CHAIRMANS WELCOME

Welcome to SSAFA's 2014 Annual Report and Accounts.

Last year was marked by a number of key anniversaries and events for SSAFA, including the centenary of the outbreak of World War One and the end of combat operations in Afghanistan. It was a time to pause and reflect on the vital role that SSAFA has played supporting serving men and women, veterans and their families over the last 100 years. It was also a time to consider the future needs of the Armed Forces and veteran communities. In this report, we focus on the achievements and challenges of the previous year, while also taking a brief look at the future direction of the charity. I hope that you will find it an interesting and informative read.

General Sir Kevin O'Donoghue KCB CBE
Chairman
CONTROLLER’S INTRODUCTION

The last year has been very much one of reflection for our nation as we marked the centenary of the outbreak of the First World War.

As part of these commemorations, SSAFA was privileged to be one of the beneficiary charities for Blood Swept Lands and Seas of Red at the Tower of London. As the Tower is but a two-minute walk from our Central Office, we were able to both observe and take part in the planting of 888,246 individual ceramic poppies for each one of the British service men who lost their lives in action. We were absolutely overwhelmed by the public response, and enormously grateful for the donation we received from the sale of the poppies.

2014 was also a year of reflection for a second reason. The UK marked the end of combat operations in Afghanistan, although a small number of British service men and women remained in the country. The legacy of this war will remain for many years to come with those who were involved – just as it did for those who served in World War One. This may be due to bereavement, life changing injury or psychological damage. At SSAFA, we remain acutely conscious of our commitment to meet the lifelong needs of those who served and their families. Just as we were there to support service men and women in 1918, so we are still here for them today.

In 2014 we helped over 57,000 members of the Armed Forces community, an increase of 3,000 on the year before. One example of this support was the help we gave to veterans and their families in the local community. For the first time in over a decade the number of people supported by our volunteers through visits and casework remained broadly stable after a period of steady decline. In 2014 we helped 35,181 individuals compared with 35,314 cases in 2013. We also saw a dramatic rise in the number of younger veterans we supported over the same period. 40% of people who seek support from SSAFA are now under 60 years of age compared to 25% 10 years ago. However, we have been able to adapt to these changes and ensure we deliver help where and when it is needed. This is because of the continued dedication of our network of over 6,000 volunteers in 92 branches and 66 service committees. Last year, as well as providing practical, emotional and financial support for veterans and their families, our trained caseworkers raised £14 million on behalf of individual beneficiaries suffering from financial hardship. Our 900 service committee and community volunteers, working in military establishments, provided essential advice and support to individuals and their families experiencing the challenges of service life.

Our specialist services also continued to prosper. From mentoring of the wounded to support for the bereaved, from our adoption service to caring for those in our various homes, and from prison visiting to helping homeless veterans, I am always humbled by what is achieved. Finally, our excellent professional staff continue to deliver outstanding health and social care to our Forces and their families in 14 countries around the world, often unseen but always there, supporting nearly 40,000 of our serving community when they are a long way from home.

If I had to sum up last year in one sentence, it would be that SSAFA’s services are as necessary today as they ever were, and if we didn’t exist we would have to be invented! We are immensely proud that, as we mark our own 130th anniversary, we are still a key source of advice and support for the wider military community – both those currently serving and veterans. Our challenge is to ensure that we continue to anticipate and respond to their changing needs so we can continue to maintain effective and relevant lifelong support for our Forces and their families.

Air Vice-Marshal David Murray CVO OBE
Controller

Amir

After serving two tours of Afghanistan, Amir Muntaka was training in Oxfordshire when he began to develop painful symptoms of cold related injury and was eventually medically discharged. Amir and his family were living in Army accommodation at the time and faced the prospect of homelessness.

SSAFA helped raise funds to assist with their moving costs. Once Amir and his family had moved into their new home in Barking, the local SSAFA branch also provided essential items such as a washing machine and bunk beds for his children.

Amir says: “Suddenly you have to face a raft of new challenges I didn’t know what to do, how I could afford to move and SSAFA made it easy for me. It has made a big difference to me and my family. Once I am back on my feet, I would like to volunteer for SSAFA to give something back.”
Our extensive network of dedicated, trained volunteers continues to provide a vital service to members of the Forces family both past and present.

SSAFA would not be able to support serving personnel, and veterans, and their families, without the tremendous support provided by our global network of nearly 7,000 volunteers. This network is made up of 66 service committees based within army garrisons, naval establishments and RAF bases around the world; and 92 branches in the UK, the Republic of Ireland, Cyprus, France and Germany.

We remain the largest case-working force in the military charity sector. This is a unique capability and it is utilised by the larger military charities to liaise with potential clients and to assess their welfare needs, recommend support arrangements and then to either signpost clients onto specialist services, raise monies for clients’ needs or offer other SSAFA services.

**SSAFA Branch Network**
In 2014, SSAFA volunteers at 92 branches carried out a total of 35,181 case visits to clients - the equivalent of nearly four every hour.

SSAFA volunteer caseworkers resolve cases by accessing financial support from other organisations, including military and non-military charities. In 2014, our volunteers raised a total of £14 million to support our SSAFA clients across the globe. Within this total, over £8 million was raised from military charities, over £3 million from non-military charities and additional funds were raised from corporate and other benefactors.

The needs of our clients vary and each case is dealt with on an individual basis. The most common issues remain debt, including requests for help with rent or mortgage arrears and assistance with household goods. We also receive regular enquiries about deposits for housing and removal costs, top-ups for nursing home fees and funeral expenses.

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**Blackburn family**
At only 13 months, Tricy and Andrew’s son was diagnosed with hydrocephalus and a rare brain tumour. Tricy and Andrew, an HGV driver who served 12 years in the Mercian Regiment, struggled to cope with the financial implications of frequent hospital stays and the expensive specialist equipment Zach required. A friend suggested they get in touch with SSAFA.

Christine, a caseworker with SSAFA Derbyshire’s Bolsover Division, worked with other charities and agencies to support the family, raising money to help cover hospital visits and a family respite break.

Tricy said: ‘We were struggling with all the expenses but Christine managed to secure funding for our hospital trips which has been a massive relief financially. Our faith has been restored through Christine. It’s been life-changing.’
Sonia and Anthony

85-year-old Sonia recently regained her independence thanks to a state-of-the-art electric wheelchair. The money to purchase the wheelchair was raised through the tireless efforts of Sonia’s SSAFA caseworker, Stephen.

Sonia is married to ex-Royal Marine Anthony Baker, 86, who was responsible for Commando training during the Second World War. Her renewed mobility has made a big difference to their quality of life.

Sonia says: ‘I am so grateful to all who have helped me. All the charities involved have been so generous and I would particularly like to thank my SSAFA caseworker, Stephen, for his sterling efforts in organising the fundraising. It’s difficult to express the difference this wheelchair has made; especially now I can stand up pain-free. It has changed both our lives.’
**FAMILY SUPPORT**

The Armed Forces family is at the heart of what we do. We understand that Armed Forces families can find it difficult to access the support they need so we are always here to help.

**Family Support Groups**

Since its launch in 2008, SSAFA’s Family Support Group team has facilitated groups to support those who have been bereaved or are dealing with illness or injury to a loved one. The groups focus on mutual support but are led by a professional.

We received national recognition for our service when the British Association of Social Workers awarded SSAFA the Creative & Innovative Social Work Practice Award at the Social Worker of the Year Awards 2014. A special part of our project is delivered in partnership with the childhood bereavement charity Winston’s Wish to offer age-appropriate sessions to support children who have lost a mother or father.

Our Bereaved Family Support Group (BFSG) supports those who have lost a family member while they were serving, and supported 248 members in 2014. A total of 91 families attended our national BFSG meeting in Leeds in April while 83 families took part in a similar event in Loughborough in October. The group has seen an increase in the number of family members coming forward to seek support in relation to non-combat deaths and injuries.

Our Bereaved Sibling Support Group (BSSG) for young adults who have lost a brother or sister while serving now supports 77 members. Forty-one people, including 13 children from 19 families, joined our National BSSG Family Friendly Event in Manchester in April.

In November, the BSSG staged a special art exhibition for friends, family and guests, including General Sir Nick Houghton, the Chief of the Defence Staff of the British Armed Forces. It featured poems, paintings, body painting, spoken word and film tributes to lost loved ones.

**Elizabeth**

When Corporal Harvey Holmes was killed while serving in Afghanistan at the age of just 22, his older sister Elizabeth was devastated. Through SSAFA’s Bereaved Families Support Group, Elizabeth and her family have been able to meet and talk to other families in similar situations - people who understand how they feel.

Elizabeth said: “When a family loses a loved one in Afghanistan, a lot of people are understandably concerned about the parents or the partner and, as a sibling, you can end up feeling a little bit in the background. This is why the sibling support group is so important. “SSAFA has been fantastic and I’ve found the support group really beneficial. SSAFA reached out and gave our family genuine care and support.”

**The Families of the Wounded, Injured and Sick Service Personnel Support Group (FISP)** had 247 members in 2014. The group held three national meetings throughout the year, in Portsmouth, Newcastle and Bristol.
**Adoption Service**

SSAFA is the only adoption agency registered to deliver an adoption service for military families throughout the UK. In September, Ofsted inspectors judged that we are providing a “good” service in all areas, highlighting that we carefully match children with families who can best meet their needs and that adopters receive an excellent level of training and support for this task.

During 2014, our Adoption Service received 116 enquiries from service families. We approved 14 families as prospective adopters and had 23 new assessments of prospective adopters ongoing at the end of the year. In total, we placed 18 children with families in the UK and Germany.

Following the Government’s encouragement in 2013 for agencies to place more children, the Adoption Service successfully applied for a £100,000 ‘booster grant’ from the Department for Education in November 2014. We will use this money to expand our service to work with more families.

**Forces Additional Needs and Disability Forum**

The Forces Additional Needs and Disability Forum (FANDF) supports serving families with a child or adult dependant with an additional need or disability. SSAFA brought together these families with tri-service welfare professionals, policy makers and MPs at FANDF’s biennial conference at the Ministry of Defence (MoD) in May.

In the 12 months since the conference, more than 100 new members signed up to receive the Forum’s quarterly newsletter and eight new members joined the FANDF committee to steer events and raise issues directly with the MoD and welfare professionals.

**Short Breaks**

SSAFA’s Short Breaks scheme continues to enable service children with an additional need or disability, their siblings and young carers to experience activities they might not otherwise have the opportunity to try. It also provides families with much-needed respite.

In 2014, we ran three short breaks in the UK and one in Germany for a total of 60 children and young people aged between eight and 16 years - thanks to our dedicated staff and volunteers.

**Independent Service Custody Visiting Scheme**

Since August 2014, SSAFA has provided independent oversight to three Army Service Custody Facilities (SCFs) in Bulford, Catterick and Colchester. Under this new contract with the Army, SSAFA is recruiting, training and managing a small number of volunteers to visit the SCFs. Their role is to ensure the quality and professionalism of staff and provide transparency to the detention process. Most importantly, the volunteers check that the health and welfare needs of detainees are being met.

By autumn 2015, SSAFA will provide independent service custody visitors to a further four Army SCFs and it is planned that the scheme will roll out to international SCFs in due course.

**Mentoring**

SSAFA’s ground-breaking Mentoring scheme to support wounded, injured and sick (WIS) service personnel during their transition from the Armed Forces expanded in September 2014 to help those discharged on medical grounds from the RAF as well as from the Army.

We are the sole provider of mentoring support to WIS service leavers. We help them successfully make the change from military to civilian life by offering an understanding perspective, practical advice and signposting to appropriate support.

In 2014, our service had 122 trained volunteers, supported by a team of Mentoring coordinators, with a further 54 volunteers in the recruitment process. An additional 240 people expressed interest in becoming a mentor.

Our service gained national accreditation through the Mentoring & Befriending Foundation’s Approved Provider Standard in February. SSAFA also received expressions of interest from a number of organisations wishing to access our mentoring support for their own clients.

SSAFA was the ideal choice for us because they were aware of the support and stability that a military family could provide an adopted child.

Adoption Service user
George
George, 32, a former Army Sergeant, was operating out of a temporary checkpoint in Afghanistan in 2011 when he was seriously injured from a gunshot wound to the head. He was left with brain damage, deafness in his right ear and weakness down the left-hand side of his body.

George already knew about SSAFA, but never thought he’d have to call on us until he was kept waiting for an operation. After the second cancellation, SSAFA’s Somerset Branch helped pursue George’s case with the hospital. Soon after, George was also allocated a SSAFA mentor, David.

George says that his SSAFA mentoring experience has been brilliant. ‘David gives me another perspective on my life and where I see it going. He’s helped me find a new direction when I haven’t known where to turn.’

‘The Mentoring scheme has been so crucial for me. It’s been great to have Jane on my shoulder, keeping me on track’

Terry

Prison In-Reach
SSAFA has 92 trained Prison In-Reach (PIR) caseworkers working in 85 prisons in the UK. In 2014, these volunteers, who are managed by local branches, supported 298 ex-Armed Forces personnel in custody and 34 prisoners’ families.

As a permanent member of the Veteran Offenders Working Group, SSAFA plays a key role in providing expertise towards proposed developments for ex-Armed Forces personnel in custody. In March, we were asked to present our PIR service to a Ministry of Justice conference on Veterans in the Criminal Justice System, hosted by Chris Grayling, the Secretary of State for Justice.

Forcesline and Information & Support Line
SSAFA’s free confidential helpline, Forcesline, and the complementary Information & Support Line continued to provide emotional and practical support to the Forces community in 2014.

The number of contacts to the services, either via telephone or email, rose by 26 per cent on the previous year to 20,774. Just over a third of these were for Forcesline, with the remainder for the Information & Support Line.

The most common topic discussed on Forcesline was debt and money worries, followed by housing, marital and relationship problems, and mental health issues.

34
prisoner’s families supported

26%
increase on helpline enquiries
HOUSING

Having a safe and comfortable place to stay during difficult times can make all the difference and our ‘home from home’ ethos continues to change lives for the better.

Norton Homes
SSAFA’s two Norton Homes continue to provide ‘home-from-home’ accommodation for the families of injured service personnel receiving treatment at the Queen Elizabeth Hospital in Birmingham and at the Defence Medical Rehabilitation Centre at Headley Court in Surrey.

In 2014, the eight-bedroom Norton House, Headley Court, had its busiest year since opening in 2008. It welcomed 436 residents from 98 service families, most of whom were returning guests. This was up from 372 residents the previous year.

The growth in guests was due to an increase in outpatient appointments at Headley Court attended by service personnel undergoing long-term rehabilitation treatment. This meant the house catered for more one-night stays than previously.

The seven-bedroom Norton House at Selly Oak, Birmingham, which opened in 2009, experienced a drop in resident numbers, compared with 2013, to 263 adults and children. This was partly a result of the withdrawal of British Forces from Afghanistan and a consequent reduction in conflict injuries. It did, however, see an increase in visits relating to service personnel who were unwell or had experienced accidents during operations or training exercises.

As well as offering a bed at the end of the day, our two homes provide emotional and practical support to families, and an environment where they can mutually support each other.

‘The staff make Norton House a home-from-home. They are amazing. I shall never forget the support me and my family received.’

Rob

John
John Young joined the Army in 1943. He served 22 years in the Parachute Regiment and took part in Operation Market Garden. At just 19 he ended up in hospital with shrapnel in his arm after he was hit as he came down in his parachute.

He now lives at SSAFA’s St Vincent care home with other ex-servicemen and women on the Isle of Wight. St Vincent’s became more than a care home for John when his close comrade, Charlie, sadly passed away.

John says: ‘I watched my friend’s time come to an end here. He had been at St Vincent’s for four years and it was comforting for me to know that he was being cared for and looked after ‘til the end of his days.’
Residential Homes
St Vincent’s Care Home on the Isle of Wight, which received an “excellent” Care Quality Commission report in 2013, was home to 30 residents aged between 61 and 99 years in 2014. It continued to build on the service offers, achieving a five-star rating for food hygiene and refurbishing the residents’ memorial garden. The home also started work on refurbishing the lower ground floor and began to raise funds to support the additional refurbishing of two bathrooms in 2015.

It continued to run 13 bungalows and five apartments in the grounds of St Vincent’s, as well as a further 23 bungalows in Barnsley, Blackpool and Wantage. These homes, which housed 75 residents during 2014, are for ex-service personnel and their dependants who have disabilities but are capable of independent living with help from a carer.

The Royal Homes, Queen Alexandra Court in Wimbledon, comprises 76 self-contained studios plus one- and two-bedroom flats. It is a subsidiary charity of SSAFA and home to lady beneficiaries with a Forces connection. It has a general average occupancy rate of 99% and is currently 99% occupied with a short waiting list.

Residents received a visit from HRH Princess Alexandra on Armistice Day, when she planted a ‘Princess Alexandra of Kent’ commemorative rose bush using the same spade her great-grandmother, Queen Alexandra, had used more than a century ago. The rose replaced a storm-damaged Red Oak tree, which the Princess had planted in 2005 to mark the 100th anniversary of the Royal Homes.  

Stepping Stone Homes
SSAFA’s two Stepping Stone Homes offer short-stay accommodation predominantly for the families of serving personnel who are experiencing relationship difficulties and can, therefore, no longer stay in service quarters. Domestic abuse is a factor in about 45 per cent of cases.

The homes offer supported accommodation from one week to two years, with 110 women and children using the service in 2014. The guests it supported in 2014 have also had higher levels of need than in previous years. For example, both homes accessed food vouchers for women and children who, as Foreign and Commonwealth citizens, are not entitled to benefits. They also used SSAFA funds and support from other charities to meet residents’ basic needs for clothing, toiletries and nappies.

Our seven-bedroom Longside House in the North East of England housed 25 women and 18 children in 2014, including an increase in guests over the age of 45. Our staff at Longside House raised £1,070 in grants on their behalf.

The 20-bedroom Gildas House in London welcomed 30 women and 37 children over the year and raised £15,593 for essential living expenses and household items.  

Overseas Health and Social Care
In 2014 SSAFA staff provided access to high-quality care for over 40,000 personnel and their families worldwide. In conjunction with colleagues from the Ministry of Defence (MoD), we are responsible for the direct delivery of health and social care in ten countries and provide indirect support in a further four: in 2014, this included the delivery of all aspects of primary and community healthcare, in partnership with Guys & St Thomas’ NHS Foundation Trust, to 30,000 patients in North West Europe, mainly in Germany. SSAFA has consistently delivered high levels of care, exceeding the stringent performance targets placed upon it by the MoD Commissioner.

There was a significant reduction in the Armed Forces population in Germany in 2014 due to re-basing, which resulted in the closure of three medical centres. We reduced staffing levels and service delivery in line with the drawdown and developed relationships with the Defence Medical Services, the Department of Health and local authorities to facilitate the safe and effective transfer of our service users back to the UK.

We also ensured the smooth handover of responsibility for social work services in Germany to a commercial provider in November 2014.

The Service supported 3,435 people in 2014, and our staff undertook 1,260 home and 2,825 office visits and made a further 32 out-of-hours calls.

Victim Support and Supporting Witnesses
SSAFA’s Victim Support Service managed 140 referrals in Cyprus during 2014, mostly from Cyprus Joint Police Service and Special Investigation branch, with whom our team have a good working relationship.

The majority of referrals related to assaults and burglaries, with other crimes including sexual violence, domestic abuse and hate crime. However, the service noticed a growing trend for cyberbullying in 2014.

UK Health Services
SSAFA provides two primary care services (in Nottingham and Leicester) and three urgent care services (one in Doncaster and two in Leicestershire). They are primarily run to raise revenue for SSAFA’s charitable activities.

Personal Support and Social Work Service RAF
The Personal Support and Social Work Service RAF now has 57 staff located in five geographically spread teams. During 2014, we worked with each RAF station to look at its role, the particular needs of people there, and how we work to meet these needs.

The Service supported 3,435 people in 2014, and our staff undertook 1,260 home and 2,825 office visits and made a further 32 out-of-hours calls.

Health and Social Care
As well as charitable services, SSAFA also delivers professional health and social care services to over 40,000 serving personnel and family members.
Nichola

Sergeant Nichola Gristock had served in the RAF for 22 years when she faced the possibility of medical discharge and was introduced to a SSAFA Personal Family Support Worker. As well as emotional support, SSAFA helped Nichola source financial support to put her dogs into kennels so she could attend rehabilitation while her husband was away on operations.

She said: ‘It felt like everything was happening at once, my whole life had turned upside down. I’d always been the one to offer help and admitting I needed help was difficult. But as soon as I did and SSAFA came into my life, everything changed. I was so lucky to have a dedicated caseworker.’

Marketing and Communications

In 2014, Marketing and Communication’s main focus was to build on the new communications platform created by the rebrand of SSAFA’s visual and verbal identity which took place in 2013. An ambitious external communications strategy was created, bringing together media relations, marketing, digital and social media activity to raise awareness and increase understanding of the charity’s work with new and existing audiences. We also used the year to test new ideas to inform the next phase of our activity.

One of the key strands of the strategy revolved around the World War One centenary. As SSAFA was the only national military charity of its kind operating at the beginning of WWI, we were keen to communicate the message that not only was SSAFA there for our Forces and their families in 1914, but that we are still here for them today.

As part of this activity, we created an integrated campaign, based on the WWI marching song, Pack up Your Troubles in Your Old Kit Bag. An online video of the song was created, which featured SSAFA beneficiaries, volunteers and staff; current and former service personnel; members of the Military Wives Choirs; and a number of celebrities, including Alan Titchmarsh and Eammon Holmes.

The campaign was launched in August in partnership with Smooth FM, generating 245 pieces of media coverage in total, including more than nine hours of broadcast coverage. The film was viewed more than 130,000 times over a two-week period and drove more than 33,000 unique visits to the website. The campaign was short-listed for the 2015 Chartered Institute of Marketing Excellence Awards and the Chartered Institute of Public Relations Excellence Awards.

PUBLIC AWARENESS

With greater strategic importance placed on Marketing & Communications and Fundraising in 2014, the Public Awareness department developed an ambitious plan to raise our profile, improve understanding of our work and increase our fundraising income.

Our campaign to commemorate the WWI centenary generated 245 pieces of media coverage and the online video was viewed 130,000 times in two weeks.
Overall, we saw a significant uplift in our national and media coverage during 2014 which increased by 30% on the previous year. We also saw a 100% increase in the number of people we reached through our media coverage, with a total reach of 350.5 million people last year.

As part of our strategy to build brand awareness, we took the opportunity to sponsor ‘The Sun Military Awards’ – otherwise known as ‘The Millies’ - in December 2014. Just under 10% of the population saw SSAFA’s advertisements during the ad breaks on average 5.4 times each. As a result, more people visited our website on that day than any day previously.

We made huge progress in our digital and social media activity, focusing on creating new, eye-catching material and engaging conversations to encourage people to keep coming back to our website and social media channels. As a result, visits to our website rose by 31% compared with 2013. We grew our Twitter followers by 71% to more than 22,000, while Facebook fans increased by 192% to over 54,000. Furthermore, the number of engaged Facebook users leapt up by 1,000%.

We ran our first dedicated social media campaign, which marked the end of British operations in Afghanistan. The #MySalute campaign, which was launched in the Daily Mirror newspaper, generated more than 70 local media articles and saw some 27 celebrity supporters join civilians in saluting our troops in ‘selfie’ salutes.

Our marketing and communications activity in 2014 helped SSAFA reach out to a much wider and more diverse audience, with media, marketing, digital and social media activity all working together to increase our reach and strengthen the impact of our brand. It also provided an excellent platform for our three-year strategy which we launched in 2015.

Sponsoring ‘The Millies’ was a great way to reach out to a very warm audience with just under 10% of the population viewing our adverts on prime time TV.

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Our Corporate Friends scheme continues to be a success and now has over 30 industry members. We held four Corporate Friends receptions in 2014 to thank them all for their support. SSAFA’s Defence Industry Charitable dinner celebrated its 10th Anniversary, supported by Northrop Grumman, QinetiQ, Thales, Fujitsu and Sodexo. It remains a ‘must attend’ event and we were joined by over 450 guests.

Existing corporate supporters, including Sodexo, BAE Systems and Fujitsu, supported us both corporately and through their imaginative employee fundraising initiatives. Fundraising also began to develop a wider range of relationships with companies outside the defence sector, including Nationwide and Barclays in the financial sector and a cause-related marketing product with the horticultural company Sutton Seeds.

The volunteers in our regional branches and services committees were instrumental in raising £2.7 million to support our work in local communities and military establishments across the UK and overseas.

SSAFA was delighted to be the beneficiary of a wide range of events and books to mark the start of World War One, most notably the extraordinary art installation Blood Swept Lands and Seas of Red at the Tower of London. This awe-inspiring event consisted of 888,246 ceramic poppies, each one planted to commemorate each of the fallen in World War One. We were honoured to have been part of this unique event and the contribution of £1.4 million will be used to support SSAFA’s services for servicemen and women and their families in need.

Fundraising

Total funds raised, excluding NHS contract income, was £10.9 million in 2014 thanks to the generosity of more than 45,000 individual donors and benefactors who supported our services and casework.

SSAFA raised £2.8 million through legacy income and legacies remain a significant source of income on which we depend to run our services.

2014 was a year of development for our relationships with charitable trusts and major donors. We are extremely grateful to all the major donors and charitable trusts that supported us over the year including:

- ABF, The Soldiers’ Charity
- Royal Air Force Benevolent Fund
- The BACIT Foundation
- Royal Navy and Royal Marines Charity
- Army Central Fund
- The Freemasons Grand Charity
- Lloyd’s Patriotic Fund
- Queen Mary’s Roehampton Trust

SSAFA would also like to thank our generous donors who wish to remain anonymous, including the individual who funded The Last Resort Fund which provides welfare support to those in need for whom there is no other funding available.

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WORKING IN PARTNERSHIP

We work in partnership with specialist charities and other organisations to ensure that those who turn to us for help get the support they need.

Glasgow’s Helping Heroes
This award-winning service is a “one-stop shop” for serving personnel, veterans, and their families, who live or work in, or wish to relocate to, Glasgow. Run by SSAFA and funded by Glasgow City Council and Glasgow Housing Association for the last five years, it provides clients with support on issues including housing, employment and finance and also signposts them to other appropriate organisations for help.

The service received 328 new referrals in 2014 and re-opened 157 cases for former clients. The team housed 24 veterans, and helped 100 clients find a job and 39 to access training. As part of this, Jobs and Business Glasgow and Remploy ran a work club on Mondays, with 130 veterans attending a total of 600 times.

Mental Health First Aid
This pilot project, funded with £397,000 from the Armed Forces Covenant (Libor) Fund, aims to raise awareness of mental health issues among the Forces community and, importantly, help individuals to access mental health services, where appropriate.

The community interest company Mental Health First Aid (MHFA) England is working with SSAFA to train serving personnel, their friends and family, local communities and veterans to better understand mental health so they can signpost those experiencing issues to support services.

During 2014, SSAFA worked with MHFA England to train 98 instructors, who went on to train 1,196 people in mental health first aid.

MILITARY WIVES CHOIRS FOUNDATION

The Military Wives Choirs Foundation is a registered subsidiary charity of SSAFA, bringing thousands of women in the military community closer together through singing.

Being part of the Military Wives Choir network makes a positive difference to women in the military community by improving well-being, providing opportunities to build friendships and developing skills.

By the end of 2014 there were 75 Military Wives Choirs established in military communities in the UK, Germany, Cyprus and beyond, with 2,500 members.

As well as singing in local communities up and down the UK and overseas, members of the Military Wives Choirs were honoured to participate in the commemorations of the start of World War One by singing at the BBC War Horse Prom. One hundred women from across the Military Wives Choirs network took part in a moving performance at the Royal Albert Hall.

In 2014 the Sidney de Haan Research Centre for Arts and Health (Canterbury Christ Church University) undertook a survey of 500 choir members with some very positive results:
Since joining a Military Wives Choir respondents reported that:
• 71% felt a stronger sense of wellbeing
• 81% benefited from positive health effects from singing
• 63% felt more confident overall
• 84% gained confidence through performing with their choir
• 86% had made new friends through their choir
Matthew
Senior Aircraftman Matt Fathers, 28, has been in the RAF for over seven years. He is married to Kim and they have a young daughter Chloe. At the age of 30 Kim was diagnosed with stage three cervical cancer. At the time the family were based in Cyprus. Kim had an immediate medical referral back to the UK.

Matt said ‘I was in the process of moving back to the UK, juggling looking after Chloe and taking care of Kim; there was so much going on. We needed a lot of help, and SSAFA was there. ‘We’ve been through so much but I’m really glad that Kim is now almost seven months in remission. It would’ve been really difficult without SSAFA. They’ve strengthened our case when we’ve asked for support and stood by us throughout.’
SSAFA’S PRESENCE WORLDWIDE

SSAFA provides support to Forces personnel, veterans and their family members across the globe. As well as a presence in every county in the UK, we have volunteers and health and social care professionals located in 13 countries worldwide, including Germany, Cyprus and the Falklands.

14
the number of countries around the world where SSAFA operates

158*
SSAFA branches and service committees provide welfare support across the UK and worldwide
*Correct at end of 2014

Overseas Branches
Cyprus
France
Germany
Republic of Ireland

Overseas Committees
Belgium - SHAPE
Brunel
Canada - BATUS
Cyprus - Ayios Nikolaos
Cyprus - Nicosia
Cyprus - Dhakalia
Cyprus - Epiexplis
Cyprus - RAF Akrotiri
Cyprus Central
Cyprus Volunteers
Germany - Elmpkt
Germany - Gütersloh
Germany - Harford
Germany - Paderborn/Sennelager
Germany - Ramstein
Germany - Western Europe
Gibraltar
Italy - Naples
Nepal

* Symbol represents the office, or central POC for each branch, in the UK. Branches routinely have a county or borough area of responsibility/coverage area.
**TRUSTEES’ REPORT**

Structure, governance and management.

**Governing Document**

SSAFA (The Soldiers, Sailors, Airmen and Families Association – Forces Help) was established in 1885 under Royal Charter. SSAFA’s Charter Rules and Regulations were extensively revised in 2013 and approved by Council in January 2014. The Charter allows the Trustees to establish Regulations for the day to day management of the Charity. SSAFA is registered as a charity in England and Wales, Number 210760 and in Scotland, Number SC038056.

**Subsidiary Charities**

The Charity has three subsidiary Charities: The Royal Homes, regulated under a Charity Commission Scheme in 1998; the Aircrew Association Charitable Fund, regulated under a Charity Commission Scheme in 2012; and The Military Wives Choirs Foundation which was established on 25 July 2012 as a charitable company limited by guarantee, Company Number 08089745, Registered Charity Number 1148302 and in Scotland, Charity Number SC045217.

SSAFA Forces Help Operational Entities

Under the authority of Council, SSAFA operates three subsidiary companies and one Limited Liability Partnership. Each Company is run for the benefit of the Charity by paid staff who fill the key posts of Managing Director, Finance Director and Company Secretary and include Trustees as additional external members of the Board. Each Company reports as required to Companies House.

Details of the Companies and Limited Liability Partnerships are given below:

- SSAFA Family Health Services, a Company limited by guarantee not having a share capital, Registered Number 3137764, was established to provide Community Health, Social Work and other services for the Armed Forces worldwide.
- SSAFA Care CIC, a Community Interest Company (CIC) limited by shares Registered Number 0661709, is wholly owned by SSAFA Family Health Services. The CIC carries out contracts for the National Health Service (NHS).
- SSAFA Forces Help Enterprises Limited, a Company limited by shares, Registered Number 2493614, was established as a trading company to sell Christmas cards and other merchandise and enter into other non-charitable commercial arrangements.
- SSAFA GSTT Care LLP, an LLP, Registered Number OC333462, is equally owned by SSAFA Family Health Services and Guy’s and St Thomas’ NHS Foundation Trust. The LLP was formed to provide Health Services to the Ministry of Defence (MoD).

**Other Charitable Jurisdictions**

In order to operate in Scotland, SSAFA has been registered with the Office of the Scottish Charity Regulator Register of Charities under number SC038056. In order to operate in Gibraltar, SSAFA has been registered with the Charity Commissioners for Gibraltar Register of Charities Number 149. In order to operate in Cyprus, SSAFA has been registered with the Charity Commissioners for Cyprus Register of Charities Number 210760.

**Board of Trustees**

The Royal Charter allows for a minimum of seven and a maximum of 20 Trustees and comprises of:

- Officers of SSAFA – Chairman, Vice Chairman and Honorary Treasurer.

Chairmen of the following Association Committees:

- The Volunteer Advisory Committee
- Service Community Forum
- The Health & Social Care Advisory Committee
- The Regional Representatives’ Forum
- The Public Awareness Advisory Committee
- Up to five Regional Representatives

**Selected individuals with the following skills:**

- Investment Banker
- Legal Expert
- Property Specialist
- Social Service Professionals

All Trustee appointments are recommended to the Council after a thorough search for suitable candidates. All Trustees are subject to the SSAFA Equal Opportunities policy and an Enhanced Disclosure and Barring Check is requested prior to appointment.

On appointment each Trustee is given a standard Trustee briefing pack and undergoes an induction briefing. Annually, Trustees are given a briefing following the September meeting of Council. A Register of Trustees’ interests is held centrally. The effectiveness of Council is assessed during the Annual Review of the Business Plan.

**Decision Making**

Trustees make and approve SSAFA policy, delegating the day-to-day management to the Controller and his staff. Council meets four times each year, or as required, and receives reports from the Controller and his staff on activities and progress.

Traditionally, in November each year, Council approves the outline business objectives for the five years commencing the following January and approves the associated budget. This year, however, due to the changing MoD contracts landscape driven by the drawdown of British Forces in Germany, Council approved the budget on 27 February 2015. Council reviews all Advisory and Sub Committee reports; making decisions on any policy issues arising and directing how those issues should be implemented.

Annually in March, Council reviews SSAFA’s Housing Assets. Council will take decisions to sell, purchase, and build or extend property; having made the decision, the Controller will take the appropriate action.

At each meeting Council reviews the Central Income and Expenditure Budget, recommending adjustments as necessary.

**Risk Management**

The Controller’s Management Board meets weekly and reviews the Risk Register to ensure compliance. During the year, the Audit Committee was given the revised title, Audit and Risk Committee to emphasise the enhanced focus on risk. This committee reviews the Risk Management Policy and Register at each meeting. Areas of significant risk are reported to Council at each meeting. Council then seeks assurance from the Controller that all mitigating action is being or has been taken.

Council is content that measures are in hand to manage and minimise all significant risks.

**Investment Committee**

During the year the scope of the Investment Committee was broadened to encompass oversight of SSAFA’s finances, a matter on which it reports to Council. The name of the committee was changed to Finance and Investment Committee and new terms of reference agreed with Council. The committee meets four times a year and membership comprises Honorary Treasurer (who is Chairman of the Committee), Chair and Vice Chair of Council, Mr. Robert Murphy (Trustee), and is attended by the Controller, Finance Director and other members of the Management Team as required.

**Objectives and Activities for the Public Benefit**

The Trustees have given due consideration to the Charity Commission published guidance on the operation of the Public Benefit requirement and confirm that the objects of SSAFA, as established and incorporated, are to relieve the need, suffering and distress of all those who are serving or have served in the Armed Forces of the Crown, and their families and dependants. There are only two criteria for assistance: eligibility and need.

SSAFA’s services can be divided into four types:

- Welfare advice and support – This is provided in the local community through our network of branches, which approximately conform to county and local government boundaries. Each branch is run by its own officers who are ultimately responsible to the Board of Trustees. We also provide advice and support on military bases through our service volunteers.
- Specialist services – These services have been designed specifically to meet unmet needs in the Armed Forces community and are run centrally by our professional staff with support from volunteers where appropriate.
- Housing – Our facilities range from long-term accommodation for elderly and disabled veterans to short-term housing for service families with specific needs.
- Health and social care services for the Armed Forces – These services operate in the UK and around the world on contract to the MoD.
To achieve SSAFA’s objectives we aim to:

• Maintain our network of trained caseworkers and community volunteers and employ high quality, committed employees to ensure we can meet the needs of our beneficiaries and improve the support we are able to offer.
• Increase the visibility of the Charity to ensure that potential beneficiaries, stakeholders and the general public are aware of the support we provide.
• Raise sufficient funds to ensure we can continue to provide appropriate and timely support for our beneficiaries, maintain our reserves and avoid a running cost deficit in our national funds.
• Manage all our activities as efficiently and effectively as possible to make the best possible use of our resources and maximise the support we are able to give current and future beneficiaries.

Achievements and Performance

The achievements and performance of SSAFA in 2014 have been set out in the previous sections. They testify to the indispensable work of the Charity, led by the changing needs of those who currently serve in the Armed Forces and those who have served, and their families. The continued demand for our services reinforces the fact that SSAFA reaches into every corner of the service community and makes a real difference wherever we are able to offer advice and support to those in need. No other charity operates on the same scale, on military establishments and in local communities, to support the whole Armed Forces family.

Those who work for SSAFA, whether as employees or as volunteers, do so with an outstanding level of commitment and energy. Our volunteers, in our branches, service committees and specialist services, are at the heart of our work. Their selfless dedication is central to the support we are able to give to so many of our clients. Our employees demonstrate a similar level of commitment and work hand in hand with their volunteer colleagues to promote our work, raise vital funds and deliver our services. The Trustees wish to place on record their thanks and gratitude to all those who have helped to make the year such a success.

The Trustees also wish to express their thanks and gratitude to the Service and Regimental Associations and Benevolent Funds, The Royal British Legion, PoppyScotland (The Earl Haig Fund Scotland), The Army Central Fund, The RAF Central Welfare Fund, The Guild of St Helena and all the other supporters, donors and trusts who provide so much vital financial assistance, both to individuals in need and to SSAFA as a whole. We would also like to thank General The Lord Dannatt, Constable of the Tower of London, and Historic Royal Palaces for supporting the art installation Blood Swept Lands and Seas of Red at the Tower of London, and all those who worked so hard to bring this unique event to life. It was an honour to be one of the beneficiary charities from the sale of the poppies, which has helped to raise vital funds to support our work. Every expression of support, however great or small, is equally important.

Key Performance Indicators

SSAFA used key performance indicators (KPIs) to measure its impact and identify areas for improvement in a variety of ways:

Welfare Advice and Support

We aim to increase our active membership and improve the capacity and capability in our volunteer network in order to increase the number of beneficiaries that we can help. We measure the number of beneficiaries assisted and monies raised to help those in financial hardship. We are also developing more sophisticated metrics to help us measure the impact of our work.

An Outcomes Working Group was set up in 2014 to look at the capacity and capability in our volunteer network and a number of recommendations were made. These will be reviewed and refined to ensure the most meaningful measurements are put into place. There were 34,814 cases in 2014 (compared with 35,181 in 2013).

Health and Social Care

Our contracts with the MoD and the NHS are subject to performance-related indicators and monitored via regular contract meetings.

Performance indicators have been developed with commissioners where appropriate. These are a diverse range of indicators reflecting the complexity and breadth of the services we offer. These include operational performance, quality and patient feedback.

Within UK health services this includes the Quality and Outcomes Framework (QOF) and the Commissioning for Quality and Innovation (CQUIN) measures. These include a range of nationally and locally agreed indicators focusing on patient outcomes.

SSAFA services in the UK regulated by the Care Quality Commission (CQC) that include GP Practices are subject to a new ratings based inspection model which commenced in April 2014. Whilst a formal inspection has not occurred, SSAFA has maintained assurances that compliance with the standards is in place.

Within British Forces Germany (BFG) a large range of indicators are in place based on the English CQC model. In 2014 the service was required to achieve greater than 95% compliance with these indicators in Q1, increasing to 90% in Q2-4. These were routinely surpassed.

The Cyprus services operate different performance indicators from BFG and UK services, which have also been routinely surpassed.

Adoption services are regulated by Ofsted. SSAFA demonstrated compliance with the standards by achieving a “good service” rating in all areas at an inspection in September 2014.

SSAFA has developed support systems and mechanisms to extract, where possible, performance data directly from the electronic systems the staff use.

Housing

The welfare of our residents is paramount across all SSAFA homes. To this end, all of our professionally managed schemes are regularly monitored, capturing KPI’s and outcomes where statutorily required to do so.

SSAFA ensures that all residents meet the eligibility criteria via a robust selection and application process for each SSAFA housing scheme.

At Stepping Stones Homes we measure a range of wellbeing outcomes in line with the terms of our grants from Supporting People, funded through the respective Local Authorities. The outcomes measured include: economic wellbeing, be healthy, achieve access to training and education, stay safe, positive contribution to community, equal opportunities and inclusion, housing move on and children’s education.

St Vincent’s Care Home is regulated by the Care Quality Commission (CQC) and as such all outcomes are measured and reported in line with CQC requirements for each resident.

Specialist Services

We measure the impact of our professionally accredited services, and those funded by Libor grants, using proven internal management tools. We continually review our methods to ensure we can effectively represent the benefits of our services to clients.

We also apply a series of metrics to measure the impact of other activities such as marketing, communications and fundraising. This enables us to set targets at the beginning of the year and ensure we achieve the best possible return on investment on individual activities and events.

Looking to the future

Everything SSAFA does is underpinned by our vision to ensure that the Armed Forces, veterans and their families know they can depend on us for support for the rest of their lives. It is therefore essential that we understand not just the current but also the future needs of the service community, and adapt and develop the support we offer as their needs change. We will:

• Recruit, train and retain the highest quality employees and volunteers to ensure we can continue to provide effective, timely support to those in need.
• Meet our contractual obligations to provide high-quality health and social care to the Armed Forces in the UK and overseas.
• Continue to raise our profile and improve our external communications to raise awareness of our services and to ensure those in need know we can help.
• Invest in our fundraising capacity to maintain and increase our income so we can continue to meet the demand for our services and replace contract income as required.
• Monitor and analyse changing needs in the service community and refine and develop our services to meet unmet needs.
• Work with and support the Confederation of Service Charities (COBSCEO), and develop greater coherence and co-ordination with other military charities.
• Continually seek opportunities for efficiencies to ensure our funds are used as efficiently as possible to support our beneficiaries.
**Financial Outcome**

The Consolidated Statement of Financial activities for the year show that there was an overall deficit in the year of £0.090 million (2013: surplus £1.090m). This comprises a surplus on unrestricted funds of £0.545 million for the year (2013: deficit £0.642m) and a restricted fund deficit of £0.635 million (2013: surplus £1.732m).

The deficit on restricted funds was largely due to the fall in discount rate used to calculate the present value of obligations to underwrite the liability arising in respect of the Local Government Pension Scheme were discussed during the year, proposals for a deficit reduction plan for an outflow of cash.

**Investment Policy**

The majority of SSAFA’s funds are invested in the Armed Forces Common Investment Fund, a fund specifically designed for service and ex-service charities. The objective of the fund is to achieve long-term growth of both capital and income. Performance of the fund is measured against a benchmark constructed to represent a balanced portfolio of investments comprising UK and global equities, property and UK and overseas bonds. In 2014, the fund achieved a total return of 6.8%, which was 0.3% below the benchmark. However, dividends for the year were increased by 6% against 2013 to £6.75p per unit.

**Reserves Policy**

Taking into account guidance provided by The Charity Commission on determining an appropriate level of reserves, Trustees have set a level of approximately two years’ operating costs which must be retained to ensure that the Charity can meet its obligations in the short term. At 31 December 2014 the level of unrestricted reserves, which were not represented by fixed assets, was £1.4 years’ running costs (£1.6 years 2013).

At 31 December 2014 the unrestricted general reserves (which include designated funds), which were not represented by fixed assets, amounted to £19.0 million (2013: £19.4 million) before any adjustment for the pension deficit under FRS17. The Trustees accept the legal necessity to include the long-term FRS17 pension liability in the Statement of Financial Activities. They do not, however, agree that this liability constitutes a diminution to reserves because, in their view, this liability lies with the MoD and not with SSAFA.

**Grants Making**

Assistance from the unrestricted funds may be used only to relieve the need, suffering and distress of those eligible for our help, as described in the Objects of SSAFA. The Regulations of SSAFA do not permit our funds to be used for gifts, grants or subscriptions to charities, hospitals, schools or other funds, societies or institutions.

**Auditor**

Trustees have informed the current auditor, Grant Thornton UK LLP, of their intention to invite tenders from other audit firms after the Annual Report for 2014 has been presented to the Annual Members’ Meeting for approval on 16 July. Trustees believe it is good practice to re-evaluate its professional advisers periodically, but have also informed Grant Thornton UK LLP that their proposals to be re-appointed will be welcomed.

**Statement of the Trustees’ Responsibilities**

The Trustees are responsible for preparing the Trustees’ Annual Report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 and regulations made thereunder, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), which give a true and fair view of the state of affairs of the Charity and the Group, and of the incoming resources and application of the resources, including the income and expenditure of the Group for that period.

Trustees have noted that the target level of reserves has not been achieved for several years and, at the same time as reviewing if the current target remains appropriate, are also evaluating options to increase free reserves to the target level.

Taking into account the asset base of the Charity and the declared policy of disposing freehold properties no longer required, Trustees consider that SSAFA has adequate resources to sustain operations for the foreseeable future.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles set out in the Statement of Recommended Practice ‘Accounting and Reporting by Charities’ 2005 (revised 2005) (SORP);
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity’s and Group’s transactions and disclose with reasonable accuracy at any time the financial position of the Charity and the Group and enable them to ensure that the financial statements comply with the Charities Act 2011 and regulations made thereunder, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the trust deed. The Trustees are also responsible for safeguarding the assets of the Charity and the Group and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by Council on 24 June 2015
And signed on 1 July 2015 by

General Sir Kevin O’Donoghue KCB CBE
Chairman
INDEPENDENT AUDITOR’S REPORT

To the Trustees of The Soldiers, Sailors, Airmen and Families Association – Forces Help (SSAfA)

We have audited the financial statements of The Soldiers, Sailors, Airmen and Families Association – Forces Help for the year ended 31 December 2014 which comprise the consolidated statement of financial activities, the consolidated group and Charity 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 Charity’s Trustees, as a body, in accordance with Section 154 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charity’s Trustees those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its Trustees 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 set out on page 35, the Trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditor under sections 151 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts. Our audit work has been undertaken so that we might state to the Charity’s Trustees those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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 Charity’s affairs as at 31 December 2014 and of the Group’s and parent’s income and expenditure and its cashflow for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

Grant Thornton UK LLP
Senior Statutory Auditor
Chartered Accountants Gatwick
3 July 2015

Eleanor Walsh
Senior Statutory Auditor

PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies are summarised below.

Basis of preparation
The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of investments and are in accordance with the Charities Act 2011, the Statement of Recommended Practice (SORP) ‘Accounting and Reporting by Charities’ (revised 2005) and other applicable Accounting Standards in the United Kingdom.

Basis of consolidation
The financial statements consolidate those of the Charity, its subsidiary undertakings and its shares in joint ventures. The results and balance sheets of the Charity’s subsidiaries have been consolidated on a line by line basis.

The accounting reference date for SSAFA Forces Help Enterprises Limited was 31 March, set originally for administrative convenience since the major part of its income arose annually over the Christmas period. The results and activities of this company were not expected to materially change year on year. During 2013, the Directors of this company agreed to align the year end to 31 December to bring it in line with the rest of the SSAFA group as the company’s activities have diversified. Therefore the comparative 2013 figures in these consolidated financial statements included nine months of the results of SSAFA Forces Help Enterprises Limited for that year.

Joint ventures are accounted for using the gross equity method of accounting.

Incoming resources
All income whether restricted or unrestricted is recognised in the consolidated Statement of Financial Activities. When the Group has entitlement to the funds, the amount can be quantified and there is certainty of receipt.

Donations and other income generated from fundraising is recognised gross on a receivable basis.

Donated services and gifts in kind are recognised as receivable if their value is able to be estimated reliably. The gift is recognised in income at the market value of the goods or service received and, depending on the nature of the gift, recognised in resources expended or fixed assets at the same value and same time.

Legacies are recognised once the receipt of the legacy becomes reasonably certain and quantifiable. Pecuniary legacies are usually recognised at the point that probate is granted. For residuary legacies, this will usually be at the earlier of cash receipt or when confirmation has been received from the representatives of the estates that payment will be made or property will be transferred and once all the conditions attaching to the legacies have been fulfilled.

Investment income is recognised when receivable.

Outgoing resources of the Charity is a deficit of £0.2 million (2013: surplus £8 million) for the year to 31 December 2014.

Going Concern
The financial statements have been prepared on the basis that the Charity is a going concern. The Trustees accept the legal necessity to include the long-term FR S 17 defined pension scheme liability within the financial statements. They do not consider, however, that this liability constitutes a diminution to reserves because in their view this liability lies with the MoD and not with the Charity. The Charity had £41.8 million in unrestricted funds at 31 December 2014, excluding the FR S 17 pension liability. The Trustees therefore consider that the Charity has adequate resources to sustain operations for the foreseeable future.

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council’s website at www.frc.org.uk/auditqualityprivate.
Grants receivable from service funds and other charities for specific cases which have not been almonised at the end of the year are accrued and included as current liabilities. These amounts will be paid in the following year or returned to the relevant providers.

**Resources expended and the basis of allocation of costs**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that activity. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources. Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity.

Costs of generating funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Grants payable are payments made to or on behalf of individuals in the furtherance of the Charity’s charitable objectives. Grants are accounted for when the recipient has a reasonable expectation that they will receive a grant, goods or services.

Health and welfare costs represent the direct costs of the welfare department at central office, including allocated communication and marketing costs, volunteer support costs (including training), branch and committee case work costs and branch office and staff costs in the provision of advice and assistance to those in need.

Support costs include central functions such as management, finance, human resources and information technology and are allocated across the categories of costs of generating funds, charitable activities and governance on the basis of staff numbers engaged in the activities therein as shown in note 7. The administrative charges for the provision of grant-aided activities and the provision of health and welfare services include support costs which are calculated in accordance with the contractual agreements.

Governance costs are those associated with the running of the Charity as opposed to the direct management functions inherent in generating funds and service delivery. This includes such items as Council and Committee expenses, audit, legal advice for Council and other costs which are primarily associated with constitutional and statutory requirements.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost and depreciated in equal instalments from either the date of purchase or the date brought into use at the following rates:

- **Land** Nil
- **Freehold buildings** 50 years
- **Long leasehold buildings** 50 years
- **Furniture and equipment** 5 years
- **IT equipment** 3 years
- **Motor vehicles** Over 3 years down to 10%

Where it has been identified that the recoverable amount of a fixed asset is below its net book value, the asset is written down to its recoverable amount and the impairment loss is recognised in the consolidated Statement of Financial Activities.

Additions to furniture, equipment and IT equipment valued at less than £2,000 are fully written off as revenue expenditure in the year of purchase unless they form part of a larger scale project.

**Investments**

Listed investments are included at bid price (which is deemed to be market value) at the balance sheet date and the consolidated Statement of Financial Activities shows net investment gains and losses arising from revaluation of the investment portfolio and disposals during the year.

Investments in subsidiaries are held at cost.

**Funds accounting**

**Unrestricted funds**

General funds are unrestricted funds that are available for use at the discretion of Council in furtherance of the objectives of the Charity.

Designated funds are unrestricted funds set aside at the discretion of Council for specific purposes. Details of designated funds held are given in note 16.

A pension reserve is shown separately within unrestricted funds to reflect the long-term non-liquid nature of the pension liability.

**Restricted funds**

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose and the restriction means that the related funds can only be used for the specific activities. Details of restricted funds held are given in note 16.

Except for The Royal Homes fund, no interest on cash balances is allocated to restricted funds and no overheads or support costs are allocated except where material costs are incurred by a specific fund. Interest earned on restricted funds and most overhead and support costs if reasonably allocated are considered to be of low value.

**Operating leases**

Payments made under operating leases are charged to the consolidated Statement of Financial Activities on a straight line basis over the lease term.

**Foreign currency**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date.

Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the consolidated Statement of Financial Activities.

**Contributions to pension schemes**

The Group operates a defined benefit pension scheme that requires contributions to be made to a separately administered fund. The expected costs of providing pensions, as calculated periodically by professionally qualified actuaries, is charged to the consolidated Statement of Financial Activities so as to spread the cost of pensions over employees’ working lives with the Group.

The Group also operates a defined contribution scheme. Pension costs charged in the consolidated Statement of Financial Activities represent the contributions payable by the Group in the year.

**Taxation**

No liability to Corporation Tax arises in these financial statements as the activities of the Charity and its subsidiaries are exempt from tax under the provisions of the Corporation Tax Act 2011, and any profits earned are applied in the furtherance of the Charity’s objects. Irrecoverable value added tax is allocated to the category of expenditure to which it relates.
## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

**FOR THE YEAR ENDED 31 DECEMBER 2014**

<table>
<thead>
<tr>
<th>Notes</th>
<th>Unrestricted funds £’000</th>
<th>Restricted funds £’000</th>
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<th>Total £’000 2013</th>
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<td>72</td>
<td>893</td>
</tr>
<tr>
<td><strong>Total incoming resources from generated funds</strong></td>
<td></td>
<td></td>
<td>14,005</td>
<td>1,714</td>
</tr>
<tr>
<td><strong>Incoming resources from charitable activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions from service and other charities for individuals</td>
<td>4</td>
<td>-</td>
<td>11,555</td>
<td>11,555</td>
</tr>
<tr>
<td>Health and Social Care (group and joint venture)</td>
<td>4</td>
<td>60,001</td>
<td>780</td>
<td>60,781</td>
</tr>
<tr>
<td>Less: share of joint venture turnover</td>
<td>4</td>
<td>(31,898)</td>
<td>-</td>
<td>(31,898)</td>
</tr>
<tr>
<td>Care and accommodation</td>
<td>4</td>
<td>1,157</td>
<td>510</td>
<td>1,667</td>
</tr>
<tr>
<td>Adoption income</td>
<td>4</td>
<td>494</td>
<td>-</td>
<td>494</td>
</tr>
<tr>
<td><strong>Total incoming resources from charitable activities</strong></td>
<td></td>
<td></td>
<td>29,754</td>
<td>12,445</td>
</tr>
<tr>
<td><strong>Other incoming resources</strong></td>
<td>5</td>
<td>1,737</td>
<td>-</td>
<td>1,737</td>
</tr>
<tr>
<td><strong>Total incoming resources</strong></td>
<td></td>
<td></td>
<td>45,496</td>
<td>14,159</td>
</tr>
</tbody>
</table>

**RESOURCES EXPENDED**

<table>
<thead>
<tr>
<th>Notes</th>
<th>Unrestricted funds £’000</th>
<th>Restricted funds £’000</th>
<th>Total £’000</th>
<th>Total £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Costs of generating funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Voluntary income</td>
<td>6</td>
<td>552</td>
<td>-</td>
<td>552</td>
</tr>
<tr>
<td>Activities for generating funds</td>
<td>6</td>
<td>5,585</td>
<td>-</td>
<td>5,585</td>
</tr>
<tr>
<td><strong>Total costs of generating funds</strong></td>
<td></td>
<td></td>
<td>6,137</td>
<td>-</td>
</tr>
<tr>
<td><strong>Charitable activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants payable</td>
<td>6</td>
<td>6,887</td>
<td>13,064</td>
<td>19,951</td>
</tr>
<tr>
<td>Provision of ‘Grant Aided’ activities</td>
<td>6</td>
<td>-</td>
<td>779</td>
<td>779</td>
</tr>
<tr>
<td>Health and welfare</td>
<td>6</td>
<td>27,496</td>
<td>-</td>
<td>27,496</td>
</tr>
<tr>
<td>Care and accommodation</td>
<td>6</td>
<td>2,811</td>
<td>951</td>
<td>3,762</td>
</tr>
<tr>
<td>Adoption</td>
<td>6</td>
<td>1,032</td>
<td>-</td>
<td>1,032</td>
</tr>
<tr>
<td>Military Wives Choirs</td>
<td>6</td>
<td>478</td>
<td>-</td>
<td>478</td>
</tr>
<tr>
<td><strong>Total cost of charitable activities</strong></td>
<td></td>
<td></td>
<td>35,504</td>
<td>14,794</td>
</tr>
<tr>
<td><strong>Governance costs</strong></td>
<td></td>
<td></td>
<td>235</td>
<td>-</td>
</tr>
<tr>
<td><strong>Other resources expended</strong></td>
<td>6</td>
<td>75</td>
<td>-</td>
<td>75</td>
</tr>
<tr>
<td><strong>Total resources expended</strong></td>
<td></td>
<td></td>
<td>44,951</td>
<td>14,794</td>
</tr>
</tbody>
</table>

**Net incoming/(outgoing) resources**

<table>
<thead>
<tr>
<th>Notes</th>
<th>Unrestricted funds £’000</th>
<th>Restricted funds £’000</th>
<th>Total £’000</th>
<th>Total £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>545</td>
<td>(635)</td>
<td>(90)</td>
<td>1,090</td>
</tr>
<tr>
<td><strong>Share of net resources from joint venture</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>(5)</td>
<td>-</td>
<td>(5)</td>
<td>62</td>
</tr>
<tr>
<td><strong>Net unrealised and realised gains on investments</strong></td>
<td>13</td>
<td>230</td>
<td>43</td>
<td>273</td>
</tr>
<tr>
<td><strong>Actuarial (losses)/gains on defined benefit pension schemes</strong></td>
<td>21</td>
<td>(11,011)</td>
<td>-</td>
<td>(11,011)</td>
</tr>
<tr>
<td><strong>Net movement in funds</strong></td>
<td></td>
<td></td>
<td>(10,241)</td>
<td>(592)</td>
</tr>
<tr>
<td><strong>Fund balances brought forward</strong></td>
<td>16</td>
<td>11,488</td>
<td>5,911</td>
<td>17,399</td>
</tr>
<tr>
<td><strong>Total funds carried forward</strong></td>
<td>16</td>
<td>1,247</td>
<td>5,319</td>
<td>6,566</td>
</tr>
</tbody>
</table>

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

The accompanying accounting policies and notes form an integral part of these financial statements.

## CONSOLIDATED GROUP AND CHARITY BALANCE SHEETS

**AS AT 31 DECEMBER 2014**

<table>
<thead>
<tr>
<th>Notes</th>
<th>Group 2014 £’000</th>
<th>Group 2013 £’000</th>
<th>Charity 2014 £’000</th>
<th>Charity 2013 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FIXED ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>12</td>
<td>23,207</td>
<td>23,748</td>
<td>23,207</td>
</tr>
<tr>
<td><strong>INVESTMENTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>13</td>
<td>9,530</td>
<td>9,220</td>
<td>9,540</td>
</tr>
<tr>
<td><strong>Joint venture: share of gross assets</strong></td>
<td>13</td>
<td>3,291</td>
<td>3,776</td>
<td>-</td>
</tr>
<tr>
<td><strong>Joint venture: share of gross liabilities</strong></td>
<td>13</td>
<td>(3,307)</td>
<td>(3,787)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total fixed assets</strong></td>
<td></td>
<td></td>
<td>32,721</td>
<td>33,027</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Debtors</strong></td>
<td>14</td>
<td>10,211</td>
<td>9,439</td>
<td>8,416</td>
</tr>
<tr>
<td><strong>Stock</strong></td>
<td>10</td>
<td>10</td>
<td>9</td>
<td>-</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>11</td>
<td>11,960</td>
<td>12,121</td>
<td>10,065</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td></td>
<td></td>
<td>22,181</td>
<td>21,569</td>
</tr>
<tr>
<td><strong>Net assets excluding pension liability</strong></td>
<td>21</td>
<td>(40,577)</td>
<td>(29,169)</td>
<td>(40,577)</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
<td>6,566</td>
<td>17,399</td>
</tr>
<tr>
<td><strong>FUNDS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted funds – general</td>
<td>16</td>
<td>38,835</td>
<td>37,587</td>
<td>38,545</td>
</tr>
<tr>
<td>Unrestricted funds – designated</td>
<td>16</td>
<td>2,989</td>
<td>3,070</td>
<td>2,989</td>
</tr>
<tr>
<td><strong>Total unrestricted funds</strong></td>
<td></td>
<td></td>
<td>41,824</td>
<td>40,657</td>
</tr>
<tr>
<td>Restricted funds</td>
<td>16</td>
<td>5,319</td>
<td>5,911</td>
<td>5,319</td>
</tr>
<tr>
<td><strong>TOTAL FUNDS</strong></td>
<td></td>
<td></td>
<td>47,143</td>
<td>46,568</td>
</tr>
<tr>
<td><strong>NET ASSETS excluding pension liability</strong></td>
<td></td>
<td></td>
<td>40,577</td>
<td>40,029</td>
</tr>
<tr>
<td><strong>Defined benefit pension scheme liability</strong></td>
<td>21</td>
<td>(11,011)</td>
<td>-</td>
<td>(11,011)</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
<td>16,566</td>
<td>17,599</td>
</tr>
</tbody>
</table>

Approved by Council on 24 June 2015 and signed on 1 July 2015 by:

General Sir Kevin O’Donoghue KCB CBE
Chairman

Mr David Rowe
Honorary Treasurer

The accompanying accounting policies and notes form an integral part of these financial statements.
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

<table>
<thead>
<tr>
<th>Notes</th>
<th>2014 £'000</th>
<th>2014 £'000</th>
<th>2013 £'000</th>
<th>2013 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash outflow from operating activities</td>
<td>A (146)</td>
<td>(229)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital expenditure and financial investment:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of tangible fixed assets</td>
<td>(51)</td>
<td>(968)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net proceeds from sale of fixed assets</td>
<td>3</td>
<td>5,083</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of investments</td>
<td>(88)</td>
<td>(81)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale of investments</td>
<td>101</td>
<td>79</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financing:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayment of loan</td>
<td>-</td>
<td>(5,000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease in cash</td>
<td>B (187)</td>
<td>(4,208)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NOTES TO CONSOLIDATED CASH FLOW STATEMENT

A. Reconciliation of changes in resources to net cash outflow from operating activities

<table>
<thead>
<tr>
<th>2014 £'000</th>
<th>2013 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Decrease)/increase in resources before revaluations</td>
<td>(90)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>589</td>
</tr>
<tr>
<td>Profit on sale of property</td>
<td>-</td>
</tr>
<tr>
<td>(Increase)/decrease in stock</td>
<td>(1)</td>
</tr>
<tr>
<td>Decrease in creditors</td>
<td>(268)</td>
</tr>
<tr>
<td>Change in pension liability</td>
<td>397</td>
</tr>
<tr>
<td>Increase in debtors</td>
<td>(772)</td>
</tr>
</tbody>
</table>

Net cash (outflow)/inflow from operating activities (146) (229)

B. Reconciliation of net cash outflow to movement in net funds

<table>
<thead>
<tr>
<th>2014 £'000</th>
<th>2013 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease in cash</td>
<td>(187)</td>
</tr>
<tr>
<td>Movement in net funds</td>
<td>(187)</td>
</tr>
<tr>
<td>Net Funds at 1 January 2014</td>
<td>12,121</td>
</tr>
<tr>
<td>Net Funds at 31 December 2014</td>
<td>11,960</td>
</tr>
</tbody>
</table>

C. Analysis of changes in net funds

<table>
<thead>
<tr>
<th>At 1 January 2014 £'000</th>
<th>Cashflows £'000</th>
<th>At 31 December 2014 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank and in hand</td>
<td>12,121 (187)</td>
<td>11,960</td>
</tr>
<tr>
<td>12,121 (187)</td>
<td>11,960</td>
<td></td>
</tr>
</tbody>
</table>

The accompanying accounting policies and notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1. VOLUNTARY INCOME

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted funds £'000</th>
<th>Restricted funds £'000</th>
<th>Total £'000</th>
<th>Total £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations</td>
<td>3,629</td>
<td>1,382</td>
<td>5,011</td>
<td>7,627</td>
</tr>
<tr>
<td>Legacies</td>
<td>2,491</td>
<td>260</td>
<td>2,751</td>
<td>2,524</td>
</tr>
<tr>
<td></td>
<td>6,120</td>
<td>1,642</td>
<td>7,762</td>
<td>10,151</td>
</tr>
</tbody>
</table>

2. ACTIVITIES FOR GENERATING FUNDS

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted funds £'000</th>
<th>Restricted funds £'000</th>
<th>Total £'000</th>
<th>Total £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health services provided to National Health Service</td>
<td>3,902</td>
<td>-</td>
<td>3,902</td>
<td>4,180</td>
</tr>
<tr>
<td>Merchandising</td>
<td>633</td>
<td>-</td>
<td>633</td>
<td>274</td>
</tr>
<tr>
<td>Fundraising activities</td>
<td>2,529</td>
<td>-</td>
<td>2,529</td>
<td>1,377</td>
</tr>
<tr>
<td></td>
<td>7,064</td>
<td>-</td>
<td>7,064</td>
<td>5,831</td>
</tr>
</tbody>
</table>

3. INVESTMENT INCOME

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted funds £'000</th>
<th>Restricted funds £'000</th>
<th>Total £'000</th>
<th>Total £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listed investments</td>
<td>363</td>
<td>69</td>
<td>432</td>
<td>358</td>
</tr>
<tr>
<td>Bank deposits and unquoted investments</td>
<td>21</td>
<td>3</td>
<td>24</td>
<td>28</td>
</tr>
<tr>
<td>Rental income</td>
<td>367</td>
<td>-</td>
<td>367</td>
<td>116</td>
</tr>
<tr>
<td>Other interest receivable</td>
<td>70</td>
<td>-</td>
<td>70</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>821</td>
<td>72</td>
<td>893</td>
<td>502</td>
</tr>
</tbody>
</table>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted funds £'000</th>
<th>Restricted funds £'000</th>
<th>Total £'000</th>
<th>Total £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions from service and other charities for individuals</td>
<td>-</td>
<td>11,155</td>
<td>11,155</td>
<td>11,209</td>
</tr>
<tr>
<td>Community health and social care – UK and overseas</td>
<td>-</td>
<td>780</td>
<td>780</td>
<td>735</td>
</tr>
<tr>
<td>Health and social care contracts (group and share of joint ventures)</td>
<td>60,001</td>
<td>780</td>
<td>60,781</td>
<td>49,841</td>
</tr>
<tr>
<td></td>
<td>60,001</td>
<td>780</td>
<td>60,781</td>
<td>50,634</td>
</tr>
<tr>
<td>Group health and social care</td>
<td>28,103</td>
<td>780</td>
<td>28,883</td>
<td>28,295</td>
</tr>
<tr>
<td>Care and accommodation contributions:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stepping Stone Homes</td>
<td>214</td>
<td>-</td>
<td>214</td>
<td>217</td>
</tr>
<tr>
<td>Residential Homes and Cottages</td>
<td>817</td>
<td>-</td>
<td>817</td>
<td>839</td>
</tr>
<tr>
<td>Homes from Home</td>
<td>49</td>
<td>-</td>
<td>49</td>
<td>49</td>
</tr>
<tr>
<td>Royal Homes</td>
<td>-</td>
<td>510</td>
<td>510</td>
<td>457</td>
</tr>
<tr>
<td>Other</td>
<td>85</td>
<td>85</td>
<td>85</td>
<td>68</td>
</tr>
<tr>
<td>Total care and accommodation contributions</td>
<td>1,157</td>
<td>510</td>
<td>1,667</td>
<td>1,631</td>
</tr>
<tr>
<td>Adoption income</td>
<td>494</td>
<td>-</td>
<td>494</td>
<td>543</td>
</tr>
<tr>
<td>Total incoming resources from charitable activities</td>
<td>28,754</td>
<td>12,445</td>
<td>41,199</td>
<td>41,878</td>
</tr>
</tbody>
</table>
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

5. OTHER INCOMING RESOURCES

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>Unrestricted funds</th>
<th>Restricted funds</th>
<th>Total 2014 £'000</th>
<th>Total 2013 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overage payment</td>
<td>1,703</td>
<td>-</td>
<td>1,703</td>
<td>-</td>
</tr>
<tr>
<td>Taxi meter fees</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>All other</td>
<td>1,727</td>
<td>-</td>
<td>1,727</td>
<td>84</td>
</tr>
<tr>
<td>Total</td>
<td>3,430</td>
<td>-</td>
<td>3,430</td>
<td>84</td>
</tr>
</tbody>
</table>

Total incoming resources includes Military Wives Choir’s income for the year of £465,229 representing donations of £230,119, fundraising £230,913 and other income of £15,297 (2013: £424,000).

The overage payment arises from an arrangement in respect of the sale of a freehold property in 2007.

6. TOTAL RESOURCES EXPENDED

<table>
<thead>
<tr>
<th>Activities undertaken directly</th>
<th>Support costs (see note 7)</th>
<th>Total 2014 £'000</th>
<th>Total 2013 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voluntary income</td>
<td>435</td>
<td>119</td>
<td>552</td>
</tr>
<tr>
<td>Health services provided to National Health Service</td>
<td>3,558</td>
<td>86</td>
<td>3,644</td>
</tr>
<tr>
<td>Merchandising</td>
<td>309</td>
<td>-</td>
<td>309</td>
</tr>
<tr>
<td>Fundraising†</td>
<td>1,374</td>
<td>358</td>
<td>1,732</td>
</tr>
<tr>
<td><strong>Total costs of generating funds</strong></td>
<td><strong>5,574</strong></td>
<td><strong>563</strong></td>
<td><strong>6,137</strong></td>
</tr>
</tbody>
</table>

Charitable activities:

<table>
<thead>
<tr>
<th>Grants payable (see below)</th>
<th>Provision of 'Grant Aided' activities</th>
<th>Health and welfare</th>
<th>Care and accommodation</th>
<th>Adoption</th>
<th>Military Wives Choirs</th>
</tr>
</thead>
<tbody>
<tr>
<td>182</td>
<td>600</td>
<td>26,043</td>
<td>2,457</td>
<td>725</td>
<td>478</td>
</tr>
<tr>
<td>3,558</td>
<td>3,644</td>
<td>3,644</td>
<td>3,644</td>
<td>3,644</td>
<td>3,644</td>
</tr>
<tr>
<td>3,644</td>
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<td>3,644</td>
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<td>3,644</td>
<td>3,644</td>
<td>3,644</td>
<td>3,644</td>
</tr>
<tr>
<td><strong>Total charitable activities</strong></td>
<td><strong>5,574</strong></td>
<td><strong>5,574</strong></td>
<td><strong>5,574</strong></td>
<td><strong>5,574</strong></td>
<td><strong>5,574</strong></td>
</tr>
</tbody>
</table>

Governance:

| Governance | - | 235 | 235 | 241 |
| Other resources expended** | - | 75 | 75 | - |

**Total resources expended**

| **Total resources expended** | **54,251** | **5,494** | **59,745** | **57,156** |

†Fundraising includes the cost of ‘attracting’ all voluntary income into the Charity.

**Other resources expended relates to a claim received from the purchaser of the Queen Elizabeth property sale completed in 2013.

7. SUPPORT COSTS

<table>
<thead>
<tr>
<th>Management</th>
<th>Finance</th>
<th>Human Resources</th>
<th>Information Technology</th>
<th>Facilities</th>
<th>Total 2014 £'000</th>
<th>Total 2013 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>60</td>
<td>90</td>
<td>77</td>
<td>133</td>
<td>203</td>
<td>563</td>
<td>435</td>
</tr>
</tbody>
</table>

Charitable activities:

<table>
<thead>
<tr>
<th>Grants payable</th>
<th>Care and accommodation</th>
<th>Adoption</th>
<th>Governance</th>
<th>Total support costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>182</td>
<td>3,558</td>
<td>33</td>
<td>92</td>
<td>5,494</td>
</tr>
<tr>
<td>275</td>
<td>86</td>
<td>42</td>
<td>143</td>
<td>4,591</td>
</tr>
<tr>
<td>234</td>
<td>3,644</td>
<td>42</td>
<td>235</td>
<td>6,086</td>
</tr>
<tr>
<td>408</td>
<td>3,644</td>
<td>75</td>
<td>241</td>
<td>10,737</td>
</tr>
<tr>
<td>618</td>
<td>3,644</td>
<td>110</td>
<td>235</td>
<td>13,282</td>
</tr>
<tr>
<td>618</td>
<td>3,644</td>
<td>307</td>
<td>241</td>
<td>15,959</td>
</tr>
<tr>
<td>731</td>
<td>3,644</td>
<td>202</td>
<td>241</td>
<td>17,981</td>
</tr>
<tr>
<td><strong>Total support costs</strong></td>
<td><strong>5,494</strong></td>
<td><strong>4,591</strong></td>
<td><strong>10,086</strong></td>
<td><strong>15,959</strong></td>
</tr>
</tbody>
</table>

The administrative charges for the provision of grant aided activities and the provision of health and welfare services charge include support costs and are calculated in accordance with the contract agreements.

8. GOVERNANCE COSTS

<table>
<thead>
<tr>
<th>Council/Committee Expenses</th>
<th>AGM</th>
<th>Annual Reports</th>
<th>Audit</th>
<th>Apportionment of staff costs</th>
<th>Total 2014 £'000</th>
<th>Total 2013 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>60</td>
<td>16</td>
<td>6</td>
<td>66</td>
<td>75</td>
<td>235</td>
<td>241</td>
</tr>
</tbody>
</table>

9. NET INCOMING/(OUTGOING) RESOURCES

This is stated after crediting/charging:

<table>
<thead>
<tr>
<th>Auditors remuneration</th>
<th>- Group entities (excluding Charity)</th>
<th>- Charity</th>
<th>- Non audit services</th>
<th>- Branch and committee audit fees</th>
<th>- Depreciation of tangible fixed assets</th>
<th>- Profit on disposal of property</th>
<th>- Expenditure on fixtures, fittings &amp; equipment written off in year</th>
<th>- Amounts paid under operating leases</th>
<th>Total 2014 £'000</th>
<th>Total 2013 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>52</td>
<td>52</td>
<td>52</td>
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<td>52</td>
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<td>52</td>
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<tr>
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<tr>
<td>64</td>
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<td>64</td>
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<tr>
<td>36</td>
<td>36</td>
<td>36</td>
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<td>36</td>
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<td>36</td>
<td>36</td>
<td>36</td>
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<td>36</td>
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<tr>
<td>86</td>
<td>86</td>
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<td>86</td>
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<tr>
<td>402</td>
<td>402</td>
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<td>402</td>
<td>402</td>
<td>402</td>
<td>402</td>
<td>402</td>
<td>402</td>
</tr>
</tbody>
</table>

All grants were paid to or on behalf of eligible individuals.
10. EMPLOYEE AND STAFF COSTS

<table>
<thead>
<tr>
<th></th>
<th>Charity 2014</th>
<th>Contracts* 2014</th>
<th>Total 2014</th>
<th>Total 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Social security</td>
<td>6,184</td>
<td>18,365</td>
<td>24,549</td>
<td>27,510</td>
</tr>
<tr>
<td>Other pension costs</td>
<td>544</td>
<td>1,410</td>
<td>1,954</td>
<td>1,816</td>
</tr>
<tr>
<td>Agency, insurance,</td>
<td>7,882</td>
<td>21,999</td>
<td>29,181</td>
<td>31,757</td>
</tr>
<tr>
<td></td>
<td>7,590</td>
<td>27,361</td>
<td>25,971</td>
<td>24,154</td>
</tr>
</tbody>
</table>

Staff costs during the year were as follows:

- Wages and salaries £6,644,000 (£7,000,000 in 2013)
- Social security costs £544,000 (£574,000 in 2013)
- Other pension costs £1,954,000 (£2,564,000 in 2013)
- Agency, insurance, and other contracts £7,882,000 (£8,547,000 in 2013)

In addition, a great amount of time is donated by thousands of volunteers throughout the world. Trustees and staff are extremely grateful for this support without which the Charity would be unable to provide such a comprehensive range of services to beneficiaries.

The number of employees paid by the Charity whose emoluments, excluding employer’s pension contributions, exceeded £60,000 in the year were as follows:

| £60,001 to £70,000 | 5 | 4 | 9 | 9 |
| £70,001 to £80,000 | 1 | 17 | 18 | 21 |
| £80,001 to £90,000 | 4 | 6 | 10 | 17 |
| £90,001 to £100,000 | 1 | 5 | 6 | 7 |
| £100,001 to £110,000 | - | 8 | 8 | 7 |
| £110,001 to £120,000 | - | - | 1 | 1 |
| £120,001 to £130,000 | - | 1 | 1 | - |

7 higher paid staff members are accruing retirement benefits under the defined contribution scheme and 34 higher paid staff under the defined benefit schemes, with 11 other higher paid staff not participating in these schemes. (2013: 9 higher paid employees participated in the defined contribution scheme and 35 higher paid employees participated in the defined benefit scheme). Contributions in the year for the defined contribution scheme for higher paid staff amounted to £20,000 (£17,000 in 2013).

Higher paid staff include medical personnel employed from the MoD and other NHS contracts, some of which were transferred under TUPE arrangements from the MoD.

The average number of UK contracted staff throughout the year for the Group, analysed by activity, was:

<table>
<thead>
<tr>
<th></th>
<th>Charity 2014</th>
<th>Contracts* 2014</th>
<th>Total 2014</th>
<th>Total 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voluntary income</td>
<td>3</td>
<td>-</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Activities for generating funds</td>
<td>25</td>
<td>55</td>
<td>80</td>
<td>78</td>
</tr>
<tr>
<td>Grants payable</td>
<td>101</td>
<td>-</td>
<td>101</td>
<td>96</td>
</tr>
<tr>
<td>Care and accommodation</td>
<td>65</td>
<td>-</td>
<td>65</td>
<td>65</td>
</tr>
<tr>
<td>Adoption</td>
<td>18</td>
<td>-</td>
<td>18</td>
<td>16</td>
</tr>
<tr>
<td>Health and welfare</td>
<td>-</td>
<td>516</td>
<td>516</td>
<td>437</td>
</tr>
<tr>
<td>Community health and social service staff in the provision of ‘Grant Aided’ activities</td>
<td>23</td>
<td>23</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>Management &amp; support</td>
<td>24</td>
<td>22</td>
<td>46</td>
<td>39</td>
</tr>
<tr>
<td></td>
<td>236</td>
<td>615</td>
<td>851</td>
<td>760</td>
</tr>
</tbody>
</table>

* Information for staff engaged in the provision of medical and social welfare services to the MoD and the NHS has been provided to differentiate them from staff primarily engaged in the provision of services to beneficiaries.

11. TRUSTEE REMUNERATION

Trustees are not remunerated. They are reimbursed expenses or amounts are paid on their behalf for attending meetings and duties directly related to their duties as trustees. In 2014, total expenses of £23,557 (2013: £28,145) were paid for 10 (2013: 16) trustees.

Trustee indemnity insurance is held as part of a wider policy covering staff and volunteers. The premium for Trustee insurance cannot be separately identified but is estimated at £2,500 (2013: £2,500).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

12. TANGIBLE FIXED ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Group and Charity:</th>
<th>Motor vehicles £’000</th>
<th>IT, furniture &amp; equipment £’000</th>
<th>Freehold properties £’000</th>
<th>Long leasehold properties £’000</th>
<th>Total £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>At 1 January 2014</td>
<td>140</td>
<td>835</td>
<td>20,714</td>
<td>4,205</td>
<td>25,354</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>41</td>
<td>10</td>
<td>-</td>
<td>51</td>
<td>56</td>
</tr>
<tr>
<td>At 31 December 2014</td>
<td>116</td>
<td>876</td>
<td>20,184</td>
<td>4,205</td>
<td>25,381</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>At 1 January 2014</td>
<td>125</td>
<td>316</td>
<td>810</td>
<td>355</td>
<td>1,606</td>
</tr>
<tr>
<td>Charge for year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>233</td>
<td>84</td>
</tr>
<tr>
<td>Eliminated on disposal</td>
<td></td>
<td>(21)</td>
<td>-</td>
<td>272</td>
<td>84</td>
<td>589</td>
</tr>
<tr>
<td>At 31 December 2014</td>
<td>104</td>
<td>549</td>
<td>1,082</td>
<td>439</td>
<td>2,278</td>
<td></td>
</tr>
</tbody>
</table>

Net book value

| At 31 December 2014 | 12       | 327      | 19,052 | 3,766 | 23,202 |
| At 31 December 2013 | 15       | 519      | 19,364 | 3,850 | 23,248 |

All assets are owned by the Charity except for additions in The Military Wives Choirs’ Foundation to furniture and equipment in the year of £9,078 (2013: £nil) upon which depreciation of £1,599 (2013: £nil) was charged.

The freehold properties are shown at historical cost.

All tangible fixed assets are used for charitable purposes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

12. TANGIBLE FIXED ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Group and Charity:</th>
<th>Motor vehicles £’000</th>
<th>IT, furniture &amp; equipment £’000</th>
<th>Freehold properties £’000</th>
<th>Long leasehold properties £’000</th>
<th>Total £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>At 1 January 2014</td>
<td>140</td>
<td>835</td>
<td>20,714</td>
<td>4,205</td>
<td>25,354</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>41</td>
<td>10</td>
<td>-</td>
<td>51</td>
<td>56</td>
</tr>
<tr>
<td>At 31 December 2014</td>
<td>116</td>
<td>876</td>
<td>20,184</td>
<td>4,205</td>
<td>25,381</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>At 1 January 2014</td>
<td>125</td>
<td>316</td>
<td>810</td>
<td>355</td>
<td>1,606</td>
</tr>
<tr>
<td>Charge for year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>233</td>
<td>84</td>
</tr>
<tr>
<td>Eliminated on disposal</td>
<td></td>
<td>(21)</td>
<td>-</td>
<td>272</td>
<td>84</td>
<td>589</td>
</tr>
<tr>
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<td>104</td>
<td>549</td>
<td>1,082</td>
<td>439</td>
<td>2,278</td>
<td></td>
</tr>
</tbody>
</table>

Net book value

| At 31 December 2014 | 12       | 327      | 19,052 | 3,766 | 23,202 |
| At 31 December 2013 | 15       | 519      | 19,364 | 3,850 | 23,248 |

All assets are owned by the Charity except for additions in The Military Wives Choirs’ Foundation to furniture and equipment in the year of £9,078 (2013: £nil) upon which depreciation of £1,599 (2013: £nil) was charged.

The freehold properties are shown at historical cost.

All tangible fixed assets are used for charitable purposes.
FOR THE YEAR ENDED 31 DECEMBER 2014

13. INVESTMENTS

(a) Group

Subsidiary undertakings

As at the balance sheet date the Charity owned the entire ordinary share capital (where applicable) of the following subsidiary undertakings:

<table>
<thead>
<tr>
<th>Name</th>
<th>Holding</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSAFA Family Health Services</td>
<td>Limited by guarantee</td>
<td>Health and welfare services</td>
</tr>
<tr>
<td>SSAFA Forces Help Enterprises Limited</td>
<td>10,000 £1 ordinary shares</td>
<td>Sale of merchandise</td>
</tr>
<tr>
<td>The Military Wives Chors Foundation</td>
<td>Limited by guarantee</td>
<td>Military Wives and other choirs</td>
</tr>
<tr>
<td>Forces Help Society and Lord Roberts Workshops</td>
<td>Limited by guarantee</td>
<td>Dormant</td>
</tr>
</tbody>
</table>

As at the balance sheet date SSAFA Family Health Services owned the entire share capital of SSAFA Care CIC consisting of 2 £1 ordinary shares.

(b) Historical cost at 31 December 2014

<table>
<thead>
<tr>
<th>Name</th>
<th>2014 £'000</th>
<th>2013 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armed Forces Common Investment Fund</td>
<td>8,919</td>
<td>8,878</td>
</tr>
<tr>
<td>United Kingdom – Equities</td>
<td>611</td>
<td>637</td>
</tr>
<tr>
<td>Total</td>
<td>9,530</td>
<td>9,515</td>
</tr>
</tbody>
</table>

Any charges made by the fund manager for managing the fund are deducted in arriving at the income or gains available for distribution and can not be separately identified. There are no restrictions on the realisation of these investments.

(c) Investments within the portfolio which amount to more than 5% of total holdings as at 31 December 2014 were:

- Armed Forces Common Investment Fund: £8,919
- United Kingdom – Equities: £611

(d) ANY CHARGES MADE BY THE FUND MANAGER FOR MANAGING THE FUND ARE DEDUCTED IN ARRIVING AT THE INCOME OR GAINS AVAILABLE FOR DISTRIBUTION AND CAN NOT BE SEPARATELY IDENTIFIED. THERE ARE NO RESTRICTIONS ON THE REALIZATION OF THESE INVESTMENTS.

NOTES TO THE FINANCIAL STATEMENTS

13. INVESTMENTS (continued)

The assets and liabilities of each subsidiary as extracted from the latest financial statements were:

<table>
<thead>
<tr>
<th>Name</th>
<th>2014 £'000</th>
<th>2013 £'000</th>
<th>2014 (9 months) £'000</th>
<th>2013 £'000</th>
<th>2014 £'000</th>
<th>2013 £'000</th>
<th>2014 £'000</th>
<th>2013 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSAFA Family Health Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SSAFA Forces Help Enterprises Limited</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SSAFA Care CIC</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Military Wives Chors Foundation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The results for the year were:

- Income: £28,104
- Expenditure: £27,117
- Net income: £987

The joint venture

The provision of primary healthcare services in North West Europe are performed by the Charity’s joint venture, SSAFA GSTT Care LLP. The Group holds 50% of the capital of SSAFA GSTT Care LLP, held at a cost of £1 by SSAFA Family Health Services. The provision of primary healthcare services in the UK was performed by SSAFA Hallam Care LLP.

<table>
<thead>
<tr>
<th>Name</th>
<th>2014 £'000</th>
<th>2013 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSAFA GSTT Care LLP</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A summary of the Group’s share of the joint venture:

- Turnover: £20,342
- Loss/(Profit) before and after tax: (£5) (£8)
- Current assets: £3,291 £3,776
- Liabilities due within 1 year: (£3,307) (£3,787)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

13. INVESTMENTS

The assets and liabilities of each subsidiary as extracted from the latest financial statements were:

<table>
<thead>
<tr>
<th>Name</th>
<th>2014 £'000</th>
<th>2013 £'000</th>
<th>2014 (9 months) £'000</th>
<th>2013 £'000</th>
<th>2014 £'000</th>
<th>2013 £'000</th>
<th>2014 £'000</th>
<th>2013 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSAFA Family Health Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SSAFA Forces Help Enterprises Limited</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SSAFA Care CIC</td>
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<tr>
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<td></td>
</tr>
</tbody>
</table>

The results for the year were:

- Income: £28,104
- Expenditure: £27,117
- Net income: £987

The joint venture

The provision of primary healthcare services in North West Europe are performed by the Charity’s joint venture, SSAFA GSTT Care LLP. The Group holds 50% of the capital of SSAFA GSTT Care LLP, held at a cost of £1 by SSAFA Family Health Services. The provision of primary healthcare services in the UK was performed by SSAFA Hallam Care LLP.

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A summary of the Group’s share of the joint venture:

- Turnover: £20,342
- Loss/(Profit) before and after tax: (£5) (£8)
- Current assets: £3,291 £3,776
- Liabilities due within 1 year: (£3,307) (£3,787)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

13. INVESTMENTS

The assets and liabilities of each subsidiary as extracted from the latest financial statements were:

<table>
<thead>
<tr>
<th>Name</th>
<th>2014 £'000</th>
<th>2013 £'000</th>
<th>2014 (9 months) £'000</th>
<th>2013 £'000</th>
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<tr>
<td>SSAFA Family Health Services</td>
<td></td>
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<td></td>
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</tr>
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### 14. DEBTORS

<table>
<thead>
<tr>
<th></th>
<th>Group 2014 £'000</th>
<th>Group 2013 £'000</th>
<th>Charity 2014 £'000</th>
<th>Charity 2013 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade debtors</td>
<td>4,286</td>
<td>6,306</td>
<td>353</td>
<td>356</td>
</tr>
<tr>
<td>Amounts owed by subsidiary undertakings</td>
<td>-</td>
<td>-</td>
<td>3,081</td>
<td>6,253</td>
</tr>
<tr>
<td>Taxation recoverable</td>
<td>20</td>
<td>19</td>
<td>20</td>
<td>19</td>
</tr>
<tr>
<td>Other debtors</td>
<td>1,094</td>
<td>2,329</td>
<td>263</td>
<td>194</td>
</tr>
<tr>
<td>Prepayments and accrued income</td>
<td>4,111</td>
<td>785</td>
<td>4,105</td>
<td>789</td>
</tr>
<tr>
<td></td>
<td>10,211</td>
<td>9,439</td>
<td>8,416</td>
<td>7,597</td>
</tr>
</tbody>
</table>

Prepayments and accrued income in 2014 includes £1.8 million in respect of an overage payment which has crystallised and is due in greater than one year from the balance sheet date.

### 15. CREDITORS

#### Amounts falling due within one year:

<table>
<thead>
<tr>
<th></th>
<th>Group 2014 £'000</th>
<th>Group 2013 £'000</th>
<th>Charity 2014 £'000</th>
<th>Charity 2013 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>2,947</td>
<td>1,516</td>
<td>724</td>
<td>306</td>
</tr>
<tr>
<td>Other tax and social security costs</td>
<td>753</td>
<td>503</td>
<td>638</td>
<td>486</td>
</tr>
<tr>
<td>Other creditors</td>
<td>550</td>
<td>504</td>
<td>396</td>
<td>424</td>
</tr>
<tr>
<td>Unamortised grants</td>
<td>1,971</td>
<td>1,991</td>
<td>1,971</td>
<td>1,991</td>
</tr>
<tr>
<td>Accruals and deferred income</td>
<td>1,518</td>
<td>3,521</td>
<td>659</td>
<td>398</td>
</tr>
<tr>
<td></td>
<td>7,759</td>
<td>8,028</td>
<td>4,358</td>
<td>3,556</td>
</tr>
</tbody>
</table>

### 16. FUNDS

#### Balance at 1 January 2014 £'000

<table>
<thead>
<tr>
<th></th>
<th>General funds</th>
<th>Designated funds</th>
<th>Total designated funds</th>
<th>Pensions reserve</th>
<th>Total unrestricted funds</th>
<th>Restricted funds</th>
<th>Total restricted funds</th>
<th>Total funds-group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>37,587</td>
<td>327</td>
<td>3,070</td>
<td>(29,160)</td>
<td>11,488</td>
<td>1,749</td>
<td>7,759</td>
<td>17,399</td>
</tr>
<tr>
<td></td>
<td>45,485</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>45,496</td>
<td>14,159</td>
<td>7,737</td>
<td>59,655</td>
</tr>
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<td></td>
<td>(44,425)</td>
<td>-</td>
<td>(101)</td>
<td>-</td>
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<td>(14,794)</td>
<td>(59,745)</td>
</tr>
<tr>
<td></td>
<td>216</td>
<td>9</td>
<td>1,018</td>
<td>(10,011)</td>
<td>1,247</td>
<td>43</td>
<td>5,319</td>
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<tr>
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<td>38,835</td>
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<td>1,247</td>
<td>5,319</td>
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#### Incoming resources £'000

<table>
<thead>
<tr>
<th></th>
<th>General funds</th>
<th>Designated funds</th>
<th>Total designated funds</th>
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#### Resources expended £'000

<table>
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<tr>
<th></th>
<th>General funds</th>
<th>Designated funds</th>
<th>Total designated funds</th>
<th>Pensions reserve</th>
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#### Net investment gains £'000

<table>
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<th>Designated funds</th>
<th>Total designated funds</th>
<th>Pensions reserve</th>
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</tr>
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</table>

Funds are held for use for the following purposes:

- **General funds**
  General funds are available for use at the discretion of Council to further the Charity’s objectives.

- **Designated funds**
  
  - **Carmichael Walker Fund**
    - for use on charitable activities in the North East of England.
  
  - **Homes From Home Appeal**
    - to provide funding for families visiting injured servicemen and servicewomen at the Norton House Headley Court and Norton House Selly Oak.
  
  - **Royal Patriotic Fund**
    - having accepted the funds and obligations of the Royal Patriotic Fund Corporation on 27 May 2011, the assets attaining have been designated for the purposes of the Royal Patriotic Fund Corporation.

- **Restricted funds**
  
  - **Welfare and case grants**
    - includes funding received from the Armed Forces Covenant (Libor) Fund for four projects: Short Breaks, Mutual Support, Mental Health First Aid and Mentoring.

  - **Homes from Home appeal**
    - to provide funding for families visiting injured servicemen and servicewomen at the Norton House Headley Court and Norton House Selly Oak.

  - **UK Armed Forces and other charities**
    - contributions received from these bodies to provide grants to individuals for welfare purposes.

  - **UK Armed Forces-Grant Aided**
    - received under grant in aid to reimburse the costs incurred in the provision of Community Health and Social Services.

  - **The Royal Homes**
    - a charity providing residential facilities linked with the Charity’s activities under a Charity Commission Scheme in 1998.

  - **Miscellaneous Branch funds**
    - funds which have been received by branches for specific use in their local areas.

  - **Military Wives Choirs’ Foundation**
    - were awarded grants in the year towards their 2015 Annual Conference.

  - **Welfare funds**
    - income or capital received which may only be applied in the provision of welfare services to eligible individuals in need. Included under this heading is The Aircrew Association Charitable Fund, a subsidiary charity.

FOR THE YEAR ENDED 31 DECEMBER 2014
The pension scheme contributions outstanding at the end of the accounting period amounted to £15,121 (2013: £20,094).

Association had 18 (2013: 23) active members in this scheme.

Following the transfer of staff to SSAFA from the Ministry of Defence, SSAFA currently participates in the NHS Pensions Scheme. The NHS

NHS Pensions Scheme

end amounted to £72,830 (2013: £35,469).

SSAFA had 231 active members in the scheme as at 31 December 2014 (2013: 239) and total pension scheme contributions outstanding at year end amounted to £686 (2013: £624).

SSAFA operates a defined contributions pension scheme for the benefit of SSAFA's employees. The assets of the scheme are administered by trustees in a fund independent from those of the Charity. The charge for the year represents those contributions payable to the scheme in respect of the accounting period.

SSAFA had 3 active members in the scheme as at 31 December 2014 (2013: 3) and total pension scheme contributions outstanding at year end amounted to £686 (2013: £624).

Aviva Group Personal Pension Plan

The assets and liabilities in the scheme and the expected long-term return on the assets were:

Local Government Pension Scheme

Scottish Widows Money Growth Plan

NHS Pensions Scheme

Total contributions

Scottish Widows Money Growth Plan

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21. RETIREMENT BENEFITS (continued)

The Trustees accept the legal necessity to include the FRS17 pension liability in the consolidated Statement of Financial Activities. They do not, however, agree that this liability constitutes a diminution to Reserves because in their view this liability should be reimbursed by the MoD in accordance with an agreement dated 25 February 1977.

Analysis of amount charged to the Statement of Financial Activities

\[
\begin{array}{c|c|c}
2014 & 2013 & 2012 & 2011 & \text{2010} \\
\hline
\text{Current service cost} & 2,364 & 2,425 & 2,463 & 2,483 & 2,500 \\
\text{Interest on obligation} & 3,780 & 3,364 & 3,461 & 3,561 & 3,661 \\
\text{Expected return on Scheme assets} & 3,390 & 2,463 & 2,561 & 2,661 & 2,761 \\
\text{Losses on curtailments and settlements} & (31) & 1 & - & - & - \\
\text{Total} & 2,703 & 3,337 & 3,337 & 3,337 & 3,337 \\
\hline
\text{Actual return on Scheme assets} & 1,492 & 6,151 & 6,151 & 6,151 & 6,151 \\
\end{array}
\]

Recognised gains and losses

\[
\begin{array}{c|c|c}
2014 & 2013 & 2012 & 2011 & \text{2010} \\
\hline
\text{Actual return less expected return on pension scheme assets} & (1,898) & 3,688 & 3,688 & 3,688 & 3,688 \\
\text{Experience gains and losses} & - & 7,596 & 7,596 & 7,596 & 7,596 \\
\text{Changes in assumptions underlying the present value of the scheme liabilities} & (9,113) & (1,083) & (1,083) & (1,083) & (1,083) \\
\text{Actuarial (losses)/gains in pension scheme and consolidated Statement of Financial Activities} & (11,011) & 5,934 & 5,934 & 5,934 & 5,934 \\
\end{array}
\]

Reconciliation of defined benefit obligation:

\[
\begin{array}{c|c|c|c}
2014 & 2013 & 2012 & 2011 & \text{2010} \\
\hline
\text{Opening defined benefit obligation} & 80,001 & 77,583 & 77,583 & 77,583 & 77,583 \\
\text{Current service cost} & 2,364 & 2,425 & 2,463 & 2,483 & 2,500 \\
\text{Interest cost} & 3,780 & 3,364 & 3,461 & 3,561 & 3,661 \\
\text{Contributions by Scheme participants} & 721 & 608 & 608 & 608 & 608 \\
\text{Liabilities assumed on settlements} & 9,113 & (1,083) & (1,083) & (1,083) & (1,083) \\
\text{Losses on curtailments} & 80 & 1 & 1 & 1 & 1 \\
\text{Estimated benefits paid (net of transfers in)} & (1,558) & (2,898) & (2,898) & (2,898) & (2,898) \\
\text{Closing defined benefit obligation} & 95,979 & 80,001 & 80,001 & 80,001 & 80,001 \\
\end{array}
\]

Reconciliation of fair value of employer assets:

\[
\begin{array}{c|c|c|c}
2014 & 2013 & 2012 & 2011 & \text{2010} \\
\hline
\text{Opening fair value of Scheme assets} & 50,832 & 43,694 & 43,694 & 43,694 & 43,694 \\
\text{Expected return on Scheme assets} & 3,390 & 2,463 & 2,463 & 2,463 & 2,463 \\
\text{Contributions by Scheme participants} & 721 & 608 & 608 & 608 & 608 \\
\text{Contributions by Employer (including unfunded)} & 2,306 & 2,113 & 2,113 & 2,113 & 2,113 \\
\text{Estimated benefits paid (net of transfers in and including unfunded)} & (1,898) & 4,850 & 4,850 & 4,850 & 4,850 \\
\text{Settlement prices received} & 1,609 & - & - & - & - \\
\text{Closing fair value of employers assets} & 55,402 & 50,832 & 50,832 & 50,832 & 50,832 \\
\end{array}
\]

Reconciliation of opening and closing deficit:

\[
\begin{array}{c|c|c|c}
2014 & 2013 & 2012 & 2011 & \text{2010} \\
\hline
\text{Deficit at beginning of the year} & (29,169) & (33,889) & (33,889) & (33,889) & (33,889) \\
\text{Current Service Cost} & (2,364) & (2,425) & (2,425) & (2,425) & (2,425) \\
\text{Employer Contributions} & 2,306 & 2,113 & 2,113 & 2,113 & 2,113 \\
\text{Settlements and curtailments} & - (1) & - (1) & - (1) & - (1) & - (1) \\
\text{Other Finance income} & (390) & (901) & (901) & (901) & (901) \\
\text{Actuarial (losses)/gains} & (1,558) & (2,898) & (2,898) & (2,898) & (2,898) \\
\text{Deficit at end of the year} & (40,577) & (29,169) & (29,169) & (29,169) & (29,169) \\
\end{array}
\]
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SSAFA would particularly like to thank the following donors who gave significant gifts in 2014:

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