



**The Salvation Army United Kingdom and Ireland Territory
The Salvation Army Trust
Report and Financial Statements for the United
Kingdom in the year ended 31 March 2023**

Charity Registration No: 214779 Scottish Charity Registration No: SC009359

Principal Office

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INTRODUCTION FROM THE TERRITORIAL COMMANDER



Commissioner Anthony Cotterill

Our Vision is bold and audacious: 'Fullness of life for all with Jesus'. Some might think it is unrealistic. However, as you read this Annual Report you will see multiple examples of people experiencing a fuller life because of the work of The Salvation Army.

This has been another challenging 12 months. Before people and communities across the UK, Ireland, Channel Islands and the Isle of Man had time to recover from the COVID pandemic, the cost-of-living crisis has threatened to overwhelm us. I am pleased this report shows The Salvation Army in the UK stepping up to address multiple challenges with resilience and compassion. Most importantly, you will see evidence that the people we serve have been enabled to experience a fuller life in seemingly endless ways.

This is the uniqueness of The Salvation Army. We are not 'single-issue' like many in the UK charity sector. Throughout our 155+ year history we have sought to meet the needs of people just where they are. We focus on people on the margins of society who are struggling with complex problems. We know the solutions are complex and consequently we are a complex organisation.

Essentially, we are a Christian church working in the UK through several charitable trusts. To fully appreciate our work in the UK, this report needs to be read alongside The Salvation Army Social Work Trust (Charity Registration number 215174) report. Operationally we do not function as two distinct charities since the objects of the two trusts are different but complementary. In everything we do, we seek to support people without discrimination and with respect and compassion. We long for everyone to experience fullness of life with Jesus.

I express my sincere thanks to everyone who has financially supported The Salvation Army during the year under review. Despite the challenging economic situation, hundreds of thousands of people across the UK generously gave so that we can help others. We also thank the many branches of Government, trusts, foundations and corporations who partner with The Salvation Army to enable people and communities to flourish.

This is my final Annual Report and Accounts as my wife, Gillian, and I will be entering retirement on 31 December 2023 after almost 40 years of service as Salvation Army officers. I commend our successors, the current Chief Secretary, Colonel Paul Main, and Colonel Jenine Main to you. God has been faithful throughout our lives and we have had the greatest privilege serving as Salvation Army officers. 'Fullness of life for all with Jesus' has been our experience and it can be yours too.

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

A handwritten signature in black ink that reads "Anthony Cotterill".

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

OUR VISION, MISSION AND VALUES

Our Vision, Our Values and a set of five Mission Priorities inspire and guide all the work we do as a church and as a charity. We simplified and refreshed our Vision, Mission and Values statements in 2021 to reaffirm our sense of purpose and direction for The Salvation Army in the United Kingdom, Ireland, the Channel Islands and the Isle of Man. Since their creation and adoption and across the year under review, the new statements have been deployed extensively across the territory. Their simplicity and boldness mean that all areas of the diverse work of The Salvation Army can be both anchored and inspired by them.

Vision statement:

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

This is ‘Our Vision’ for every part of The Salvation Army. It is inspired by the words of Jesus: *‘I have come that they may have life, and have it to the full’* (John 10:10 NIV).

No words can adequately capture the vision of boundless salvation that God intends for the world and everything in it. However, ‘Fullness of life for all with Jesus’ includes every aspect of Salvation Army life. We believe everyone can enjoy fullness of life with Jesus. It is aspirational – we are not there yet – but this is what we strive towards.

Mission Statement:

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

Our Mission is built on five priorities which are the drivers for all we do, how we do it and why we do it, across the entire organisation.

These short phrases communicate immense challenge, ambition and direction. When these priorities are present, The Salvation Army is working towards Our Vision of ‘Fullness of life for all with Jesus’.

Each of the five priorities of Our Mission is rich in meaning and helps us explain to 21st-century society why the Christian message and the work of The Salvation Army is relevant and desperately needed in our communities and nations.

They are not arranged hierarchically but overlap and mutually support each other.

SHARE THE GOOD NEWS

At the heart of The Salvation Army's mission is a passion to proclaim the good news of Jesus Christ far and wide. This is not an optional extra. The Salvation Army only does what it does because our inspiration and vision come from people's ongoing relationship with Jesus. We know the difference our relationship with God makes in our lives and we don't want anyone to miss out.

SERVE OTHERS WITHOUT DISCRIMINATION

The Salvation Army responds to people without discrimination. God calls us to be with the people we serve. In 'being with' people – as against 'doing for' people – together we find solutions and make progress because we are all made in the image of God. We are called to share love in a too often loveless world. 'Love God, Love Others' inspires every aspect of our work.

NURTURE DISCIPLES OF JESUS

The future of The Salvation Army depends on nurturing current and future generations of Christian disciples who, filled with the Holy Spirit, share the good news of Jesus, resulting in more disciples. Like athletes, Christian disciples need to practise staying fit for God's demanding mission. Habits such as prayer, Bible reading, corporate worship, music, tithing and helping others are vital. The Salvation Army believes being a disciple of Jesus and experiencing the blessing of holiness is the way to experience fullness of life.

CARE FOR CREATION

The Salvation Army is committed to helping change attitudes, resulting in a more responsible use of our planet. We seek to provide practical care and advocacy for people affected by damage to the environment. People will not experience fullness of life unless God's creation is protected and cared for.

SEEK JUSTICE AND RECONCILIATION

People can experience a fuller life on Earth. God longs for justice for all people. Therefore The Salvation Army has always spoken out against injustice. We fight not simply the effects of injustice but also the systems and structures that enable injustice. Seeking reconciliation is also an essential part of The Salvation Army's vision of the good life. Peace and fullness of life is possible when justice and reconciliation are priorities in the lives of individuals, communities and nations. The Salvation Army is committed to work in partnership for these ends.

Our Values

Boldness
Respect

Compassion
Integrity

Passion
Mutual accountability

Our Values are for everyone involved in The Salvation Army and should be reflected in our behaviour and result in good relationships and increased wellbeing, and help us integrate what we do with how we do it.

The basic standard of Christian behaviour, derived from our understanding of the character and action of God, is love; so we need continually to be drawn back to understand how God is asking us to live and work together to help us be faithful to our calling to be God's people.

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

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

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

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

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

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

Statement of commitment:

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



Love God
Love Others

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

Throughout 2022 and 2023 this statement has been widely used across The Salvation Army in communications, on corporate publications, on our websites and on email footers as a powerfully simple 'explainer' of what we are here to do and how we strive to deliver our vision.

OBJECTS OF THE SALVATION ARMY TRUST

The Salvation Army's principal objectives are *the advancement of the Christian religion and pursuant thereto the advancement of education, the relief of poverty and other charitable objects beneficial to society or the community of mankind as a whole.*

The following groups benefit from the work of The Salvation Army Trust:

- people who worship or participate in other activities at Salvation Army corps (churches) and community centres.
- vulnerable and disadvantaged members of society, including people experiencing homelessness, older and/or lonely people, children, young people and families, people dealing with issues such as substance abuse and other illnesses.
- the wider community of society as a whole.

The Salvation Army takes a holistic approach, engaging with people's physical, emotional and spiritual needs, offering its services without discrimination.

EXPLAINING OUR STRATEGY, STRUCTURE AND OPERATION

The Salvation Army is a broad and diverse organisation. As a Christian denomination it puts its faith into action in so many different ways across the UK, and this section seeks to explain how our foundation as a church is the essential basis of how we work and what we do.

Our two principal charitable registrations:

The Salvation Army operates through two principal charitable trusts: The Salvation Army Trust and The Salvation Army Social Work Trust. This Report and Accounts outlines the work of **The Salvation Army Trust (Charity Registration number 214779)**, which is the charity registration through which we manage our programmes of engagement and support that are delivered through our local corps (churches) and our community centres. Much of the funding for the work of The Salvation Army Trust derives from public donations, legacies, trading activities and church members.

However, the work of The Salvation Army Trust does not represent the entirety of The Salvation Army's work in the UK. Alongside the locally driven, locally responsive corps (church)-based operations which are reported here in this Report and Accounts, The Salvation Army operates centrally co-ordinated and centrally managed 'social services'. Whilst this is still the 'work' of The Salvation Army, the finances of these operations are managed and reported on through a separate charity registration, **The Salvation Army Social Work Trust (Charity Registration number 215174)** which has its own Report and Accounts. The Salvation Army Social Work Trust accounts for residential programmes for homeless

people, care homes for older people, residential detox centres, family centres, refuges for victims of domestic violence, safe houses and services for the victims and survivors of modern slavery and human trafficking, and our Employment Plus services. These services are managed in a top-down model due to the vulnerability of the people needing help and because of statutory regulations and contract requirements. Much of the funding for The Salvation Army Social Work Trust derives from government and local authority contracts and additional supplementary funding comes from The Salvation Army Trust.

Summary of the purpose of The Salvation Army Trust

The Salvation Army Trust is the charity registration through which our corps (church)-based community programmes and our congregational life are managed and accounted for. Because each community is different, our community work and expression will be different in each location. This is illustrated later on.

Inspired by our vision and mission statements:

- We offer and are energised by Christian worship, teach Christian principles and encourage Christians to live out their faith in every aspect of life. We promote the Christian good news through various media including literature, music, digital media and personal evangelism.
- We provide community programmes through corps (local churches) and in communities that are relevant to local needs, to assist people of all ages to enhance their quality of life, self-respect, personal development and relationships with others. We work alongside local communities to ensure that we are partnering with them and other agencies to meet local need. We do that through formal and informal activities.
- We seek to influence policymakers, providing information on social issues affecting people on the margins of society. We seek to amplify these voices and help society be fairer, more caring and just.
- We train and equip current and future Salvation Army officers, staff and volunteers.
- We financially support **The Salvation Army Social Work Trust** in the full range of services it provides.
- We support the international mission work of The Salvation Army, including development work and providing relief to those affected by disasters overseas.
- We review and adjust our strategies and programmes to respond to changing needs.
- We strive to achieve our vision of ‘fullness of life for all with Jesus’ in everything we do through five Mission Priorities: share the good news; serve others without discrimination; nurture disciples of Jesus; care for creation; seek justice and reconciliation. Operationally we are prioritising transformation, integration and streamlining to increase our effectiveness and impact.

The scale of the work of The Salvation Army Trust

The Salvation Army Trust works principally through 622 corps (churches) and community centres in the United Kingdom¹.

England: 500 corps (includes Isle of Man and Channel Islands)

Wales: 36 corps

Scotland: 69 corps

Northern Ireland: 17 corps

A list of centres managed through The Salvation Army Social Work Trust is in the Report and Accounts for that trust.

The work and delivery of The Salvation Army Trust

To ‘make sense’ of The Salvation Army, it is important to remember that The Salvation Army is first and foremost a church, but a church that delivers a colossal and diverse range of charitable services. Everything The Salvation Army does should positively contribute to making the world a better place – as God intends it to be.

As a church, we have a network across the UK of over 600 local corps (churches) and community centres. These are generally run by corps officers, who are trained and commissioned (ordained) Salvation Army ministers of religion. Each corps officer is accountable to his or her community but is operationally accountable to a team of 14 divisional leaders who in turn report to the territorial headquarters based in London.

This strong community presence is the way in which we ensure we respond to local needs in local ways. What we do is generally decided on, agreed upon and delivered locally. The costs and delivery of this network of corps, and the infrastructure and the centralised operations that support it, are the subject of this Annual Report and Accounts for The Salvation Army Trust.

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

Therefore, what sets The Salvation Army apart from other organisations is the combined strength of our centrally co-ordinated social work services and the local responsiveness of our corps (churches) and community centres which are all playing their part to bring lasting change at a local and national level.

¹ The Salvation Army Yearbook 2023

Every officer, member of staff and volunteer brings their own unique insight into the lives of the service users and communities they serve, to inform the work that we do and help us prioritise which reforms we will campaign for on behalf of the marginalised and vulnerable.

Explaining our distinctive organisational approach to strategy

Our vision statement is *'Fullness of life for all with Jesus'*. This is a scripturally inspired goal which now forms the heart of our delivery. The Salvation Army is a diverse, responsive, agile Christian church and charity. Because we live and work in the communities we serve, we fully recognise that each community is different and consequently the needs of each community are different.

Our approach is to encourage effective and flexible activities focused on helping people experience life in all its fullness across all the communities in the UK where we have a local presence.

The UK Salvation Army deliberately does not have a prescriptive approach to directing its delivery at corps or centres or a directive top-down strategy. Instead, we prioritise local responses to local needs as the way we choose to work across the UK. The size, scale and professionalism of The Salvation Army can be underestimated because of this strategic decision.

This report highlights how this approach has enabled us to respond powerfully, quickly and in an agile and flexible – and, above all, locally relevant – way to the latter stages of the pandemic and how we emerged from that time with renewed energy and agility.

Integrated locally

Together, the two Annual Reports and Accounts provide a comprehensive account of the work of The Salvation Army in the United Kingdom. At a local level, The Salvation Army across both trusts is encouraged to work together to bring lasting change at local as well as national level – we call this *'integrated mission'*.

Integrated internationally

In a wider context, The Salvation Army works in more than 130 countries², on every continent, often in the forgotten corners of society. Our breadth of experience and hierarchical structure enables lessons learnt in one place to benefit people with similar challenges thousands of miles away. The rapid expansion of our work with victims and survivors of modern slavery and human trafficking is a good example of this strategic advantage.

2 133 in The Salvation Army Yearbook 2023

Resourcing, support and oversight

The local diversity of The Salvation Army's operations is facilitated through centrally co-ordinated support services – such as HR, finance, property, IT, PR and fundraising, with some of these support functions also located in divisional (regional) headquarters. This approach enables us to be efficient and effective in the use of resources.

In addition, there are staff whose role is to learn lessons from local programmes and pilot schemes, to share resources and successful outcomes from innovation and experience with other Salvation Army operations to help us achieve our mission across The Salvation Army as effectively as possible. This approach helps to drive up the quality of our services to people who are often poor, marginalised and vulnerable.

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

Continuing the delivery of the Structure Co-ordination and Design Project 2022/2023

The Salvation Army has never been a static organisation, and over its 158 years of life and work it has been constantly evolving to match efficiency and effectiveness with changing times and changing needs.

Ensuring appropriate oversight and support and operational freedoms to more than 600 diverse and locally responsive Salvation Army churches and community centres is challenging. Add to that over 100 residential and non-residential social work centres, and the challenge of ensuring the most effective allocation of resources is a critical task.

The challenge of the Vision Statement and the five Mission Priorities adopted in 2021 was the impetus for looking at what organisational structures and ways of working needed to change to enable our 'local mission delivery units' (corps and centres) to truly flourish in their individual settings. By 'flourishing' we mean that every expression of The Salvation Army should actively be engaging with the five Mission Priorities (our Mission Statement) in order to achieve our vision.

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

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

Starting in 2021 and over a two-year period coming to fruition in the year covered by this Annual Report, the Structure Co-ordination and Design Project conducted probably one of the most extensive pieces of internal research we have ever executed in order to answer the simple question:

‘What (change) is needed to enable our local mission to flourish?’

The process was deliberately designed to be ‘bottom-up’. Consultations were carried out within all the then 22 divisions, and at all headquarters, both territorial and divisional.

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

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

The outcome can be outlined as a series of significant changes to the way we work:

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

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

Support: We need to continue to ensure that the support that is needed to enable local mission delivery to flourish is available, but in the right ways. This means adequate funding streams, support for raising awareness locally, support for training and innovation and local growth. We are developing more practitioner-based and peer-to-peer support. This is helping to reduce the cost of support and improve the quality by encouraging people to learn from fellow practitioners.

Streamlining was also one of the three goals of this process, and a significant branch of this project looked at our divisional structure and how best can our 600+ corps and community centres be clustered and supported divisionally (regionally). Following extensive consultation, it was decided to systematically reduce the number of divisions from 22 to 14. This entailed a reshaping of the role of the divisional leadership team to ensure the effective application of the principle of support and oversight and release. Critical to this thinking was also to ensure divisional headquarters and staff work with territorial headquarters and staff to form one integrated system of support and oversight. During 2022 and 2023 these changes gradually came into effect and The Salvation Army in the UK settled into working with its new divisional boundaries.

The changes that this project introduced started to be felt in 2022/2023. In the period covered by this review:

- The number of divisions (dioceses) in the UK reduced to the target number of 14. The number of corps (churches) in divisions now varies significantly from 17 in North Scotland Division to 67 in the East of England Division.
- New divisional roles were created to support the divisional leaders in overseeing and supporting the mission delivery at local settings.
- A culture was adopted that offered flexibility in structures within divisions to allow greater freedom – previously all divisions were expected to have the same hierarchical structure and staffing.
- A review of safeguarding roles, responsibilities and procedures started.
- Our Personnel Service implemented a new recruitment system to reduce administration.
- The Property Department continued to implement changes to better serve local corps and improve property maintenance.
- The importance of impact measurement and data management was reflected in the implementation of a pilot scheme to look at how we collect, share and interpret data across the territory, in order to drive continual improvement.

The Structure Co-ordination and Design Project is scheduled to conclude its work by the end of 2023, with the ongoing focus on transformation, streamlining and integration being taken forward by headquarters staff as an essential aspect of ‘business as usual’.

ILLUSTRATING THE WORK AND ACHIEVEMENTS OF THE SALVATION ARMY TRUST 2022/2023

WE ARE THE SALVATION ARMY

We are a church but not in the traditional sense. Our founders, William and Catherine Booth, abandoned the conventional Victorian ways of doing church. Rather, they took God's good news of salvation directly to the people. They particularly focused on the social and spiritual transformation of society's most vulnerable and marginalised people.

Today – as a church and a charity – we continue this work through hundreds of Salvation Army corps (church and community centres) – as well as a network of social service centres funded through the Salvation Army Social Work Trust – around the country. We are energised by Christian worship, teach Christian principles and put our faith into action, by reaching out to people in need.

The work of every corps is to seek to follow our Mission Priorities in order to achieve our vision in the communities we serve. Because each community is different, how we serve them also differs. It would be an almost impossible task to list here all the different programmes we run. What this overall section does is to illustrate our life and work during 2022/2023 with examples of our diverse delivery and the challenges we have met in different settings.

This year we have illustrated our life as a church more than we have in the past. It is from our foundation and living presence as a church that our belief is put into action in the communities where we are present.

BEING A LIVING AND CHANGING CHURCH – COMPASSION IN ACTION

'Jesus replied: "Love the Lord your God with all your heart and with all your soul and with all your mind... Love your neighbour as yourself.'" (Matthew 22:37,39 NIV)

We take a whistle-stop tour around some of our churches, to see how they are responding to the social and spiritual needs of people in their communities.

Growing mustard seed in Doncaster

'The kingdom of heaven is like a mustard seed, which a man took and planted in his field. Though it is the smallest of all seeds, yet when it grows, it is the largest of garden plants and becomes a tree, so that the birds come and perch in its branches.' (Matthew 13:31,32 NIV)

Doncaster was a lively corps with so much to offer different age groups. During Covid-19, when the doors were locked and all activities ceased, it felt like their beacon of light had gone out.

But their mustard seed never died. As restrictions lifted, it grew stronger roots. After the lockdowns they began to reimagine the church – for example, by introducing family worship and Bible groups, giving its parent-and-toddler group a new format and inviting young people to sing and play in the band.

The corps had a place for everyone and those green shoots from the mustard seed became a family tree. The church grew into a vibrant ministry for God.

Sheppey's supermarket on wheels

Sheerness Corps is part of the Sheppey Community Development Forum. The Isle of Sheppey is an area of social deprivation, with many low-income earners and few employment opportunities. So the Forum came up with the idea for the Sheppey Support Bus, a mobile supermarket.

One day a week it visits four stops, including the two most remote areas. Members of the social supermarket paid a monthly fee. For £28 a month a family receives 20 items that can be stored at room temperature, such as pasta, sauces, beans, tea, coffee and toiletries.

People found more than food on board. There was wider support from Barclays Bank employees offered budgeting support, community wardens, the probation services officer, a fuel and water adviser and volunteers from a domestic abuse support charity.

Caring for creation in Sidmouth

Sidmouth Corps is unusual in that it doesn't have a building of its own, but its members are still embedded firmly in the local community. They used spaces that would otherwise be empty a lot of the time. It is typical of their approach as an Eco Church, for which they have just won a bronze award. Caring for creation is reflected in everything they do.

For example, people could take items, which would have ended up in landfill, to the monthly repair café. They didn't just 'drop and go' – the item bearer and repairer worked together to fix and maintain an item. The parent-and-toddler group recycled and used natural materials for craft activities, for example old potatoes that were no longer edible.

Community spirit in Merseyside

Starting with just one corps in 1880, there are now eight corps, three Lifehouses and new partnerships spreading community spirit across the county. Here are some highlights.

Champions Court in St Helens comprises 28 apartments across two blocks with 24-hour wrap-around support. It helped former rough sleepers get ready to live independently and remains a much-needed service for vulnerable members of the community, as they overcame issues such as mental health problems, addiction and childhood trauma.

Liverpool Walton Salvation Army tackled holiday hunger and financial family worries over the school summer holidays by supporting more than 100 children through a summer holiday club. It took pressure off families as many continued to navigate the cost-of-living crisis.

Liverpool Stoneycroft Salvation Army offered a number of weekly activities for the community, from a craft club and football matches for young adults to Employment Plus – our employability programme aimed at helping people back into work. This provided tailored support to help people become job-ready and overcome obstacles they may face professionally and personally. A grant from the Sequoia Charitable Trust helped fund a real and welcome development in youth work.

Southport Corps is in the process of building and developing a community garden. It is envisaged as a mindfulness space for connection and conversation, as well as a place where fruit, vegetables and flowers can be grown.

Crofting for Christ in Shetland

The Salvation Army corps in Shetland is only two years old. There is no building or an established congregation, yet members were proud to serve the island community in a new and environmentally friendly way – as an Eco Church.

Local crofters offered land and help to build a polytunnel and provide the necessary items to get work started. Now they work in partnership with the corps. The produce grown from donated seeds and plants benefits the whole community, and nothing is priced.

This year they introduced an area of raised beds at schools. The team also made planter boxes to encourage families to sow a few carrots or onions and watch them grow. There was a fridge with home bakes, and woodcraft items are sold locally to raise money for the mission.

A warm welcome in Reading

Outside the large Salvation Army hall in Reading, a sign says ‘A church for all’ and they mean it! The fellowship recognised the importance of making people feel welcome and accepted. They wanted to give people a sense of belonging and value.

What was a traditional corps has expanded and diversified in so many ways. The biggest growth has been with young people, whose enthusiasm is infectious. For example, the number of young brass players has grown from eight to twenty in recent months. Senior players provided excellent ongoing teaching and support and young learners grew in confidence.

The focus was on families and nurturing disciples of Jesus. Eight junior soldiers were enrolled in February and a leader for young people, Rachael, was commissioned.

Faithful community in Coedpoeth

The word that sums up the spirit of the corps in Coedpoeth, near Wrexham, is ‘faithful’. People associated with the corps – its leaders, soldiers, supporters, friends, family and volunteers – gave their time faithfully each week, ensuring a continuing presence of The Salvation Army in the area.

The corps held two meetings on a Sunday and regular Sunday ministry at care homes and in the street. Coffee mornings, Bible studies, band practice and clubs for children and youth were part of a busy programme. On the local high street, a wonderful team of volunteers ran a charity shop.

Partnership was important too. The corps shared a building with the Catholic Church, were active in the Minera and Coedpoeth Churches Together group, and shared band practice with Rhosllanerchrugog Corps just five miles away.

‘This is a group of Christian disciples actively putting their faith into practice as they raise their children, grandchildren and even great-grandchildren.’ – Captain Darren Hampton

Core Recovery for addiction

The Salvation Army has a 150-year history of journeying alongside people living with addictions. We continued this pledge of helping people in need through a ‘recovery church’, called ‘Core Recovery’, which we have re-energised in the last year.

It was a simple idea. Because The Salvation Army truly believes that everyone deserves fullness of life through Jesus, Salvationists needed to consider seriously how to create spaces for healing and transformation for people living with addictions and other forms of trauma.

Our Core Recovery team helped corps to create these spaces, with advice, expertise, resources and guidance. At its heart were key principles including belonging, no discrimination, lots of encouragement and compassion.

‘I work side by side with disadvantaged, lonely and isolated people to empower them, upskill them and see them flourish in newfound confidence.’ – Christina Davies, Skills and Employability Co-ordinator at The Haven, Neath

LGBTQ+ love and understanding

In our corps and youth groups, there are young people who identify as LGBTQ+. They may feel that their sexuality or gender identity are at odds with their beliefs, and this can sometimes be exacerbated in faith communities. The Salvation Army wants to change that. We developed a training resource in response to conversations with youth workers and leaders who felt ill-equipped, and even nervous, to have conversations about gender and sexuality with their young people.

The programme – *An Introduction to Pastorally Supporting LGBTQ+ Young People* – was designed to equip youth leaders with knowledge and information to enable them to engage with young people around identity and gender. It will offer loving, compassionate and inclusive pastoral support to LGBTQ+ young people in the church community.

Comments about the training are truly rewarding:

‘Really helpful for stimulating conversation and for promoting grace and reflection.’

‘Thought-provoking, helpful, eye-opening.’

‘Really helpful – a good mix of input, conversation and opportunity to think about specific issues.’

A mission of racial inclusion

ALL of humanity is created equally in God’s image. That is the fundamental starting point for the Racial Inclusion Working Group (RIWG), which has worked hard during 2022/2023. The group aims to identify and find ways to address any form of racial inequality within The Salvation Army in this territory.

The RIWG is made up of a diverse array of people. They have been working together to prayerfully promote and facilitate the inclusion of people from all racial, ethnic and cultural backgrounds at every level and in every context. Here are some of the ways:

- Survey – to identify any barriers that might exclude people and potential areas of discrimination, as well as to understand people’s perceptions and experiences of equity, inclusion and belonging.
- Inclusion Mission Advocates – these work on a local level to champion equality, raise awareness of inclusion, and promote policy and best practice. They ensure that diverse voices are heard and that marginalised and minority experiences are understood.
- Listening spaces – safe environments with trained facilitators where people can share their thoughts, lived experiences and concerns. This can lead to positive transformation and change.

‘So in Christ Jesus you are all children of God through faith, for all of you who were baptised into Christ have clothed yourselves with Christ. There is neither Jew nor Gentile, neither slave nor free, nor is there male and female, for you are all one in Christ Jesus.’ (Galatians 3:26-29 NIV).

No faith in fossil fuels

Salvation Army Cadet (ordinand) Elizabeth Kitchenside took part in a walk to Parliament with other Christians in April 2022, to call for the Government to stop new investment in fossil fuels. Elizabeth told us:

‘Caring for creation is a fundamental value in my Christian faith. The legacy of The Salvation Army is one of radical and revolutionary followers of Jesus who spoke powerfully and prophetically into society, in order to bring about justice and the Kingdom of God.’

‘Joining the No Faith in Fossil Fuels march is one way of doing just that: standing up for what we believe in and joining with God’s people and prophets in order to see God’s Kingdom realised. By ignoring the climate crisis, we risk destroying God’s beautiful creation. Our inaction speaks just as loudly as our action. By walking, my hope is that the Government and those in positions of power might listen and put into place the policy and legislation needed to secure a safe future. *‘I walked for my future, for the planet, for justice and, most importantly, for my God.’* – Cadet Elizabeth Kitchenside

Commissioned and ready to go!

Together22 was a new and exciting territorial event that took place in Birmingham from 15 to 17 July 2022. It brought together three significant Salvation Army events under the same umbrella. During the weekend we celebrated Commissioning (our term for ordination), our annual Congress and Symphony Sounds (a celebration of our music) in a new way.

The commissioning of the Messengers of Reconciliation Session took centre stage on Sunday. Cadets entered the hall to the band playing ‘Spirit of the Living God’. Territorial Secretary for Leader Development Colonel Jenine Main welcomed both those in attendance and those watching the livestream.

Assistant Principal Lieut-Colonel Karen Shakespeare (William Booth College) formally presented the session, and the cadets were received by Territorial Commander Commissioner Anthony Cotterill, who commended the corps, family, supporters and college staff who had encouraged them on their journeys to officership.

The Messengers of Reconciliation then recited the Doctrines of The Salvation Army, the same Doctrines that have been recited by thousands of officers commissioned around the world for more than 140 years.

The dedication song ‘I Will Serve by Love’ was sung by the combined sessions and college staff before Territorial Leader for Leader Development Commissioner Gill Cotterill completed the ordination and commissioning of the 10 cadets – now lieutenants!

BEING A LIVING AND CHANGING CHURCH – MINISTRY IN ACTION

Sharing common ground

Salvationists shared in fellowship with others at the Birmingham 2022 Commonwealth Games, which was attended by more than a million people. It gave our volunteers a once-in-a-lifetime opportunity to ‘love God and love others’ through their willingness to be placed where they were needed. For example:

- Birmingham Citadel’s (church) volunteers welcomed athletes and officials, helped spectators refresh and refill, and listened to people who wanted a friendly face.

- Salvation Army Major Vic Kennedy, a chaplain with West Midlands police, was responsible for chaplaincy at the police command hub. The police chaplaincy team distributed around 1,500 copies of the New Testament to police officers and staff members involved in the Games.

We prayed that the coming together of people from so many diverse backgrounds would be an incentive for change, improve wellbeing across our society, and help build better communities.

Women's renewed mission

Riverbank was the new name for our Women and God weekend which took place at Warwick University in June 2022. Taking the theme Just Imagine!, its purpose was to lead Christian women to imagine or re-imagine what God wants to accomplish through them in the 21st century.

Speakers included Director of Anti-Trafficking and Modern Slavery Major Kathy Betteridge, Bekah Legg, the CEO of Christian domestic abuse charity Restored, and Rachel Turner, founder of Parenting for Faith. Highlights of the weekend included a beautiful prayer space, artwork created to reflect the weekend, and a workshop where five women shared their personal stories of God doing more than they could have thought or imagined.

What attendees said:

'I am reassured that God places us where he needs us and that his everlasting love is mine. God gave more than I imagined this weekend and now I am excited to see what he can do through me!' – Victoria Dowse, Boston

'With a quiet space and prayer rooms available, it was easy to step away from others and have a 'me and God' time for reflection and prayer. The event had sign language interpreters throughout and I am grateful for the opportunity to have met and shared with so many great people.' – Paska Moore, Disability Engagement Adviser, Territorial Headquarters

Showing true colours

A diverse range of people from across the territory gathered for Exploring Leadership Day, an opportunity for worship, teaching, conversation and exploration of the opportunities and pathways for different forms of ministry leadership in The Salvation Army.

Territorial Secretary for Leader Development Colonel Jenine Main unpacked Matthew 8:23-27, the story of Jesus calming the storm, with two young leaders – Lieutenant Liam Beattie (Leicester West) and Lydia Kim (William Booth College). They challenged delegates to consider where they might be in the narrative. On the shore watching from a distance? In the boat but frightened, like the disciples? Trying to fight the storm? Or trusting Jesus, the peace-bringer? The message was: get on the boat, even though there may be storms ahead, for God will be with us.

The day was packed with seminars, worship and prayer. One of the busiest areas was the café, where people engaged in meaningful discussions aided by the challenge to 'be open', which pervaded the day.

By the end of the day, everyone had seen a glimpse of just how colourful a world it could be when people are open, choose to 'get on the boat' and live to shine for Jesus. Attendee Salvation Army Cadet Adam Barber said: 'God really spoke to me during the day and confirmed the calling he had placed on my life. I had never experienced the presence of God in such a tangible way!'

Chaplaincy in diverse settings

Salvation Army chaplains continued to offer a friendly, confidential and independent listening ear wherever they were stationed. They were there for anyone, to share in the joys and the sorrows of life, in places including hospitals, airports, care home, prisons and sports clubs.

A sporting chance

For Captain Ian Arthur, playing at Glasgow Rugby League Club provided a natural route into sports chaplaincy. 'On the rugby field there is a levelling. I am not Captain Ian Arthur of The Salvation Army; I'm Ian and I'm the number 10,' he said.

Being a sports chaplain is not about telling the players how to perform on the pitch or instructing club officials on how to manage a winning team. Instead, chaplains are a listening ear that hears above the roar of a crowd and clamour of a stadium. They counsel and inspire supporters and players alike.

A patient presence

Major Ann Stewart was corps officer at Horsham and felt the need to broaden her work. She contacted her local hospital chaplain and offered to do the hospital chaplaincy training. Ann is now the lead chaplain and goes to the hospital each week, visiting a small ward with mainly older people who need rehabilitation.

She said: 'Most of the time I am welcomed by patients and staff, and they are happy to have a chat. Occasionally people tell me they are "not religious", but when they see my Salvation Army badge, they are happy to talk. When appropriate I will pray with them.'

Serving those who protect

With ever-increasing strains on police officers and staff, there is more awareness than ever of the importance of holistic wellbeing. Major Peter West is a retired Salvation Army officer and police officer, and he is now chaplain at Kent Police College and a police station.

Sometimes police staff's problems are job-related, but more often than not they're personal. They are people too, with their own vulnerable elderly parents, difficult children and marital problems. As they work in such a secure environment, people in the police service can be wary about sharing their thoughts, feelings or problems.

Having a dedicated chaplain provided them with a secure environment. 'It's really about getting to know people so that they trust me when they've got something to talk about. I think that's where being an ex-police officer helps,' Peter said.

A SHARED SENSE OF SERVICE

Our Territorial Commander, the leader of the Salvation Army in the UK and Ireland Territory, Commissioner Anthony Cotterill, sent a letter of congratulations to Her Majesty the Queen to mark the Platinum Jubilee in June 2022. In his message he said: ‘We are enormously grateful for your service to the country and, in particular, the support you have given to The Salvation Army over the years of your reign.’ All around the UK, The Salvation Army turned out in force to celebrate the Queen’s reign with street parties, the lighting of beacons and music.

But just months later, in September 2022, The Salvation Army shared the sorrow of the nation at the announcement of the death of Her Majesty the Queen. In a statement we recognised the Queen’s steadfast Christian faith throughout the tremendous challenges and enormous changes the country has come through during her reign.

Ahead of the Coronation of King Charles III, The Salvation Army looked back at the many times over the years that King Charles, when he was Prince of Wales, showed his support for the work of the church and charity.

At the age of only 21, the heir to the throne gave his first major public address about the environment, and he has become a well-known and pioneering voice for environmental causes. Like us, he has also been a vocal advocate for young people: in 1976 he founded the Prince’s Trust to help 11 to 30-year-olds with training and work experience.

King Charles’s belief in action can only have been reinforced by the many times he and The Salvation Army crossed paths. Here are just three examples:

- In 2007 he witnessed the Army responding to the major floods in Yorkshire – at the time described as the biggest rescue effort undertaken in peacetime Britain.
- On 31 December 1999, he visited our reopened Pleasance Lifehouse in Edinburgh, speaking to residents and staff members. He signed a portrait that went on display and was presented with a Salvation Army crest mounted on a background of Salvation Army tartan.
- In 1996 he spoke to Salvation Army personnel supporting the emergency services in the Docklands area of London, where a bomb had exploded.

Much like The Salvation Army, King Charles is non-party political in his new role as monarch. In his first address as King in September 2022, he acknowledged: ‘It will no longer be possible for me to give so much of my time and energies to the charities and issues for which I care so deeply. But,’ he added, ‘I know this important work will go on in the trusted hands of others.’ The Salvation Army will continue to deliver its mission as it seeks to achieve the vision it has set itself – fullness of life for all with Jesus.

ESSENTIAL SUPPORT IN HARD TIMES

In the previous Annual Report we described our diversity of pandemic response across the UK. Last year we reported on how we were re-energising and adapting in post-pandemic communities and the creative ways we had changed.

This year, 2022/2023 was characterised by the deeply felt cost-of-living crisis, and this was a great concern to us. It hit everyone, but for those with low, fixed incomes and high energy requirements it has been devastating, and during the year the impact of poverty crept further into our communities.

The crisis, as all crises do, brought out the best in our ability to adapt and respond. Our officers were on the ground in the country's most deprived areas and saw first-hand how the cost-of-living crisis pushed more people into a downward poverty spiral. Through our 600 corps and community centres, we prioritised local response to local need.

'We have helped find a bed for a pregnant woman forced to sleep on the floor, and supported a mother who had to give her child water instead of expensive milk. We have even seen a man faint from hunger queuing for a food parcel.'

'These aren't stories from Dickensian times when The Salvation Army was founded; these are recent examples of how we have stepped in to help people who can no longer afford the essentials of life.' – Lieut-Colonel Dean Pallant

People banked on us:

People needed the help of churches and charities more than ever before. We packed food parcels, provided hot meals and listened to people struggling to comprehend how they could no longer make ends meet.

Above all, we prayed we could meet a need that was growing day by day. As the apostle Paul wrote: 'Let us not become weary in doing good, for at the proper time we will reap a harvest if we do not give up' (Galatians 6:9 NIV).

– For warmth and friendship

While The Salvation Army welcomed a freeze in energy prices, we warned that it wasn't enough to help people already struggling. One of our actions to help people finding it hard to heat their homes or stay warm, was joining other churches in the Warm Welcome Campaign.

This scheme provided more than 1,000 places of warmth. The atmosphere was inclusive and non-judgemental, and people enjoyed the company of others as well as the warmth.

‘Our warm space is set up café-style. About 15 to 20 people have come along. In the future, we hope to build on it as a midweek fellowship.’ – CSM Lynne Brill, Merthyr Tydfil

‘We made a conscious decision to avoid stigma around the space by not operating a headcount or any sign-in procedure. Our intention was for people to feel welcome, loved and valued. If the building is open, the warm space is available!’ – Community Programme and Engagement Manager Kathryn Casserley, Southport

‘We’re also ensuring that those we support are fully equipped with the advice and guidance they need to heat their homes effectively and manage their incomes.’ – Lieutenant Miriam Smith, Glenrothes

– For food and basics

- **Food on the table**

In Penrith, the corps appealed for support in stocking the shelves of its food bank as more people struggled. As well as extra people coming to the food bank, there were additional referrals from schools, health visitors and doctors. During April 2022 alone, the food bank supported more than 1,211 people.

‘Needing help can creep up quickly on anyone, and something has gone wrong if people who are working can’t even afford to put food on the table.’ – Major Carole Donaldson, Penrith

- **Discount food shop**

People struggling to afford to buy food in and around Sheringham, Norfolk, were invited to sign up to a discount food shop run by The Salvation Army in the town, for just £5 every six months. The shop sold food at a substantially reduced price, with some free fresh food and vegetables available, to help people during the ongoing cost-of-living crisis. The shop also served as a gathering point, a place where we could spread God’s love.

- **Cooking on a budget**

If people don’t have the skills to cook, they may rely on takeaways. But this proved prohibitive to many during the cost-of-living crisis. In Oldham Fitton Hill, the Army put on a cooking course called Meet, Cook and Eat, over a period of four weeks.

Recipes fed a family of four with all ingredients totalling just £5 or less. With prepping and cooking in under 20 minutes, there was no need to worry about energy prices. It was also a chance to find friendship and pick up new skills to save money by changing cooking and spending habits.

– For clothes and compassion

- ***Every Child Warm***

Every Child Warm is based on the idea that coats and shoes are the most expensive items that a parent has to buy for their children. Finding the money can be harder for parents with limited budgets. In Gateshead, where there are huge health inequalities due to poverty, 300 children received coats and shoes in time for the new school term, thanks to The Salvation Army.

- ***Smart for school***

Corps across the country collected new and used school uniforms to give to children whose families were struggling in the cost-of-living crisis, ahead of the new school year. For example, at the Hednesford/Cannock Corps, PLUM (Pre-Loved Uniform Market) continued to be an invaluable service for many families in the district. A total of 106 children received uniforms.

OUR VISIBLE SUBSIDIARY

The Salvation Army Trading Company (SATCoL) is a wholly owned subsidiary of The Salvation Army.

It continued its mission to raise money for The Salvation Army through the Army's 230 charity shops, clothing collection donation centres and other recycling initiatives. Our charity shops are a very visible presence for The Salvation Army in the UK and their financial contribution helps to fund our work. Last year SATCoL donated more than £4.8 million to the UKI Territory (year end March 2023).

SATCoL reaffirmed its commitment to the values of care and compassion at its annual conference in Birmingham last year. Delegates heard about the good work it had made possible, such as Steps to Work, which provides training and work placements for 18-25 year-olds with learning difficulties at our Strawberry Field Centre in Liverpool.

SATCoL was presented with the Charity Retail Association's Outstanding Charity Retailer of the Year award. Its positive social and environmental impact played a big part in why it won the top prize.

Find out more – see how SATCoL helps people in need and the planet through innovative reuse and recycling schemes at www.satcol.org

TACKLING ROOT PROBLEMS – INFLUENCING POLICY

We provided people with immediate help in communities all around the UK. But long-term support is essential too. As well as our local services, we spoke out on behalf of vulnerable people by responding to Government measures which were announced in the Mini Budget in September 2022, Autumn Statement in November 2022 and Spring Budget in March 2023.

We were hugely relieved the Government wanted to help vulnerable households. Yet we feared that proposals would have little effect on the lives of those who needed to turn to us for support. Our recommendations included:

- To urgently raise benefits in line with inflation so people can afford to feed their families and pay their bills.
- To set up a new cross-Government task force to tackle, with empathy and compassion, the reasons people are not earning and are trapped in poverty, by improving education and employment locally so they can achieve a decent standard of living.
- To reconsider the tightening of Universal Credit conditions for people working 12-15 hours a week because it risks trapping them in low-paid jobs and struggling with rising prices.

Having significant experience of working with people fleeing dangerous situations, The Salvation Army expressed its deep concern at the UK Government's plans to send some asylum seekers and refugees to Rwanda.

Our three main areas of concern about the plan:

- It will not ensure people have the appropriate care and support.
- It threatens to introduce an inequality of treatment that cannot be defended on any moral grounds.
- Legal provisions available to genuine refugees will not have recourse to the UK courts of justice.

We felt it was our duty to speak out. This plan will not solve the problems of people who desperately need our help and tarnishes the UK's reputation as a responsible global force for good.

PULLING TOGETHER IN A CRISIS

As a Christian church with a strong social conscience, we seek to alleviate distress wherever it is found. In the immediate aftermath of disasters and emergency situations, The Salvation Army is swift to respond with practical and pastoral care.

Wherever there are people in need, The Salvation Army will aim to help if we can. We follow the example of Jesus Christ: 'God is our refuge and strength, a very present help in trouble' (Psalm 46:1 *NIV*).

Around the UK:

Our incident response vehicles and volunteers were out in force, providing refreshments and emotional support to first responders and emergency services teams. Here are some examples.

- Stornoway – firefighters, the coastguard and other agencies were out for days fighting fires which engulfed the island in smoke. Corps members provided much-needed drinks and food.
- Hastings – responding to floods, the corps provided workers with drinks, hot meals and a place to hold meetings and to rest. Our team also provided food, flasks and blankets to an anxious resident who didn't want to leave her flat, despite losing all power.

- Oldham – our vehicle was called to support emergency services dealing with the aftermath of a huge fire at a scrapyard.
- London – last July saw us provide an unprecedented level of support to the capital’s firefighters. We now have three incident response vehicles strategically based at fire stations across London.

Proud to serve

The Salvation Army supported the many volunteers and emergency services teams on duty as Queen Elizabeth II’s coffin lay in state in Edinburgh and then in London. We also supported vulnerable members of the community, some of whom struggled with the long waiting time, especially through the night. In both locations, the Army provided practical help as well as pastoral care for mourners.

VITAL SUPPORT FOR UKRAINE

On the ground

The outbreak of war in Europe was a shock for all of us. The Salvation Army has worked in Russia, Ukraine and most of the neighbouring countries such as Poland, Romania, Georgia and Moldova. Across the continent, local Salvation Army personnel did what we do best – help as many people as possible with the resources at their disposal.

As the impact of the conflict grew, The Salvation Army in the UK and Ireland Territory launched an appeal for funds. The UK public were extremely generous and our appeal raised over £4.5m. We also featured the relief work in Europe and here in the UK in our annual territorial Carol Concert in December at the Royal Albert Hall, London.

The Salvation Army’s work across Europe has been extensive and the money raised has enabled us to work both here in the UK and across Europe for those affected. For example, in the Eastern Europe Territory to date more than 88,000 cooked meals and over 91,000 vouchers have been distributed. Over 13,000 overnight stays have been provided, including for children, being sheltered in Salvation Army run facilities.

‘We are on the ground in Ukraine and neighbouring countries, offering urgently needed practical and emotional support for people fleeing danger.’ – Ben Gilbert, International Projects Office Team Leader

Safe from human traffickers

Conflict places people at greater risk of human trafficking. We protected people seeking safety from further abuse and exploitation by human traffickers.

Many of the refugees were women and children leaving Ukraine for the very first time. They were scared, anxious to protect their children and worried for their husbands, fathers and brothers back home.

- Salvation Army teams from Moldova rushed to the Ukraine border in the first days of the conflict and have remained in place, providing accommodation, transport and food.
- We provided practical assistance and shared information translated into Ukrainian for those fleeing to alert them to their rights and the risks.
- We pooled information with anti-trafficking networks and used their contacts to get women and children to a safe place.

‘The impact can continue long after war has ended, as traffickers prey on displaced people. In recent years we have supported hundreds of people from places like Sudan, Eritrea and Iraq.’ – Major Kathy Betteridge, the UK and Ireland Territorial Director of Anti-Trafficking and Modern Slavery

Games without frontiers

Mattel brands – including Barbie, Scrabble and Hot Wheels – sold in The Entertainer toy shops are helping The Salvation Army and British Red Cross respond to the Ukraine-Russia crisis. Proceeds from sales helped provide emergency accommodation and provisions such as food, water and blankets.

Building futures

Here in the UK, our direct response to the conflict and the refugees who were displaced and who came here as a result was swift and meaningful. This work was directly supported by The Salvation Army Trust.

In Scarborough a Ukrainian Hub and Café have been set up by the local Salvation Army, providing a safe space for the Ukrainian community to gather, get access to information and even undertake basic English classes to aid with social integration. Other corps have been able to support participants with vouchers, household items and bikes for transport alongside pastoral and spiritual care.

Our charity shop in Maldon, Essex, helped Ukrainian refugees settle into the area by offering summer clothes, shoes and volunteering opportunities. Ukrainian refugee Leila, 25, volunteered with the shop for a month. Shop manager Kevin Dawson-Jennings said: *‘She has been doing an amazing job and her English is improving all the time.’* Offering such volunteer opportunities is another way the Army gave refugees hope and purpose.

Our church and community centre in Sutton set up a weekly Drop-In for Ukrainians to meet up with each other and fellow Ukrainians already living locally.

Gill Bonner, a member of The Salvation Army in Sutton who co-ordinates the Drop-In, said: *'It is a place for people to meet, whether they are newly arrived guests, staying with families or Ukrainians who have already lived here for some time. They come together to relax, share information and experiences and to speak Ukrainian.'*

A local Ukrainian resident who translates at the Drop-In said: *'This is great because they can meet each other and are given so much useful information, which is what they need right now. They are very happy to come here because they can bring their children and are given toys and school uniforms. Most of all they get a warm welcome and develop friendships. They also find out about English lessons and how they can access places such as banks and schools.'*

REACHING OUT TO VULNERABLE PEOPLE

Our corps support some of the most vulnerable and marginalised people in our communities, right across the UK. We believe that a fairer society, which upholds and supports all marginalised people, actually benefits us all. Our society will not work for anyone if it does not work for everyone.

We never judge, or question people's vulnerabilities. Instead, we treat them with kindness, sensitivity, empathy and tolerance. Our intention is to be good stewards of the blessings God has given us.

HERE FOR PEOPLE EXPERIENCING HOMELESSNESS

Warning signs for UK

Between April and June 2022, 2,998 individuals were sleeping rough in London. This was a jump of 16 per cent, compared with the same time in the previous year. Figures showed that 73 per cent had additional needs such as addictions and mental health problems.

These statistics were shared by Combined Homelessness and Information Network (Chain) but they only measured rough sleeping in England. The Army is calling for robust methods for recording numbers of rough sleepers for the whole country so that support services can be properly planned and sufficiently funded.

Even so, these figures acted as a warning. Not only is it a sign that the Government was drifting further from its commitment to end rough sleeping, but they could also point towards a deeper homelessness crisis as the cost of living bites.

SUPPORTING YOUNG PEOPLE

Feeding empty stomachs

In summer 2022, The Salvation Army saw an unprecedented demand for our support from worried parents as they struggled to feed their children. Teachers, health visitors and GPs also referred children to us, who were at risk of going hungry during the school holidays.

Some of the many local Salvation Army churches and community centres providing free food for children during the school holidays included:

- A Food Hunger Programme in Gateshead, which offered free breakfast and lunch for local children plus food to take home to their families twice a week throughout the six-week summer holidays.
- A Summer Club in Anderton, Glasgow, that served up a hot meal for up to 60 primary school-age children.
- A partnership with local schools in Reading Central giving healthy meals to families over the school holidays.

Feeding friendship and faith

Similarly to The Social Work Trust, there have been events run for people with disabilities such as the Enabled Summer School at The National Star College in Cheltenham.

The week-long calendar of activities included crafts, art, swimming, mindfulness, exercise and photography. Fellowship groups included Bible studies, discussion groups, Godly Play and a sensory group, with members exploring Scripture with a focus on rejoicing and joy.

Feeding hope and ambition

During the annual Self-Denial Appeal which takes place in March, Salvationists in the UK are encouraged to give sacrificially to support The Salvation Army in other countries. The appeal takes place in all countries where The Salvation Army is present, so it is truly a period when the UK Salvation Army joins forces with other Salvationists around the world. This year the appeal supported the Army's global work with young people. Growing up in today's world can be tough. It can be even harder for young people who endure discrimination, live in a country devastated by conflict or disaster, or face uncertainty.

Through the Self-Denial Appeal we gave young people faith and confidence to believe in themselves. We offered new opportunities, a safe place and guidance to create hope and a future.

Josfridah, a 17-year-old from Kenya, was one young person who benefited. Josfridah had been constantly bullied due to her spina bifida. She was a top student, but her self-esteem hit rock bottom. But she is now thriving at The Salvation Army's Joytown School. Josfridah said: 'I want to become a big person with dreams who will inspire other people.'

OLDER PEOPLE

We believe that it's important to develop spiritually, socially, culturally and emotionally but also to challenge the stereotypes and prejudices we have about the 'old'. We take our motivation from the words of Jesus who talked about 'Life in all its fullness' (John 10:10) which is the inspiration for our Vision Statement.

Striking the right note

There are almost 100 Singing by Heart groups across the territory, many run through local corps settings. Sessions are designed to encourage communication, recollection of memories and fun for all taking part. Songs are introduced by a relevant Scripture verse and concluded with a prayer.

One example is the fortnightly group run in a local care home in Yeovil by Majors Cheryl and Neil Davies. Major Cheryl said: 'Seeing the joy on the residents' faces is priceless, and their individual responses, whether it be clapping, tapping, dancing or something else, show that they are present in the moment and engaging on a level that may be hidden but not lost.'

Light in the dark

Over the past 15 years in Britain, the number of prisoners aged over 60 has tripled; and Majors Paul and Rita Conley, retired prison chaplains, have established the prison Cameo programme. These programmes run within HMPs Wymott, Usk and Prescoed.

The chaplaincy service supports both the activities of The Salvation Army Trust and The Salvation Army Social Work Trust. The Cameo programme ran activities like bingo, the chance to read, play chess or cards, watch documentaries or listen to guest speakers. We provided an oasis in what can be the darkest of places.

HELPING FAMILIES IN NEED

Stories of hope

Our Thorndale Family Centre in Belfast provided shelter, safety and support for families and single women in need of short-term accommodation due to issues such as relationship breakdown, financial hardship or domestic violence.

One example of the support offered was to bring children and parents together through reading. The Covid-19 pandemic and resultant home-schooling had set many children back, and some parents didn't know how to read with their children.

Our team worked with BookTrust Northern Ireland, helping families to escape from their everyday struggles, promote feelings of wellbeing, inspire individuals and enhance language skills.

‘We know the benefits children and families get from developing a love of books early in life.’
– Chris Eisenstadt, director of BookTrust Northern Ireland.

Valuable debt advice

Our 25 advice centres continued to meet a growing need across the UK, providing free advice on debt and money management – and referring people to additional support as needs be.

Debt can happen to anyone due to an unexpected turn in life, and the ongoing cost-of-living crisis contributed to the daily struggle for many people. Workers on zero-hours contracts, self-employed workers, seasonal workers and others sought help with debt problems. It was not just those who weren’t working who were struggling.

Our approach:

- Understand the level and type of debt.
- Review finances and find ways to raise income and reduce expenditure.
- Develop and agree a realistic debt solution.
- Negotiate with creditors – freeze interest payments, agree a payment plan.
- Support people during the repayment process and renegotiate if needs be.
- Provide education about money – to change habits and minimise future debt.

Lorraine Cook heads up the work of the Army’s debt advice services. She said: ‘We can give people a debt solution, but we can’t solve poverty. In the past, government departments distanced themselves from church-based community services and provision. But now they are seeing the results that our services are providing, they want to work with us.’

LOOKING FORWARD AS A MOVEMENT:

The Salvation Army is a church and a movement that understands people and understands the communities where it has a presence. We understand the wider issues that impact on our society such as homelessness, addictions, slavery and the importance of employment.

Because we know and understand the symptoms and the deeper problems, we are committed to address them. That is why we are such an agile, responsive and constantly evolving and adapting organisation. This report has illustrated how we responded afresh in 2022/2023.

Looking ahead, we will continue to adapt and innovate in order to meet current and new needs. A critical feature as we move forward is to do whatever we can to enable our front line, or local mission delivery as we call it, to flourish. With effective resourcing, support and oversight, our continuing intention is to enable this 'flourishing' of the mission of The Salvation Army locally.

We will continue to provide essential funding for our corps and community centres to enable them to innovate, develop and continue to meet needs that are not being met.

We will continue to support The Salvation Army Social Work Trust to enable it to provide the best possible support for people in our residential centres and who engage with or are referred to us for support, and in the case of modern slavery and human trafficking, protection and a fresh, safe new start.

We will continue to ensure local mission is supported from our territorial and divisional headquarters in the ways it needs to in order to ensure effective, efficient and compliant ministry, including financial controls, safeguarding, safe mission (health and safety), staff development and training and effective procurement.

We will continue to build on the work of the Structural Co-ordination and Design Project by maintaining a culture of continual improvement across the territory with a real commitment to address any organisational issues that are obstacles to enabling local mission to flourish.

We will continue to invest in funds that allow innovation and will continue to invest in our fundraising to ensure we have a stable and sustainable future to serve our communities.

With changes in society, we will look at how we ensure we are encouraging different forms of church leadership and membership so we can move with the times but maintain our distinctive ethos.

Above all, we commit to ensuring a meaningful presence across the UK, to making a difference in people's lives in practical and spiritual ways. Our commitment to 2024 and onwards is to continue to strive to deliver our vision: 'Fullness of life for all with Jesus'. That is our driving force and our goal, and that vision sets the strategic direction for each of our corps and community centres and directs the support that our territorial and divisional headquarters will provide.

MODERN SLAVERY AND ANTI HUMAN TRAFFICKING STATEMENT

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

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

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

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

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

OUR APPROACH TO FUNDRAISING

Context:

The Salvation Army Trust, which is the charity registration through which our church and community-based operations are run, relies very heavily on income generated by fundraising and the continued support of individuals through gifts in Wills to keep our diverse services alive and operating across the UK.

We meet the constant challenge of raising these funds in different ways:

- Local Salvation Army corps (churches) and community centres are expected to actively fundraise within their church membership and in their wider community to support their community programmes.
- Salvation Army church members give generously as part of their personal commitment to God, to their corps and to the wider Salvation Army.
- In addition, there is a centrally co-ordinated fundraising operation which manages the disciplines of national fundraising programmes, provides additional resources and support to corps-based fundraising and provides support to members of the public who want to raise funds for The Salvation Army. Principal activities of this are commented on below.
- We also actively but sensitively ask members and supporters to consider including The Salvation Army in their Will.

During the financial year 2022/2023 we continued to strengthen our fundraising ensuring long-term stability for our voluntary income as we look to the future.

Relationship between The Salvation Army Trust and The Salvation Army Social Work Trust

Fundraising for The Salvation Army's overall work across both its charitable trusts is carried out under the registration of The Salvation Army Trust, and therefore fundraising activity, income and expenditure are accounted for in this Report.

The Salvation Army Social Work Trust funds our centrally managed residential services for homeless and older people, as well as other centrally co-ordinated programmes such as our modern slavery services, Employment Plus service, and programmes for people with addictions and disabilities. Almost all government funding is accounted for in The Salvation Army Social Work Trust which has a separate charity registration and consequently a separate set of Report and Accounts which form a 'sister' publication to this. They are filed under charity registration number 215174 (England and Wales) and SCO37691 (Scotland).

A proportion of fundraised income in The Salvation Army Trust is granted to The Salvation Army Social Work Trust each year as part of the planned budgeting process, in line with our objects. This grant helps to meet the cost of the additional support we offer to our service users, on top of government and local authority funding. Our fundraising appeals to the public

feature the work of The Salvation Army across both trusts so there is absolute transparency that the funds donated go to support the work we illustrate in public appeals. The Gift Aid collected on behalf of The Salvation Army Trust is compliant with the HMRC requirements.

Corps-based (church) giving and local fundraising:

The UK Salvation Army has over 600 corps and community centres across the UK. Each corps or centre will develop programmes and services that are geared to meeting the needs of the people in the community, so there is huge diversity across the UK. Each local Salvation Army centre is expected to find ways to raise funds to support their local work as much as it can. This is achieved in several ways.

Church membership giving totalled £17.7 million in the year ended 31 March 2022/2023, an increase of £1.1m over 2021/2022. It is a substantial offering and this income from church members helps to sustain the local life of The Salvation Army as a church and meet as much of the operating overheads as it can.

In addition, **local fundraising by our corps (churches)** delivered approximately an additional £6m (public donations) which helps fund the practical support that is needed in the communities that The Salvation Army serves, examples of which are described in the narrative of this Report. Christmas carolling in town centres and street collecting are two of the familiar ways in which corps raise funds. Corps also frequently engage in digital forms of fundraising, using tools such as JustGiving.

Salvation Army church membership also actively engages in two main annual fundraising opportunities: the **Self-Denial Appeal** and the **Big Collection**.

The annual **Self-Denial Appeal** in February and March 2023 helps fund Salvation Army work in overseas territories. In 2023 the appeal raised £963k, on a par with what was raised in the previous year and a testament to the generosity, often sacrificial giving and determination of our members, officers and their families and friends.

The Salvation Army **Big Collection** is an annual public campaign in September, whereby church membership actively raises funds to support our Social Work Trust, supporting programmes for people experiencing homelessness, older people, and people needing help with addictions. Against a total of £503k raised in September 2021, in 2022 we almost matched that, raising a total of £498k, thus demonstrating the continued commitment and passion of our community.

National Fundraising:

Our centrally co-ordinated fundraising programme sensitively deploys many disciplines of fundraising in order to generate income for the work of The Salvation Army. Because the proportion of our donated income that derives from direct debits and regular giving schemes is small, at around 10 per cent of cash donations, the donations and legacies that are received during the financial year are the ongoing lifeblood of our organisation.

The funds raised from national fundraising programmes go directly in the form of grants and mission support funding to enable corps to work within their communities where there are insufficient funds locally. Funds raised also help meet the cost of refurbishing our buildings and emergency repairs to ensure they are compliant and fit for the delivery of community programmes. Funds raised will also form the annual grant across to The Salvation Army Social Work Trust to provide additional services for our work with people who are homeless, older people and people with addictions.

Appeals to the public:

Despite a challenging economic environment, we saw amazing generosity in 2022/23. We received a total of £71.6m in donations from the public. As noted above, approximately £6m was raised locally by individual Salvation Army corps, and the remainder, approximately £59.1m, was secured by national and centrally co-ordinated fundraising activities, summarised below. Furthermore, we received a total of £61m in legacies.

It was a difficult year for everyone, and so we are enormously grateful that our supporters and the general public continued to give so generously. Total public and supporter donations in response to our national appeals programme was £51.3m. Although this was a slight drop from the previous year, we are still hugely thankful. This total includes regular giving and Gift Aid income, but excludes the significant sums raised for our Ukraine crisis appeal.

The majority of our appeals raised more than expected, with many supporters giving higher value donations than they had previously. Our national Christmas Appeal remains a key moment across our activity, raising a total of £22.2m and recruiting over 50,000 new, contactable supporters.

In a year where the cost-of-living crisis has caused increased uncertainty and hardship for many, The Salvation Army is sincerely thankful to all those who have donated towards our ongoing work to support people in desperate need.

Legacies:

We remain extremely grateful to our supporters who remember us with a gift in their Will. This is a hugely important income stream in support of our work, and protecting and sensitively encouraging more people to take this valued step is an important task. Following changes that created a separate Legacy Fundraising Unit, we have increased our skills and experience and are investing to ensure we are in strong position to make the most of the growth in legacy giving over the next 25 years.

We received a total of £62.8m (£51.7m unrestricted and £11.1m restricted) in legacies, a decrease of £3.5m compared with legacy receipts in 2021/22. Tracking indicates that over 50 per cent of our legacies come from our existing supporters and the remainder from individuals who are not on our supporter database. Reaching and inspiring these supporters, as well as promoting our free Will writing services and how they can leave The Salvation Army a gift in their Will, is an important part of protecting this significant and stable future income stream. Understanding the motivations and barriers to leaving a gift and the characteristics of people who do so has been a focus of our work this year.

Almost £10m in future legacy income was pledged from activity in 2022-23. Inserts in targeted magazines were tested in June and February, when we also added press adverts, raising vital awareness and gaining new legacy supporters. Promotion online continued with a Facebook campaign in January promoting our free Will guide and we took part in Free Wills Month in October and March. Along with our other free Will writing services these raised our visibility to the wider public and secured 256 new legacy pledgers. In March we wrote to our donors asking them to consider leaving us a gift in their Will which resulted in almost 1,000 new legacy supporters. We take a sensitive and personal approach to enquiry handling and stewardship, ensuring we regularly show our appreciation for the commitment that has been made.

Grant-making trusts and foundations

Grant-making foundations and charitable trusts provide a vital contribution to many of our projects. We would like to express our sincere gratitude for their support. During 2022/23, we received over £1.9 million from charitable trusts and foundations in support of more than 245 local Salvation Army projects across the UK and internationally. The grants have contributed to the running costs of vital support projects including emergency food and fuel voucher provision in response to the cost-of-living crisis, debt advice, digital inclusion services and those supporting displaced Ukrainian citizens.

As an example, with a grant from one charitable trust, The Salvation Army was able to support 38 of our corps in the cost-of-living response. From food parcels, fuel vouchers, warm spaces and hot meals, we supported thousands of people across the UK who were struggling due to the dramatic increases in everyday items.

We are supporting families facing many issues, including those living in debt, survivors of domestic violence, people with mental health issues, refugee families and people who have no recourse to public funds.

Grants have also contributed towards the costs of renovating a building and outdoor space in Thorndale Family Centre, Belfast, using the principles of trauma-informed practice. The space is welcoming and calming and provides people with the time to reflect and share. The building also includes a fully equipped regulation (calm-down) room which is open for all children, young people and adults. This room is a safe place for people to go in times of high anxiety and stress where they can begin to self-regulate their emotions and deal with trauma.

Corporate giving:

2022/23 was a fruitful year for corporate fundraising. We received £50,000 from The Entertainer and £827,968 from Anglo American to support our emergency work in Ukraine. We also received a further £10,000 from The Entertainer to fund summer projects for children.

Christmas 2022 saw our fourth year of partnership with The Entertainer for the Big Toy Appeal. It achieved even greater success, reaching nearly 90,000 toys donated.

Finally, our Christmas Carol Concert provided an excellent opportunity to secure sponsorship from The Entertainer (£10,000), McLaren (£5,000) and Knox Cropper (£20,000) and a further £10,000 from Howdens to support our Christmas charity work.

We wish to offer our grateful thanks for the generous support of all our corporate partners.

Other fundraising: We continued to develop relationships with people who wanted to 'do something' to raise funds for The Salvation Army. We explored ways of supporting corps with their locally-based fundraising and we benefited from the increased contributions from supporters who participated in sporting challenges as well as those who chose to fundraise in their own way to raise funds for our work. Much of their contribution is channelled locally and we want to recognise their generous support.

Our Fundraising Approach

The ethos of our approach is that fundraising activities must reflect our values and should be carried out in a manner that the public and our supporters and funders would expect of The Salvation Army – sensitive, courteous, sincere and genuine.

We have an active fundraising presence in digital media and on our website and we regularly review our Privacy Notices and Privacy Statements to ensure we operate in compliance with GDPR.

We do not use professional fundraising agencies such as outbound telemarketing agencies or face-to-face/street fundraising agencies to fundraise on our behalf. Our public, street and house-to-house cash-collection fundraising operations are normally carried out by members and volunteers drawn from and connected with our congregations.

We do use an external agency to handle some inbound telephone donations in peak periods and to call back people who have contacted us to donate when we cannot handle such calls in-house by our own staff. This is usually at Christmas when call volumes are high. Call handling is monitored, and we set high standards for the way callers are spoken to and the training and support given to agency staff.

The term 'professional fundraiser' also encompasses supporters who participate in some challenge and mass participation fundraising events. These relationships are managed centrally with due diligence ensuring complete transparency in the agreement between The Salvation Army and the participant.

Fundraising Standards

We subscribe by annual levy to the Fundraising Regulator and thereby work to the standards of the Code of Fundraising Practice.

We are not aware of any failures to comply with the standards set by other regulatory bodies. We are members of the DMA – the Data and Marketing Association – and as members we are expected to uphold the highest levels of compliance and standards. We are corporate members of the Institute of Fundraising and fundraising managers are individual members.

Fundraising on our behalf

Where people or organisations offer to fundraise on behalf of The Salvation Army, we aim to ensure that a contract or agreement is in place and that the relationship, performance and delivery are overseen either locally or centrally.

Monitoring of Fundraising

We continually update and strengthen our internal processes and policies to ensure we have the highest ethical standards in accepting donations.

Salvation Army officers and corps treasurers will monitor fundraising carried out locally by members of the local congregation and by volunteers. Any donation in excess of £5,000 from a single source or related sources is reviewed and assessed by headquarters in line with our donations acceptance policy. Centrally we have a briefing and monitoring programme to assess the performance of our telephone bureau handling inbound donation calls and to ensure the quality of the calls meets our standards for sensitivity and kindness.

Trustees are briefed on the requirements of CC20 and how these requirements are being met as part of their duties in relation to fundraising.

Complaints

In the financial year under review, The Salvation Army received 40 complaints about our fundraising compared with a total of 58 complaints in 2021/2022. We strive to fundraise respectfully and believe the low number of complaints we receive each year reflects our sincere and sensitive approach to fundraising and how we communicate with our supporters and members of the public.

Any complaints we receive are handled in accordance with our Complaints Policy, which is based on the recommended standards set by the Fundraising Regulator. Our Policy is accessible on our website.

Protecting People in Vulnerable Circumstances

Within our fundraising ethos we take the protection of people in vulnerable circumstances very seriously. As a church and charity working locally and nationally with some of the most vulnerable and marginalised people in communities across the UK, and with a brand that is synonymous with kindness, sensitivity, sympathy, deep understanding and tolerance, we aim to fundraise in the most considerate ways we can and take appropriate action briskly when we are made aware of vulnerabilities. We have a specific Policy created in collaboration with our fundraising, supporter care and compliance teams to ensure we treat all our donors fairly, sensitively and respectfully. We provide dedicated training for our fundraising staff to ensure this Policy is understood and put into practice. Because we do not use external bodies or ‘professional fundraisers’ to fundraise on our behalf, we are very much in control of how fundraising appeals are carried out.

Our supporters and the charitable giving public generally make an essential, vital contribution to the life and work of The Salvation Army. The relationship we have with our supporters is precious to us. Therefore, the intentional spirit of our fundraising is based on what we feel it is fair, ethical and appropriate to ask for. Our behavioural values of integrity, accountability, compassion and respect are not only at the heart of our mission as a church and charity but are also the driving forces for the way in which we fundraise.

REVIEWING FINANCES

The Accounts have been prepared in accordance with the Charities SORP and Financial Reporting Standard 102 (FRS 102).

Our main sources of income are as follows:

	2023 £m	2022 £m
Legacies	62.8	66.3
Donations from the public	71.6	72.9
Donations from members	17.7	16.7
Grants	3.4	4.8
Trading income	106.3	95.1
Investment income	3.5	4.5
Other income	15.1	21.8
	280.4	282.0

Voluntary income

Voluntary income (including legacies, donations and grants from trusts and foundations) represents 55 per cent of our total income and we continue to be deeply and sincerely grateful to the individuals who have remembered us in their Wills, which is a crucially important, sustaining income stream. Donations from members represent the weekly or planned giving by soldiers and other members of The Salvation Army to their local Salvation Army corps (church).

Trading income

Trading income comprises:

- Corps trading activities, mainly charity shops (£12.6 million). Net trading income is £5.6 million, compared with net trading income of £4.3 million in 2022.
- Income of trading subsidiaries: The Salvation Army General Insurance Corporation (£20.4 million) and The Salvation Army Trading Company (£73.3 million). There has been an decrease in net trading income with a surplus of £5.6m down from a surplus of £7.6m.

Expenditure has increased from £226.7 million to £269.8 million.

	2023 £m	2022 £m
Cost of raising donations and legacies	15.6	13.6
Cost of trading activities	95.1	83.1
Total cost of raising funds	110.7	96.7
Charitable activities:		
Church and evangelism programmes	51.8	40.1
Community programmes	68.0	53.0
International programmes	7.2	4.6
Training programmes	7.1	5.3
Youth and young people's programmes	2.6	2.3
Grant to Social Work Trust	22.3	23.6
Total charitable activities	159.0	128.8
Financing activities	0.1	1.2
Total expenditure	269.8	226.7

Costs of raising donations and legacies

This represents the costs of our central Fundraising Department and the cost of our appeals and other costs associated with raising funds.

Church and Evangelism Programmes

This represents Christian worship and the teaching and promotion of the Christian message at our corps, regionally and nationally.

Community Programmes

Programmes organised by our corps to meet the needs of their local community are increasing in scale and diversity, and are described elsewhere in this Report.

International Programmes

This represents grants to The Salvation Army International Trust, overseas projects funded by the UK Territory and the costs of the International Development Unit.

Training Programmes

This represents the costs of William Booth College which trains people to become Salvation Army officers and runs education and learning programmes for employees and officers.

Youth and Young People's Programmes

This represents national programmes including The Salvation Army's work with young people and young adults.

Grant to The Salvation Army Social Work Trust

This represents the financial support provided to our social programmes for those in need. This includes work with the homeless, older people, unemployed people and victims of human trafficking.

Net income (2022: income), which includes loss on investments of £0.5 million (2022: £14.0 million gain), was £10.1 million (2022: £69.2 million income).

Total funds as at the year end were as follows:

	2023	2022
	£m	£m
Endowment funds	15.2	16.4
Restricted funds:		
Property fund	356.8	344.3
Corps funds	53.7	52.2
Legacy reserves	80.6	76.8
Trust funds	2.3	2.4
Specific donations	14.1	15.4
	507.5	491.2
Unrestricted funds:		
Non-charitable trading funds	22.8	21.7
Designated funds	182.7	195.0
General reserve	57.6	51.4
	263.1	268.1
Total funds	785.8	775.7

Endowment Funds

The endowment funds are represented by investments in William Leech (Investments) Limited and in the Common Investment Funds and the movement is due to the overall decrease in market value of those investments. The capital value of the funds is retained but the income is applied to fund our work.

Restricted Funds

The property fund represents property assets owned by The Salvation Army for operational purposes and hence is not available for expenditure.

Corps funds represents funds generated by corps. These are restricted for use in their local area.

Other restricted reserves represent funds given by donors for specific purposes.

Unrestricted Funds

Non-charitable trading funds are profits retained in the subsidiary companies to provide working capital for their trading operations.

Designated funds are set aside by the directors for specific purposes, principally the acquisition of officers' quarters and major maintenance work on the property portfolio. Salvation Army officers (active and retired) are provided with accommodation. Funds have been set aside to enable the purchase of suitable properties as they are required. Funds have also been set aside to fund the work required on corps properties as part of our continuing planned maintenance rolling five-year programme. Funds are also designated to finance new Mission initiatives, contribute to Officers and Employees Pension Funds, fund Field Service Training and various approved standalone programmes. All designated reserves are reviewed annually for obsolescence with surpluses being transferred back to General reserves.

RESERVES POLICY

We rely on donations, legacies and grants to fund our activities. These can be uncertain and fluctuate from year to year. They represented 55 per cent of our total income for the year ended 31 March 2023. We need reserves to ensure that the operation of our church and community programmes can continue in the event of fluctuations in voluntary income and unexpected expenditure. We also want to be able to provide for the new and innovative opportunities that may appear to further the mission of The Salvation Army Trust.

The total value of funds held as at 31 March 2023 was £763m (2022: £754m). There are restricted reserves of £508m (2022: £491m), unrestricted reserves of £240m (2022: £246m), and endowment reserves of £15m (2022: £16m).

Unrestricted Funds

The unrestricted funds include both general reserves and designated funds. General reserves are utilised to fund the day-to-day needs of The Salvation Army. These were £57m as at 31 March 2023 (2022: £51m). The designated funds are unrestricted but set aside by the directors for specific purposes, £183m (2022: £195m).

General reserves at the year end were 57m which is above the target range of £29.9m to £49.2m. Like other charitable organisations, we are facing increased costs in delivering our missional activities and supporting vulnerable people within our society from high inflation as well as a challenging fundraising environment as the cost-of-living crisis continues to bite. A deficit budget is anticipated for 2023/24 which will result in a significantly lower general reserve. The trustee intends to review the reserves policy in 2023/24 taking account of the increasing internal and external risk factors.

INVESTING FOR THE FUTURE

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

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

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

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

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

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

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

CIF1

Fund strategy is:

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

The performance objective of the Fund is to achieve an annual total return which exceeds the composite benchmark below by at least 1.25 per cent per annum, gross of fees, measured over rolling three-year periods, commencing 1 January 2011.

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

CIF2

The Fund strategy is to aim for capital growth rather than income. The performance objective of the Fund, excluding cash and gilts under lien, is to achieve an annual total return which exceeds the composite benchmark below by at least 1.25 per cent per annum, gross of fees, measured over rolling three-year periods commencing 1 January 2011.

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

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

	CIF1	CIF2
	%	%
Annual total return (gross of fees)	4.0	1.1
Benchmark return	-2.6	-2.6

For the year to 31 March 2023, CIF 1 and CIF 2 overperformed in challenging circumstances compared to global market benchmark. The performance is being monitored on a regular basis through discussions with the respective investment fund managers.

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

	CIF1	CIF1	CIF1	CIF2	CIF2	CIF2
	2023	2022	2021	2023	2022	2021
	%	%	%	%	%	%
(Decrease)/Increase in capital value of fund	2.9	6.8	22.3	-0.1	17.1	25.5
Average net income return	0.5	0.4	0.5	0.7	0.7	0.8

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

The Salvation Army's assets in the United Kingdom are held by The Salvation Army Trustee Company (SATCo), a company limited by guarantee, registered in England (No 00259322) with its registered office at 1 Champion Park, London, SE5 8FJ. The governing document of The Salvation Army Trust is The Salvation Army Act 1980, as amended. Under Section 12(1)(a) SATCo is appointed as the sole ordinary trustee of the trusts listed in Schedule 5 to that Act.

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

- The Salvation Army Trust, whose accounts are contained in this Report; and
- The Salvation Army Social Work Trust, Charity Registration No 215174 in England and SC037691 in Scotland.

Connected Trusts

SATCo is the trustee of a number of connected charitable trusts which are concerned with specific aspects of the Army's work.

The Salvation Army Social Work Trust

Governing instrument: Deed Poll dated 30 January 1891 and a supplementary deed dated 26 March 1969. Charity registration No 215174 in England and SC037691 in Scotland.

The objects of The Salvation Army Social Work Trust are to promote the charitable work of The Salvation Army, as SATCo shall think fit, in one or more of the following ways:

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

William Booth Memorial Trust

Governing instrument: Trust Deed dated 19 September 1921. Charity registration No 312882.

The purpose of this trust is the establishment, maintenance and operation of a college for the instruction and training of men and women for service as officers of The Salvation Army and others involved with or interested in the mission of The Salvation Army.

RISK MANAGEMENT

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

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

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

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

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

Principal risks

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

Principal Risks	Mitigation
Business Continuity – There is a risk that the occurrence of a significant incident where, during and after the incident, The Salvation Army will not be able to continue to be viable and meet stakeholder expectations.	Business continuity policies and procedures, including the application of ISO27001 for some parts of the organisation, prepare us for management of interruptions.
Cyber – The risk is that we fail to protect our information systems and the information they hold.	We deploy multiple measures to protect our systems and the information they hold. We work within an information security international standard (ISO27001) and build on lessons from our internal and external audits in this area.
Data Protection – The risk is that we fail to protect sensitive and personal data.	As well as our data protection/GDPR policies and training, we take steps to ensure that personal data is treated properly through appropriate security measures, staff training, the use of data protection impact assessments and contractual requirements with organisations we work with who process our personal data.
Financial Sustainability – The risk is that there is insufficient revenue income from donations and reserves to support our operating model resulting in the failure of The Salvation Army to thrive in a rapidly changing environment.	We continue to monitor the funding situation and adjust our financial planning and commitments accordingly to ensure we are financially resilient.
Healthy Corps and Centres – There is a risk that a variety of factors prohibit flourishing of our churches and centres.	We seek to understand how our corps (churches) and centres can thrive in a wider environment of falling church attendance. We are taking steps to establish and measure factors that contribute to healthy mission and provide close support to our corps officers in their daily work.
Safeguarding – The risk is that we fail to provide a safe environment, free from abuse, for everyone, including vulnerable beneficiaries.	We continue to maintain clear policies and procedures in relation to safeguarding and ensure the appropriate screening, training and supervision of personnel. A subcommittee of RMC – the Territorial Safeguarding Committee – oversees management of the risk.
Safe Mission – The risk is that we are not able to ensure the health, safety and welfare of personnel, service users and members of the public who are affected by our activities.	Comprehensive policies, procedures and guidance are in place, alongside a supervisory control framework. Two RMC subcommittees – the Safe Mission Council and the Sudden Deaths Review Group – inform the management of this risk.

SUBSIDIARY AND ASSOCIATED COMPANIES

The following companies are beneficially owned by The Salvation Army Trust (percentage held) and donate all or part of their profits to The Salvation Army Trust:

1. The Salvation Army Trading Company Limited (SATCoL) (100%)
2. The Salvation Army General Insurance Corporation Limited (SAGIC) (100%)

1. SATCoL is a wholly owned subsidiary of The Salvation Army Trust. Its main activity is the collection and sale of second-hand clothes donated by the public through both wholesale and retail activities in its 230 charity shops and donation centres, recycling and also the supply of Salvation Army publications, uniforms and other related materials.

2. SAGIC is a wholly owned subsidiary of The Salvation Army Trust and was formed in 1909. Its principal activity is transacting property insurance in the United Kingdom. SAGIC also provides home and contents insurance to officers, members and supporters of The Salvation Army as well as to the general public, either directly or through its broker network.

Connected Company

The Salvation Army Trust holds 20 per cent of the shares in William Leech (Investments) Limited

RECRUITMENT AND APPOINTMENT OF DIRECTORS (TRUSTEES)

There are 13 directors, 8 by virtue of their appointments within The Salvation Army. One director is a divisional leader responsible for one of The Salvation Army's 14 divisions.

The other five directors are non-executive directors each bringing expertise in a relevant field, as approved by The General – including property, finance, investments or social services. The appointment of non-executive directors is made by SATCo on the recommendation of the Nominations Committee.

Training and Induction of Directors

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

Organisational Structure and Decision Making

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

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

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

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

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

Directors' Responsibilities

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

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

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

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

Remuneration of Key Management

Key management personnel of The Salvation Army comprise Salvation Army officers and employees. Salvation Army officers do not receive a salary; they receive an allowance based on length of service and seniority of position, and as ministers of religion are provided with furnished accommodation and a motor vehicle. The allowances received by officers in positions of key management range from £19,377.96 to £25,471.57 per annum.

Further information is disclosed in Notes 10 and 11 to the Accounts.

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

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, positioned above a solid horizontal line.

**On behalf of the Directors of The Salvation Army Trustee Company
15 December 2023**

DIRECTORS

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

Commissioner Anthony Cotterill	Chair
Colonel Paul Main	Deputy Chair
Colonel Jenine Main	
Lieut-Colonel Alan Read	Managing Director
Lieut-Colonel Andrew McCombe	
Lieut-Colonel Beverley McCombe	
Lieut-Colonel Dean Pallant	
Lieut-Colonel Judith Payne	
Major Mark Herbert	(appointed 10.02.23)
Major Noreen Batt.....	(until 18.11.22)
Major Judith Hilditch.....	(until 30.04.23)
Helen O'Brien	
Philip Edwards	(appointed 09.09.22)
Mark Puller	(until 12.05.23)
Peter Gale	
Andrew Stickland	

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

Committee Members (current)

Territorial Operations Board

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

Audit Committee

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

Investment Advisory Committee

Peter Gale (Chair), Mark Colton, William Dalziel, Mary Haly, Lieut-Colonel Alan Read, Philip Rotherham

Nominations Committee

Commissioner Anthony Cotterill, Colonel Paul Main, Lieut-Colonel Alan Read, Elliot Thomas, Helen O'Brien

Risk Management Committee

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

Company Secretary

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

ADVISERS

Bankers

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

Auditors

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

Solicitors

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

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

Investment Advisers

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

Investment Managers

Cazenove Capital Management, 12 Moorgate, London EC2R 6DA

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

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

Independent Auditors Report to the Salvation Army Trustee Company, the Managing Trustee

Opinion

We have audited the consolidated financial statements of The Salvation Army Trust for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Balance Sheets, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)'.

In our opinion the financial statements:

- (a) give a true and fair view of the state of The Salvation Army Trust and parent charity's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, for the year then ended;
- (b) have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland';
- (c) comply with the requirements of the OfS's accounts direction; and
- (d) have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustees Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

In our opinion:

- funds from whatever source, administered by the charity for specific purposes, have been properly applied to those purposes and managed in accordance with relevant legislation.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

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

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of trustee

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified that the legal requirement to comply with charity law including accurately accounting for restricted funds was of key significance.
- We gained an understanding of how the Charity complied with its legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the Charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check for compliance with charity law and tax legislation applicable for charities and to ensure that all restricted income was properly identified and separately accounted for. This included reviewing journal adjustments and unusual transactions.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

65 Leadenhall Street
London EC3A 2AD



Knox Cropper LLP
Chartered Accountants
Statutory Auditors

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

The Salvation Army Trust

Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Endowment £000	Restricted £000	Unrestricted £000	2023 Total £000	2022 Total £000
INCOME AND ENDOWMENTS FROM						
Donations, Legacies and Grants						
Legacies		-	11,101	51,652	62,753	66,278
Donations – Public		-	11,383	60,179	71,562	72,949
Donations – Members	2	-	17,586	142	17,728	16,617
Grants	3	251	3,047	86	3,384	4,759
Trading Activities	4	-	12,644	93,659	106,303	95,099
Investments	5	-	1,121	2,433	3,554	3,444
Other						
Gain on property disposal		-	3,281	9,400	12,681	20,817
Other income		-	2,448	-	2,448	1,991
Total Income		251	62,611	217,551	280,413	281,954
EXPENDITURE						
Raising Funds						
Costs of raising donations, legacies and grants		-	53	15,528	15,581	13,612
Costs of trading activities	4	-	7,023	88,057	95,080	83,121
		-	7,076	103,585	110,661	96,733
Charitable Activities						
	7					
Church and Evangelism Programmes		-	25,974	25,847	51,821	40,133
Community Programmes		-	38,987	29,038	68,025	53,005
International Programmes		-	4,067	3,119	7,186	4,551
Training Programmes		-	19	7,090	7,109	5,270
Youth and Young People's Programmes		-	-	2,585	2,585	2,337
Grant to The Salvation Army Social Work Trust		-	-	22,373	22,373	23,547
		-	69,047	90,052	159,099	128,843
Financing Costs						
	17	-	-	48	48	1,169
		-	-	48	48	1,169
Total Expenditure		-	76,123	193,685	269,808	226,745
Gains/(Losses) on Investments	16(a)	(1,358)	(4)	885	(477)	13,986
Net Income/(Expenditure)		(1,107)	(13,516)	24,751	10,128	69,195
Transfer between funds	21/22	-	29,810	(29,810)	-	-
NET MOVEMENT IN FUNDS		(1,107)	16,294	(5,059)	10,128	69,195
Fund balances brought forward		16,345	491,220	268,111	775,676	706,481
Fund balances carried forward at 31 March 2023		15,238	507,514	263,052	785,804	775,676

All activities reported above, in both the current and preceding years, reflect ongoing activities. The annexed notes form part of these financial statements.

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2023

	Notes	Consolidated		Trust	
		2023 £000	2022 £000	2023 £000	2022 £000
FIXED ASSETS					
Intangible Fixed Assets	13	152	312	-	-
Tangible Fixed Assets					
Properties	14	315,858	309,613	310,384	303,817
Property Schemes in Progress	14	69,189	39,373	69,189	39,373
Motor Vehicles and Equipment	15	16,642	9,955	4,151	2,220
Investments	16	249,800	249,739	253,084	252,723
		<u>651,641</u>	<u>608,992</u>	<u>636,808</u>	<u>598,133</u>
CURRENT ASSETS					
Short-Term Deposits		61,552	72,128	61,552	72,128
Stock		1,938	2,134	209	204
Debtors	17	44,968	60,354	40,871	48,258
Bank Balances and Cash		69,276	76,613	51,711	58,805
		<u>177,734</u>	<u>211,229</u>	<u>154,343</u>	<u>179,395</u>
CREDITORS: amounts falling due within one year	18	(43,182)	(44,084)	(27,758)	(23,105)
NET CURRENT ASSETS		<u>134,552</u>	<u>167,145</u>	<u>126,585</u>	<u>156,290</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>786,193</u>	<u>776,137</u>	<u>763,393</u>	<u>754,423</u>
CREDITORS: amounts falling due after one year	19	(389)	(461)	(389)	(461)
TOTAL NET ASSETS		<u>785,804</u>	<u>775,676</u>	<u>763,004</u>	<u>753,962</u>
FUNDS					
Endowment Funds	20	15,238	16,345	15,238	16,345
Restricted Funds					
Property Fund	21	356,789	344,331	356,789	344,331
Other Restricted Funds	22	150,725	146,889	150,725	146,889
Unrestricted Funds	23	263,052	268,111	240,252	246,397
TOTAL FUNDS	24	<u>785,804</u>	<u>775,676</u>	<u>763,004</u>	<u>753,962</u>

Approved on behalf of The Salvation Army Trustee Company on 15 December 2023.

The annexed notes form part of these financial statements.



Lieut-Colonel Alan Read
Director



Colonel Paul Main
Director

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £000	2022 £000
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	28	21,297	38,005
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES			
Additions to Properties		(17,811)	(8,617)
Net Additions to Property Schemes in Progress		(33,130)	(16,680)
Proceeds on disposal of Properties		18,336	30,558
Additions to Motor Vehicles and Equipment		(9,671)	(3,706)
Proceeds on disposal of Motor Vehicles and Equipment		32	9
Additions to Investments		(789)	(30,474)
Proceeds from disposal of Investments		359	4
Investment Income		3,554	4,491
Management of short-term deposits		10,576	(10,099)
		(28,544)	(34,514)
NET CASH (OUTFLOW) FROM FINANCING ACTIVITIES			
Loan Repayments		(90)	(52)
Increase/(Decrease) in Cash and Cash Equivalents		(7,337)	3,439
Cash and Cash Equivalents at beginning of year		76,613	73,174
Cash and Cash Equivalents at end of year		69,276	76,613

	Balance 1 April 2022 £000	Cash-Flows £000	Loan Repayments £000	Balance 31 March 2023 £000
ANALYSIS OF CHANGES IN NET DEBT				
Cash at Bank	76,613	(7,337)	-	69,276
Loans falling due within one year	(46)	-	18	(28)
Loans falling due after more than one year	(461)	-	72	(389)
	76,106	(7,337)	90	68,859

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements and which have been consistently applied are set out as follows:

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention, subject to the inclusion of investments at market value and donated properties at valuation on acquisition and, are in accordance with the Charities SORP (FRS 102) (second edition – October 2019), Financial Reporting Standard 102, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the regulations issued thereunder.

The Salvation Army Trust is a public benefit entity as defined by FRS 102.

Through careful stewardship, monitoring of budgets and reforecasting, the Salvation Army Trust has returned a surplus at the Year End 31 March 2023.

Going Concern

In preparing these financial statements the trustee has considered whether the charity has adequate financial resources to settle its debts as they fall due and can manage business risks. In reaching its decision, the trustee has considered the planning processes including financial projections, and the consideration of the prevailing economic climate and its potential impact on the various income streams and planned expenditure.

Despite cost-of-living challenges, the Salvation Army Trust income remained at the level of the previous year with good trading activity performance and overall donations on a par. Expenditure due to increased programme and costs rose substantially over the previous year; however, there was a small increase in overall funds.

The General Reserve is in excess of the upper end of the reserves target which the trustee considers appropriate given the increased demand on funds in the current year following a move to pay the Real Living Wage, significant investment in fundraising and IT, together with high inflation and increased cost of utilities.

In 2024/25 the primary focus upon financial sustainability will take precedence as income continues to be under pressure whilst operational demands continue and the economic environment drive costs upwards.

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

(b) Consolidation

The financial statements aggregate the results of the corps which, for the purposes of compliance with the Statement of Recommended Practice, are considered to be branches, and the results of the subsidiary companies, and of the subsidiary trust (William Booth Memorial Trust).

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

(i) Financial instrument classification

The classification of financial instruments as 'basic' or 'other' requires judgement as to whether all applicable conditions are met. This includes a review of the form of the instrument and its return. All financial instruments, including loans, are currently classified as 'basic'.

(ii) Capitalisation of property improvement and development

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

(iii) Useful lives of properties and other fixed assets

The useful lives of properties and other fixed assets are reviewed at each reporting date and depreciation rates for asset categories adjusted accordingly if required.

(iv) Pension obligations

The provision for contributions payable in respect of past service deficits on the Trust's defined benefit pension scheme is calculated by the appointed actuary taking into account assumptions relating to the discount rate, inflation and increases in salaries and allowances.

(v) Identification and valuation of investment properties

The Group's property portfolio is reviewed annually to identify investment properties, which are those properties held to earn income or for capital appreciation rather than to be used for its charitable purposes. Properties no longer used for charitable purposes but retained until market conditions allow their disposal are not treated as investment properties, provided disposal is intended within a two-year window.

After initial recognition, investment property is measured at its fair value based either on valuation by The Salvation Army Property Department or by an independent valuer. In either case the valuer will hold a recognised and relevant professional qualification. The property will be valued at each subsequent reporting date.

(vi) Provisions in the insurance subsidiary company

Judgements and estimates are made in calculating the insurance technical provisions which are based on claims and premium trends from the previous year, in compliance with FRS 103.

(d) Income

- (i) Donations and Legacies – Donations are accounted for when received. No amounts are included in the financial statements for services by volunteers. Gift Aid receivable is included as income when the donation is made and where there is valid Gift Aid declaration from the donor.

Legacies income is recognised when it satisfies the following criteria:

- a) There is sufficient evidence of a legacy having been left to the organisation based on probate having been granted before the year end;
 - b) For pecuniary legacy interests, notification has been received from the executor. For residuary legacy interests, the Trust has received the confirmation of sufficient assets in the estate, in the form of either an assets and liabilities statements or estate accounts and there is no material known outstanding disputes. For all other types of legacy interests, the Trust has a reasonable estimate of the amount due. In each case this information is notified to the Trust by the date of signing the accounts;
 - c) Where a legacy is subject to the interest of a life tenant, the income will not be recognised until the death of the life tenant; and
 - d) Measurement of legacy income is exposed to inherent uncertainties represented by property and other investments whose value is subject to market fluctuations until realised. The Trust recognises this by using the latest available estate valuation information and allowing fluctuations with a provision against income of 10% per estate, based on historic trends.
- (ii) Investment Income – Dividends and interest are brought into account gross in the year for which they are received or receivable.
- (iii) Grants receivable are recognised on an accruals basis. Grants received in advance of entitlement conditions being met are deferred on the balance sheet. If amounts are receivable for specific purposes, the income is shown as restricted.
- (iv) Profits and losses on disposal of assets are reflected in the Statement of Financial Activities in the year of disposal.
- (v) Trading Income – Trading income is recognised at the point of sale for retail sales and at the time of distribution for wholesale unsorted clothing. Trading income also includes insurance income and Gift Aid through the shops.
- (vi) Premium income of the insurance subsidiary is recognised by reference to the period over which the premium is earned. Unearned premiums represent the proportion of premiums written in the year that relate to the unexpired terms of the policies in force at the balance sheet date, calculated on a time apportionment basis.
- (vii) Funds raised by local corps, including trading income, are deemed to be restricted for use in the local area, as the expectation of local donors is for monies to be used to fund local communities.

(e) Expenditure

Expenditure is charged on the accruals basis.

(i) Irrecoverable Value Added Tax is charged to the related expenditure.

(ii) Expenditure

- Costs of raising donations, legacies and grants consist of direct campaign appeal expenses and the running costs of the Fundraising Department.
- Cost of trading activities consists of cost of sales, distribution and operational costs and the claims costs of the insurance subsidiary.
- Charitable Activities consists of all expenditure relating to the objects of the charity including the costs of supporting charitable activities and projects.

Support costs, including governance, have been apportioned to each category of expenditure: number of Full Time Equivalent, equipment per headcount, transactions and buildings per cost centre.

(iii) The non-capital element of property schemes is written off in the year of completion, and a provision is made annually for schemes in progress. The capital element of such schemes not completed at the year-end is carried forward in the Balance Sheet under the heading of Property Schemes in Progress and is accounted for as a fixed asset.

(iv) Retired Officers Allowance Fund – This is a multi-employer charitable fund which operates in a similar way to a defined benefit pension fund. The assets and constructive liabilities cannot be separately identified and therefore the amount charged in the Statement of Financial Activities represents the contribution payable during the year in respect of current service and the total contributions payable (or movement in provision thereof) in respect of past service.

(v) Employees Pension Fund – This is a multi-employer pension fund where the assets and liabilities cannot be separately identified and therefore the amount charged in the Statement of Financial Activities represents the contribution payable during the year in respect of current service and the total contributions payable (or movement in provision thereof) in respect of past service. The actuarial valuation is done on a three-year cycle, and each year we designate an amount of money to meet the deficit at the end of the cycle.

(vi) The claims costs of the insurance subsidiary comprise claims paid in the period and the change in provisions for outstanding claims, including provisions for claims incurred but not reported. A separate estimate is made for the amounts that will be recoverable from reinsurers based on the gross provisions, having due regard to collectability.

(f) Fixed Assets

(i) Expenditure on the acquisition or improvement of property is reflected as a fixed asset, whereas costs of repairs and renewals to property are charged to the Statement of Financial Activities.

(ii) Expenditure on the acquisition of vehicles is capitalised and expenditure on computer equipment and other office equipment which exceeds £15,000 in value (individually or for groups of related assets) is capitalised and depreciated over its economic life.

(iii) In accordance with FRS 102 component accounting has been adopted for freehold and long leasehold properties. A property comprises of major components with substantially different useful lives. Depreciation is charged on major components so as to write off the cost of the components to their residual values, over their estimated useful lives, using the straight-line method, as follows

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

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

- (iv) Depreciation is provided on other tangible fixed assets at the following rates:
 - Motor Vehicles - 25% pa on cost
 - Office Equipment - 25% pa on cost
- (v) Goodwill arising on acquisition is amortised on a straight-line basis over the estimated useful life which has been estimated to be 10 years.
- (vi) Other intangible assets consist of patents and trademarks and are being amortised over their estimated useful life of 5 years.

(g) Investments

To comply with the Statement of Recommended Practice investments are included at market value (bid price). Unlisted investments are valued at the share of underlying net assets which equates to fair value. Investment properties have been valued by an internal property surveyor. Residential investment properties have been valued by reference to recent sales of similar properties in the area. Commercial investment properties have been valued by reference to their current rental income.

(h) Stocks

- (i) Stocks are valued at the lower of cost and net realisable value.
- (ii) The stock does not include any donated goods.

(i) Funds

- (i) The Property Fund represents monies already expended on the acquisition, construction and improvement of freehold and leasehold properties. Unrestricted designated funds which are applied for property purposes are categorised as restricted giving rise to a transfer during the year.
- (ii) The Endowment Funds are held for restricted purposes, where the income only is available to be used in accordance with the wishes of the donors.
- (iii) The Restricted Funds are held for restricted purposes, as specified by the donors.
- (iv) The Unrestricted Funds include: Designated Reserves held for particular purposes designated by the trustee in the exercise of its discretionary powers and General Reserve representing the net assets not designated for specific purposes.

2. MEMBERS' DONATIONS

This represents Salvationists' personal giving to support their local corps (church) and the work of The Salvation Army.

3. GRANTS RECEIVABLE

	Endowments	Restricted	Unrestricted	2023 Total	2022 Total
	£000	£000	£000	£000	£000
Government Grants Covid-19	-	-	12	12	539
Local Authority (incl Covid grants)	-	1,507	-	1,507	2,072
Trusts	251	1,540	74	1,865	2,148
	251	3,047	86	3,384	4,759

Local authority restricted grants include Covid-19 grants to support corps. This can be split further by government grants of £844k (2022: £944k), local authority grants of £452k (2022: £953k) and other grants of £211k (2022: £175k).

4. TRADING INCOME AND EXPENDITURE

	2023 £000	2022 £000
Local corps charity shops and other trading activities		
Income	12,644	10,442
Expenditure	(7,023)	(6,101)
	<u>5,621</u>	<u>4,341</u>
<p>Funds generated by corps are retained by the corps for use in the local area and are regarded as restricted for that geographical region.</p>		
Trading Subsidiaries		
Income (Note 6)	93,659	84,657
Expenditure (Note 6)	(88,057)	(77,020)
	<u>5,602</u>	<u>7,637</u>

5. INVESTMENT INCOME

	2023 £000	2022 £000
Dividends receivable	1,464	1,464
Interest receivable	1,105	114
Rental income from investment properties	402	197
Income from connected company	512	1,636
Investment Income of subsidiary companies (Note 6)	71	33
	<u>3,554</u>	<u>3,444</u>

6. NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARIES

The Salvation Army Trust has two wholly owned trading subsidiaries which are incorporated in the UK. The Salvation Army General Insurance Corporation Limited (SAGIC) transacts insurance business, mainly property insurance. The Salvation Army Trading Company Limited (SATCoL) deals with the collection and recycling of second-hand clothing donated by the general public and is engaged in publishing and the supply of Salvationist materials. Both companies make a qualifying donation of part of their profits to The Salvation Army Trust. Where profits are retained, it is for working capital needs and capital for the long-term development of the business. A summary of the trading results of the subsidiary companies for the year ended 31 March 2023 is shown below. Audited accounts of the companies have been filed with the Registrar of Companies.

	SAGIC	SATCoL	2023	2022
	£000	£000	Total £000	Total £000
Profit and Loss Account				
Trading Income	20,371	73,288	93,659	84,657
Cost of Trading Activities:				
Cost of Sales	(20,203)	(37,726)	(57,929)	(51,454)
Distribution Costs	-	(3,403)	(3,403)	(2,558)
Operating Costs	(468)	(26,428)	(26,896)	(22,960)
Other Income/(Costs) Including Taxation	53	118	171	23
Total cost of Trading Activities	(20,618)	(67,439)	(88,057)	(76,949)
Covid-19 Grant Income	-	12	12	539
Investment Income	71	176	247	51
Net Profit	(176)	6,037	5,861	8,228
Realised Losses on Investments	(30)	-	(30)	(21)
Unrealised Gains on Investments	(26)	-	(26)	(59)
Net Income for the year	(232)	6,037	(5,805)	8,148
Donation to The Salvation Army Trust	-	(4,788)	(4,788)	(6,060)
Retained in Subsidiary	(232)	1,249	1,017	2,088

7. CHARITABLE ACTIVITIES

	Direct Costs	Grants	Support Costs (Note 8)	2023 Total
	£000	£000	£000	£000
Church and Evangelism Programmes	38,081	-	13,740	51,821
Community Programmes	51,581	-	16,444	68,025
International Programmes	2,204	4,783	199	7,186
Training Programmes	5,435	-	1,674	7,109
Youth and Young People Programmes	849	-	1,736	2,585
Grant to Salvation Army Social Work Trust	-	22,373	-	22,373
	98,150	27,156	33,793	159,099

31 March 2022 Charitable Activities

	Direct Costs	Grants	Support Costs (Note 8)	2022 Total
	£000	£000	£000	£000
Church and Evangelism Programmes	28,175	-	11,958	40,133
Community Programmes	38,488	-	14,518	53,006
International Programmes	2,072	2,301	177	4,550
Training Programmes	3,763	-	1,507	5,270
Youth and Young People Programmes	697	-	1,640	2,337
Grant to Salvation Army Social Work Trust	-	23,547	-	23,547
	73,195	25,848	29,800	128,843

Church and Evangelism Programmes comprise Christian worship, teaching and promotion of the Christian message at corps, regional and national events.

Community Programmes are organised by our corps to meet the needs of their local communities. The programmes offered are available to all and include activities for children, young people, families and older people as well as assistance for those in need.

International Programmes comprise support to the work of The Salvation Army worldwide. This includes grants paid to The Salvation Army International Trust and to overseas Salvation Army territories for projects to alleviate poverty in local communities.

Training Programmes represent the cost of William Booth College which trains people to become Salvation Army officers and provides learning and development opportunities for employees and officers.

Youth and Young People Programmes represent the cost of work within The Salvation Army for young people and adults aged 12-25, and other nationally organised programmes.

Grant to The Salvation Army Social Work Trust comprises grants payable to support the running of Salvation Army Lifehouses, care homes and other programmes and other costs incurred in supporting social programmes.

Support Costs represent centrally supplied services.

8. SUPPORT COSTS

	Finance £000	HR £000	IT £000	Property £000	Communi- cation £000	Other £000	Legal & Secretarial £000	2023 Total £000	2022 Total £000
Fundraising Church & Evangelism Programmes	74	39	81	88	113	45	11	451	403
Community Programmes	1,864	1,991	3,022	2,592	2,851	1,148	272	13,740	11,957
International Programmes	2,425	2,151	3,217	3,099	3,710	1,488	354	16,444	14,518
Training Programmes	30	20	40	39	48	19	4	200	178
Youth & Young People Programmes	283	137	283	326	432	172	41	1,674	1,507
	388	42	88	332	594	234	57	1,735	1,640
	5,064	4,380	6,731	6,476	7,748	3,106	739	34,244	30,203
Total 2022	4,356	3,537	5,279	4,626	4,426	3,960	4,019	-	30,203

An analysis of governance costs included above, is set out in Note 9 below.

Fundraising support costs of £451k (2022: £403k) are included within this note but not within the support costs column presented in Note 7 as these costs are not included within Charitable Activities.

9. GOVERNANCE COSTS

(a) Absorbed within support costs were the following governance costs:

	2023 £000	2022 £000
External audit	119	116
Internal audit	489	301
Trustee expenses	-	-
Support costs allocated:		
Trustee indemnity insurance	32	28
Apportionment of directors' time	125	107
	766	552

(b) Group Auditor's Remuneration

	2023 £000	2022 £000
Audit of Charity	95	93
Audit of Subsidiaries	35	34
Total Audit	130	127
Audit Related Assurance Services	9	9
Non-Audit Accountancy Services	8	15
Total Fees	147	151

10. PERSONNEL

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

	2023 Headcount Number	2023 FTE Number	2022 Headcount Number	2022 FTE Number
Trust				
Number of Officers	832	705	880	745
Number of Employees	1,482	1,018	1,189	996
	2,314	1,723	2,069	1,741
Subsidiaries	1,012	752	943	701
Total	3,326	2,475	3,012	2,442

	Trust £000	Subsidiaries £000	2023 Total £000	2022 Total £000
Personnel Costs				
Allowances and Salaries	59,191	25,093	84,284	74,263
Redundancy Costs	182	-	182	257
Social Security Costs	5,401	2,131	7,532	6,325
Pension Fund Contributions (Current Service)	14,196	1,781	15,977	11,065
Retired Officers Allowance Fund Contributions (Past Service)	4,690	-	4,690	(26)
	83,660	29,005	112,665	91,884

Higher Paid Employees

The number of employees whose emoluments amounted to over £60,000 in the year was as follows:

	Trust No.	Subsidiaries No.	2023 Total No.	2022 Total No.
£60,001 – £70,000	34	-	34	27
£70,001 – £80,000	11	-	11	6
£80,001 – £90,000	2	-	2	3
£90,001 – £100,000	4	-	4	5
£100,001 – £110,000	3	2	5	5
£110,001 – £120,000	3	1	4	1
£120,001 – £130,000	-	1	1	-
£130,001 – £140,000	-	-	-	-
£140,001 – £150,000	-	-	-	2
£150,001 – £160,000	-	2	2	1
£160,001 – £170,000	-	-	-	1
£170,001 – £180,000	-	1	1	1
	57	7	64	51

Head of Provider Remuneration

The Head of the Provider (The William Booth College) is the Territorial Commander of The Salvation Army UK Territory with the Republic of Ireland and Chairman of the Salvation Army Trustee Company (SATCo). His remuneration in the current and previous year was as follows:

	2023	2022
Basic Allowance	12,984	12,240
Additional Allowances	9,248	8,679
Taxable Benefit	3,240	3,709
Total	25,472	24,628

In addition, in common with all Salvation Army serving officers, the Territorial Commander is provided with furnished accommodation. Salvation Army officers do not participate in a formal pension scheme but are members of The Salvation Army Retired Officers Allowance Fund which pays allowances on retirement, the amount of which is not guaranteed.

The salary of the Head of Provider is 0.84 times the median full-time equivalent salary of the Trust's officers and employees.

Key Management Personnel

The key management personnel of the Trust are those persons having authority and responsibility for planning, directing and controlling the activities of the Trust, directly or indirectly, including the directors of the Salvation Army Trustee Company as the Corporate Trustee of the Trust. The Trustee considers the key management personnel of the Trust to be the executive directors (officers and employees) of the Board. The total aggregate emoluments including pension contributions paid to key management personnel during the year was £238,766 (2022: £200,942)

11. TRUSTEES

(a) Emoluments:

The directors of The Salvation Army Trustee Company comprise Salvation Army officers and other external directors with specialist expertise. All active Salvation Army officers receive an allowance based on length of service and, as ministers of religion, are provided with furnished accommodation and a motor vehicle. The allowances received by the officers serving as directors ranged from £19,377.96 to £25,471.57 per annum and they did not receive any additional remuneration for their duties as directors. In addition to this the relatives of some Salvation Army officers are employed by The Salvation Army and are paid in accordance with the normal scale rates for the roles they perform.

(b) Expenses

No (2022: no) directors of The Salvation Army Trustee Company were reimbursed for travelling expenses, amounting to £0 (2022: £0).

12. PENSION AND SIMILAR COSTS

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

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

Amounts charged in respect of pension fund contributions for the year are disclosed in Note 10 above.

(a) SALVATION ARMY RETIRED OFFICERS ALLOWANCE FUND

The Salvation Army Retired Officers Allowance Fund was established by The Salvation Army Act 1963 under the legal name, The Salvation Army Officers Pension Fund. It is a registered charity and operates on the same basis as a defined benefit scheme, but the benefits are not guaranteed. It is non-contributory by the officer, but a contribution currently equivalent to £5,498 (2022: £4,870) per officer, per annum, is made by The Salvation Army. Officers in both principal Trusts (The Salvation Army Trust and The Salvation Army Social Work Trust) participate in the scheme and it is not possible to allocate the assets and constructive liabilities of the Fund between the Trusts. Therefore, the Fund is accounted for in a similar way as a multi-employer pension fund.

The Salvation Army Retired Officers Allowance Fund was subject to a triennial actuarial review on 31 March 2022, using the Attained Age Method, and this was based on the following principal assumptions:

Post-Retirement Discount Rate	2.9% per annum
Pre-Retirement Discount Rate	3.7% per annum
Rate of Increase in Allowances and Pensions	4.5% per annum
Rate of Inflation	4.0% per annum

The market value of the Scheme's assets at the valuation date amounted to £278.5m whereas the value of past service ongoing liabilities amounted to £247.1m revealing a funding surplus of £31.4m.

The Scheme Actuary will review the funding position each December to 31 March 2025.

As the Scheme has a funding surplus, no deficit funding provision is required.

(b) SALVATION ARMY EMPLOYEES PENSION FUND

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

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

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

The review was based on the following assumptions:

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

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

On 30 April 2023 the Scheme closed to future accrual for active members. Active members of the Fund as at 30 April 2023 are categorised as an 'Employed Deferred Member'. 'Employed Deferred Members' are entitled to a deferred pension from the Fund which will increase in line with statutory requirements. As part of the employer's proposal a link to your salary remains. This acts as an underpin so that if the final salary link was more valuable than inflation protection, the final salary link would prevail. If an Employed Deferred Member leaves employment before their retirement, the salary link will be broken. In this scenario the Employed Deferred Member's pension will be recalculated to reflect the better of salary increases or the rise of inflation. The recalculated deferred pension which has been accrued prior to 6 April 2009 will increase in line with 'deferred revaluation orders', broadly the increase in CPI each year, subject to a maximum of 5% per annum, for each complete year from the date of leaving until Normal Retirement Age.

13. INTANGIBLE FIXED ASSETS

	Goodwill £000	Other £000	Total £000
Goodwill			
Cost			
Balance at 1 April 2022	11,275	625	11,900
Additions	-	-	-
Balance at 31 March 2023	11,275	625	11,900
Accumulated Depreciation			
Balance at 1 April 2022	11,237	351	11,588
Charge for the year	38	122	160
Balance at 31 March 2023	11,275	473	11,748
Net Book Value at 31 March 2023	-	152	152
Net Book Value at 31 March 2022	38	274	312

Intangible fixed assets represent the goodwill arising on acquisition, by the Trust's subsidiary company SATCoL, of the business operations and net assets of Kettering Textiles Limited. The goodwill is being amortised over 10 years.

The £625K Other intangible assets represents patents and licences in the Trust's subsidiary SATCoL.

14. PROPERTIES

(a) Consolidated	Freehold £000	Long Leasehold £000	Short Leasehold £000	Total £000	Property Schemes In Progress £000
Cost					
Balance at 1 April 2022	424,924	42,460	229	467,613	39,373
Additions during the year	15,291	2,520	-	17,811	38,341
Transfer to investment properties	(703)	(239)	-	(942)	-
Schemes completed during the year	3,314	-	-	3,314	(3,314)
	442,826	44,741	229	487,796	74,400
Less: Disposals	(8,249)	(688)	-	(8,937)	(5,211)
Balance at 31 March 2023	434,577	44,053	229	478,859	69,189
Accumulated Depreciation					
Balance at 1 April 2022	145,162	12,611	227	158,000	-
Charge for the year	7,435	1,230	-	8,665	-
Less: Disposals	(3,046)	(236)	-	(3,282)	-
Transfer to investment properties	(286)	(96)	-	(382)	-
Balance at 31 March 2023	149,265	13,509	227	163,001	-
Net Book Value at 31 March 2023	285,312	30,544	2	315,858	69,189
Net Book Value at 31 March 2022	279,762	29,849	2	309,613	39,373

(b) Trust	Freehold £000	Long Leasehold £000	Short Leasehold £000	Total £000	Property Schemes In Progress £000
Cost					
Balance at 1 April 2022	423,067	37,774	229	461,070	39,373
Additions during the year	15,291	2,515	-	17,806	38,341
Transfer to investment properties	(703)	(239)	-	(942)	-
Schemes completed during the year	3,314	-	-	3,314	(3,314)
	440,969	40,050	229	481,248	74,400
Less: Disposals	(8,249)	(684)	-	(8,933)	(5,211)
Balance at 31 March 2023	432,720	39,366	229	472,315	69,189
Accumulated Depreciation					
Balance at 1 April 2022	144,865	12,160	228	157,253	-
Charge for the year	7,420	922	-	8,342	-
Less: Disposals	(3,046)	(236)	-	(3,282)	-
Transfer to investment properties	(286)	(96)	-	(382)	-
Balance at 31 March 2023	148,953	12,750	228	161,931	-
Net Book Value at 31 March 2023	283,767	26,616	1	310,384	69,189
Net Book Value at 31 March 2022	278,202	25,614	1	303,817	39,373

Trust properties comprise primarily corps halls, divisional and territorial headquarters buildings and residential properties for active and retired officers.

15. MOTOR VEHICLES AND EQUIPMENT

(a) Consolidated	Motor Vehicles £000	Office Equipment £000	Total £000
Cost			
Balance at 1 April 2022	614	30,064	30,678
Additions	2,162	7,509	9,671
Disposals	-	(100)	(100)
Balance at 31 March 2023	2,776	37,473	40,249
Accumulated Depreciation			
Balance at 1 April 2022	299	20,424	20,723
Charge for the year	210	2,742	2,952
Disposals	-	(68)	(68)
Balance at 31 March 2023	509	23,098	23,607
Net Book Value at 31 March 2023	2,267	14,375	16,642
Net Book Value at 31 March 2022	315	9,640	9,555

(b) Trust	Motor Vehicles £000	Office Equipment £000	Total £000
Cost			
Balance at 1 April 2022	614	4,361	4,975
Additions	328	2,401	2,729
Disposals	-	-	-
Balance at 31 March 2023	942	6,762	7,704
Accumulated Depreciation			
Balance at 1 April 2022	299	2,456	2,755
Charge for the year	104	694	798
Disposals	-	-	-
Balance at 31 March 2023	403	3,150	3,553
Net Book Value at 31 March 2023	539	3,612	4,151
Net Book Value at 31 March 2022	315	1,905	2,220

16. FIXED ASSET INVESTMENTS

(a) Consolidated	Investment Properties	Salvation Army Common Investment Funds		Unlisted Investments	Subsidiaries Listed Investments	Total
		Fund 1 £000	Fund 2 £000	£000	£000	£000
Market Value at 1 April 2022	14,847	5,633	216,541	10,735	1,983	249,739
Acquisitions	538	-	-	251	-	789
Gain/(Loss)	1,156	161	(111)	(1,519)	(164)	(477)
Disposals	(115)	-	-	-	(136)	(251)
Market Value at 31 March 2023	16,426	5,794	216,430	9,467	1,683	249,800
Historical Cost at 31 March 2023	1,006	2,963	126,700	9,966	3,263	143,898

(b) Trust Properties	Investment Common Investment	Salvation Army Investments		Unlisted Listed Investments	Subsidiaries	Total
		Funds				
		Fund 1 £000	Fund 2 £000			
Market Value at 1 April 2022	14,847	5,633	216,541	10,735	4,967	252,723
Acquisitions	538	-	-	251	-	789
Gain/(Loss)	1,156	161	(111)	(1,519)	-	(313)
Disposals	(115)	-	-	-	-	(115)
Market Value at 31 March 2023	16,426	5,794	216,430	9,467	4,967	253,084
Historical Cost at 31 March 2023	1,006	2,963	126,700	9,966	4,967	145,602

Unlisted Investments represent a 20% holding in William Leech (Investments) Limited. It is not considered to be an associated company and is valued in both the Trust and Consolidated Balance Sheets at share of underlying net assets which equates to its fair value.

	2023 £000	2022 £000
William Leech (Investments) Limited	9,465	10,733
Other	2	2
	9,467	10,735

Subsidiaries are accounted for at cost in the Trust Balance Sheet. The Consolidated Balance Sheet includes the subsidiaries' own listed investments.

Common Investment Funds

The Salvation Army Common Investment Funds hold a wide range of investments. The principal categories of investment and the relevant percentages held at the year-end were as follows:

	Fund 1	Fund 2
Cash	3%	2%
UK Equities	15%	16%
UK Property Funds	0%	0%
Overseas Investments	82%	82%

17. DEBTORS

	Consolidated		Trust	
	2023 £000	2022 £000	2023 £000	2022 £000
Connected Salvation Army Trusts and Companies	-	-	6,160	4,478
Taxation recoverable	1,430	1,205	603	673
Prepayments and accrued income	29,044	31,805	29,606	31,387
Other Debtors	14,494	27,344	4,502	12,888
	44,968	60,354	40,871	48,258

Included in accrued income above is an amount of £2,892k (2022: £2,940k) which is the deferred consideration due in connection with the sale of shares in Reliance Bank in 2018/19 and which is receivable after more than one year. As the proceeds will be received over an extended period of time, the deferred consideration has been discounted to the net present value, and the reduction in the debtor of £48k is the financing cost recognised in the SOFA for the current year.

18. CREDITORS: amounts falling due within one year

	Consolidated		Trust	
	2023 £000	2022 £000	2023 £000	2022 £000
Loans repayable within one year (secured)	28	46	28	46
Connected Salvation Army Trusts and Companies	8,263	7,780	14,422	12,258
Tax and Social Security	-	-	-	5
Creditors and Accruals	34,891	36,258	13,308	10,796
	43,182	44,084	27,758	23,105

19. CREDITORS: amounts falling due after one year

	Consolidated		Trust	
	2023 £000	2022 £000	2023 £000	2022 £000
Bank Loans (secured)	389	461	389	461

	Consolidated		Trust	
	2023 £000	2022 £000	2023 £000	2022 £000
Bank Loans				
<i>Repayable by instalments</i>				
Within one year	28	46	28	46
More than one year less than five years	107	159	107	159
More than five years	282	302	282	302
	417	507	417	507

	Consolidated		Trust	
	2023 £000	2022 £000	2023 £000	2022 £000
Pension Provision				
Balance Brought Forward	-	-	-	-
Contributions payable	-	(4,000)	-	(4,000)
Interest on pension obligation	-	(50)	-	(50)
Change in assumptions	-	24	-	24
Contributions paid in advance	-	4,026	-	4,026
	-	-	-	-

20. ENDOWMENTS (Consolidated and Trust)

	Balance 1 April 2022	Movement in Funds Income & Gains/(Losses)	Balance 31 March 2023
	£000	£000	£000
Permanent Endowments			
E.S. Brant	2,105	78	2,183
Sir James Reckitt Trust	822	19	841
W.J. Davis Trust	1,224	41	1,265
Other	1,440	24	1,464
	5,591	162	5,753
Expendable Endowments			
William Leech Fund	10,754	(1,269)	9,485
Total	16,345	(1,107)	15,238

The E.S. Brant Fund was formerly a separate Salvation Army Trust. Its purpose is evangelical work.

The Sir James Reckitt Fund was set up in 1916 for the benefit of the work of The Salvation Army in Hull. By administrative decision, the income is allocated as to 7/8ths for corps purposes and 1/8th for Men's Social Work.

The W.J. Davis Fund was set up in 1991 to support the work of the Midnight Patrol and the annual income is transferred to the Social Trust to fund this work.

The William Leech Fund was initially set up in 1955 with annual donations thereafter. It is represented by a 20 per cent holding of shares in William Leech (Investments) Limited, with the other shares held equally by four other Christian charities. The annual income is transferred to The Salvation Army International Trust as part of the United Kingdom Territory's contribution to the International Self-Denial Fund to help fund work in developing countries.

Comparative	Balance	Movement	Balance
	1 April 2021	in Funds	31 March 2022
	£000	Income & Gains/(Losses) £000	£000
Permanent Endowments			
E.S. Brant	2,099	6	2,105
Sir James Reckitt Trust	731	91	822
W.J. Davis Trust	1,184	40	1,224
Other	1,221	219	1,440
	5,235	356	5,591
Expendable Endowments			
William Leech Fund	12,317	(1,563)	10,754
Total	17,552	(1,207)	16,345

21. RESTRICTED PROPERTY FUND (Consolidated and Trust)

Funding of properties for charitable purposes

	Balance	Movement in Funds			Balance
	1 April 2022	Income	Expenditure	Transfers	31 March 2023
	£000	£000	£000	£000	£000
Consolidated and Trust	344,331	3,860	(8,367)	16,965	356,789
Comparative					
	Balance	Movement in Funds			Balance
	1 April 2021	Income	Expenditure	Transfers	31 March 2022
	£000	£000	£000	£000	£000
Consolidated and Trust	332,060	5,058	(6,139)	13,352	344,331

22. OTHER RESTRICTED FUNDS (Consolidated and Trust)

	Balance	Movement in Funds		Balance
	1 April 2022	Income & Transfers	Expenditure & Transfers	31 March 2023
	£000	£000	£000	£000
Corps funds	52,206	44,408	(42,954)	53,660
Legacy reserves	76,895	11,101	(7,352)	80,644
Trust funds	2,430	64	(159)	2,335
Specific donations	15,358	3,436	(4,708)	14,086
Consolidated and Trust	146,889	59,009	(55,173)	150,725

Comparative	Balance	Movement in Funds		Balance
	1 April 2021	Income & Transfers	Expenditure & Transfers	31 March 2022
	£000	£000	£000	£000
Corps funds	50,169	38,779	(36,742)	52,206
Legacy reserves	73,558	8,957	(5,620)	76,895
Trust funds	2,374	332	(276)	2,430
Specific donations	10,547	7,405	(2,594)	15,358
Consolidated and Trust	136,648	55,473	(45,232)	146,889

23. UNRESTRICTED FUNDS (Consolidated and Trust)

	2023	2022
	£000	£000
Designated Funds (i)	182,666	195,030
General Reserve (ii)	57,587	51,367
Trust	240,253	246,397
Non-charitable Trading Funds (iii)	22,799	21,714
Consolidated	263,052	268,111

(i) Designated Funds

The Unrestricted Funds of The Salvation Army include the following designated reserves which have been set aside by the directors for specific purposes:

	Balance	New	Utilised/	Balance
	1 April 2022	Designations	Realised	31 March 2023
	£000	£000	£000	£000
Property Purposes	69,345	-	(11,003)	58,342
Investment Property Unrealised Gains	15,323	-	(478)	14,845
Other Investments Unrealised Gains	82,955	-	(243)	82,712
Pension Reserve	4,647	-	(4,647)	-
Divisional Headquarters Reserves	6,564	-	(685)	5,879
Other	16,196	-	4,692	20,888
	195,030	-	(12,364)	182,666

(ii) General Reserve

This is required to fund the day-to-day needs of The Salvation Army.

(iii) Non-Charitable Trading Funds

This represents the profits retained in the trading subsidiaries to provide the working capital for their trading operations and capital for the long-term development of their businesses

Comparative	2022 £000	2021 £000
Designated Funds (i)	195,030	158,462
General Reserve (ii)	51,367	42,135
Trust	246,397	200,597
Non-charitable Trading Funds (iii)	21,714	19,624
Consolidated	268,111	220,221

Designated Funds	Balance 1 April 2021 £000	New Designations £000	Utilised/ Realised £000	Balance 31 March 2022 £000
Property Purposes	55,739	6,000	7,606	69,345
Investment Property Unrealised Gains	11,984	-	2,863	14,847
Other Investments Unrealised Gains	70,291	-	12,664	82,955
Pension Reserve	621	-	4,026	4,647
Divisional Headquarters Reserves	6,063	-	501	6,564
Other	13,764	2,000	908	16,672
	158,462	8,000	28,568	195,030

24. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Fund Balances at 31 March 2023 are represented by:

	Endowment Funds £000	Restricted Funds Property £000	Other £000	Unrestricted Funds £000	Total Funds £000
Intangible assets	-	-	-	152	152
Fixed assets	-	385,047	-	16,642	401,689
Investments	15,238	-	96,447	138,115	249,800
Current assets	-	(27,841)	53,655	151,920	177,734
Current liabilities	-	(28)	623	(43,777)	(43,182)
Long-term liabilities	-	(389)	-	-	(389)
Total Net Assets	15,238	356,789	150,725	263,052	785,804

Fund Balances at 31 March 2022 are represented by:

	Endowment Funds £000	Restricted Funds Property £000	Other £000	Unrestricted Funds £000	Total Funds £000
Intangible assets	-	-	-	312	312
Fixed assets	-	348,986	-	9,955	358,941
Investments	16,345	-	94,682	138,712	249,739
Current assets	-	(4,145)	52,207	163,167	211,229
Current liabilities	-	(49)	-	(44,035)	(44,084)
Long-term liabilities	-	(461)	-	-	(461)
Total Net Assets	16,345	344,331	146,889	268,111	775,676

25. CAPITAL COMMITMENTS

The directors are continuing the process of refurbishing and developing Salvation Army properties. At the Balance Sheet date contractual obligations entered by The Salvation Army Trust in respect of property capital schemes amounted to £38.6m (2022: £60.5m).

26. FINANCIAL COMMITMENTS

As at 31 March 2023 the total annual commitments under non-cancellable operating leases on vehicles and equipment and land and buildings are as follows:

	2023		2022	
	Land and Buildings £000	Vehicles and Equipment £000	Land and Buildings £000	Vehicles and Equipment £000
Expiring within 1 year	6,722	335	6,237	435
Expiring between 2 and 5 years	13,136	2,901	13,292	1,793
Expiring in over 5 years	5,457	-	4,351	-
	25,315	3,236	23,880	2,228

27. RELATED PARTY TRANSACTIONS

The Salvation Army Trust supports the work of other connected Salvation Army trusts through the payment of grants and these are set out in Note 7. Grants of £0.8 million were paid to The Salvation Army International Trust and overseas Salvation Army territories (2022: £1.4 million) and a grant of £22.4 million was paid to The Salvation Army Social Work Trust (2022: £23.5 million).

An overhead recharge of £10.2m (2022: £10.8m) was charged to The Salvation Army Social Work Trust during the year, representing that Trust's share of central overhead costs, specific to The Salvation Army Social Work Trust which were incurred by The Salvation Army Trust. In addition, recharges of £85k (2022: £68k) were charged to The Salvation Army Social Work Trust for hire of rooms at corps premises.

The Salvation Army Trust uses the banking services of Reliance Bank Limited which is a subsidiary of The Salvation Army International Trust. At the year end The Salvation Army Trust held balances of £99.5 million with Reliance Bank (2022: £120.3 million). Interest was earned on deposit balances on a normal commercial basis.

28. RECONCILIATION OF NET MOVEMENT OF FUNDS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2023 £000	2022 £000
Net Movement in Funds	10,128	69,195
Losses/(Gains) on Investments	369	(13,986)
Depreciation: Properties	8,665	4,196
Transfer to Investment Properties at NBV	560	250
Depreciation: Motor Vehicles and Equipment	2,952	2,286
Amortisation of Goodwill	160	1,296
Gain on Disposal of Properties	(12,681)	(20,817)
Investment Income	(3,554)	(4,491)
Decrease in Stocks	196	310
(Increase) in Debtors	15,386	(10,621)
(Decrease)/Increase in Creditors	(884)	10,387
(Decrease) in Pension provision	-	-
	<u>11,169</u>	<u>(31,190)</u>
Net Cash Inflow/(Outflow) from Operating Activities	<u>21,297</u>	<u>38,005</u>

29. 101 NEWINGTON CAUSEWAY

The developer who was acquiring the former United Kingdom and Ireland Territorial Headquarters (THQ) building based at 101 Newington Causeway, London, withdrew from the transaction forfeiting the deposit of £1.5m. The property is being re-marketed but in the meantime continues to be utilised for missional purposes.

30. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITY

As required by FRS 102 the SOFA set out below is the full analysis for the 2022 comparative.

	Endowment	Restricted	Unrestricted	2022 Total
	£000	£000	£000	£000
INCOME AND ENDOWMENTS FROM				
Donations, Legacies and Grants				
Legacies	-	8,924	57,354	66,278
Donations – Public	-	11,427	61,522	72,949
Donations – Members	-	16,485	132	16,617
Grants	231	3,970	558	4,759
Trading Activities	-	10,442	84,657	95,099
Investments	-	2,133	1,311	3,444
Other				
Gain on disposal of property	-	4,826	15,991	20,817
Other Income	-	1,806	185	1,991
Total Income	231	60,013	221,710	281,954
EXPENDITURE				
Raising Funds				
Costs of raising donations, legacies and grants	-	68	13,544	13,612
Costs of trading activities	-	6,101	77,020	83,121
	-	6,169	90,564	96,733
Charitable Activities				
Church and Evangelism Programmes	-	20,509	19,624	40,133
Community Programmes	-	31,021	21,984	53,005
International Programmes	-	1,338	3,213	4,551
Training Programmes	-	3	5,267	5,270
Youth and Young People’s Programmes	-	-	2,337	2,337
Grant to the Salvation Army Social Work Trust	-	-	23,547	23,547
	-	52,871	75,972	128,843
Financing Costs	-	-	1,169	1,169
	-	-	1,169	1,169
Total Expenditure	-	59,040	167,705	226,745
Gains/(Losses) on Investments	(1,438)	219	15,205	13,986
Net Income/(Expenditure)	(1,207)	1,192	69,210	69,195
Transfer between funds	-	21,320	(21,320)	-
NET MOVEMENT IN FUNDS	(1,207)	22,512	47,890	69,195
Fund balances brought forward	17,552	468,708	220,221	706,481
Fund balances carried forward at 31 March 2022	16,345	491,220	268,111	775,676



Charity Registration No: 214779 Scottish Charity Registration No: SC009359

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