mental healthcare provider in the UK understands better than us the traumatic experiences and unique mental health needs of veterans. Our research continues to develop the understanding of veterans' mental health needs globally and our studies contribute to service innovations. Our treatment programmes inform and are informed by a strong and evolving evidence base.

Over time, our service has constantly evolved to best meet the needs of our veterans. This year, building on our expertise of delivering evidence-based treatment, we have continued to focus on making our services as accessible and user-friendly as possible for those who need our help. Going forward, our expanded capacity for online therapy and self-service materials will be firm foundations for a more flexible service for the modern veteran.

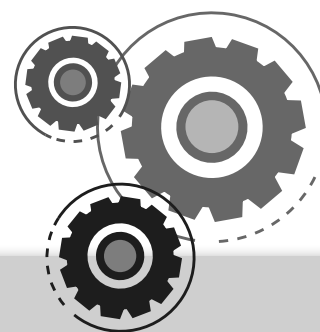
## Diversity and inclusion

To provide the best possible care for veterans within a sustainable model, we looked at why, what, how and to whom we deliver our services. This included considering the diverse needs of the group – for example, making our services more accessible to female veterans, those from ethnic minorities as well as veterans from more recent conflicts,

many of whom may be juggling work and family commitments.

## Demand

Demand for our services remains constant, yet our available income has fallen. The service review enabled us to create a cost-effective and veteran-centred service.



## Our new service model

During the year we developed and refined our new service model ready for introduction in 2020/21. This included an independent peer review process. We will continue as the UK's leading clinical provider specialising solely in veterans with complex mental health needs.

Our new model will provide core services as follows:

**A 24-hour Helpline**

**Psychological treatment**

**Psychiatric treatment**

**Occupational therapy**

**Substance misuse management**

**Physical health management**

**Art therapy**

**Peer support**

**Family support**

Our services will also be more easily accessible; veterans will have the option to access support and treatment by phone and online as well as in-person.

The new model will deliver our services as a whole package. There will be a more targeted, accessible and veteran-friendly programme of support available and it will be a more holistic model, meaning that we are able to meet a broader range of individual veteran needs.

We will offer the new service model through five dedicated interdisciplinary treatment hubs in the UK. There will be a hub in Northern Ireland, one in Scotland supported by three small community outreach teams, and three in England, serving south, central and north of England. We will provide some online psychological first-aid support in Wales during the COVID-19 pandemic. Sadly at this time we cannot operate a service in Wales without Welsh Government funding.

We will deliver the services to veterans and their families in three ways:

- One-to-one and groups
- In person, phone and digital
- Community, outpatient and residential

We will increase the scale of our operation in the UK as more funding becomes available so we can meet the needs of every veteran with complex mental health issues to help them lead a full and meaningful life. Our new service model will enable us to scale up delivery of our services should funding increase.

### New roles

Following veteran and other stakeholder feedback, as well as our own research evidence, we have created six new roles in our new model. Each role will be piloted in the first instance. The new roles are:

- A senior clinical lead in each treatment hub to provide clinical oversight, supervision and assure best practice.
- A senior manager for each devolved nation to lead a more tailored approach for Northern Ireland, Scotland and England.
- A National Veterans' Voice, family voice and social care lead to bring in social care expertise, and lead on veteran and family engagement as well peer and family support.
- A veteran engagement officer to support the development of the Veterans' Voice infrastructure.
- A family support worker to provide more holistic wrap around care to veterans and their families (research shows that the more complicated the mental health issues are for a veteran, the more likely family relationships are to be placed under strain).
- A buddy:buddy worker to help veterans at the start and subsequently during their recovery journey. This may also include advocacy if required and navigation advice about the different treatment being offered, as well as the wider veteran mental healthcare system.

### Research

Our research is an important part of our service because it keeps us at the forefront of veteran mental health treatment (for more details on our work in this area, please see page 15). Our research team works closely with our clinical audit team to ensure we are delivering evidence-based practice across all our service provision. Many of our senior clinicians are involved in veteran and trauma-related expert mental health bodies, both nationally and internationally.

There will be further configuration and alignment through our new service model to ensure that we expand use of our research by:

- Supporting research and service evaluation at all levels across the organisation, both in terms of supporting data collection and dissemination.
- Ensuring that we are using research to inform service development and delivery.
- Supporting research endeavours to ensure Combat Stress is a world leader in veterans' mental health and, in particular, complex trauma.
- Assisting staff to understand the latest developments to ensure we are cutting edge in the services we provide.

To achieve this, we will ring-fence time in clinical roles to carry out research and service evaluation. Capturing, measuring and reporting on outcomes is vital so routine use of data-driven decision-making will be adopted.

Research requiring additional resources and other significant costs will be funded by research grants.

## Referrals

During the year we received almost 2,000 new referrals. We had forecast to receive approximately 2,400 referrals this year but, due to the service review and available funding, in January 2020 we made the very difficult decision that, for a temporary period, we would not be able to take new referrals in England and Wales (funding remained available in Scotland, and in Northern Ireland where we had existing capacity). During this time, we worked closely with partner organisations to signpost veterans to other sources of help.

## Helpline

Our 24-hour Helpline for veterans, their families and friends remains a constant and very valued part of our service model going forward. During the year our Helpline received almost 15,000 calls and almost half of these were made by new callers. One of the main reasons for calling was emotional support – some callers just need a listening ear.

We also continued to provide a dedicated mental health helpline for serving personnel and their families to meet the needs of this group. This helpline is funded by the Ministry of Defence.



Image courtesy of Blesma

**Army veteran Jessie has used our Peer Support Service this year. He says “I love the fact I could chew the fat with like-minded individuals – it really helped me.”**

## Peer Support

Our Peer Support Service is an important part of our assistance to veterans, providing them with access to help and support on a non-clinical basis. During the year, 505 veterans were referred to the service.

As well as our own Peer Support Service, we also provide the peer support services for the NHS Complex Treatment Service (CTS) across the north of England, under contract to Leeds and York Partnership NHS Foundation Trust.

We also began a review of the service to develop and improve it and have begun to consider the introduction of a UK-wide virtual peer support group to extend access to this service.

# 15,000

During the year our Helpline received almost 15,000 calls.

# 46%

Almost half of the calls to the Helpline during the year were made by new callers.

## Substance Misuse Case Management service

We continue to provide our substance misuse case management service so that veterans with drug and alcohol dependence can subsequently fully benefit from our treatment. As part of the new service model, substance misuse case management has been increased. All clinical staff will be trained in this area as part of our more holistic model. We continued to provide substance misuse case management as part of our contract to Leeds and York Partnership NHS Foundation Trust for CTS in the north of England region.

## Online clinical services

During the year we have further developed the provision of some of our clinical services online. This has included psychological therapy and art therapy. Our experience trialling the provision of online services in the last financial year proved vital in March 2020 when, due to the COVID-19 lockdown, we had to temporarily suspend face to face treatment and quickly adapt online treatment and support.

## Physical health programme pilot

In the UK, 70% of veterans who seek our help have a comorbidity with a physical health problem such as cardiovascular and gastrointestinal diseases.

Recognising the close link between complex mental health needs and complex physical health needs, during the year we devised and ran a pilot health and wellbeing programme for veterans who are already engaged with us for treatment and support for their

mental health problems. We plan to introduce this programme on a wider basis as part of our service.

## NHS collaboration

In February 2020, NHS England pledged £1million per annum for the next two financial years (2021 and 2022) to ensure our core services are funded and that we can provide support in conjunction with the NHS veteran mental health services.

We continued to be contracted by the Scottish Government to provide specialist mental health services to veterans across Scotland. The current contract runs until March 2021.

We were represented on the NHS England Armed Forces Clinical Reference Group mental health subcommittee.

We were involved in tenders as part of a consortium with two NHS Trusts for provision of the new High Intensity Service across England. We have since been informed that we were successful in our bids in the North West and North East region and the Yorkshire region.

We also forged ever closer partnerships with the NHS where there are dedicated veteran mental health services, for example: Transition, Intervention and Liaison Service (TILS) and CTS in England; Veteran NHS Wales; and Veterans First Point in Scotland. In Northern Ireland, where no dedicated NHS veteran mental health service exists, we have developed links with the regional trauma network.

In addition, as COVID-19 developed in 2020, we contacted the NHS to offer support including use of our facilities, psychological support for frontline staff and provision of our own staff via secondment as required.



### Physical health pilot programme:

Of the eight veterans who took part in the small pilot, one of many positive outcomes was a significant reduction in blood sugar readings for a veteran recently diagnosed with type 2 diabetes.



Pictured Dr Walter Busuttill, Medical Director, (bottom row, far right) and Dr Dominic Murphy, Head of Research, (second row, first on the left) with other members of the Five Eyes Group in November 2019.

Some of the organisations we have collaborated with this year



Cobseo  
The Confederation  
of Service Charities



## Collaboration with other service charities

We initiated meetings with the other major veterans' mental health charities to align our own service pathways with the wider veterans' mental health services and direction of others working in the same system.

Cobseo convened meetings with us and the major service benevolent charities to secure their support for our resizing plans. During 2019/20 we were also active members of the Contact Armed Forces Group (a Heads Together charity partner), contributing to a range of initiatives.

Combined this work has taken the military charity sector to a better place in the past six months.

## Veterans' mental health sector

Many of our senior clinicians are involved in veteran and trauma-related expert mental health bodies,

both nationally and internationally. This includes:

- Supporting NHS England in developing a global set of psychometric measures to be used across NHS England to improve a veteran's assessment experience.
- Our employees teaching and supervising the next generation of potential clinicians and researchers interested in the field of military mental health.
- Collaborating both nationally and internationally to further the understanding of how best to support veterans (i.e. through conferences, international working groups, and national research collaborations). For example:
  - Five Eyes – UK, USA, Australia, New Zealand and Canada Ministerial Conference: we remain part of the working party group for veterans and serving personnel providing ministerial advice on suicide, improving

treatment outcomes for PTSD, moral injury and the needs of the family and veteran.

- NATO Research Task Group: this international group is looking at how to better personalise medicine for mental health difficulties.
- Being active contributors to the Defence Health Select Committees, Contact Armed Forces Group and NHS England Armed Forces Clinical Reference Group.
- Holding regular meetings with Ministers from the Department of Health, Office of Veterans' Affairs and the Ministry of Defence to raise the profile of military mental health and highlighting important issues such as veteran suicide, complex PTSD and moral injury. We have also met with Members of the Scottish Parliament and the Welsh Government.



This year we have begun exploring the concept of moral injury and developing UK-specific treatment measures.”

Dominic Murphy, Head of Research, Combat Stress.

## Research

Since being established in 2014, the research team has published 72 peer reviewed papers, including 17 in the last year while a further nine are under review.

Highlights from research work during the year include:

**Supporting partners of former servicemen and women:** Our research into how to support the partners of veterans living with PTSD continues. Using knowledge from our research into the scope of need and the subsequent successfully piloted ‘Together’ programme, which offered partners of veterans the opportunity to access support, we have run a series of webinars to increase accessibility to the programme.

Thanks to funding from The Royal British Legion we also successfully ran a feasibility trial to offer joint treatment for veterans and their partners. This unique and innovative treatment approach is the first in the UK and initial findings show that the outcomes are better for the veteran when involving their partner. We plan to devise a treatment programme from this trial.

**Complex PTSD:** We published a study to explore the validity of the diagnostic criteria for complex PTSD, its prevalence in treatment-seeking veterans and the difference in comorbid problems between complex PTSD and PTSD. This

study was funded by Forces in Mind Trust and undertaken in conjunction with Edinburgh Napier University. Research from this study will help us develop treatments to tackle complex PTSD.

**Moral injury:** In conjunction with Kings College London and thanks to funding from Forces in Mind Trust, we are exploring the concept of moral injury and developing UK-specific treatment measures for moral injury.

Moral injury has in the past been seen as part of PTSD but is now increasingly being recognised as developing as a separate entity which may or may not be present with PTSD. This requires specific treatment. Moral injury results when soldiers are exposed to ethical, moral, and religious or spiritual challenges and dilemmas as part of their role, causing violations to deeply held beliefs. Veterans can be left haunted by internal conflicts. They then might question their role in events or why they couldn’t stop events from happening. This moral injury can destroy their self-worth and many are so paralysed with shame and guilt they can’t function.

Our research into moral injury will help improve outcomes further for the veterans we treat and for other organisations.



17 peer reviewed research papers published in the last year.

# STRATEGIC AIM 2

Develop a distinct brand positioning to improve engagement and sustain and grow our supporter and financial base

Gaining awareness in the charity sector has never been more important, especially in a year when the charity was over 80% reliant on public donations. It has been a challenging year for charities as a whole but particularly for military charities such as Combat Stress. There is a general lack of awareness of the need to support veterans (as the Armed Services are not deployed on combat operations) and this makes it difficult to project our messages of need.

Despite the difficult environment for fundraising for veterans' charities, we have been successful with a number of initiatives which have protected our funding levels to a certain degree.

To position Combat Stress as experts in veteran mental health, maximise awareness and capitalise on marketing and communication opportunities, we appointed a new Director of Marketing and Communications in September 2019 and reinvigorated our overarching marketing and communications strategy.

We invested in brand awareness with a multi-channel integrated campaign, 'Bring Them Home', in April 2019 across TV, print and online, helping drive engagement, donations and growth of the supporter base.

We have extended our in-house digital team, increasing our ability to scale and enhance digital marketing and also to develop online veterans'



**Veteran Nigel, who received our treatment, was featured on BBC One's The One Show.**

mental health resources. This enabled us to develop swiftly and release valuable online wellbeing resources for veterans, their families and others looking for mental health support right at the start of the COVID-19 outbreak.

To complete commemoration of our Centenary year, we partnered with reminiscence charity Age Exchange to record in veterans' own words the impact of living with military trauma. Eight veterans with mental health conditions who were treated by Combat Stress were trained to film and conduct interviews with fellow veterans who have also been supported by us. The living archive project, Combat Stress 100, was made possible thanks to funding from the National

Lottery Heritage Fund. As well as a 60-minute film (which was shown at locations across the country), veterans' individual testimonies will become part of a living archive.

Our media relations activity this year has been significant, including coverage on a wide range of outlets including BBC, Sky News, and ITN. One highlight was coverage on BBC One's The One Show for a veteran who, after receiving our treatment, has established his own business Combat2Coffee, supporting veterans and donating to Combat Stress.

In terms of charitable income, we continue to diversify our income streams through fundraising and we have a strong team in place to





**His Royal Highness The Prince of Wales, Patron of Combat Stress, launching The At Ease Appeal on 13 May 2019, at a reception at St James's Palace.**



**Actor and presenter Ross Kemp with veterans Paul Smith (L) and Andrew Wilkinson (R) pitchside at the Army v Navy rugby match at Twickenham.**

approach and engage supporters across the board. We are making more intelligent use of what we know about our donors and supporters to make more tailored approaches.

We have also further developed ministerial relationships, working closely with the Minister for Defence People and Veterans to lobby for further funds for this sector. Our President, Sir Peter Wall, former Chief of the General Staff for the British Army, was instrumental in raising awareness about the need for increased funding and, together with our Chairman, helped secure extra funding for the Armed Forces Covenant Fund for distribution to the military charity sector.

The combined efforts of our marketing/communications and fundraising teams have helped to deliver a favourable return for supporters in terms of efficacy. For every £1 we spend on fundraising, we have raised £3.11 – a good result for our sector, despite significant headwinds. Our supporters should be encouraged that so much of what

they give goes directly to support veterans. From each £1 spent, 79p supports veteran treatment.

To demonstrate the breadth of our fundraising approach, below are some highlights from the year from our various sources of income.

## Major Gifts

Our Patron, HRH The Prince of Wales, hosted nearly 300 of our valued partners and potential supporters at St James's Palace in May 2019. The evening marked our Centenary and the launch of The At Ease Appeal to raise funds to ensure, extend and enhance access to vital support for veterans with complex mental health problems.

During the year, we were grateful to Sir Michael Uren's family for continuing his significant support via The Michael Uren Foundation and also for a generous gift from the Ken Dodd Charitable Foundation which continues Sir Ken's lifelong commitment to supporting our Armed Forces.

We are so very grateful for these – and the many others who support us through our Benefactor programme.

## Corporate Partnerships

Income from corporate partnerships continued to grow. We had record levels of sponsorship at our Supporter Dinner, including support for the third year in a row from L3 Harris, along with sponsorship at our other events including the Clay Shoot, Armistice Lecture and Carol Service. We also had greater numbers of corporate supporters joining at these events, many for the first time.

Our continued close relationship with our defence supporters went from strength to strength. The finance team from BAE Systems cycled from Guildford to Gloucester raising over £16,000 with matched giving; Thales again sponsored the Military Mind Symposium in Scotland; Raytheon, CDS Defence & Security, Leonardo, CGI, KBR and BAE Systems Rochester all took



**Above:** Andreas Beirne, Fundraiser of the Year, pictured with our previous Chairman Andrew Graham at our inaugural Extra Mile Awards in October 2019. The awards recognised those supporters who went the “extra mile” to support veterans’ mental health.

**Below:** The finance team from our corporate partner BAE Systems cycled from Guildford to Gloucester to raise over £16,000.



part in our fundraising event March in March; and General Dynamics continued their support of projects in Wales.

In May 2019 we were honoured to be selected as the chosen charity for the Army v Navy rugby match at Twickenham.

## Trusts and Foundations

We are extremely grateful for the support of all those charitable trusts and foundations who have supported us in the last year. With the help of the 300 donations made by these generous supporters, we have been able to deliver our vital services to veterans across the UK in a variety of ways.

We are particularly grateful when trusts and foundations are able to provide funding for future years, as this allows us to confidently plan, knowing that we will be able to provide long-term help and support to veterans. For example, the Oak Foundation has continued to support our core work with a grant of

£333,333. Lloyd’s Patriotic Fund has also made a long-term commitment to our occupational therapy team – this year they helped to develop and incorporate sensory modulation into treatment, with a further £300,000 committed over the next three years to create an evidence base on how the use of sensory modulation can enhance the lives of veterans with mental health problems. The Royal British Legion also pledged £1million for each of the next three years for the South of England treatment hub.

Examples of other support from veteran charities and funds included:

- **Armed Forces Covenant Fund Trust** is supporting us in the delivery of our Training for Veterans Wellbeing through the Strategic Pathways programme.
- **ABF The Soldier’s Charity** has continued to help us to provide a vital range of services to Army veterans.
- **The Irish Ex-Service Trust** has helped us to provide critical support to veterans in Northern Ireland.
- **Poppyscotland** is helping us to deliver vital mental health services in the Scottish Highlands.
- **RAF Benevolent Fund** has supported us in providing treatment and care to RAF veterans across the UK.
- **The Royal British Legion Chelsea and Kensington Branch** has provided a grant to support the work of our Community Mental Health team in London.
- **Royal Navy and Royal Marines Charity** has helped us to provide former servicemen and women from the Royal Navy and Royal Marines with the support they need.

## Volunteer, Regional and Community Fundraising

Our annual March in March campaign was up 29% on last year with funds still coming in after the end of the financial year. This was despite the COVID-19 lockdown beginning halfway through the month. We also trialed two new fundraising initiatives, Do 100 and Egg Banjo, and evaluated their success to refine our fundraising in this area.

Our challenge fundraisers were as adventurous as ever; with cycles across Europe, Africa and beyond, year-long push up challenges, consecutive marathon challenges and sky-diving pensioners raising in excess of £440,000.

Our supporters also put on some amazing events including one to commemorate our Centenary – The Jockey Club and Wincanton Racecourse generously hosted a phenomenally successful day, raising over £65,000.

A new Volunteer Policy has been developed and implemented to support Regional Fundraising activity, allowing the team to recruit new volunteer representatives across the UK.

## Events

Our events this year included the Scottish Lecture – delivered by two of the 'Men of Oar' rowing team – who discussed how they overcame the sheer adversity of the Talisker Whiskey Atlantic Challenge; the Armistice Lecture delivered by Brian Wood MC, a highly decorated Afghanistan veteran and Times Best Selling author of Double Crossed; and the ever popular Carol Service, held at the Royal Hospital Chelsea. We had also planned to hold our Annual Supporter Dinner but due to COVID-19 this was unable to take place.



We'd like to say a huge thank you to everyone who supports us.

## Legacies

We continue to invest in this area and have seen an increase in pledges in Wills of just over 10%. This has been through a combination of targeted mailings, creation of new collateral and community events at locations across the country to connect with supporters.

We have brought in-house the handling of property sales from legacies, with the legacy team working collaboratively with the Assistant Company Secretary: this has proved successful in maximising funds and saving on consulting costs.

Legacy income continues to play a vital role in funding the work of Combat Stress, with the total from this form of giving being £1.8m. In the last financial year, we received legacies from 126 estates, with values ranging from £100 through to our largest of circa £1.4million (received across multiple years).

## Individual Giving

General donations from individual supporters have been lower than expected this year but our supporters have been very generous when directly asked. For example, our appeal in February 2020 raised over £20,000 more than its target, despite the impact of GDPR regulations which meant we were contacting significantly fewer supporters than previously.

In addition, when in January 2020 we had to temporarily stop taking referrals due to available funding, generous supporters, new and old, made donations of over £41,000 for which we were very grateful.

The generosity of our existing donors and the spike in support following our announcement about referrals resulted in the Individual Giving income stream raising 92% of its target for the year.

## For each £1 spent:

**79p** supports veteran treatment  
**18p** is invested in fundraising  
**3p** raises awareness



# STRATEGIC AIM 3

Build a healthy, effective organisation  
– a place where people want to work

We remain committed to improving employee engagement. Our annual staff engagement survey findings showed we have made improvements. Our employee forum, Viewpoint, is developing, giving all staff the opportunity to have a voice to challenge decisions and make improvement suggestions.

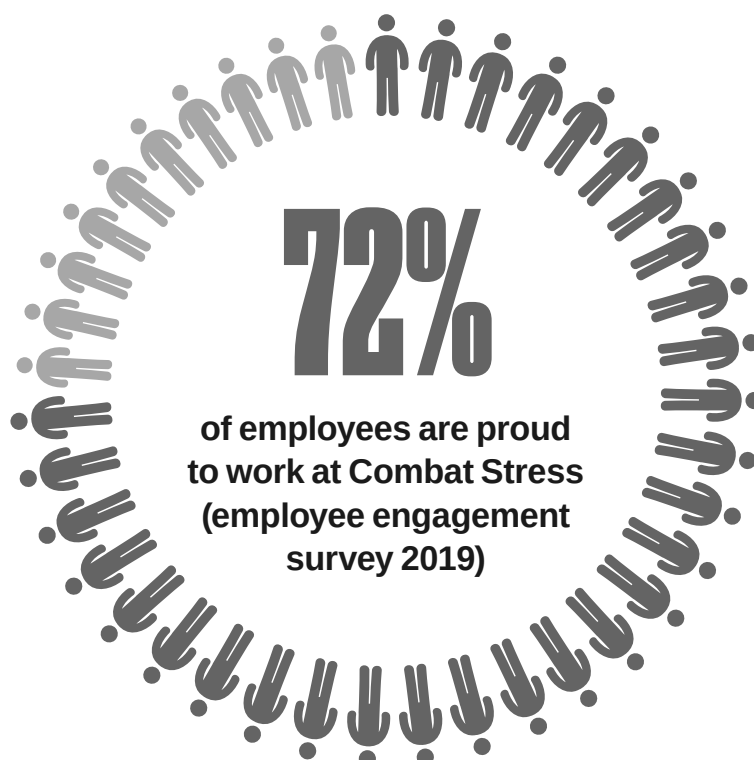
All staff contributed to the service redesign helping us to secure the strongest possible future for the charity. This co-creation process was achieved using webinars, workshops and the intranet, allowing every employee to be informed and contribute. When it became clear that we would need to resize, we established and followed a full consultation process with staff, resulting in a greater understanding and ownership of the outcome.

Throughout the redesign of our service and consultation process, we have increased transparency, strengthened the voice of every member of staff, and continued our drive to become a more healthy, effective organisation with a strong sense of community and shared purpose. Use of our intranet has been key for this and we will continue to develop this in the coming year.

Other achievements in the year include the introduction of new software for our recruitment process, improving the candidate application experience. We also reviewed our policies for family

friendliness and our employee assistance programme. We reviewed our diversity and inclusion policy to better help reflect the community we were established to serve. Our e-learning capability was improved across the organisation during the year, particularly in relation to our clinical employees.

Finally, we implemented a full programme of support to help employees make the transition to remote working when the Government imposed lockdown began. We consulted staff to understand individual implications and challenges of this new way of working and were able to offer flexible solutions to ensure that staff were able to continue working effectively.



# FUTURE PLANS

During the 2020/21 financial year we will complete the implementation of a more focused service gradually phasing in our new service model, adapting it to the disruption of COVID-19.

The pandemic necessitated delivery of our services remotely but, due to a successful research trial in the past, we were well placed to quickly provide this. Our new service model will continue to build our online service provision to help further increase our reach using this cost-effective solution. At the time of writing, we are bringing forward the introduction of more digital resources and online therapy, and plan to launch an online veterans' portal in late 2020. We will also start to take new referrals in England more gradually during the first part of the year.

We will evaluate the outcome of our new family support roles and look to expand these where funding permits. We will also introduce the buddy:buddy support role starting with two positions in England this year. All clinical staff will be trained to provide low level substance misuse treatment as part of our more

holistic model so it becomes a fully integrated part of our core service.

Our research team will also be supporting the wider healthcare community with studies to look at the mental health impacts of COVID-19 for key workers, particularly the psychological needs of NHS frontline staff and barriers to help-seeking for female and BAME veterans. We also have international collaborations to assess the impact of self-isolation on veterans with mental health difficulties.

In the areas of Fundraising, Marketing and Communications we plan to review donor journeys to increase acquisition, retention and donation amount through a multi-channel initiative, which will incorporate targeted email, direct mail, online advertising and more to capture attention and motivate action from the right people at the right time.

We will continue to collaborate with other charities and organisations in this sector. As a founding member and executive member of Cobseo, we are well placed to help our colleagues in the military sector face the future, especially in these unprecedented times.

The impact of COVID-19 is likely to be significant when it comes to fundraising. We are planning to adapt and refine our activity wherever possible but limitations on holding events (our own and others) will affect our income. We will continue to engage with our supporters through multiple channels. After the challenging months of lockdown, the nation has an increased awareness and understanding of mental health and we will continue to highlight the specific needs of veterans during this time and the support we can provide.

One final development for 2020/21 financial year is that CEO Sue Freeth will be stepping down and supporting the transition to the successor CEO to lead the charity into its next phase. Sue has the full support of the Board and the transition is progressing well.

All former servicemen and women with complex mental health problems deserve to lead full and meaningful lives, and we are committed to being there for them to make this happen.

# FINANCIAL REVIEW

In spring 2019, Combat Stress began a complete review of the way that its services are provided in order to make them as accessible as possible to veterans, using the latest technologies and methodologies. The review involved all trustees, executive directors and senior managers and many other employees. In addition to our internal costs of performing this work, we had help from external consultants to facilitate the review and to manage the project. The costs of the project during the year, including employee compensation were £270k. Further compensation costs have already been incurred in 2020–21, but these costs have produced a service that can deliver more accessible treatment at lower expenditure than previously.

During summer of 2019, it became clear that pressures on income that many charities were facing would also affect our charity. The service review was accelerated, and also focused on reducing our costs to bring them in line with our expectations of income levels over the coming years. This service redesign began implementation in the last quarter of 2019/20, and the full effects will be seen in subsequent years. The trustees took the view that a drastic reduction in expenditure in 2019/20 would likely affect the veterans that we help, and so they agreed we should use reserves to fund this work during the year, before bringing finances back into balance in 2020/21. The effects of this can be seen this year as results show a deficit of £4.4m (2018/19 surplus £1.5m) on operating activities. This affected the general reserves at 31 March 2020 and our cash and investment balances at that date.

Over many years, until 2017/18, we received 40% of our income from statutory sources but this reduced to 16% in 2019/20. This makes us more reliant on voluntary income from our many supporters.

The strong relationship with NHS Scotland has continued, and our current contract with them runs until March 2021. We have renewed our relationships with NHS England and have reached agreement with them for funding in 2020/21.

Our work would not be possible without the generous help of individuals, companies, trusts and statutory bodies. We are immensely grateful for their continued help and support.

## Going Concern

The Trustees review financial plans and risks at each Board meeting as part of their normal annual review, with the March 2020 meeting being the last one before the scale of the impact of COVID-19 was fully understood. At that time, they were satisfied that Combat Stress had sufficient resources to continue operating for the foreseeable future and accounts have been prepared in the knowledge that the charity is a financially viable organisation.

Since then, the effect of COVID-19 has been assessed by the trustees in July 2020, reviewing the organisation's revised forecasts and projections to ensure that the organisation remains financially viable. With regard to the next accounting period, the year ending 31 March 2021, the most significant area that is likely to affect the charity's net assets is the level of voluntary income. Fundraising income is declining from a reduction

in activities, such as fundraising events and community fundraising.

The work that we undertook over the last 12 months to reduce expenditure to a level that matches our sustainable income has helped, but we must still be vigilant to ensure that we do not spend more than we receive.

The most recent forecasts and projections show an acceptable level of cash and reserves, although these are still lower than in recent years. Our plans to restore cash, investment and reserve balances to previous levels will now take longer than previously anticipated.

The Trustees will continue to review plans with the executive team to make any necessary changes to remain within the free reserves level over the life of the three year plan, as per the reserves policy.

As such, they remain satisfied that the Combat Stress can continue operating for the foreseeable future and accounts have been prepared in the expectation that Combat Stress remains a financially viable organisation.

The Financial Statements are prepared on the going concern basis which assumes that Combat Stress will continue in operational existence for the foreseeable future. The Board of Trustees have considered the working capital and cash flow requirements and consider that the current and forecast cash resources are sufficient to cover the working capital requirements of the charity for at least 12 months. Having considered these matters, the Trustees do not consider there to be a material uncertainty and have accordingly prepared the financial statements on a going concern basis.

## Income

Our total income for the year was £10.2m (2018/19: £16.4m). £5.5m of the reduction year on year is due to a fall in voluntary income. Legacies were significantly lower at £1.8m (2018/19 £4.2m).

Income from our strategic partners was down this year compared to 2018/19, due principally to timing differences. The relationships with these partners remain close and collaborative. We have received multiple year pledges relating to 2020–21 and beyond, from these partners, which will allow us to continue our work.

Statutory income was lower due to a large £0.5m grant for core services received in the previous year, which was not repeated this year.

Income from charitable activities was £1.8m (2018/19: £2.4m). Contractual income from NHS

Scotland was £1.4m (2018/19: £1.4m). In 2017–18, NHS England changed the way that it funds veteran mental health. Until that year we had received contract income of £3.4m each year. In 2018–19 we received £552k, as the residual part of this contract. In that year, NHS England redirected this veteran mental health funding to their new HIS and CTS services, which are principally run by NHS Trusts. As part of this new funding model we received £117k of contract work from Leeds and York Partnership NHS Foundation Trust (2018/19: £117k).

Investment income of £241k was slightly reduced from last year (2018/19: £251k).

## Expenditure

Total expenditure for 2019/20 was £14.6m (2018/19: £14.9m) with 82% being spent on charitable activities (2018/19: 84%).

Expenditure in raising funds was increased in order to address the challenge of raising an increased percentage of our income from voluntary donations.

In 2019/20, our spending on charitable activities was £12.0m (2018/2019: £12.4m). This reduction was a direct effect of the pressure on charitable income forcing us to restrain our overall expenditure. Clinical Services – including our six-week PTSD Intensive Treatment Programme – continued to represent our area of biggest spend.

Staff costs comprise 70.1% of our total costs (2018/19: 66.4%) as shown in Note 8. It remains a challenge to recruit and retain excellent employees in a competitive market, and we are seeking to address this through our HR Strategy review.

# PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has overarching responsibility for managing risks faced by the Charity. Major risks have been reviewed and systems established to mitigate these risks. As well as a corporate risk register, we also maintain registers for key projects and for each department. The Audit and Risk Management Committee oversees risk management arrangements. All other Committees review their sections of the risk register, and the Board reviews the corporate risk register at each meeting. The risks are categorised as: clinical, compliance, external, financial, governance and operational.

Clinical and service-related incidents are reported to the Medical Director and Director of

Operations. The most significant cases are reported to the Serious Incident Review Group, which is made up of senior managers and Directors, as well as to the Clinical Governance Committee and the Board of Trustees. If it is a reportable incident, then the appropriate regulatory bodies would be informed. All incidents undergo appropriate investigation.

The principal uncertainty currently facing the organisation is the impact of the ongoing global COVID-19 outbreak. The trustees and executive team continue to monitor the outbreak, including UK Government advice, and acknowledge that the organisation faces a prolonged period of uncertainty. While the evolving nature of the situation means it is not

possible to accurately quantify the financial impact, the organisation is in a good financial position to help manage this risk. Steps are being taken, on an ongoing basis, to minimise the impact on the charity's activities and the effect this may have on the organisation's supporters and beneficiaries. Infrastructure is in place to allow staff to work remotely and our key priority is to ensure, as far as possible, that our services for veterans are still available when needed.

The trustees have given consideration to the major risks to which the charity is exposed and satisfied themselves that systems or procedures are established in order to manage those risks.

# REMUNERATION FUNDRAISING

Combat Stress employs people whose skills and competencies are in great demand throughout the healthcare and charity sectors. Our aspiration is to pay at the NHS salary scale rates plus 1%. The additional uplift recognises that the NHS makes a larger pension contribution for its employees. There was an increase with effect from 1 April 2019.

The Remuneration and Nominations Committee determines the salary and any benefits of the Chief Executive and Executive Directors. Their salaries are set with reference to the median for the charity sector.

Combat Stress operates a defined contribution pension scheme, to which all eligible employees are auto-enrolled. Any employee who does not qualify automatically may opt to join. The minimum employee contribution level was 5% of basic salary in 2019/20 and is currently 5% in 2020/21 in line with the auto-enrolment requirements. The employee contribution is matched by the organisation. Staff may opt to make higher contributions, which we match up to a maximum of 10%. At 31 March 2020, 89% (March 2019: 81%) of our employees were enrolled in the pension scheme.

We only work with external agencies that meet our high standards to help deliver our work – including telemarketing agencies, creative agencies, print and fulfilment houses. We monitor closely all the organisations we use; having regular meetings, listening to live calls (if applicable), and carrying out checks. If we find cause for concern, we will investigate as a matter of urgency. We do not engage the services of professional fundraisers who take commission from donations to fundraise on our behalf.

We strive for the highest possible standards in our fundraising, are registered with the Fundraising Regulator and are committed to complying with its Fundraising Promise and the Code of Fundraising Practice. We are also a member of the Institute of Fundraising. We have complied with all the rules and regulations and to date not received any notification of breach.

In 2019/20 we received 19 complaints from over 1.6million touchpoints (2018/19: 18 complaints from over 280,000 touch points). Each complaint is investigated thoroughly in a timely and sensitive manner and acted upon as necessary. Complaints typically concern matters such as the frequency of communications, or queries around why someone is receiving communications from the charity.

We are especially careful and sensitive when engaging with vulnerable people, including the elderly and those affected by mental health issues. Our procedures and practice reflect this. Each supporter is given a genuine choice to donate and we are always respectful of the wishes of our supporters.



# PUBLIC BENEFIT, POLICIES AND GOVERNANCE

## Public benefit

Combat Stress is the UK's only clinical provider specialising in veterans with complex mental health needs. The Board of Trustees have considered the Charity Commission's general guidance on public benefit and have taken it into account when reviewing the Charity's strategic aims and objectives and in planning future activities. The Board of Trustees are satisfied that the aims of the Charity are carried out wholly in pursuit of its charitable aims for the public benefit.

The public benefit of the Charity is in mitigating the effect of mental health issues of veterans across the UK. Our strategic aims and activities are designed to achieve this benefit.

Combat Stress is widely acknowledged as the specialist in the treatment of veterans suffering from service-related mental illness.

Our services are accessible to all veterans who need our help. We help UK veterans on their recovery journey so they are able to integrate more fully back into their communities.

Our campaigning and education work means we contribute to a better understanding of mental illness across the UK, and particularly in the Armed Forces. By working in partnership with the NHS, other service charities, statutory agencies and the media, we are now seeing a growing understanding of the needs of those with hidden injuries, and offering health and social care service employers education and training in psychological first aid.

As a result of the above, the Trustees consider that Combat Stress clearly satisfies the public benefit test.

## Investment policy and returns

Under the Memorandum and Articles of Association, Combat Stress has the power to make any investment that the Trustees see fit.

The Board of Trustees is responsible for setting our investment policy, which it reviews on a regular basis.

We recognise that the way we invest our funds can make a positive contribution to society. Combat Stress does not invest in the shares of individual companies, but instead in a pooled fund. This is the most effective way to produce a reasonable, sustainable return, and to reduce the risk of financial loss should stock markets fall, so best protects our financial position. This meets our obligation to make the best use of our assets in the interest of veterans. It means though that we are not able to make decisions ourselves on which companies to exclude from our portfolio. However, we work with an investment manager who takes ethical investment issues seriously, including demonstrating active engagement with companies on environmental, social and governance issues (ESG). Schroders have been considering ESG factors in their investment process for more than twenty years. Sustainability is a priority for Schroders and is one of their strategic capabilities. They recognise that environmental damage and social transformation are happening faster than ever, with climate change, shifting demographics and technological developments reshaping our planet. They believe that those companies that can adapt and thrive will be more successful in attracting customers, employees and growing their business and will be better investments for their clients.

Schroders have achieved an A+ rating from the UN Principles for Responsible Investment (PRI) in each of the last five years. They are ranked in the top five of the AODP Global Climate Index for Asset Managers and are a special adviser to the Carbon Disclosure Project; a founding member of the institutional investor group on climate change; a member of the UK Sustainable investment and finance association and the European Sustainable Investment Forum.

Combat Stress holds its investments in the Cazenove Charity Multi-Asset Fund. The stated objective of the fund is, over a three-year period, to deliver a total return target of the Consumer Price Index plus 4.5%. Markets have fallen sharply in the last quarter of the year causing the three year performance of the portfolio to show a reduction of 1.1% per annum. Over the same period UK equities saw a reduction of 4.2% per annum. The fund holds a range of diversified investments to reduce risk. We review the performance of our investments on a quarterly basis.

During 2019/20, the performance of markets resulted in unrealised losses of £594k (2018/19: gains of £5k). At 31 March 2020, our investments were worth £5.1m (2019: £8.3m). The market has seen considerable recovery since 31 March 2020. The valuation of the portfolio in the four months to 31 July 2020 had increased by £500k (10%) to £5.6m.

Cash balances totalling £0.1m (2019: £2.1m) held by the investment manager at year end are included in these investment figures. A short-term overdraft of £0.5m from Cazenove which was received in March 2020 and repaid in April 2020 is also included in the investment figure.

## Reserves policy

Trustees review our Reserves Policy annually.

Combat Stress has a long-term commitment to veterans. The Trustees believe the level of free reserves (that is those funds not tied up in fixed assets, designated and restricted funds) should represent six months' budgeted unrestricted expenditure. This protects our services from the risk of disruption due to lack of funds, whilst at the same time ensuring we do not retain income for longer than necessary.

The general reserve, excluding pension scheme reserve, at 31 March 2020 stood at £5.9m, representing 6.6 months' budgeted unrestricted expenditure (2019: £8.6m, or 6.8 months). This is in line with our policy to have the level of general reserves equal to six months' budgeted unrestricted expenditure.

Restricted and designated funds are held for specific purposes, as detailed in Note 21.

The valuation for financial reporting purposes of the Ex-Services Mental Welfare Society 1974 Pension & Life Assurance Scheme at 31 March 2020 showed a surplus on the fund of £430k (2019: surplus of £289k). The last triennial actuarial valuation was for 30 September 2017. Under the previous recovery plan, the Charity made no payments during 2019/20 (2018/19: a payment of £75k was made whilst the report on the valuation as at 30 September 2017 was being finalised). Following a consultation with active members, the Scheme was closed to future accrual on 31 March 2013. Details of the Scheme are disclosed in Note 17 of the accounts. The next triennial actuarial valuation will take place on 30 September 2020.

## Governance

Combat Stress is a charitable company limited by guarantee. It was incorporated on 11 May 1931 and is governed by Memorandum and Articles of Association, which were revised on 14 November 1991 and then amended by resolution on 21 September 2006, 20 September 2007 and 17 July 2008.

The objects of the charity are 'to provide, establish and maintain recuperative homes, hospitals, sanatoria, schools of training, clubs, workshops and other centres for discharged officers, men and women members of the Navy, Army, Air Force and other allied services, with a view to aid their restoration to health of mind and body, and more particularly to assist those suffering from neurasthenia and mental diseases, and to train or employ them in industries and handicrafts either for a return to their homes and previous occupations or so as to enable them to take up a new life and occupations in the United Kingdom, and to assist and to provide for their dependants'.

The Board of Trustees is responsible for selecting and recommending suitable Trustees for election to office at the annual general meeting. A maximum of fifteen Trustees are elected, each of whom serve for an initial period of three years. One third of the trustees normally retire from office at each Annual General Meeting. Retiring trustees are the longest serving Board members, excluding ex-officio members. A retiring trustee is eligible for re-election and may serve a maximum of two consecutive terms of three years unless there is an extenuating reason for their retention approved at the General Meeting, or they are elected to the office of Chairman, Vice Chairman or Honorary Treasurer. The Board of

Trustees is empowered to appoint a trustee to fill a casual vacancy until the next Annual General Meeting. The Trustees are the Directors for the purposes of company law.

The Chairman, Chief Executive and Executive Directors induct new trustees through briefings. We also provide a copy of the Trustee handbook to all new Board members.

The Board of Trustees meets at least four times a year and has appointed committees with responsibility for finance, fundraising, marketing and communications, audit and risk management, clinical governance, and remuneration and nominations. A further independent committee is responsible for stewardship of the closed defined benefit pension scheme. The Board delegates management of day-to-day activities to the Chief Executive and the team of Executive Directors.

# STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Combat Stress for the purposes of company law) are responsible for preparing the strategic report, the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- ensure that 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Disclosure of Information to Auditors

In the case of each of the persons who are directors of the company at the date when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditors are unaware; and
- each of the directors has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

The Board of Trustees approved this Trustees' Annual Report and Strategic Report.



**Giles Peel**  
Chairman

Date: 25 September 2020

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF COMBAT STRESS

We have audited the financial statements of Combat Stress ("the Parent Charitable Company") and its subsidiary ("the Group") for the year ended 31 March 2020 which comprise the consolidated statement of financial activities, the consolidated 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).

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 2020 and of the Group'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.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group and the Parent Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The other information comprises the information included in the Annual Report and financial statements, other than the financial statements and our auditor's report thereon. The other information comprises the information at pages 4–7 and the Trustees Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

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.

## Matters on which we are required to report by exception

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.

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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

This report is made solely to the 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.

**Fiona Condron**  
(Senior Statutory Auditor)  
*For and on behalf of BDO LLP,  
statutory auditor, Gatwick*

*BDO LLP*

Date: 1 October 2020

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

# CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2020

		Unrestricted Funds £'000	Restricted Funds £'000	Totals 2020 £'000	Totals 2019 £'000
	Note				
<b>Income from:</b>					
Donations and legacies	3	6,758	1,026	7,784	13,323
Charitable activities	4	1,818	-	1,818	2,357
Trading activities		361	-	361	419
Investments		241	-	241	251
Other		21	19	40	25
<b>Total income</b>		<b>9,199</b>	<b>1,045</b>	<b>10,244</b>	<b>16,375</b>
<b>Expenditure on:</b>					
Raising funds		2,635	-	2,635	2,442
Charitable activities					
Clinical services		7,609	288	7,897	8,415
Community services		1,882	934	2,816	2,698
Helpline		384	45	429	543
Raising awareness and improving access		488	3	491	453
Substance misuse case management service		-	338	338	313
		<b>10,363</b>	<b>1,608</b>	<b>11,971</b>	<b>12,422</b>
<b>Total expenditure</b>	5	<b>12,998</b>	<b>1,608</b>	<b>14,606</b>	<b>14,864</b>
<b>Net (expenditure)/ income before transfers and investment gains and losses</b>		<b>(3,799)</b>	<b>(563)</b>	<b>(4,362)</b>	<b>1,511</b>
Net (losses)/gains on investments		(594)	-	(594)	5
<b>Net (expenditure) / income</b>		<b>(4,393)</b>	<b>(563)</b>	<b>(4,956)</b>	<b>1,516</b>
<b>Transfers between funds</b>	21	362	(362)	-	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains/(losses) on defined benefit pension scheme	17	134	-	134	(84)
<b>Net movement in funds</b>		<b>(3,897)</b>	<b>(925)</b>	<b>(4,822)</b>	<b>1,432</b>
<b>Reconciliation of funds:</b>					
Fund balances brought forward at 1 April		19,111	1,831	20,942	19,510
<b>Fund balances carried forward at 31 March</b>	21	<b>15,214</b>	<b>906</b>	<b>16,120</b>	<b>20,942</b>

The notes on pages 33 to 51 form part of these financial statements. All activities relate to continuing operations.

There are no gains and losses for either the current or prior years other than those recognised above. All items in the Statement of Financial Activities would appear in the Income and Expenditure Account with the exception of the realised and unrealised gain/(loss) on investments. There is no difference between the net income before other recognised gains and losses and their historical cost equivalents. The Consolidated Statement of Financial Activities funds analysis for 2019 is shown in Note 22.

# CONSOLIDATED AND CHARITY BALANCE SHEETS

## AT 31 MARCH 2020

	Notes	Group		Charity	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
<b>Fixed assets</b>					
Tangible assets	9	8,470	8,679	8,470	8,679
Investments	10	5,070	8,295	5,070	8,295
<b>Total fixed assets</b>		<b>13,540</b>	<b>16,974</b>	<b>13,540</b>	<b>16,974</b>
<b>Current assets</b>					
Property for resale		966	1,204	966	1,204
Stock		74	77	-	-
Debtors	11	2,208	2,317	2,317	2,459
Cash at bank and in hand		179	1,454	121	1,367
<b>Total current assets</b>		<b>3,427</b>	<b>5,052</b>	<b>3,404</b>	<b>5,030</b>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	12	(1,277)	(1,373)	(1,254)	(1,351)
<b>Net current assets</b>		<b>2,150</b>	<b>3,679</b>	<b>2,150</b>	<b>3,679</b>
<b>Net assets excluding pension asset</b>		<b>15,690</b>	<b>20,653</b>	<b>15,690</b>	<b>20,653</b>
Defined benefit pension scheme asset	17	430	289	430	289
<b>Total net assets</b>	<b>19</b>	<b>16,120</b>	<b>20,942</b>	<b>16,120</b>	<b>20,942</b>
The funds of the charity:					
Unrestricted income funds					
General fund		5,616	8,598	5,616	8,598
Defined benefit pension scheme reserve		430	289	430	289
General fund, including pension scheme reserve		6,046	8,887	6,046	8,887
Investment revaluation reserve		98	845	98	845
Designated funds		9,070	9,379	9,070	9,379
		<b>15,214</b>	<b>19,111</b>	<b>15,214</b>	<b>19,111</b>
<b>Restricted income funds</b>		<b>906</b>	<b>1,831</b>	<b>906</b>	<b>1,831</b>
<b>Total charity funds</b>	<b>21</b>	<b>16,120</b>	<b>20,942</b>	<b>16,120</b>	<b>20,942</b>

The notes on pages 33 to 51 form part of these financial statements. During the year ended 31 March 2020, Combat Stress, the parent charity results showed a loss after gains, losses and transfers of £4,822k (2019: surplus of £1,432k).

The Financial Statements were approved by the Board of Trustees and signed on its behalf by:

Giles Peel  
Chairman

Mickey Morrissey  
Honorary Treasurer

Date: 25 September 2020

Date: 25 September 2020

Company Limited by Guarantee Registered in England and Wales No 00256353  
Charity Registration No England and Wales 206002, Charity Registration No Scotland SC038828

# CONSOLIDATED STATEMENT OF CASH FLOWS AND CHARITY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Cash flows from operating activities:				
Net cash (used in) / provided by operating activities	<b>(4,463)</b>	394	<b>(4,434)</b>	392
Cash flows from investing activities:				
Dividends, interest and rents from investments	241	251	241	251
Proceeds from sale of property, plant and equipment	4	-	4	-
Purchase of property, plant and equipment	(187)	(213)	(187)	(213)
Proceeds from sale of investments	1,011	14	1,011	14
Purchase of investments	(420)	(242)	(420)	(242)
Net cash provided by (used in) investing activities	649	(190)	649	(190)
Change in cash and cash equivalents in the reporting period	<b>(3,814)</b>	204	<b>(3,785)</b>	202
Cash and cash equivalents at the beginning of the reporting period	3,583	3,379	3,496	3,294
Cash and cash equivalents at the end of the reporting period	<b>(231)</b>	3,583	<b>(289)</b>	3,496

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

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Net (expenditure) / income for the reporting period (as per the Statement of Financial Activities)	<b>(4,822)</b>	1,432	<b>(4,822)</b>	1,432
Adjustments for:				
Depreciation charges	396	525	396	525
Losses / (gains) on investments	594	(5)	594	(5)
Actuarial (gains) / losses on defined benefit pension scheme	(134)	84	(134)	84
Dividends, interest and rents from investments	(241)	(251)	(241)	(251)
(Profit) on the sale of fixed assets	(4)	-	(4)	-
Decrease / (increase) in current asset property for resale	238	(1,204)	238	(1,204)
Decrease / (increase) in stocks	3	(41)	-	-
Decrease / (increase) in debtors	109	(592)	142	(631)
(Decrease) / increase in creditors	(595)	530	(596)	526
Pension scheme costs under FRS 102 – employer contribution	-	(75)	-	(75)
Pension scheme costs under FRS102 – Interest Movements	(7)	(9)	(7)	(9)
Net cash provided by (used in) operating activities	<b>(4,463)</b>	394	<b>(4,434)</b>	392

The analysis of cash and cash equivalents and the analysis of changes in net debt are shown in tables in Note 23.



# NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

## 1. Accounting policies

### a. Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments, which are included at fair value (bid price). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP 2<sup>nd</sup> edition), "Accounting and Reporting by Charities" applicable to charities in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2015, Companies Act 2006, Charities Act Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010, the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

### b. Going concern

The Trustees review financial plans and risks at each Board meeting as part of their normal annual review, with the March 2020 meeting being the last one before the scale of the impact of COVID-19 was fully understood. At that time, they were satisfied that Combat Stress had sufficient resources to continue operating for the foreseeable future and accounts have been prepared in the knowledge that the charity is a financially viable organisation.

Since then, the effect of COVID-19 has been assessed by the trustees in July 2020, reviewing the

organisation's revised forecasts and projections to ensure that the organisation remains financially viable. With regard to the next accounting period, the year ending 31 March 2021, the most significant area that is likely to affect the charity's net assets is the level of voluntary income. Fundraising income is declining from a reduction in activities, such as fundraising events and community fundraising.

The work that we undertook over the last 12 months to reduce expenditure to a level that matches our sustainable income has helped, but we must still be vigilant to ensure that we do not spend more than we receive.

The most recent forecasts and projections show an acceptable level of cash and reserves, although these are still lower than in recent years. Our plans to restore cash, investment and reserve balances to previous levels will now take longer than previously anticipated.

The Trustees will continue to review plans with the executive team to make any necessary changes to remain within the free reserves level over the life of the three year plan, as per the reserves policy.

As such, they remain satisfied that the Combat Stress can continue operating for the foreseeable future and accounts have been prepared in the expectation that Combat Stress remains a financially viable organisation.

The Financial Statements are prepared on the going concern basis which assumes that Combat Stress

will continue in operational existence for the foreseeable future. The Board of Trustees have considered the working capital and cash flow requirements and consider that the current and forecast cash resources are sufficient to cover the working capital requirements of the charity for at least 12 months. Having considered these matters, the Trustees do not consider there to be a material uncertainty and have accordingly prepared the financial statements on a going concern basis.

### c. Key judgements and estimates

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities with the next financial year are as follows:

1. Defined benefit pension assumptions – as disclosed in Note 17, the Group's principal retirement benefit scheme is a defined contribution scheme. However there is a smaller residual defined benefit scheme. Year end recognition of the liabilities under this residual scheme requires a number of significant assumptions to be made, relating to key financial market indicators such as inflation and expectations on future asset returns and mortality rates.

## Accounting policies (continued)

**2. Legacy recognition** – legacies are included in the accounts based on their probate value, where there is reasonable certainty that Combat Stress is entitled to the funds (see Note 3). In the case residuary legacies, the final income received may change from this initial valuation.

**3. Depreciation** – judgements are made in assessing the useful economic life of categories of assets to spread their cost over the accounting periods to which their use relates. See accounting policy 1h for further details.

### d. Basis of consolidation

The charity has two wholly owned subsidiaries, Combat Stress Trading Limited and Ex-Services Mental Welfare Society, both of which are registered in England. Consolidated Financial Statements for the group, being Combat Stress and Combat Stress Trading Limited have been prepared on a line by line basis in the Statement of Financial Activities and Balance Sheet. The Ex-Services Mental Welfare Society is a shell company used to protect the previous name of Combat Stress. It has never traded and holds nil net assets.

### e. Company status

Combat Stress is a company limited by guarantee. The directors of the company are the members of the Board of Trustees named on page 52 and 53.

In the event of Combat Stress being wound up, the liability in respect of the guarantee is limited to £1 per member.

### f. Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of Combat Stress and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Board of Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

### g. Income

All income is included in the Statement of Financial Activities when Combat Stress is legally entitled to the income, and the amount can be quantified with reasonable accuracy. The following specific policies apply to categories of income:

#### • Donations

Donations of cash are recognised when received. Donations of property are recognised at valuation on title transfer and held as a current asset until sold.

#### • Legacies

Legacies are recognised as income when notification of entitlement has been received by Combat Stress, a grant of probate has been issued, the amount of the legacy can be estimated with reasonable certainty and the likelihood of receiving the income is judged to be probable. No value is included where the legacy is subject to a life interest held by another party.

#### • Donated services and facilities

Auction prizes donated for resale are included as income when they are sold. Donated assets and services are included at the value to Combat Stress where this can be quantified. No amounts are included in the financial statements for services donated by volunteers.

#### • Grants received which are to be utilised over more than one year

In accordance with the Charities Statement of Recommended Practice, Combat Stress recognises grant funding in the year of receipt, as a restricted grant. Therefore, the income is not deferred but the unspent monies are carried forward as a restricted fund balance to be expended in future years.

### h. Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Expenditure is allocated as follows:

#### i. Expenditure on raising funds

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

#### ii. Clinical Services

This represents all direct expenditure incurred in the running of Treatment Centres, including related payroll, office and other costs. A proportion of central support costs is allocated on the basis set out in note 6.

#### iii. Community Services

Costs represent the direct expenditure on Community Services and a proportion of central support costs allocated on the basis set out in note 6.

**iv. Helpline**

This represents the direct cost of providing the 24-hour Helpline and a proportion of central support costs allocated on the basis set out in note 6.

**v. Raising awareness and improving access**

This represents the direct costs of publicising and promoting our services directly to veterans, their families and medical health professionals. It includes a proportion of central support costs allocated on the basis set out in note 6.

**vi. Substance misuse case management service**

This represents the direct cost of providing the substance misuse case management service and a proportion of central support costs allocated on the basis set out in note 6.

**i. Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation and provision for impairment. Only items over £1,000 are capitalised. Repairs are written off as incurred. Depreciation is provided from the month following the date assets are brought into use, to write down cost to estimated residual value over the estimated useful life by equal annual instalments.

During the year to 31 March 2020 a review was carried out on land and buildings to review the useful life estimates in line with the requirements for component accounting. An adjustment was made to separate original land values from the cost of the buildings and to review the individual lines of building expenditure for their different useful life estimates. No material differences in past depreciation arose from the review. The useful life estimates are as follows:

Freehold property – land	No write down
Freehold property – buildings	20–100 years
Furniture and equipment	5 years
Computer equipment	3 years
Computer software – Patient Administration System	6 years
Plant	10 years
Maintenance vehicles	3 years

An impairment review is carried out annually.

**j. Investments**

Investments are stated at fair value (bid price). Unrealised gains and losses arising on the revaluation of investments are, together with the realised gains and losses arising on the sale of investments, shown in the consolidated statement of financial activities as net gains/(losses) on investments.

**k. Pension costs**

Pension costs and the pension provision for the defined benefit scheme are calculated on the basis of actuarial advice and are charged to the statement of financial activities on a basis to spread the costs over the employees' working lives. Pension costs for the defined contribution scheme are charged to the accounts on an accruals basis in accordance with FRS 102 and SORP 2<sup>nd</sup> edition. The defined contributions are allocated to the activities in line with the cost allocations of the individual employees' staff costs. A pensions reserve has been created within unrestricted funds in compliance with SORP 2<sup>nd</sup> edition. Details of the pension schemes are disclosed in note 17 to the accounts.

**l. Leases**

Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period in which the cost is incurred.

**m. Employee benefits**

Expenditure is recognised for all employee benefits resulting from their service to Combat Stress during the period. A liability has been included for the cost of annual leave to which employees are entitled at the reporting date that has yet to be paid.

**n. Financial instruments**

The group and parent financial instruments comprise fixed asset investments measured at fair value through profit or loss and other financial assets which comprise cash, group debtors, and other debtors and financial liabilities which comprise trade creditors, and other creditors, measured at amortised cost.

**o. Stock**

Stock is valued at the lower of cost and net realisable value.

## 2. Results of the parent charity

	Unrestricted	Restricted	<b>Total</b>	Total
			<b>2020</b>	2019
	£'000	£'000	<b>£'000</b>	£'000
Total charity income	9,130	1,045	<b>10,175</b>	16,330
Total charity expenditure	(12,929)	(1,608)	<b>(14,537)</b>	(14,819)
Transfers between funds	362	(362)	-	-
Charity net expenditure / income	(3,437)	(925)	<b>(4,362)</b>	1,511
(Loss)/gain on investment assets	(594)	-	<b>(594)</b>	5
Actuarial gain / (loss) on defined benefit scheme	134	-	<b>134</b>	(84)
Charity net movement in funds	(3,897)	(925)	<b>(4,822)</b>	1,432
Funds balance brought forward	19,111	1,831	<b>20,942</b>	19,510
Funds balance carried forward	<b>15,214</b>	<b>906</b>	<b>16,120</b>	<b>20,942</b>

The total income for the Charity excluding the subsidiary includes the gift aid donation from Combat Stress Trading Limited of £41,111 (2018/19: £79,278). This will result in no tax having to be paid on the net profits.

As permitted by section 408 of the Companies Act 2006 no separate Statement of Financial Activities is presented in respect of the parent company.

## 3. Voluntary income

### Group voluntary income

	Unrestricted	Restricted	<b>Total</b>	Total
			<b>2020</b>	2019
	£'000	£'000	<b>£'000</b>	£'000
Donations	4,932	896	<b>5,828</b>	8,476
Statutory grants	-	125	<b>125</b>	650
Legacies	1,826	5	<b>1,831</b>	4,197
	<b>6,758</b>	<b>1,026</b>	<b>7,784</b>	<b>13,323</b>

The voluntary income in 2019 was £13,323k of which £3,334k was restricted.

### Charity voluntary income

	Unrestricted	Restricted	<b>Total</b>	Total
			<b>2020</b>	2019
	£'000	£'000	<b>£'000</b>	£'000
Donations	4,974	896	<b>5,870</b>	8,555
Statutory grants (See below)	-	125	<b>125</b>	650
Legacies	1,826	5	<b>1,831</b>	4,197
	<b>6,800</b>	<b>1,026</b>	<b>7,826</b>	<b>13,402</b>

The voluntary income in 2019 was £13,402k of which £3,334k was restricted.

The charity's voluntary income includes a donation from the subsidiary trading company of £41k (2019: £79k)

Certain legacies had been notified to Combat Stress as at 31 March 2020 but have not been included in the accounts as they do not meet the criteria to enable them to be measured or the entitlement is not yet certain. None are considered to be material but their combined value is estimated to be £410k (2019: £477k).

### 3. Voluntary income (continued)

The details of government (statutory) grants received were as follows:

		<b>Total 2020 £'000</b>	<b>Total 2019 £'000</b>
Armed Forces Covenant Fund	Grant to fund the community team working in Northern Ireland	-	150
Armed Forces Covenant Fund	Grant to fund training in mental health to be provided to other service charities	125	-
HM Treasury	Grant to cover costs of medical and clinical staff, assessing and treating UK military veterans in 2018 and UK military veterans in the North of England in 2019	-	500
		<b>125</b>	<b>650</b>

None of the above grants have any unfulfilled conditions or contingencies.

### 4. Income from charitable activities (Group and Charity)

	Unrestricted £'000	Restricted £'000	<b>Total 2020 £'000</b>	<b>Total 2019 £'000</b>
Clinical services				
Contract funding	1,574	-	1,574	2,143
Performance related grant	243	-	243	214
Other	1	-	1	-
	<b>1,818</b>	<b>-</b>	<b>1,818</b>	<b>2,357</b>

### 5. Total Group expenditure (Group and Charity except where stated)

	Activities undertaken directly £'000	Allocated support costs £'000	<b>Total 2020 £'000</b>	<b>Total 2019 £'000</b>
Cost of generating funds				
Cost of generating voluntary income	2,269	277	2,546	2,372
Cost of trading activity (Combat Stress trading limited only)	74	-	74	53
Investment management fees	15	-	15	17
	<b>2,358</b>	<b>277</b>	<b>2,635</b>	<b>2,442</b>
Charitable activities				
Clinical services	6,736	1,161	7,897	8,415
Community and outreach services	2,438	378	2,816	2,698
Helpline	416	13	429	543
Awareness raising and improving access	416	75	491	453
Substance misuse case management service	294	44	338	313
	<b>10,300</b>	<b>1,671</b>	<b>11,971</b>	<b>12,422</b>
Total	<b>12,658</b>	<b>1,948</b>	<b>14,606</b>	<b>14,864</b>

## 5. Total Group expenditure (continued)

	2020	2019
	£'000	£'000
Expenditure includes:		
Audit fee – charity	32	23
Audit fee – trading company	5	2
Audit fee – pension scheme	8	6
Operating leases	99	105
Depreciation	396	525

## 6. Support costs

2019/20 Allocations:	Finance	Management	Governance	Human Resources	Maternity	Information Technology	2020 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Activities for generating funds	72	32	16	61	19	77	277
Clinical services	212	144	73	272	84	376	1,161
Community services	77	47	24	90	28	112	378
Helpline	13	-	-	-	-	-	13
Awareness raising and improving access	13	10	5	19	6	22	75
Substance misuse case management service	9	5	3	10	3	14	44
	<b>396</b>	<b>238</b>	<b>121</b>	<b>452</b>	<b>140</b>	<b>601</b>	<b>1,948</b>

2018/19 Allocations:	Finance	Management	Governance	Human Resources	Restated Maternity	Information Technology	2019 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Activities for generating funds	64	40	23	50	32	60	269
Clinical services	218	217	127	271	124	341	1,298
Community services	71	65	38	81	34	91	380
Helpline	16	-	-	-	-	-	16
Awareness raising and improving access	11	15	9	18	-	21	74
Substance misuse case management service	8	6	4	8	-	11	37
	<b>388</b>	<b>343</b>	<b>201</b>	<b>428</b>	<b>190</b>	<b>524</b>	<b>2,074</b>

### Basis of allocation

The support costs expenditure is allocated on the following basis:

Finance costs:	On the basis of the value of direct costs incurred by each activity.
Management costs:	On the basis of full time equivalent numbers of employees directly employed in each activity.
Governance:	On the basis of full time equivalent numbers of employees directly employed in each activity.
Human resources costs:	On the basis of full time equivalent numbers of employees directly employed in each activity.
Maternity:	2019/20 On the basis of full time equivalent numbers of employees directly employed in each activity 2018/19 Was included in direct costs for each activity in prior year accounts and pulled out based on the actual costs for each areas of activity into this support costs as a restatement for comparative purposes.
Information technology:	On the basis of the number of employees directly employed in each activity.

## 7. Trustee expenses

Out-of-pocket expenses were reimbursed and paid on behalf of trustees as follows.

	2020		2019	
	Number	£'000	Number	£'000
Travel and sundry expenses	9	3	10	7

No member of the Board of Trustees received any remuneration or emoluments in respect of services during the year (2019: £Nil), nor had any beneficial interest in any contract with Combat Stress during the year.

## 8. Staff costs

Combat Stress Trading Limited and Ex-Services Mental Welfare Society, the subsidiary companies in the Group, do not have any employees and do not pay directors. Consequently, all of the information in this note relates to the Group and to the charity.

	2020	2019
	£'000	£'000
Wages and salaries	8,654	8,366
Social security costs	868	810
Redundancy & termination payments (2019 – credit relates to over provision in previous year)	150	(33)
Pension costs	442	417
Other costs	122	309
	<b>10,236</b>	<b>9,869</b>

## Emoluments for employees above £60,000

	2020 Executive	2020 Clinical	2020 Total	2019 Total
Between £60,001 – £70,000	-	5	5	3
Between £70,001 – £80,000	1	1	2	-
Between £80,001 – £90,000	2	-	2	2
Between £100,001 – £110,000	-	-	-	1
Between £110,001 – £120,000	-	1	1	1
Between £130,001 – £140,000	-	1	1	-
Between £140,001 – £150,000	1	-	1	2
	<b>4</b>	<b>8</b>	<b>12</b>	<b>9</b>

The total remuneration costs of the CEO and Executive Directors in 2019/20 was £739k (2019: £674k). This does not include the costs of Interim Executive Directors paid as consultants but does include the Director of Marketing & Communications and the Interim Director of HR who started mid year and are not in the bandings above.

The increase in number of employees with emoluments over £60,000 in 2019/20 is due to the inclusion of one senior manager with a redundancy payment, one member of staff who entered the £60–70k band due to their annual salary increase and one senior staff who was recruited in 2018/19 and therefore did not show a full year of costs that year. The number of executive staff in these salary ranges is unchanged due to the inclusion of the one senior manager in place for a full year but the movement of Director of Operations from an executive to a clinical role.

As a charity providing complex clinical services, we employ senior clinicians, including psychiatrists and psychologists. The highest paid Director is the Medical Director, a Consultant Psychiatrist, who leads the research and design of the treatment programmes. It is essential that we have a leading expert in the field of veterans mental health for this post.

Benefits provided to all staff include matched contributions of up to 10% into the Group Personal Pension Scheme, childcare voucher scheme, cycle to work scheme and free car parking.

## 8. Staff costs (continued)

### Pension contributions for employees above £60,000

	2020		2019	
	Number	£'000	Number	£'000
Defined contribution schemes	12	75	9	62

The number of employees including bank and casual staff, analysed by function was:

	2020		2019	
	Number	FTE*	Number	FTE*
Clinical services	153	121	163	133
Community services	46	40	44	39
Substance misuse service case management	6	4	5	4
Fundraising and communications	40	36	38	33
Management and administration	31	25	22	20
	<b>276</b>	<b>226</b>	<b>272</b>	<b>229</b>

\* FTE = Full Time Equivalent

Management and administration in the 2020 figures included an average headcount of six staff on maternity leave. In the 2019 figures the maternity leave employees were included within the direct areas of the business where they worked. In the year to 31 March 2019 there was an average headcount of seven staff on maternity leave during the year (one in Fundraising, four in Clinical Services and two in Community Services).

## 9. Tangible fixed assets for use by the Group and the Charity

	Assets in the course of construction	Freehold property	IT projects in progress	Furniture and equipment	Plant	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Asset cost</b>						
At 1 April 2019	3	12,232	-	1,947	84	14,266
Additions	-	-	9	178	-	187
Disposals	-	-	-	6	-	6
Transfers	(3)	5	(9)	7	-	-
<b>At 31 March 2020</b>	<b>-</b>	<b>12,237</b>	<b>-</b>	<b>2,138</b>	<b>84</b>	<b>14,459</b>
<b>Accumulated depreciation</b>						
At 1 April 2019	-	4,168	-	1,380	39	5,587
Charge for period	-	141	-	247	8	396
Disposals	-	-	-	6	-	6
<b>At 31 March 2020</b>	<b>-</b>	<b>4,309</b>	<b>-</b>	<b>1,633</b>	<b>47</b>	<b>5,989</b>
<b>Net book values</b>						
At 1 April 2019	3	8,064	-	567	45	8,679
<b>At 31 March 2020</b>	<b>-</b>	<b>7,928</b>	<b>-</b>	<b>505</b>	<b>37</b>	<b>8,470</b>

The value of freehold property above includes an amount of £0.35m which is represented by a restricted fund. Details are provided in Note 14.



## 10. Investments

### Fixed asset investments

	Group and Charity	
	2020	2019
	£'000	£'000
Investments at start of the year	8,295	8,055
Less cash held by investment manager	(2,129)	(2,122)
Less unrealised gain held on cash products	(1)	-
Market value at start of the year	6,165	5,933
Additions at cost	420	242
Disposals	(1,011)	(14)
	5,574	6,161
Net investment (loss) / gain	(594)	4
Market value at end of year	4,980	6,165
Cash and cash products held by investment manager – at cost	90	2,129
Cash and cash products held by investment manager – unrealised gain	-	1
	5,070	8,295
Analysis of investments held at end of the year		
Cazenove Charity Multi Asset Fund	4,980	6,165
Historical cost of listed investments at end of year	4,882	5,320
Unrealised gains	98	845

The cash held by the investment manager is held for cash management purposes.

## 11. Debtors

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Fees	193	67	155	61
Accrued income	1,820	2,083	1,820	2,069
Income tax recoverable	21	19	21	19
Other debtors	6	23	6	23
Intercompany debtor	-	-	147	162
Prepayments	168	125	168	125
	2,208	2,317	2,317	2,459

## 12. Creditors: amounts falling due within one year

### Deferred income reconciliation:

	Group and Charity	
	2020	2019
	£'000	£'000
Brought forward at 1 April	350	0
Recognised during the year	(350)	0
Received in the year and deferred	67	350
Carried forward at 31 March	67	350

Due to COVID-19 two ticketed fundraising events have been postponed with the hope of running them in the 2020/21 financial year. The ticket income has been deferred as it will need to be refunded if the events are unable to take place.

## 12. Creditors: amounts falling due within one year (continued)

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	500	-	500	-
Trade creditors	146	355	146	347
Other taxes & national insurance	256	231	257	231
Accruals & deferred income	157	452	140	451
Accrued holiday pay	134	203	134	203
VAT Payable	7	5	-	-
Pension fund	76	67	76	67
Sundry creditors	1	60	1	52
	<b>1,277</b>	<b>1,373</b>	<b>1,254</b>	<b>1,351</b>

For the deferred income reconciliation please see the bottom of the previous page.

## 13. Capital and financial commitments

	Group and Charity	
	2020	2019
	£'000	£'000
Total commitments under non-cancellable leases – total payments due over lease term:		
In less than one year	76	81
In two to five years	128	83
In later years	10	19
	<b>214</b>	<b>183</b>

## 14. Group and Charity contingent liabilities

In 2011/12 restricted funding of £3.5m was received from Help for Heroes for refurbishment and to extend the facilities at Tyrwhitt House as follows:

- the refurbishment and extension to the Welfare Block
- the extension to the Activities Centre
- the extension of Tyrwhitt House – the “Living Zone”
- the reorganisation of the ground floor of Tyrwhitt House including the construction of a new main entrance
- other associated work including professional fees and expenses for design and project management, infrastructure, external works, furnishings and equipment

If Combat Stress disposes of Tyrwhitt House or ceases to make use of it in accordance with its charitable objects then for a period of ten years from 31 March 2011 funding shall be repayable on reducing terms calculated as a proportion of the period yet to expire. The remaining value of the restricted fund at 31 March 2020 is £0.35m (2019: £0.7m).

## 15. Taxation

The company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

No tax charge arose in the year.

The subsidiary trading company makes qualifying donations of all taxable profit to the Charity and the dormant subsidiary has no transactions and therefore is not subject to tax. No corporation tax liability arises in the accounts.

## 16. Subsidiaries

Combat Stress owns the whole of the issued share capital of Ex-Services Mental Welfare Society (company registration number 11578139, domiciled in the United Kingdom with registered office at Tyrwhitt House, Oaklawn Road, Leatherhead, Surrey, KT22 0BX). This company was registered at Companies House on 19 September 2018, has net assets of £1 and did not trade in the period to 31 March 2019.

The charity also has one wholly owned trading subsidiary, Combat Stress Trading Limited, which is registered in England and Wales (Company registration number 07839816) and has its registered office at Tyrwhitt House, Oaklawn Road, Leatherhead, Surrey, KT22 0BX. The company was incorporated on 9 November 2011 and started to trade on 1 April 2013. The following is a summary of the assets and liabilities at 31 March.

	2020 £	2019 £
<b>Net assets at 31 March</b>		
Current assets	170,429	183,396
Current liabilities	(170,428)	(183,395)
<b>Share capital</b>	<b>1</b>	<b>1</b>

Combat Stress Trading Limited's issued share capital comprises one £1 ordinary share, which is held by the charity.

During the year the directors of the trading company, who were both executive directors of the charity, were Sue Freeth and Robert Marsh. The office of Company Secretary was held by Jeff Harrison.

The main source of income for the trading company was the sale of merchandise, such as Christmas cards, clothing and badges and promotional material bearing the Combat Stress logo. An additional income strand relates to Commercial Participator Agreements. An agreement is in place between Combat Stress and the trading subsidiary such that the profits are gifted annually to Combat Stress under deed of covenant. The trading company audit opinion includes a limitation of scope qualification due to COVID-19 preventing the auditors from verifying the stock value of £74k, as a stock count did not take place.

	2020 £	2019 £
Royalty income	-	281
Sale of merchandise and event income	71,298	61,716
Commercial Participator Agreement income	63,316	79,495
Total turnover	134,614	141,492
Cost of sales	(68,154)	(49,267)
Gross profit	66,460	92,225
Administrative costs	(25,349)	(12,947)
Profit for the year	41,111	79,278
Qualifying distribution to Combat Stress	(41,111)	(79,278)
Retained profit for the year	-	-

## 17. Pension costs

Payments made into pension schemes for the year were as follows:

	Group and Charity	
	2020 £'000	2019 £'000
Defined benefit scheme	-	75
Defined contribution scheme*	449	426
	<b>449</b>	<b>501</b>

\*The defined contribution scheme is a Group Personal Pension Scheme provided by Royal London. Employee contributions into the scheme are matched by Combat Stress up to a maximum of 10% of basic salary.

## 17. Pension costs (continued)

### Ex-Services Mental Welfare Society 1974 Pension & Life Assurance Scheme

Combat Stress (the "Employer") operates a defined benefit pension arrangement called the Ex-Services Mental Welfare Society 1974 Pension and Life Assurance Scheme (the "Scheme"). The scheme was closed to new entrants on 31 August 2000 and closed to future accrual on 31 March 2013. The Scheme provides benefits based on final salary and length of service on retirement, leaving service or death.

As the scheme is in surplus, the Employer expects to contribute nil to the Scheme during the year to 31 March 2021.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process the Employer must agree with the trustees of the Scheme the contributions to be paid to address any shortfall against the Statutory Funding Objective.

The most recent comprehensive actuarial valuation of the Scheme was carried out as at 30 September 2017. The results of that valuation were updated by an independent qualified actuary to 31 March 2020 allowing for cashflows in and out of the Scheme and changes to assumptions over the period.

### Explanation of amounts in the financial statements

#### The amounts recognised in the Balance Sheet at 31 March are as follows:

	2020 £'000	2019 £'000
Present value of Scheme obligations	(11,161)	(11,768)
Fair value of Scheme assets	11,591	12,057
Net defined benefit surplus at 31 March	430	289

#### The amounts recognised in the Statement of Financial Activities (SoFA) over the year are as follows:

	2020 £'000	2019 £'000
Current service cost	-	-
Administration costs	-	-
Interest on liabilities	295	307
Interest on assets	(302)	(316)
Past service cost	-	-
Settlement cost	-	-
	(7)	(9)

#### Remeasurements over the year:

	2020 £'000	2019 £'000
Loss / (gain) on scheme assets in excess of interest	339	(159)
(Gains) / losses from changes to financial assumptions	(473)	243
Total remeasurements	(134)	84

## Reconciliation of assets and defined benefit obligation

Analysis of changes in the present value of the defined benefit obligations and fair value of assets

	Present value of defined benefit obligation		Value of Scheme assets		Net (asset) / liability recognised in the Balance Sheet	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Scheme liabilities at the start of the year	11,768	11,951	12,057	12,240	(289)	(289)
Interest cost	295	307	-	-	295	307
Interest on scheme assets	-	-	302	316	(302)	(316)
Employer contributions	-	-	-	75	-	(75)
Benefits (paid)	(429)	(733)	(429)	(733)	-	-
Changes to financial assumptions	(473)	243	-	-	(473)	243
Return on plan assets less interest	-	-	(339)	159	339	(159)
Scheme (surplus) at the end of the year	11,161	11,768	11,591	12,057	(430)	(289)

## Assets

The major categories of assets as a percentage of total assets are:

Asset category	2020	2019
UK equities	8%	7%
Overseas equities	13%	13%
Bonds	12%	13%
Annuities	55%	55%
Property	6%	7%
Other assets	4%	4%
Cash	2%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The actual return on the Scheme's assets over the period to the Review Date was a loss of £37k.

The Scheme has no investments in the Charity or the Group or in property occupied by the Charity or the Group.

## Actuarial assumptions

The principal assumptions used to calculate the Scheme's liabilities include:

	2020	2019
Discount rate	2.40% p.a.	2.55% p.a.
Retail Prices Index (RPI) inflation	2.85% p.a.	3.60% p.a.
Consumer Prices Index (CPI) inflation	1.95% p.a.	2.60% p.a.
Pensionable salary increases	2.85% p.a.	3.60% p.a.
Increases to pension payment at 5% or RPI if less, subject to a minimum of 3% pa	3.50% p.a.	3.80% p.a.
Mortality base table	90% S2PXA	90% S2PXA
Mortality projections	CMI 2017 with a long term rate of 1.5% for both males and females	CMI 2017 with a long term rate of 1.5% for both males and females
Tax free cash	Members will commute 20% of their pension for a cash lump sum on retirement	Members will commute 20% of their pension for a cash lump sum on retirement

## 18. Related party transactions

### Combat Stress Trading Limited

- During the year Combat Stress purchased merchandise from Combat Stress Trading Ltd for £4,832 (2018/19 £7,477), which it used for fundraising activities.
- All profits of Combat Stress Trading Limited are donated to its ultimate parent undertaking, Combat Stress. For the year ended 31 March 2020 this was £41,111 (31 March 2019: £79,278).
- There are no employees within Combat Stress Trading Limited. Work undertaken by the ultimate parent undertaking, Combat Stress, on behalf of Combat Stress Trading Limited has been charged as a management fee. For the year ended 31 March 2020 this was £19,137 (31 March 2019: £8,856).
- At 31 March 2020 Combat Stress Trading Limited owed Combat Stress £146,872 (2019: 161,946).
- All of these items have been eliminated on consolidation into these group accounts.

## 19. Analysis of net assets between funds

### Group

Fund balances at 31 March 2020 are represented by:

	Restricted funds	Designated funds	Investment revaluation reserve	General funds	Total
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	350	8,120	-	-	<b>8,470</b>
Investments	301	950	98	3,721	<b>5,070</b>
Current assets	255	-	-	3,172	<b>3,427</b>
Current liabilities	-	-	-	(1,277)	<b>(1,277)</b>
Defined benefit pension scheme surplus	-	-	-	430	<b>430</b>
	<b>906</b>	<b>9,070</b>	<b>98</b>	<b>6,046</b>	<b>16,120</b>

Fund balances at 31 March 2019 are represented by:

	Restricted funds	Designated funds	Investment revaluation reserve	General funds	Total
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	700	7,979	-	-	<b>8,679</b>
Investments	700	1,400	845	5,350	<b>8,295</b>
Current assets	431	-	-	4,621	<b>5,052</b>
Current liabilities	-	-	-	(1,373)	<b>(1,373)</b>
Defined benefit pension scheme surplus	-	-	-	289	<b>289</b>
	<b>1,831</b>	<b>9,379</b>	<b>845</b>	<b>8,887</b>	<b>20,942</b>

Analysis of net assets between funds is materially the same for the parent charity as the group figures shown above.

## 20. Disclosure of funding

In addition to those funders mentioned elsewhere in this report, funding is acknowledged under the terms and conditions of the following grants and donations:

Funder	Purpose	Funding Received £'000
Armed Forces Covenant Fund Trust	Training for Veterans Wellbeing through the Strategic Pathways programme	125
Army Central Fund	Helpline	7
Elizabeth, Lady Cowdray's Charity Trust	UK Wide Community Team	2
Funded by the Chancellor	Veteran services in the Scottish Highlands	90
Mrs Maud Van Norden's Charitable Foundation	Unrestricted	2
Oak Foundation	Unrestricted	333
Poppyscotland	Veteran services in the Scottish Highlands	5
RAF Benevolent Fund	Community services and residential treatment for ex-RAF personnel	518
Royal Navy and Royal Marines Charity	Services for Royal Navy and Royal Marine veterans	101
The Irish Ex-Service Trust	Northern Ireland Community Team	75
The Royal British Legion Chelsea & Kensington branch	London Community Team	50
Trinity House Maritime Charity	Services for Royal Navy, Royal Marines and Merchant Navy veterans	20

## 21. Statement of changes in reserves

- General (Free) Reserves: these are funds which are available for general use and are not designated or restricted to particular purposes.
- Investment Revaluation Reserve: this represents the excess of the market value of investments over their historical cost at the balance sheet date.
- Defined Benefits Pension Scheme asset: this represents the actuarial surplus calculated under the requirements of FRS 102. At 31 March 2020, the valuation of the pension scheme showed a surplus of £430k (2019: surplus of £289k).
- Transfers from restricted to unrestricted funds represent restrictions which have been discharged following the purchase of a capital asset.

### Designated funds:

Total net transfers of £309k during the year from designated funds to general reserves (2018/19: £12k to designated funds from general reserves) as detailed below:

- Fixed Asset Fund: this represents the net book value of fixed assets, less amounts represented by restricted funds, and reflects the fact that the reserve value is tied up in property.
- Tyrwhitt House Project Fund: these are designated funds which have been set aside for expected capital work. Following the strategic review it has been decided to release this fund back to general reserves.
- IT Development Fund: this enables Combat Stress to undertake planned development of its IT infrastructure and move to more online therapy.
- The Property Maintenance Fund: this is to ensure that sufficient funds are set aside for any unforeseen major property issues and to provide a sinking fund for regular, but costly maintenance. However the fund has been reduced following the strategic review decision to reduce residential capability at Tyrwhitt House.
- The Strategy Implementation Fund: this represents estimated one-off costs relating to implementation of our corporate strategy. These costs will be incurred in 2020/21.

## 21. Statement of changes in reserves (continued)

### Statement of changes in reserves 2019/20

	At 1 April 2019	Income	Expenditure	Gains/ (Losses)	Transfers	At 31 March 2020
	£'000	£'000	£'000	£'000	£'000	£'000
<b>General reserves</b>	<b>8,598</b>	9,199	(13,005)	-	824	<b>5,616</b>
<b>Investment revaluation reserve</b>	<b>845</b>	-	-	(594)	(153)	<b>98</b>
<b>Defined benefit pension scheme asset</b>	<b>289</b>	-	7	134	-	<b>430</b>
<b>Designated funds</b>						
Fixed asset fund	7,979	-	-	-	141	8,120
Tyrwhitt House project	500	-	-	-	(500)	-
IT development fund	200	-	-	-	-	200
Property maintenance fund	300	-	-	-	(150)	150
Strategy implementation fund	400	-	-	-	200	600
<b>Total unrestricted funds</b>	<b>19,111</b>	9,199	(12,998)	(460)	362	<b>15,214</b>
<b>Restricted funds</b>						
Clinical services	160	264	(210)	-	(12)	202
Medical Research	228	23	(77)	-	-	174
Peterborough Veterans	1	-	-	-	-	1
Veterans Hardship Fund	8	-	(1)	-	-	7
Community Services	111	673	(681)	-	-	103
Community Occupational Therapists	1	-	(1)	-	-	-
Peer Support	212	40	(252)	-	-	-
Helpline	-	45	(45)	-	-	-
Head Office (Raising Awareness)	10	-	(3)	-	-	7
Substance misuse case management service	400	-	(338)	-	-	62
Property – Tyrwhitt House	700	-	-	-	(350)	350
<b>Total restricted funds</b>	<b>1,831</b>	1,045	(1,608)	-	(362)	906
<b>Total funds</b>	<b>20,942</b>	<b>10,244</b>	<b>(14,606)</b>	<b>(460)</b>	<b>-</b>	<b>16,120</b>

### Restricted funds:

- Clinical Services: This funding allows us to provide ongoing services at our residential centres.
- Medical Research: Funding of £23k from the Kings Centre for Military Health Research was received to allow us to continue our research into which treatments provide the best outcomes for veterans.
- Peterborough Veterans: This is the balance of funding received from a supporters' group to help local veterans.
- Veterans' Hardship Fund: This Fund is to help pay for veterans' travel if they are unable to attend treatment due to financial hardship.
- Community Services: These funds represent donations or grants which have been received for regional Community Services.
- Community Occupational Therapists: These funds were used specifically on OT work done by our geographically dispersed community teams.



## Statement of changes in reserves 2018/19

	At 1 April 2018	Income	Expenditure	Gains/ (Losses)	Transfers	At 31 March 2019
	£'000	£'000	£'000	£'000	£'000	£'000
<b>General reserves</b>	<b>6,449</b>	13,039	(11,246)	-	356	<b>8,598</b>
<b>Investment revaluation reserve</b>	<b>843</b>	-	-	5	(3)	<b>845</b>
<b>Defined benefit pension scheme asset</b>	<b>289</b>	-	84	(84)	-	<b>289</b>
<b>Designated funds</b>						
Fixed asset fund	7,941	-	-	-	38	7,979
Tyrwhitt House project	500	-	-	-	-	500
IT development fund	200	-	-	-	-	200
Property maintenance fund	250	-	-	-	50	300
Strategy implementation fund	500	-	-	-	(100)	400
<b>Total unrestricted funds</b>	<b>16,972</b>	13,039	(11,162)	(79)	341	<b>19,111</b>
<b>Restricted funds</b>						
Clinical services	-	1,618	(1,467)	-	9	160
Medical Research	227	76	(75)	-	-	228
Peterborough Veterans	2	-	(1)	-	-	1
Veterans Hardship Fund	9	-	(1)	-	-	8
Community Services	68	836	(793)	-	-	111
Community Occupational Therapists	355	295	(649)	-	-	1
Peer Support	371	187	(346)	-	-	212
Helpline	-	42	(42)	-	-	-
Head Office (Raising Awareness)	11	14	(15)	-	-	10
Substance misuse case management service	445	268	(313)	-	-	400
Property – Tyrwhitt House	1,050	-	-	-	(350)	700
<b>Total restricted funds</b>	<b>2,538</b>	3,336	(3,702)	-	(341)	<b>1,831</b>
<b>Total funds</b>	<b>19,510</b>	<b>16,375</b>	<b>(14,864)</b>	<b>(79)</b>	<b>-</b>	<b>20,942</b>

- Peer Support: This fund was used to provide veterans with help and support on a non-clinical basis.
- Helpline: This represents grant funding for running the Helpline.
- The Head Office Fund relates to a grant from the National Lottery Heritage Fund to establish an organisational archive, used for raising awareness of the work the charity.
- Substance Misuse Case Management Service: This funding has been provided by the from The Royal British Legion to run a UK wide project providing a case management service for those veterans with substance misuse disorders who may also have underlying mental health issues.
- Property – Tyrwhitt House: this restricted fund is detailed in Note 14. The transfer of £350k to general reserves reflects the release of the restriction for 2019/20.

## 22. Consolidated Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 31 March 2019 – comparative figures

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Totals 2019 £'000
<b>Income from:</b>				
Donations and legacies	3	9,989	3,334	13,323
Charitable activities	4	2,357	-	2,357
Trading activities		417	2	419
Investments		251	-	251
Other		25	-	25
<b>Total income</b>		<b>13,039</b>	<b>3,336</b>	<b>16,375</b>
<b>Expenditure on:</b>				
Raising funds		2,442	-	2,442
Charitable activities				
Clinical services		6,872	1,543	8,415
Community services		909	1,789	2,698
Helpline		501	42	543
Raising awareness and improving access		438	15	453
Substance misuse case management service		-	313	313
		8,720	3,702	12,422
<b>Total expenditure</b>	5	<b>11,162</b>	<b>3,702</b>	<b>14,864</b>
<b>Net income / (expenditure) before transfers and investment gains and losses</b>		<b>1,877</b>	<b>(366)</b>	<b>1,511</b>
Net gains/(losses) on investments		5	-	5
<b>Net income / (expenditure)</b>		<b>1,882</b>	<b>(366)</b>	<b>1,516</b>
<b>Transfers between funds</b>	21	<b>341</b>	<b>(341)</b>	<b>-</b>
Actuarial losses on defined benefit pension scheme	17	(84)	-	(84)
<b>Net movement in funds</b>		<b>2,139</b>	<b>(707)</b>	<b>1,432</b>
<b>Reconciliation of funds:</b>				
Fund balances brought forward at 1 April		16,972	2,538	19,510
<b>Fund balances carried forward at 31 March</b>	21	<b>19,111</b>	<b>1,831</b>	<b>20,942</b>

## 23. Supporting note to cash flow statement

### Analysis of cash and cash equivalents

	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Changes in net funds during the year				
Cash at bank and in hand	179	1,454	121	1,367
Notice deposits (less than 3 months)	90	2,129	90	2,129
Overdraft	(500)	-	(500)	-
	<b>(231)</b>	<b>3,583</b>	<b>(289)</b>	<b>3,496</b>

### Analysis of changes in net debt

	Group			Charity		
	At 1 April 2019 £'000	Cash flows £'000	At 31 March 2020 £'000	At 1 April 2019 £'000	Cash flows £'000	At 31 March 2020 £'000
Cash	1,454	(1,275)	179	1,367	(1,246)	121
Notice deposits (less than 3 months)	2,129	(2,039)	90	2,129	(2,039)	90
Overdraft facility repayable on demand	-	(500)	(500)	-	(500)	(500)
	<b>3,583</b>	<b>(3,814)</b>	<b>(231)</b>	<b>3,496</b>	<b>(3,785)</b>	<b>(289)</b>

## 24. Post balance sheet events

The global outbreak of COVID-19 is having, and will continue to have, a significant effect on the operational activity of the Group as face to face treatment programmes have been put on hold or replaced by support via remote technology. The Group saw a significant decrease in its investment portfolio value during January and February but there has been a pick up in the market since year end, however, there is likely to be a negative effect on its income levels in 2020/21 as the general economy suffers from uncertainty.

The trustees do not believe the outbreak has had a material effect on any of the carrying value of assets and liabilities, other than investments (Note 10) at the balance sheet date, nor do they believe it affects the Group's ability to continue as a going concern, given that the Group held a good level of reserves at the end of the year. No additional provisions or contingent liabilities have been recognised in these accounts as a result of the COVID-19 pandemic. The market value of the investment portfolio at 31 July 2020 was £5.6m.

# LEGAL AND ADMINISTRATIVE INFORMATION

Combat Stress was founded on 12 May 1919, incorporated on 11 May 1931, registered with the Charity Commission on 22 September 1962, and registered with the Office of the Scottish Regulator on 19 October 2007. We are also registered with the Care Quality Commission and Care Inspectorate.

## Patron

HRH The Prince of Wales KG KT  
GCB OM AK QSO CC PC ADC

## President

General Sir Peter Wall GCB CBE DL

## Vice Presidents

Dennis Bailey MCSI  
Air Vice-Marshal Nigel Baldwin CB CBE  
Robert Bieber MBE MA  
Lieutenant General Sir Roderick Cordy-Simpson KBE CB DL (until 30.09.2019)  
Major General Peter Currie CB CBE  
Vice Admiral Sir Geoffrey Dalton KCB (03.06.2019)  
Commodore Toby Elliott OBE DL RN  
Brigadier Charles S Grant OBE  
Jenny M Green OBE MA  
Sir Bernard Jenkin MP  
Lieutenant General Sir John Kiszely KCB MC DL (until 31.08.2019)  
Dr Lord Moonie  
Surgeon Captain Morgan O'Connell RN  
Richard Nunneley  
Dr Chai Patel CBE FRCP  
Sir Malcolm Rifkind KCMG QC  
Derek Twigg MP  
Dr Suzy Walton BSc MSc PhD CPsychol CSci Cdir FRSA FIoD  
Major General Sir Evelyn Webb-Carter KCVO OBE DL  
Professor Sir Simon C Wessely MA BM BCh MSc MD FRCP FRCPsych FMedSci FKC  
General Sir Roger Wheeler GCB CBE  
Air Marshal Sir Robert Wright KBE AFC FRAeS

## Board Of Trustees

Our governing document permits a maximum of 15 trustees, all of whom must be Members of the Charity. At present, we have 14 Trustees on the Board. Under company law, the Trustees are also the directors of the Charity.

### Chairman of the Board of Trustees

Giles Peel (from 16.10.2019)  
Lieutenant General Andrew Graham CB CBE (until 16.10.2019)

### Vice Chair

Sally Goldthorpe

### Honorary Treasurer

Major Mickey Morrissey FSCI

Dr Carole Allan MA MPhil PhD CSci CPsychol FBPsS (from 16.10.2019)

Peter Allen (until 16.10.2019)

Douglas Campbell (from 16.10.2019)

Kathryn Casson (from 16.10.2019)

Mark A Izatt BSc

Calvin Man TD BSc

Surgeon Rear Admiral Calum JG McArthur FRCP (from 06.09.2018)

Dr Jane McCue DL MS FRCS (from 16.10.2019)

Christian K B Melville LLB Dip LP NP TEP WS (until 16.10.2019)

Mary Molesworth-St Aubyn DL

George Osborne BA MBA (from 16.10.2019)

Jan Sobieraj

Dr Suzy Walton BSc MSc PhD CPsychol CSci Cdir FRSA FIoD (until 16.10.2019)

Professor Sir Simon C Wessely MA  
BM BCh MSc MD FRCP FRCPsych  
FMedSci FKC (until 16.10.2019)  
Graham Williams BA FCA

## Co-opted Members

George Osborne BA MBA  
(until 16.10.2019)  
Colonel Robert Ward MBE

## Executive Management

### Chief Executive

Sue Freeth BA MBA

### Director of Resources, Company Secretary

Jeff Harrison BSc FCA

### Medical Director

Dr Walter Busuttil MBChB MPhil  
MRCGP FRCPsych

### Director of Fundraising

Robert Marsh VR BSc MSc

### Director of Operations

(from 01.07.2019)  
Dr Felix Davies BA PgDip MPhil  
DClinPsy AFBPS CPsychol

### Interim Director of Operations

(from 04.02.2019 to 12.07.2019)  
Position filled by a consultant

### Director of Marketing & Communications

(from 01.09.2019)  
Alan Friggieri BSc

### Director of HR & Organisational Development

John Rotherham (from 29.07.2019)

## Key Committees

\* denotes Committee Chair

### Audit & Risk Management

Graham Williams BA FCA \*  
Kathryn Casson  
Mary Molesworth-St Aubyn DL

### Finance

Major Mickey Morrissey FSCI \*  
Mark Izatt BSc  
Calvin Man TD BSc  
George Osborne BA MBA

### Fundraising, Marketing & Communications

Mark A Izatt BSc \*  
Douglas Campbell  
Major Mickey Morrissey FSCI  
Colonel Robert Ward MBE

### Clinical Governance

Jan Sobieraj \*  
Dr Carole Allan MA MPhil PhD CSci  
CPsychol FBPsS  
Surgeon Rear Admiral Calum JG  
McArthur FRCGP  
Dr Jane McCue DL MS FRCS

### Remuneration & Nominations

Sally Goldthorpe \*  
Major Mickey Morrissey FSCI  
Giles Peel

## Advisors

### Auditors (External)

BDO LLP  
2 City Place  
Beehive Ring Road  
Gatwick  
West Sussex  
RH6 0PA

### Bankers

National Westminster Bank plc  
1 Princes Street  
London  
EC2R 8BP

The Royal Bank of Scotland plc  
1 Redheughs Avenue  
Edinburgh  
EH12 9JN

### Investment Managers

Cazenove Capital Management  
1 London Wall Place  
London  
EC2Y 5AU

## Registered Office

Tyrwhitt House  
Oaklawn Road  
Leatherhead  
Surrey  
KT22 0BX

Company Registered in England &  
Wales No. 256353

Charity Registration No. 206002

Charity Registration Scotland No.  
SC038828

combatstress.org.uk

# A SPECIAL THANK YOU

Combat Stress is sincerely grateful for all donations, every single one of which makes a real difference to the veterans we help. Our supporters are fundamental to our success and we would like to acknowledge their generosity and encouragement. In particular, we would like to thank the following who have contributed £10,000 or more to our work this year:

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We also want to thank all those who chose to remain anonymous and all our supporters who make our work possible.

This year we have received 37 legacies with a value of £10k or more. Legacies in total raised over £1.8million. A gift in a Will is a thoughtful and generous way of supporting veterans and we are extremely grateful to each and every one of the supporters who chose to donate in this way.



# CONTACT US

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Charity No 206002, Charity Scotland No SC038828



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