

Annual Report & Consolidated Accounts 2017 - 18



ABF
THE SOLDIERS'
CHARITY

The Army's National Charity

For Soldiers. For Veterans
For Families. For Life

PATRON

Her Majesty The Queen

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 James Rous
 Major General (Retd) Malcolm Wood CBE
 Lisa Worley (Appointed in November 2017)

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 Brigadier (Retd) Robin Bacon,
 Chief of Staff & Company Secretary
 Temidayo Ajakaiye, Director of Finance
 Colonel (Retd) Kevin Haugh CBE,
 Director of Grants and Welfare
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 Brigadier (Retd) Colin Tadler CBE, Director of Regions
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ABF The Soldiers' Charity is an incorporated charity registered with the Charity Commission for England and Wales with Charity No.1146420, and in Scotland with the Office of the Scottish Charity Regulator with Scottish Charity Register No. SC039189.

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



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Photo: David Stearne

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Mark Smith
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WELCOME FROM THE CHAIRMAN



This Annual Report describes a charity that, 74 years after its inception, remains utterly committed to its core purpose of providing support to our proud soldiers, veterans and their families.

As a veteran myself, I keep reminding myself and others that this support goes beyond the remarkable work done to provide agile and highly-focused financial help at the point of need: The Soldiers' Charity's continued existence, its ability to evolve in the face of change, and its enduring and robust professionalism also provides life-long moral support to those facing difficulties and to those fine youngsters volunteering to accept the risks inherent in uniformed Service. As you read this Annual Report, please keep this physical and moral context in mind.

As Chairman of the Board of Trustees, while never complacent, I have complete confidence in our collective ability to deliver against The Soldiers' Charity's core objectives as spelt out in this report. Day-to-day the senior management team is ensuring that the charity is in good health and running hot, while the board provides the requisite governance and strategic oversight.

I am also acutely aware that it is the duty of the board to manage strategic change: we are working closely with the senior management team, the Army and our national networks to anticipate and respond to changes in our operating environment while we continue to deliver the world-class financial and moral support that our veterans, soldiers and their families deserve.

Together with the rest of the charity, the board is evolving. We have welcomed new members who bring rich skills and diversity to our team, enhancing our ability to meet the demands of change. And the team-work between the senior management team and the board remains first class.

I could not be more proud that, over the past year, ABF The Soldiers' Charity has delivered support to more than 70,000 individuals in over 60 countries. Our eldest beneficiary is 106 years old, our youngest is two years old and our charitable expenditure has risen by 3%.

“
I COULD NOT BE MORE PROUD THAT, OVER THE PAST YEAR, ABF THE SOLDIERS' CHARITY HAS DELIVERED SUPPORT TO MORE THAN 70,000 INDIVIDUALS IN OVER 60 COUNTRIES.
”

None of this could be possible without the dedication of my fellow trustees, the excellence of our terrific professional team, the indefatigable support of our army of volunteers across the nation and the generosity of our donors. As Chairman and as a veteran I offer every single one of you my heartfelt thanks for all that you do each and every day, so much of which lies between the lines of this report.

LIEUTENANT GENERAL (RETD)
PHILIP JONES CB CBE DL
CHAIRMAN,
ABF THE SOLDIERS' CHARITY

WELCOME FROM THE CHIEF EXECUTIVE



This Annual Report 2017/18 lays out the impact of our work over the last year and the crucial part that our many supporters play in helping us raise the necessary funds to enable our continued support for those in need. It has been a very strong year for ABF The Soldiers' Charity and I am delighted that we have again not only extended our global reach, providing support to the British Army family in 62 countries, but also increased our charitable expenditure.

The figures, however, only tell part of the story and those of us who work for The Soldiers' Charity are privileged to see the impact of our collective efforts first hand. Of course, most members of the Army family flourish, both whilst serving and later, but some fall into difficulties that can be both traumatic and life-changing.

It is the sheer variety of cases we support and the impact of prompt help that always really strikes me. Key to this

are our very strong relationships with the Regimental and Corps charities, and caseworking organisations such as SSAFA, to make sure we deliver the right sort of help to those with genuine need.

Equally important are our grants to other charities and organisations - we have financially supported some 85 this year. This might sound like a simple process of merely providing funds, but we go to great lengths to fund only effective organisations (rather than those that are just well-intentioned) and we scrupulously audit the outcomes. Key also is anticipating emerging need and making sure our grants programme is both agile and relevant.

None of this 'output' would be possible without successfully raising the necessary funds - a near-record £20.4 million this year. Again, here it is vital that we innovate and try new ideas. Each year we run more than 600 events, large and small, offering a wide array of activities. Our challenge events have flourished and this year we launched Rifle Run, on one of the snowiest days of the year, where committed supporters completed a 10km running and shooting challenge oblivious to the weather - as befits the Army's charity.

Some of the most important work over the year is largely unseen - to make sure our governance is as good as it can be in order to protect the trust that so many people place in us. We are quite clear that behaving responsibly and treating all those we deal with in an appropriate manner lies at the heart of our continuing high reputation.

“
IT IS THE SHEER VARIETY OF CASES WE SUPPORT AND THE IMPACT OF PROMPT HELP THAT ALWAYS REALLY STRIKES ME.
”

Next year is our 75th anniversary and we stand by our original commitments made in 1944 in terms of ensuring soldiers, veterans and their immediate families can live with independence and dignity. Our sense is that the Services charity sector is going to face renewed challenges over the next few years and we remain absolutely committed to maintaining the high levels of support we provide; and helping the sector more broadly by encouraging coordinated and effective action.

MAJOR GENERAL (RETD)
MARTIN RUTLEDGE CB OBE
CHIEF EXECUTIVE,
ABF THE SOLDIERS' CHARITY

OUR VISION
 ALL SERVING
 SOLDIERS,
 VETERANS AND
 THEIR IMMEDIATE
 FAMILIES SHOULD
 HAVE THE
 OPPORTUNITY TO
 AVOID HARDSHIP
 AND ENJOY
 INDEPENDENCE
 AND DIGNITY.



01
 George Pas served for 14 years as a reservist and is paralysed from the neck down, following a road traffic accident. We assisted with funding for an all-terrain mobility scooter, which enables him to participate fully in family activities with his wife and three children.

02
 Joseph Connor, 92, is a WW2 veteran and was struggling with getting down some steps from his home to the pavement, where his car was parked. We funded the construction of a new driveway, so he can now park his car and mobility scooter directly outside his home, significantly improving his quality of life and independence.

03
 Joseph Connor, pictured left, as a young man in the Army in 1943.

04
 Barney Gillespie lost his right leg due to an IED explosion during his third tour of Afghanistan. We assisted with funding home adaptations and he now lives a very active, busy life as an adventure instructor. He recently attended the Royal Wedding and consequently became a bit of a media star!

05
 Kirstie with her family. Read her story on page 19.

WE WORK WITH VETERANS OF EVERY CONFLICT, FROM THE SECOND WORLD WAR TO THE MOST RECENT OPERATIONS, WHETHER THEY LIVE IN THE BRITISH ISLES OR OVERSEAS.



03



02

OUR MISSION

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



04

OUR OBJECTIVES

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

PUBLIC BENEFIT

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



05

CHARITABLE ACTIVITIES OVERVIEW

OUR AIM IS TO BE ABLE TO PROVIDE THE RIGHT SUPPORT AT THE RIGHT TIME WHEN A PERSON OR FAMILY IS IN NEED, TO ENABLE THEM TO MOVE FORWARD WITH THEIR LIVES.

The welfare of soldiers, past and present, and their families has always been at the heart of everything we do. Since we were founded in 1944, we have helped many hundreds of thousands of members of the Army family, from the youngest child to the oldest veteran, both in the UK and around the world. This year we provided support to British Army soldiers, veterans and their immediate families in 62 countries across the globe. We pride ourselves on acting immediately when help is needed and provide true through-life support, the breadth and variety of which is explained in this publication.

In the financial year 2017-18, we spent £9.5m ensuring a complete spectrum of support to more than 70,000 members of the Army family in the areas it was needed the most, such as: enabling independent living; caring for the elderly; training and education to increase employability; improving mental fitness; helping Army families; and ensuring the provision of suitable housing. This represents an increase of approaching 3% in charitable expenditure compared with last year, following two consecutive years of significant increases.

As the British Army's national charity, we believe that all serving soldiers, veterans and their immediate families should have the opportunity to avoid hardship and enjoy independence and dignity.



WE ARE NEVER JUDGMENTAL AND WE ALWAYS ADOPT A HOLISTIC APPROACH TO THE PERSON OR FAMILY IN NEED OF SUPPORT.

WE ACT WITH SPEED. WHEN WE ARE ALERTED THAT A PERSON OR FAMILY IS IN NEED OF HELP, WE AIM TO MAKE THE RELEVANT GRANT WITHIN 48 HOURS.

Our Three Mechanisms for Providing Support

1

WE MAKE GRANTS TO INDIVIDUALS, THROUGH THEIR REGIMENTAL AND CORPS CHARITIES

2

WE MAKE GRANTS TO OTHER CHARITIES AND ORGANISATIONS THAT DELIVER SPECIALIST SUPPORT TO SOLDIERS, VETERANS AND THEIR IMMEDIATE FAMILIES

3

WE TAKE A KEY ROLE IN THE MILITARY WELFARE ECOSYSTEM BY: FUNDING ORGANISATIONS THAT CARRY OUT ARMY-RELATED CASEWORK (PARTICULARLY SSAFA); INVESTING IN THE CASEWORK MANAGEMENT SYSTEM (TO ENSURE GRANTS ARE REVIEWED AND DISBURSED QUICKLY AND EFFICIENTLY); AND COLLABORATING WITH AND PROVIDING ADVICE AND SUPPORT TO OTHER MILITARY CHARITIES AND ORGANISATIONS

CHARITABLE ACTIVITIES OVERVIEW

A Holistic Approach to Welfare

The overall scale, breadth and variety of our support is vast. We help very young serving families cope with sudden bereavement or traumatic loss. We provide wide-ranging support to wounded soldiers, many of whom will need increasing financial assistance for decades to come. We provide help with housing, as well as education and training for employment for soldiers of all ages who have sometimes had to leave the Army prematurely through no fault of their own. And we are there for those older veterans and their widows or widowers who may find themselves isolated and lonely.

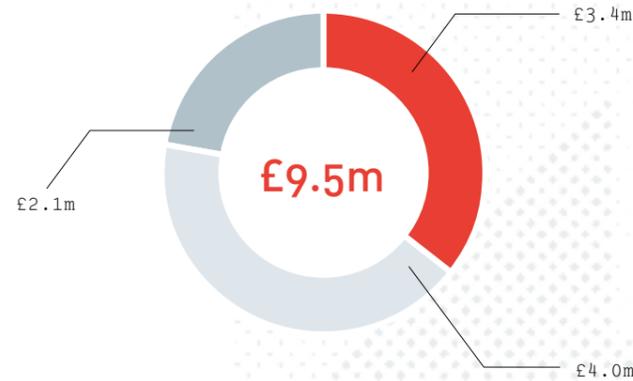
We are never judgmental and we always adopt a holistic approach to the person or family in need of support. Often, an individual in need will receive an initial grant, delivered through their Regimental or Corps charity; then be referred to a specialist charity that we have funded; and potentially then be supported by other partner charities, with assistance from us at every stage. Throughout, we rigorously focus on their need and allocate our support accordingly across a wide range of charity partners.

We give grants to support other charities both large and small, local and international, depending on our assessment of where the need is. We never allow our grants programme to become repetitive or stale.

We also take great care to collaborate with other charities, organisations, government and the Army - to ensure we have a comprehensive picture of what is the need and to guard against duplication of effort.

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

OUR CHARITABLE EXPENDITURE IN SUPPORT OF THE ARMY FAMILY



£9.5m

In 2017-18 we spent £9.5m supporting more than 70,000 members of the Army family

£3.4m

We awarded £3.4m as grants to individuals in need

£4.0m

Our grants to other charities and organisations providing support to the Army family totalled more than £4.0m

£2.1m

We spent £2.1m on supporting the military welfare ecosystem to ensure soldiers, veterans and their families' needs can be met in a timely and effective manner

85

WE FUNDED 85 OTHER CHARITIES and organisations that are providing support to the Army family



The youngest person we have supported was two years old, the eldest was 106



SUPPORTING 70,000 MEMBERS OF THE ARMY FAMILY

62

We have supported the British Army family all over the world - in 62 countries this year

17%

Around 17% of our grants were spent supporting serving Army personnel and their families; the balance was spent on veterans and their families



WE SPEND AROUND £14,000 A DAY and £69,000 a week on grants to individuals



HOW WE HELPED MARK

Mark Smith joined the Army aged 18 and undertook operational tours in Bosnia, Iraq and Afghanistan. He was injured in 2011 during a live-firing exercise in Canada when training for his second tour of Afghanistan. He had seven bullets in his leg and shoulder and at first was fighting for his life.

The decision was taken to remove Mark's right leg. Since his injury Mark has had 26 operations and many months of rehabilitation. We assisted him with funds for amputee crutches, home adaptations and a wheelchair - and we will continue to stand ready to support Mark, should he need us in the future.

Mark is now a qualified personal trainer and a leading competitor in Britain's Disabled Strongman competitions. In 2016 and 2017, he was Britain's Strongest Disabled Man and in 2018 was crowned England's Strongest Disabled Man. He now has his sights set on becoming number one in the world!

“ THE SOLDIERS' CHARITY IS THERE TO HELP YOU WHEN YOU NEED IT. THE WHEELCHAIR BENEFITS MY FAMILY AS WELL AS ME. WE WANT TO BE ABLE TO TAKE THE CHILDREN TO DIFFERENT PLACES, SUCH AS ZOOS AND THE BEACH. I CAN LIVE AN INDEPENDENT LIFE. ”

Mark Smith

CHARITABLE ACTIVITIES ENABLING INDEPENDENT LIVING

We aim to provide soldiers and veterans with the means to live independently, with the dignity they deserve. Many Army veterans want to remain independent and stay in their homes but injury, disability and advancing years can make this difficult. We are on hand to support veterans and their families, both young and old, with home adaptations and mobility equipment that enables them to live where they are most comfortable. Some will require significant support for the rest of their lives and we administer funds on behalf of the nation to ensure their needs are met over the long term (you can read more about this on page 22).



01

Rick Clement. Read his story on page 11.

02 Andy Reid, formerly of 3rd Battalion The Yorkshire Regiment, with his wife, family and new baby (born in March 2018!). Andy lost both his legs and his right arm after stepping on an IED while on patrol in Afghanistan in 2009. We provided a number of grants for urgently-required home adaptations. Andy is an amazing ambassador for The Soldiers' Charity and has raised more than £50,000 for us!

03 Andy Reid and his son.



02



03

WHEN SERVING SOLDIERS ARE WOUNDED, INJURED OR SICK, WE WORK IN PARTNERSHIP WITH THE ARMY'S PERSONNEL RECOVERY UNITS TO ASSIST THOSE IN GREATEST NEED AND, WHERE APPROPRIATE, TO AID THEIR TRANSITION TO CIVILIAN LIFE.



WE SUPPORTED 423 INDIVIDUALS

through providing grants for mobility aids



WE ASSISTED 199 WOUNDED, INJURED AND SICK SOLDIERS

with individual grants this financial year



WE SPENT MORE THAN £350,000

on specialist mobility aids for individuals (an increase of 16%)



HOW WE HELPED RICK

Sergeant Rick Clement joined the Army just before his 17th birthday and served for 16 years. He travelled the world, on operational tours in Iraq and Afghanistan and on training exercises in Australia and Canada. In 2010, Rick was a month into his first tour of Afghanistan when he stepped on a Taliban IED. He lost his legs and badly damaged his right arm in the blast.

Rick went to Headley Court to undertake gym and physiotherapy. He is now able to drive and gets around on a mountain trike wheelchair. He is fully independent and has recently moved in to an adapted home close to family and friends. He has a great social life, goes out with his dog every day and keeps in touch with Army friends.

ABF The Soldiers' Charity helped him by providing a grant towards a specialist wheelchair and home adaptations.

“ THE FUNDING FROM THE SOLDIERS' CHARITY HAS MADE A MASSIVE DIFFERENCE. THE MOUNTAIN TRIKE WHEELCHAIR HAS CHANGED MY LIFE. FOR THE FIRST TIME IN EIGHT YEARS I COULD GO ON THE BEACH. THE SOLDIERS' CHARITY'S HELP IS LIFE CHANGING STUFF, IT REALLY IS. ”

Rick Clement

CHARITABLE ACTIVITIES CARE FOR THE ELDERLY

WE AIM TO PROVIDE SUPPORT FOR SOLDIERS, FOR LIFE. A CORNERSTONE OF OUR ACTIVITY IS ENSURING ELDERLY VETERANS AND THEIR FAMILIES HAVE THE CARE THEY NEED, WHETHER THEY LIVE IN THE UK OR OVERSEAS.

We enable elderly veterans to stay in their homes by providing grants for specialist electric beds that rise and recline, so veterans can get up and move around more comfortably. We also give grants for stairlifts, so homes with more than one floor remain possible to be lived in. And to assist veterans who can no longer stay at home, we support with care home top-up fees.

We also provide funding for charities that support elderly veterans, including industry-leading care homes such as Broughton House and the Royal Star and Garter Homes; and international organisations taking care of veterans overseas, such as the Royal Commonwealth Ex-Services League and Age Espania.



Joseph Connor with his daughter (see page 4, caption 2).

All in all, in FY17-18, we provided funding to eight charities and organisations that specifically help elderly veterans and their families; and we go to exhaustive lengths to ensure that these are the 'right' eight charities to support, based on need and outcomes reporting.

Supporting Erskine

WE PROVIDE FUNDING FOR SEVERAL CHARITIES AND ORGANISATIONS THAT PROVIDE SUPPORT FOR ELDERLY VETERANS (SEE PAGES 43 & 47).

One example of the support we provide is the £150,000 grant we gave in FY17-18 to Erskine, which provides residential, respite and dementia care for UK veterans in four homes throughout Scotland. Erskine's person-centred care is tailored to the needs of each individual veteran. All bedrooms are equipped with full disabled access and en-suite facilities. Recreation facilities provide social activities, entertainment and organised day or evening trips, which are of huge importance to residents' health and wellbeing. Lunch clubs in particular have a very positive atmosphere, with veterans chatting and reminiscing in a social environment.



Janet Warne

Janet Warne 95, is a former Auxiliary Territorial Service (ATS) soldier from Peebles. At the age of 20 she joined the ATS and served for three years during the Second World War as a telephonist, working night and day shifts, being posted to different locations throughout the British Isles. She married after the war and had a daughter. Janet has been at Erskine for over a year and says, 'It's very nice. We've got the hall and there's often concerts or other activities in there. The entertainment is very good.'



FROM MARCH 2017
UNTIL THE END
OF FEBRUARY 2018,
A TOTAL OF
554 MEMBERS
OF THE ARMY FAMILY
WERE CARED FOR
ACROSS THE WHOLE
OF ERSKINE.



Harry Bayne

Harry was born in 1919 and was 20 years old when war broke out in September 1939. He and his comrades were sent to France in May 1940 to face the Germans' massive armoured assault. He was among the British troops who were captured by the Germans two days before Dunkirk (1940). He spent the rest of the war as a PoW and survived Stalag XX-A Camp in Poland. His group of prisoners were intercepted by American forces in 1945 and he remembers seeing General Eisenhower (later the US president) and realising then that he was a free man. Harry was transferred to

Belgium, then flew back to Britain in a bomber. Arriving in Edinburgh Waverley station was very emotional and he says that getting a hug from his mum was amazing. Having lived alone for some time with the help of carers, in October 2017, at the age of 99, Harry came to live at Erskine. Harry certainly makes the most of his new home; he's very active and loves the social aspect of living at Erskine. He's a regular attendee at the Activity Room and joins in with as many outings as possible. Harry says, "Erskine is the greatest 'hotel' I have ever been in. You couldn't get me out of here!"



£736,805

we spent £736,805 supporting organisations that help elderly veterans



38

we continue to help veterans who served in World War Two, 38 this year



£500,000

we spent over £500,000 on individual grants to veterans over 65 years old

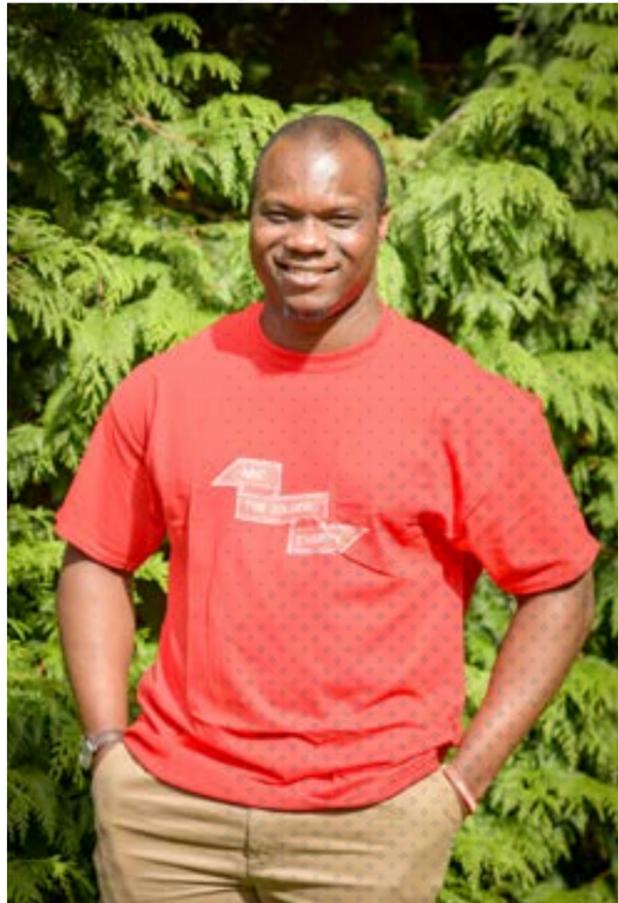
CHARITABLE ACTIVITIES

TRAINING AND EDUCATION TO INCREASE EMPLOYABILITY

OUR GRANTS PROGRAMME ALSO FUNDS FRESH INITIATIVES SUCH AS X-FORCES, WHICH NURTURES ENTREPRENEURIAL AMBITION AND SETS EX-MILITARY PERSONNEL ON A PATH TOWARDS SUCCESSFULLY SETTING UP THEIR OWN BUSINESS.

Leaving the Army can be a daunting experience for any individual and for their families. We are here to support those who are in particular need of help with the transition to 'Civvy Street'. This includes supporting soldiers who have been wounded, injured or sick and have had to leave the Army through no fault of their own. We also support partners of soldiers, for example if a soldier is unable to work because of their injury and their partner must become the sole source of income, or if the partner has been widowed, we stand ready to fund any training that is necessary for the partner to find work.

Our grants programme also funds fresh initiatives such as X-Forces, which nurtures entrepreneurial ambition and sets ex-military personnel on a path towards successfully setting up their own business. We also help those experiencing particularly keen difficulties such as homelessness or addiction, by supporting programmes designed to provide training and education that will increase their employability in the long term.



Ejoywoke (Ejay) Odjighoro joined the Army in 2013 and had a non-operational spinal injury affecting his mobility. Ejay was keen to enhance his IT skills and we were delighted to assist with funding for a wireless technology course, which helped him successfully find civilian employment in the IT field.



WE SPENT MORE THAN £525,000

on education support, including training course fees



OVER 1200 PEOPLE HELPED

into employment following participation in the programmes we support

THREE OF THE 16 CHARITIES AND ORGANISATIONS WE SUPPORTED IN THIS KEY AREA OF NEED WERE:



£256,000

RFEA – The Forces Employment Charity



£85,000

The Poppy Factory



£60,000

Walking With The Wounded

We allotted £256,000 to RFEA - The Forces Employment Charity; £85,000 to The Poppy Factory, which provides employment support for disabled veterans; and £60,000 to Walking With The Wounded for a project that provides employment advisor support for veterans at risk of homelessness.



HOW WE HELPED LESTER

Former Staff Sergeant Lester Staples served with The Royal Army Medical Corps for almost 23 years, completing tours in Cyprus and Iraq. Following his medical discharge from the Army, Lester hit a low point and found it difficult to know which way to turn.

We stepped in and, working in partnership with Barclays, provided a grant for him to attend a drugs dog handlers' course, enabling him to turn his life-long love of dogs into a viable new career path. He is now a successful self-employed drugs dog handler, working alongside Beans, his trusty springer spaniel, to keep the public safe at events such as gigs and football matches.

“ THE HELP OF ABF THE SOLDIERS' CHARITY IS SETTING ME UP FOR A NEW CAREER: HOPEFULLY A LONG AND HAPPY SECOND CAREER.

”
Lester Staples

CHARITABLE ACTIVITIES INCREASING MENTAL FITNESS

MENTAL HEALTH IS A VERY IMPORTANT AREA OF OUR WORK.

We are keen to promote better mental and physical wellbeing so that soldiers, veterans and their immediate families can lead healthy and fulfilling lives.

We do this by providing substantial financial support to a number of charities, including Combat Stress, to help former servicemen and women deal with issues such as anxiety, trauma, depression and post-traumatic stress disorder. We also recognise the value of respite breaks for people who are recovering from an illness, bereavement or other life-affecting event; and have funded several this year. (See pages 45-48, under 'Wellbeing', for details of the charities and organisations we support.)

Mental health is a very important area of our work but equally it must be recognised that the mental health of the armed forces community (whether serving or veterans) is similar to that of the civilian UK population.

Over-inflating the need, so far as the mental health of veterans is concerned, can have pernicious consequences such as hindering the ability of former soldiers to find civilian employment and negatively impacting the Army's ability to recruit. We use our 'financial muscle' as a major funder of other charities and organisations to try and ensure that the true landscape of need is reflected and that it is not exaggerated.

We always act to ensure genuine need receives the help it deserves.



WE GAVE £350,000

to Combat Stress to support veterans with an array of mental health issues



BY SUPPORTING REVITALISE

we helped 170 families with respite breaks this year



WE SUPPORTED THE WARRIOR PROGRAMME

which ran 10 programmes providing motivation and direction for former service personnel and their families to allow them to lead healthy and balanced lives

Supporting Revitalise

We are proud to support a number of charities and organisations that promote better mental and physical wellbeing for members of the Army family. One example is that we awarded Revitalise, which provides respite breaks for disabled people and carers, a charitable grant of £60,180. The funds we provided enabled disabled ex-service personnel and their carers to take much-needed respite holidays at Revitalise's three accessible centres. These breaks ensure an enhanced quality of life for members of the Army community, offering them a lifeline from the daily pressures that giving and receiving care can bring.



MAVIS & COLIN



Mavis and Colin, also pictured top right as a young couple.

Mavis is 76 years old and has multiple sclerosis. Her husband Colin was her carer until he was diagnosed with dementia in 2002. Colin, who is now 80, did National Service and was posted to RAOC Bicester in 1960. Mavis said: "With disabilities you learn to change your life accordingly. We have to rely on carer drivers now which is very restrictive. Days out have to be planned in advance now and the time out is limited. That is why we enjoyed Revitalise so much. I didn't know anywhere existed where so much was done to make a break so enjoyable.

"There was always somebody there to ask if we needed any help. The outings were beyond belief, the fun and the laughter, along with the company, was exactly what we needed to get back to who we used to be. I managed to catch up on sleep and have some time for me. Revitalise got me back to my 'fun' side that had been missing but has always been a big part of me."

“

REVITALISE GOT ME BACK TO MY 'FUN'
SIDE THAT HAD BEEN MISSING BUT HAS
ALWAYS BEEN A BIG PART OF ME.

”

Mavis

Revitalise
Respite holidays for disabled people and carers

CHARITABLE ACTIVITIES HELPING ARMY FAMILIES

We are committed to supporting soldiers, veterans and their immediate families in times of need. Many close relatives of soldiers – those in a soldier's immediate family such as a husband, wife or child – do not realise that we are there to support them, just as much as we are there to support soldiers. Our help can include everything from funeral costs or emergency flights across the globe following the death of a close family member in complex circumstances, to providing essential clothing and school uniforms for young children whose single parent is dealing with particularly difficult circumstances and is unable to make ends meet, and helping to buy highly-specialised equipment for a disabled child to increase their quality of life and enable them to join in with family activities.

We work especially closely with, and fund, the Army Families Federation, which is the independent voice of Army families and works to improve the quality of life for Army families around the world.

All in all, in FY17-18, we were delighted to provide funding for 37 charities and organisations that support Army families in need (see pages 44, 47 and 48).



01 George Pas with his family. George is paralysed from the neck down following a road traffic accident and his all-terrain mobility scooter, which we provided funding for, has been life changing. He can now get out and about with his family and get involved with all sorts of family trips and activities.

02 Kirstie with her family. Read her story on page 19.

260

We remain the biggest single source of funding for the Army Widows' Association, which supported 260 Army widows this year



WE RUN AN EXTENSIVE BURSARY PROGRAMME

to support children from Army families: through this, **8 children** in particularly difficult circumstances were able to stay at school this year



WE HELPED 416 FAMILIES

with funeral costs, spending **£331,436** to ensure they could bury their veteran with dignity



HOW WE HELPED KIRSTIE

Kirstie is 40 years old and married her husband in 2011. He served for six years with the Coldstream Guards and undertook tours of Afghanistan, during which he was injured when two rocket-propelled grenades blew up behind him. He suffered with hearing loss in one ear and a fractured spine. He left the Army in mid-2012 and is now a self-employed gardener.

Kirstie suffers from a neurological condition that leaves her with uncontrollable and often painful muscle spasms. She was told, after a serious fall a couple of years ago when her leg completely separated from the hip, that she might never walk again, but after a series of operations and sheer determination she is able to walk short distances with the aid of a crutch. We provided her with a grant for an all-terrain wheelchair, which has vastly improved her quality of life. The couple have six children.

“

SO FAR I HAVE BEEN INTO TOWN, SHOPPING, TO THE WOODS AND ON WALKS WITH THE DOG. I HAVE BEEN ABLE TO ATTEND HOSPITAL APPOINTMENTS FLYING SOLO AND HAVE BEEN ABLE TO GO TO FUNCTIONS WHICH, BEFORE HAVING THE CHAIR, I WOULD HAVE BEEN UNABLE TO MAKE. THE NICEST THING IS TO BE ABLE TO PICK MY KIDS UP FROM SCHOOL ON MY OWN. I HAD NO IDEA THAT THERE WAS A CHARITY OUT THERE THAT SUPPORTED THE FAMILIES OF SERVING SOLDIERS AND VETERANS. IT HAS REALLY BEEN A LIFE CHANGER.

”

Kirstie

CHARITABLE ACTIVITIES ENSURING THE PROVISION OF SUITABLE HOUSING

The housing needs for veterans and their families are incredibly varied. Our grants may help a homeless veteran who has been sleeping on the streets to be able to move into a new property, or ensure that a young soldier medically discharged has accommodation that is fit for his wife and newborn baby to move into by providing carpets and essential furnishings, or to prevent eviction for a veteran who has been unable to guarantee his income.

We were also delighted to support charities that specialise in assisting disabled veterans, including Alabaré, a provider of dedicated accommodation for working-age veterans outside London; as well as organisations that house ex-service personnel who have found themselves homeless, such as St Peter's Court in Durham.

In FY17-18, we provided funding to 15 charities and organisations that help veterans with housing needs (see pages 45, 47 and 48), while undertaking rigorous due diligence to ensure our supporters' money is being spent on 'good' organisations that are supporting key areas of need.



OVER £1M

was spent on grants to individuals with housing needs

£453,629

£453,629 was spent on essential household domestic appliances such as fridges and washing machines

£555,629

We spent £555,629 on grants to other charities supporting veterans with housing needs

Supporting St Peter's Court



We were delighted to provide a grant of £36,500 to SHAID - St Peter's Court in Durham, a supported housing project that is specifically tailored to the needs of former Armed Forces personnel. It provides tenancy support for the individuals housed within the project, which consists of 16 self-contained flats at present but, thanks in part to The Soldiers' Charity's funding, which covers the salary of a very proactive and engaged project manager, is set to expand to 31 self-contained flats and one family flat.

St Peter's Court also offers move on support, when a tenant is ready to live independently, and has successfully rehoused 55 ex-service personnel in the North East since receiving funding from The Soldiers' Charity. Education and training support is available for St Peter's Court tenants; as is access to wellbeing services, helping people with issues such as mental health, physical health, debt management and addiction.



01 Army Reserves from Durham assisted with removing old furniture from what will be transformed into 31 self-contained flats and a family flat for former Armed Forces personnel.



02 A selection of pictures from St Peter's Court.

Letter to the project manager, St Peter's Court

I served in the Army for 10 years, during which time I participated in many operations and conflicts across the world. In the early part of 2016 my declining mental health resulted in me becoming homeless and without any form of income. Some of my symptoms include hyper-sensitivity, hyper-arousal, anxiety and depression. In January 2017 I attempted to take my life as I could see no other cause of action. As a result I spent two weeks in a psychiatric hospital undergoing intensive treatment.

On my release, I was invited to stay at St Peter's Court. At first due to my illness I was anxious and very nervous, but was immediately put at ease and felt safe. I met regularly with my support worker to discuss issues, welfare and wellbeing. The safe environment of St Peter's Court enabled me to accept and therefore be treated for my mental health problems. The team's experience in how and who to contact has directly resulted in the progress I have made managing my mental health.

I have recently been able to visit my son who I had not seen for some time. I now know I have a future and am extremely grateful to the team at St Peter's Court for their professionalism, compassion and patience.

SUPPORTING THE MILITARY WELFARE ECOSYSTEM

WE TAKE GREAT CARE AND INVEST SUBSTANTIAL RESOURCE IN PLAYING A KEY ROLE IN THE MILITARY WELFARE ECOSYSTEM, COLLABORATING WITH OUR SISTER SERVICE CHARITIES (THE ROYAL NAVY & ROYAL MARINES CHARITY, THE ROYAL NAVAL BENEVOLENT TRUST AND THE RAF BENEVOLENT FUND), OTHER CHARITIES THAT SUPPORT THE ARMY FAMILY, GOVERNMENT AND THE ARMY, TO ENSURE WE HAVE A COMPREHENSIVE PICTURE OF WHAT IS THE NEED AND TO GUARD AGAINST DUPLICATION OF EFFORT.

This financial year we have spent £2.1m on activities that fall outside the remit of our core business of grant making but are key to ensuring soldiers, veterans and their immediate families' needs are met in a timely and effective manner.

Funding casework

Our eyes and ears on the ground as far as our grant-making to individuals activity is concerned are always the Regimental and Corps charities, ably supported by case-working organisations such as SSAFA, which train people to visit soldiers, veterans and their families and report on the need as they see it. In the last financial year, we spent £200,000 funding SSAFA in order to ensure that need could be speedily and adequately assessed.

Funding the casework management system

The digital platform that enables information to be passed between Regimental and Corps charities, caseworkers (such as SSAFA) and grant makers (such as The Soldiers' Charity) - and that crucially enables grants to be paid out speedily - has required substantial investment this financial year, not least due to data protection measures that have been needed in light of the General Data Protection Regulation (GDPR). Therefore, the casework management system has continued to require further funding to ensure those who need help can have their case assessed and, if appropriate, have a grant disbursed to support them as quickly as possible.

Due diligence

We have invested substantial staff resource in enhancing governance checks in the form of often trustee-led visits to organisations that we make grants to. These visits help provide us with an overall picture of the military welfare ecosystem and assist us with gauging the 'need' landscape. This focus on good and sound governance is critical when it comes to us scrutinising applications for funding and auditing the outcomes associated with our grants.

Administering funds on behalf of others

We continue to administer funds on behalf of the nation, such as the Falklands Fund, Gulf Fund and Afghanistan Fund, which are primarily to provide very long-term support to veterans wounded or injured in those conflicts as well as their families. We also manage the funds of charities that have, over time, folded in to us. We absorb the associated costs related to managing these funds in the interest of efficiency, partnership and collaboration - ensuring that optimal financial support is available and delivered to those in need.

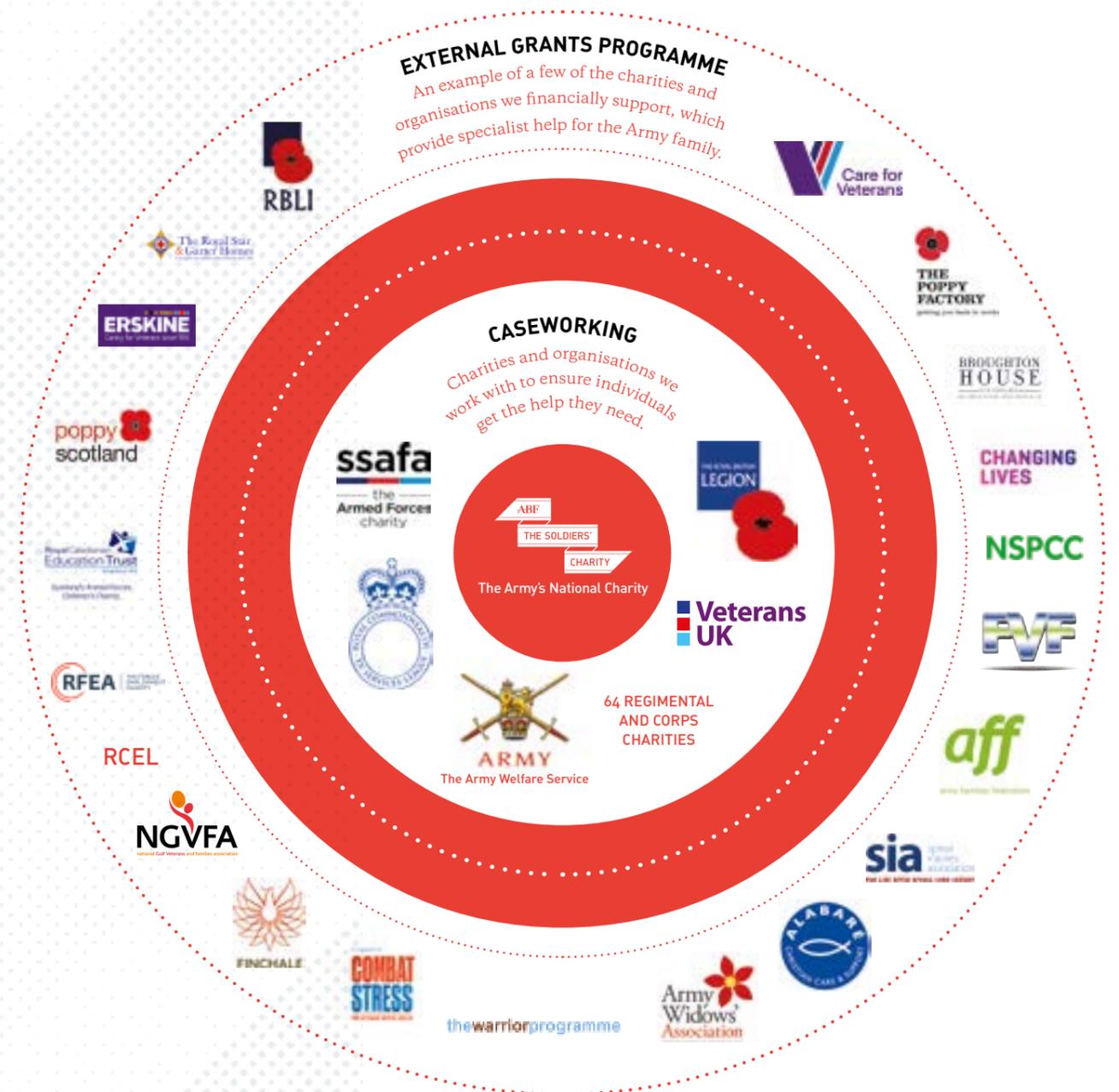


Photo: David Stearne

FUNDRAISING

WE COULD NOT ANNUALLY ASSIST MORE THAN 70,000 MEMBERS OF THE ARMY FAMILY ACROSS 62 COUNTRIES WITHOUT OUR FANTASTIC SUPPORTERS. WE ARE EXTREMELY GRATEFUL TO EVERY PERSON AND ORGANISATION THAT MAKES OUR GRANT MAKING POSSIBLE.

We have a hugely broad programme of fundraising activities, including direct marketing appeals, large-scale national and regional events and corporate partnerships. This year has seen over 600 events take place across the UK and our 'challenge events', such as the CATERAN Yomp, have continued to be hugely popular. Visit soldierscharity.org to find out more.

Fundraising Standards

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

Our Behaviour

We promise to always show respect and never pressure anyone to make a donation. We want the decision to give to always be an active choice on the part of the giver and we are particularly sensitive when dealing with vulnerable people. We have a comprehensive supporter engagement policy, which incorporates all elements of fundraising and associated activities.

Accessibility

We make it easy for people to get in touch with us either by phone, letter or email. Whether someone wants to ask a question about our work or how we spend donations, or wants to find out about an event we are organising, or to update their communication preferences, we pride ourselves on being responsive and accessible. We have a complaints process in place, should any supporter be unhappy or express concerns about our activity; and complaints received this financial year have decreased further, from an already very low base.

Safeguarding

The Soldiers' Charity is committed to pro-actively safeguarding children, young people and vulnerable adults with whom staff, or any organisation acting on our behalf, come into contact during fundraising, benevolence or outreach activities. We have reviewed our safeguarding policy this financial year and have taken expert counsel to ensure it is fully up to date and fit for purpose. We take all reasonable care to protect our beneficiaries and supporters, and comply with all relevant legal obligations and statutory guidance, with safeguarding being integral to our recruiting process. There is also a documented procedure for reporting serious incidents to the Charity Commission and relevant statutory bodies. In FY17-18 there were no such matters to report.

Relationships with agencies and commercial providers

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



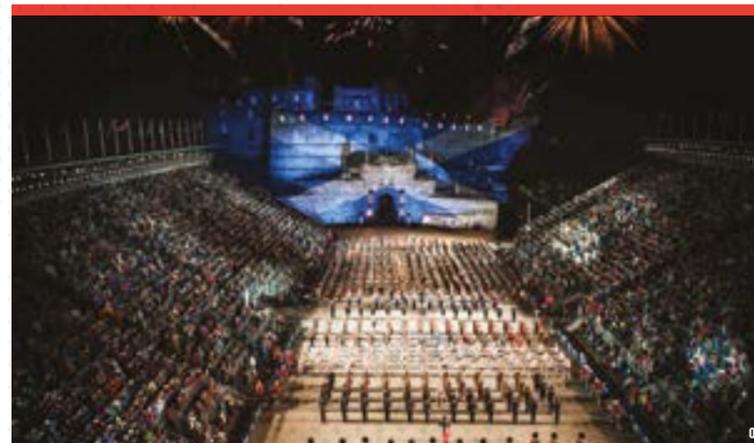
01 Fun at our corporate partner RIFT's Big Curry Day!



03 The 2017 Lord Mayor's Big Curry Lunch raised a fantastic £189,000 for The Soldiers' Charity, bringing the total amount raised since the event's inception in 2008 to £1.7m.



02 Record-breaking numbers of Yompers helped raise more than £160,000 for us on the hills of Scotland – more than 1,150 people participated in the 24-hour 54-mile CATERAN Yomp trek in June 2017.



04 We are grateful to The Royal Edinburgh Military Tattoo for their generous donation of £286,000 this financial year, which contributed towards the almost £1m that we spent in FY17-18 on providing support for soldiers, veterans and their immediate families in Scotland.



05 This picture shows just one of the over-600 regional events that took place this year, ranging from track days to concerts and marathons. At the Bolton Estate in Wensleydale, North Yorkshire, this shoot raised a whopping £94,000 for The Soldiers' Charity.

FINANCIAL HIGHLIGHTS

Overview

We have had a highly successful year, achieving income of £20.4m. This has come from a very wide range of sources such as donations from individuals, trusts and foundations; direct marketing appeals; legacies; corporates; and high-profile events.

We are also grateful to the Chancellor of the Exchequer for awarding us a £1.2m grant from HM Treasury's LIBOR fund, which will enable a bespoke medical welfare service for the Armed Forces community in hospitals or healthcare across southern England, to be delivered by our partner the Defence Medical Welfare Service. This is in addition to us this year receiving the second £1m tranche of the £3m LIBOR funding awarded to us in 2016 to help improve childcare and community centre facilities for Army families. We thank the Chancellor of the Exchequer for his confidence in our governance of these funds.

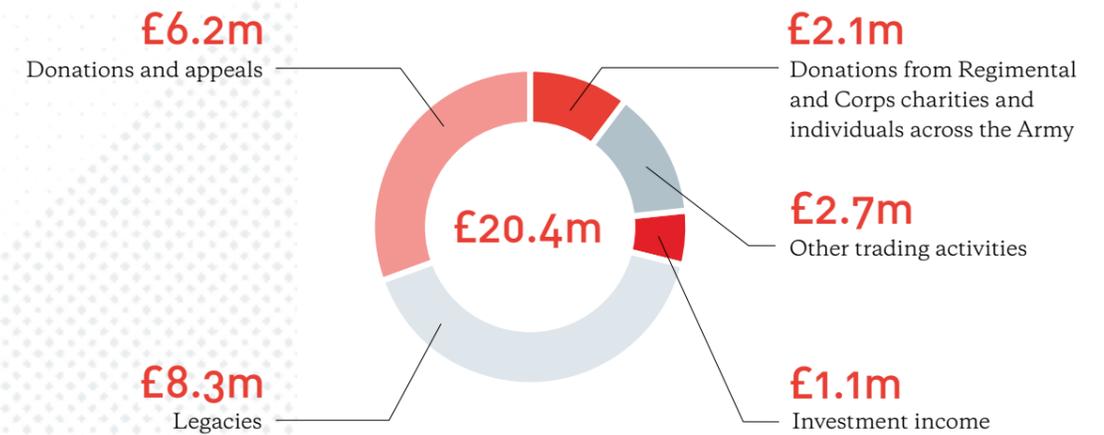
A number of organisations are very generous in their financial support of The Soldiers' Charity: there are too many to mention here but we are grateful to them all. Special thanks this year must go to: Barclays Bank, BAE Systems, RIFT Group, MBDA, Oshkosh Defense, Robert Galbraith Ltd and Little, Brown Book Group, The Honourable Artillery Company, The Fellowship of the Services, The Utley Foundation, The Soldiers Fund (USA) and The Royal Edinburgh Military Tattoo.

As detailed earlier in this report, our direct charitable expenditure was £9.5m, representing an increase of approaching 3% on last year. We were also able to commit £5.7m to our reserves this financial year and believe that this is only right and proper, to ensure we can fulfil our promise to be there for soldiers, for life. Around £2.5m was spent on raising funds and £2.7m on other trading activities including events.

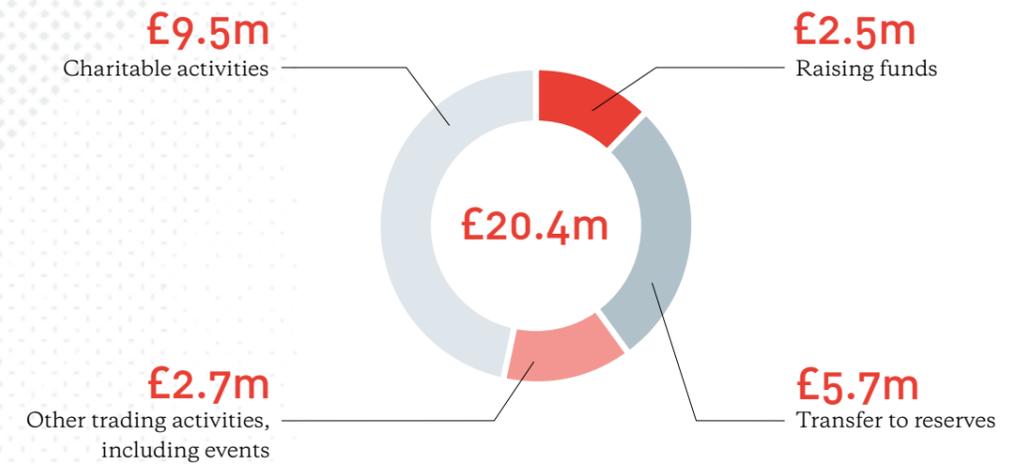
We are delighted to have been able to make a real and significant difference to the Army family, whether serving or retired - and are steadfast in our commitment to being able to provide this support for soldiers, veterans and their immediate families for the very long term.



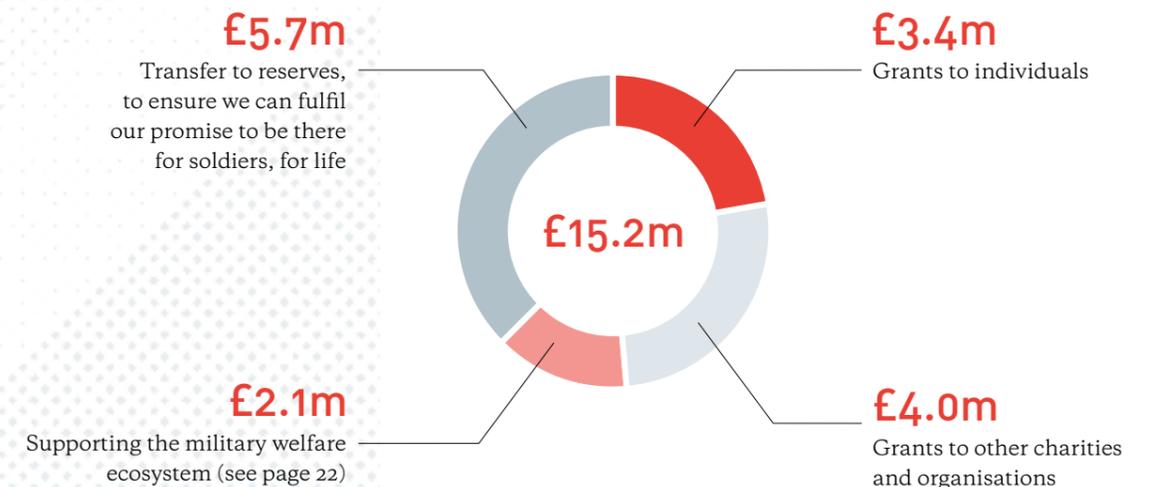
WHERE MONEY CAME FROM



HOW WE SPENT/ALLOCATED MONEY



HOW WE SUPPORTED THE ARMY FAMILY



FINANCIAL HIGHLIGHTS

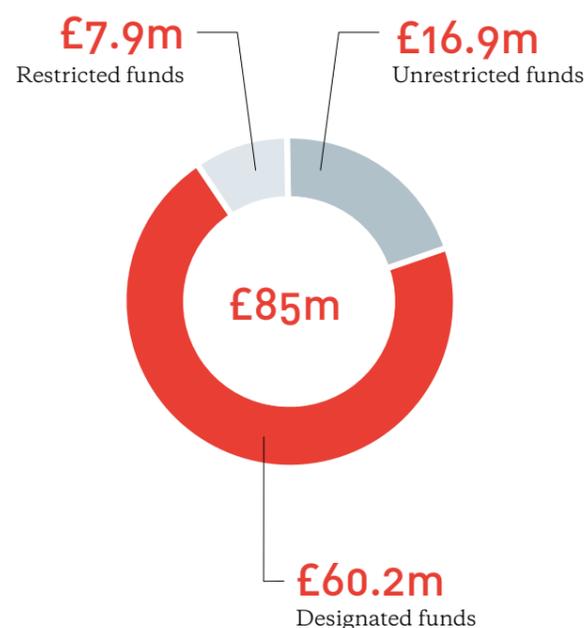
Investment Management

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

At the year end, The Soldiers' Charity held long term investments with a market value of £73,082k and short-term cash deposits of £3,894k (in 2017 these figures were £68,560k and £3,884k respectively). We invested a further £2.5 million of our additional funds with CCLA, with the aim of achieving a better balance between our two investments managers - the other being the BlackRock-managed Armed Forces Common Investment Fund.

The balance between the investments managers and their performance are reviewed quarterly by The Soldiers' Charity's Finance & Investment Committee and the trustees. Members of this committee and the senior management team regularly met the fund managers during the year to assess and critically examine their performance.

HOW OUR RESERVES ARE APPORTIONED OUT



Reserves

Our reserves policy is set to ensure that our work is protected from the risk of disruption at short notice due to lack of funds, or indeed sudden pressures on the Army and its people in this very uncertain world. At the same time, we need to ensure that we do not hold income or capital for longer than required - but equally we must ensure that we can meet our strategic imperative to act for 'the long haul'.

Much of our reserves are held as Restricted or Designated funds, meaning they are held against a specific purpose. These include substantial funds such as the Northern Ireland Special Relief Fund, the Falklands Fund and the Afghanistan Fund, which are solely for soldiers and families affected by these conflicts, and we are privileged to administer these funds on behalf of the nation.

We willingly absorb the associated costs related to managing these funds in the interest of efficiency, partnership and collaboration - ensuring that optimal financial support is available and delivered to those in need.

Designated funds also include money that has been set aside to ensure we, and by extension the wider Army family of Regimental and Corps charities, can meet the needs of our current and future beneficiaries against potential future risks. This remains the fundamental purpose of The Soldiers' Charity - established as it was to act as the Army's strategic reserve in time of exceptional need.

Finally, our Designated funds also cover LIBOR funding that will be disbursed for specific projects; and a sum to cover our eventual relocation from the current head office. The latter is a strategic issue for us, given our role as landlord to the eight co-located charities, and our continuing wish to drive efficiency across the sector.

The balance of our reserves is held in Unrestricted funds, which are the resources The Soldiers' Charity has available for its general purposes once it has met its planned expenditure commitments. Full details of the reserves and our reserves policy can be found in the Notes to the Accounts (see notes 17, 18 and 19).

Risks and Uncertainties

Trustees place considerable importance on achieving compliance with charity, employment, health and safety and other relevant legislation. The Board of Trustees reviews major risks at each meeting and the Finance & Investment Committee ensures that the senior management team has taken all reasonable measures to manage these risks. The Finance & Investment Committee provides the trustees with an informed opinion on the management of risk and effectiveness of controls.

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

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

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

This year, aside from the continuing uncertainties and risks associated with Brexit realisation; and the potential impact on significant numbers of Army veterans overseas and our associated grants programme, trustees placed significant emphasis on data protection, compliance and safeguarding. Considerable effort was expended throughout the year to ensure that The Soldiers' Charity was as well prepared as possible for the impending legislative changes brought forth by the General Data Protection Regulation (GDPR), which came into effect in May 2018. See 'Preparing for GDPR' on page 31 for more information.

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

Plans for Future Periods

During this next period, The Soldiers' Charity's approach is to 'Sustain and Innovate'.

The demands for charitable support continue to be broadly stable, with some tendency towards fewer numbers of individual cases, but balanced by cases becoming costlier and more complex. That said, there is a distinct possibility of significant additional demands, as the charities and organisations we give grants to come under increased pressures from wider political and economic challenges; and due to evolving attitudes as to what constitutes need, especially in the mental ill-health and wellbeing space.

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

Our eight strategic objectives are to:

- 1 Provide reliable and appropriate life-long support to those in need.
- 2 Act in close and co-ordinated collaboration with the Army at every level.
- 3 Achieve wider recognition and awareness of, and support for, our work.
- 4 Maximise net income generation against the need.
- 5 Ensure that our structure, governance, ethos and processes enable the organisation to be highly agile, effective, responsive and accountable.
- 6 Adopt a 'Digital-First' strategy to enable more effective working.
- 7 Facilitate co-operation, co-ordination, co-location (where appropriate) and convergence with other Service charities sharing similar objectives to our own.
- 8 Ensure that our reserves are maintained at an adequate and appropriate level compatible with grant giving.

GOVERNANCE STRUCTURES, GOVERNANCE & MANAGEMENT

Reference and Administrative Details

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

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

Trustees are appointed for an initial period of three years, which can be extended for up to two further three-year periods. No trustee can serve for a consecutive period of more than nine years, except when approved by a majority of the other trustees by special resolution.

Each trustee is selected after a thorough search for suitable candidates through open competition or after service in an expert capacity on one of our four committees. This year we appointed two new trustees, Amanda Metcalfe and Lisa Worley, who have extensive marketing experience. On appointment, each trustee undergoes an induction programme tailored to their knowledge and experience. All trustees are offered briefings on charity and employment law. A register of trustees' interests is held centrally and trustees are required to disclose all relevant interests, register them with the Secretary to the Board of Trustees, and in accordance with The Soldiers' Charity's policy, withdraw from decisions where a conflict of interest arises.

Trustees receive no remuneration or benefits-in-kind, but are reimbursed for their expenses as noted in the accounts. The trustees are responsible for the strategic direction of The Soldiers' Charity and, through its committees, for monitoring the activities of the executive staff. Trustees receive and review regular reports from the committees and senior management team. The Board of Trustees met four times in the financial year 2017-18.

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

The Soldiers' Charity provides support for the Army family through a range of other charities and organisations, as shown on pages 43-48. The trustees are grateful to these bodies, and especially the unpaid caseworkers and other volunteers, without whom we would be unable to meet the needs of our beneficiaries.

Staff

Engaged, competent employees are key to the success of the organisation. We are focused on inspiring and developing our people to be the best that they can be, providing professional and in-house training that is both relevant and rewarding, whilst continuing to seek opportunities to develop new ways of working and streamline processes. The total number of employees in established posts as at 31st March 2018 was 84, some of whom are part time.

Apprenticeship levy scheme

We will be contributing to the government's new Apprenticeship Levy scheme in FY18-19. This should be broadly cost-neutral as we will be credited with an allowance to offset the cost of any apprenticeship training.

Remuneration policy

Making effective decisions in relation to remuneration and reward is considered both central and crucial to the continued success of The Soldiers' Charity's overall aims. We aim to pay competitively against our relevant comparators in the voluntary sector. We draw our benchmark data from "Croner's Charity Rewards", which gave indicative median salaries for some 252 London-based and regional charities in 2017-18. All positions in The Soldiers' Charity have been assessed and placed within an appropriate generic pay band, with each pay band divided into increments to allow for job weighting, experience and performance.

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

Remuneration review and annual pay award

Having drawn on inflation index data (HM Treasury and ONS statistics) and taken note of pay settlements for other similar charities, especially in the military charity sector, the trustees awarded an indicative increase of 2% for FY 17-18. We pay no performance or retention inducements whatsoever, to any member of staff, irrespective of their position in the organisation. Benefits available to eligible staff include: defined contribution pension scheme; season ticket allowance; group life insurance and a sickness income protection scheme.

In accordance with Charities Statement of Recommended Practice (Charities SORP), The Soldiers' Charity discloses all payments to trustees and the number of staff in receipt of more than £60,000 in salary and other benefits.

Preparing for GDPR

The Soldiers' Charity takes the privacy of its beneficiaries, supporters and volunteers very seriously. In advance of the General Data Protection Regulation (GDPR) coming into effect in May 2018, we expended considerable effort throughout the year with our preparations. These included publishing a comprehensive new privacy policy on our website; taking due note of guidance from the Information Commissioner's Office (ICO), the Fundraising Regulator and the Institute of Fundraising; carefully defining the lawful bases of processing personal data; and conducting regular staff and trustee awareness training. Given the significant staff effort required, we recruited a Chief Information Officer (CIO) in January 2018 to help with the extensive preparations and lead the IT and data teams.

Statement of Trustees' Responsibilities

The trustees (who are also directors of ABF The Soldiers' Charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the trustees to prepare the financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

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

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

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

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

In so far as the trustees are aware:

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

Approved by the Board of Trustees and signed on its behalf on 4th July 2018.



Lieutenant General (Retd) Philip Jones CB CBE DL
Chairman

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

Opinion

We have audited the financial statements of ABF The Soldiers' Charity for the year ended 31 March 2018 which comprise the Consolidated Statement of Financial Activities, the Charity Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Statement of Cash Flows 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 FRS 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 and the parent charitable company's affairs as at 31 March 2018 and of the group's and the parent charitable company's incoming resources and application of resources, including the group and parent's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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).

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in 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 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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 Statement of Trustees' Responsibilities set out on page 31, 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 determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 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

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.

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 with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Stephens LLP

Philip Clark, Senior Statutory Auditor
For and on behalf of Moore Stephens
LLP, Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB

Date 25th July 2018

Moore Stephens LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

ABF The Soldiers' Charity Consolidated Statement of Financial Activities
(Incorporating the Consolidated Income and Expenditure Account) for the Year to 31 March 2018

	Notes	Unrestricted Funds £	Designated Funds (note 18) £	Restricted Funds (note 19) £	Total 2018 £	Total 2017 £
Income from:						
Donations and legacies						
The public						
Donations and Appeals Income		3,929,045	2,225,445	64,519	6,219,009	7,972,120
Legacies		8,235,286	-	-	8,235,286	5,274,317
		<u>12,164,331</u>	<u>2,225,445</u>	<u>64,519</u>	<u>14,454,295</u>	<u>13,246,437</u>
Army personnel						
From individuals in Army Units		190,386	-	-	190,386	232,334
Regimental and Corps Benevolent Funds		830,347	-	-	830,347	522,457
Army Dependants Trust		800,000	-	-	800,000	800,000
Service related activities		286,000	-	-	286,000	180,000
		<u>2,106,733</u>	<u>-</u>	<u>-</u>	<u>2,106,733</u>	<u>1,734,791</u>
Investments	3	574,456	344,818	201,970	1,121,244	1,076,516
Other trading activities						
Other donations and events		2,468,627	259,873	-	2,728,500	3,212,636
Charitable activities						
		-	-	-	-	101,085
Total Income		<u>17,314,147</u>	<u>2,830,136</u>	<u>266,489</u>	<u>20,410,772</u>	<u>19,371,465</u>
Expenditure on:						
Raising funds						
Fundraising trading: cost of goods sold	4	2,650,606	84,335	6	2,734,947	2,821,082
Other costs of raising funds	5	2,462,999	-	-	2,462,999	2,413,757
		<u>5,113,605</u>	<u>84,335</u>	<u>6</u>	<u>5,197,946</u>	<u>5,234,839</u>
Charitable activities						
Grants to Regiments and Corps for the benefit of individuals	6	3,199,410	48,281	103,314	3,351,005	3,565,566
Grants to other charities	7	2,940,730	687,595	385,000	4,013,325	3,537,759
		<u>6,140,140</u>	<u>735,876</u>	<u>488,314</u>	<u>7,364,330</u>	<u>7,103,325</u>
Grant making and other support costs	8	2,108,759	-	-	2,108,759	2,114,400
		<u>8,248,899</u>	<u>735,876</u>	<u>488,314</u>	<u>9,473,089</u>	<u>9,217,725</u>
Total expenditure		<u>13,362,504</u>	<u>820,211</u>	<u>488,320</u>	<u>14,671,035</u>	<u>14,452,564</u>
Net income before net gains/(losses) on investments		3,951,643	2,009,924	(221,830)	5,739,737	4,918,901
Net gains/(losses) on investments	12	2,030,849	-	(19,359)	2,011,490	9,791,743
Net income/(expenditure) for the year		<u>5,982,492</u>	<u>2,009,924</u>	<u>(241,189)</u>	<u>7,751,227</u>	<u>14,710,644</u>
Net interest in the results for the year in associates	13	(6,593)	-	-	(6,593)	9,589
Net movement in funds		5,975,899	2,009,924	(241,189)	7,744,634	14,720,233
Funds balances at 1 April		10,905,397	58,218,905	8,171,911	77,296,213	62,575,980
Funds balances at 31 March		<u>16,881,296</u>	<u>60,228,829</u>	<u>7,930,722</u>	<u>85,040,847</u>	<u>77,296,213</u>

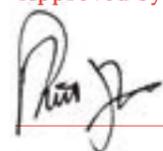
ABF The Soldiers' Charity Charity Statement of Financial Activities
(Incorporating the Income and Expenditure Account) for the Year to 31 March 2018

	Notes	Unrestricted Funds £	Designated Funds (note 18) £	Restricted Funds (note 19) £	Total 2018 £	Total 2017 £
Income from:						
Donations and legacies						
The public						
Donations and Appeals Income		3,792,454	2,225,445	64,519	6,082,418	7,840,274
Legacies		8,235,284	-	-	8,235,284	5,274,317
		<u>12,027,738</u>	<u>2,225,445</u>	<u>64,519</u>	<u>14,317,702</u>	<u>13,114,591</u>
Army personnel						
From individuals in Army Units		190,386	-	-	190,386	232,334
Regimental and Corps Benevolent Funds		830,347	-	-	830,347	522,457
Army Dependants Trust		800,000	-	-	800,000	800,000
Service related activities		286,000	-	-	286,000	180,000
		<u>2,106,733</u>	<u>-</u>	<u>-</u>	<u>2,106,733</u>	<u>1,734,791</u>
Investments	3	574,456	344,818	201,970	1,121,244	1,076,516
Other trading activities						
Other donations and events		2,541,739	259,873	-	2,801,612	3,256,346
Charitable activities						
		-	-	-	-	101,085
Total Income		<u>17,250,666</u>	<u>2,830,136</u>	<u>266,489</u>	<u>20,347,291</u>	<u>19,283,329</u>
Expenditure on:						
Raising funds						
Fundraising trading: cost of goods sold		2,590,462	84,335	6	2,674,803	2,738,346
Other costs of raising funds	5	2,462,999	-	-	2,462,999	2,413,757
		<u>5,053,461</u>	<u>84,335</u>	<u>6</u>	<u>5,137,802</u>	<u>5,152,103</u>
Charitable activities						
Grants to Regiments and Corps for the benefit of individuals	6	3,199,410	48,281	103,314	3,351,005	3,565,566
Grants to other charities	7	2,940,730	687,595	385,000	4,013,325	3,537,759
		<u>6,140,140</u>	<u>735,876</u>	<u>488,314</u>	<u>7,364,330</u>	<u>7,103,325</u>
Grant making and other support costs		2,104,848	-	-	2,104,848	2,109,000
		<u>8,244,988</u>	<u>735,876</u>	<u>488,314</u>	<u>9,469,178</u>	<u>9,212,325</u>
Total expenditure		<u>13,298,449</u>	<u>820,211</u>	<u>488,320</u>	<u>14,606,980</u>	<u>14,364,428</u>
Net income before net gains/(losses) on investments		3,952,217	2,009,924	(221,830)	5,740,311	4,918,901
Net gains/(losses) on investments	12	2,030,849	-	(19,359)	2,011,490	9,791,743
Net income/(expenditure) for the year		<u>5,983,066</u>	<u>2,009,924</u>	<u>(241,189)</u>	<u>7,751,801</u>	<u>14,710,644</u>
Net interest in the results for the year in associates	13	(6,593)	-	-	(6,593)	9,589
Net movement in funds		5,976,473	2,009,924	(241,189)	7,745,208	14,720,233
Funds balances at 1 April		10,904,823	58,218,905	8,171,911	77,295,639	62,575,406
Funds balances at 31 March		<u>16,881,296</u>	<u>60,228,829</u>	<u>7,930,722</u>	<u>85,040,847</u>	<u>77,295,639</u>

ABF The Soldiers' Charity Balance Sheets at 31 March 2018

	Notes	GROUP		CHARITY	
		2018	2017	2018	2017
		£	£	£	£
Fixed assets					
Tangible assets	11	97,367	199,088	97,367	199,088
Investments	12	73,082,036	68,560,482	73,082,034	68,560,489
Associate undertaking	13	15,883	22,477	15,884	22,477
		<u>73,195,286</u>	<u>68,782,047</u>	<u>73,195,285</u>	<u>68,782,054</u>
Current assets					
Stocks		1,672	1,914	-	-
Loan debtors	14	6,835	12,835	6,835	12,835
Other debtors	15	7,470,722	3,868,564	7,545,041	3,899,920
Short-term deposits		3,894,337	3,883,811	3,894,336	3,883,811
Cash at bank and in hand		1,763,292	1,408,044	1,683,997	1,370,006
		<u>13,136,858</u>	<u>9,175,168</u>	<u>13,130,209</u>	<u>9,166,572</u>
Creditors: amounts falling due within one year	16	<u>1,291,297</u>	<u>661,002</u>	<u>1,284,647</u>	<u>652,987</u>
Net current assets		<u>11,845,561</u>	<u>8,514,166</u>	<u>11,845,512</u>	<u>8,513,585</u>
Net assets	17	<u>85,040,847</u>	<u>77,296,213</u>	<u>85,040,847</u>	<u>77,295,639</u>
Represented by:					
Income funds					
Restricted funds	19	7,930,722	8,171,911	7,930,722	8,171,911
Designated funds	18	60,228,829	58,218,905	60,228,829	58,218,905
Unrestricted funds		16,881,296	10,905,397	16,881,296	10,904,823
Total funds		<u>85,040,847</u>	<u>77,296,213</u>	<u>85,040,847</u>	<u>77,295,639</u>

Approved by the Board of Trustees and signed on its behalf


Lieutenant General (Retd) Philip Jones CB CBE DL
Chairman

Peter Baynham BA FCA AMCT
Honorary Treasurer

ABF The Soldiers' Charity Consolidated Statement of Cash Flows for the Year to 31 March 2018

	2018	2017
	£	£
Cash flows from operating activities:		
Net cash provided by operating activities	1,275,313	1,433,031
Cash flows from investing activities:		
Dividends, interest and rents from investments	1,121,244	1,076,518
Purchase of equipment	-	(26,577)
Proceeds from the sale of investments	479,279	239,547
Purchase of investments	(2,510,062)	(5,500,000)
Net cash (used in) investing activities	<u>(909,539)</u>	<u>(4,210,512)</u>
Change in cash in the reporting period	<u>365,774</u>	<u>(2,777,481)</u>
Cash at the beginning of the reporting period	<u>5,291,855</u>	<u>8,069,336</u>
Cash at the end of the reporting period	<u>5,657,629</u>	<u>5,291,855</u>
Reconciliation of net income/(expenditure) to net cash flow from operating activities		
	2018	2017
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	<u>5,739,737</u>	<u>4,918,901</u>
Adjustments for:		
Depreciation charges	101,721	133,210
(Gains) on investments	(479,280)	(239,547)
Decrease / (Increase) in stocks	242	(856)
(Increase) in debtors	(3,596,158)	(2,115,193)
Increase / (Decrease) in creditors	630,295	(186,966)
Dividends, interest and rents from investments	(1,121,244)	(1,076,518)
Net cash provided by operating activities	<u>1,275,313</u>	<u>1,433,031</u>
Analysis of cash		
	2018	2017
	£	£
Cash in hand	1,763,292	1,408,044
Notice deposits (less than 3 months)	3,894,337	3,883,811
Total cash	<u>5,657,629</u>	<u>5,291,855</u>

1 / ACCOUNTING POLICIES

Accounting convention

The Accounts have been prepared under the historical cost convention, unless otherwise stated in the relevant accounting policy note, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)) including Update Bulletin 1, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006.

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

The Charity constitutes a public benefit entity as defined by FRS 102. The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

Consolidation

The Accounts consolidate ABF The Soldiers' Charity and its trading subsidiary company; Soldiers' Trading Limited. The income of the trading subsidiary is included in the Consolidated and Company Statement of Financial Activities within Donations and appeals income, and within Other donations and events. Expenditure is included in Costs of goods sold.

Income

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

Costs of raising funds

Costs of raising funds comprise fundraising costs and the costs incurred in subsidiary trading company activities. Fundraising costs include advertising, producing publications, printing and mailing fundraising material, associated staff costs and an appropriate allocation of support costs. Trading costs cover all the costs of the trading subsidiary and other trading activities including the costs of goods sold.

Charitable expenditure

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

Grant making and other support costs

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

Investments in Associates

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

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. The investment portfolio does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the Charity is that

of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub-sectors. All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities. Rental income is recognised in the period to which it relates.

Tangible fixed assets and depreciation

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

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

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

Loans to beneficiaries

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Operating leases

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

Pension costs

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

Foreign currency

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

Volunteers

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

Critical estimates and significant judgements

With respect to the next reporting period for the year ended 31 March 2019, the most significant areas of uncertainty that affect the carrying value of assets held by the Charity are the level of investment return and the performance of the investment markets (see the 'Investment Management' and 'Risks and Uncertainties' sections on pages 28-29 for more information).

ABF The Soldiers' Charity Notes to the Accounts for the Year Ended 31 March 2018

2 / SUBSIDIARY COMPANIES' RESULTS

Soldiers' Trading Limited

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

	2018	2017
	£	£
Turnover	136,591	131,846
Cost of Sales	(52,137)	(75,372)
Gross Profit	84,454	56,474
Administrative expenses	(11,342)	(12,764)
Bank interest and other income	-	-
Profit on ordinary activities	73,112	43,710
Gift Aid to parent charity	(73,112)	(43,710)
Net Profit	-	-
Profit and Loss Account brought forward	-	-
Profit and Loss Account carried forward	-	-
The aggregate of the assets, liabilities and funds was:		
Assets	95,857	61,524
Liabilities	(95,856)	(61,523)
Total Funds	1	1

The Army Benevolent Fund Enterprises Limited was dissolved on 31 October 2017 and the Tournament Trading Company Limited on 06 February 2018.

	2018	2017
	£	£
The Army Benevolent Fund Enterprises Limited		
The aggregate of the assets, liabilities and funds was:		
Assets	-	577
Liabilities	-	-
Total funds	-	577

	2018	2017
	£	£
The Tournament Trading Company Limited		
The aggregate of the assets, liabilities and funds was:		
Assets	-	1
Liabilities	-	-
Total funds	-	1

ABF The Soldiers' Charity Notes to the Accounts for the Year Ended 31 March 2018

3 / INVESTMENT INCOME

	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£	£
Dividends and Distributions	157,759	330,251	195,012	683,022	665,964
Bank interest	33,142	14,567	6,958	54,667	64,970
	190,901	344,818	201,970	737,689	730,934
Rental Income	383,555	-	-	383,555	345,582
Total	574,456	344,818	201,970	1,121,244	1,076,516

Rental income arises from the sub-letting of office space in Mountbarrow House to a number of other Service charities.

4 / FUNDRAISING TRADING: COSTS OF GOODS SOLD

Group:

	2018	2017
	£	£
Direct costs		
Event costs	1,442,053	1,558,555
Promotion materials	37,333	18,570
Salaries and pensions	175,961	105,434
Other costs	8,013	7,429
	1,663,360	1,689,988
Allocated to:		
Costs of raising funds	(160,322)	(160,725)
	1,503,038	1,529,263
Costs of raising funds (Note 5)	120,331	116,832
Support costs (Note 9)		
Central and administrative costs	704,753	784,997
Regional office costs	406,826	389,990
Total	2,734,948	2,821,082

ABF The Soldiers' Charity Notes to the Accounts for the Year Ended 31 March 2018

5 / OTHER COSTS OF RAISING FUNDS

Group and Charity:

	2018	2017
	£	£
Direct costs		
Salaries and pensions	839,496	716,736
Campaign costs	362,428	450,783
Other costs	1,384	801
	<u>1,203,308</u>	<u>1,168,320</u>
Allocated to:		
Grant making and other support costs	(60,165)	(58,416)
Governance	(120,331)	(116,832)
Costs of goods sold (Note 4)	(120,331)	(116,832)
	<u>902,481</u>	<u>876,240</u>
Costs of goods sold	160,322	160,725
Support costs (Note 9)		
Advertisements and promotion	425,303	406,687
Central and administrative costs	229,045	255,124
Regional office costs	745,848	714,981
Total	<u>2,462,999</u>	<u>2,413,757</u>

6 / GRANTS FOR THE BENEFIT OF INDIVIDUALS

All grants made for the benefit of soldiers, former soldiers and their families are paid through their parent regimental or corps associations. The total value of these grants made during the year was £3,351,005 (2017: £3,565,566).

ABF The Soldiers' Charity Notes to the Accounts for the Year Ended 31 March 2018

7 / GRANTS TO CHARITIES AND OTHER ORGANISATIONS

The Soldiers' Charity, on behalf of the partnership of Army charitable funds, makes grants to national charities and occasionally other organisations that support soldiers, former soldiers and their families. By the nature of Service charities and other charities supporting serving and former soldiers, many of The Soldiers' Charity's trustees and senior management work closely with, or serve as trustees for, some of the charities listed below that receive grants from us. Where this applies, the trustee or member of the management team will not take part in the grant-making decision process.

The total values of the grants made during the year were:

Grants from Unrestricted Funds:

	2018	2017
	£	£
Elderly		
Age Concern Spain	25,005	25,000
Broughton House	90,000	86,000
Erskine Hospital	150,000	150,000
Queen Alexandra Hospital Home	50,000	50,000
Royal Cambridge Home	-	24,400
Royal Commonwealth Ex-Services League	200,000	227,500
Royal Hospital Chelsea	30,000	35,000
Royal Star & Garter Home	182,400	74,000
	<u>727,405</u>	<u>671,900</u>

	2018	2017
	£	£
Employment, education and training:		
Company of Makers	8,000	-
Durham University	20,000	-
Finchale Training College	32,866	31,909
Highground	20,000	25,000
Prisoners Education Trust	15,000	15,000
Race 2 Recovery	-	21,000
Regular Forces Employment Association (RFEA)	216,000	380,163
Salute My Job	40,000	50,000
Skill Force	-	15,000
Step Together Volunteering (Worldwide Volunteering)	-	18,000
Team Rubicon UK	10,000	-
The Officers' Association	-	25,000
The Open University	30,000	-
The Poppy Factory	40,000	85,000
Walking with the Wounded	20,000	-
X Forces	48,000	48,000
	<u>499,866</u>	<u>714,072</u>

ABF The Soldiers' Charity Notes to the Accounts for the Year Ended 31 March 2018

Grants from Unrestricted Funds (continued):

	2018	2017
	£	£
Family:		
1 RHA	-	2,000
Army Families Federation	41,547	45,847
Army Welfare Service	35,000	-
Army Welfare Service - Welfare Minibuses	48,896	55,283
Army Widows' Association	19,000	14,000
AWS 42 Bde	-	500
Army Welfare Services Colchester - Op Camouflage	-	3,000
Carterton Town Council	-	5,000
Cobseo, The Confederation of Service Charities	26,955	21,315
Family Activity Breaks	-	12,890
Home-Start UK	-	35,000
Hong Kong LEP Trust	8,000	8,000
Hospice UK	-	10,000
HQ Regional Command	35,000	-
Little Troopers / My Daddy is a Soldier Adventures	10,000	-
Lord Kitchener Memorial Holiday Centre	16,000	16,000
National Autistic Society	-	12,350
NSPCC	15,000	-
QEHB Fisher House	5,000	5,000
RCET	10,000	10,000
Reading Force	25,000	28,495
Revitalise	60,180	51,684
SSAFA Central Offices	232,000	287,000
SSAFA CMS Costs	33,020	22,502
Storybook Soldiers	-	5,000
The League of Remembrance	-	1,540
The Ripple Pond	15,000	-
VC and GC Association	-	15,000
Veterans Scotland	15,000	15,000
Wiltshire CAB	6,215	-
	<u>656,813</u>	<u>682,406</u>

ABF The Soldiers' Charity Notes to the Accounts for the Year Ended 31 March 2018

Grants from Unrestricted Funds (continued):

	2018	2017
	£	£
Housing:		
Alabaré Christian Care & Support	62,000	50,000
Amicus Trust	-	12,500
Armed Forces & Veterans Launchpad	7,800	45,200
Changing Lives (Thirteen Care and Support (Norcare))	25,000	30,000
Community Housing & Therapy	(27,976)	-
Community Self Build Agency	-	12,000
Housing Options Scotland	15,000	-
Help for Homeless Veterans	-	25,000
Lord Leycester	1,805	-
Our Wilton	70,000	-
RBLI	137,000	96,000
Scottish Veterans' Garden City	15,000	20,000
Scottish Veterans Residences	15,000	-
SHAID - St Peters Court	25,000	36,500
Stoll	40,000	25,000
	<u>385,629</u>	<u>352,200</u>
	<u>2018</u>	<u>2017</u>
	<u>£</u>	<u>£</u>
Wellbeing:		
Altcar Training Camp Pods	-	10,500
BASIC	10,000	-
BEWSA	8,000	12,000
British Nuclear Test Veterans Association	15,000	-
CAIS - Change Step	24,459	-
Combat Stress	151,500	215,000
Coming Home Centre (Community Veterans Support)	-	6,672
Deafblind UK	-	10,000
Dig in North West	10,000	-
Dundee Therapy Garden	15,000	15,000
Firstlight Trust	20,000	18,000
Forces in the Community	-	12,000
Forward Assist	-	15,000
Good Vibrations	5,250	5,000
Home Farm Trust	25,000	16,616
Kartforce	10,000	15,000
King Edward VII Hospital	24,366	20,000
Liverpool FC Foundation	-	18,750
Lothian Veterans Centre	15,000	15,000
Music in Hospitals	18,000	-
Mutual Support	8,000	8,000
Odyssey Project	7,760	-
Phyllis Tuckwell Hospice	5,000	5,000

(Continued overleaf)

ABF The Soldiers' Charity Notes to the Accounts for the Year Ended 31 March 2018

Grants from Unrestricted Funds (continued)

	2018	2017
	£	£
Wellbeing (continued)		
Poppy Scotland	52,000	52,000
Purple Warriors	7,500	5,000
Royal National Orthopaedic Hospital	40,000	28,000
Spinal Injuries Association	10,000	15,000
Sporting Force	-	3,000
Stand Easy	(568)	4,715
Stubs	-	5,000
Taxi Charity for Military Veterans	12,000	-
The Bridge for Heroes	-	20,000
The Gwennili Trust	-	5,000
The League of Remembrance	1,750	-
The Matthew Project	-	39,333
The Not Forgotten Association	15,000	28,000
The Prison Radio Association	10,000	-
The Warrior Programme	10,000	20,000
Thistle Health and Wellbeing	15,000	20,000
Timebank	35,000	50,000
Tom Harrison House	10,000	-
Turn to Starboard	35,000	18,600
Veterans in Communities	-	8,000
Veterans Outreach Support	10,000	15,000
Walking With The Wounded	-	40,000
Waterloo Uncovered	10,000	15,000
Westbank Community Health and Care	5,000	-
Williams Simpsons Home	21,000	20,000
	<u>671,017</u>	<u>829,186</u>
	2018	2017
	£	£
Total Grants from Unrestricted Funds	<u>2,940,730</u>	<u>3,249,764</u>

ABF The Soldiers' Charity Notes to the Accounts for the Year Ended 31 March 2018

Grants from Designated Funds:

	2018	2017
	£	£
Family		
Army Widows' Association	5,000	5,000
DIO - LIBOR Supporting Army Families	190,195	-
Families Activity Breaks (Child Bereavement Charity)	-	15,000
QEHB Fisher House	5,000	5,000
National Gulf Veterans & Families Association	5,000	-
NIMROD (Via SSAFA NI)	3,000	3,000
NSPCC	5,000	-
The Ripple Pond	5,000	-
SSAFA Central Office	35,000	-
	<u>253,195</u>	<u>28,000</u>
Employment, education and training		
The Poppy Factory	45,000	-
The Open University	30,000	-
	<u>75,000</u>	<u>-</u>
Housing		
Stoll	-	5,000
RBLI	110,000	-
	<u>110,000</u>	<u>5,000</u>
Elderly		
Royal Hospital Chelsea	9,400	-
	<u>9,400</u>	<u>-</u>
Wellbeing		
"Not Forgotten" Association	30,000	14,000
CAIS - Change Step	10,000	-
Combat Stress	125,000	35,000
King Edward VII Hospital	25,000	-
Royal National Orthopaedic Hospital	10,000	20,000
Spinal Injuries Association	10,000	5,000
The Warrior Programme	20,000	20,000
Veterans Outreach Support	5,000	-
Tom Harrison House	5,000	-
Turn to Starboard	-	15,000
	<u>240,000</u>	<u>109,000</u>
Total Grants from Designated Funds	<u>687,595</u>	<u>142,000</u>

ABF The Soldiers' Charity Notes to the Accounts for the Year Ended 31 March 2018

Grants from Restricted Funds:

	2018	2017
	£	£
Employment, education and training		
RFEA	40,000	-
Team Rubicon UK	15,000	-
Walking With The Wounded	40,000	-
	<u>95,000</u>	<u>-</u>
Family		
Army Widows' Association	-	5,000
Family Activity Breaks	-	5,000
Falklands 35	-	6,000
Falklands Islands Memorial Chapel Trust	11,500	-
Falklands Veterans Foundation	15,000	15,000
National Gulf Veterans and Families Association	35,000	51,995
South Atlantic Medal Association 1982	5,000	5,000
SSAFA Central Office	20,000	-
	<u>86,500</u>	<u>87,995</u>
Wellbeing		
"Not Forgotten" Association	20,000	18,000
CAIS - Change Step	15,000	-
Combat Stress	73,500	20,000
Tom Harrison House	5,000	-
Turn to Starboard	10,000	-
Warrior Programme	20,000	10,000
	<u>143,500</u>	<u>48,000</u>
Housing		
RBLI	60,000	-
Stoll	-	10,000
	<u>60,000</u>	<u>10,000</u>
Total Grants from Restricted Funds	<u>385,000</u>	<u>145,995</u>
	<u>2018</u>	<u>2017</u>
	£	£
Grants from Unrestricted Funds	2,940,730	3,249,764
Grants from Designated Funds	687,595	142,000
Grants from Restricted Funds	385,000	145,995
	<u>4,013,325</u>	<u>3,537,759</u>

ABF The Soldiers' Charity Notes to the Accounts for the Year Ended 31 March 2018

8 / GRANT MAKING AND OTHER SUPPORT COSTS - GROUP

	2018	2017
	£	£
Direct costs		
Salaries and pensions	387,059	389,443
Other costs	10,979	11,812
	<u>398,038</u>	<u>401,255</u>
Support costs (Note 9)		
Advertisement and promotion	163,578	156,418
Costs of raising funds	60,165	58,416
Regional Office costs	135,609	129,997
Central and administrative costs	352,376	392,498
	<u>1,109,766</u>	<u>1,138,584</u>
Other support to charities		
Direct costs		
Salaries and pensions	64,925	61,798
Support costs (Note 9)		
Central and administrative costs	176,188	196,249
	<u>241,113</u>	<u>258,047</u>
Governance costs		
Direct costs		
Salaries and pensions	121,568	99,587
Meeting expenses	12,874	11,035
Auditors: Audit fees	24,493	22,900
Legal & Professional fees	3,114	3,010
Compliance	15,279	360
Trustee recruitment	25,754	-
Trustee expenses	1,712	2,856
	<u>204,794</u>	<u>139,748</u>
Support costs (Note 9)		
Central and administrative costs	299,520	333,624
Costs of raising funds	120,331	116,832
Advertisement and Promotion	65,431	62,567
Regional Office costs	67,804	64,998
	<u>757,880</u>	<u>717,769</u>
	<u>2,108,759</u>	<u>2,114,400</u>

Three trustees were reimbursed £1,712 for travel expenses that had been directly incurred during the year under review (2017: £2,856 to five trustees).

ABF The Soldiers' Charity Notes to the Accounts for the Year Ended 31 March 2018

9 / ANALYSIS OF SUPPORT COSTS

	Notes	2018	2017
		£	£
Regional office costs			
Direct costs			
Salaries and pensions		1,190,686	1,144,716
Office and general expenses		42,919	33,040
Travel expenses		116,990	118,996
Other costs		5,492	3,214
		<u>1,356,087</u>	<u>1,299,966</u>
Allocated to			
Governance	8	67,804	64,998
Grant making and other support costs	8	135,609	129,997
Costs of goods sold	4	406,826	389,990
Costs of raising funds	5	745,848	714,981
		<u>1,356,087</u>	<u>1,299,966</u>
Advertisements and promotion			
Direct costs			
Advertisements and promotion		654,312	625,672
Allocated to			
Costs of raising funds	5	425,303	406,687
Governance	8	65,431	62,567
Grant making and other support costs	8	163,578	156,418
		<u>654,312</u>	<u>625,672</u>
Central and administrative costs			
Direct costs			
Salaries and pensions		411,305	529,388
Legal and professional		41,613	38,176
Accommodation		825,747	749,975
Relocation/Refurbishment		2,772	142,437
Other administrative costs		480,445	502,516
		<u>1,761,882</u>	<u>1,962,492</u>
Allocated to			
Costs of raising funds	5	229,045	255,124
Costs of goods sold	4	704,753	784,997
Grant making and other support costs	8	352,376	392,498
Other support to charities	8	176,188	196,249
Governance	8	299,520	333,624
		<u>1,761,882</u>	<u>1,962,492</u>

Costs are allocated, as appropriate, on the basis of headcount or time associated with the activity.

ABF The Soldiers' Charity Notes to the Accounts for the Year Ended 31 March 2018

10 / STAFF COSTS

	2018	2017
	£	£
Total staff costs comprised:		
Wages and salaries	2,917,917	2,775,087
Social security costs	294,317	285,331
Pensions contributions	133,278	106,984
	<u>3,345,512</u>	<u>3,167,402</u>

The Charity employed an average staff of 84 (15 part-time) (2017: 82 including 17 part-time) of whom 44 (2017: 42) are employed at the Charity's head office. A small number of these individuals are on short-term contracts to cover vacant posts and also from time to time we engage a limited number of contract and agency staff.

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

	2018	2017
	No.	No.
£70,001 - £80,000	2	3
£80,001 - £90,000	3	1
£120,001 - £130,000	1	1

An increasing number of our employees who have previously served within the Army have become unable to participate in the Charity's pension scheme due to new HMRC Lifetime Allowance restrictions. Noting that this constitutes a significant reduction in their overall employee benefits, the Charity may elect to make a compensating taxable payment, in lieu of their eligibility to an employer contribution, which is therefore included in the above figures.

The key management personnel for the Charity comprise the trustees and the executive board (senior management board). The trustees received no remuneration or benefits-in-kind during the year (2017: £nil). Total employee benefits for the members of the executive board was £566,295 (2017: £568,505).

11 / TANGIBLE FIXED ASSETS - GROUP AND CHARITY

	Leasehold improvements		Office furniture, fittings & equipment		Total	
	2018	2017	2018	2017	2018	2017
	£	£	£	£	£	£
Cost						
At 1 April	442,905	440,731	391,481	367,078	834,386	807,809
Additions	-	2,174	-	24,403	-	26,577
At 31 March	<u>442,905</u>	<u>442,905</u>	<u>391,481</u>	<u>391,481</u>	<u>834,386</u>	<u>834,386</u>
Depreciation						
At 1 April	350,143	271,172	285,155	230,914	635,298	502,086
Charge for the year	78,790	78,971	22,931	54,241	101,721	133,212
Released on disposal	-	-	-	-	-	-
At 31 March	<u>428,933</u>	<u>350,143</u>	<u>308,086</u>	<u>285,155</u>	<u>737,019</u>	<u>635,298</u>
Net book value at 31 March	<u>13,972</u>	<u>92,762</u>	<u>83,395</u>	<u>106,326</u>	<u>97,367</u>	<u>199,088</u>

ABF The Soldiers' Charity Notes to the Accounts for the Year Ended 31 March 2018

12 / INVESTMENTS - GROUP AND CHARITY

	Unrestricted Funds	Designated Funds	Restricted Funds	Total
	£	£	£	£
Listed investments:				
Market value 1 April 2017	62,805,590	-	5,754,892	68,560,482
Purchase of investments	2,510,062	-	-	2,510,062
Transfer between funds	928,883	-	(928,883)	-
Net gains on investments	2,030,849	-	(19,359)	2,011,490
Market value 31 March 2018	68,275,384	-	4,806,650	73,082,034
Cost				
At 31 March 2018	56,458,483	-	2,418,863	58,877,346
At 31 March 2017	53,019,537	-	2,868,468	55,888,005

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

The investment portfolio comprises the following at market value:

	Unrestricted Funds	Designated Funds	Restricted Funds	Total
	£	£	£	£
BlackRock - Armed Forces Common Investment Fund				
Income units	2,340,549	-	4,806,650	7,147,199
Accumulation units	39,774,603	-	-	39,774,603
CCLA - COIF				
Income units	12,017,830	-	-	12,017,830
Accumulation units	14,142,402	-	-	14,142,402
Market value 31 March 2018	68,275,384	-	4,806,650	73,082,034

ABF The Soldiers' Charity Notes to the Accounts for the Year Ended 31 March 2018

13 / ASSOCIATES

The Soldiers Fund (TSF) was incorporated as a tax-exempt charity in the United States in 2012, its primary purpose being to raise funds for British Army personnel, past and present, and their families in times of need. As ABF The Soldiers' Charity can appoint three of the eleven directors of TSF, it is treated as an associate undertaking for the purposes of the consolidated accounts. The Charity's share of TSF's deficit as at 31 March 2018 was £6,593 (2017: surplus, £9,589). The Charity's share of TSF's net assets was £15,884 (2017: £22,477).

14 / LOAN DEBTORS - GROUP AND CHARITY

	Total 2018	Total 2017
	£	£
Loan balances at 1 April	12,835	20,835
Amounts repaid in the year	6,000	8,000
Loan balances at 31 March due within one year	6,000	6,000
Loan balances at 31 March due beyond one year	835	6,835
Loan balances at 31 March	6,835	12,835

At 31 March 2018 and 31 March 2017, all loan debtor balances were represented by restricted funds.

15 / OTHER DEBTORS AND PREPAYMENTS

	GROUP		CHARITY	
	2018	2017	2018	2017
	£	£	£	£
Prepayments and accrued income	7,395,785	2,756,102	7,395,711	2,756,102
Other debtors	74,937	1,112,462	60,123	1,090,312
Due from subsidiary	-	-	89,207	53,506
	7,470,722	3,868,564	7,545,041	3,899,920

16 / CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		CHARITY	
	2018	2017	2018	2017
	£	£	£	£
Deferred income				
At 1 April	508,436	548,667	508,436	548,667
Arising during the year	1,175,931	1,113,078	1,265,138	1,166,586
Released during the year	(1,084,067)	(1,206,817)	(1,084,067)	(1,206,817)
At 31 March	600,300	454,928	689,507	508,436
Trade creditors	186,242	46,346	184,402	45,404
Accrued expenses	473,942	153,056	379,925	92,475
Other creditors	30,813	6,672	30,813	6,672
	1,291,297	661,002	1,284,647	652,987

17 / RESERVES POLICY AND ANALYSIS OF NET ASSETS BETWEEN FUNDS**Reserves policy**

Our reserves policy is set to ensure that our work is protected from the risk of disruption at short notice due to a lack of funds, or indeed sudden operational pressures on the Army and its people in this very uncertain world. At the same time, we need to ensure that we do not hold income or capital for longer than required - but equally balance that against the strategic requirement to act as the Army's benevolence reserve, the fundamental purpose for which we were established.

Trustees review the level of reserves in both individual funds as well as in total and are very aware of their responsibility to 'smooth' the provision of support - setting aside significant reserves in the good times, but equally being prepared to run substantial deficits if, for example, the Army were to come under pressure with significant operational casualties, as indeed was the case during the recent Afghanistan campaign.

In considering the current level of reserves, the trustees are aware that the fundraising environment is becoming increasingly more challenging, and against a backdrop of further contraction in statutory public service welfare provision, which is leading to increased demands for The Soldiers' Charity's assistance. Meanwhile, whilst the British Army continues to be actively engaged in operational duties worldwide, there has been significant reduction in public awareness of their activities, and by extension our role in support, since the cessation of combat operations in Afghanistan. Finally, whilst we are currently in a robust position, many of the charities we fund are less so - indeed a number have come to us for very substantial additional funding over the year.

Our reserves are held as Unrestricted, Designated and Restricted funds (with further details at Notes 18 and 19). Much of the latter two categories are monies, such as the Falklands Fund, which we have the privilege to administer on behalf of the nation. These will be spent out over many years until the last eligible soldier or their immediate families are no longer alive. In each case we absorb the associated costs of managing these substantial funds in the interest of efficiency, partnership and collaboration - ensuring that the optimal financial support is available and delivered to those in need.

Within Designated Funds are also:

- The Strategic Reserve. Its current value of £32m is determined by a number of interrelated factors:
 - Given the evident potential for future conflict(s), and our particular role in direct support of the Army, which will often bear the brunt of casualties, it is considered prudent for The Soldiers' Charity to hold in reserve an amount equivalent to approximately two years' expenditure on benevolence grants for individuals and to other charities, in order to guarantee our grant-making activities irrespective of any other pressures we may have at the time. This equates to reserves holdings in the region of £14 million.
 - In parallel, The Soldiers' Charity was also set up to act as a strategic reserve for other Army charitable funds, including those of Regiments and Corps, which currently make benevolence grants of around £5 million a year - indeed this was the rationale for our establishment in 1944 following the failures of the Regimental system to cope in 1919. In the event of a prolonged conflict with above average numbers of casualties, we may also be called upon to support the Army Dependents Trust (ADT), which provides immediate support to the next of kin of the deceased. It is considered that The Soldiers' Charity should therefore hold in reserve an amount equivalent to approximately two years' Regimental and Corps benevolence grants, and combined with the obligation to the ADT, this requires a reserve holding of £14 million.
 - In addition, The Soldiers' Charity needs to ensure it can maintain the appropriate infrastructure to make the above associated benevolence payments for a period of up to two years. The reserves required to satisfy this obligation are around £4.2 million.
- The Current Operations Fund (See Note 18).
- The LIBOR Fund (See Note 18).
- The Relocation Fund. This was established to provide for the anticipated relocation of The Soldiers' Charity's head office when the current building leases expire - currently 2021. The need for this contingency is further emphasised by the high importance placed by trustees on the needs of those Service charities co-located with us, noting that most of their work directly relates to the needs of Army personnel. Co-location, joint working and sharing overheads are important drivers for us as the Army's national charity. Indeed, we believe it prudent to plan the capacity for more, given the desirability of other charities folding into us in future years and we will keep our plans under very careful review.

17 / RESERVES POLICY AND ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONT)

The balance of the Unrestricted Fund is, in effect, The Soldiers' Charity's contingency reserve, and this represents just over 15 months' cover for unrestricted total expenditure. Put another way, our Unrestricted Fund is at a level that would allow us to carry out our work for just over 15 months in the event of our income ceasing entirely. The trustees believe that in the current political, economic and fundraising climate this level of contingency reserve is prudent and appropriate.

Analysis of net assets between funds

	Tangible Fixed Assets	Investments and Associates	Net Current Assets	Group Total
	£	£	£	£
Unrestricted Funds				
Unrestricted Fund	97,367	68,291,268	(51,507,339)	16,881,296
Designated Funds				
Northern Ireland Special Relief Fund	-	-	95,882	95,882
Current Operations Fund	-	-	4,468,536	4,468,536
Afghanistan Fund	-	-	8,429,162	8,429,162
LIBOR Fund	-	-	3,035,249	3,035,249
Strategic Fund	-	-	32,200,000	32,200,000
Relocation Fund	-	-	12,000,000	12,000,000
Restricted Funds				
Falklands Fund	-	3,014,911	304,690	3,319,601
Gulf Fund	-	303,150	253,017	556,167
Sir Jules Thorn Account	-	-	252	252
George Purse Trust Fund	-	1,488,589	265,583	1,754,172
Commandos Benevolent	-	-	257,733	257,733
DEFLOG VQ Trust	-	-	2,042,797	2,042,797
	<u>97,367</u>	<u>73,097,918</u>	<u>11,845,562</u>	<u>85,040,847</u>

The Charity has net assets of £85,040,847. The Designated and Restricted Funds are as above.

	Tangible Fixed Assets	Investments	Net Current Assets	Charity Total
	£	£	£	£
Unrestricted Funds				
Unrestricted Fund	97,367	68,291,268	(51,507,338)	16,881,296
Designated and Restricted Funds				
	-	4,806,650	63,352,900	68,159,551
	<u>97,367</u>	<u>73,097,918</u>	<u>11,845,562</u>	<u>85,040,847</u>

ABF The Soldiers' Charity Notes to the Accounts for the Year Ended 31 March 2018

18 / DESIGNATED FUNDS FINANCIAL ACTIVITY - GROUP

	Northern Ireland Special Relief Fund	Current Operations Fund	Afghanistan Fund	LIBOR Fund	Strategic Fund	Relocation Fund	Total 2018	Total 2017
	£	£	£	£	£	£	£	£
Income								
Donations, events and Charitable activities	-	259,873	-	2,225,444	-	-	2,485,317	1,289,175
Income from investments	69	-	344,749	-	-	-	344,818	398,585
Total income	69	259,873	344,749	2,225,444	-	-	2,830,135	1,687,760
Expenditure on Raising Funds	-	84,335	-	-	-	-	84,335	73,910
Expenditure on Charitable activities:								
Grants to other charities	87,400	-	410,000	190,195	-	-	687,595	142,000
Grants for the benefits of individuals	6,759	-	41,522	-	-	-	48,281	43,897
Total expenditure	94,159	84,335	451,522	190,195	-	-	820,211	259,807
Net income/(expenditure) before net gains/(losses) on investments	(94,090)	175,538	(106,773)	2,035,249	-	-	2,009,924	1,427,953
Net gains/ (losses) on investments	-	-	-	-	-	-	-	38,040
Net income/(expenditure) for the year	(94,090)	175,538	(106,773)	2,035,249	-	-	2,009,924	1,465,993
Transfers (to)/from the Unrestricted Funds	-	-	-	-	-	-	-	4,700,000
Net movement in funds	(94,090)	175,538	(106,773)	2,035,249	-	-	2,009,924	6,165,993
Fund balances at 1 April	189,972	4,292,998	8,535,935	1,000,000	32,200,000	12,000,000	58,218,905	52,052,912
Fund balances at 31 March	95,882	4,468,536	8,429,162	3,035,249	32,200,000	12,000,000	60,228,829	58,218,905

Designated Funds, within Unrestricted Funds, are set aside at the discretion of the trustees for specific purposes and time.

The Designated Funds now consist of the Northern Ireland Special Relief Fund (NISRF), the Current Operations Fund (COF), the Afghanistan Fund, the Relocation Fund (RF), the LIBOR Fund and the Strategic Reserve.

- The NISRF has been set up to meet the special requirements for aid occasioned by events in Northern Ireland.
- The Current Operations Fund was established in 2007 to provide a continuing fund for soldiers, former soldiers and their dependants in times of need who are suffering distress as a result of military operations being undertaken at that time and all subsequent military operations. It will continue in place until such time as all eligible beneficiaries no longer survive.
- The Afghanistan Fund was set up following receipt of a grant from HM Treasury, to support Army families affected by the Afghanistan campaign. Similarly, this will be time limited.
- The Relocation Fund of £12 million, to provide for the anticipated relocation of the Charity's head office when the current building lease expires - currently 2021, although these plans are under constant review.
- The LIBOR Fund. This is the second year of a £3million/three-year programme of LIBOR funding paid in tranches of £1m, to deliver the better provision of childcare/community facilities for those serving Army families who face particular disadvantage. Additional LIBOR funding for £1.23 million was received this year to provide a bespoke medical welfare service for the Armed Forces community across Southern England. This fund essentially holds LIBOR monies on behalf of delivery partners that will draw down these funds in the near future.
- The Strategic Reserve of £32.2 million - see page 54, bullet 1, for comprehensive information about what this entails.

ABF The Soldiers' Charity Notes to the Accounts for the Year Ended 31 March 2018

19 / RESTRICTED FUNDS FINANCIAL ACTIVITY

	Commandos Benevolent Fund	DEFLOG VQ Fund	Falklands Fund	George Purse Trust	Gulf Fund	QRF Fund	Sir Jules Thorn	Total 2018	Total 2017
	£	£	£	£	£	£	£	£	£
Income									
Income from charitable activities	64,519	-	-	-	-	-	-	64,519	2,456,085
Income from investments	1,235	5,256	112,072	55,429	27,979	-	-	201,971	211,937
Total income	65,754	5,256	112,072	55,429	27,979	-	-	266,490	2,668,022
Expenditure									
Direct charitable expenditure	-	-	-	-	-	6	-	6	66
Grants to other charities	-	95,000	126,000	-	164,000	-	-	385,000	145,995
Grants for the benefit of individuals	6,361	72,753	1,581	13,871	7,048	-	1,700	103,314	90,267
Total expenditure	6,361	167,753	127,581	13,871	171,048	6	1,700	488,320	236,328
Net income/(expenditure) before net gains/(losses) on investments	59,393	(162,497)	(15,509)	41,558	(143,069)	(6)	(1,700)	(221,830)	2,431,694
Net gains/ (losses) on investments	-	-	(20,885)	(10,312)	11,838	-	-	(19,359)	709,816
Net income/(expenditure) for the year	59,393	(162,497)	(36,394)	31,246	(131,231)	(6)	(1,700)	(241,189)	3,141,510
Net movement in funds	59,393	(162,497)	(36,394)	31,246	(131,231)	(6)	(1,700)	(241,189)	3,141,510
Fund balances at 1 April	198,340	2,205,294	3,355,995	1,722,926	687,398	6	1,952	8,171,911	5,030,401
Fund balances at 31 March	257,733	2,042,797	3,319,601	1,754,172	556,167	-	252	7,930,722	8,171,911

The Restricted Funds consist of:

- The Falklands Fund, which exists to meet the needs of soldiers, former soldiers and their dependants who have suffered distress as a result of the Falklands conflict.
- The Gulf Trust (Army and Civilian) Fund, which exists to meet the needs of soldiers, civilian personnel attached to or accompanying the Armed Forces and their dependants who have suffered distress as a result of the Gulf conflict and continuing operations.
- The Sir Jules Thorn Account which exists to help those seeking entrance to the Royal Hospital, Chelsea and Old Age Pensioners from the Army, or their dependants, who are in need of special attention.
- The George Purse Trust Fund which exists to make grants that would not otherwise be provided out of Charity Unrestricted funds to support the welfare needs of ex-Army personnel, dependants and carers residing in the former boundaries of the counties of Glamorgan and Monmouthshire.
- The Deflog VQ Trust was set up from the funds received from The Deflog VQ Trust, which folded into The Soldiers' Charity this year. The funds are restricted to advance education and training and to relieve unemployment; and relieve the needs of people who are at risk of becoming socially excluded, through the promotion of social inclusion.
- The Army Commandos' Benevolent Fund gave the bulk of its winding up funds as a grant to The Soldiers' Charity for the assistance of any such persons who have served in the Commandos and in making grants to charitable organisations which directly or indirectly benefits the persons or dependants of persons who have served in the Commandos.

ABF The Soldiers' Charity Notes to the Accounts for the Year Ended 31 March 2018**Solicitors**

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