

Our Vision:

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

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 deliver support to soldiers, former soldiers and their families on our collective behalf.

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 - 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 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 Governance, Structure and Management

Governing Document

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 objects 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) P J Sheppard. The Board is ultimately responsible for the Charity's 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 complies fully 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, which included a strategic business review in February 2015; they communicated frequently between meetings and attended numerous of our events and fundraising activities.

Our Trustees

Under the 2012 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, except when approved by a majority of the other Trustees by Special Resolution.

Each Trustee is selected after a thorough search for suitable candidates through open competition or after service in an expert capacity on one of our committees. 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. All Trustees are offered a programme of briefings on charity and employment law, subjects that are also included in a general annual update to Trustees by the Charity's solicitors. A Register of Trustees' interests is held centrally.

Trustees receive no remuneration, but were reimbursed for their expenses as noted in the accounts.

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

Chairman

Major General (Retired) PJ Sheppard CB CBE

Deputy Chairman

Mr S Clark TD FCIB Chartered FCSI (HON)

Members

Mr GC Davies Chartered FCSI

Ms M Fagan (appointed in July 2014)

Mr DE Francis

Brigadier (Retired) AW Freemantle CBE

Warrant Officer Class One (Academy Sergeant Major) GJ Haughton GREN GDS

Mr PJ Hearn LLB (Hons)

Major General (Retired) AIG Kennedy CB CBE

Mr SR Martin MA (Oxon)

Major General RMB Nitsch CBE (appointed in November 2014)

Major General (Retired) MD Wood CBE

Trustees who retired during the year:

Major General RR Davis CBE (resigned November 2014)

Mrs A Gallico (resigned November 2014)

Trustees appointed in the year:

Amongst the changes listed above, it is with great pleasure the Charity can announce that, at its Board Meeting in March 2015, it agreed the appointment of Lieutenant General AR Gregory CB as our new Chairman; he will assume the role from Spring 2016. General Gregory is a past Trustee of the Charity and, as the current Chief Defence Personnel, will bring considerable expertise to bear on the Service charity sector, on the current and future needs of our beneficiaries and on relationships with government and other agencies, in the context of the Armed Forces Covenant in particular.

For more information on our current Trustees and their biographies, please visit

www.soldierscharity.org

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 Governance 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. Details of the membership of Committees are shown in Table One.

Governance Committee

The Governance 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 Members, Trustees and Senior Executives, assisted by independent search companies and open advertising as required, and recommend appointments to the Board of Trustees. Finally, they are responsible for recommending the Executive's pay to the Main Board, and in particular that of the CEO and senior management team, informed by more generic advice from the Finance & Investment Committee. The membership of the Governance Committee is drawn exclusively from Trustees. They met as necessary during the year.

Finance & Investment Committee

The Finance & Investment Committee is responsible for oversight of all aspects of the Charity's corporate financial policies and operations. It includes specialist experts in accountancy, fund management and property. 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 recommending to the Board the remuneration of the Executive and determining and agreeing 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 who bring subject matter expertise to bear, as appropriate. The Committee met three times during the year.

Table One: Committee and Trustee membership

Board of Trustees		Committees			
Trustees	Year of appointment	Governance	Finance & Investment	Grants	Fundraising & Marketing
Major General (Retired) PJ Sheppard CB CBE (Chairman)	2006	Chairman	○	○	○
Mr S Clark (Deputy Chairman)	2006	○	Chairman		
Mr GC Davies	2006		√		√
Ms M Fagan	2014		○ wef March 2015		Chairman wef March 2015
Mr DE Francis	2010				√
Brigadier (Retired) AW Freemantle CBE	2007	√		√	
Warrant Officer Class One G J Haughton	2014				
Mr P J Hearn	2013		√		√
Major General (Retired) AIG Kennedy CB CBE	2008	√	○ Until March 2015		Chairman until March 2015
Mr SR Martin	2013			√	√
Major General RMB Nitsch CBE	2014				
Major General (Retired) MD Wood CBE	2013	√	○	Chairman	

√ Member

○ Invited to attend or Ex Officio

For more information on how we are governed, 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 & Investment 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 members of the Executive Board (The Senior Management Board) during the year, and as at 31 March 2015, are:

Major General (Retired) MJ Rutledge CB OBE MA	Chief Executive
Brigadier (Retired) RJ Bacon FCIPD FCMI MBA	Chief of Staff & Company Secretary
Mr SAC Bonnington	Director of National Fundraising
Colonel (Retired) PBG Cummings (until June 2014)	Director of Grants & Welfare
Colonel (Retired) KT Haugh CBE (appointed in June 2014)	Director of Grants & Welfare
Mr RG Musson FCA MInstLM	Director of Finance
Brigadier (Retired) CW Tadier CBE FCMI MInstF(Cert)	Director of Regions
Mrs W Searle ¹	Head of Communications

For more information on our Executive Board please visit www.soldierscharity.org

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. The total number of employees in established posts as at 31 March 2015 was 82 (2014: 80), some of whom are part time. This slight increase reflects decisions taken by Trustees during the year to boost national fundraising capability in specific specialist areas of expertise.

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, many of whom support our 66 county committees. Their presence and impact is wide-ranging.

Pay & Remuneration

We draw our benchmark data for Pay & Remuneration from “Croner’s Charity Rewards”, which gives indicative median salaries for 268 London-based and regional charities. All positions in the Charity have been assessed and placed within an appropriate generic pay band, with each pay band divided into increments to allow for job weighting, experience and performance.

¹ In attendance.

Having drawn on inflation index data (HM Treasury and ONS statistics) and taken note of pay settlements for other similar charities, especially in the military charity sector, the Trustees awarded an indicative increase of 1.8% for 2014/15, which was 0.2% below the Croner 2.0% average across-the-board settlement for these same 268 charities. We pay no bonuses or other performance or retention inducements, whatsoever, to any member of staff, irrespective of their position in the Charity. Benefits for all staff include: defined contribution pension scheme; season ticket allowance; group life insurance and sickness income protection scheme.

Senior Staff Remuneration

The remuneration of the Chief Executive and senior executives is set against the indicative median salaries for charity directors in London, extrapolated from the benchmark data from “Croner’s Charity Rewards”. The recommendations of the Finance & Investment Committee are then approved by the Board of Trustees. No bonuses are paid.

The total remuneration for the members of the Executive Board was £513,106 (2014: £492,755).

Management of Risk

The Trustees are responsible for the Charity’s risk management and the effectiveness of internal control systems. The Board of Trustees places considerable importance on achieving compliance with charity, employment and health and safety legislation. It 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.

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

The Charity’s solicitors review the principal Charity policies on a regular basis and all other policies are reviewed by the Senior Management Board.

In the certain knowledge that we will need to continue to provide support for many decades (the ‘long haul’) - we regularly update and review our financial plan, reserves and investment policies. Internal financial controls are checked by the Auditors and reviewed with the Finance & Investment Committee on a regular basis.

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

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 interests 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 & 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 <http://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 sector, de-conflict and coordinate. 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, six other Service charities in Mountbarrow House is another important element of this stance.

Corporate Social Responsibility and Sustainability

Our Vision, Mission and Values underpin the socially responsible way in which the Charity operates. We are all acutely conscious that the Charity's very existence is for the long term support of our beneficiaries within the 'Army Family' and as such, we ensure that we treat all our stakeholders with the respect they deserve, whether supporters, suppliers or our beneficiaries. We are committed to the high standards set by the Fundraising Standards Board (FRSB) and do not 'cold call' potential supporters or take part in street 'chugging'.

The key objective of our environmental policy is to proactively manage our environmental impact. Within the National Office we have: reduced the number of printers, consolidating requirements onto larger faster devices thus reducing the carbon footprint; have 'saved' the equivalent of 77 trees through recycling all our waste paper - in total we re-cycled 91.5% of our mixed waste. We also recycled old office furniture to other smaller charities, and fitted electrical smart meters which help reduce energy consumption.

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 the Regimental and Corps Associations and charities 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.

Achievements and Performance

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 illness; 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 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 Charity also provides a bespoke grants management system in support of Wounded, Injured and Sick (WIS) soldiers in partnership with Help for Heroes (H4H). 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 than perhaps hitherto.

The Trustees, through the Grants Committee, 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.

Other military and national charities are required to submit formal grant applications which are considered by the Grants Committee and by 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.

Grants for Individuals

ABF The Soldiers' Charity is the Army's National Charity, which helps soldiers, veterans and families from every conflict. It is a grant-giving body that provides individual grants through a network of caseworkers to provide funds direct to individuals in need. Last year, the eldest beneficiary was a 109-year-old World War II widow who needed assistance paying her care home fees, who has now sadly passed away. The youngest was a one-year-old disabled child. Approximately 18% of our individual grants were to help those serving or transitioning to civilian life.

Grants have supported a plethora of issues reaching out to the entire Service community, providing a lifetime of support, whether it involves the purchases of furnishings and equipment, mobility aids, home adaptations or support for education and training.

Table Two: Key Grants Statistics

EXPENDITURE in FY2014/15		
Grants in support of individuals:	2015 £'000	2014 £'000
Routine grants to individuals.	3,399	3,416
Individual Recovery Plan (IRP) grants. ²	427	460
Specialist Employment Consultants ³	632	847
Quick Reaction Fund (QRF) grants ⁴ .	73	279
Total cost of all individual grants	4,531	5,002
ABF The Soldiers' Charity grants to charities	2,182	2,932
TOTAL GRANTS EXPENDITURE	6,713	7,934
CASE NUMBERS	2015	2014
Routine individual grants	4,689	4,639
All IRP grants	265	346
QRF grants	66	310
TOTAL INDIVIDUAL CASE NUMBERS	5,020	5,295

Grants to other Charities

The Charity made 72 grants to other charities totalling £2,182k (2014: £2,931k). The total is a little reduced this year, which reflects, in part, our decision in 2014 to take the opportunity to release approved funding early to certain charities, which therefore increased the level of such grants in the 2013/14 financial year. The reduction in the 2014/15 financial year is also a consequence, in part, of the fact that a number of key charity partners received very substantial funding as a result of LIBOR fines being directed to the sector – so relieving us of the burden, for now. 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 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 were:

- SSAFA £148k
- Erskine Hospital £140k
- Royal Commonwealth Ex-Services League £118k

² IRP provides funding for Wounded, Injured or Sick soldiers in greatest need, for training and personal development over and above that provided by the MOD. It includes H4H funding of: £0.259m (£0.185m).

³ Includes an early payment of £0.320m in advance of FY14/15.

⁴ Funding drawn from H4H, enabling direct and practical support to be given to soldiers injured or wounded since 9/11.

- Armed Forces & Veterans Launchpad £103k

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 that benefit the military serving and veteran community. During 2014/15 this list included:

- Warrior Project £34k
- Reading Force £13k

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 and also expend considerable effort to assess how these charities have made use of our funds.

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 (OA), The Army Dependants Trust (ADT), Armed Forces Common Investment Fund (AFCIF), Forces in Mind Trust (FiMT) and Families of the Fallen; and by Director of Grants & Welfare: Veterans Scotland, Army Central Fund (ACF) and the Army Widows Association amongst others.

The Charity is also the lessee for the Mountbarrow House offices in Victoria, London SW1 and acts as 'landlord' to six other organisations sharing the space, including the OA and the Regular Forces Employment Association. Each licensee pays a rental and service charge and the arrangements have led to an overall benefit in terms of reducing back office costs, sharing best practice and other efficiencies.

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

The Charity has benefited from a very significant increase in fundraising income in 2014/15 from the public: through a successful combination of high profile events, donations from individuals, Trusts & Foundations, corporate fundraising, successful direct marketing appeals, increased legacies and some exceptional income. Donations from the public rose by over 75% to £13.1 million (2014: £7.5 million).

Within these figures, Legacy income has risen by almost 40% to £2.9 million (2014: £2.08 million). Promotion of legacy giving remains a high priority and various initiatives are being examined as a means of encouraging supporters and potential donors to consider making a legacy to the Charity.

Income from serving Army personnel and the Regimental and Corps Associations has held up well and proved to be broadly similar to the previous year at £2.07 million (2014: £2.07 million).

The Charity sought to commemorate World War One and the Charity's 70th Anniversary in its marketing themes for 2014. Highlights of the National events calendar this year included the Lord Mayor's Big Curry in April, the RHS Flower Show in May and the CATERAN YOMP in June. The Charity was delighted to win a Gold Medal for its Show Garden "No Man's Land" at RHS

Chelsea, which did much for our overall profile, and we remain hugely grateful to Coutts, Bechtel and one other silent partner for their generous sponsorship. The Cateran Yomp was staged for the fourth consecutive year in Perthshire, generously sponsored by Alliance Trust, and attracted 564 participants to the challenge of walking or running a demanding 54 mile mountainous route in under 24 hours. The fastest team was from the Queen's Own Gurkha Logistic Regiment. Also in Scotland, the Royal Edinburgh Military Tattoo makes a generous annual donation to the Charity. Building on the commemoration theme, the inaugural Front Line Walk was staged in October, with participants trekking 30 km per day over the Flanders fields between the Somme in France and Ypres in Belgium, following in the footsteps of their ancestors; this event will be staged again in October 2015.

The Evening Standard/Independent Campaign for "Homeless Veterans", which took place over the winter period, proved to be the most successful campaign of its type by the national media group; it generated over £1m of donations which we shared with our partner charity, Veterans Aid, and generated unprecedented media coverage for the Charity.

Regional fundraising activities have continued to be a crucially important mainstay of the Charity's activities, raising considerable funds and, as importantly, increasing public awareness of the Charity's work in every region of the British Isles. Whilst there are too many activities to mention in this report, one of the many highlights in 2014 was "Wheels on the Western Front", which involved riders cycling 370 km from London to the Belgian battlefields, finishing in Paris, raising over £100k in the process. To note is the increasing variety and ingenuity in the types of events we are running, suiting all potential supporters, enhancing the more traditional events we have typically fundraised from; this is only made possible with the help of our regional volunteers.

Our Annual Tri-Service Red, White and Blue Day involving schools throughout the British Isles and overseas was its most successful so far in 2014. Project managed from within ABF The Soldiers' Charity, over 695 schools signed up to take part and the event doubled the income compared to the previous year with £88.5K raised.

Additional success has also been seen in the increased engagement of the Army, both Regular and Reserve, and the Army Cadet Force. With greater numbers entering The Carrington Drum and Revision Trophy in 2014, our ability to mark a contribution to Regional Fundraising through these annual competitions formally reflects the support we have been given and validates the link enabled by the role of the Briefing and Liaison Officer posts created by the Charity.

With the cessation of the British Military Tournament last staged in December 2013, a full review was undertaken of the National Events programme, with additional high profile events now being scheduled in to FY2015/16. Furthermore, given the continuing organisational changes within the Army, it was timely to conduct an in-depth structural review of the Regions, which has led to, amongst other things, some modest adjustments to the disposition and responsibilities of our Regional staff.

None of these successes would have been possible without the generous support of so many: whether members of the public or the serving Army; Corporate supporters, exceptionally generous individuals and Trusts; legators; our staff; our wonderful supporters in the Regions and many others too numerous to mention. In particular they know we are in this for the 'long haul'; we support those in genuine need across all areas of activity and we work in very close concert with the Army and their Regimental and Corps charities, who understand the reality at 'grass roots' level.

Communications

The Communications team supports fundraising campaigns, events and direct marketing initiatives across the Charity. It is also pro-active in providing comment and stories to the National media. Large-scale projects this year have included a new Charity video and the development of our new website. Our social media community continues to grow and this will be an area of further focus in 2015/16.



The Charity's "No Man's Land" Gold-medal winning Chelsea Flower show garden achieved substantial press coverage, ranging from the BBC News and The Telegraph to BBC Gardeners' World, Country Life and a mention on "The Archers". Importantly it has strengthened many new relationships and opened other opportunities.

Our partnership with the ESI (Evening Standard/Independent Newspaper Group) for the winter "Homeless Veterans" campaign resulted in the media coverage for the year having a substantially higher reach and impact than previous years. The ESI Campaign saw over 180 news items feature the Charity, including many front page stories. We were able to include a message from HM The Queen and helpful quotes from a number of our celebrity supporters including Angelina Jolie and David Beckham. All of the stories also featured on a dedicated campaign news website.

Regional press coverage, which featured many fundraising and event stories, accounted for nearly 2,000 press cuttings this year, with a similar amount of online coverage. The Chief Executive, Chief of Staff and several members of staff and volunteers have been interviewed on BBC News, ITV News, Channel 5, Five Live, London Live, Radio 2, BFBS and Forces TV during the period. The coverage has been overwhelmingly positive, and the PR 'value' has been in the region of £10million.

The last two editions of FrontLine magazine – the 'Commonwealth' Issue (August 2014) and the 'Building A Future' Issue (April 2015) – were both very well received, and illustrated the breadth of the Charity's work across individual cases, both overseas and in the UK, as well as our ongoing commitment to numerous charitable partner organisations, to which we provide vital funding each year.

We currently have a diverse number of beneficiaries who have shared their stories for communications purposes, and which again reflect the breadth of our work.

- Website visits - April 2014 to April 2015: 194,973 visits / 390,828 page views
-  Facebook reach - April 2015: 71,000
-  Twitter followers - April 2015: 24,000

Financial Review

Results for the year

In summary the consolidated operating result and the net movement in funds for the year to 31 March 2015 show a net income of £6,024k and a net movement in funds of £9,459k – a welcome change after a number of years of heavy pressure on the Charity with the demands of the various operational campaigns, the impact of a substantial redundancy programme for Army personnel and the various resource pressures on the Regimental charities, which inevitably get transferred at least in part across to this Charity.

Total Income of £20,371k was £5,917k (40.9%) above last year's figure of £14,454k, while Total Expenditure fell by £405k (2.7%) from £14,752k to £14,347k. As a result, Net Income was £6,024k compared to Net Expenditure of £297k in the previous year - an improvement of £6,321k. Noting the strategic significance of the anticipated expiry of our lease, which affects not only ourselves but also those six other charities co-located with us, the Trustees decided to transfer £8 million to a newly established Relocation Fund within Designated Funds, representing an initial allocation of funds for the expected move from the current National office at Mountbarrow House in 2018. The setting aside of £8m enables the Trustees to have the flexibility to evaluate both freehold and leasehold options, making a decision on one or other in June 2016. By conducting whole-life costing analysis in 2015/16, the most cost effective option – to lease or to buy - will be identified.

Income from the Public (“Donations and Appeals” and “Legacies”) rose by 76%, from £7,456k to £13,108k. Within this, Legacy income rose by 39% to £2,906k with a number of sizeable residuary legacies being received during the year. Donations and Appeals income rose by 90%, with a substantial increase in Donations and significant increases in contributions from National Events, Trusts, and Major Donors. Overall success was broadly based across most of our various income streams.

Total Income from serving Army personnel, despite shrinking numbers, was virtually unchanged in the year (£2,068k compared to £2,074k in the previous year), with virtually all of the streams within that income sector performing well.

Income from other Trading Activities, Other Donations and Events, raised £2,963k (2014: £2,372k), again an excellent performance in a challenging fundraising environment and reflecting the success of several high profile national events and pleasing returns from Regional activities.

Investment Income increased by £106k (6.7%) to £1,690k. Dividends and bank deposit income increased by 7.2% to £1,436k (2014: £1,339k) with the dividend rate on the Charity's main investment, the Armed Forces Common Investment Fund (AFCIF) Distribution Units, rising by 7.8%. The rise of around 3% in the Stock Market during the year resulted in gains of 5.1% and 6.9% respectively in the unit prices of our BlackRock Dynamic Diversified Growth Fund and our Cazenove Jubilee Absolute Return Fund investments, and a gain of 8.1% in the unit price of our main investment holding, the BlackRock AFCIF Distribution Units. The overall net investment valuation gains for the year were £3,428k (2014: gains of £847k).

Expenditure in the current year fell by £405k (2.7%) to £14,347k following a similar fall in the previous year, giving a reduction of £1,688k (10.5%) over the three years to 31 March 2015. Grants for the Benefit of Individuals and to Other Charities were lower in the year, with further details being given in the Grant Making section of this Report. The Costs of Generating Funds were marginally lower than the previous year, by £51k, giving a three year reduction of £532k (15.8%) and showing further benefits from the tight cost control over that period. Costs of goods sold and other gross costs rose by £896k, reflecting the investment in major fundraising activities in the year. Grant making support costs were £628k (2014: £582k), and Governance costs were £265k (2014: £260k).

The Charity is continuing to show separately the costs of providing “Other Support to Charities”. 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), and grant making on behalf of other charities. 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 £142k.

The Charity now has only one active trading subsidiary company (Soldiers' Trading Ltd), with the activities of The Army Benevolent Fund Enterprises Ltd having been transferred to Soldiers' Trading during the year. The Tournament Trading Company Ltd had minimal trading during the year as the British Military Tournament was not held this year. The trading subsidiary companies' profits for the year amounted to £135k (2014: £100k) and as in previous years Gift Aid payments of the profit for the year to March 2015 will be made to the parent Charity.

With income net of event and other activity costs being £16,619k (2014: £11,598k), the costs of generating donations represent 17% (2014: 25%) of the income available. The significant reduction to 17% this year is largely driven by the exceptional increase to our donations. The cost of generating income is affected by two particular characteristics of this 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 co-ordinating 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 addition, those 73 charities we fund receive these donations for free – so releasing them from the expense and effort of raising equivalent funds. 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 2015, the Charity's total Reserves of £55.0 million (2014: £45.5 million) consist of Restricted and Designated Funds Reserves of £47.0 million (2014: £38.6 million) and Unrestricted General Fund Reserves of £8.0 million (2014: £6.9 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 in 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, with the cessation of combat operations in Afghanistan, and a backdrop of further contraction in statutory public service welfare provision, which may lead to increased demands for charity assistance. At the same time the cost of beneficiaries needing support from the Charity may well increase again, as the Army completes its return of units from Germany and through its reduction of around 20% to 80,000 Regular soldiers, thus reducing the Regimental and Corps Associations income from the One Day's Pay Scheme, which provides the resources for the first line of support to those in need – quite apart from increasing pressures through increasing longevity and medical costs.

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

- Military operations in Iraq and Afghanistan have had a significant impact on the Charity - both in terms of the growth in the number of serving soldiers and veterans who may need our help and support, 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 charitable 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, therefore, hold in reserve an amount equivalent to approximately two years Regimental and Corps benevolence grants, and combined with the obligation to the ADT, this requires a reserve holding of £16 million.

In addition, the Charity needs to ensure that 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.

Additionally, the Trustees have taken the decision to establish a further Designated Fund (the Relocation Fund), to provide for the anticipated relocation of the Charity's National Office in June 2018, when the current building leases expire. The need for this contingency is further emphasised by the high importance placed by Trustees on being mindful of the needs of those charities co-located with us, noting that the majority of their work directly relates to the needs of Army personnel. Co-location, joint working and sharing overheads are an important driver for us as the Army's National Charity. An initial amount of £8.0 million has therefore been set aside from Unrestricted General Funds, noting that any decision on either a leasehold or freehold property option will not be made by the Trustees until mid-2016, some 24 months in advance of June 2018.

The balance on the Unrestricted General Fund is, in effect, the Charity's contingency reserves, and at £8.0 million as at 31 March 2015, this represents just over one year's cover for the Charity's non-grant costs. The Trustees are of the opinion that in the current economic climate the level of the contingency reserve is prudent and appropriate.

Overall, Trustees are very mindful of significant change within the Army, which often has direct and indirect adverse effect on our need for resources; on the need to re-build our resources after 12 years of continuous conflict and a volatile and perhaps threatening international situation, all of which are of direct significance to us as the Army's 'Safety Net' should the needs of serving personnel and veterans increase.

Investment management

At the year end, the Charity held investments with a market value of £51,724k (2014: £40,796k), largely in Distribution and Accumulation units of the BlackRock Armed Forces Common Investment Fund (AFCIF). The market value of the Charity's AFCIF holdings was £46,133k (2014: £35,515k), with £38,393k (2014: £35,515k) in Distribution Units and £7,740k (2014: Nil) in Accumulation Units.

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, and the performance outturn can be summarised as follows:

Table Three: Investment Performance

	Accumulation Units		Distribution Units	
	Benchmark	Actual	Benchmark	Actual
Since launch in 2002	167.4%	177.1%	82.1%	93.8%
Three years to March 2015	34.5%	36.0%	22.5%	26.0%
Year to March 2015	11.3%	12.2%	7.8%	11.0%

The income distribution in the year to 31 March 2015 was 6.90p per unit (2014: 6.40p per unit) and BlackRock has set a target of a dividend of 7.20p for the calendar year to December 2015. Although the AFCIF has its own independent advisory board, the Charity's Finance and Investment Committee and 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 balance of our investments in two other funds: the BlackRock Dynamic Diversified Growth Fund and the Cazenove Jubilee Absolute Return Fund.

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 2016 and plans for future years, the Trustees confirm that the financial statements for the year to March 2015 can be prepared on the going concern basis.

Auditors

On 1 May 2015 the Company's Auditors, Chantrey Vellacott DFK LLP, merged with Moore Stephens LLP and is now practicing under the name Moore Stephens LLP.

Strategic Objectives

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

Plans for Future Period

The Charity has a recently revised 3-year Plan for the period 2015 to 2018. The planning assumptions for this period are that:

- The demands for the Charity's support are broadly stable, with some tendency towards fewer numbers, but balanced by cases becoming more costly and complex. This demand is to be reviewed annually.
- The Charity must respond and adapt to strategic changes emanating from Army 2020 and other Government and MOD initiatives:
 - With the Army's combat operations in Afghanistan having ended 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 rather less in the public's mind.
 - Integration of Regulars and Reserves permeates every aspect of the Army's plans; 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 to be re-located by the end of 2015/16. This is having a significant impact on the Charity's engagement footprint across the Regions, with new demands for welfare/benevolence.
- The Army recognises the desirability of working in tandem with the Charity. The Charity is maintaining and demonstrating a complementary posture in order to nurture this mutually beneficial relationship.
- There is an increasing understanding of the desirability of the Army Central Fund, the Army Dependants Trust (ADT) and ABF The Soldiers' Charity acting in close concert. A single monolithic Army charity remains an unlikely proposition.
- The World War One Centenary period (2014-2018) continues to 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 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 gap' 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; planning is well underway for the Charity's National Office re-location.
- The global digital environment is in a constant state of fluidity and complex change; the Charity must embrace it and strive to operate with an integrated 'Digital-First' approach, adopting digital transformation initiatives, optimising communication with our supporters through relevant social media platforms and having a simple, easy to navigate website which delivers an enhanced supporter experience. Staff training is a key enabler to achieving this objective.

Key areas of work for 2015/16 include:

- **Information Management** – a comprehensive policy review and implementation of new procedures to streamline and improve information management within the Charity.
- **IT/IS Strategy implementation** – a replacement e-mail system, hardware improvements, new welfare management system, improved business continuity and data protection.
- **National Office Accommodation** – planning for re-location of National office accommodation in June 2018, on expiry of the leases in Mountbarrow House, Victoria.

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 Statement Of Recommended Practice (SORP 2005);
- 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 have been prepared in accordance with SORP 2005 "Accounting and Reporting by Charities" published in March 2005, applicable accounting standards, 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.

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 **01 July 2015**.



Major General (Retired) P J 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 2015 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 2015 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.

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

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.

Moore Stephens LLP.

Philip Clark (Senior statutory auditor)

for and on behalf of MOORE STEPHENS LLP

Chartered Accountants and Statutory Auditor

London, UK

1st July 2015

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

ABF THE SOLDIERS' CHARITY
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR TO 31 MARCH 2015

	Notes	General Funds £	Designated Funds (note 2,22) £	Restricted Funds (note 3, 23) £	Total 2015 £	Total 2014 £
Income from:						
Donations and legacies						
The public						
		10,196,562	5,000	-	10,201,562	5,371,518
		2,906,192	-	-	2,906,192	2,084,903
		<u>13,102,754</u>	<u>5,000</u>	<u>-</u>	<u>13,107,754</u>	<u>7,456,421</u>
Army personnel						
		370,985	-	-	370,985	330,235
		677,475	-	-	677,475	924,113
		800,000	-	-	800,000	700,000
		220,000	-	-	220,000	120,000
		<u>2,068,460</u>	<u>-</u>	<u>-</u>	<u>2,068,460</u>	<u>2,074,348</u>
	5	1,477,062	17,745	195,534	1,690,341	1,584,762
Investments						
Other trading activities						
		2,704,841	258,469	-	2,963,310	2,371,908
		155,000	-	386,579	541,579	966,836
		<u>19,508,117</u>	<u>281,214</u>	<u>582,113</u>	<u>20,371,444</u>	<u>14,454,275</u>
Expenditure on:						
Raising funds						
		3,676,058	75,770	149	3,751,977	2,855,814
	6	2,847,510	3	-	2,847,513	2,898,749
	7	<u>6,523,568</u>	<u>75,773</u>	<u>149</u>	<u>6,599,490</u>	<u>5,754,563</u>
Charitable activities						
		3,230,420	128,458	1,171,738	4,530,616	5,002,388
	8	2,028,723	30,500	123,000	2,182,223	2,931,752
	9	5,259,143	158,958	1,294,738	6,712,839	7,934,140
		627,805	-	-	627,805	581,822
	10	<u>5,886,948</u>	<u>158,958</u>	<u>1,294,738</u>	<u>7,340,644</u>	<u>8,515,962</u>
		142,011	-	-	142,011	220,830
	11	264,985	-	-	264,985	260,311
	13	<u>12,817,512</u>	<u>234,731</u>	<u>1,294,887</u>	<u>14,347,130</u>	<u>14,751,666</u>
Net income/(expenditure) before net gains on investments						
		6,690,605	46,483	(712,774)	6,024,314	(297,391)
	16	<u>2,995,798</u>	<u>35,983</u>	<u>395,914</u>	<u>3,427,695</u>	<u>847,389</u>
Net income/(expenditure)						
		9,686,403	82,466	(316,860)	9,452,009	549,998
Transfers between funds						
	22, 23	(8,590,007)	8,000,000	590,007	-	-
Net interest in the results for the year in associates						
	17	7,259	-	-	7,259	-
Net movement in funds						
		1,103,655	8,082,466	273,147	9,459,268	549,998
Funds balances at 1 April 2014						
		6,911,796	33,572,132	5,079,868	45,563,796	45,013,798
Funds balances at 31 March 2015						
		<u>8,015,451</u>	<u>41,654,598</u>	<u>5,353,015</u>	<u>55,023,064</u>	<u>45,563,796</u>

All gains and losses are included above, and accordingly a statement of total recognised gains and losses has not been presented. All income and expenditure is derived from continuing operations.

ABF THE SOLDIERS' CHARITY
CHARITY STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR TO 31 MARCH 2015

	Notes	General Funds £	Designated Funds (note 2,22) £	Restricted Funds (note 3, 23) £	Total 2015 £	Total 2014 £
Income from:						
Donation and legacies						
The public						
Donations and Appeals Income		9,423,983	5,000	-	9,428,983	5,175,278
Legacies		2,906,192	-	-	2,906,192	2,084,903
		<u>12,330,175</u>	<u>5,000</u>	<u>-</u>	<u>12,335,175</u>	<u>7,260,181</u>
Army personnel						
From individuals in Army Units		370,985	-	-	370,985	330,235
Regimental and Corps Benevolent Funds		677,475	-	-	677,475	924,113
Army Dependants Trust		800,000	-	-	800,000	700,000
Service related activities		220,000	-	-	220,000	120,000
		<u>2,068,460</u>	<u>-</u>	<u>-</u>	<u>2,068,460</u>	<u>2,074,348</u>
Investments	5	1,476,986	17,745	195,534	1,690,265	1,584,612
Other trading activities						
Other donations and events		2,838,582	258,469	-	3,097,051	2,269,916
Charitable activities		155,000	-	386,579	541,579	966,836
Total Income		<u>18,869,203</u>	<u>281,214</u>	<u>582,113</u>	<u>19,732,530</u>	<u>14,155,893</u>
Expenditure on:						
Raising funds						
Fundraising trading: cost of goods sold and other costs		3,044,738	75,770	149	3,120,657	2,566,511
Costs of generating funds	7	2,847,510	3	-	2,847,513	2,898,749
		<u>5,892,248</u>	<u>75,773</u>	<u>149</u>	<u>5,968,170</u>	<u>5,465,260</u>
Charitable activities						
Grants to Regiments and Corps for the benefit of individuals	8	3,230,420	128,458	1,171,738	4,530,616	5,002,388
Grants to other charities	9	2,028,723	30,500	123,000	2,182,223	2,931,752
		5,259,143	158,958	1,294,738	6,712,839	7,934,140
Grant making support costs	10	627,805	-	-	627,805	581,822
		5,886,948	158,958	1,294,738	7,340,644	8,515,962
Other support to charities	11	142,011	-	-	142,011	220,830
Governance costs		257,391	-	-	257,391	251,232
Total expenditure		<u>12,178,598</u>	<u>234,731</u>	<u>1,294,887</u>	<u>13,708,216</u>	<u>14,453,284</u>
Net income/(expenditure) before net gains/(losses) on investments		6,690,605	46,483	(712,774)	6,024,314	(297,391)
Net gains/(losses) on investments	16	2,995,798	35,983	395,914	3,427,695	847,389
Net income/(expenditure)		9,686,403	82,466	(316,860)	9,452,009	549,998
Transfers between funds	22, 23	(8,590,007)	8,000,000	590,007	-	-
Net interest in the results for the year in associates	17	7,259	-	-	7,259	-
Net movement in funds		1,103,655	8,082,466	273,147	9,459,268	549,998
Funds balances at 1 April 2014		6,911,222	33,572,132	5,079,868	45,563,222	45,013,224
Funds balances at 31 March 2015		<u>8,014,877</u>	<u>41,654,598</u>	<u>5,353,015</u>	<u>55,022,490</u>	<u>45,563,222</u>

All gains and losses are included above, and accordingly a statement of total recognised gains and losses has not been presented. All income and expenditure is derived from continuing operations.

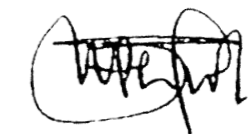
ABF THE SOLDIERS' CHARITY
BALANCE SHEETS
AT 31 MARCH 2015

Notes	Group		Charity	
	2015 £	2014 £	2015 £	2014 £
Fixed assets				
Tangible assets	15	279,496	382,465	279,496
Investments	16	51,723,963	40,796,268	51,723,968
Associate undertaking	17	5,629	(1,630)	5,629
		<u>52,009,088</u>	<u>41,177,103</u>	<u>52,009,093</u>
Current assets				
Stocks		754	-	-
Loan debtors	18	30,335	32,335	30,335
Other debtors	19	2,671,605	3,016,493	2,758,373
Short term deposits		410,069	1,480,000	410,069
Cash at bank and in hand		1,257,359	1,372,314	1,160,797
		<u>4,370,122</u>	<u>5,901,142</u>	<u>4,359,574</u>
Creditors: amounts falling due within one year	20	1,356,146	1,514,449	1,346,177
Net current assets		<u>3,013,976</u>	<u>4,386,693</u>	<u>3,013,397</u>
Net assets	21	<u>55,023,064</u>	<u>45,563,796</u>	<u>55,022,490</u>
Represented by:				
Income funds				
Restricted funds	3, 23	5,353,015	5,079,868	5,353,015
Unrestricted funds:				
Designated funds	2, 22	41,654,598	33,572,132	41,654,598
General funds		8,015,451	6,911,796	8,014,877
		<u>55,023,064</u>	<u>45,563,796</u>	<u>55,022,490</u>
Total funds		<u>55,023,064</u>	<u>45,563,796</u>	<u>55,022,490</u>

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

1st July 2015

Registered in England and Wales, company number 07974609

ABF THE SOLDIERS' CHARITY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD TO 31 MARCH 2015

	2015 £	2014 £
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	4,629,364	(2,233,396)
Cash flows from investing activities:		
Dividends, interest and rents from investments	1,690,341	1,584,762
Purchase of equipment	(4,591)	(56,240)
Purchase of investments	(7,500,000)	-
Net cash (used in) provided by investing activities	(5,814,250)	1,528,522
Change in cash in the reporting period	(1,184,886)	(704,874)
Cash at the beginning of the reporting period	2,852,314	3,557,188
Cash at the end of the reporting period	1,667,428	2,852,314
Reconciliation of net income/ (expenditure) to net cash flow from operating activities		
	2015 £	2014 £
Net income/ (expenditure) for the reporting period (as per the statement of financial activities)	6,024,314	(297,391)
Adjustments for:		
Depreciation charges	107,560	111,731
(Increase) in stocks	(754)	-
Decrease/ (Increase) in debtors	346,888	(271,516)
Decrease in creditors	(158,303)	(191,458)
Dividends, interest and rents from investment	(1,690,341)	(1,584,762)
Net cash provided by (used) in operating activities	4,629,364	(2,233,396)
Analysis of cash		
	2015 £	2014 £
Cash in hand	1,257,359	1,372,314
Notice deposits (less than 3 months)	410,069	1,480,000
Total cash	1,667,428	2,852,314

ABF THE SOLDIERS' CHARITY
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2015

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 and the Companies Act 2006. In anticipation of the Charities SORP (FRS102) being effective for the year ended 31 March 2016, some of the requirements of the new SORP have been applied in these financial statements.

Consolidation

The Accounts consolidate ABF The Soldiers' Charity and its three trading subsidiary companies; Soldiers' Trading Limited, The Army Benevolent Fund Enterprises 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.

Income

Donations, legacies 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.

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

Employees 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), the Strategic Reserve and the Relocation Fund (RF). 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.

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. During the year the Trustees took the decision to transfer £8m to a new Designated Fund, the Relocation Fund, to start making provision for the relocation of the Charity's National Office in June 2018.

3 Restricted funds

The Restricted Funds consist of:

- 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.
- 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 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.

**ABF THE SOLDIERS' CHARITY
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2015**

4 Subsidiary companies' results

Soldiers' Trading Limited

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

	2015	2014
	£	£
Turnover	759,668	86,437
Cost of Sales	<u>(618,749)</u>	<u>-</u>
Gross Profit	140,919	86,437
Administrative expenses	(12,928)	(9,147)
Bank interest and other income	<u>32</u>	<u>33</u>
Profit on ordinary activities	128,023	77,323
Gift Aid to parent charity	<u>(128,023)</u>	<u>(77,323)</u>
Net Profit	-	-
Profit and Loss Account brought forward	-	-
Profit and Loss Account carried forward	<u>-</u>	<u>-</u>
The aggregate of the assets, liabilities and funds was:		
Assets	152,442	214,029
Liabilities	<u>(152,441)</u>	<u>(214,028)</u>
Total Funds	<u>1</u>	<u>1</u>

The Army Benevolent Fund Enterprises Limited

Included in the Income and Expenditure 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:

	2015	2014
	£	£
Turnover	1,276	68,212
Cost of Sales	<u>-</u>	<u>(48,859)</u>
Gross Profit	1,276	19,353
Administrative expenses	(1,640)	(11,513)
Bank interest and other income	<u>644</u>	<u>6,081</u>
Profit on ordinary activities	280	13,921
Gift Aid to parent charity	<u>(280)</u>	<u>(13,921)</u>
Net Profit	-	-
Profit and Loss Account brought forward	<u>574</u>	<u>574</u>
Profit and Loss Account carried forward	<u>574</u>	<u>574</u>
The aggregate of the assets, liabilities and funds was:		
Assets	2,402	18,999
Liabilities	<u>(1,825)</u>	<u>(18,422)</u>
Total Funds	<u>577</u>	<u>577</u>

**ABF THE SOLDIERS' CHARITY
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2015**

The Tournament Trading Company Limited

Included in the Income and Expenditure 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:

	2015	2014
	£	£
Turnover	12,268	1,699,367
Cost of Sales	<u>(3,746)</u>	<u>(1,470,996)</u>
Gross Profit	8,522	228,371
Administrative expenses	(1,850)	(219,273)
Bank interest and other income	<u>42</u>	<u>108</u>
Profit on ordinary activities	6,714	9,206
Gift Aid to parent charity	<u>(6,714)</u>	<u>(9,206)</u>
Net Profit	-	-
Profit and Loss Account brought forward	-	-
Profit and Loss Account carried forward	<u>-</u>	<u>-</u>
The aggregate of the assets, liabilities and funds was:		
Assets	8,551	569,543
Liabilities	<u>(8,550)</u>	<u>(569,542)</u>
Total Funds	<u>1</u>	<u>1</u>

Donations received prior to and at the event are shown within Donations and appeals income within the Charity. The Company did not hold a Tournament event during the year.

5 Investment Income

	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2015	Total 2014
	£	£	£	£	£
Dividends and distributions	1,205,287	17,734	195,129	1,418,150	1,319,441
Bank interest	<u>17,817</u>	<u>11</u>	<u>405</u>	<u>18,233</u>	<u>19,782</u>
	1,223,104	17,745	195,534	1,436,383	1,339,223
Rental Income	<u>253,958</u>	<u>-</u>	<u>-</u>	<u>253,958</u>	<u>245,539</u>
Total	<u>1,477,062</u>	<u>17,745</u>	<u>195,534</u>	<u>1,690,341</u>	<u>1,584,762</u>

Unrestricted Funds investment income includes £76 (2014: £150) 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.

**ABF THE SOLDIERS' CHARITY
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2015**

6 Costs of goods sold and other costs

	2015 £	2014 £
Direct costs		
Event costs	2,152,162	1,231,504
Promotion materials	141,050	121,382
Salaries and pensions	108,044	115,444
Other costs	8,975	43,299
	<u>2,410,231</u>	<u>1,511,629</u>
Support costs (Note 12)		
Central and administrative costs	647,686	673,775
Regional office costs	694,060	670,410
Total	<u>3,751,977</u>	<u>2,855,814</u>

7 Costs of generating funds

	2015 £	2014 £
Direct costs		
Salaries and pensions	735,942	703,737
Campaign costs	528,877	575,449
Other costs	6,658	11,827
	<u>1,271,477</u>	<u>1,291,013</u>
Support costs (Note 12)		
Advertisements and promotion	417,150	444,398
Central and administrative costs	591,018	614,820
Regional office costs	567,868	548,518
Total	<u>2,847,513</u>	<u>2,898,749</u>

**ABF THE SOLDIERS' CHARITY
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2015**

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 £4,530,616 (2014: £5,002,388).

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:

	2015 £	2014 £
GRANTS FROM UNRESTRICTED FUNDS:		
Helping the disabled:		
British Ex-Services Wheelchair Sports Association (BEWSA)	16,000	15,000
Bournemouth War Memorial Homes	10,000	5,100
Chaseley Trust	13,600	15,000
Home Farm Trust	25,000	20,000
Spinal Injuries Association	15,000	-
The Gwennili Trust	3,000	3,000
Vitalise	43,250	34,000
Kartforce	20,000	-
William Simpson's Home	20,000	20,000
	<u>165,850</u>	<u>112,100</u>
Helping the elderly:		
Age Concern Espana	20,000	20,000
Broughton House	70,000	60,000
Erskine Hospital	140,000	140,000
Lord Leycester Hospital	-	7,000
Queen Alexandra Hospital Home	40,000	40,000
Royal Alfred Seafarers' Society	15,000	12,000
Royal Cambridge Home	34,000	40,000
Royal Star & Garter Home	72,000	70,000
St David's Nursing Home	30,000	30,000
The Somme Nursing Home	16,000	15,000
	<u>437,000</u>	<u>434,000</u>
Grants from unrestricted funds subtotal	<u>602,850</u>	<u>546,100</u>

**ABF THE SOLDIERS' CHARITY
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2015**

	2015 £	2014 £
Grants from unrestricted funds: (continued)		
Helping with employment and training		
Finchale Training College	19,970	18,470
Queen Elizabeth's Foundation	13,300	7,500
Regular Forces Employment Association (RFEA)	98,000	398,000
Scottish Society for Employment	3,000	2,500
Skill Force	-	15,000
The Poppy Factory	60,000	56,000
The Warrior Programme	34,000	-
X Forces	4,800	-
Wiltshire & Somerset College	37,550	-
	<u>270,620</u>	<u>497,470</u>
Helping the Army family:		
52 Lowland Div recce Regt OCA	1,500	-
"Not Forgotten" Association	28,000	30,000
Army Widows' Association	8,000	6,000
Catterick Community Group (Gurkha Education)	(100)	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
Help The Hospices	5,000	5,000
Hong Kong LEP Trust	7,000	6,000
Lord Kitchener Memorial Holiday Centre	18,000	16,000
Mark Wright Project	15,000	15,000
Music in Hospitals	21,000	-
Mutual Support	-	10,000
My Daddy is a Soldier Adventures	-	2,000
Phyllis Tuckwell Hospice	-	5,000
Poppyscotland	30,000	30,000
Prisoner's Education Trust	-	1,500
Queen Victoria School	8,000	6,000
Reading Force	13,000	-
Rothermurchus Lodge	-	2,000
Royal Commonwealth Ex-Services League	118,400	345,500
SSAFA Central Offices	147,551	329,600
Tayforth Veterans Project	-	10,000
The League of Remembrance	1,680	1,200
The Officers' Association	40,000	-
The Royal Hospital Chelsea	5,000	3,500
The Thistle Foundation	5,000	5,000
Veterans Scotland	14,000	14,000
West Indian Association of Service Personnel	22,000	20,000
	<u>529,031</u>	<u>886,000</u>
	2015 £	2014 £
Grants from unrestricted funds subtotal (brought forward)	602,850	546,100
Grants from unrestricted funds above	799,651	1,383,470
Grants from unrestricted funds subtotal (carried forward)	<u>1,402,501</u>	<u>1,929,570</u>

**ABF THE SOLDIERS' CHARITY
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2015**

	2015 £	2014 £
Grants from unrestricted funds: (continued)		
Helping with Housing and Homelessness		
Alabare Christian Care & Support	30,000	30,000
Armed Forces & Veterans Launchpad	102,500	25,000
Community Housing & Therapy	64,000	64,000
Community Self Build Agency	-	25,000
E Hayes Dashwood	20,000	-
Haig Homes	45,000	60,000
Norcare	40,500	37,500
Scottish Veterans' Garden City	30,000	20,000
Scottish Veterans Residences	10,000	-
Stoll	31,200	30,900
The Royal Homes Wimbledon (SSAFA)	10,000	-
Veterans Aid	-	31,000
West Midlands Veterans Housing	-	400
	<u>383,200</u>	<u>323,800</u>
In Service Support to the Army family:		
Army Families Federation	-	16,400
Army Welfare Service - Welfare Minibuses	36,722	81,040
ATC (Pirbright)	3,000	-
HCPT Group 182	-	5,000
Rosie Kay Dance Company	7,500	-
Rutland CAB	14,000	19,000
Storybook Soldiers	5,000	10,000
The Mathew Project	35,000	-
Wiltshire Wildlife Trust	20,000	-
Worldwide Volunteering	12,500	12,500
	<u>133,722</u>	<u>143,940</u>
Mental Health Support		
Combat Stress	35,000	340,000
Gardening Leave	20,000	20,000
	<u>55,000</u>	<u>360,000</u>
Research to assist the soldier:		
Imperial College London	-	(29,007)
	<u>-</u>	<u>(29,007)</u>
	2015 £	2014 £
Grants from unrestricted funds subtotal (brought forward)	1,402,501	1,929,570
Grants from unrestricted funds above	571,922	798,733
Total Grants from unrestricted funds	<u>1,974,423</u>	<u>2,728,303</u>

**ABF THE SOLDIERS' CHARITY
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2015**

	2015 £	2014 £
GRANTS FROM DESIGNATED FUNDS:		
Helping the disabled:		
Spinal Injuries Association	-	21,400
	<u>-</u>	<u>21,400</u>
Helping the Army family:		
Families Activity Breaks (Child Bereavement Charity)	25,300	19,375
Northern Ireland Memorial Relief for Dependants (NIMROD)	5,500	2,500
STUBS Limited	5,000	7,500
	<u>35,800</u>	<u>29,375</u>
Helping with Housing and Homelessness		
Haig Homes	-	10,000
	<u>-</u>	<u>10,000</u>
In Service Support to the Army family:		
29 Regt RLC	-	11,460
HighGround	25,000	-
Horseback UK	24,000	214
	<u>49,000</u>	<u>11,674</u>
Mental Health Support		
Combat Stress	-	25,000
	<u>-</u>	<u>25,000</u>
Total Grants from designated funds	<u>84,800</u>	<u>97,449</u>

**ABF THE SOLDIERS' CHARITY
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2015**

	2015 £	2014 £
GRANTS FROM RESTRICTED FUNDS:		
Helping the Army family:		
"Not Forgotten" Association	12,000	10,000
Falklands Veterans Foundation	15,000	-
SAMA 82	5,000	5,000
Gulf Veterans and Families Association	56,000	36,000
	<u>88,000</u>	<u>51,000</u>
Mental Health Support		
Combat Stress	35,000	55,000
	<u>35,000</u>	<u>55,000</u>
Total grants from restricted funds	<u>123,000</u>	<u>106,000</u>
Grants from unrestricted funds	1,974,423	2,728,303
Grants from designated funds	84,800	97,449
Grants from restricted funds	123,000	106,000
Total external grants expenditure	<u>2,182,223</u>	<u>2,931,752</u>
10 Grant making support costs		
	2015 £	2014 £
Direct costs		
Salaries and pensions	283,559	220,517
Other costs	10,890	11,040
	<u>294,449</u>	<u>231,557</u>
Support costs (Note 12)		
Advertisement and promotion	139,050	148,133
Central and administrative costs	194,306	202,132
	<u>627,805</u>	<u>581,822</u>
11 Other support to charities		
	2015 £	2014 £
Direct costs		
Salaries and pensions	77,242	153,451
Support costs (Note 12)		
Central and administrative costs	64,769	67,379
	<u>142,011</u>	<u>220,830</u>

**ABF THE SOLDIERS' CHARITY
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2015**

12 Analysis of support costs

		2015	2014
		£	£
Regional office costs			
Direct costs			
Salaries and pensions		1,096,732	1,052,956
Office and general expenses		49,149	46,164
Travel expenses		111,684	115,607
Other costs		<u>4,363</u>	<u>4,201</u>
		<u>1,261,928</u>	<u>1,218,928</u>
Allocated to			
Costs of goods sold and other costs	(note 6)	694,060	670,410
Costs of generating voluntary income	(note 7)	<u>567,868</u>	<u>548,518</u>
		<u>1,261,928</u>	<u>1,218,928</u>
Advertisements and promotion			
Direct costs			
Advertisements and promotion		<u>556,200</u>	<u>592,531</u>
Allocated to			
Costs of generating voluntary income	(note 7)	417,150	444,398
Grant making support costs	(note 10)	<u>139,050</u>	<u>148,133</u>
		<u>556,200</u>	<u>592,531</u>
Central and administrative costs			
Direct costs			
Salaries and pensions		574,228	661,620
Legal and professional		12,868	16,736
Accommodation		582,739	653,535
Relocation		21,552	14,267
Other administrative costs		<u>427,830</u>	<u>338,281</u>
		<u>1,619,217</u>	<u>1,684,439</u>
Allocated to			
Costs of generating voluntary income	(note 7)	591,018	614,820
Costs of goods sold and other costs	(note 6)	647,686	673,775
Grant making support costs	(note 10)	194,306	202,132
Other support to charities	(note 11)	64,769	67,379
Governance	(note 13)	<u>121,438</u>	<u>126,333</u>
		<u>1,619,217</u>	<u>1,684,439</u>

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

**ABF THE SOLDIERS' CHARITY
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2015**

13 Governance costs

	2015	2014
	£	£
Direct costs		
Salaries and pensions	101,251	85,835
Meeting expenses	6,602	7,087
Auditors: Audit fees	24,055	24,438
Auditors: Adjustment to prior year Audit fees	-	(5,075)
Legal & Professional	7,337	18,262
Trustee expenses	<u>4,302</u>	<u>3,431</u>
	<u>143,547</u>	<u>133,978</u>
Support costs (Note 12)		
Central and administrative costs	<u>121,438</u>	<u>126,333</u>
	<u>264,985</u>	<u>260,311</u>

The Trustees received no remuneration during the year (2014: £nil). Trustee expenses of £4,302 (2014: £3,431) were reimbursed for directly incurred travelling expenses paid to five (2014: five) of the Trustees.

14 Staff costs and emoluments

	2015	2014
	£	£
Total staff costs comprised:		
Wages and salaries	2,673,431	2,736,243
Social security costs	276,630	275,337
Pensions contributions	<u>113,200</u>	<u>109,613</u>
	<u>3,063,261</u>	<u>3,121,193</u>

The Charity employed an average staff of 83 (20 part-time) (2014: 85 including 21 part-time) of whom 41 (2014: 43) are employed at the Charity's head office. A small number of these individuals are on short term contracts to cover vacant posts and also from time to time we engage a limited number of contract and agency staff.

The number of employees whose salary and other emoluments exceed £60,000 was;

	2015	2014
	No.	No.
£60,001 - £70,000	3	2
£70,001 - £80,000	1	2
£110,001 - £120,000	1	1

Pension contributions for higher paid employees totalled £20,725 (2014: £21,169).

**ABF THE SOLDIERS' CHARITY
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15 Tangible fixed assets – Group and Charity

	Leasehold improvements		Office furniture fittings & equipment		Total	
	2015 £	2014 £	2015 £	2014 £	2015 £	2014 £
Cost						
At 1 April	436,140	431,171	296,599	319,122	732,739	750,293
Additions	4,591	48,562	-	7,678	4,591	56,240
Disposals	-	(43,593)	-	(30,201)	-	(73,794)
At 31 March	440,731	436,140	296,599	296,599	737,330	732,739
Depreciation						
At 1 April	147,853	115,826	202,421	196,511	350,274	312,337
Charge for the year	80,799	75,620	26,761	36,111	107,560	111,731
Released on disposal	-	(43,593)	-	(30,201)	-	(73,794)
At 31 March	228,652	147,853	229,182	202,421	457,834	350,274
Net book value at 31 March	212,079	288,287	67,417	94,178	279,496	382,465

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 Funds £	Designated Funds £	Restricted Funds £	Total £
Market value 1 April 2014	35,465,420	444,139	4,886,709	40,796,268
Purchase of investments	7,500,000	-	-	7,500,000
Net realised and unrealised gains on investments	2,995,798	35,983	395,914	3,427,695
Market value 31 March 2015	45,961,218	480,122	5,282,623	51,723,963
Cost				
At 31 March 2015	29,470,703	257,025	2,868,468	32,596,196
At 31 March 2014	21,970,703	257,025	2,868,468	25,096,196

**ABF THE SOLDIERS' CHARITY
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2015**

16 Investments (continued)

All of the Investments listed on the previous page are held by the Charity. In addition, 100% of the issued share capital of Soldiers' Trading Limited, The Army Benevolent Fund Enterprises Limited and The Tournament Trading Company 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 Funds £	Designated Funds £	Restricted Funds £	Total £
Armed Forces Common Investment Fund				
Distribution units	32,630,101	480,122	5,282,623	38,392,846
Accumulation units	7,740,454	-	-	7,740,454
BlackRock Dynamic Diversified Growth Fund units	3,133,053	-	-	3,133,053
Cazenove Jubilee Absolute Return Fund	2,457,610	-	-	2,457,610
Market value 31 March 2015	45,961,218	480,122	5,282,623	51,723,963

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 31st March 2015 was £7,259 (2014: Nil). The Charity's share of BSF's net assets was £5,629.

18 Loan debtors – Group and Charity

	Unrestricted Funds £	Restricted Funds £	Total £
Loan balances at 1 April 2014	10,000	22,335	32,335
Loan balances at 31 March 2015 due within one year	6,000	-	6,000
Loan balances at 31 March 2015 due beyond one year	2,000	22,335	24,335
Loan balances at 31 March 2015	8,000	22,335	30,335

**ABF THE SOLDIERS' CHARITY
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2015**

19 Other debtors and prepayments

	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
Prepayments and accrued income	2,564,971	2,492,523	2,564,971	2,230,404
Other debtors	106,634	523,970	40,555	65,011
Due from subsidiaries	-	-	152,847	624,358
	<u>2,671,605</u>	<u>3,016,493</u>	<u>2,758,373</u>	<u>2,919,773</u>

20 Creditors: amounts falling due within one year

	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
Deferred income				
At 1 April	1,184,168	923,407	1,084,168	923,407
Arising during the year	1,558,937	1,808,867	573,937	1,708,867
Released during the year	(1,785,330)	(1,548,106)	(700,330)	(1,548,106)
At 31 March	957,775	1,184,168	957,775	1,084,168
Trade creditors	223,910	145,122	223,672	141,901
Accrued expenses	152,160	181,038	142,429	112,966
Other creditors	22,301	4,121	22,301	4,121
	<u>1,356,146</u>	<u>1,514,449</u>	<u>1,346,177</u>	<u>1,343,156</u>

21 Analysis of net assets between funds

	Tangible Fixed Assets	Investments and Associates	Net Current Assets	Group Total
	£	£	£	£
Unrestricted Funds				
General Fund	279,496	45,966,846	(38,230,891)	8,015,451
Designated Funds				
Northern Ireland Special Relief Fund	-	480,122	(267,513)	212,609
Current Operations Fund	-	-	3,941,989	3,941,989
Strategic Fund	-	-	29,500,000	29,500,000
Relocation Fund	-	-	8,000,000	8,000,000
Restricted Funds				
Falklands Fund	-	2,786,667	242,609	3,029,276
Gulf Fund	-	1,120,062	(458,753)	661,309
Sir Jules Thorn Account	-	-	4,552	4,552
George Purse Trust Fund	-	1,375,895	154,001	1,529,896
Individual Recovery Plans Fund	-	-	127,982	127,982
	<u>279,496</u>	<u>51,729,592</u>	<u>3,013,976</u>	<u>55,023,064</u>

**ABF THE SOLDIERS' CHARITY
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The Charity has net assets of £55,022,490. The Designated and Restricted Funds are as above.

	Fixed Assets	Investments	Assets	Total
	£	£	£	£
Unrestricted Funds				
General Fund	279,496	45,966,851	(38,231,470)	8,014,877
Designated and Restricted Funds	-	5,762,746	41,244,867	47,007,613
	<u>279,496</u>	<u>51,729,597</u>	<u>3,013,397</u>	<u>55,022,490</u>

22 Designated Funds financial activity – Group

	Northern Ireland Special Relief Fund	Current Operations Fund	Strategic Fund	Relocation Fund	Total 2015	Total 2014
	£	£	£	£	£	£
Income						
Other donations and events	5,000	258,469	-	-	263,469	208,544
Income from investments	17,745	-	-	-	17,745	16,459
Total income	<u>22,745</u>	<u>258,469</u>	<u>-</u>	<u>-</u>	<u>281,214</u>	<u>225,003</u>
Expenditure on Raising Funds	3	75,770	-	-	75,773	78,454
Expenditure on Charitable activities:						
Grants to other charities	5,500	25,000	-	-	30,500	97,449
Grants for the benefits of individuals	24,110	104,348	-	-	128,458	101,061
Total expenditure	<u>29,613</u>	<u>205,118</u>	<u>-</u>	<u>-</u>	<u>234,731</u>	<u>276,964</u>
Net income/ (expenditure) before net gains/ (losses) on investments	(6,868)	53,351	-	-	46,483	(51,961)
Net unrealised gains on investments	35,983	-	-	-	35,983	5,655
Net income/ (expenditure)	<u>29,115</u>	<u>53,351</u>	<u>-</u>	<u>-</u>	<u>82,466</u>	<u>(46,306)</u>
Transfer from the General Fund	-	-	-	8,000,000	8,000,000	-
Net movement in funds	<u>29,115</u>	<u>53,351</u>	<u>-</u>	<u>8,000,000</u>	<u>8,082,466</u>	<u>(46,306)</u>
Fund balances brought forward	183,494	3,888,638	29,500,000	-	33,572,132	33,618,438
Fund balances carried forward	<u>212,609</u>	<u>3,941,989</u>	<u>29,500,000</u>	<u>8,000,000</u>	<u>41,654,598</u>	<u>33,572,132</u>

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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. During the year the Trustees took the decision to transfer £8.0 million to a new Designated Fund, the Relocation Fund, to start making provision for the relocation of the Charity's National Office in June 2018.

The Strategic Fund covers:

	£m	£m
	2015	2014
Two years unrestricted funds benevolence grants for individuals and to other charities	12.0	12.0
Two years benevolence grants made by Regiments & Corps	12.0	12.0
Obligation to support the Army Dependents Trust	4.0	4.0
Two years Grants team infrastructure costs	1.5	1.5
Strategic Fund	29.5	29.5

23 Restricted funds financial activity - Group

During the year an amount of £590,000 (2014: £900,000) 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 £7 (2014: £119) was transferred from Unrestricted General Funds to the Quick Reaction Fund to cover the deficit in the Fund. In 2014 an amount of £38,174 was transferred from the IRP Fund to the General Funds for funds received from third parties.

**ABF THE SOLDIERS' CHARITY
NOTES TO THE ACCOUNTS
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23 Restricted Funds financial activity (continued):

	IRP Fund	QRF Fund	Falklands Fund	Gulf Fund	Sir Jules Thorn A/c	George Purse Trust	Total 2015	Total 2014
	£	£	£	£	£	£	£	£
Income								
Donations and appeals income	-	-	-	-	-	-	-	25,000
Income from charitable activities	313,284	73,295	-	-	-	-	386,579	966,836
Income from investments	185	12	103,066	41,388	-	50,883	195,534	181,322
Total income	313,469	73,307	103,066	41,388	-	50,883	582,113	1,173,158
Expenditure								
Direct charitable expenditure	125	19	2	1	-	3	150	456
Grants to other charities	-	-	36,000	87,000	-	-	123,000	106,000
Grants for the benefit of individuals	1,057,860	73,295	2,494	1,728	19,521	16,840	1,171,738	1,658,148
Total expenditure	1,057,985	73,314	38,496	88,729	19,521	16,843	1,294,888	1,764,604
Net income/ (expenditure) before net gains on investments	(744,516)	(7)	64,570	(47,341)	(19,521)	34,040	(712,775)	(591,446)
Net unrealised gains on investments	-	-	208,851	83,945	-	103,119	395,915	62,214
Net income/ (expenditure)	(744,516)	(7)	273,421	36,604	(19,521)	137,159	(316,860)	(529,232)
Transfers between funds	590,000	7	-	-	-	-	590,007	861,945
Net movement in funds	(154,516)	-	273,421	36,604	(19,521)	137,159	273,147	332,713
Fund balances brought forward	282,498	-	2,755,855	624,705	24,073	1,392,737	5,079,868	4,747,155
Fund balances carried forward	127,982	-	3,029,276	661,309	4,552	1,529,896	5,353,015	5,079,868

**ABF THE SOLDIERS' CHARITY
NOTES TO THE ACCOUNTS
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24 Pension costs

ABF The Soldiers' Charity Group Pension Plan

Employer contributions to this scheme during the year to 31 March 2015 amounted to £113,200 (2014: £109,613).

24 Commitments

a. Capital

There were no capital commitments as at 31 March 2015 or 31 March 2014.

b. Operating leases

At 31 March 2015 there were the following annual commitments under operating leases:

	Land and buildings £	Office machinery £	Vehicles £	Total £
Operating leases which expire:				
Within one year	-	-	16,949	16,949
In the second to fifth year inclusive	339,828	71,752	-	411,580
Over 5 years	-	-	-	-
	<u>339,828</u>	<u>71,752</u>	<u>16,949</u>	<u>428,529</u>

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
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Statutory Auditor

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12, Throgmorton Avenue
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EC2N 2DL

Custodian trustee

Bank of New York Europe Limited
67, Lombard Street
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EC3P 3DL

Pensions financial adviser

Gill Noble & Company Limited
29, London Road
Bromley
Kent
BR1 1DG

Trading subsidiary companies

Soldiers' Trading Limited
(Registered No. 07243995)

The Army Benevolent Fund Enterprises Limited
(Registered No. 0897830)

The Tournament Trading Company Limited
(Registered No. 07241136)

All three trading subsidiary companies have their registered office at: Mountbarrow House, 6-20, Elizabeth Street, London, SW1W 9RB

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.

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

**Registered Office:
Mountbarrow House, 6-20 Elizabeth Street, London SW1W 9RB**

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