

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

**THE SALVATION ARMY SOCIAL WORK TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE UNITED KINGDOM IN THE YEAR ENDED
31 MARCH 2022**

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

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INTRODUCTION FROM THE TERRITORIAL COMMANDER

Commissioner Anthony Cotterill

The Salvation Army's purpose can be summed up in four words: 'Love God Love Others'. These words come from the teaching of Jesus who when asked 'what is the greatest commandment?' replied: "'Love the Lord your God with all your heart and with all your soul and with all your mind.'. This is the first and greatest commandment. And the second is like it: 'Love your neighbour as yourself'". (Matthew 22: 37-39 New International Version).

The Salvation Army Social Work Trust is as committed to 'Love God Love Others' as any other part of The Salvation Army. The Social Work Trust was first established in 1891 to advance the ideas set out in our Founder's book 'In Darkest England and the Way Out'. General William Booth's plan was, at its heart, driven by his passion to restore people's relationships with God, each other and reconnect communities that had been severely disrupted by the industrial revolution in Victorian England. Booth summarises his intentions in In Darkest England and The Way Out: 'The Scheme I have to offer consists in the formation of these people into self-helping and self-sustaining communities, each being a kind of co-operative society, or patriarchal family, governed, and disciplined on the principles which have already proved so effective in the Salvation Army' (William Booth, 1890, p91).

While language like 'patriarchal family' is now outdated, as you read The Salvation Army Social Work Trust's Annual Report for 2021-2022, you will see that Booth's principles and ideas are still changing lives for good in 21st century Britain. People with complex challenges and broken dreams are finding hope, restoring relationships, gaining confidence in themselves and positively contributing to community life with support from The Salvation Army. Many people previously struggling with addictions, homelessness or the consequences of modern slavery and human trafficking are now not simply surviving but thriving. People who wondered how they'd escape from debt or find a job are now productive members of society who've learnt how to manage their personal finances following life skills training from The Salvation Army.

Transformation of people and communities is The Salvation Army's business. Our vision is 'fullness of life for all with Jesus'. While we do not impose our faith on anyone, we passionately believe that everyone is made in the image of God and everyone should be able to enjoy fullness of life. How that is experienced is different for different people but you will gain some insights as you'll read in this report. 'Fullness of life' for Wayne means a house giving him a 'glimmer of hope'; for Sammy, it means escaping crime and drugs; for Gillian it means completing a course and re-engaging socially, for G, a victim of trafficking, it means rebuilding trust; for Molly it means improving her mental health; for Fireman Ryan it means a cup of tea and a sandwich in the midst of tragedy.

We could not do what we do without the generous backing of our financial supporters. A large amount of our funding comes from individual donors - people who trust us to do good with their money. Thank you for your generosity and confidence in us. We are determined to live up to the confidence you have entrusted to us.

The Social Work Trust receives almost all The Salvation Army's funding from central and local governments. We are grateful for our partnerships with governments, trusts, foundations and corporations.

The pages of this Annual Report are full of more examples of people and communities experiencing more of the fullness of life that God wants everyone and everywhere to

enjoy. Although the next few years are full of economic uncertainty, The Salvation Army is hopeful and ready to step out in confidence as we 'love God love others'.

Thank you for your help and support. May God bless you.

A handwritten signature in black ink, appearing to read 'Anthony Cotterill' with a stylized flourish at the end.

Commissioner Anthony Cotterill
Territorial Commander of The Salvation Army in the United Kingdom and Ireland

OUR VISION, MISSION & VALUES

Our Vision and Mission statements inspire and guide all the work we do as a church and as a charity. We refreshed our statements in 2021 to reaffirm our sense of purpose and direction for The Salvation Army in the United Kingdom, Ireland, the Channel Islands and the Isle of Man. The refreshed statements have been adopted across the territory and their simplicity and boldness mean that all areas of the diverse work of The Salvation Army can be both anchored and inspired by them.

Vision statement:

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

This is 'Our Vision' for every part of The Salvation Army. It is inspired by the words of Jesus who said: 'I have come that they may have life, and have it to the full' (John 10:10 NIV). 'Fullness of Life for All with Jesus' includes every aspect of Salvation Army life. We believe everyone can enjoy fullness of life with Jesus. It is aspirational - we are not there yet - but this is what we strive towards.

Mission statement:

Our Mission:
To *share* the good news
To *serve* others without discrimination
To *nurture* disciples of Jesus
To *care* for creation
To *seek* justice and reconciliation

The Mission Statement is built on five principles - or ***priorities*** as we see them - which should act as the drivers for all we do, how we do it and why we do it, across the entire organisation. These short phrases communicate immense challenge and ambition and direction. When these priorities are present, The Salvation Army is working towards 'Our Vision' of 'Fullness of Life for All with Jesus'. Each of the five priorities of 'Our Mission' are rich in meaning and help us explain to 21st century society why the Christian message and the work of The Salvation Army is relevant and desperately needed in our communities and nations.

Our values:

Our values have been refreshed and refocused on the behaviours that should result from living out the values. Our values are for everyone involved in The Salvation Army and must be reflected in our behaviour and result in good relationships, increased wellbeing and help us integrate what we do with how we do it. The basic standard of Christian behaviour, derived from our understanding of the character and action of God, is love so

we need to continually be drawn back to understand how God is asking us to live and work together to help us be faithful to our calling to be God's people.

Boldness - We will courageously and confidently share the good news, seek justice and reconciliation, nurture disciples of Jesus, serve others without discrimination, care for creation.

Compassion - We will serve with the unconditional love and grace of God as the pattern for our behaviour.

Passion - We will bring our best selves, our God given energies and convictions to our work, service and learning, whether as officers, members, employees or volunteers.

Respect - We will receive each person with the dignity of those created in the image of God, while seeking the transformation God.

Integrity - We will be honest and transparent in all our dealings with each other and those we serve, being open about our motives and agendas.

Mutual accountability - We will willingly and freely give full account for our actions to those we interact with and expect the same in return.

Statement of commitment:

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

'Love God, Love Others'

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

THE OBJECTIVES OF THE SALVATION ARMY SOCIAL WORK TRUST

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

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

OUR ORGANISATION

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

The General is assisted by officers and staff based at International Headquarters in London. The current General is Brian Peddle who was elected into office in August 2018.

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

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

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

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

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

EXPLAINING OUR STRATEGY, STRUCTURE AND OPERATION

The Salvation Army Social Work Trust is the charity registration through which we operate our centrally coordinated (i.e. not church or community centre based) programmes of support for people experiencing homelessness, older people in our care homes, our addictions services and our delivery of support for the victims of modern slavery and human trafficking, and other specialised forms of support.

The Salvation Army Trust, whose report and accounts form a ‘sister’ publication to this outline the church life of The Salvation Army and the community-based programmes of engagement and support that are delivered through our corps (churches) and community centres.

Summary of what The Salvation Army Social Work Trust does

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

**The scale of the work of The Salvation Army Social Work Trust in the UK
(Statistics from the 2022 Salvation Army Yearbook)**

12 Care Homes for Older People

Belfast: The Sir Samuel Kelly Memorial Home (accommodation (hereon acc) 39)
Buxton: The Hawthorns (acc 34)
Coventry: Youell Court (acc 40)
Edinburgh: Davidson House (acc 40), Eagle Lodge (acc 33)
Glasgow: Eva Burrows Day Centre (places 24)
Hassocks: Villa Adastra (acc 40, plus 5-day care)
London: Glebe Court, Lewisham (acc 40)
North Walsham: Furze Hill House (acc 40)
Prestwich: Holt House (acc 31)
Sandridge: Lyndon (acc 32)
Southend-On-Sea: Bradbury Home (acc 34)
Weston-super-Mare: Dewdown House (acc 40)

8 Centres for Families (Residential)

Belfast: Glen Alva (acc family units 20, max 77 residents),
Belfast: Grosvenor House (acc family units 19, max 76 residents),
Belfast: Thorndale Parenting Assessment (7 family units)
Belfast: Thorndale Family Centre (acc family units 34, single bedsits 4, max 125 residents)
Fleetwood: George Williams House (acc family units 9, max 36 residents)
Portsmouth: Catherine Booth House (acc family units 21, max 40 residents),
Portsmouth: St Paul's House (acc family units 14, max 56 residents),
Portsmouth: St Monica's House (acc family units 10, max 40 residents)

2 Centres for People with Learning Disabilities

Kilbirnie: George Steven Centre
Liverpool: Strawberry Field

Centre for Employment and Training

Hadleigh: Hadleigh Farm Estate

42 Centres for Single Homeless (Adults)

Belfast: Centenary House and Calder Fountain (acc direct access 120)
Birmingham: William Booth Centre (acc 74)
Blackburn: Bramwell House (acc 55)
Bradford: The Orchard (acc 42)
Braintree: New Direction Centre (acc 14)
Bristol: Logos House (acc 69)
Cardiff: Tŷ Gobaith (acc 78)
Coventry: Harnall (acc 80), The Gateway (60)
Dundee: Strathmore Lodge (acc 25), Burnside Mill (acc 20)
Edinburgh: The Pleasance (acc 37)
Glasgow: Eva Burrows 1st Stop Project (acc 40), Hamilton, Housing First, Huntershill Court (acc 10), Wallace of Campsie House (acc 52), William Hunter House (acc 43)
Grimsby: The Booth Lifehouse (acc 35)
Hull: William Booth House (acc 113)
Huntingdon: Kings Ripton Court (acc 36)
Ipswich: Lyndon House (acc 39)
Liverpool: Ann Fowler House (acc 38), Darbyshire House (acc 45)
London: Cambria House (acc 48), Founders House (acc 110), Riverside Complex (acc 50)
Manchester: Discovery House (acc 10), Endeavour House (acc 15), Independence House (acc 15)

Perth: Skinnergate (acc 30)
Plymouth: Devonport House and Zion House (acc 72)
Reading: Shepton House, Willow House (acc 38)
Ryde: Fellowship House (acc 27)
St Helens: Salisbury House (acc 68)
Salford: Abbot Lodge (acc 20)
Sheffield: Charter Row (acc 56), Lincoln Court (acc 15 self-contained units)
Skegness: Witham Lodge
Southampton: The Booth Centre (acc 46)
Stoke-on-Trent: Vale St (acc 60)
Sunderland: Swan Lodge (acc 65)
Swindon: Booth House (acc 50)
Warrington: James Lee House (acc 54)

4 Centres for Single Homeless (Young People)

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

4 Homelessness Day Care/Drop In

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

4 Housing First Programmes

Cardiff
Glasgow
Hamilton
Merthyr Tydfil

5 Non-Residential Homelessness Services

Aberdeenshire Floating Support
Cardiff Bus Project
Cardiff Floating Support
EIP York
Inverness Floating Support

6 Drug and Alcohol Services (Scotland)

Aberdeen
Falkirk
Glasgow
Greenock
Inverness
Stirling

4 Child Contact Centres

Birmingham
Newark
Winchester
Worthing

6 Early Years Education Centres

Belfast

Cardiff

Clacton-on-Sea

Droitwich Spa

Douglas

Failsworth

Our Employment Plus programmes engaged with over 7,500 people, supporting them, coaching them and helping them into work across the UK.

How We Work

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

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

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

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

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

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

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

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

The work and delivery of the Structure Coordination and Design Project 2022

Ensuring appropriate oversight and support and operational freedoms to more than 600 diverse and locally responsive Salvation Army churches and community centres is challenging. Add to that over 100 residential and non-residential social work centres that form The Social Work Trust, and the challenge of ensuring the most effective allocation of resource is truly demanding.

The Salvation Army has never been a static organisation and over its 150+ year life has been constantly evolving to match efficiency and effectiveness with changing times and changing needs. Over the last two years, the entire UK Salvation Army has engaged in a structured, extensive and disciplined process to look at how the people and resources we have can be marshalled and structured more effectively - with one goal - to enable our 'frontline' operations - our local mission expressions- whether they are corps or social work centres, to 'flourish'.

By 'flourishing' we mean that every expression of The Salvation Army should actively be engaging with the five mission priorities (our Mission Statement) in order to achieve our vision.

Our Mission:

To *share* the good news
To *serve* others without discrimination
To *nurture* disciples of Jesus
To *care* for creation
To *seek* justice and reconciliation

Our Vision:

Fullness of life
for *all* with Jesus

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

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

Starting in 2021 and over a two-year period, The Structure Coordination and Design Project conducted probably one of the most extensive pieces of internal research we have ever executed. The principal goal was to provide answers to the simple question, 'What (change) is needed to enable our local mission to flourish?'. The process was deliberately designed to be 'bottom-up'. Consultations were carried out within all the then 20 divisions, people involved in Social Work Trust programmes, as well as people working at headquarters, both territorial and divisional.

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

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

The diversity of Salvation Army work means that one approach does not fit every situation. Many of the programmes funded by The Social Work Trust support people facing complex challenges. Therefore, a more centralised organisational approach is appropriate for people experiencing homelessness or a survivor of modern slavery or a person recovering from addiction. This contrasts to the approach used in many of the programmes funded by our sister Salvation Army Trust which tend to be less centralised and more 'organism' than 'organisation'. The Salvation Army accommodates these differences through different management structures to ensure support and oversight is appropriate in differing contexts.

The outcomes of the Structure Coordination and Design Project can be outlined as a series of significant changes to the way we work:

Release: We engaged and continue to engage in extensive rethink of how resources need to be marshalled and how the local delivery points can be 'released' to be as free as possible to decide on and deliver what they feel is needed in terms of service and services. One outcome is and will continue to be, a review of effectiveness and how investment directed more freely to where increased investment will deliver significant change for people and our communities.

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

Support: We need to continue ensure that the support that is needed to enable local mission delivery to flourish, is available, but in the right ways. This means adequate funding streams, support for raising awareness locally, support for training and innovation and local growth.

An important priority for this project is integration and increasing local collaboration between all aspects of Salvation Army work in a particular geographical location. Irrespective of the governance and funding arrangements that apply to different Salvation Army expressions (Salvation Army Trust or Social Work Trust) there is nothing preventing teams jointly collaborating to achieve our shared vision (fullness of life for all with Jesus) and the five mission priorities. Initiatives such as 'communities of practice' and 'mission focus groups' are increasingly connecting Salvation Army people resulting in greater integration, streamlining and efficiencies.

A further cultural intention with this project has been to move away from seeing change as something that is affected once, to a culture of continual improvement. All aspects of The Salvation Army's operation are therefore actively encouraged to submit proposals for

how improvements, and innovations and changes can be introduced to enhance local mission delivery.

Changes introduced by this project will start to be felt during 2023. As this is a significant strategic development, it will be reported on in subsequent Annual Reports and Accounts.

ILLUSTRATING THE WORK AND ACHIEVEMENTS OF THE SALVATION ARMY SOCIAL WORK TRUST 2021 / 2022

The Salvation Army Social Work Trust encompasses a very significant number of residential centres and programmes. The diversity of services and ways these services are delivered is immense. Therefore, this report highlights some of the developments we have implemented in the last year as we work to deliver our mission and strive to achieve our vision. We are blessed to have the resources to operate in this way and we believe - and know - that our approach helps transform the lives of thousands of people every day.

GIVING HOMELESS PEOPLE SHELTER AND HOPE

Offering refuge and support

Home is important for our health and happiness. Without a safe and stable place to call home, life can quickly fall apart. Every day a homeless person dies from suicide, drugs or alcohol in England and Wales*. We open our arms with more than 80 Lifehouses across the UK and Ireland, night shelters and drop ins. Through initiatives, research and policy we tackle root causes of homelessness and give people hope for the future.

* <https://www.salvationarmy.org.uk/news/homeless-peoples-lives-are-risk-because-funding-cuts>

Last year The Salvation Army accommodated a nightly average of 3,000 who were formally homeless.

Wayne has the stability of a home and new prospects

“I have slept all over the place, I was attacked on the street and I’ve tried to kill myself. That’s why The Salvation Army were such a glimmer of hope. They got me a house, it’s an anchor that stops me spinning out of control and I could move forward.” Wayne

Tough approach for rough sleeping

In September 21, Government statistics revealed a 39 per cent year-on-year increase in the total number of single households recorded as rough sleeping in England (to 11,580). We called on the Government to provide long-term investment in support services to help tackle the root cause of homelessness.

We warned that the situation would only worsen as COVID-19 support structures came to an end. The rise in rough sleeping came despite strenuous efforts to shelter all rough sleepers during the pandemic through schemes such as ‘Everyone In’ which housed 37,000 people, but these gains are already being lost.

Lorrita Johnson, The Salvation Army’s Director of Homelessness Services, said: “Support services for homeless people have seen a decade of falling budgets and increased demand. Without timely and sustained investment, we will not eradicate rough sleeping by the end of this Parliament.

This can only be done through long-term support for the root cause of someone’s homelessness such as help with mental health, addiction, and job and life skills training.”

1 in 3 rough sleepers in London is under 35*
47% of rough sleepers recorded are new
48% of rough sleepers across the UK are in full-time jobs**
19% of young people are behind with rent or mortgage**

Combined Homelessness and Information Network quarterly report
Salvation Army survey of 2,000+UK adults aged 18-30

Words of praise for Housing First

Our Housing First programmes in Scotland and Wales were endorsed in a landmark report by MPs into ending homelessness, with the UK Government being called on to expand the Housing First approach across the UK.

What makes the programme so effective is that we provide access to specialist, co-ordinated support as well as housing. This is the key to breaking the cycle of homelessness and rough sleeping, so people have stability and the space to turn their lives around.

Housing First in Cardiff was lauded as a best practice model by the Welsh Government. In Scotland, Belgian government minister Meryame Kitir, visiting COP26, took time out to visit Glasgow's Housing First project. She said: "We are looking at Scotland and Finland as good examples of homelessness work. This project and what I have heard today is something I will take [home] with me."

Piecing together a solution to homelessness

In a pioneering move, we joined forces with award-winning developer Hill Group and Citizens UK to create the SCH Partnership. To mark its launch in June 2021, we unveiled the SoloHaus, a modular home which is furnished and ready to move into.

These modular houses help tackle homelessness and rough sleeping, while making people feel part of their community. The Partnership started work on setting up supported accommodation projects in Southend, Basildon and Bristol. We called on the Government, local authorities, and landowners to support this innovative programme.

Lieutenant Colonel Drew McCombe, of The Salvation Army said: "Modular housing is a more cost effective, and better quality alternative to temporary accommodation."

News from our Lifehouses

Best foot forward

This year marked the tenth annual five-a-side football Partnership Trophy tournament, held at Goals in Manchester. We welcomed 15 teams from across our Lifehouses to celebrate their achievements on and off the pitch.

Former Manchester United, Arsenal and England star Paul Merson cheered on players and spoke movingly about his experiences with addiction. "Having people you can turn to is a huge help. The Salvation Army is doing a wonderful job in supporting them." Another Manchester United player and Spanish midfielder, Juan Mata, joined Paul. Juan said: "It was a great experience and I enjoyed seeing what The Salvation Army do and witnessing the power of football to make people happy."

Paul and Juan presented trophies to the winning teams Wallace of Campsie House from Glasgow and medals to the runners up Swan Lodge, Sunderland, The Orchard in Bradford and Pickfords.

Growing health and wellbeing

At our allotment project at Charter Row in Sheffield, residents came up with ideas to improve the plot - including recycling a shelter for the site, and installing a fire pit so they can barbecue and relax. The project has been beneficial for residents' physical and social health but also their mental wellbeing.

Last year, the idea for a gardening club at Catherine Booth House in Portsmouth was planted. This year, the project firmly took root. The club offers current and former residents and their families the knowledge and confidence to learn skills, discover nature and grow their own food.

Top marks all round

Swan Lodge in Sunderland, won multiple prizes at the One Awards Celebration of Learning 2021 - for 'Learners Choice for Tutor', 'Learning Group' and 'Personal Progress'.

Salvation Army tutor Sonia Park-Ritchie who leads classes won a Learners Choice for Tutor Award. One of her students, Gillian, said: "I have gained so much confidence from the courses available and the way they are delivered. I cannot thank and praise Sonia enough."

Gillian, who found herself homeless last year, won a Personal Progress award. She added: "I have not only grown educationally but also as a person allowing me to re-engage socially." Gillian completed a career preparation unit, functional skills Maths Entry 3, skills for employment, training and personal development.

IN THE FRONTLINE AGAINST MODERN SLAVERY

We are all human beings who deserve dignity

Centuries after slavery was officially abolished, thousands of people are still being exploited across the UK. They are forced into labour, criminality, sexual exploitations and domestic servitude.

For the 11th year running, the Government contracted The Salvation Army and our partners to manage the support of adult victims of modern slavery in England and Wales. The year under review was the first year in which we managed the extended contract, entitling all survivors to receive support from The Salvation Army at all stages of their recovery.

In the past 11 years the total number of people coming to us for support each year has risen by 710% from 378 in the first year to 3068 this year.

'G' is a survivor of modern slavery supported by The Salvation Army

"When I come in the safe house, I'm not trusting anyone. I was so broken. Mentally, physically, broken in every way. It's very hard to believe someone, trust someone because I'm a victim of believing someone. So, they've given me time, they've given me space. They spend time with me."

The real picture - listening to slavery survivors

The Salvation Army called for the voice of slavery survivors to be central in the debate around the Borders Bill, the cornerstone of the Government's New Plan for Immigration. We wanted policymakers to understand the true nature of modern slavery, and to factor that into the new legislation. This is key to protecting people and gaining the information needed to combat the slavery traffickers.

During the Bill's consultation period, we used our experience to make detailed recommendations we believed would be more effective and helpful for survivors of slavery. Major Kathy Betteridge, Director of Anti Trafficking and Modern Slavery for The Salvation Army said: "We support measures to ensure the system is not abused but this must not be at the expense of those who have endured modern slavery and are in need of our help".

Report reveals impact of pandemic on human trafficking

A report, *How has the International Anti-Trafficking Response Adapted to Covid-19?* (August 2021), revealed that more is needed to protect vulnerable communities as traffickers found new ways to exploit people during the pandemic.

Testimonies include trafficking gangs going online to target children, and people being offered risky opportunities having lost their livelihoods. At the same time, social distancing and travel restrictions presented considerable challenges to supporting victims.

The report shared how charities and NGOs have recognised the risks and adapted well during the pandemic. A list of recommendations was drawn up to capitalise on the lessons learned. Tribeni Gurung from The Salvation Army's International Anti Trafficking team said: "We're encouraged to learn that charities, communities and governments have been able to develop stronger links due to working closely together during the pandemic and confident that this will help in a combined efforts to stamp out modern slavery in the future."

The Salvation Army to the rescue

We released a new report on Anti-Slavery Day (18 October 2021) about survivors who were referred to The Salvation Army and our partner organisations in the last year.

1,030 forced to work in places like farms, factories, building sites and restaurants for little or no pay

647 were survivors of sexual exploitation

470 forced to commit crimes such as growing or dealing drugs, begging and shoplifting.

187 had been working as domestic slaves

Modern slavery is a tough subject and it's hard for adults as well as children to understand that people are being treated as slaves in the UK today. In October 2021, The Salvation Army launched a toolkit called *True Story* to help children understand more about modern slavery.

The toolkit helped children learn about this sensitive issue while suggesting ways they could make a difference, such as talking to their parents or taking to social media. All of the stories showed how The Salvation Army can bring hope for a happy ending.

Royal touch to art therapy

In November 2021, Her Royal Highness Princess Eugenie of York joined survivors of modern slavery at a Salvation Army Outreach hub in London as they were taking part in an art therapy session.

HRH Princess Eugenie took part in a session to create artwork around how each survivor feels about freedom. The informal setting enabled survivors to share freely with their guest and discuss the impact of the help they are now receiving from Salvation Army specialist support workers. One survivor said: "I enjoyed sharing our opinions and experiences. Life has good experiences if you are surrounded by good people."

Making an impact that transforms lives

During Refugee Week (14-20 June 2021) Syrian refugee, Ayat, reflected on the help her family had received from The Salvation Army. Ayat, her husband and three children spent four and a half years in a Lebanese refugee camp before coming to the UK as part of the government's Syrian Vulnerable Persons Resettlement Scheme.

They had been greeted by Salvation Army caseworker Alex Foden, who took them to their new home in Lancashire. Alex said: "Refugees have been living in such a traumatic situation, it's hard for us to contemplate what it has been like for them. Some will have been imprisoned, experienced torture, children have seen family members die."

The help Ayat's family received from The Salvation Army was wide-ranging from buying furniture and food for their new home, opening bank accounts, registering them with doctors and the job centre, arranging English courses and getting their children settled in school. Ayat said: "The Salvation Army helped us a lot, they are our family in this country."

EMPLOYMENT PLUS SELF-ESTEEM

We empower people to overcome barriers

This year saw economic growth falling and inflation rising in the wake of the pandemic. Though unemployment rates were low, finding a job was hard. Many others were trapped in a cycle of low-paid work and zero-hours contracts.

The Salvation Army's Employment Plus service continued to offer tailored support to help people become job-ready, get a job and stay in work. We're not just interested in employment history, but to understand people's personalities, experiences and goals in life.

Our Employment Plus programmes engaged with over 23,000 people, supporting them, coaching them and helping them into work across the UK.

Ian found self-worth, self-esteem and a new job

"Since I've been at Employment Plus, they've built up my confidence and helped me with approaching employers to find work and with doing job interviews."

New service added to Employment Plus

The Salvation Army has been expanding Employment Plus across the UK, and this year we opened up this service to the community in Crewe. Like many places, unemployment levels rose in Cheshire during the pandemic and after furlough schemes came to an end.

Corps officer Major Steven Watson said: "Unemployment has a devastating effect on families pushing them into poverty and increasing social exclusion." The team supported people who have lost their jobs with food parcels and fuel vouchers. Advisors offered help with CVs, job searches and interview techniques.

Nationally the service was re-certified with the quality standard ISO 90001:2015. It shows our ability to offer employability services that meet customers and legal requirements. The audit took place when we had COVID-19 and remote working to contend with, so it is a huge achievement.

Kickstarting new opportunities

The Salvation Army continued to offer young people the chance to work for us and gain valuable work experience as part of the Government's Kickstart scheme. Each Kickstarter will have a dedicated employability professional to support them on their journey.

Following the pandemic, young people bearing the brunt of job losses. By offering 85 paid job roles (funded by the Government) to 16-24 year-olds at most risk of long-term unemployment, we're transforming lives.

Charlie, 23, became a Salvation Army Community Support Worker. He said: "The best thing about this job is that what I am doing is meaningful. It makes a difference and is helping people in my area. I am not just a number on a bit of paper, I am helping to make my community a better place."

Steps to Work steps up a gear

At our Strawberry Field training centre in Liverpool, the Steps to Work programme evolved to become 'Steps at Strawberry Field'. We opened it up to people of all ages who may have learning difficulties or other barriers to employment, from across Liverpool.

The new scheme included 'Steps to Work lite' a condensed programme, 'Steps to Volunteer', for those who want to receive a formal volunteering qualification, and 'Recycles', a hands-on programme based at the Recycles project in Liverpool city centre.

Strawberry Field Mission Director Major Kathy Versfeld said: 'We want people to know we are pulling out all the stops to support them in realising their dreams and in harnessing their unique potential, so that together we can build better, more inclusive and diverse workplaces.'

Partnerships bring employment and optimism

The Salvation Army and soft drinks manufacturer Clearly Drinks joined forces to create employment opportunities in North East England. It meant we could put a new co-ordinator on the ground in Sunderland, helping people to find new jobs and renewed hope - in an area prioritised by the Government's Levelling Up policy.

In Blackpool our Recycles scheme saw manager Doug Cox and volunteer Brian Dodd team up to spruce up more than 100 old bicycles to sell. The project bridges a gap between people who are in crisis and regular cyclists in the community. Proceeds from the sale of the bicycles went back into the recycling project.

HELPING PEOPLE MOVE ON FROM DEBT

Offering practical advice and pastoral care

Whether it's losing a job, becoming ill or facing difficulties in the pandemic, financial instability is often the root cause of debt. People with high levels of debt are more likely to default on payments. It's a vicious circle.

We help people get a handle on what they owe and work alongside them to make a realistic plan for repaying their debts. Through money education we help change habits and minimise the chance of debt recurring.

Our 22 debt advice centres saw requests for help increase by 28 per cent last year from 668 clients in 2019 to 852 clients in 2020 as pandemic poverty took hold of many vulnerable households.

Lucy's debt left her feeling suicidal

"The Salvation Army has helped me and shown me there is a way. Before I couldn't see a way through it, but now I can. I felt hopeless before, but they've shown me there is a path".

Helping record numbers of people in debt

In April 2021, we reported that our 22 Financial Conduct Authority approved debt advice centres across the UK saw requests for help increase by 28 per cent as pandemic poverty affected vulnerable households.

Schemes like the Universal Credit uplift and furlough were lifelines, but were not enough to prevent many sliding into debt. Nearly a fifth of those who got in touch with us cited low income as the main source of their debt.

Our teams worked longer hours and services expanded across East Scotland, the Isle of Man, Birmingham, Middlesbrough and Exeter. As well as financial advice, we gave practical and emotional support to help people cope with the pressure of being in debt. We called on the Government to put in a range of measures to help those finding it hard to pay off debt and to stop more people falling into debt.

Lorraine Cook, Financial Inclusion Development Manager said: "Managing debt is more than just a repayment plan. We maintain a relationship with that person throughout their journey, linking them up with their local Salvation Army for ongoing support and companionship".

Doing our level best

In September 2021, we warned that the end of Covid financial support would also impact the Government's 'Levelling Up' plan to tackle regional inequalities.

We urged the Government to reconsider how funding is allocated from the Levelling Up Fund. In particular, we asked them to ensure deprived coastal communities receive sufficient investment, and to engage with communities about what investment will best level up their areas. We also called for investment in skills and employment support, including affordable childcare.

The Salvation Army's Lieutenant Colonel Dean Pallant said: "We understand that the Covid financial safety net can't continue indefinitely. But, we urge the Government to support the deprived communities it wants to help with its Levelling Up plan to transition from short-term emergency support to long-term financial security."

“I’m forever thankful.” Molly’s story

During the year Molly, a young mum, was taken to the small claims court by her former landlord. She had fallen into debt and had left her tenancy after she was made redundant. She turned to our Debt Advice Service and Debbie White, Debt Advice Co-ordinator, helped Molly through the court process.

Molly, who has Bipolar disorder, said: “The help I received from Debbie was fundamental for my mental health at a very vulnerable time in my life. Debbie was a shoulder to lean on and a shield against my debtors. She spent hours with me in preparation for my case and gave me the confidence to face my debt head on and to hold my head high in court. I’m forever thankful.”

Debbie and the team supported more than 100 people like Molly during the year, marking its first birthday in September 2021. Lorraine Cook, The Salvation Army’s financial inclusion development manager, said: “Debbie and her team have done a brilliant job launching a new service, which has already helped so many people, and will prove vital as the effects of the pandemic continue to be felt.”

GIVING PEOPLE LIVING WITH ADDICTION THE CHANCE TO HEAL

We don't judge a book by its cover

Around 80% of residents at The Salvation Army's 80+ Lifehouses (hostels) arrive with drug and alcohol addiction issues. Many have been unable to access addiction support services before they step into our care.

During the year, we continued with our harm reduction approach to addiction. At its heart is the offer of non-judgemental support to help people address the reasons they are living with addiction. It means we don't ask 'Why the addiction?' - instead we ask 'Why the pain?'

The Salvation Army has worked with more than 950 people with addiction issues in the past year.

Sammy has found a new life beyond addiction

"I was basically being used as a drug dealer and I was an addict. I was committing crimes and selling drugs every day. I've been clean since March last year and I couldn't have done it without The Salvation Army. If it wasn't for them, I'd be dead."

Reduction in drug overdose deaths

The Salvation Army released figures (September 2021) which showed how taking a harm reduction approach to treating drug problems is helping to save lives. 80% of people who move on from The Salvation Army addiction services are no longer using the drugs which brought them there to begin with. [Source - Atlas: Apr 20-March 21]

Our addiction support team ensure our Lifehouse staff are able to swiftly administer naloxone, which reverses the effects of a drug overdose. Saving lives with naloxone has risen fivefold in the last three years. During the year in review more than 200 kits were used.

Our harm reduction approach is much more than preventing a death at the point of crisis. It is about acceptance and unconditional support for people in the throes of addiction. Viewing addiction through a judgemental lens causes harm, but understanding addiction as a response to trauma offers a chance to heal.

Lee Ball, Territorial Addiction Services Officer for The Salvation Army, said: "Prevention is key to ensuring the children in our services today, don't become the adults in our services tomorrow".

Let's talk about overdose - Overdose Awareness Day

On 31 August 2021, staff and residents at Lyndon House, a Salvation Army Lifehouse in Ipswich, marked International Overdose Awareness Day. Specialist Support Worker Simon Walker said: "Normally people don't want to remember, but the day seemed to have the opposite effect."

Most people at Lyndon House have been affected by an overdose in one way or another. The day focused on ways of reducing harm, remembering those who have been lost and celebrating life. Posters were put up to educate users about what to do in the event of an overdose while residents were also told how the drug naloxone could help save lives. Names were put on a remembrance tree, and a new tree of life was planted in the garden to symbolise hope for the future.

A RICHER, FULFILLING LATER LIFE

Every person matters

Approaching older age can trigger fears for some people that they will become isolated, suffer from ill health and lose identity and purpose. As our communities live longer those in later life can feel alone and more vulnerable.

Whether it's activities in communities or our specialist residential care homes, we put people at the heart of our services and help make life rich and fulfilling.

The Salvation Army has 12 residential care homes and one regulated adult day centre across the United Kingdom and Ireland. Our Corps provide hundreds of dedicated activities, classes and clubs.

Pauline lives in one of our residential homes

"Living here, for me, is just lovely. Everyone's nice and I couldn't want anything any better. It's just very good."

Good work in action

The past year has been another challenging one for the care sector, in the wake of the pandemic. Our teams pulled together to ensure vulnerable, older people were safe, happy and felt loved.

We are proud of each and every member of our caring teams, and their bravery and dedication is an inspiration for us all. During the year, two members of our team marked milestone moments.

Three decades of service

Sandy Cummins started work as a carer at Lydon House near St Albans in 1991. After an incredible 30 years' service, Sandy is now the Head of Care. We marked Sandy's significant milestone with tea and cake alongside staff and residents.

Sandy said: "It has been such a privilege being able to spend time getting to know so many residents and having the opportunity to listen to their stories and experiences."

Jenny Pattinson, The Salvation Army's Interim Director of Older People's Services, said: "Sandy is extremely hardworking and hugely valued, and 30 years is a milestone to be celebrated in a sector that often sees staff move on after only a couple of years."

Top industry award nomination

Emma Bailie, Home Manager at The Salvation Army's Youell Court in Coventry, was nominated for the Care Home Registered Manager award at the 2020 Great British Care Awards (delayed to 2021 due to the pandemic).

It recognised 'exceptional skills' in managing a care home and 'commitment' to high levels of person-centred care. Emma, who has worked at the home since January 2017, said: "Receiving the nomination itself is amazing. To know that our home and our team has been recognised is fantastic."

To involve everyone in the celebration, the organisers asked staff and residents from each nominated home to perform a short routine to a pop song chosen by the awards body. All the videos will be collated and shown on the night. Emma added: "We dressed up in fancy dress, we had lots of dance practice, and we had so much fun with our residents".

RESPONDING TO EMERGENCIES

Today's Good Samaritan

Every year, thousands of people and responders in communities around the UK are caught up in floods, fire and other emergencies.

As a Christian church with a strong social conscience, we seek to alleviate distress wherever it is found and to fulfil a crucial role during and after a major emergency.

The Salvation Army's Emergency vehicles attend around 250 call outs per year.

Planning ahead

In May 2021, we attended a House of Lords committee calling to be more closely involved in advance planning for major incidents such as floods, fires or pandemics.

Adrian Clee, the church and charities' Emergency Response officer, told the committee that genuine engagement is still sporadic and that the vital role that the voluntary sector is very much an afterthought. He called for changes to legislation to strengthen the role of the voluntary sector in preparing and responding to emergencies in two ways:

- To continue to support and fund the National Voluntary Sector Emergencies Partnership, of which The Salvation Army is a member. This would maintain effective cooperation and dialogue between charitable organisations and Government at a local and national level.
- To change the Civil Contingencies Act 2004 to include a legal duty for local government to consult and truly involve charity and voluntary organisations as part of their emergency incident planning work.

Preparing with training and drills

In the North East - a two-day exercise by the National Resilience Urban Search and Rescue (USAR) was hosted at the service headquarters of Tyne and Wear Fire and Rescue Service. It prepared Salvation Army volunteers to respond during a major multi-agency incident.

The high level training featured a series of incident simulations which included a collapsed block of flats and an incident with a coach vehicle, so they could compare different types of specialist response. Participants used specialist equipment and learned cutting edge rescue techniques.

Chris Lowther, Chief Fire Officer for Tyne and Wear Fire and Rescue Service, said: "We were proud to welcome the National Resilience team to the region and for Tyne and Wear to host such an important and significant event.

In Essex - Salvation Army leaders welcomed a new partnership with Essex County Fire and Rescue Service to support firefighters at large-scale incidents. Similar partnerships already operate with other fire and rescue services in the UK. Ryan Ainger, Operational Policy Station Manager at Essex County Fire and Rescue Service said: "On behalf of our Service, I'd like to thank the Salvation Army for their support, which will make a big difference to our firefighters.

In Wales - the Salvation Army Emergency Response Unit supported a multi-agency, real life training exercise that took place in March 2022 at the Severn Tunnel Junction. This included providing refreshments for over 100 firefighters from the South Wales Fire and Rescue Service.

Adrian Clee, Territorial Emergency Response Officer said: “It’s helpful to take part in these exercises, to give volunteers an opportunity to practice, and see the work that we do during an emergency response”.

In action on the ground

In Kent - Salvation Army church leaders and volunteers helped people in Ashford, Kent after an explosion destroyed two houses in May 2021.

Major Bramwell Hayes and Captain Rhonda Hayes from Ashford Salvation Army delivered refreshments to the local authority rest centre set up at St Mary’s Church, Willesborough for nearby residents evacuated from their homes.

In Lancashire - we supported 999 workers and residents who were evacuated from their homes in the early hours after a suspected gas explosion in Heysham. Tragically a two-year-old boy died and four people were injured.

The Emergency Response Vehicle team arrived at 4.45am. About 80 fire fighters, 40 police officers, 15 paramedics, 40 council staff and 90 residents were given food and drink at the scene.

Major Nigel Tansley who runs the church and charity’s emergency response vehicles across the north west, said: “We were also able to offer a listening ear to those who needed it. I spent most of the time speaking to fire crews and people whose homes had been damaged. It was a distressing situation and our thoughts and prayers are with everyone affected.”

Around the country - our emergency response teams, including officers and volunteers, mobilised to offer help in the aftermath of Storm Eunice in February 2022.

Homelessness centres in St Helens, Blackburn, Coventry and London gave emergency beds to dozens of rough sleepers. In Stockport, the Army provided food, drink and emotional support to fire crews, mountain rescue teams and Hazardous Area Response Team paramedics.

The Salvation Army also distributed hot drinks and food to more than 60 homes in the village of Botesdale, Suffolk, where a tree crashed through a power line and left residents without electricity for three days.

RAISING FUNDS

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

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

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

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

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

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

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

SUBSIDIARIES

The Salvation Army Social Work Trust works in harmony with its subsidiary Salvation Army Housing Association (saha). saha operates nationally in 80 local authorities across England and has five main areas of operation:

1. Agency Managed Centres (1,539 bed spaces):
saha works in partnership with a number of organisations nationally to provide a wide range of Agency Managed Supported Housing services. These include residential centres (called Lifehouses) for homeless single people and homeless families, centres for those recovering from addictions, accommodation for ex-offenders and individuals and families fleeing domestic violence. Within these partnerships, saha act as the landlord owning and maintaining the buildings, whilst the managing agents undertake the day to day management of the service.
2. General Needs (1,274 homes):
saha own a range of accommodation that provides secure affordable housing for families and individuals. Generally, residents access this accommodation through local authority waiting lists as we have nomination arrangements in place with the local authority partners.
3. Accommodation for the over-55s (293 bed spaces):
Some of saha's accommodation is specifically designed for those over the age of 55, including a scheme manager providing on-site support. In accommodation where there is no staff on site, there will be an alarm call system and other types of floating or community support available. Styles of accommodation vary from

studio flats to bungalows. Many of saha's schemes have communal facilities where can engage in a range of activities.

4. Directly Managed Supported Housing (476 bed spaces):
saha directly manage a number of schemes throughout England, both managing the building and delivering the day to day management and support. As with the Agency Managed schemes these support a wide range of homeless people and families. All of these schemes have 24 hour staff support, and residents engage in a range of activities to promote independence with the aim of resettlement into independent living.
5. Registered Care Homes (52 bed spaces):
saha own a number of registered care homes, working with a partnering agency to provide support and care for clients in a residential environment.

saha also manages over 718 residential properties on behalf of The Salvation Army, providing a housing management service throughout the country.

MODERN SLAVERY AND ANTI HUMAN TRAFFICKING STATEMENT

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

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

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

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

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

REVIEWING FINANCES

Income

	2022	2021
	£m	£m
Charitable activities:		
Centres' revenue income	73.5	73.3
Other social operations	71.7	51.7
Housing association turnover	24.6	24.7
	<u>169.7</u>	<u>149.7</u>
Legacies and donations	5.3	5.3
Grants from The Salvation Army Trust	23.5	16.0
Investment and rental income	1.4	1.5
Other income	1.4	0.2
	<u>201.4</u>	<u>172.7</u>

Centres' revenue income

The main elements are:

- charges for residents in our care homes for older people (£13.7 million)
- charges for residents in our Lifehouses (£26.4 million)
- income received under contracts with local authorities, principally Supporting People contracts (£29.4 million)

Other social operations

The main elements are:

- Employment Plus (£4.9 million)
- Anti-Trafficking (£66.6 million)

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

We provided support to the victims of modern slavery under a contract with the Ministry of Justice. The demand for this service has increased year on year.

Housing Association turnover

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

Legacies and donations

Legacies of £1.4m and donations of £3.8m were received in the current year.

Grants from The Salvation Army Trust

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

Expenditure

	2022	2021
	£m	£m
Charitable activities:		
Centres' operations	88.5	86.3
Other social operations	73.7	54.0
Housing association operating costs	24.8	21.8
	<u>187.0</u>	<u>162.1</u>
Cost of raising funds	0.1	0.1
	<u>187.1</u>	<u>162.2</u>

Centres' operations

This represents the operating costs of care homes for older people, Lifehouses, detox centres, day care centres and other non-residential projects. Decreased costs reflects significantly decreased activity at certain centres due to the pandemic.

Other social operations

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

Net gains/(losses) on investments

There has been an unrealised gain on investments of £10.4 million (2021: gain of £23.9 million).

Funds

Excluding investment gains of £10.4 million, the Social Work Trust (excluding saha results) has generated a surplus of £11 million compared to a surplus of £9.1 million in the previous year.

Total funds at the year end were as follows:

	2022	2021
	£m	£m
Endowment funds	16.8	15.8
Restricted funds:		
Social Work Fund	82.5	76.4
Social Work projects	37.9	36.3
saha operations	128.1	123.8
Total restricted funds	248.5	236.5
Unrestricted funds:		
Designated funds	23.5	19.6
Unrealised investment gains	71.2	64.8
General reserve	15.4	12.9
Total unrestricted funds	110.1	97.3
Total funds	375.4	349.6

Endowment funds

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

Restricted funds

Social Work Fund represents property assets including Lifehouses, care homes and other properties used for the operations of the parent charity. These funds are not therefore available to spend.

All income generated from defence services operations is restricted for this work. Funds restricted for social work projects represent legacies and donations given for specific purposes.

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

Unrestricted funds

Designated reserves

These are funds set aside by the directors for capital projects, major repairs and refurbishments and future programmes. These will be used in the next three years to fund new developments and significant refurbishment projects as they are approved.

The levels of designated funds are reviewed annually. These are funds set aside by the directors for new projects and to meet known future commitments such as maintenance of our properties. The Board of Directors (SATCo) approved a new commitment to a Sinking Fund, designating £4m for the replacement of major components of buildings as part of a

larger project addressing the necessary investment in properties within the Social Work Trust.

Unrealised gains

These are book profits subject to fluctuations in the stock market.

General reserve

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

RESERVES POLICY

Our reserves policy focuses on the level of general reserves.

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

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

The level of general reserves is reviewed on a regular basis considering the risks and changes in the income and expenditure streams. The target range for free reserves is currently set at £4m to £5m for free reserves. This will be reviewed by SATCo during the 2022/23 financial year.

Whilst as at the year-end general reserves amounted to £15.4 million, the Directors consider this to be appropriate as the charity enters a period of national hardship and an unknown social-economic political climate. The uncertainty due to the war in Ukraine, rising inflation and escalating energy costs will impact expenditure across the Trust which is heavily dependent on contract funding which is not growing at the same rate and at a time when the Trust's services will be more heavily called upon.

INVESTING FOR THE FUTURE

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

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

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

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

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

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

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

CIF1

Fund strategy is:

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

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

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

CIF2

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

Asset Class	Performance Benchmark
UK Equities	FTSE All-Share
Europe (ex UK) Equities	FTSE All World Developed Europe (ex UK)
Emerging Markets Equities	FTSE All World Emerging Markets
Asia Pacific Equities	FTSE All World Developed Asia Pacific
United States Equities	S&P 500
Property	IPD UK Property
Cash and gilts under lien	FTSE Gilts under 5 years

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

	CIF1	CIF2
	%	%
Annual total return (gross of fees)	5.3	6.1
Benchmark return	13.6	13.6

For the year to 31 March 2022 CIF 1 and CIF 2 underperformed compared to global market benchmark. The performance is being monitored on a regular basis through discussions with the respective investment fund managers.

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

	CIF1	CIF1	CIF1	CIF2	CIF2	CIF2
	2022	2021	2020	2022	2021	2020
	%	%	%	%	%	%
(Decrease)/Increase in capital value of fund	6.8	22.3	-9.3	17.1	25.5	-8.4
Average net income return	0.4	0.5	1.7	0.7	0.8	2.1

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

The Salvation Army's property in the United Kingdom Territory is held by The Salvation Army Trustee Company (SATCo), a company limited by guarantee, registered in England (No 00259322), with its registered office at 101 Newington Causeway, London SE1 6BN.

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

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

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

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

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

Salvation Army Housing Association

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

RISK MANAGEMENT

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

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

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

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

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

The following table outlines the most significant risks for the reporting period, taking account of their impact and likelihood, and the mitigations in place to manage them.

Principal risks

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

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

<p>Cyber - The risk is that we fail to protect our information systems and the information they hold.</p>	<p>We deploy multiple measures to protect our systems and the information they hold. We work within an information security international standard (ISO27001) and build on lessons from our internal and external audits in this area. The Salvation Army United Kingdom and Ireland Territory experienced an IT incident in June of 2021, the impact on the work of the Trust was contained with temporary operational adjustments allowing the Trust to continue business as normal.</p>
<p>Data Protection - The risk that we fail to protect sensitive and personal data.</p>	<p>As well as our data protection/GDPR policies and training we take steps to ensure that personal data is treated properly through appropriate security measures, staff training, the use of data protection impact assessments and contractual requirements with organisations we work with who process our personal data.</p>
<p>Financial Sustainability - The risk that there is insufficient revenue income from donations and reserves to support our operating model resulting in the failure of The Trust to thrive in a rapidly changing environment</p>	<p>We continue to monitor the funding situation and adjust our financial planning and commitments accordingly to ensure we are financially resilient.</p>
<p>Safeguarding - The risk is that we fail to provide a safe environment, free from abuse, for everyone, including vulnerable beneficiaries.</p>	<p>We continue to maintain clear policies and procedures in relation to safeguarding and ensure the appropriate screening, training and supervision of personnel. A subcommittee of RMC - the Territorial Safeguarding Committee - oversees management of the risk.</p>
<p>Safe Mission - The risk is that we are not able to ensure the health, safety and welfare of personnel, service users and members of the public who are affected by our activities, including in a Covid-impacted environment.</p>	<p>Comprehensive policies, procedures and guidance are in place, alongside a supervisory control framework. Two RMC subcommittees - the Safe Mission Council and the Sudden Deaths Review Group - inform the management of this risk.</p>

RECRUITMENT AND APPOINTMENT OF DIRECTORS (TRUSTEES)

There are 15 directors, 10 by virtue of their appointments within The Salvation Army. One director is a divisional leader responsible for one of The Salvation Army's 22 divisions.

Each non-executive director brings expertise in a relevant field - property, finance, fundraising/marketing, investments or social services. The appointment of non-executive directors is made by The General on the recommendation of the Nominations Committee.

Training and Induction of Directors

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

Organisational Structure and Decision Making

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

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

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

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

During the 2019/20 financial year, the Internal Audit Department reviewed SATCo's performance against the Charity Governance Code for larger charities. The review identified a number of areas in which SATCo was performing well and other areas for development. Another assessment has been requested by the Chairman of SATCo that will take place in the 2023/24 financial year.

Directors' Responsibilities

The directors of SATCo are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of The Salvation Army Social Work Trust, and of the income and expenditure for that period. In preparing the financial statements, the directors are required to:

- select and consistently apply suitable accounting policies
- make judgments and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed
- observe the principles of the Charity SORP
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that The Salvation Army Social Work Trust will continue to operate

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of The Salvation Army Social Work Trust and are required to ensure the financial statements comply with The Salvation Army Act 1980, the Charities Act 2011 and The Charities and Trustees Investment (Scotland) Act 2005. They are also responsible for safeguarding the Trust's assets, taking reasonable steps to prevent and detect fraud and other irregularities.

The directors have regard to the Charity Commission's general guidance on public benefit that is relevant to The Salvation Army Social Work Trust.

Remuneration of Key Management

Key management personnel of The Salvation Army comprise Salvation Army officers and employees. Salvation Army officers do not receive a salary, instead they receive an allowance based on length of service and seniority of position, as ministers of religion, are provided with furnished accommodation and a motor vehicle. The allowances received by officers in positions of key management range from £17,684.18 to £24,628.20 per annum.

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

No remuneration of key management personnel is charged directly to the Social Work Trust. Further information is disclosed in Note 9 and 10 to the Accounts.

**On behalf of the Directors of The Salvation Army Trustee Company
18 November 2022**

DIRECTORS

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

Commissioner Anthony Cotterill	Chair
Colonel Paul Main	Deputy Chair
Colonel Jenine Main	
Lieut-Colonel Alan Read	Managing Director
Lieut-Colonel Andrew McCombe	
Lieut-Colonel Beverley McCombe	
Lieut-Colonel Dean Pallant	
Lieut-Colonel Judith Payne	
Major Noreen Batt	
Major Judith Hilditch	
Helen O'Brien	
Philip Edwards	(appointed 09.09.22)
Mark Puller	
Peter Gale	
Graham Roper	(until 19.09.21)
Andrew Stickland	

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

Committee Members (current)

Territorial Operations Board

Colonel Paul Main (Chair), Commissioner Gillian Cotterill, Major Jane Cowell, Tony Daniels, Major Mal Davies, Miguel Fiallos, Peter Grant, Major Judith Hilditch, Major Paul Kingscott, Major Mike Lloyd-Jones, Mitch Menagh, Alex O'Hara, Major Julian Watchorn, Major Richard Waters, Julius Wolff-Ingham

Audit Committee

Andrew Stickland (Chair), Stephen Bright, Hannah Greenfield, Mike Grills

Investment Advisory Committee

Peter Gale (Chair), Mark Colton, William Dalziel, Major Judith Hilditch, Mary Haly, Major Beverly Lloyd, Lieut-Colonel Alan Read, Philip Rotherham, Daniel Wills

Nominations Committee

Peter Gale, Colonel Paul Main, Lieut-Colonel Alan Read, Elliot Thomas

Risk Management Committee

Helen O'Brien (Chair), Major Kerry Coke, Lieut-Colonel Andrew McCombe, Lieut-Colonel Beverley McCombe, Lieut-Colonel Dean Pallant, Lieut-Colonel Alan Read, Elliot Thomas, Daniel Wills, Major Julian Watchorn, Julius Wolff-Ingham

Company Secretary

Elliot Thomas is Company Secretary of The Salvation Army Trustee Company.

ADVISERS

Bankers

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

Auditors

Knox Cropper LLP, Chartered Accountants, 65 Leadenhall Street, London EC3A 2AD

Solicitors

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

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

Investment Advisers

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

Investment Managers

Cazenove Capital Management, 12 Moorgate, London EC2R 6DA

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

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

**INDEPENDENT AUDITORS REPORT TO
THE SALVATION ARMY TRUSTEE COMPANY, THE MANAGING TRUSTEE**

Opinion

We have audited the consolidated financial statements of The Salvation Army Social Work Trust Group for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Balance Sheets, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- (a) give a true and fair view of the state of The Salvation Army Social Work Trust group and parent charity's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, for the year then ended;
- (b) have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- (c) have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustees Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 and the Charity Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

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

Responsibilities of trustee

As explained more fully in the trustee's responsibilities statement, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144(1) of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified the legal requirements to comply with this legislation

including the requirement to correctly account for restricted funds. The Charity is also required to comply with the Health and Social Care Act and the regulations issued thereunder and compliance with the standards issued by the Care Quality Commission is a key issue.

- We gained an understanding of how the charity complied with its legal and regulatory framework, including the requirement to properly account for restricted funds and to comply with the care quality standards, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions. We also reviewed reports and ratings published for the most recent Care Quality Commission inspections to ensure that there were no cases of non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>

This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken, so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report or for the opinions we have formed.

65 Leadenhall Street
London EC3A 2AD

Knox Cropper LLP
Chartered Accountants
Registered Auditors

18 November 2022

Knox Cropper LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Endowments £000	Restricted £000	Unrestricted £000	2022 Total £000	2021 Total £000
INCOME AND ENDOWMENTS FROM:						
Donations and Legacies						
Grants receivable: The Salvation Army Trust		-	-	23,547	23,547	16,000
Donations		-	2,917	917	3,834	4,145
Legacies		-	1,423	-	1,423	1,168
		<u>-</u>	<u>4,340</u>	<u>24,464</u>	<u>28,804</u>	<u>21,313</u>
Charitable Activities						
Centres' operations	2	-	1,068	72,401	73,469	73,328
Other social operations	3	-	3,071	68,612	71,683	51,691
Housing Association turnover	11	-	24,579	-	24,579	24,714
		<u>-</u>	<u>28,718</u>	<u>141,013</u>	<u>169,731</u>	<u>149,733</u>
Investments	4	-	148	1,242	1,390	1,496
Other						
Gains on disposal of fixed assets	5	-	1,437	-	1,437	164
TOTAL INCOME		<u>-</u>	<u>34,643</u>	<u>166,719</u>	<u>201,362</u>	<u>172,706</u>
EXPENDITURE ON:						
Raising Funds						
Investment management costs		-	-	50	50	50
		<u>-</u>	<u>-</u>	<u>50</u>	<u>50</u>	<u>50</u>
Charitable Activities						
Centres' operations	6	-	3,987	84,498	88,485	86,336
Other social operations	7	-	1,647	72,012	73,659	53,963
Housing Association operating costs	11	-	24,835	-	24,835	21,833
		<u>-</u>	<u>30,469</u>	<u>156,510</u>	<u>186,979</u>	<u>162,132</u>
TOTAL EXPENDITURE	8	<u>-</u>	<u>30,469</u>	<u>156,560</u>	<u>187,029</u>	<u>162,182</u>
Net Gains/(Losses) on Investments	15	956	3,068	6,422	10,446	23,925
NET INCOME / (EXPENDITURE)		956	7,242	16,581	24,779	34,449
Transfers between Funds *	20/21	-	3,754	(3,754)	-	-
Other Recognised Gains / (Losses)						
Actuarial Gains / (Losses) on Defined Benefit Pension Schemes	11	-	944	-	944	(2,583)
NET MOVEMENT IN FUNDS		<u>956</u>	<u>11,940</u>	<u>12,827</u>	<u>25,723</u>	<u>31,866</u>
RECONCILIATION OF FUNDS: 19/20/21						
Total Funds brought forward (as restated)		15,838	236,520	97,306	349,664	317,798
TOTAL FUNDS CARRIED FORWARD		<u>16,794</u>	<u>248,460</u>	<u>110,133</u>	<u>375,387</u>	<u>349,664</u>

All income and expenditure has arisen from continuing activities. £21,425k of the net income of funds disclosed above arises in the parent charity (2021: net income of £33,050k). *Transfers between funds arise from property transactions, because all funds expended on property assets are reflected as restricted funds, net of funding of homeless and older people's services centres from legacy funds.

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	Group		Parent	
		2022	2021	2022	2021
		£000	(restated) £000	£000	(restated) £000
FIXED ASSETS					
Tangible Fixed Assets					
Properties	12	191,060	195,477	73,763	76,422
Property schemes in progress	13	5,600	4,671	5,523	4,370
Motor vehicles and equipment	14	406	239	199	205
Investments	15	163,411	152,965	131,411	123,914
TOTAL FIXED ASSETS		360,477	353,352	210,896	204,911
CURRENT ASSETS					
Stocks		174	130	174	130
Debtors and prepayments	16	23,392	12,373	21,767	10,909
Short-term deposits		10,730	10,727	10,730	10,727
Bank balances and cash		27,083	37,848	17,683	24,460
		61,379	61,078	50,354	46,226
CREDITORS: Amounts falling due within one year	17(a)	(22,630)	(32,153)	(13,930)	(25,243)
NET CURRENT ASSETS		38,749	28,925	36,424	20,983
TOTAL ASSETS LESS CURRENT LIABILITIES		399,226	382,277	247,320	225,894
Creditors: Amounts falling due outside one year	17(b)	(20,976)	(28,424)	-	-
Defined Benefit Pension Scheme Liability	10(c)	(2,863)	(4,189)	-	-
TOTAL NET ASSETS		375,387	349,664	247,320	225,894
FUNDS					
Endowment Funds	19	16,794	15,838	16,794	15,838
Restricted Funds	20				
Social Work Fund		82,543	76,422	82,543	76,422
Other Restricted Funds		165,917	160,098	37,850	36,328
		248,460	236,520	120,393	112,750
Unrestricted Funds	21	110,133	97,306	110,133	97,306
TOTAL FUNDS	22	375,387	349,664	247,320	225,894

Approved on behalf of The Salvation Army Trustee Company on 18 November 2022 by:

Lieut-Colonel Alan Read (Director)

Major Judith Hilditch (Director)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net Cash provided by/(used in) operating activities	23		(1,524)		15,675
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment and rental income		1,390		1,496	
Additions to properties		(4,855)		(1,518)	
Additions to motor vehicles and equipment		(253)		(179)	
Additions to property schemes in progress		(1,833)		(2,543)	
Proceeds on disposal of motor vehicles and equipment		-		437	
Purchase of investments		-		-	
Proceeds on disposal of properties		4,107		648	
Management of short-term deposits		(3)		3,187	
Net Cash provided by investing activities			(1,447)		1,528
CASH FLOWS FROM FINANCING ACTIVITIES:					
Interest payable		(865)		(1,037)	
(Decrease)/Increase in Bank Loans		(6,929)		(2,268)	
Net Cash provided by/(used in) financing activities			(7,794)		(3,305)
Change in Cash and Cash Equivalents in the year			(10,765)		13,898
Cash and Cash Equivalents at the beginning of the year			37,848		23,950
Cash and Cash Equivalents at the end of the year			27,083		37,848

ANALYSIS OF CHANGES IN NET DEBT

	Balance 1 April 2021 £000	Cash-Flows £000	Net Loan Movements £000	Balance 31 March 2022 £000
Cash at Bank	37,848	(10,765)	-	27,083
Loans falling due within one year	(1,565)	-	(942)	(2,507)
Loans falling due after more than one year	(27,671)	-	7,871	(19,800)
	8,612	(10,765)	6,929	4,776

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES

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

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention, subject to the inclusion of certain financial instruments and investment properties at fair value and donated properties at valuation on acquisition, and are in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition - October 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', The Salvation Army Act 1980, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

Through careful budgeting and regular forecasting to ensure income and expenditure is close to expected, the Trust expects to continue to be able to meet its liabilities in the next 18 months and beyond. Careful financial management has ensured that our working capital (general reserve) is higher than the level directors have set it to be, and this will provide a buffer to manage through the impact of the War in Ukraine, rising inflation, escalating energy costs as well as providing real living salaries to our employees. The general reserve levels are continually monitored and the reserves policy will be reviewed by SATCo in financial year 2022/23.

On the basis of the above, the trustee has concluded that there is no material uncertainty about the Trust's ability to meet its debts as they fall due for at least 12 months following approval of the financial statements and therefore continues to adopt the going concern basis in preparing its financial statements.

(b) Basis of Consolidation

The accounts of The Salvation Army Social Work Trust Group consolidate its accounts using the acquisition method.

(c) Key judgements and estimates used in preparing these financial statements

(i) Financial instrument classification

The classification of financial instruments as 'basic' or 'other' requires judgement as to whether all applicable conditions as basic are met. This includes consideration of the form of the instrument and its return. It also includes the review of existing financial liabilities, such as loan agreements, to assess whether any modifications to the agreement will affect the classification of the instrument and its possible re-measurement. All financial instruments, including loans, are classified as 'basic'.

(ii) Capitalisation of property improvement and development costs

Property improvement and development schemes are reviewed to ascertain whether expenditure should be capitalised or charged to the Statement of Financial Activities. Expenditure which enhances the social use of the property or improves its economic return is capitalised. Expenditure which repairs a property and brings it back to its original condition is written off.

(iii) Useful lives of property, motor vehicles and equipment

The remaining useful lives of depreciable assets are reviewed by management at each reporting date and, if necessary, the depreciation charge adjusted accordingly.

- (iv) **Bad debt provision**
Gross debtor balances are regularly reviewed by management and where they assess that there is sufficient doubt as to recoverability a provision is made. In particular, accommodation charges outstanding are reviewed on a line-by-line basis and the provision is based on a number of factors including the age of the debt, value and the socio-economic situation of the debtor under review.
 - (v) **Defined Benefit Obligation**
Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses (as analysed in Note 10(c)). The group net defined benefit pension obligation at 31 March 2022 was £2,863,000.
 - (vi) **Identification and valuation of investment properties**
The Group's property portfolio is reviewed annually to identify investment properties, which are those properties held to earn income or for capital appreciation rather than to be used for its charitable purposes. Properties no longer used for charitable purposes but retained until market conditions allow their disposal are not treated as investment properties, provided disposal is intended within a reasonable time scale.

After initial recognition, investment property is measured at its fair value based either on valuation by The Salvation Army Property Department or by an independent valuer. In either case the valuer will hold a recognised and relevant professional qualification. The property will be valued at each subsequent reporting date.
 - (vii) **Contractual Income Obligations**
Contractual income streams both restricted and unrestricted are controlled, monitored and reported upon against the respective contracts. The probability of returning funds to the contract provider is minimal; but by the very nature of the contracts themselves, the outcomes are monitored and reported upon on a regular basis. Should funds be returned this would be reported at the relevant committee and/or board.
- (d) **Income**
- (i) **Donations and Legacies:** Donations, including the gross equivalent of those made under Gift Aid, and legacies are brought into account in the year of receipt. Accrual is made for any material legacies outstanding at the year end provided their values can be measured reliably.
 - (ii) **Grants receivable** are recognised on an accruals basis. Grants received in advance of entitlement conditions being met are deferred on the balance sheet. If amounts are receivable for specific purposes, the income is shown as restricted. Grants received for the acquisition or development of properties are credited to restricted funds when they are receivable providing that any conditions attached to the grants have been fulfilled. Where, at the balance sheet date, conditions remain unfulfilled, the grants are deferred pending satisfaction of these conditions. Depreciation on the properties is charged to restricted funds.
 - (iii) **Investment Income:** Dividends and interest are brought into account gross in the year they are due.
 - (iv) **Realised gains on disposal** of assets are reflected in the Statement of Financial Activities in the year of disposal. Profits on disposal of investments are calculated by reference to the asset's carrying value.
- (e) **Expenditure**
- (i) **Total expenditure includes:**

Charitable Activities costs reflect all expenditure relating directly to the objects of the charity, attributable overheads and allocation of governance costs. Attributable overheads

are allocated over the range of charitable activities on an actual basis where possible, otherwise, on a basis which is consistent with the utilisation of resources.

Governance Costs reflect the costs incurred under the governance arrangements of the charity which consist of the costs of complying with legislation including audit, legal services and strategic planning. These costs are then allocated to charitable activities on a basis consistent with the utilisation of resources.

(ii) **Expenditure is charged** on the accruals basis when a legal or constructive obligation arises, and when the amount can be recognised accurately.

(iii) **Irrecoverable Value Added Tax** is charged to the related heads of expenditure.

(iv) **Pension and Similar Costs**

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

- The Salvation Army Retired Officers Allowance Fund relating to Salvation Army officers; and
- The Salvation Army Employees Pension Fund for other staff; and
- A defined contribution scheme.

The Salvation Army Retired Officers Allowance Fund is a registered charity and operates on the same basis as a defined benefit scheme but the benefits are not guaranteed. A standard annual contribution per unit is made to the Retired Officers Allowance Fund, which is charged in the accounts in the year in which payment is made.

The Salvation Army Employees Pension Fund is a defined benefit pension scheme which was closed to new members on 31 December 2011. The scheme is a multi-employer scheme and the actuary has confirmed that it is not practical to allocate the assets and liabilities of the scheme between participating employers. Pension costs are therefore reflected in the accounts when payments to the pension scheme fall due. The charity also recognises any contractual liability to fund a past service deficit as agreed with the Pension Scheme Trustees. Any resulting expense will be reflected through the Statement of Financial Activities. When the contribution is not expected to be settled prior to 12 months after the year end the full liability is recognised at the present value of the contributions payable using a discounted rate. No such contractual liability existed at the current year end.

Since 1st January 2012, employees can join a defined contribution scheme.

The Salvation Army Housing Association (saha) participates in the following pension schemes -

- (i) Social Housing Pension Scheme, a multi-employer defined benefit scheme. Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses. The net defined benefit pension obligation at 31 March 2022 was £2,863,000.
- (ii) The auto-enrolment SHPS defined contribution pension scheme, the contributions on which are charged when payments to the pension scheme fall due.
- (iii) The Pension Trust Growth Plan, a multi-employer defined benefit scheme. The pension charge represents the amounts payable by the company to the scheme in respect of the year. In the past, this scheme included a defined benefit element as the pensions were index linked, so where there is a contractual obligation to make payments under a deficit reduction plan in respect of the former defined benefit element of the scheme, this has been recognised as a liability in full in the financial statements.

(f) **Fixed Assets**

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

All properties are disclosed at cost less accumulated depreciation other than saha properties at the dates of acquisition (19 January 2011 and 23 March 2017) which were brought into account at those dates at fair values (being an existing use social housing valuation (EUV - SH) prepared by independent chartered surveyors). These properties are subsequently depreciated at the rates indicated below.

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

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

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

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

Motor Vehicles	- 25-33% pa on cost
Office Equipment	- 10-33% pa on cost

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

(g) Investments & Investment Properties

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

The Salvation Army Social Work Trust does not hold any investment properties, however its subsidiary saha owns properties held for market rent or commercial lettings and these are included as investment properties and are recorded at fair value with changes in the market value reported annually in the statement of financial activities. The fair value of the investment property is determined by using a valuation undertaken by Savills, an independent professional valuer, or by members of staff with relevant experience and qualifications.

(h) Stocks

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

(i) Funds

- (i) **Endowments consist of** permanent endowments and expendable endowments. The capital of permanent endowments must by law be retained. Expendable endowments are funds

which, although the capital and income is available to meet the objects of the Social Work Trust (subject to any donor-imposed restrictions), it is the Trustee's intention that the capital will be maintained.

- (ii) **Social Work Fund represents** monies already expended on the acquisition, construction and improvement of freehold and leasehold properties, schemes in progress and unspent allocated funds.
 - (iii) **Restricted Funds are held for** restricted purposes, as specified by the donors. All saha funds are reflected in the consolidated accounts as restricted funds.
 - (iv) **Unrestricted Funds include:**
 - Designated Reserves held for particular purposes designated by The Salvation Army in the exercise of its discretionary powers;
 - Unrealised Gains Reserve held to separate recognised gains still subject to market risk; and
 - General Reserve representing the net assets not designated for specific purposes.
- (j) **Foreign Currency Translation**

Exchange gains and losses arising from overseas operations are dealt with through the Statement of Financial Activities and are reflected under Charitable Expenditure. Transactions in foreign currencies are translated at the rates prevailing at the beginning of the month whereas monetary assets and liabilities at the year end are translated at the closing rates.

2. CHARITABLE ACTIVITIES: CENTRE OPERATIONS

	-----2022-----				-----2021-----	
	Maintenance & Special Care Allowance £000	Supporting People £000	Local Authority & Other Grants £000	Catering & Miscellaneous Income £000	Total £000	Total £000
Social Services Centres						
Older People	12,551	-	56	-	12,607	11,945
Single Homeless	8,008	9,564	917	105	18,594	18,288
Family and Children	1,394	2,392	734	228	4,748	4,286
Day Care	-	231	14	33	278	544
Addictions	483	728	2	-	1,213	1,244
Other Non-Residential Programmes	71	1,192	1,558	683	3,504	3,029
	<u>22,507</u>	<u>14,107</u>	<u>3,281</u>	<u>1,049</u>	<u>40,944</u>	<u>39,336</u>
Housing Association Centres						
Older People	1,093	-	3	-	1,096	1,094
Single Homeless	18,368	9,748	1,574	32	29,722	31,210
Family and Children	725	595	51	14	1,385	1,371
Addictions	-	-	-	-	-	7
	<u>20,186</u>	<u>10,343</u>	<u>1,628</u>	<u>46</u>	<u>32,203</u>	<u>33,682</u>
Social Enterprise	-	31	102	189	322	310
Total 2022	<u>42,693</u>	<u>24,481</u>	<u>5,011</u>	<u>1,284</u>	<u>73,469</u>	<u>73,328</u>
Total 2021	<u>42,998</u>	<u>23,206</u>	<u>6,142</u>	<u>982</u>		<u>73,328</u>

The income stream for Maintenance and Special Care Allowances is recognised when there is a recognised entitlement to the income which can be accurately measured.

£1,068,000 (2021: £6,510,000) of centres' revenue income represents contracts restricted income predominantly being funding received from local authorities to fund the activities at specific centres.

£169,000 (2021: £251,000) of Government Grants, £2,736,000 (2021: £3,355,000) of Local Authority Grants and £1,244,000 (2021: £1,640,000) of Other Grants were received as part of the centre's income.

3. OTHER SOCIAL OPERATIONS

	Endowments £000	Restricted £000	Unrestricted £000	2022 Total £000	2021 Total £000
Employment Plus	-	-	4,877	4,877	3,148
Anti-Human Trafficking	-	3,071	63,521	66,592	48,353
Defence Services Operations	-	-	173	173	144
Family Tracing, Counselling etc.	-	-	41	41	46
	-	3,071	68,612	71,683	51,691

Supporting People contract income of £62,108,000 (2021: £45,911,000) was received by the Anti-Human Trafficking Service. Government Grants of £1,570,000 (2021: £1,688,000) were received across the services as part of the income displayed in this note.

4. INVESTMENTS

	Restricted £000	Unrestricted £000	2022 Total £000	2021 Total £000
Dividends and Interest receivable	148	759	907	998
Rents receivable	-	483	483	498
	148	1,242	1,390	1,496

5. OTHER INCOME

	Endowments £000	Restricted £000	Unrestricted £000	2022 Total £000	2021 Total £000
Gain / (loss) on disposal of properties	-	1,437	-	1,437	160
Gain on disposal of motor vehicles and equipment	-	-	-	-	4
	-	1,437	-	1,437	164

6. ANALYSIS OF CENTRES' OPERATIONS COSTS

	-----2022-----						-----2021-----	
	Salaries & Other Staff Costs £000	Catering, Cleaning & Other Services £000	Other Operating Costs £000	Property & Furnishings £000	Support Costs £000	Governance Costs £000	Total £000	Total £000
Social Services Centres								
Older People	11,639	1,332	613	1,357	2,045	27	17,013	15,592
Single Homeless	11,736	758	4,012	2,185	715	30	19,436	20,901
Family and Children	3,311	62	329	550	798	8	5,058	4,590
Day Care Centres	348	25	98	148	81	1	701	879
Addictions	1,244	29	67	200	459	3	2,002	1,656
Other Non-Residential Programmes	4,011	516	439	402	1,257	14	6,639	5,566
	<u>32,289</u>	<u>2,722</u>	<u>5,558</u>	<u>4,842</u>	<u>5,355</u>	<u>83</u>	<u>50,849</u>	<u>49,184</u>
Housing Association Centres								
Older People	832	135	50	66	364	2	1,449	1,294
Single Homeless	15,198	2,970	1,421	3,218	10,751	51	33,609	33,559
Family and Children	842	40	126	177	402	2	1,589	1,630
Addictions	-	-	2	-	-	-	2	13
	<u>16,872</u>	<u>3,145</u>	<u>1,599</u>	<u>3,461</u>	<u>11,517</u>	<u>55</u>	<u>36,649</u>	<u>36,496</u>
Social Enterprise	338	178	193	113	163	2	987	656
Total Costs 2022	<u>49,499</u>	<u>6,045</u>	<u>7,350</u>	<u>8,416</u>	<u>17,035</u>	<u>140</u>	<u>88,485</u>	<u>86,336</u>
Total Costs 2021	<u>47,549</u>	<u>6,021</u>	<u>6,581</u>	<u>9,625</u>	<u>16,382</u>	<u>178</u>		<u>86,336</u>

Governance costs include external audit fees, exclusive of VAT, of £112,200 (2021: £148,333).

£3,987,000 (2021: £3,970,000) of centres' operations costs are funded from restricted funds.

Other Non-Residential Programmes expenditure in the above table includes expenditure of £1.37 million (2021: £0.95m) for Strawberry Field and £1.20 million (2021: £0.91m) for Hadleigh Farm.

6. ANALYSIS OF CENTRES' OPERATIONS COSTS (Cont.)

Support Costs consist of,	2022 £	2021 £
Centres' Support Costs	10,911	10,492
Other Support Costs		
Personnel	903	868
Business Administration	3,587	3,450
Communications	570	549
Secretariat	990	952
Mission Service Management	74	71
	<u>17,035</u>	<u>16,382</u>

7. OTHER SOCIAL OPERATIONS

	Endowments £000	Restricted £000	Unrestricted £000	2022 Total £000	2021 Total £000
Employment Plus	-	23	5,511	5,534	3,403
Anti-Human Trafficking	-	1,617	63,936	65,553	48,229
Defence Services Operations	-	-	324	324	260
Family Tracing, Counselling, etc.	-	7	2,241	2,248	2,071
	-	<u>1,647</u>	<u>72,012</u>	<u>73,659</u>	<u>53,963</u>

Employment Plus includes a number of matched funding contracts. As part of these contracts The European Commission funds 50% of the total expenditure and the other 50% is matched by The Salvation Army and charged against the Social Work Trust's reserves.

8. ANALYSIS OF TOTAL EXPENDITURE

	Staff Costs £000	Depreciation £000	Other Costs £000	2022 Total £000	2021 Total £000
Raising funds	-	-	50	50	50
Charitable activities	70,475	7,175	109,329	186,979	162,132
	<u>70,475</u>	<u>7,175</u>	<u>109,379</u>	<u>187,029</u>	<u>162,182</u>

9. PERSONNEL

	2022 Parent £000	2021 Parent £000	2022 Subsidiary £000	2021 Subsidiary £000	2022 Total £000	2021 Total £000
Allowances and salaries	44,880	42,303	8,702	8,722	53,582	51,025
Social security costs	3,870	3,617	650	637	4,520	4,254
Pension and similar costs	3,400	3,324	819	810	4,219	4,134
Redundancy costs	56	1	181	51	237	52
	<u>52,206</u>	<u>49,245</u>	<u>10,352</u>	<u>10,220</u>	<u>62,558</u>	<u>59,465</u>

Redundancy Costs

Redundancy costs relating to employees in the Social Work Trust, including saha, amounted to £236,924 (2021: £51,590). These costs are the result of staff restructuring at centres and closure of centres. Redundancy costs are recognised once a decision to make a post redundant has been communicated to an individual or the workforce.

The average number of officer and employees and full time equivalent (FTE) officers and employees was:

	2022 Headcount No.	2022 FTE No.	2021 Headcount No.	2021 FTE No.
Trust				
Number of officers	75	63	86	82
Number of employees	1,847	1,573	2,210	1,619
	<u>1,922</u>	<u>1,636</u>	<u>2,296</u>	<u>1,701</u>
Subsidiary	315	203	330	217
Total	<u>2,237</u>	<u>1,839</u>	<u>2,626</u>	<u>1,918</u>

Higher-Paid Employees

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

	2022 Parent No.	2022 Subsidiary No.	2022 Total No.	2021 Total No.
£60,001 - £70,000	4	1	5	4
£70,001 - £80,000	2	5	7	8
£80,001 - £90,000	-	-	-	1
£90,001 - £100,000	3	-	3	3
£100,001 - £110,000	-	-	-	1
£110,001 - £120,000	-	1	1	-
£120,001 - £130,000	-	-	-	-
£130,001 - £140,000	-	-	-	-
£140,001 - £150,000	-	-	-	1
£150,001 - £160,000	-	-	-	-
£160,001 - £170,000	-	1	1	-
	<u>9</u>	<u>8</u>	<u>17</u>	<u>18</u>

The directors of The Salvation Army Trustee Company comprise Salvation Army officers and employees and other external directors with specialist expertise. All active Salvation Army officers receive an allowance based on length of service and, as ministers of religion, are provided with furnished accommodation and a motor vehicle. They are also members of the Salvation Army Retired Officers Allowance Fund. The allowances received by the officers serving as directors ranged from £17,684.18 to £24,628.20 per annum and they did not receive any additional remuneration for their duties as directors. No allowances or salaries paid to any of the directors are charged direct to the Social Work Trust.

No trustees' expenses were charged to the Social Work Trust.

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

Certain directors of saha are remunerated. Lieut-Colonel Drew McCombe is a director of both saha and of The Salvation Army Trustee Company. He is remunerated £4,000 which is donated to The Salvation Army Trustee Company.

Key Management Personnel

The key management personnel of the Trust are those persons having authority and responsibility for planning, directing and controlling the activities of the Trust, directly or indirectly, including the directors of The Salvation Army Trustee Company as the Corporate Trustee of the Trust. The Trustee considers the key management personnel of the Trust to be the executive directors (officers and employees) of the Board. The total aggregate remuneration, including pension contributions, paid to key management personnel during the year was £200,942 (2021: £222,784). As detailed above, no allowances or salaries paid to any of the directors are charged directly to the Social Work Trust.

10. PENSION AND SIMILAR COSTS

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

- (i) The Salvation Army Retired Officers Allowance Fund relating to Salvation Army officers,
- (ii) The Salvation Army Employees Pension Fund for other staff,
- (iii) A defined contribution scheme set up to offer employees who are not members of the Salvation Army Employees Pension Fund the opportunity to join a pension scheme following the closure of the Employee Pension Scheme to new members with effect from 31 December 2011.

Amounts charged in respect of pension fund contributions for the year are disclosed in Note 9 above.

(a) SALVATION ARMY RETIRED OFFICERS ALLOWANCE FUND

The Salvation Army Retired Officers Allowance Fund was established by The Salvation Army Act 1963 under the legal name, The Salvation Army Officers Pension Fund. It is a registered charity and operates on the same basis as a defined benefit scheme, but the benefits are not guaranteed. It is non-contributory by the officer, but a contribution currently equivalent to £4,870 per officer, per annum (2021: £4,860), is made by The Salvation Army. Officers in both principal Trusts (The Salvation Army Trust and The Salvation Army Social Work Trust) participate in the scheme and it is not possible to allocate the assets and constructive liabilities of the Fund between the Trusts. Therefore, the Fund is accounted for in a similar way as a multi-employer pension fund.

The Salvation Army Retired Officers Allowance Fund was subject to a triennial actuarial review on 31 March 2019, using the Attained Age Method, and this was based on the following principal assumptions:

Post-Retirement Discount Rate	2.7% per annum
Pre-Retirement Discount Rate	3.4% per annum
Rate of Increase in Allowances and Pensions	4.1% per annum
Rate of Inflation	3.6% per annum

The market value of the Fund's assets at the valuation date amounted to £231.6m whereas the value of past service ongoing liabilities amounted to £238.8m revealing a funding shortfall of £7.2m.

A recovery plan was agreed whereby the contribution was increased to an amount equivalent to £4,870 per officer, per annum, from 1 April 2020, and The Salvation Army Trust would make an annual capital contribution to the scheme of £2m over a period of approximately 13 years. In practice, capital contributions in excess of this amount are being paid in order to fund the deficit over a shorter period of time and in 2021/22 the capital contribution paid by The Salvation Army Trust was £4m (2020/21: £4m).

Although the pension benefits are not guaranteed, they do represent a constructive liability as there are expectations that the pensions will be paid. Therefore, a provision is made in the financial statements of The Salvation Army Trust for the total discounted value of the future capital contributions which it has agreed to pay.

(b) SALVATION ARMY EMPLOYEES' PENSION FUND

The Salvation Army Employees' Pension Fund is a funded defined benefit scheme. The contribution rate payable by members is 8% of pensionable salaries and the employer's contribution is 30.2% of pensionable salaries.

The Scheme is a multi-employer scheme incorporating six employers. It closed to new members with effect from 31 December 2011. The actuary has confirmed that it is not practical to allocate the assets and liabilities of the scheme between participating employers and therefore it is accounted for as a multi-employer scheme.

The Scheme is subject to triennial actuarial valuations. The last actuarial valuation was completed, using the Projected Unit Method, at 31 March 2021.

The review was based on the following assumptions: -

Post-retirement discount rate	1.22% per annum
Pre-retirement discount rate	0.72% per annum
Rate of salary increases	3.55% per annum
Rate of pension increase:	
On pensions accrued before 6 April 2006	3.0% per annum
On pensions accrued after 6 April 2006	2.1% per annum
Inflation: RPI	3.05% per annum
CPI	2.3% per annum
Deferred Pension Increases (pre 6 April 2009)	3.12% per annum
Deferred Pension increases (post 6 April 2009)	2.02% per annum

The market value of the Fund's assets on the valuation date was £213.7m and the value of technical provisions amounted to £211.1m giving rise to a funding surplus of £2.5m.

(c) SOCIAL HOUSING PENSION SCHEME (SHPS)

saha participates in SHPS, a multi-employer pension scheme which provides benefits to non-associated participating employers. The scheme is classed as a defined benefit scheme in the UK. The scheme is classified as a 'last man standing' arrangement. Therefore, saha is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

Under the defined benefit pension accounting approach, the SHPS net deficit as at 1 April 2021 is £4,189k and £2,863k as at 31 March 2022.

saha have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

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

	2022 £000	2021 £000
Fair value of plan assets	18,477	17,257
Present value of defined benefit obligation	(21,340)	(21,446)
Surplus/(deficit) in plan	(2,863)	(4,189)
Deferred tax	-	-
Net defined benefit asset/(liability) to be recognised	(2,863)	(4,189)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	2022 £000	2021 £000
Defined benefit obligation at start of period	21,446	17,614
Expenses	13	13
Interest expense	460	414
Actuarial losses/(gains) due to scheme experience	1,833	(386)
Actuarial (gains)/ losses due to changes in demographic assumptions	(340)	77
Actuarial (gains)/ losses due to changes in financial assumptions	(1,600)	4,139
Benefits paid and expenses	(472)	(425)
Defined benefit obligation	21,340	21,446

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

	2022 £000	2021 £000
Fair value of plan assets at start of period	17,257	15,592
Interest income	374	371
Experience on plan assets (excluding amounts included in interest income) - gain/ (loss)	837	1,247
Contributions by the employer	481	472
Benefits paid and expenses	(472)	(425)
Fair value of plan assets at end of period	18,477	17,257

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2022 was £1,211,000 (2021: £1,618,000).

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF FINANCIAL ACTIVITIES

	2022 £000	2021 £000
Expenses	13	13
Net interest expense	86	43
Total expense	99	56

DEFINED BENEFIT COSTS RECOGNISED IN OTHER RECOGNISED GAINS AND LOSSES

	2022 £000	2021 £000
Experience on plan assets (excluding amounts included in net interest cost) - gain/ (loss)	837	1,247
Experience gains and (losses) arising on the plan liabilities	(1,833)	386
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain/(loss)	340	(77)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain/(loss)	1,600	(4,139)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain/(loss)	944	(2,583)
Total amount recognised in other recognised gains/(losses)	944	(2,583)

ASSETS

	2022 £000	2021 £000
Global Equity	3,546	2,750
Absolute Return	741	952
Distressed Opportunities	661	498
Credit Relative Value	614	543
Alternative Risk Premia	609	650
Fund of Hedge Funds	-	2
Emerging Markets Debt	538	697
Risk Sharing	608	628
Insurance-Linked Securities	431	414
Property	499	358
Infrastructure	1,316	1,151
Private Debt	474	412
Opportunistic Liquid Credit	621	439
High Yield	159	517
Opportunistic Credit	66	473
Cash	63	-
Corporate Bond Fund	1,233	1,020
Liquid Credit	-	206
Long Lease Property	475	338
Secured Income	688	718
Liability Driven Investment	5,156	4,386
Currency Hedging	(72)	-
Net Current Assets	51	105
Total assets	18,477	17,257

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

KEY ASSUMPTIONS

	2022 % per annum	2021 % per annum
Discount Rate	2.79%	2.17%
Inflation (RPI)	3.59%	3.28%
Inflation (CPI)	3.20%	12.86%
Salary Growth	4.20%	3.86%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies:

	<u>Life expectancy at age 65 (Years)</u>
Male retiring in 2022	21.1
Female retiring in 2022	23.7
Male retiring in 2042	22.4
Female retiring in 2042	25.2

EMPLOYER PENSION CONTRIBUTIONS

	2022 £000	2021 £000
Defined benefit employer contributions including deficit contributions	481	473
Growth Plan deficit contributions	30	29
Auto-enrolment & SHPS Defined contribution including deficit contribution	308	308
	<u>819</u>	<u>810</u>

The defined benefit pension costs for Salvation Army Housing Association was £481,349 (2021: £472,175). The pension cost is assessed in accordance with the advice of a qualified actuary using the Projected Unit Fund Method and is not materially different from that arising from the current employer's contribution rate.

(d) THE GROWTH PLAN

saha participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for saha to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, saha is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025: £3,312,000 per annum - payable monthly

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies. Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 September 2025: £11,243,000 per annum - (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the group has agreed to a deficit funding arrangement the group recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

PRESENT VALUE OF PROVISION

	2022 £000	2021 £000	2020 £000
Present value of provision	28	120	142

RECONCILIATION OF OPENING AND CLOSING CREDITOR

	2022 £000	2021 £000
Provision at start of period	120	142
Unwinding of the discount factor (interest expense)	1	3
Deficit contribution paid	(31)	(29)
Remeasurements - impact of any change in assumptions	(1)	4
Remeasurements - amendments to the contribution schedule	(61)	-
Provision at end of period	28	120

INCOME AND EXPENDITURE IMPACT

	2022 £000	2021 £000
Interest expense	1	3
Remeasurements - impact of any change in assumptions	(1)	(4)
Remeasurements - amendments to the contribution schedule	(61)	-

ASSUMPTIONS

	2022 % per annum	2021 % per annum	2020 % per annum
Rate of discount	2.35	0.66	2.53

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details the deficit contributions agreed between the group and the scheme at each year end period:

	2022 £000	2021 £000	2020 £000
Year 1	10	30	29
Year 2	10	31	30
Year 3	9	32	31
Year 4	-	28	32
Year 5	-	-	28
Year 6	-	-	-
Year 7	-	-	-
Year 8	-	-	-
Year 9	-	-	-
Year 10	-	-	-

The group must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the group's balance sheet liability.

saha also allows the employees to pay additional voluntary contributions (AVCs) into their pension scheme. The amount charged to the Statement of Comprehensive Income represents the contributions payable to the scheme in respect of the financial year. The contributions due in the year were £nil (2021: £nil).

AUTO-ENROLMENT

As a result of the introduction of pensions "auto-enrolment" by the Government, the cost of the new defined contribution scheme administered by SHPS was £288,259 (2021: £288,644) covering 298 employees (2021: 302 employees).

11. SALVATION ARMY HOUSING ASSOCIATION TURNOVER AND OPERATING COSTS

By virtue of saha's governing instrument, The Salvation Army Social Work Trust has effective control of saha.

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

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

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

	2022		2021	
	£000	£000	£000	£000
Turnover		24,579		24,714
Grants Received		-		-
		<u>24,579</u>		<u>24,714</u>
Operating Costs				
Staff Costs	(8,863)		(8,757)	
Other Costs*	<u>(9,728)</u>	(18,591)	<u>(9,271)</u>	(18,028)
Interest Payable		(865)		(1,037)
Property Depreciation		(5,330)		(2,756)
Tax		(49)		(12)
Gain/ (Loss) on Disposal of Assets (Note 5)		659		(539)
Gain/ (Loss) on revaluation of investment properties (Note 15)		2,950		(950)
Interest Receivable (Note 4)		1		7
Social Housing Pension Scheme (SHPS) Remeasurement of Obligation		-		-
Actuarial Gain / (Loss)		944		(2,583)
		<u>4,298</u>		<u>(1,184)</u>

*Other Costs includes temporary agency staff costs of £1,489,803 (2021: £1,462,151)

12. PROPERTIES

GROUP	Freehold £000	Leasehold £000	Total £000
Cost or Valuation			
Balance at 1 April 2021	207,716	50,811	258,527
Additions during the year	2,610	2,245	4,855
Schemes completed during the year (Note 13)	487	-	487
	<u>210,813</u>	<u>53,056</u>	<u>263,869</u>
Less: Disposals	(3,512)	(747)	(4,259)
Balance at 31 March 2022	<u>207,301</u>	<u>52,309</u>	<u>259,610</u>
Accumulated Depreciation			
Balance at 1 April 2021	49,004	14,046	63,050
Charge for the year	4,780	2,309	7,089
Less: Disposals	(1,146)	(443)	(1,589)
Balance at 31 March 2022	<u>52,638</u>	<u>15,912</u>	<u>68,550</u>
Net Book Value at 31 March 2022	<u>154,663</u>	<u>36,397</u>	<u>191,060</u>
Net Book Value at 31 March 2021	<u>158,712</u>	<u>36,765</u>	<u>195,477</u>

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

PARENT	Freehold £000	Leasehold £000	Total £000
Cost			
Balance at 1 April 2021	109,267	693	109,960
Additions during the year	-	-	-
Schemes completed during the year	487	-	487
	<u>109,754</u>	<u>693</u>	<u>110,447</u>
Less: Disposals	(1,535)	(125)	(1,660)
Balance at 31 March 2022	<u>108,219</u>	<u>568</u>	<u>108,787</u>
Accumulated Depreciation			
Balance at 1 April 2021	33,423	115	33,538
Charge for the year	1,764	14	1,778
Less: Disposals	(281)	(11)	(292)
Balance at 31 March 2022	<u>34,906</u>	<u>118</u>	<u>35,024</u>
Net Book Value at 31 March 2022	<u>73,313</u>	<u>450</u>	<u>73,763</u>
Net Book Value at 31 March 2021	<u>75,844</u>	<u>578</u>	<u>76,422</u>

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

Group properties and schemes in progress have attracted capital funding from Homes England of £150.521m (£17.174 million by the parent charity). Should these properties be sold, this amount will be repayable to Homes England (the amounts repayable being limited by the proceeds of sale) unless Homes England consent to this funding being recycled to other schemes.

The Salvation Army, in common with other churches, provides ministers of religion (officers) and retired ministers of religion with accommodation and holds a portfolio of properties to allow it to do so. Occasionally properties are not required immediately to provide accommodation to officers and retired officers and these, where possible, are let on short-term tenancies until required to accommodate officers. The Salvation Army does not consider these properties to

be investment properties as their availability for use, other than for the work of the charity, is typically of limited duration.

13. PROPERTY SCHEMES IN PROGRESS

	Group		Parent	
	2022 £000	2021 £000	2022 £000	2021 £000
Balance at 1 April 2021	4,671	2,457	4,370	2,159
Additions during the year	1,833	2,543	1,833	2,540
	<u>6,504</u>	<u>5,000</u>	<u>6,203</u>	<u>4,699</u>
Property schemes capitalised during the year	(487)	(234)	(487)	(234)
Scheme's revenue expenditure	(417)	(95)	(193)	(95)
Balance at 31 March 2022	<u><u>5,600</u></u>	<u><u>4,671</u></u>	<u><u>5,523</u></u>	<u><u>4,370</u></u>

14. MOTOR VEHICLES AND EQUIPMENT

GROUP	Motor Vehicles £000	Equipment £000	Total £000
Cost			
Balance at 1 April 2021	1,348	1,654	3,002
Additions during the year	62	191	253
Disposals	-	(21)	(21)
Balance at 31 March 2022	<u>1,410</u>	<u>1,824</u>	<u>3,234</u>
Accumulated Depreciation			
Balance at 1 April 2021	1,144	1,619	2,763
Charge for the year	67	19	86
Disposals	-	(21)	(21)
Balance at 31 March 2022	<u>1,211</u>	<u>1,617</u>	<u>2,828</u>
Net Book Value at 31 March 2022	<u>199</u>	<u>207</u>	<u>406</u>
Net Book Value at 31 March 2021	<u>204</u>	<u>35</u>	<u>239</u>
PARENT			
Cost			
Balance at 1 April 2021	1,306	-	1,306
Additions during the year	61	-	61
Disposals	-	-	-
Balance at 31 March 2022	<u>1,367</u>	<u>-</u>	<u>1,367</u>
Accumulated Depreciation			
Balance at 1 April 2021	1,101	-	1,101
Charge for the year	67	-	67
Disposals	-	-	-
Balance at 31 March 2022	<u>1,168</u>	<u>-</u>	<u>1,168</u>
Net Book Value at 31 March 2022	<u>199</u>	<u>-</u>	<u>199</u>
Net Book Value at 31 March 2021	<u>205</u>	<u>-</u>	<u>205</u>

15. INVESTMENTS

FIXED ASSET INVESTMENTS

GROUP AND PARENT

	Unlisted £000	Units in CIF 1 £000	Units in CIF 2 £000	Total £000
Cost/Market Value at 1 April 2021	5	3,505	120,404	123,914
Additions	-	-	-	-
Unrealised Gains/(Losses) on investments	-	237	7,260	7,497
Cost/Market Value at 31 March 2022	5	3,742	127,664	131,411

At 31 March 2022, units held in The Salvation Army Common Investment Fund No 1 had a unit value of £2.7720 (2021: £2.5966).

At 31 March 2022, units held in The Salvation Army Common Investment Fund No 2 had a unit value of £4.1406 (2021: £3.5374).

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

INVESTMENT PROPERTIES

	Group	
	2022 £000	2021 £000
Balance at 1 April 2021	29,050	30,000
Additions during the year	-	-
Property revaluation adjustment - increase/decrease in value	2,950	(950)
Investment property valuation at year end	<u>32,000</u>	<u>29,050</u>
Fixed Assets Investments (from above)	<u>131,411</u>	<u>123,915</u>
Total Investments	<u>163,411</u>	<u>152,965</u>

This property at Waterloo, London is used for student accommodation. The revaluation undertaken by Savills, professional external valuers, at 31 March 2022 has resulted in an increase in the property valuation.

16. DEBTORS AND PREPAYMENTS

	GROUP		PARENT	
	2022 £000	2021 £000	2022 £000	2021 £000
Accommodation charges outstanding	1,526	916	893	636
Sundry debtors and accrued income	13,937	11,457	12,945	10,273
Connected Salvation Army Trusts and Companies	7,929	-	7,929	-
	<u>23,392</u>	<u>12,373</u>	<u>21,767</u>	<u>10,909</u>

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

	GROUP		PARENT	
	2022 £000	2021 £000	2022 £000	2021 £000
Trade creditors and accruals	13,494	15,435	10,412	12,485
Deferred Income	3,384	2,651	273	256
Tax and Social Security	3,245	4,784	3,245	4,784
Connected Salvation Army Trusts and Companies	-	7,718	-	7,718
Bank Loans repayable within one year (Note 17(b))	2,507	1,565	-	-
	<u>22,630</u>	<u>32,153</u>	<u>13,930</u>	<u>25,243</u>

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

	GROUP		PARENT	
	2022 £000	2021 £000	2022 £000	2021 £000
Multi-Employer Pension Scheme (note 10(d))	28	120	-	-
Recycled Social Housing Grant	1,148	633	-	-
Loans repayable between 1 & 2 years	2,581	1,528	-	-
Loans repayable between 3 to 5 years	3,823	10,939	-	-
Loans repayable over five years	13,396	15,204	-	-
	<u>20,976</u>	<u>28,424</u>	<u>-</u>	<u>-</u>

Housing loans from private sources are secured by charges on saha specific housing properties and are repayable between 2022 and 2044 at varying rates of interest between 0.89% and 11.50%.

18. OPERATING LEASES

	GROUP		PARENT	
	2022 £000	2021 £000	2022 £000	2021 £000
The Group has future minimum lease commitments of:				
Land and Buildings				
Within one year	260	235	-	-
One to five years	654	137	-	-
Over five years	142	50	-	-
	<u>1,056</u>	<u>422</u>	<u>-</u>	<u>-</u>

	GROUP		PARENT	
	2022 £000	2021 £000	2022 £000	2021 £000
Other operating leases				
Within one year	193	195	-	-
One to five years	591	604	-	-
Over five years	11	145	-	-
	<u>795</u>	<u>944</u>	<u>-</u>	<u>-</u>

19. ENDOWMENTS

GROUP AND PARENT	Balance 1 April 2021 £000	New Funds Received £000	Changes in Market Value of Investments £000	Transfers £000	Balance 31 March 2022 £000
Expendable Endowment					
Xenia Field Capital Fund	14,116	-	851	-	14,967
Permanent Endowments					
H.M. Brant	20	-	-	-	20
J.B. Crighton	121	-	9	-	130
Miss M.B. Hill	35	-	-	-	35
C.J. and E.J. Melbourne	79	-	-	-	79
Blackmore Mission	1	-	-	-	1
M.J. Fowler	16	-	-	-	16
R. Pattison	14	-	-	-	14
Leeds Guardian Homes Trust	14	-	-	-	14
E.S. Brant Trust	1,234	-	83	-	1,317
Birmingham Girls Trust	188	-	13	-	201
	<u>1,722</u>	<u>-</u>	<u>105</u>	<u>-</u>	<u>1,827</u>
	<u>15,838</u>	<u>-</u>	<u>956</u>	<u>-</u>	<u>16,794</u>

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

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

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

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

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

31 March 2021

GROUP AND PARENT	Balance 1 April 2020 £000	New Funds Received £000	Changes in Market Value of Investments £000	Transfers £000	Balance 31 March 2021 £000
Expendable Endowment					
Xenia Field Capital Fund	11,275	-	2,841	-	14,116
Permanent Endowments					
H.M. Brant	20	-	-	-	20
J.B. Crighton	96	-	25	-	121
Miss M.B. Hill	35	-	-	-	35
C.J. and E.J. Melbourne	79	-	-	-	79
Blackmore Mission	1	-	-	-	1
M.J. Fowler	16	-	-	-	16
R. Pattison	14	-	-	-	14
Leeds Guardian Homes Trust	14	-	-	-	14
E.S. Brant Trust	1,009	-	225	-	1,234
Birmingham Girls Trust	154	-	34	-	188
	<u>1,438</u>	<u>-</u>	<u>284</u>	<u>-</u>	<u>1,722</u>
	<u>12,713</u>	<u>-</u>	<u>3,125</u>	<u>-</u>	<u>15,838</u>

20. RESTRICTED FUNDS

GROUP

	Balance 1 April 2021 (restated) £000	Income and Movement in Market Value of Investments £000	Expenditure and Actuarial Movement on Defined Benefit Pension Scheme £000	Transfers From/(to) Unrestricted Reserves £000	Transfers between Restricted Funds £000	Balance 31 March 2022 £000
Social Work Fund	76,422	778	(1,778)	2,756	4,365	82,543
Other Restricted Funds						
Social Work projects including property funding	36,328	8,745	(3,856)	998	(4,365)	37,850
saha operations - property purposes	123,770	28,189	(23,892)	-	-	128,067
	160,098	36,934	(27,748)	998	(4,365)	165,917
	<u>236,520</u>	<u>37,712</u>	<u>(29,526)</u>	<u>3,754</u>	<u>-</u>	<u>248,460</u>

Social Work Fund represents sums already expended on the properties used by The Salvation Army in its social work throughout the United Kingdom and, with effect from 1 April 2021 includes work in progress and unspent allocated funds.

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

All saha funds are treated as restricted in the group's accounts.

Transfers between funds arise from property transactions, because all funds expended on property assets are reflected as restricted funds, net of funding of homeless and older people's services centres from legacy funds. Transfers between restricted funds included £4,365k in respect of property funding previously included as part of Social Work Projects but now included within Social Work Funds.

PARENT

	Balance 1 April 2021 (restated) £000	Income and Movement In Market Value of Investments £000	Expenditure £000	Transfers From/(to) Unrestricted Reserves £000	Transfers between Restricted Funds £000	Balance 31 March 2022 £000
Social Work Fund						
Funding of properties for charitable purposes	76,422	778	(1,778)	2,756	4,365	82,543
Other Restricted Funds						
Social Work projects including property funding	36,328	8,745	(3,856)	998	(4,365)	37,850
	112,750	9,523	(5,634)	3,754	-	120,393

31 March 2021

GROUP

	Balance 1 April 2020 (restated) £000	Income and Movement in Market Value of Investments (restated) £000	Expenditure and Actuarial Movement on Defined Benefit Pension Scheme £000	Transfers From/(to) Unrestricted Reserves (restated) £000	Transfers between Restricted Funds £000	Balance 31 March 2021 (restated) £000
Social Work Fund	75,624	42	(2,614)	3,370	-	76,422
Other Restricted Funds						
Social Work projects including property funding	32,949	12,961	(2,593)	(6,989)	-	36,328
saha operations - property purposes	124,954	23,232	(24,416)	-	-	123,770
	157,903	36,193	(27,009)	(6,989)	-	160,098
	233,527	36,235	(29,623)	(3,619)	-	236,520

31 March 2021

PARENT

	Balance 1 April 2020 (restated) £000	Income and Movement In Market Value of Investments (restated) £000	Expenditure £000	Transfers From/(to) Unrestricted Reserves (restated) £000	Transfers between Restricted Funds £000	Balance 31 March 2021 (restated) £000
Social Work Fund						
Funding of properties for charitable purposes	75,624	42	(2,614)	3,370	-	76,422
Other Restricted Funds						
Social Work projects including property funding	32,949	12,961	(2,593)	(6,989)	-	36,328
	108,573	13,003	(5,207)	(3,619)	-	112,750

21. UNRESTRICTED FUNDS

GROUP AND PARENT

	Balance 1 April 2021 (restated) £000	Income and Movement in Market Value of Investments £000	Expenditure £000	Transfers From/(to) Restricted Reserves £000	Transfers between Unrestricted Funds £000	Balance 31 March 2022 £000
General Reserves	12,864	166,530	(156,527)	(3,499)	(4,000)	15,368
Unrealised Investment Gains	64,816	6,422	-	-	-	71,238
	77,680	172,952	(156,527)	(3,499)	(4,000)	86,606
Designated Reserves						
Property Purposes	15,087	172	(32)	(255)	4,000	18,972
Vehicles	1,472	16	-	-	-	1,488
Social Work projects	3,067	-	-	-	-	3,067
	19,626	188	(32)	(255)	4,000	23,527
	97,306	173,140	(156,559)	(3,754)	-	110,133

The General Reserve is required to fund the day-to-day needs of The Salvation Army Social Work Trust.

Unrestricted Funds include designated reserves which have been set aside by the Trustee for specific purposes.

31 March 2021

GROUP AND PARENT

	Balance 1 April 2020 (restated) £000	Income and Movement in Market Value of Investments (restated) £000	Expenditure £000	Transfers From/(to) Restricted Reserves (restated) £000	Transfers between Unrestricted Funds £000	Balance 31 March 2021 (restated) £000
General Reserves	8,197	135,692	(135,011)	3,986	-	12,864
Unrealised Investment Gains	44,087	20,729	-	-	-	64,816
	52,284	156,421	(135,011)	3,986	-	77,680
Designated Reserves						
Property Purposes	14,608	846	-	(367)	-	15,087
Vehicles	1,468	4	-	-	-	1,472
Social Work projects	3,198	-	(131)	-	-	3,067
	19,274	850	(131)	(367)	-	19,626
	71,558	157,271	(135,142)	3,619	-	97,306

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP	Endowment Funds £000	Social Work Fund £000	Other Restricted Funds £000	Un- restricted Reserves £000	Total £000
Fixed Assets					
Properties	-	73,763	117,297	-	191,060
Property schemes in progress	-	5,523	77	-	5,600
Motor vehicles and equipment	-	-	207	199	406
Investments	16,794	-	32,000	114,617	163,411
Current Assets less Liabilities	-	3,257	16,336	(4,683)	14,910
Total Net Assets	16,794	82,543	165,917	110,133	375,387
PARENT	Endowment Funds £000	Social Work Fund £000	Other Restricted Funds £000	Un- restricted Reserves £000	Total £000
Fixed Assets					
Properties	-	73,763	-	-	73,763
Property schemes in progress	-	5,523	-	-	5,523
Motor vehicles and equipment	-	-	-	199	199
Investments	16,794	-	-	114,617	131,411
Net Current Assets	-	3,257	37,850	(4,683)	36,424
Total Net Assets	16,794	82,543	37,850	110,133	247,320
31 March 2021 GROUP	Endowment Funds £000	Social Work Fund £000	Other Restricted Funds (restated) £000	Un- restricted Reserves (restated) £000	Total £000
Fixed Assets					
Properties	-	76,422	119,055	-	195,477
Property schemes in progress	-	-	4,671	-	4,671
Motor vehicles and equipment	-	-	34	205	239
Investments	15,838	-	29,051	108,076	152,965
Current Assets less Liabilities	-	-	7,287	(10,975)	(3,688)
Total Net Assets	15,838	76,422	160,098	97,306	349,664
PARENT	Endowment Funds £000	Social Work Fund £000	Other Restricted Funds (restated) £000	Un- restricted Reserves (restated) £000	Total £000
Fixed Assets					
Properties	-	76,422	-	-	76,422
Property schemes in progress	-	-	4,370	-	4,370
Motor vehicles and equipment	-	-	-	205	205
Investments	15,838	-	-	108,076	123,914
Net Current Assets	-	-	31,958	(10,975)	20,983
Total Net Assets	15,838	76,422	36,328	97,306	225,894

23. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES

	2022 £000	2021 £000
Net income / (expenditure)	25,723	31,866
Unrealised loss/ (gain) on investments	(10,446)	(23,926)
Realised (gain) on disposal of properties	(1,437)	(160)
Depreciation of motor vehicles and equipment	86	239
Depreciation of properties	7,089	4,720
Investment and rental income	(1,390)	(1,496)
(Profit) on sale of motor vehicles	-	(4)
Increase in stocks	(44)	(25)
(Increase)/Decrease in debtors	(11,019)	3,161
Schemes in progress written off	417	95
Increase/ (Decrease) in creditors	(10,042)	(1,999)
Increase/ (Decrease) in Defined Benefit pension scheme liability	(1,326)	2,167
Interest payable	865	1,037
Net inflow/ (outflow) from operating activities	<u>(1,524)</u>	<u>15,675</u>

24. CAPITAL COMMITMENTS

At the balance sheet date, commitments made by The Salvation Army Social Work Trust Group in relation to the construction or refurbishment of property amounted to £nil (2021: £58k).

25. RELATED PARTY TRANSACTIONS

During the current year grants totalling £23.5m (2021: £16.0m) were received from The Salvation Army Trust. An overhead recharge of £10.8m (2021: £10.0m) was charged from The Salvation Army Trust during the year, representing the Social Work Trust's share of central overhead costs which were incurred by The Salvation Army Trust. In addition, recharges of £68k (2021: £66k) were charged to The Salvation Army Social Work Trust for hire of rooms at corps premises.

26. PRIOR YEAR ADJUSTMENT

A detailed review during the year of the Trust's restricted and designated reserves identified three designated funds, with an aggregate balance of £7.446m as at 31 March 2021, which were incorrectly classified as restricted funds in the previous financial statements. This error has been corrected in the current year by a prior year adjustment as below. The impact of the adjustment is an equal and opposite adjustment to the opening reserves position between restricted and unrestricted funds. There is no change to the result for the year ended 31 March 2021.

Summary of brought forward reserves at 1 April 2021 on Balance Sheet:

	<u>As originally stated £000</u>	<u>Adjustments £000</u>	<u>As restated £000</u>
RESERVES			
Restricted Funds			
Social Work Projects including property	43,774	(7,446)	36,328
Unrestricted Funds			
Property Purposes	9,288	5,799	15,087
Social Work Projects including property	1,420	1,647	3,067
	<u> </u>	<u> </u>	<u> </u>
		-	

Summary of consolidated SOFA adjustments for the year ended 31 March 2021 on comparative SOFA:

	<u>As originally stated £000</u>	<u>Adjustments £000</u>	<u>As restated £000</u>
Restricted Funds			
Investments	242	(189)	53
Unrestricted Funds			
Investments	1,254	189	1,443
	<u> </u>	<u> </u>	<u> </u>
		-	

Restatement of brought forward reserves at 1 April 2020 on comparative SOFA:

	<u>As originally stated £000</u>	<u>Adjustments £000</u>	<u>As restated £000</u>
RESERVES			
Restricted Funds	240,151	(6,624)	233,527
Unrestricted Funds	64,934	6,624	71,558
	<u> </u>	<u> </u>	<u> </u>
		-	

27. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITY FOR THE YEAR ENDED 31 MARCH 2021

	Endowments £000	Restricted (restated) £000	Unrestricted (restated) £000	2021 Total £000
INCOME AND ENDOWMENTS FROM:				
Donations and Legacies				
Grants receivable: TSA Trust	-	-	16,000	16,000
Donations	-	2,923	1,222	4,145
Legacies	-	1,098	70	1,168
	-	4,021	17,292	21,313
Charitable Activities				
Centres' operations	-	6,510	66,818	73,328
Other social operations	-	2,107	49,584	51,691
Housing Association turnover	-	24,714	-	24,714
	-	33,331	116,402	149,733
Investments (as restated)	-	53	1,443	1,496
Other	-	-	-	-
Gains on disposal of fixed assets	-	(539)	703	164
TOTAL INCOME (as restated)	-	36,866	135,840	172,706
EXPENDITURE ON:				
Raising Funds				
Investment management costs	-	-	50	50
	-	-	50	50
Charitable Activities				
Centres' operations	-	3,970	82,366	86,336
Other social operations	-	1,237	52,726	53,963
Housing Association operating costs	-	21,833	-	21,833
	-	27,040	135,142	162,182
TOTAL EXPENDITURE	-	27,040	135,142	162,182
Net Gains on Investments	3,125	(631)	21,431	23,925
NET EXPENDITURE (as restated)	3,125	9,195	22,129	34,449
Transfers between Funds (as restated)	-	(3,619)	3,619	-
Actuarial Gains / (Losses) on Defined Benefit Pension Schemes	-	(2,583)	-	(2,583)
NET MOVEMENT IN FUNDS (as restated)	3,125	2,993	25,748	31,866
RECONCILIATION OF FUNDS:				
Total Funds brought forward (as restated)	12,713	233,527	71,558	317,798
TOTAL FUNDS CARRIED FORWARD (as restated)	15,838	236,520	97,306	349,664

28. POST BALANCE SHEET EVENT

During February 2022 Russian forces invaded Ukraine causing a humanitarian and political crisis which had a global economic impact, giving rise to significant falls in the UK and global stock markets. The trust's investment portfolio saw material unrealised losses after the year-end, reflecting the volatility of the global markets. The main portfolio value fell from £131.4m at 31 March 2022 to £119.9m at 30 September 2022, representing a 9% fall in market value. The investment portfolio is being managed as part of a long-term investment strategy and its performance is regularly being monitored. At the time of this report, we do not expect the Russian - Ukraine conflict to materially affect our planned activity.

The uncertainty, and the associated sanctions against Russia and Russian individuals, has led to volatility in investment markets. How those events might develop, the scale of those developments and the wider impacts are hard to predict, though a period of heightened uncertainty seems inevitable. The amount of exposure to Russia is regarded as immaterial to The Salvation Army Retired Officers Allowance Fund and The Salvation Army Employees' Pension Fund. The Trustees of the pension schemes have not identified any material risks to the funds or employer covenant because of Russian Sanctions although the Trustees will continue to closely monitor the situation.

The mini-budget unveiled by the British Government in September 2022 has had a material impact on asset holdings of the pension schemes. When comparing the value of assets as at the last audited accounts (31st March 2022) the investments under management totalled £213.7m. The latest fund value, as at 14 October 2022, saw the investments under management reduce to £181.2m. It is expected that the liabilities will reduce over the period, due to bond yield prices moving, although at the time of these accounts being prepared the known number to indicate this change and whether the funding position on the technical provisions places the pension scheme in a surplus is unknown (although this is expected) but will be continued to be monitored and reviewed regularly.