



ABF

THE SOLDIERS'

CHARITY

Annual Report and Consolidated Accounts 2013–2014

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THE SOLDIERS'

CHARITY

Our Vision

“That all serving and former soldiers and their dependants should have the opportunity to avoid hardship and enjoy independence and dignity.”

Major General (Retd) Martin Rutledge CB OBE
Chief Executive



Our Vision, Purpose, Values and Goals

ABF The Soldiers' Charity is the Army's National Charity, established in 1944 to ensure that the hardships endured by soldiers in the aftermath of 1914-18 were never repeated. Over the last 70 years, we have helped countless people from the Army family, defining our work through the Army's own values of courage, loyalty and selflessness. We are still here, changing and adapting to meet the current needs of today's Army.

Our Purpose

- ◆ We give a lifetime of support to serving and retired soldiers and their families in need.
- ◆ We make grants to individuals through their Regiments and Corps.
- ◆ We make grants to specialist organisations and charities that help soldiers and their families.
- ◆ We work with veterans of every conflict, including the Second World War and those from current operations.
- ◆ We make grants payments quickly, and this responsiveness can make a significant difference at a critical point in peoples' lives.

Our Values

- ◆ **Integrity**
ABF The Soldiers' Charity is part of the Army's and Nation's fabric; we must act accordingly.
- ◆ **Respect**
We respect every individual and their needs.
- ◆ **Loyalty**
We have a sense of loyalty to the Army as an institution, its people and those who support us.
- ◆ **Inspiration**
We create opportunities and inspire others, with the emphasis on providing a 'hand-up' not a 'hand-out'.
- ◆ **Commitment**
We must be approachable, effective and quick to respond.
- ◆ **Courage**
We act on behalf of our beneficiaries without fear or favour, telling it as it is.

Our Goals

The Charity's strategic objectives were reviewed and updated by the Trustees in March 2014. Further details of the assumptions underpinning future plans are extracted from the Three Year Strategy Framework 2014-2017 and included later in this Report.

The strategic objectives are:

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

Chairman's Statement



I am pleased to introduce this Annual Report which provides an overview of the work and achievements of ABF The Soldiers' Charity in 2013/14, and the actions we are taking to ensure the Charity's sustainability. It has again been an extremely busy and productive year, which has seen the Charity contribute almost £8m of grants in support of individuals and through grants to specialist charities, all made possible by the continuing generosity of our supporters, whether individuals, corporate bodies or charitable trusts.

This Report provides examples of the wide range of fundraising activities being undertaken by our staff and supporters, and where the Charity's funding is enhancing the lives of the Army family, whether they are serving soldiers or veterans and their families, providing them with a timely 'hand-up' rather than a 'hand-out' when in real need. Now in its 70th year, the Charity is well placed to continue to support current and future generations of beneficiaries for many years to come.

I am most grateful to all the Trustees for their continuing support and dedication, to the Chief Executive and all the staff for their hard work, and to our many volunteers for all their valuable support during 2013/14, hoping that their important and much appreciated work will continue in the future.

In particular, I would like to express my thanks to: Major Sir Michael Parker, who stepped down from the Board of Trustees after 13 years; to Major General Richard Nugee and Warrant Officer Class One (Academy Sergeant Major) Vern Stokes; and Brigadier Robbie Scott-Bowden who has been our hard-working Director of Regions for three years. Finally I would wish to pay tribute to Colonel Paul Cummings for his immense contribution as Director of Grants & Welfare over the last eight years, and wish him well in his retirement.

Major General (Retd) Peter Sheppard CB CBE
Chairman

Chief Executive's Statement



Our caseload and grants to charities can only be sustained if we are able to continue to raise sufficient funds especially as, unlike most other Service charities, we receive no State funding whatsoever. Here the picture has been mixed, but largely positive. Routine fund raising has reduced only slightly, which reflects a huge amount of hard work by staff and volunteers alike, but that has been significantly reinforced by new sources of income. Overall our figures this year report a modest deficit and a charity well placed to respond to this uncertain future.

Our partner charities remain essential to both our operations and those of the Regiments and Corps with whom we work so closely. Whilst many of these charities will receive significant grants from us, in return they deliver a great deal on behalf of the Charity and the wider Army family at large. We remain very grateful, as we do to our many volunteers who reinforce these efforts.

Finally our relationship with the Army remains key as their national charity. A majority, certainly three quarters or more, of all Service cases inevitably relate to Army personnel in their various forms, so it is critical we work closely together. The Regiments and Corps remain the first line of support and deal with us on a day-by-day, and often hour-by-hour, basis. Meanwhile we also work very closely with the chain of command and their welfare resources, to ensure we collectively understand the need and can respond in a resolutely effective and coordinated manner. There is always room for improvement here, but there is much to applaud.

Major General (Retd) Martin Rutledge CB OBE
Chief Executive

This year has seen a period of transition for the work of the Charity, but from 'What' and more especially to 'Where' will take time to become clear. Obviously we are now in a post-Afghanistan phase and, barring unexpected further major conflicts, our focus will inevitably turn back a little more to our normal case load rather than the operational casualties. How big that load might be in the future remains difficult to predict, but for now the Charity is well placed to respond with agility and considerable expertise.

Thankfully, the Wounded, Injured and Sick cohort are reducing as some emerge from their varied medical pathways, and it has been hugely gratifying to see our major investment in the Defence Recovery Careers Service, through the Specialist Employment Consultants, yielding substantive results; over two thirds of their clients go on to secure genuine employment, or similar opportunities. Meanwhile, after 8 years of double digit annual increases in our individual grants, we have seen a 9% reduction in routine cases - although individual cases are often increasingly costly or complex, linked to increasing life expectancy. This is a marked change from last year, but it's a little early to prejudge a new trend.

Our Governance, Structure and Management

Founded in 1944, ABF The Soldiers' Charity, formerly the Army Benevolent Fund, is a Company limited by guarantee not having a share capital (Company No. 07974609), governed by the Articles of Association of ABF The Soldiers' Charity. The Company was incorporated on 2 March 2012 and the Charity was registered with the Charity Commission on 14 March 2012 (Charity No. 1146420). The Charity is also registered with the Office of the Scottish Charity Regulator (Scottish Charity No. SC039189).

The Charity's objectives are:

"To benefit persons who are serving or who have served in the British Army, or their dependants, in any charitable way by the provision of grants, loans, gifts, pensions or otherwise."

The Charity is governed by a Board of Trustees, chaired by Major General (Retired) Peter Sheppard. The Board is ultimately responsible for our strategic direction, supported by its Committees. The day-to-day running of the Charity is the responsibility of the Executive Board (the Senior Management Board). The way that we are governed fully complies with the Code for the Voluntary and Community Sector, endorsed by the Charity Commission.

Our Board of Trustees

Our Board of Trustees is currently made up of 12 Trustees, who are also Members and Directors of the charitable company (the Charity). They set our strategic direction and are responsible for ensuring that we uphold our values and governance, and deliver our objectives. They guide, advise and support the Chief Executive; they decide how we spend our money and approve our budgets. They delegate certain responsibilities to Trustee-led committees and the Executive Board, outlined below. The Board of Trustees met four times during the period and communicated frequently between meetings.

Our Trustees

Under the Company's Articles of Association, the Trustees and Chairman are appointed for an initial period of three years, which can be extended for up to two further three-year periods. No Trustee can serve for a consecutive period of more than nine years.

Trustees are selected after a thorough search for suitable candidates through open competition. On appointment, each Trustee undergoes an induction programme tailored to their knowledge and experience. The Trustees deploy a wide range of skills and experience essential to good governance. A Register of Trustees' interests is held centrally.

The Trustees who served during the period and at the date of this report are listed below:

Chairman

Major General (Retd) P J Sheppard CB CBE

Deputy Chairman

Mr Stephen Clark TD FCIB Chartered FCSI (HON)

Major General R R Davis CBE (from November 2013)

Mr Guy C Davies

Mr Damien E Francis

Brigadier (Retd) A W Freemantle CBE

Mrs Alison Gallico

WO1 (AcSM) G Haughton GREN GDS (from March 2014)

Mr Paul Hearn (from April 2013)

Major General (Retd) A I G Kennedy CB CBE

Mr Simon Martin (from April 2013)

Major General (Retd) M D Wood CBE (from April 2013)

Trustees who retired during the year:

Major General R E Nugee CBE (November 2013)

Major (Retd) Sir Michael Parker KCVO CBE (November 2013)

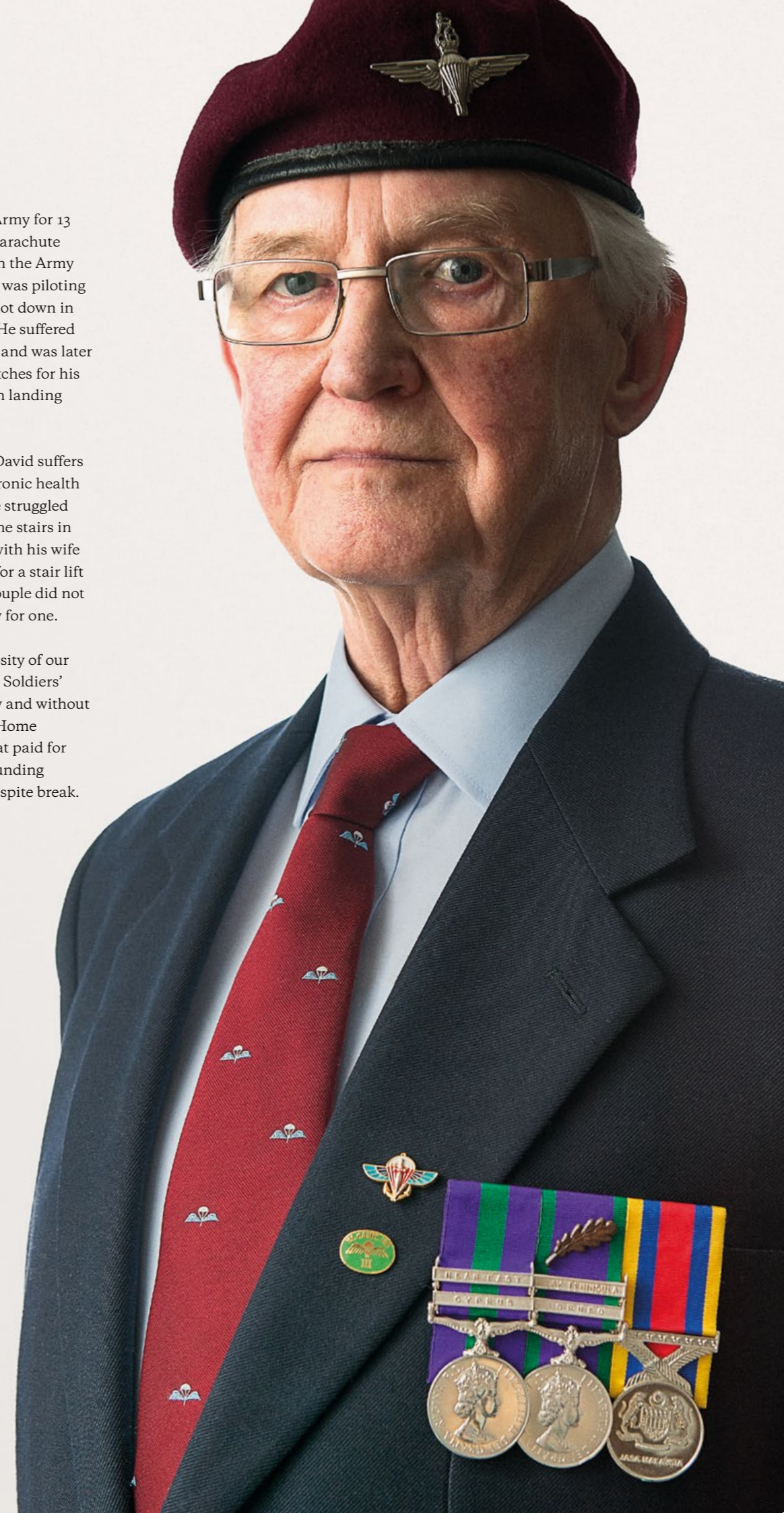
WO1 (AcSM) A Stokes COLDM GDS (March 2014)

David Thackeray

David served in the Army for 13 years; first with the Parachute Regiment and then in the Army Air Corps. In 1963 he was piloting a plane which was shot down in the Malayan jungle. He suffered two gunshot wounds and was later Mentioned in Despatches for his courageous actions in landing the aircraft.

Now in his late 70s, David suffers from a number of chronic health issues. As a result, he struggled to get up and down the stairs in the home he shares with his wife Margaret. The need for a stair lift was urgent but the couple did not have the funds to pay for one.

Thanks to the generosity of our supporters, ABF The Soldiers' Charity acted quickly and without fuss, giving David a Home Adaptation Grant that paid for a stairlift as well as funding for a much needed respite break.



For more information on our Trustees and their biographies, please visit www.soldierscharity.org



Dilli Gurung

Dilli fought in the Falklands with 7th Duke of Edinburgh's Own Gurkha Rifles. He was stationed at Bluff Cove during an Argentine air strike that killed 56 British servicemen and was later a Platoon Sergeant for the assault on Mount William. He served for 27 years in the British Army.

In late 2013, Dilli finally returned to the Falkland Islands with a group of fellow veterans. This pilgrimage was made possible by funding from ABF The Soldiers' Charity. We awarded a grant of over £34,000 to the Falklands Veteran Foundation, which allowed the group to revisit the places where they had demonstrated such bravery, pay their respects to fallen comrades and for some, to lay to rest the memories of traumatic events which they experienced.

Dilli told us 'It was a great experience that brought back many distant memories. I am most thankful to the Charity for making my dream of revisiting the Falklands come true'.

Our Committees

The majority of the Trustees serve on Trustee-led Committees. The Chairman is an ex-officio member of all Committees and the Deputy Chairman is an ex-officio member of the Nominations Committee. The Committees each have specific delegated responsibilities, outlined below on behalf of the Board of Trustees, and review key strategic activities of the Charity. They also meet in order to provide advice, good counsel and experience.

Nominations Committee

The Nominations Committee is responsible for the governance policies and procedures of the Charity. They assess the effectiveness of the governance structure; the size and membership of the Board of Trustees; the Committees and their respective roles. They plan and initiate the search and selection process for new Trustees and Senior Executives, assisted by independent search companies and open advertising as required, and recommend appointments to the Board of Trustees. The membership of the Nominations Committee is drawn exclusively from Trustees. They met as required during the year. This committee was re-named the "Governance Committee" from April 2014.

Finance & Investment Committee

The Finance & Investment Committee is responsible for oversight of all aspects of the Charity's corporate financial policies and operations. They monitor the short and long term viability of the Charity, ensuring that we have sufficient reserves to meet the needs of our beneficiaries. They review and approve the Investment and Reserves policies and monitor our compliance with them on a regular basis. They review the annual and long-term financial plans of the Charity; monitor performance against plans and recommend action where necessary to maintain a strong financial position. They are responsible for reviewing and approving the remuneration of the senior Executive and determine and agree the overall policy for the remuneration and pension arrangements of all our employees, overseeing any major changes in employee

benefits. They oversee the management of the Charity's investments and ensure that these are managed to underpin the strategic objectives of the Charity. The Finance & Investment Committee membership includes a number of external advisors. They met three times during the year.

Grants Committee

The Grants Committee provides direction and scrutiny of all grant giving by the Charity, recommending to the Board of Trustees the annual grants budget and grants to other charities; setting annual levels of delegated authority for individual Grant giving; reviewing the in-year budget regularly; conducting periodic audits of the Grant team's work and conducting regular reviews of grant giving policies and procedures. The Grants Committee membership includes a number of external advisors importantly including a representative sample of Regimental Secretaries. They met three times during the year.

The Scottish Grants Committee meets as a subordinate body to the main Grants Committee, with representatives of Regimental HQs and Scottish military charities; it allocates funds within a total set by the main Grants Committee.

Fundraising & Marketing Committee

The Fundraising & Marketing Committee provides expert advice and support on Fundraising and Marketing to the Executive Board. The Committee includes a number of external advisors. The Committee met three times during the year.

Committee and trustee membership

Trustee	Year of appointment	Nominations	Finance & Investments	Grants	Fundraising & Marketing
Chairman Major General (Retd) P J Sheppard	2006	Chairman ■	□	□	
Deputy Chairman Mr Stephen Clark	2006	□	Chairman ■		□
Major General R R Davis	2013				
Mr Guy C Davies	2006		■		
Mr Damien E Francis	2010				■
Brigadier (Retd) A W Freemantle	2007	■		■	■
Mrs Alison Gallico	2007	■	■	Chairman ■	
WO1 (AcSM) G Haughton	2014				
Mr Paul Hearn	2013		■		
Major General (Retd) A I G Kennedy	2008	■	□		■
Mr Simon Martin	2013				Chairman ■
Major General (Retd) M D Wood	2013			■	■

■ Member □ Invited to attend / Ex Officio

For more information on how we are governed, please visit www.soldierscharity.org

Our Executive Board

The Executive Board is responsible for the day-to-day running of the Charity under authority delegated by the Board of Trustees. They develop for the Board of Trustees the short and long-term plans for the Charity. As part of this, they propose the annual operating budget to the Finance & Investments Committee and to the Board of Trustees for their approval. In addition to routine weekly management meetings, they met formally 12 times during the year.

The Executive Directors who were members of Executive Board (The Senior Management Board - SMB) during the year and as at 31 March 2014 are:



Chief Executive
Major General (Retd)
Martin Rutledge CBE OBE



Chief of Staff
Brigadier (Retd)
Robin Bacon



Director of National Fundraising
Mr Sean Bonnington



Director of Grants & Welfare
Colonel (Retd) Barney Haugh CBE
(previously Colonel (Retd)
Paul Cummings)



Director of Finance
Mr Roger Musson



Director of Regions from Feb 2014
Brigadier (Retd)
Colin Tadier CBE

Our Employees

We are acutely conscious of the unending need to focus on efficiency and effectiveness and look at opportunities to develop new ways of working and streamline processes. A thorough review of our structure was undertaken in the early part of the year to better align our resources with required outputs, which led Trustees to agree to a modest reduction in staff numbers, in particular in the Communications team and in Administration. The total number of employees in established posts as at 31 March 2014 was 80, some of whom are part time.

Our wide network of employees, beneficiaries, supporters and volunteers continues to work enthusiastically to pursue our vision, mission and goals.

We ensure that every person is treated fairly within the framework of equal opportunities as set out in our policies and procedures. The Charity does not tolerate sexual, racial, physical or mental harassment of people in the work place and aims to ensure that all employees receive equal treatment regardless of their age, race, sex, religion or beliefs, or disability.

Our volunteers make a vital contribution towards all of our achievements. We have almost 1,000 active volunteers across the United Kingdom. Their presence and impact is wide-ranging.

Pay & Remuneration

We overhauled and rationalised the salary system for the Charity, the results of which were approved by Trustees and introduced with effect April 2013. For the Pay and Remuneration Review, we drew benchmark data from "Croner's Charity Rewards", which gives indicative median salaries for some 250+ London-based and regional charities. All positions in the Charity were assessed and placed within an appropriate generic pay band, with each pay band divided into increments to allow for job weighting, experience and performance.

Having drawn on inflation index data (HM Treasury and ONS statistics) and taken note of pay settlements

for other similar charities, especially in the military charity sector, the Trustees awarded a below inflation indicative increase of 1.7% for 2013/14, which was 0.5% below the Croner 2.2% average across-the-board settlement for these same 250+ charities. We pay no bonuses whatsoever. However, an integral part of the Pay Review 2013 was a re-evaluation of non-pay benefits and the Trustees were pleased to be able to introduce a mutually supporting package of income protection and death-in-service benefit, measures already adopted by 'sister' charities, and which are as much about mitigating risks for the Charity as helping our employees.



Our employees are dedicated and hard-working. They provide excellent value for money.

Management of Risk

The Trustees are responsible for the Charity's risk management and the effectiveness of internal control systems. The Board of Trustees reviews major risks at each meeting and the Finance & Investment Committee ensure that the Executive have taken reasonable measures to manage these risks. The Finance & Investment Committee provides the Board of Trustees with an informed opinion on the management of risk and effectiveness of controls.

The continuing macro-economic situation remains a risk to the Charity, impacting on our ability to fundraise and our investment returns; we also have to consider the radical changes being made to the UK Benefits system which will directly impact upon our beneficiaries, some of whom could see a significant reduction in the level of State benefits that they had hitherto relied upon. The reduction in the size of the Army also has an impact.

As a consequence and knowing that we will need to provide support for many decades - the 'long haul' - we regularly update and review our financial plan, reserves and investment policies.

◆ Financial Risk Management

Our activities expose us to a number of financial risks including market risk and cash flow risk.

◆ Market Risk

A number of our investments are subject to market movements and we have recorded unrealised gains in the year. Our investment policy focuses on minimising the Charity's exposure to losses.

Wider networks

The Charity is a permanent member of the executive committee of the Confederation of Service charities (COBSEO), whose stated objectives are to represent, promote and further the interest of the Armed Forces Community by: exchanging and coordinating information internally; identifying issues of common concern and coordinating any necessary and appropriate action. COBSEO acts strictly as a confederation and cannot be construed as an 'umbrella company'. It represents and supports the needs and opinions of its member organisations, individually and collectively at central and local government levels and with other national and international agencies.

The Charity is also represented within Veterans Scotland, operating primarily with Veterans Scotland's "Support Pillar of work". More details are at www.veteransscotland.co.uk/pillars

A number of Trustees, the Chief Executive and Directors sit on, or are closely associated with, other charity boards in a variety of capacities, which is an important element of our role in seeking to shape the service charity sector and to enhance coordination and cooperation. The Charity remains firmly 'outward looking', as befits its very close association with the institution of the Army, its people and their wider interests. Co-location with, and acting as landlord to, seven other Service charities in Mountbarrow House is another important element of this stance.

Corporate Social Responsibility and Sustainability

Our environmental policy's key intention is to proactively manage our environmental impacts. Further modest re-organisation of the National Headquarters office space in Mountbarrow House during late 2013/early 2014 has delivered both financial and environmental benefits, maximising space utilisation and enabling us to bring in an additional small Service charity as a seventh licensee to further reduce our overall support costs.

Corporal Andy Garthwaite

Andy served in The Queen's Royal Lancers. He lost his right arm in a Rocket Propelled Grenade attack whilst serving in Afghanistan.

Andy has now been fitted with a high tech 'bionic' arm, plugged into his shoulder with the electronics controlled by his brain.

ABF The Soldiers' Charity gave Andy a grant to help adapt his bathroom so that he could safely use the facilities without risk of further injury. He has now left the Army but despite his injury is able to ride his motorcycle and drive a car again.



Helping the Army Family – Objectives and Activities for the Public Benefit

The object of the Charity is to benefit persons who are serving or who have served in the British Army, or their dependants, in any charitable way by the provision of grants, loans, gifts, pensions or otherwise. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's and the Office for the Scottish Charity Regulator's (OSCR) general guidance on public benefit when reviewing the Charity's aims and objectives, in planning future activities, and in setting the grant making policy for the year.

The Charity achieves its objectives through considering applications from and making grants for the benefit of individuals, and by making grants to both military and national charities.

Support is given in two ways:

- Financial help is given to individuals through their Regimental and Corps Benevolent Funds and normally takes the form of a grant to supplement whatever sums the Regiment or Corps has the resources to provide. In this way the Charity acts as a reserve for the partnership of Army benevolent funds. Grants are made, by request, to Regiments and Corps for the benefit of individuals on a case-by-case basis. Each request is accompanied by a report from either a caseworker or another independent source. The amount of the subsequent grant is determined by reference to need, contributions from other Service funds and funds from additional sources such as civilian charities and local authorities.
- Practical support and advice is provided through the substantial financial grants which the Charity makes on behalf of all Regiments and Corps of the Army to national charities which provide for the special needs of soldiers, ex-soldiers and members of their families.

Grant making

Grants are provided for a very wide range of needs including support to those wounded on current or long past operations; help with providing retraining for civilian occupations – especially for those leaving the Army as a result of injury or compulsory redundancy; help for the elderly (through assistance with mobility aids, home adaptations and care home fees); help in covering priority debts such as council tax, utility bills and mortgage payments for those in particular difficulty and support for children's education for families in particular need, for example after the death of the family bread winner. The overall approach is very firmly a 'Hand-up – Not a Hand-Out' and the Charity goes to great lengths to establish what constitutes genuine need – an important emphasis in a society sometimes quicker to claim entitlements than perhaps hitherto.

The Trustees review the grant making policy annually to ensure that it reflects the Charity's objects and thereby advances public benefit. The current policy set by the Trustees is to support individuals through the Regimental and Corps Benevolence Funds, and to support other military and national charities which look after the needs of the serving and retired Army community on behalf of all Regiments and Corps of the Army.

The Charity also provides a bespoke grants management system in support of Wounded, Injured and Sick (WIS) soldiers in partnership with Help for Heroes (H4H) and others through:

- Current Operations Fund (COP)**
Grants are made from our designated Current Operations Fund to support serving personnel and veterans who have been disadvantaged through their service in Iraq and Afghanistan.

- Individual Recovery Plans (IRP)**

IRP funding is provided by ABF The Soldiers' Charity, Regimental Associations, a number of our corporate partners and Help for Heroes. It provides funding for those WIS soldiers in greatest need, for training and personal development over and above that provided by the MOD.

- Specialist Employment Consultants (SECs)**

SECs are employed in each Personnel Recovery Unit (PRU) to provide employment advice, work experience and job search to individuals who have been particularly disadvantaged as a result of wounding, injury or sickness. Funded by ABF The Soldiers' Charity, the SECs are employed by the Regular Forces Employment Association (RFEA) and are an integrated part of the Recovery Career Services and Career Transition Partnership. We presently fund 14 full-time and one part-time SECs; they have achieved an impressive 80% success rate with vocational outcomes for those soldiers being medically discharged.

- Quick Reaction Fund**

Funding is provided by Help for Heroes, but managed by ABF The Soldiers' Charity, to provide direct, practical support to WIS. This is a good example of service charities working in partnership.

Other military and national charities are required to submit formal grant applications which are considered by the Grants Committee and Trustees. As part of their rolling programme of monitoring the award of grants, members of the Grants Committee and Director of Grants and Welfare have a formal programme of visits to representative beneficiary organisations during the year.

Key Grant Statistics

	Note	2014 £	2013 £
Grants in support of individuals:			
Routine grants to individuals		£3.416m	£3.713m
Individual Recovery Plan grants	1	£0.460m	£0.711m
Specialist Employment Consultants	2	£0.847m	£0.379m
QRF grants		£0.279m	£0.470m
Total cost of all individual grants		£5.002m	£5.273m
Circa 23% of this expenditure was on serving soldiers			
ABF The Soldiers' Charity grants to charities		£2.932m	£2.813m
This represents direct support to in excess of 70,000 additional individuals ³			
Total grants expenditure:		£7.934m	£8.086m
Case numbers			
Routine individual grants		4,639	5,100
All IRP grants		346	492
QRF grants		310	448
Total individual case numbers:		5,295	6,040

1 Includes H4H funding of: £0.259m (£0.185m)

2 Includes an early payment of £0.320m in advance of financial year 31 March 2015

3 Includes early payment of £0.55m in advance of financial year 31 March 2015

Grants for individuals

This last year (2013/14) has been marked by being the first year since 2006 in which we have experienced a reduction in individual case numbers (-12.3%), although this figure is somewhat distorted by a reduction in IRP and QRF grants; routine benevolence actually reduced by 8%, closely matched by a 9% reduction in case numbers. This comes after 8 years of annual double digit growth, as Regiments and Corps transferred an increasing burden across to us. The average cost of each routine benevolence grant in 2013/14 was £736 (£728 in 2012/13).

A similar reduction in cases has been reported by the other single Service benevolent funds, SSAFA and the Royal British Legion Group, including Poppy Scotland. Whilst it is difficult to be certain of the cause of the reduction, it is clear that the UK economy is beginning to pick up; there is a greater feeling of confidence around and many casualties from the Iraq and Afghanistan campaigns have completed their transition to civilian life and become largely self-sustaining.

Demographics inevitably play a part and the World War 2/National Service generations are fading numerically as has long been predicted. The youngest National Service veteran is now 72 years of age. However, we must not lose sight of the fact that our potential beneficiaries, like society as a whole, are living longer, more independently and without necessarily being supported by the extended family. They require care later in life or seek support to remain at home, supported by Local Authorities whose budgets are limited.

There is a clear synergy between the age of our beneficiaries and the purpose of the grants; the younger age groups tend to seek support for employment and training, housing and lifestyle issues such as debt; the older generation require support for mobility, home adaptations and care issues.

Our support reaches out to the entire service community, providing a lifetime of support. Our oldest beneficiary during the year was 108 (Care Home fees) and the youngest was a child of two years requiring specialist medical equipment. Around a quarter of our individual grants went to currently serving personnel in the year. Our investment policy focuses on minimising the Charity's exposure to losses.

Grants to other Charities

The Charity made 76 grants to other charities totalling £2.931m (£2.813m in 2013/14), which included early payments of £0.55m in advance of commitments for financial year 2014/15. The charities that we support through our external grants provide help to over 70,000 individuals. These grants are made on behalf of Regimental and Corps Associations. Regimental contributions to ABF The Soldiers' Charity are utilised towards part of the cost of these grants but the Charity has had to increasingly to make up the difference.

The priorities for grants to charities were:

- ◆ Care for the elderly
- ◆ Mental health and respite care
- ◆ Homelessness
- ◆ Supported housing
- ◆ Education and training for employment and Welfare support to the Army Family

The largest single grants to Charities were:

- ◆ **Combat Stress**
£365k – for the provision of mental health care to Army veterans.
- ◆ **SSAFA**
£205k – for provision of caseworkers, on behalf of Regiments and Corps, and family support to serving personnel and veterans.
- ◆ **Regular Forces Employment Association**
£205k – for resettlement and employment advice to 2,500 individuals who are no longer entitled to routine resettlement advice.
- ◆ **Royal Commonwealth Ex-Services League**
£345k – they provide funding equivalent to one meal per day for some 15,000 Commonwealth veterans around the world.
- ◆ **Housing and Homelessness**
£324k – supporting a number of charities across the UK helping with housing and homelessness amongst ex-Servicemen, ranging from STOLL and Veterans Aid to Scottish Veterans' Garden City.

Whilst many of the charities that we support are funded on a regular basis, we also provide funding for short term or one-off projects.

During 2013/14 this list included:

- ◆ **Alabare Care and Support**
£30k – towards funding a new hostel in Gloucester.
- ◆ **Armed Forces & Veterans Launchpad in Newcastle**
£25k – to fund support staff at a new homeless hostel.
- ◆ **My Daddy is a Soldier adventures**
£2k – to support Army families.
- ◆ **Community Self Build Agency, Bristol**
£25k – to fund a service support officer.

Demand for funding of charities always exceeds the budget available; however, working with our colleagues in other Service charities, we do our best to support projects that make a real difference to soldiers, veterans and their families.

Other support to Service Charities

In addition to grants, the Charity continues to provide considerable support to a number of other Service charities, not least because a significant majority of total cases of Service-need nationally relate to serving or retired Army personnel, perhaps as high as 80%. An extensive network of advice and support is provided to a number of Service charities and other organisations, especially through the participation of the Chief Executive and the Director of Grants & Welfare as Trustees or in other capacities. Organisations supported in this way by the CEO include COBSEO, the Officers Association, The Army Dependants Trust, Armed Forces Common Investment Fund, Forces In Mind Trust and Families of the Fallen; and by Director Grants & Welfare: Veterans Aid, Veterans Scotland, Queen Mary Roehampton Trust and the Army Widows Association amongst others.

The Charity is the lessee for the Mountbarrow House offices in Victoria and acts as 'landlord' to seven other organisations sharing the space, including the Officers' Association and the Regular Forces Employment Association. Each licensee pays a rental charge and subsidies from the Charity have been reduced this year in order for the arrangement to be close to cost-neutral.

All of this support has both substantial real and opportunity costs for the Charity – but we have the greatest stake in encouraging coordinated activity across the Service charities.

Fundraising & Communications

Fundraising income has increased by 9% this year. This increase is attributable to some exceptional income, without which the fundraising achievement would have been marginally lower than in 2013. Nevertheless, this is commendable given the increasingly challenging fundraising environment, exacerbated by the reduced public profile of the Armed Forces with the Afghanistan drawdown.

Central Fundraising

Central Fundraising & Events at ABF The Soldiers' Charity continues to perform well against the background of the end of UK's combat operations in Afghanistan. Overall income has shown a significant increase of £688k (22%) from 2012/13. However, if any exceptional income is removed, then the baseline 2013/14 out-turn (Central FR & Events) actually shows a decrease of £98k (-3%).

Expenditure incurred in generating income for the year showed a decrease of £150k (-10%). Monitoring of both income and expenditure has improved greatly, with significant changes being made to management accounts, as well as the introduction of phased budgeting.

Performances against the Central fundraising income streams are detailed in the Financial Review later in the Report.

The trends have been

- ◆ **Legacy income**
Legacy income was lower than in 2012/13. Legacy promotion remains a high priority and legacy marketing events are being examined as an additional means of promoting the legacy message, along with the regular promotion within our mailing programme and promotional literature.
- ◆ **Individual Giving**
Income from Individual Giving showed a slight drop against the previous year. Central Mailings and Regular Giving performed well with some peaks and troughs across the year; overall the investment made in the Raiser's Edge fundraising database and other aspects this area in the last three years has been worthwhile and has laid a good foundation for further development.
- ◆ **Trusts & Foundations**
Income from Trusts and Foundations showed a reduction, but this was against a background of some exceptional and non-repeatable income in 2012/13. During the year, responsibility for all Trusts fundraising was transferred from the Regions to the National Office, which was a substantial exercise.
- ◆ **Major Donors**
Income from Major Donors is continuing to grow. Having carefully analysed the supporter database, it is evident that the Charity has an abundance of potential high value supporters and we will continue to seek their support in a coordinated and targeted manner.
- ◆ **Corporate Fundraising**
The underlying trend for corporate income is positive, with core income increasing. We are delighted to have secured a further significant funding agreement from BAE Systems (to the end of 2016) for educational & vocational bursaries. Our relationship with MBDA goes from strength-to-strength, and Red Lion Foods continues to sell meat products branded with our logo in Tesco stores nationwide. Of note, the overall total does not take into account the IRP income from our partnership with Barclays, nor income received into the Charity via Soldiers Trading Ltd.
- ◆ **National Events**
The contribution from National events has declined this year, which will necessitate a review of this area of activities. Notwithstanding, the Lord Mayor's Big Curry Lunch was again held at the Guildhall in the City of London in April 2013, raising circa £130k. The Virgin London Marathon netted £78k and the Big Curry, held nationally, contributed around £50k.



Staying with the theme of successfully repeated events, the third running of the Cateran Yomp in Perthshire, generously sponsored by Alliance Trust, attracted 480 participants to the challenge of walking or running a demanding 54 mile mountainous route in under 24 hours. The fastest team for the second successive year was a group of fell-runners from Alliance Trust, with a Gurkha team close on their heels.



The Virgin London Marathon continues to provide a good source of income and opportunities to engage our supporters.



In December 2013, the Charity presented the spectacular British Military Tournament for the fourth successive year at Earls Court. This has been the Charity's national flagship event for the last four years, with participants drawn from across the Armed Forces, supported by our sister charities - the Royal Navy & Royal Marines Charity and the RAF Benevolent Fund - with generous sponsorship from Boeing.

We were privileged yet again by the presence of members of the Royal Family as Guests of Honour at each of the four performances as well as a number of celebrities including David Beckham and his family. Ticket sales were slightly down from 2012, but nevertheless feedback from those attending was very positive and the wider benefits for the profile of the Charity are considerable.

However, given the decline in net profitability despite discounting of tickets, the Trustees reluctantly made a decision to discontinue the Charity's involvement in the British Military Tournament; regrettably the Charity will not be staging a Tournament in December 2014.

Other highlights

◆ Planning for Chelsea

The Charity was delighted to be able to initiate a Show Garden "No Man's Land" for the Royal Horticultural Society's Flower Show in May 2014. A huge amount of planning and preparation took place throughout the year. It will be the biggest event in the Charity's calendar for 2014 and is covered by generous support from Bechtel, Coutts and one other major sponsor.

◆ Data & Business Intelligence

This is a key enabler for fundraising activity across the Charity, responsible for the provision of data for major events such as the Lord Mayor's Big Curry Lunch, management of Gift-Aid reporting and data extraction from Just Giving etc. as well as managing the Raiser's Edge fundraising database across the Charity. We have invested in additional resource for this critically important function.

Regional Fundraising

This was a very eventful year, which has seen the move of the Regional HQ from Bulford to Mountbarrow House in London, as well as a change of Director Regions. The merging of HQ Regions with the National HQ will now enable greater coordination and synergy, ensuring greater financial returns and the elimination of conflicting national and regional events.

The final out-turn for the Regions was close to the previous year's attainment; across the regions the fundraising was a 'Curate's Egg', but mostly good. In outline, against the budget, Events, Public Donations and Corporates were largely on target, but the funds raised by the Army were disappointing, attaining only 74% of the target. This latter area will be revitalised over the coming year. Amongst other things, the Carrington Drum will be used as one of the levers to encourage Army units to fundraise on our behalf.

Our volunteers, especially our county committees (totalling 67) with almost 1000 active volunteers, continue to perform an outstanding role in both promoting the Charity and raising funds.

Regional Events. Numerous events have been held up and down the country, some large and some small, raising just under £1m net of costs.

Examples of some Regional events

- ◆ **Hampshire "Ball at the Grange"**
Organised by the Hampshire committee volunteers at the Grange near Alresford, supported by a number of celebrities including Joanna Lumley and Alan Titchmarsh, was immensely successful and raised almost £158k.
- ◆ **Charity Dinner-Dance**
At St David's Hotel, Cardiff. Organised by Sarah Adams (Charity Ambassador), raising almost £10k.
- ◆ **The Big One Charity Abseil**
With 40 abseilers, held off the Tallest Roller Coaster in the UK at Blackpool, raising £30K and attracting considerable media interest.
- ◆ **Army Donations**
A total of £330k (2012/13: £332k) was collected by Army personnel this year, similar to last year. The winning unit in the Carrington Drum was the Recruiting Team of the Grenadier Guards, as the unit raising the most money for the Charity last year.
- ◆ **Regional Corporates**
Income from this source included a very generous donation of £120k from the Royal Edinburgh Military Tattoo, which allows us to sustain a significant grants programme in Scotland, including £140,000 to Erskine Hospital amongst many others.
- ◆ **Berkshire Big Curry in Reading**
Entirely sponsored by local businesses and sponsors, organised by the Berkshire committee volunteers, raising in excess of £16k. This was a combined Community Engagement event with 145 Brigade, attended by the Lord Lieutenant of Berkshire and some 300+ civilian and military supporters civilian and military.
- ◆ **Edinburgh Big Curry**
Held in the Assembly Rooms Edinburgh, with some 190 Guests and supporters including Edinburgh's Lord Provost, raising £14k.
- ◆ **"Salute the British Soldier"**
An evening of music and readings at Sherborne Abbey raising in excess of £17k, with Isla St Clair, Kate Adie, Trevor Peacock, The Pipes & Drums from the Royal Corps of Signals, Salisbury Cathedral Girls Choir, and HMS Heron RN Volunteer Band.

Communications

A review of the Charity's Communications function in the of 2013 led to restructuring of the team, with a small reduction in both staff numbers and operating costs, with some staff turnover. Whilst this did impact on outputs, the team continued to perform very well in support of the Charities activities, whether leading on the integrated campaign "#Thanks Soldier", identifying and nurturing case studies and ambassadors, sourcing VIPs, producing Frontline magazine and, for the first time a highly acclaimed Impact Report.

Media Coverage

The media coverage for the year has been of a consistently high standard as in previous years, with over 3,200 news articles, features, interview and broadcast items covering the Charity and events it has undertaken (2012/13: 2,870). Online media constitutes the bulk of the coverage, with the National office accounting for the main items of national and broadcast items. Regional news covered the entire reach of the UK, with fundraising stories accounting for the main focus of this news. The tone for the coverage was virtually all positive or neutral and the PR 'value' was in the region of £6m. We featured on over 30 television and radio broadcasts through the year, which was estimated to have reached over 65 million people, with appearances on BBC News, BBC 1, ITV, Channel 5, Radio 2, Radio 4 and BFBS.

On-line Reach

Over the past 12 months our website, has had over 212,000 visits, with over 500,000 pages collectively viewed. 75% of these were new visitors. The number of visitors accessing the website through a mobile or tablet device was 78,500, up 117% from the previous year.

On social media, our Facebook 'likes' have continued to increase, now standing at nearly 64,000, up nearly 10,000 from last year. Followers on Twitter also continue to increase, and we now have over 17,100 followers on the site. We also have a growing following on Regional Facebook sites in a number of Regions, including Scotland and the

FrontLine Magazine

The last two editions of FrontLine Magazine; The Army Values Issue (August 2013) and The No Man's Land Issue (April 2014) were very well received and focused on some timely subjects and exciting stories. The Army Values Issue raised donations of £132,609 excluding gift aid, whilst The No Man's Land Issue raised £80,000 excluding gift aid in the first 5 weeks since its publication, and rising.

The online version of FrontLine magazine has been growing from strength to strength, with April 2014's edition boasting an average page view of 7.5 pages per session, visitor duration time of 4.37minutes and a bounce rate of just 6.98%. Given that the sector average bounce rate is 50%, then this is an extremely good figure attesting to the quality of this online product.



ABF
THE SOLDIERS'
CHARITY

Supporting soldiers, former soldiers and their families in need, through individual grants and grants to other charities

**IMPACT REPORT
2012-13**

Andy Garthwaite
Andy joined the Army aged 16. After being deployed to Afghanistan in 2010, his life changed forever when he lost his arm in a RPG attack. Nearly three years on, it has been a long road to recovery for Andy, but he recently became one of only five people in the world to be fitted with a bionic arm powered by the brain.

The Soldiers' Charity helped Andy with his rehabilitation. Amongst other things, we paid for adaptations to his bathroom so he could safely carry out his daily routines. Andy was recently medically discharged from the Army but is now able to ride his motorbike, drive a car, and last summer married his long-term partner Kayley.

FrontLine

Issue No. 9 April 2014
The 'No Man's Land' Issue

In this issue:

- **Military Heritage**
Three men tell us how their family history binds them to our cause
- **Dan Snow**
The TV Historian talks to us about why he is an ambassador for our Frontline Walk
- **Lights. Camera. Action!**
Charity beneficiary Gareth Rothwell shares his latest successes with us
- **A Lasting Legacy**
Charity supporter Col (Retd) Dr Brian Robertson tells us why he is remembering The Soldiers' Charity in his Will

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The soldiers walk for the awards to the grounds of the London Imperial Institute 1914-1918. The original caption for this photo reads "An 'No Man's Land' Issue" (Image: Imperial War Museum)

Financial Review

The operating result and the net movement in funds for the year to 31 March 2014 are in respect of the incorporated Charity.

Results for the year in Summary

	2014	2013
	£	£
Total incoming resources	£14,454,275	13,195,915
Total resources expended	(14,751,666)	(15,038,146)
Net outgoing resources	(297,391)	(1,842,231)
Associates	—	2,711
Exchange losses	—	(102)
Unrealised gains on investments	847,389	3,782,818
Net movement in funds	549,998	1,943,196

- ◆ **Total Incoming Resources** of £14,454k were £1,258k (9.5%) above last year's figure of £13,196k, while total resources expended fell by £287k (1.9%) from £15,038k to £14,751k. As a result net outgoing resources were £297k compared to net outgoing resources of £1,842k in the previous year, an improvement of £1,545k. Noting the robust position of the Charity, Trustees were able to bring forward £870k in payments to major partners to give them added surety of resources to deliver services on behalf of ourselves and the Army at large. During the year, £398k was also provided to RFEA to guarantee the continued support of 14 full time and one part time Specialist Employment Consultants.
- ◆ **Income from the Public** ("Donations and Appeals" and "Legacies") rose by £546k to £7,456k, a very good result as the fundraising environment has become increasingly challenging. Within this income sector, Legacy income fell by £171k but at £2,085k (2013: £2,256k) it is still almost 50% above the average of £1,421k recorded in the five years to 31 March 2009. For Donations and Appeals, income from Central Mailings rose by 12% to £1,195k (2013: £1,069k) reversing part of the fall of 21% reported in the previous year, reflecting a more focused approach in this area. As outlined under the Central and Regional Fundraising sections of this Report, the income from the Trusts, Corporates and Major Donors arrangements is now providing an important contribution to the Charity's total income and we expect the proportion of fundraising income coming from these income streams to increase in the years ahead, as current relationships are strengthened and new relationships are developed. The progress in developing these income streams is encouraging but there is more work that can be done.
- ◆ **Total Income from Army personnel** increased significantly, by £764k to £2,074k. Contributions from local Army units were virtually unchanged at £330k (2013: £332k); however this represents a significant contribution given the limited resources and time available for fundraising by the Army. Grants received from Regiments & Corps Benevolent Funds rose by £66k to £924k (2013: £858k), and were almost double the figure of £471k reported just two years ago in the year to 31 March 2012. The income received again included a grant of £200k from the Gurkha Welfare Trust, reflecting the sustained and very substantial load their beneficiaries have been placing on this Charity. Following a review and reassessment of their grant making activity, The Army Dependents Trust made grants totalling £700k to the Charity; none had been received in the previous year and just £100k in the year before that. Their grant reflects some careful work to better coordinate the efforts of the central Army charities to best effect.
- ◆ **Income from activities for generating funds.** Other Donations and Events - raised £2,372k (2013: £2,346k). Reflecting the increasingly competitive and challenging fundraising environment, income from events held both in the Regions and by the National Office fell slightly, whilst income from other fundraising streams in this area showed small increases.
- ◆ **Investment Income** increased by £228k (16.8%) to £1,585k. Dividends and bank deposit income increased by 10.8% to £1,339k (2013: £1,209k) with the dividend rate on the Charity's main investment (the Armed Forces Common Investment Fund) rising by 11.3%. Income from sub-letting office space at Mountbarrow House was £246k (2013: £148k), reflecting the more

rigorous assessment and attribution of costs following the restructuring of the National Office. The rise of just over 5% in the Stock Market during the year resulted in gains of 6.1% and 10.8% respectively in the unit prices of our BlackRock Dynamic Diversified Growth Fund and Cazenove Jubilee Absolute Return Fund investments, but a much smaller gain of only 1.3% in the unit price of our main investment holding, the BlackRock Armed Forces Common Investment Fund. The overall net investment valuation gains for the year were £847k (2013: gains of £3,783k).

- ◆ **Resources Expended** in the current year fell by £286k (1.9%) to £14,751k following a fall of 6.2% in the previous year giving a reduction of £1,283k (8.0%) over the two years to 31 March 2014. Grants for the Benefit of Individuals and to Other Charities fell slightly, by £151k, to £7,934k, with Grants for the Benefit of Individuals falling by £270k and Grants to Other Charities increasing by £119k. Further details are given in the Grant Making section of this Report. The Costs of Generating Voluntary Income were lower, by £166k, following a fall of £315k in the previous year giving a two year reduction of £481k (14.2%), and showing further benefits from the tight cost control of the past two years. Costs of Goods Sold and Other Costs rose slightly, by £120k, giving a two year reduction of £445k (13.4%). Grant making support costs were £582k (2013: £606k), and Governance costs were also lower at £251k (2013: £276k).

In the previous financial year the Trustees decided to show separately the increasing level of costs in providing "Other Support to Charities", and these are now shown in the Statement of Financial Activities. This support comes in a number of forms, including management and staff time working on administrative and governance matters for other charities (for example being on their Board of Trustees), grant making on behalf of other charities as well as, in the prior year, charging less than full accommodation costs for office space they occupy at Mountbarrow House. The level of our involvement with other charities, and the costs involved, will be kept under review. In the current year the costs identified as being in support of other charities amounted to £221k (2013: £260k).

The Charity has three trading subsidiary companies, with The Army Benevolent Fund Enterprises Ltd covering the sale of the Charity's Christmas cards, diaries and selected other items, The Tournament Trading Company Ltd responsible for the British Military Tournament event, and Soldiers' Trading Ltd carrying out general purpose trading activities. The profits from the three trading subsidiaries amounted to £100k (2013: £139k) and as in previous years each will make a Gift Aid payment of their profit for the year to March 2014 to the parent Charity.

With incoming resources net of event and other activity costs being £11,589k (2013: £10,451k), the costs of generating voluntary income represent 25% (2013: 29%) of the income available. This percentage is largely driven by two characteristics of this particular Charity. First we are exclusively a grant making, rather than delivery, charity so virtually all our staff and infrastructure expenditure represents overhead costs rather than charitable outputs. We have no care homes, caseworkers or other similar charitable expenditure across which our total costs can be allocated. Second, as the Army's national charity, a considerable proportion of our time and effort is spent on coordinating activity across a range of charities which deliver on our behalf; on managing substantial funds on behalf of others and underpinning the Army's Recovery Capability which supports a key priority - the wounded, injured and sick. We neither charge for this support, nor receive grants from public bodies, nor derive any income from any of our grant making activities. All these responsibilities are delivered at direct cost to the Charity. In essence we act as both a grant making and enabling charity - and both functions are undertaken entirely at our expense.

Reserves

As at 31 March 2014 the total Reserves of £45.5 million (2013: £45.0 million) consist of Restricted and Designated Funds Reserves of £38.7 million (2013: £38.4 million) and Unrestricted General Fund Reserves of £6.8 million (2013: £6.6 million). The purposes for which the Restricted and Designated Funds can be used are set out in Notes 2 and 3 to the Accounts.

It is the Trustees' policy to review the level of Reserves on both individual funds as well as in total, and, if necessary, they are prepared to withdraw amounts from the Restricted and Designated Funds investment portfolios in order to meet the Charity's grant making obligations from those Funds.

In considering the level of Reserves needed by the Charity, the Trustees are aware that the fundraising environment is becoming increasingly more challenging as a result of the continuing uncertainty in the economic recovery and also as the current operations in Afghanistan are brought to a conclusion. At the same time the number of beneficiaries needing support from the Charity may well increase again as the Army reduces its size by around 20% to 80,000 Regular soldiers, thus reducing the Regimental and Corps Associations income from the One Day's Pay Scheme.

There are a number of factors which determine the appropriate level of the Strategic Reserves, now within Designated Funds Reserves:

- ◆ The military operations in Iraq and Afghanistan over the past twelve years have had a significant impact on the Charity, both in terms of the growth in the number of beneficiaries and in the climate for public donations. It is considered prudent for the Charity to hold in reserve an amount equivalent to approximately two years Unrestricted Funds benevolence grants for individuals and to other charities, in order that the Charity's objectives can be met in the short to medium term, and this requires a reserves holding in the region of £12 million.
- ◆ The Charity acts as a strategic reserve for other Army benevolent funds including those of Regiments and Corps, who currently make benevolence grants of around £6 million a year. In the event of a prolonged conflict with above average numbers of casualties, we may also be called upon to support the Army Dependents Trust (ADT), which provides immediate support to the Next of Kin of the deceased. It is considered that the Charity should hold in reserve an amount equivalent to approximately two years Regimental and Corps benevolence grants, and combined with the obligation to the ADT this requires a reserve holding of £16 million.

In addition the Charity needs to ensure it can maintain the appropriate infrastructure to make benevolence payments on its own behalf and also on behalf of Regiments and Corps for a period of up to two years. The reserves required to satisfy this obligation are around £1.5 million. Taking all of these factors into account the level of Strategic Reserves required is £29.5 million.

Following the transfer of the "Strategic Reserve" to Designated Funds, the balance on the Unrestricted General Fund is now, in effect, the Charity's contingency reserves. The balance of £6.8 million on this reserve as at 31 March 2014 represents approximately one year's cover for the Charity's non-grant costs and the Trustees are of the opinion that in the current economic climate the level of the contingency reserve is prudent and appropriate.

Investment management

The Charity's investments are largely held in Distribution units of the BlackRock Armed Forces Common Investment Fund (AFCIF). At the year end, the market value of the Charity's AFCIF holding was £35,515k (2013: £35,063k).

The Army Common Investment Fund (ACIF) was launched in September 2002 to provide Army charities with a professionally managed investment management and administration service at relatively low cost. As a Common

Investment Fund it is a charity in its own right, with a Corporate Trustee and an independent Advisory Board, comprising elected representatives of the participating charities and senior City individuals. In 2007 the ACIF was renamed the Armed Forces Common Investment Fund (AFCIF), recognising that it is open to all charities of the armed forces.

The principal performance objective of the AFCIF is to seek to outperform its customised, composite benchmark by 1% per annum after fees over a rolling 3 year period. Since the launch the total returns on Accumulation units have been 147.0% compared to the benchmark returns of 140.2%, and over the three year period to 31 March 2014 have been 22.7% and 23.7% respectively. The Charity holds Distribution units in the AFCIF; the return on these units for the year to 31 March 2014 was 2.5% compared to 3.4% for the benchmark. Since the launch, the total returns on the Distribution units have been 74.7% and 68.9% respectively, and over the three year period to 31 March 2014 were 11.1% and 12.8% respectively. The income distribution in the year to 31 March 2014 was 6.40p per unit (2013: 5.75p per unit) and BlackRock has set a target of a dividend of 6.55p for the year to March 2015. Although the AFCIF has its own independent advisory board, the Charity's Finance and Investment Committee and its Trustee Board monitor the AFCIF performance against its benchmark.

The Trustees of the Charity appreciate that the Charity is a long term investor in the AFCIF, and accordingly look beyond the day-to-day fluctuations in the market. This means that the portfolio will sometimes underperform the market as a whole in year; the Trustees accept this limitation and are aware that the value of the investment portfolio can fall as well as rise. However with the support of the Trustees, the Finance and Investment Committee will be undertaking a review of the medium to long term requirements of the portfolio in terms of asset allocation for income and capital growth.

The Trustees hold the above-mentioned contingency reserve in three funds; in the investments in the BlackRock Dynamic Diversified Growth Fund, in the Cazenove Jubilee Absolute Return Fund, and in part of the AFCIF holding.

The Finance and Investment Committee reviews the performance of the Charity's various investments at each of its meetings and meets with the main fund manager during the year to assess and critically examine their performance.

Going concern

Having reviewed the financial performance for the year, the budget for the year to March 2015 and plans for future years, the Trustees confirm that the financial statements for the year to March 2014 can be prepared on the going concern basis.

Plans for Future Periods

The Trustees conducted a thorough review of the operating context for the Charity, looking out over the next three years. As a result, the Charity has a revised 3-year Strategic framework for the period 2014 to 2017.

The planning assumptions for this period are that:

- ◆ The Charity saw a slight decline in demand over the last year 2013/14 although the average cost of each case is rising. Whilst it is too early to confirm this as a firm trend, budget allocations for 2014/15 have been adjusted downwards to reflect actual expenditure. This demand is to be reviewed annually.

The Charity must respond and adapt to strategic changes emanating from Army 2020:

- ◆ With the Army's involvement in Afghanistan coming to an end in 2014/15, the Army is unlikely to be permanently engaged in an enduring stabilisation operation over the next few years. The Charity must remain agile and position itself so that it can continue to attract sufficient funds and other support in an era when the Armed Forces are less in the public's mind.
- ◆ Integration of Regulars and Reserves permeates every aspect of the Army's future plans, and it is apparent that Reserve soldiers can no longer be treated any differently from Regulars; the Charity's liability for supporting the Reserves is therefore likely to increase.
- ◆ Under the Army's 'Firm Base' plans, the withdrawal of Army units from Germany to the UK is well underway, with the majority re-located by the end of 2015. This will have a significant impact on the Charity's engagement footprint across the Regions, with new demands for welfare/benevolence.
- ◆ The World War One Centenary period (2014-2018) and the Charity's 70th Anniversary in 2014 offer unrivalled opportunities for the Charity to demonstrate to all stakeholders our long term 'for-life' commitment to former soldiers and dependants of every living generation.
- ◆ The Army should increasingly recognise the desirability of working in tandem with the Charity, but may find it difficult to devote sustained attention to the relationship and the overall delivery of benevolence. The Charity will need to maintain and demonstrate a complementary posture in order to nurture this mutually beneficial relationship.
- ◆ There should be an increasing understanding of the desirability of the Army Central Fund, the Army Dependents Trust (ADT) and ABF The Soldiers'

Charity acting in close concert - and further progress may be expected in this area. A single monolithic Army charity remains an unlikely proposition.

- ◆ The future viability of some Regimental and Corps Associations may be in question if subject to increasing scrutiny and challenge over their publicly-funded components; the Charity must be positioned ready to assist Associations, particularly those historic ones without the 'One-Day's Pay Scheme' income and dwindling reserves. Respective '1st line' roles (for the Regimental and Corps Associations) and '2nd line' roles (for our Charity) may have to be re-evaluated and re-balanced in the light of changing circumstances.
- ◆ We should assume continuing fiscal constraint and further Government-imposed savings measures which will result in significant contraction of statutory public service provision to beneficiaries. The Charity, with other Third Sector providers, is likely to be expected to 'fill the void' with provision of increased levels of benevolence support in areas that might previously have enjoyed State funding. The willingness to engage, co-operate and co-ordinate efforts between related Service charities will continue to develop, but may become increasingly fragmented as the resource picture tightens.
- ◆ The Charity will continue to outsource case work to SSAFA, The Royal British Legion and other specialist charities in the short to medium term. The Charity will continue to act as the principal lessee for the ex-Service charities in Mountbarrow House until the lease expires in mid-2018; options planning is already underway for the Charity's location post 2018.
- ◆ The global digital environment is in a constant state of fluidity and complex change; the Charity must embrace it, understand it and be equipped and trained to operate with an integral 'Digital-First' strategy.

The Charity's Strategic Objectives for the period 2014-2017 are drawn from the planning assumptions as listed under 'Our Goals' on Page 2 of this Report.

Key areas of future work include:

- ◆ A review of our Regional structures;
- ◆ The forward National events programme; and,
- ◆ Our Information Systems/IT Strategy

Trustees' responsibilities in respect of the Annual Report and Financial Statements

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

Company law requires the Trustees to prepare the financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Investment (Scotland) Act 2005 and Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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

The Trustees have a duty to report on how the charitable company provides public benefit by explaining:

- ◆ The significant activities undertaken in order to carry out our aims for the public benefit; and
- ◆ our achievements measured against those aims.

The Trustees confirm that we have had regard to the Charity Commission's guidance on public benefit in reporting on the Charity's vision, purpose and goals, and on our objectives and achievements on pages 2 to 14.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website.

The Legal and Administrative Details form an integral part of this report.

Approved by the Board of Trustees and signed on its behalf on 11 July 2014.



Major General (Retd) Peter Sheppard CB CBE
Chairman

Independent auditor's report to the members and trustees of ABF The Soldiers' Charity

We have audited the financial statements of ABF The Soldiers' Charity for the year ended 31 March 2014 which comprise the consolidated and parent Statement of Financial Activities, the consolidated and parent Balance Sheets, the consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Company's Trustees, as a body, in accordance with regulations made under section 44 of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements

and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- ◆ give a true and fair view of the state of the Group's and the parent charitable Company's affairs as at 31 March 2014 and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the Charities and Trustee Investment (Scotland) Regulations 2006 (as amended) and with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception We have nothing to report in respect of the following matters where regulations made under the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 requires us to report to you if, in our opinion:

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

Philip Clark

Philip Clark (Senior statutory auditor)

for and on behalf of Chantrey Vellacott DFK LLP
Chartered Accountants and Statutory Auditor
London, UK

11th July 2014

Chantrey Vellacott DFK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Consolidated Statement of Financial Activities (incorporating the Consolidated Income and Expenditure Account) for the year to 31 March 2014

	General Funds	Designated Funds	Restricted Funds	Total 2014	Total 2013
Note	(Note 2, 22)	(Note 2, 22)	(Note 3, 23)		
	£	£	£	£	£
Incoming resources					
Incoming resources from generated funds					
Voluntary income from the public					
Donations and Appeals Income	5,346,518	-	25,000	5,371,518	4,653,723
Legacies	2,084,903	-	-	2,084,903	2,255,821
	7,431,421	-	25,000	7,456,421	6,909,544
Voluntary income from Army personnel					
Army Units	330,235	-	-	330,235	332,305
Regimental and Corps Benevolent Funds	924,113	-	-	924,113	857,851
Army Dependants Trust	700,000	-	-	700,000	-
Service related activities	120,000	-	-	120,000	120,000
	2,074,348	-	-	2,074,348	1,310,156
Investment income	5 1,386,981	16,459	181,322	1,584,762	1,356,812
Activities for generating funds					
Other donations and events	2,163,364	208,544	-	2,371,908	2,346,094
Incoming resources from charitable activities	-	-	966,836	966,836	1,273,309
Total Incoming resources	13,056,114	225,003	1,173,158	14,454,275	13,195,915
Resources expended					
Cost of generating funds					
Fundraising trading - Cost of goods sold and other costs	6 2,785,989	78,448	456	2,864,893	2,744,776
Costs of generating voluntary income	7 2,898,743	6	-	2,898,749	3,064,711
	5,684,732	78,454	456	5,763,642	5,809,487
Charitable activities					
Grant making costs					
Grants to Regiments and Corps for the benefit of individuals	8 3,243,179	101,061	1,658,148	5,002,388	5,272,987
Grants to other charities	9 2,728,303	97,449	106,000	2,931,752	2,812,596
	5,971,482	198,510	1,764,148	7,934,140	8,085,583
Grant making support costs	10 581,822	-	-	581,822	606,128
	6,553,304	198,510	1,764,148	8,515,962	8,691,711
Other support to charities	11 220,830	-	-	220,830	260,831
Governance costs	13 251,232	-	-	251,232	276,117
Total resources expended	12,710,098	276,964	1,764,604	14,751,666	15,038,146
Net incoming / (outgoing) resources before transfers	346,016	(51,961)	(591,446)	(297,391)	(1,842,231)
Transfers between funds	23 (861,945)	-	861,945	-	-
Net interest in results for the year in associates	-	-	-	-	2,711
Other recognised gains and losses					
Exchange losses	-	-	-	-	(102)
Unrealised gains on investments	16 779,520	5,655	62,214	847,389	3,782,818
Net movement in funds	263,591	(46,306)	332,713	549,998	1,943,196
Funds balances at 1 April 2013	6,648,205	33,618,438	4,747,155	45,013,798	43,070,602
Funds balances at 31 March 2014	6,911,796	33,572,132	5,079,868	45,563,796	45,013,798

All gains and losses are included above, and accordingly a statement of total recognised gains and losses has not been presented. All incoming resources and resources expended are derived from continuing operations.

Charity Statement of Financial Activities (incorporating the Income and Expenditure Account) for the year to 31 March 2014

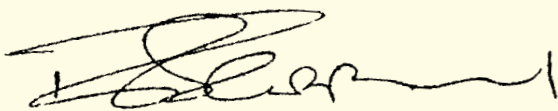
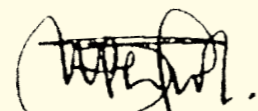
	General Funds	Designated Funds	Restricted Funds	Total 2014	Total 2013
Note	(Note 2, 22)	(Note 2, 22)	(Note 3, 23)		
	£	£	£	£	£
Incoming resources					
Incoming resources from generated funds					
Voluntary income from the public					
Donations and Appeals Income	5,150,278	-	25,000	5,175,278	4,534,262
Legacies	2,084,903	-	-	2,084,903	2,255,821
	7,235,181	-	25,000	7,260,181	6,790,083
Voluntary income from Army personnel					
Army Units	330,235	-	-	330,235	332,305
Regimental and Corps Benevolent Funds	924,113	-	-	924,113	857,851
Army Dependants Trust	700,000	-	-	700,000	-
Service related activities	120,000	-	-	120,000	120,000
	2,074,348	-	-	2,074,348	1,310,156
Investment income	5 1,386,831	16,459	181,322	1,584,612	1,356,461
Activities for generating funds					
Other donations and events	2,061,372	208,544	-	2,269,916	2,178,727
Incoming resources from charitable activities	-	-	966,836	966,836	1,273,309
Total Incoming resources	12,757,732	225,003	1,173,158	14,155,893	12,908,736
Resources expended					
Cost of generating funds					
Fundraising trading - Cost of goods sold and other costs	2,487,607	78,448	456	2,566,511	2,457,597
Costs of generating voluntary income	2,898,743	6	-	2,898,749	3,064,711
	5,386,350	78,454	456	5,465,260	5,522,308
Charitable activities					
Grant making costs					
Grants to Regiments and Corps for the benefit of individuals	8 3,243,179	101,061	1,658,148	5,002,388	5,272,987
Grants to other charities	9 2,728,303	97,449	106,000	2,931,752	2,812,596
	5,971,482	198,510	1,764,148	7,934,140	8,085,583
Grant making support costs	10 581,822	-	-	581,822	606,128
	6,553,304	198,510	1,764,148	8,515,962	8,691,711
Other support to charities	11 220,830	-	-	220,830	260,831
Governance costs	13 251,232	-	-	251,232	276,117
Total resources expended	12,411,716	276,964	1,764,604	14,453,284	14,750,967
Net incoming / (outgoing) resources before transfers	346,016	(51,961)	(591,446)	(297,391)	(1,842,231)
Transfers between funds	23 (861,945)	-	861,945	-	-
Net interest in results for the year in associates	-	-	-	-	2,711
Other recognised gains and losses					
Exchange losses	-	-	-	-	(102)
Unrealised gains on investments	16 779,520	5,655	62,214	847,389	3,782,818
Net movement in funds	263,591	(46,306)	332,713	549,998	1,943,196
Funds balances at 1 April 2013	6,647,631	33,618,438	4,747,155	45,013,224	43,070,028
Funds balances at 31 March 2014	6,911,222	33,572,132	5,079,868	45,563,222	45,013,224

All gains and losses are included above, and accordingly a statement of total recognised gains and losses has not been presented. All incoming resources and resources expended are derived from continuing operations.

Balance Sheets at 31 March 2014

	Note	Group		Charity	
		2014	2013	2014	2013
		£	£	£	£
Fixed assets					
Tangible assets	15	382,465	437,956	382,465	437,956
Investments	16	40,796,268	39,948,879	40,796,273	39,948,884
Associate undertaking	17	(1,630)	(1,630)	(1,630)	(1,630)
		41,177,103	40,385,205	41,177,108	40,385,210
Current assets					
Loan debtors	18	32,335	32,335	32,335	32,335
Other debtors	19	3,016,493	2,744,978	2,919,773	2,738,307
Short term deposits		1,480,000	2,450,000	1,480,000	2,450,000
Cash at bank and in hand		1,372,314	1,107,188	1,297,162	740,316
		5,901,142	6,334,501	5,729,270	5,960,958
Creditors:					
amounts falling due within one year	20	1,514,449	1,705,908	1,343,156	1,332,944
Net current assets		4,386,693	4,628,593	4,386,114	4,628,014
Net assets	21	45,563,796	45,013,798	45,563,222	45,013,224
Represented by:					
Restricted funds	3, 23	5,079,868	4,747,155	5,079,868	4,747,155
Unrestricted funds:					
Designated funds	2, 22	33,572,132	33,618,438	33,572,132	33,618,438
General funds		6,911,796	6,648,205	6,911,222	6,647,631
Total funds		45,563,796	45,013,798	45,563,222	45,013,224

Approved by the Board of Trustees and signed on their behalf


Major General (Retd) Peter Sheppard CB CBE
Chairman

Stephen Clark TD FCIB Chartered FCSI (HON)
Deputy Chairman and Honorary Treasurer

11 July 2014

ABF The Soldiers Charity
Registered in England and Wales
Company number 07974609

Consolidated Statement of Cash Flows for the year to 31 March 2014

	2014	2013
	£	£
Net cash outflow from operating activities	(2,233,397)	(3,671,934)
Net cash inflow from returns on investments		
Investment income	1,584,763	1,356,812
Capital expenditure and financial investment		
Sale of investments	-	2,671,718
Purchase of tangible fixed assets	(56,240)	(278,949)
Net cash (outflow) / inflow from capital items	(56,240)	2,392,769
Management of liquid resources		
Decrease / (Increase) in short term deposits	970,000	(1,000,000)
Increase / (Decrease) in cash in the year	265,126	(922,353)

	2014	2013
	£	£
Reconciliation of net outgoing resources for the year to net cash outflow from operating activities		
Net (outgoing) resources for the year	(297,391)	(1,842,231)
Depreciation of tangible fixed assets	111,731	97,774
Decrease in stocks	-	14,058
(Increase) in debtors	(271,516)	(457,161)
Decrease in creditors	(191,458)	(127,562)
Investment income	(1,584,763)	(1,356,812)
Net cash outflow from operating activities	(2,233,397)	(3,671,934)

Analysis of cash	Opening 2014	Cash inflow	Closing 2014
	£	£	£
Cash movement in 2014	1,107,188	265,126	1,372,314
	Opening 2013	Cash outflow	Closing 2013
	£	£	£
Cash movement in 2013	2,029,541	(922,353)	1,107,188

Notes to the Accounts for the year to 31 March 2014

1 Accounting policies

Accounting convention

The Accounts have been prepared under the historical cost convention as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (SORP 2005) "Accounting and Reporting by Charities" published in March 2005, applicable accounting standards, the Charities Act 2011, and the Charity (Accounts and Reports) Regulations 2008.

Consolidation

The Accounts consolidate ABF The Soldiers' Charity and its three trading subsidiary companies; The Army Benevolent Fund Enterprises Limited, Soldiers' Trading Limited and The Tournament Trading Company Limited. The income of these trading subsidiaries is included in the Consolidated and Company Statement of Financial Activities within Donations and appeals income, and within Other donations and events. Expenditure is included in Costs of goods sold and other costs.

Incoming resources

Voluntary income and income from fundraising events are recorded in the Accounts when receivable so far as it is prudent and practical to do so.

Income received from events is recognised in the period in which the event takes place.

Income from Legacies is taken into the Statement of Financial Activities when received or when receipt is reasonably certain and the value can be measured with sufficient reliability.

In accordance with the terms set out at the time grants are received, grants in respect of the Quick Reaction Fund and the Individual Recovery Plans Fund have either been included as incoming resources from charitable activities as received, or included to the extent that grants have been made from those funds to beneficiaries. For those grants received which fall into the latter category, the excess of grants received over the amount taken to income is held within creditors.

Costs of generating funds

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

Charitable expenditure

Grants payable in furtherance of the charity's objects are recognised as expenditure when payment is due.

Support costs

Support costs are those costs incurred in support of the Charity's primary objective of paying grants to those in need. If material, the costs of the Welfare Department, plus an appropriate share of head office overheads, are apportioned to the restricted and designated funds on the basis of number of cases handled in the year.

Other support to charities reflects the support given to other charities in terms of management and staff time, and in certain circumstances subsidies for accommodation costs for office space occupied at Mountbarrow House.

Governance costs

Governance costs represent those costs associated with the governance arrangements of the Charity which relate to the general running of the Charity. Such costs include external audit fees, legal costs, related Trustee costs and costs associated with compliance with statutory requirements.

Investments

The investment portfolio is shown at market value using the mid-market prices at the balance sheet date. The realised and unrealised gains or losses derived from the operation of the investment portfolio are shown as a single line item in the Statement of Financial Activities as it is considered that their separation by reference to carrying value at the date of the last balance sheet is not helpful to the understanding or management of the portfolio.

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

1 Accounting policies – Continued

Fixed assets and depreciation

Tangible fixed assets costing more than £1,000 are capitalised and included at cost, including any incidental expenses relating to the acquisition.

Depreciation is provided for all tangible fixed assets so as to write off their cost in equal instalments over their expected useful lives as follows; Computer equipment - 3 years. Operating software - 8 years. Office furniture and fittings - 3-5 years. Leasehold improvements - Over the primary term of the lease

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

Loans to beneficiaries

Loans to beneficiaries are recorded as an asset of the Charity to the extent that they are expected to be recovered.

Operating leases

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

Foreign currency

Transactions denominated in foreign currencies are recorded at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are converted to Sterling at the rates of exchange ruling at the balance sheet date.

The Accounts of overseas operations are translated to Sterling at the approximate rates of exchange ruling at the balance sheet date. All differences are recorded in the Statement of Financial Activities

Pension costs

Until the close of business on 31 March 2012, the Charity had operated a defined benefits pension scheme based on final pensionable salaries. This scheme had been closed to new members from 1 October 1997, and was wound up in the year to 31 March 2014.

Employees joining after 30 September 1997 are entitled to join a Group Personal Pension Scheme which is operated on a contributory basis. The assets of the Group Personal Pension Scheme are held separately from those of the Charity and contributions payable by the Charity are charged in the Statement of Financial Activities in the year in which they are payable.

2 Designated funds

Designated Funds, within the Unrestricted General Fund, are set aside at the discretion of the Trustees for specific purposes.

The Designated Funds consist of the Northern Ireland Special Relief Fund (NISRF), the Current Operations Fund (COF) and the Strategic Reserve. The NISRF has been set up to meet the special requirements for aid occasioned by events in Northern Ireland, with the COF being established in 2007 to provide a continuing fund for soldiers, former soldiers and their dependants in times of need who are suffering distress as a result of military operations being undertaken at that time and all subsequent military operations.

The Strategic Reserve was formerly identified within the General Fund but in the year to 31 March 2013 the Trustees decided that it should be recognised as a separate Designated Fund. As reported in the Trustees Report and in Note 22, the Strategic Fund covers the anticipated grants for Individuals for two years, made by both the Charity and the Army (Regiments and Corps), and the Charity's contingent obligation to the Army Dependants Trust.

3 Restricted funds

The Restricted Funds consist of:

- The Falklands Fund which exists to meet the needs of soldiers, former soldiers and their dependants who have suffered distress as a result of the Falklands conflict.
- The Gulf Trust (Army and Civilian) Fund, which exists to meet the needs of soldiers, civilian personnel attached to or accompanying the Armed Forces and their dependants who have suffered distress as a result of the Gulf conflict and continuing operations.
- The Sir Jules Thorn Account which exists to help those seeking entrance to the Royal Hospital, Chelsea and Old Age Pensioners from the Army, or their dependants, who are in need of special attention.
- The George Purse Trust Fund which exists to make grants which would not otherwise be provided out of Charity general funds to support the welfare needs of ex-Army personnel, dependants and carers residing in the former boundaries of the counties of Glamorgan and Monmouthshire.
- The Quick Reaction Fund, set up in conjunction with Help for Heroes (registered charity number 1120920), which exists to provide immediate and direct support to wounded, injured and sick serving soldiers and their dependants and supplements funding available from Regimental Benevolent Associations and other Service charities.
- The Individual Recovery Plans Fund set up in conjunction with Help for Heroes and with additional support from other donors, which exists to provide funds for retraining and resettlement opportunities for serving personnel passing through the Army Recovery Capability programme.

4 Subsidiary companies' results**The Army Benevolent Fund Enterprises Limited**

Included in the Incoming and outgoing resources relating to Other donations and events are the income and costs of the trading subsidiary The Army Benevolent Fund Enterprises Limited. The results were as follows:

	2014	2013
	£	£
Turnover	68,212	82,140
Cost of Sales	(48,859)	(41,520)
Gross Profit	19,353	40,620
Administrative expenses	(11,513)	(13,007)
Other Income	6,081	11,822
Profit on ordinary activities	13,921	39,435
Gift Aid to parent charity	(13,921)	(39,435)
Net Profit	-	-
Profit and Loss Account brought forward	574	574
Profit and Loss Account carried forward	574	574
The aggregate of the assets, liabilities and funds was:		
Assets	18,999	36,335
Liabilities	(18,422)	(35,758)
Total Funds	577	577

Soldiers' Trading Limited

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

	2014	2013
	£	£
Turnover	86,437	106,624
Cost of Sales	-	(8,557)
Gross Profit	86,437	98,067
Administrative expenses	(9,147)	(10,564)
Other Income	33	30
Profit on ordinary activities	77,323	87,533
Gift Aid to parent charity	(77,323)	(87,533)
Net Profit	-	-
Profit and Loss Account brought forward	-	-
Profit and Loss Account carried forward	-	-
The aggregate of the assets, liabilities and funds was:		
Assets	214,029	97,595
Liabilities	(214,028)	(97,594)
Total Funds	1	1

4 Subsidiary companies' results – continued**The Tournament Trading Company Limited**

Included in the Incoming and outgoing resources relating to Other donations and events are the income and costs of The Tournament Trading Company Limited, the trading subsidiary company set up to manage The British Military Tournament event on behalf of the Charity. The results were as follows:

	2014	2013
	£	£
Turnover	1,699,367	1,942,841
Cost of Sales	(1,470,996)	(1,717,263)
Gross Profit	228,371	225,578
Administrative expenses	(219,273)	(213,532)
Other Income	108	302
Profit on ordinary activities	9,206	12,348
Gift Aid to parent charity	(9,206)	(12,348)
Net Profit	-	-
Profit and Loss Account brought forward	-	-
Profit and Loss Account carried forward	-	-
The aggregate of the assets, liabilities and funds was:		
Assets	569,543	366,363
Liabilities	(569,542)	(366,362)
Total Funds	1	1

Donations received prior to and at the event are shown within Donations and appeals income within the Charity.

5 Investment Income

	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2014	Total 2013
	£	£	£	£	£
Dividends and distributions	1,122,003	16,449	180,989	1,319,441	1,195,185
Bank interest	19,439	10	333	19,782	13,715
	1,141,442	16,459	181,322	1,339,223	1,208,900
Rental Income	245,539	-	-	245,539	147,912
Total	1,386,981	16,459	181,322	1,584,762	1,356,812

Unrestricted Funds investment income includes £150 (2013: £351) in bank interest arising in the subsidiary companies. Rental income arises from the sub-letting of office space in Mountbarrow House to a number of other Service charities.

6 Costs of goods sold and other costs

	2014	2013
	£	£
Direct costs		
Event costs	1,240,583	1,141,120
Promotion materials	121,382	160,257
Salaries and pensions	115,444	113,135
Other costs	43,299	41,465
	1,520,708	1,455,977
Support costs (Note 12)		
Central and administrative costs	673,775	655,508
Regional office costs	670,410	633,291
Total	2,864,893	2,744,776

7 Costs of generating voluntary income

	2014	2013
	£	£
Direct costs		
Salaries and Pensions	703,737	691,442
Campaign costs	575,449	707,469
Other costs	11,827	18,096
	1,291,013	1,417,007
Support costs (Note 12)		
Advertisements and Promotion	444,398	474,048
Central and administrative costs	614,820	655,508
Regional office costs	548,518	518,148
Total	2,898,749	3,064,711

8 Grants for the benefit of individuals

All grants made for the benefit of soldiers, former soldiers and their families are paid through their parent Regimental or Corps Associations. The total value of these grants made during the year was £5,002,388 (2013: £5,272,987).

9 Grants to other charities

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

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

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

Grants from Unrestricted funds

	2014	2013
	£	£
Helping the disabled		
BEWSA	15,000	15,000
Bournemouth War Memorial Homes	5,100	10,000
Calibre	-	5,000
Chaseley Trust	15,000	30,000
Deafblind UK	-	4,000
Home Farm Trust	20,000	25,000
Listening Books	-	4,000
The Gwennili Trust	3,000	3,000
Tourism for All	-	3,000
Vitalise	34,000	14,500
William Simpson's Home	20,000	14,700
	112,100	128,200
Helping the elderly		
Age Concern Espana	20,000	10,000
Broughton House	60,000	60,000
Erskine Hospital	140,000	150,000
Lord Leicester Hospital	7,000	6,000
Queen Alexandra Hospital Home	40,000	40,000
Royal Alfred Seafarers' Society	12,000	15,000
Royal Cambridge Home	40,000	36,000
Royal Star & Garter Home	70,000	70,000
St David's Nursing Home	30,000	30,000
The Somme Nursing Home	15,000	25,000
	434,000	442,000

9 Grants to other charities – Grants from Unrestricted funds – Continued

	2014	2013
	£	£
Helping with employment and training		
Finchale Training College	18,470	15,000
Queen Elizabeth's Foundation	7,500	9,500
Recruit for Spouses	-	14,000
Regular Forces Employment Association	398,000	238,000
Scottish Society for Employment	2,500	2,500
Skill Force	15,000	13,500
The Poppy Factory	56,000	56,000
	497,470	348,500
Helping the Army family:		
"Not Forgotten" Association	30,000	30,000
Army Widows' Association	6,000	6,000
Catterick Community Group (Gurkha Education)	100	-
Chindits Old Comrades Association	1,000	1,000
COBSEO	20,000	20,000
East Midlands War Pensions Committee	600	-
Grassmarket Community Project	1,000	-
Gurkha Outreach – Greenwich	-	15,000
Gurkha Support Reading	-	1,544
Help The Hospices	5,000	5,000
Hong Kong LEP Trust	6,000	6,000
Lord Kitchener Memorial Holiday Centre	16,000	17,000
Mark Wright Project	15,000	-
Mutual Support	10,000	10,000
My Daddy is a Soldier Adventures	2,000	-
Nimrod	-	2,000
Phyllis Tuckwell Hospice	5,000	5,000
Poppyscotland	30,000	15,000
Prisoner's Education Trust	1,500	-
Queen Victoria School	6,000	6,000
Rothiermurchus Lodge	2,000	-
Royal Commonwealth Ex-Services League	345,500	240,000
SSAFA Warwick	-	2,000
SSAFA Central Offices	329,600	310,880
Tayforth Veterans Project	10,000	10,000
Thames Hospicecare	-	5,000
The League of Remembrance	1,200	1,200
The Officers' Association	-	100,000
The Royal Hospital Chelsea	3,500	5,750
The Thistle Foundation	5,000	5,000
Veterans Scotland	14,000	10,000
West Indian Association of Service Personnel	20,000	30,576
	886,000	859,950
Helping with Housing and Homelessness		
Alabare Christian Care & Support	30,000	30,000
Armed Forces & Veterans Launchpad	25,000	-
Community Housing & Therapy	64,000	29,500
Community Self Build Agency	25,000	40,000
Haig Homes	60,000	45,000
Norcare	37,500	-
Scottish Veterans' Garden City	20,000	40,000
Stoll	30,900	36,608
TREES Group	-	25,000
Veterans Aid	31,000	32,000
West Midlands Veterans Housing	400	40,000
	323,800	318,108

9 Grants to other charities – Grants from Unrestricted funds – Continued	2014	2013
	£	£
Service Support to the Army family		
Alexandra House	-	-
Army Families Federation	16,400	16,400
Army Welfare Service	-	508
Child Bereavement Charity	-	14,825
Defence Medical Welfare Service	-	(2,500)
HCPT Group 182	5,000	-
Rutland CAB	19,000	-
Skilled for Health	-	2,500
Storybook Soldiers	10,000	12,500
Worldwide Volunteering	12,500	-
Army Welfare Service – Welfare Minibuses	81,040	78,643
	143,940	130,376
Mental Health Support		
Combat Stress	340,000	200,000
Gardening Leave	20,000	7,700
Timebank	-	25,000
	360,000	232,700
Research to assist the soldier:		
Imperial College London	(29,007)	-
	(29,007)	-
Total Grants from unrestricted funds	2,728,303	2,459,834
Grants from Designated funds		
Helping the disabled		
Spinal Injuries Association	21,400	23,000
	21,400	23,000
Helping the Army family:		
Families Activity Breaks (Child Bereavement Charity)	19,375	-
STUBS Ltd	7,500	10,000
	26,875	10,000
Helping with Housing and Homelessness		
Haig Homes	10,000	15,000
Haig Housing Trust	-	17,773
	10,000	32,773
In Service Support to the Army family		
16 Regt RA	-	2,000
29 Regt RLC	-	9,000
Central Bank 29 Regt RLC	11,460	6,000
HighGround	-	25,000
Horseback UK	214	-
RCDM Patient Welfare Fund	-	10,000
RHQ The Royal Welsh	-	3,000
Rifles Benevolent Trust (Winchester)	-	30,000
SSAFA Shorncliffe	-	149
World Wide Volunteering	-	10,000
	11,674	95,149
Helping the Army family:		
NIMROD	2,500	-
	2,500	-
Mental Health Support		
Combat Stress	25,000	60,000
	25,000	60,000
Total Grants from designated funds	97,449	220,922

9 Grants to other charities – Continued	2014	2013
	£	£
Grants from Restricted funds		
Helping the Army family		
“Not Forgotten” Association	10,000	10,000
Falklands Veterans Foundation	-	20,000
SAMA 82	5,000	5,000
Gulf Veterans and Families Association	36,000	36,000
AWS Minibus	-	840
	51,000	71,840
Mental Health Support		
Combat Stress	55,000	60,000
	55,000	60,000
Total grants from restricted funds	106,000	131,840
Summary		
Grants from unrestricted funds	2,728,303	2,459,834
Grants from designated funds	97,449	220,922
Grants from restricted funds	106,000	131,840
Total external grants expenditure	2,931,752	2,812,596

10 Grant making support costs	2014	2013
	£	£
Direct costs		
Salaries and pensions	220,517	220,586
Other costs	11,040	9,023
	231,557	229,609
Support costs (Note 12)		
Advertisement and promotion	148,133	158,016
Central and administrative costs	202,132	218,503
Total	581,822	606,128

11 Other support to charities

	2014	2013
	£	£
Direct costs		
Salaries and pensions	153,451	146,143
Accommodation subsidy	-	27,287
	153,451	173,430
Support costs (Note 12)		
Central and administrative costs	67,379	87,401
Total	220,830	260,831

12 Other support to charities

	2014	2013
	£	£
Regional office costs		
Direct costs		
Salaries and pensions	1,052,956	973,142
Office and general expenses	46,164	67,383
Travel expenses	115,607	104,013
Other costs	4,201	6,901
	1,218,928	1,151,439
Allocated to		
Costs of goods sold and other costs	670,410	633,291
Costs of generating voluntary income	548,518	518,148
Total	1,218,928	1,151,439

Advertisements and promotion

Direct costs		
Advertisements and promotion	592,531	632,064
	592,531	632,064
Allocated to		
Costs of generating voluntary income	444,398	474,048
Grant making support costs	148,133	158,016
Total	592,531	632,064

Central and administrative costs

Direct costs		
Salaries and pensions	661,620	692,452
Legal and professional	16,736	8,887
Accommodation	653,535	594,920
Relocation	14,267	111,528
Other administrative costs	338,281	340,235
	1,684,439	1,748,022
Allocated to		
Costs of generating voluntary income	614,820	655,508
Costs of goods sold and other costs	673,775	655,508
Grant making support costs	202,132	218,503
Other support to charities	67,379	87,401
Governance	126,333	131,102
Total	1,684,439	1,748,022

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

13 Governance costs

	2014	2013
	£	£
Direct costs		
Salaries and pensions	85,835	80,331
Meeting expenses	7,087	2,613
Auditors: Audit fees	15,359	25,000
Auditors: Adjustment to prior year Audit fees	(5,075)	3,069
Legal & Professional	18,262	7,169
Trustee recruitment	-	9,552
Incorporation costs	-	7,128
Trustee expenses	3,431	1,460
Other costs	-	8,693
	124,899	145,015
Support costs (Note 12)		
Central and administrative costs	126,333	131,102
Total	251,232	276,117

The total Audit fees for the Group were £24,438 (2013: £43,569). The Trustees received no remuneration during the year (2013: £nil). Trustee expenses of £3,431 (2013: £1,460) were reimbursed for directly incurred travelling expenses paid to five (2013: four) of the Trustees.

14 Staff costs and emoluments

	2014	2013
	£	£
Total staff costs comprised:		
Wages and salaries	2,736,243	2,679,248
Social security costs	275,337	270,845
Pensions contributions	109,613	105,267
Total	3,121,193	3,055,360

The Charity employed an average staff of 85 (21 part-time) (2013: 85 including 22 part-time) of whom 43 (2013: 43) are employed at the Charity's head office. A small number of these individuals are on short term contracts to cover gaps and also from time to time we engage a limited number of contract and agency staff.

	2014	2013
	No.	No.
The number of employees whose salary and other emoluments exceed £60,000 was;		
£60,001 – £70,000	2	3
£70,001 – £80,000	2	1
£110,001 – £120,000	1	1
Pension contributions for higher paid employees totalled £21,169 (2012: £17,686)		

15 Tangible fixed assets – Group and Charity

	Leasehold improvements		Office furniture / equipment		Total	Total
	2014	2013	2014	2013	2014	2013
	£	£	£	£	£	£
Cost						
At 1 April	431,171	205,475	319,122	265,869	750,293	471,344
Additions	48,562	225,696	7,678	53,253	56,240	278,949
Disposals	(43,593)	-	(30,201)	-	(73,794)	-
At 31 March	436,140	431,171	296,599	319,122	732,739	750,293
Depreciation						
At 1 April	115,826	50,979	196,511	163,584	312,337	214,563
Charge for the year	75,620	64,847	36,111	32,927	111,731	97,774
Released on disposal	(43,593)	-	(30,201)	-	(73,794)	-
At 31 March	147,853	115,826	202,421	196,511	350,274	312,337
Net book value at 31 March	288,287	315,345	94,178	122,611	382,465	437,956

Office furniture, fittings and equipment are normally written off in equal instalments over 3 or 5 years. The investment in the operating softwares for managing the fundraising activities and the accounting system are being written off in equal instalments over 8 years.

16 Investments – Group

	Unrestricted	Designated	Restricted	Total
	Funds	Funds	Funds	
	£	£	£	£
Market value 1 April 2013	34,685,900	438,484	4,824,495	39,948,879
Net realised and unrealised gains on investments	779,520	5,655	62,214	847,389
Market value 31 March 2014	35,465,420	444,139	4,886,709	40,796,268
Cost				
At 31 March 2014	21,970,703	257,025	2,868,468	25,096,196
At 31 March 2013	21,970,703	257,025	2,868,468	25,096,196

All of the above Investments are held by the Charity. In addition 100% of the issued share capital of The Army Benevolent Fund Enterprises Limited, The Tournament Trading Company Limited and Soldiers' Trading Limited is held by the Charity. Both the cost and valuation of these shareholdings are £5.

The investment portfolio comprises the following at market value;

	Unrestricted	Designated	Restricted	Total
	Funds	Funds	Funds	
	£	£	£	£
Armed Forces Common Investment Fund Units	30,184,589	444,139	4,886,709	35,515,437
BlackRock Dynamic Diversified Growth Fund units	2,982,274	-	-	2,982,274
Cazenove Jubilee Absolute Return Fund	2,298,557	-	-	2,298,557
Market value 31 March 2014	35,465,420	444,139	4,886,709	40,796,268

17 Associates

The British Soldiers' Fund (BSF) was incorporated as a tax-exempt charity in the United States in 2012, its primary purpose being to raise funds for British Army personnel, past and present, and their families in times of need. As ABF The Soldiers' Charity can appoint three of the seven directors of BSF, BSF is treated as an associate undertaking for the purposes of the consolidated accounts. The Charity's share of BSF's surplus as at 31 March 2013 was £2,711. The Charity's share of BSF's net liabilities remains at £1,630.

18 Loan debtors – Group and Charity

	Unrestricted	Designated	Restricted	Total
	Funds	Funds	Funds	
	£	£	£	£
Loan balances at 1 April 2013	10,000	-	22,335	32,335
Loan balances at 31 March 2014 due within one year	2,000	-	-	2,000
Loan balances at 31 March 2014 due beyond one year	8,000	-	22,335	30,335
Loan balances at 31 March 2014	10,000	-	22,335	32,335

19 Other debtors and prepayments

	Group		Charity	
	2014	2013	2014	2013
	£	£	£	£
Prepayments and accrued income	2,492,523	2,307,324	2,230,404	2,298,911
Other debtors	523,970	437,654	65,011	312,646
Due from subsidiaries	-	-	624,358	126,750
Total	3,016,493	2,744,978	2,919,773	2,738,307

20 Creditors: amounts falling due within one year

	Group		Charity	
	2014	2013	2014	2013
	£	£	£	£
Deferred income				
At 1 April	923,407	1,013,384	923,407	1,013,384
Arising during the year	1,808,867	923,407	1,708,867	923,407
Released during the year	(1,548,106)	(1,013,384)	(1,548,106)	(1,013,384)
At 31 March	1,184,168	923,407	1,084,168	923,407
Trade creditors	145,122	78,779	141,901	67,793
Accrued expenses	181,038	687,131	112,966	325,153
Other creditors	4,121	16,591	4,121	16,591
Total	1,514,449	1,705,908	1,343,156	1,332,944

21 Analysis of net assets between funds

	Tangible Fixed Assets £	Investments and Associates £	Net Current Assets £	Group Total £
Unrestricted Funds				
General Fund	382,465	35,463,790	(28,934,459)	6,911,796
Designated Funds				
Northern Ireland Special Relief Fund	-	444,139	(260,645)	183,494
Current Operations Fund	-	-	3,888,638	3,888,638
Strategic Fund	-	-	29,500,000	29,500,000
Restricted Funds				
Falklands Fund	-	2,577,816	178,039	2,755,855
Gulf Fund	-	1,036,117	(411,412)	624,705
Sir Jules Thorn Account	-	-	24,073	24,073
George Purse Trust Fund	-	1,272,776	119,961	1,392,737
Individual Recovery Plans Fund	-	-	282,498	282,498
Total	382,465	40,794,638	4,386,693	45,563,796

The Charity has net assets of £45,563,222. The Designated and Restricted Funds are as above.

	Fixed Assets £	Investments £	Assets £	Total £
Unrestricted Funds	382,465	35,463,795	(28,935,038)	6,911,222
General Fund	-	5,330,848	33,321,152	38,652,000
Designated and Restricted Funds	382,465	40,794,643	4,386,114	45,563,222

22 Designated Funds financial activity – Group

	Northern Ireland Special Relief Fund £	Current Operations Fund £	Strategic Fund £	Total 2014 £	Total 2013 £
Incoming resources					
Donations and appeals income	-	-	-	-	10,000
Other donations and events	-	208,544	-	208,544	284,127
Investments income	16,459	-	-	16,459	14,788
Total incoming resources	16,459	208,544	-	225,003	308,915
Resources expended					
Cost of goods sold and other costs	6	78,448	-	78,454	82,339
Direct Charitable expenditure:					
Grants to other charities	22,500	74,949	-	97,449	220,920
Grants for the benefits of individuals	13,332	87,729	-	101,061	206,821
Total resources expended	35,838	241,126	-	276,964	510,080
Net [outgoing] resources	(19,379)	(32,582)	-	(51,961)	(201,165)
Transfer from the General Fund	-	-	-	-	29,500,000
Net unrealised gains on investments	5,655	-	-	5,655	43,951
Net movement in funds	(13,724)	(32,582)	-	(46,306)	29,342,786
Fund balances brought forward	197,218	3,921,220	29,500,000	33,618,438	4,275,652
Fund balances carried forward	183,494	3,888,638	29,500,000	33,572,132	33,618,438

22 Designated Funds financial activity – Group – Continued

As had been set out in previous Report & Accounts, the Trustees had allocated part of the Unrestricted General Fund to be set aside for strategic operational purposes. During the year to 31 March 2013 the decision was taken to transfer that element of the Unrestricted General Fund - £29.5 million - to Designated Funds.

The Strategic Fund covers:

	£m
Two years unrestricted funds benevolence grants for individuals	12.0
Two years benevolence grants made by Regiments & Corps	12.0
Obligation to support the Army Dependants Trust	4.0
Two years Grants team infrastructure costs	1.5
Strategic Fund	29.5

23 Restricted funds financial activity – Group

During the year an amount of £900,000 (2013 : £176,849) was transferred from Unrestricted General Funds to the Restricted IRP Fund to cover Charity-funded IRP grants and IRP funds received from third parties, and £119 (2013: Nil) was transferred from Unrestricted General Funds to the Quick Reaction Fund to cover the deficit in the Fund. An amount of £38,174 was transferred from the IRP Fund to Unrestricted General Funds, for funds received from third parties. In 2013 £50,000 was transferred from the Quick Reaction Fund to the IRP Fund.

	IRP Fund £	QRF Fund £	Falklands Fund £	Gulf Fund £	Sir Jules Thorn A/c £	George Purse Trust £	Total 2014 £	Total 2013 £
Incoming resources								
Donations and Appeals Income	-	-	-	-	25,000	-	25,000	25,000
From charitable activities	687,626	279,210	-	-	-	-	966,836	1,273,309
Investment Income	117	56	95,568	38,394	-	47,187	181,322	162,934
Total incoming resources	687,743	279,266	95,568	38,394	25,000	47,187	1,173,158	1,461,243
Resources expended								
Direct charitable expenditure	368	77	6	2	-	3	456	668
Grants to other charities	-	-	39,000	62,000	-	5,000	106,000	131,840
Grants for the benefit of individuals	1,307,175	279,210	22,240	31,890	(370)	18,003	1,658,148	1,700,419
Total resources expended	1,307,543	279,287	61,246	93,892	(370)	23,006	1,764,604	1,832,927
Net incoming / [outgoing] resources	(619,800)	(21)	34,322	(55,498)	25,370	24,181	(591,446)	(371,684)
Transfers between funds	861,826	119	-	-	-	-	861,945	176,849
Net unrealised gains on investments	-	-	32,819	13,191	-	16,204	62,214	483,580
Net movement in funds	242,026	98	67,141	(42,307)	25,370	40,385	332,713	288,745
Fund balances brought forward	40,472	(98)	2,688,714	667,012	(1,297)	1,352,352	4,747,155	4,458,410
Fund balances carried forward	282,498	-	2,755,855	624,705	24,073	1,392,737	5,079,868	4,747,155

24 Pension costs

ABF The Soldiers' Charity Group Pension Plan

Employees joining the Charity after 30 September 1997 are offered membership of a contributory Group Personal Pension Scheme. Employer contributions to this scheme during the year to 31 March 2014 amounted to £109,613 (2013: £105,267).

Army Benevolent Fund Retirement Benefits Scheme

For employees who joined the Charity before 1 October 1997 the Charity operated a Defined Benefits Pension Scheme ("the Pension Scheme") the assets of which were held separately from the Charity. In March 2012, the Trustees of the unincorporated charity gave notice to the Pension Scheme Trustees that contributions to the Scheme would cease with effect from the close of business on 31 March 2012. Accordingly, in March 2012 the Scheme Trustees resolved to wind up the Scheme as the close of business on 31 March 2012. That work was completed in January 2014 and the final surplus in the Scheme of £196,705 was returned to the sponsoring employer, the unincorporated charity.

25 Commitments

Capital

There were no capital commitments as at 31 March 2014 or 31 March 2013.

Operating leases

At 31 March 2014 there were the following annual commitments under operating leases:

	Land and buildings £	Office machinery £	Vehicles £
Operating leases which expire:			
Within one year	-	-	-
In the second to fifth year inclusive	339,828	63,275	22,712
Over 5 years	-	-	-
Total	339,828	63,275	22,712

The lease between the Charity and Grosvenor Estate Belgravia covers the 2nd and 3rd floors as well as part of the 1st floor at Mountbarrow House.

Solicitors Bircham Dyson Bell LLP 50 Broadway Westminster London SW1H 0BL	Principal bankers HSBC Bank plc The Peak 333 Vauxhall Bridge Road Victoria London SW1V 1EJ	Trading subsidiary companies The Army Benevolent Fund Enterprises Limited (Registered No. 897830) Soldiers' Trading Limited (Registered No. 07243995)
Statutory Auditor Chantrey Vellacott DFK LLP Russell Square House 10-12 Russell Square London WC1B 5LF	Investment managers BlackRock Investment Management (UK) Limited 12 Throgmorton Avenue London EC2N 2DL	The Tournament Trading Company Limited (Registered No. 07241136)
	Custodian trustee Bank of New York Europe Limited 67 Lombard Street London EC3P 3DL	All three trading subsidiary companies have their registered office at: Mountbarrow House 6-20 Elizabeth Street London SW1W 9RB
	Pensions financial adviser Gill Noble & Company Limited 29 London Road Bromley Kent BR1 1DG	

The age of our beneficiaries has spanned 5 months to 107 years

Here are just a few...

John, aged 96

John served throughout WWII with The King's African Rifles. He lives on a small plot of land in Kenya. We support him through our annual grant to the Royal Commonwealth Ex-Services League who provide funding equivalent to one meal per day, to over 15,000 Commonwealth veterans around the world.

Wayne, aged 75

Wayne is an In-Pensioner at the Royal Hospital Chelsea, one of the many organisations we support who provide specialised care to former soldiers. Our funding contributed towards the refurbishment of the pensioners' living quarters.

Ken, aged 54

Ken served with 2 Para during the Falklands conflict. After he left the Army he struggled with PTSD resulting in the breakdown of his living situation. He moved to London with nothing in way of soft furnishings and household goods so we made a grant to cover these essential items and to help him get back on his feet.

Gary, aged 33

Gary lost both legs and his left arm to an IED whilst on his second tour of duty with The Scots Guards in Afghanistan. To help him, his wife Claire and 3 kids cope with his injuries we paid for temporary accommodation whilst their house was being adapted. We also funded gym equipment so Gary could continue his rehabilitation at home.

Sam, aged 15

Sam is in the Army Cadet Force; his dad served with the Royal Signals. He's been in a wheelchair since birth after being born with spina bifida but has a talent for wheelchair basketball. To develop his sporting skills he needed a specialist wheelchair but his family couldn't afford the cost; along with other charities we helped provide the funding.

Ruth, aged 107

Ruth's husband was killed whilst serving with the Royal Engineers during WWII. 70 years later she was unable to afford the cost of her care home fees. Our funding alleviated this financial burden allowing this elderly lady to stay in her home.

Ronald, aged 87

Ronald served with the South Wales Borderers from 1944 - 1948 as a guard to high ranking prisoners of war. When his boiler broke down last Christmas he was unable to afford the cost of vital repairs. As soon as we learnt about his situation we took immediate action to fund a new central heating system ensuring that this veteran's home was warm and habitable once more.

Brian, aged 67

Brian served in the Ulster Defence Regiment as a part time infantry soldier; he suffered severe injuries when a booby trap device exploded under his car. He now lives in a rural bungalow in Northern Ireland but poor insulation left his home cold and drafty. As he was unable to afford the cost of double glazing, we stepped in to help pay towards new windows.

Alistair, aged 43

Alistair was blown up by a terrorist bomb when serving in Northern Ireland in 1991; he lost both legs and spent seven years in hospital recovering from his horrific injuries. Two decades on, he is now an international skydiving champion. We provided the financial backing to assist with training costs.

Andy, aged 26

Andy's life changed forever in 2010 when an RPG attack in Afghanistan caused him to lose his right arm. Nearly three years on it's been a long road to recovery for Andy, but our funding, which paid for adaptations to his bathroom, has helped make his daily routines that little bit easier.

Harry, aged 5 months

Harry's father is a serving soldier in the British Army. Harry suffers from brachycephaly also known as flat head syndrome. The condition can be rectified by the use of a cranial helmet, but the family couldn't afford this specialist equipment. We gave a grant to help cover the costs; the family told us that it is already making a huge difference.

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

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