

Charity number: 1145688

Forces in Mind Trust

Report and financial statements
For the year ended 31 December 2019

Forces in Mind Trust

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Forces in Mind Trust

Reference and administrative details

For the year ended 31 December 2019

Charity number	1145688	
Registered office	Alexandra House St Johns Street Salisbury SP1 2SB	
Operational address	Mountbarrow House 6-20 Elizabeth Street London SW1W 9RB	
Country of registration	England and Wales	
Trustee	FIM Trustee Ltd	
Principal staff	Ray Lock CBE	Chief Executive
	Tom McBarnet	Director of Programmes
	Dennis Treleaven	Interim Head of Policy (until February 2019)
	Caroline Cooke	Head of Policy (from February 2019)
	Rodrigo Voss	Operations Manager
	Kirsteen Waller	Research and Support Manager
	Clare Crookenden	Grants Manager
Bankers	Barclays Bank UK PLC 1st Floor 27 Soho Square London W1D 3QR	
Solicitors	Wilson's Solicitors LLP Alexandra House St Johns Street Salisbury SP1 2SB	

Forces in Mind Trust

Reference and administrative details

For the year ended 31 December 2019

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

Investment Managers Cazenove Capital Management Limited
1 London Wall Place
London
EC2Y 5AU

Sarasin and Partners
Juxon House
100 St. Paul's Churchyard
London
EC4M 8BU

The Forces in Mind Trust has a single corporate Trustee, FIM Trustee Limited.

The Directors of FIM Trustee Limited during the period 1 January 2019 to 9 June 2020 were:

Chair	H J R Pung	Chair of the Board
Director	A Bell	Member of the Finance and Investment Committee (from 25 September 2019)
Director	I Brown	Chair of the Programmes Committee (until 10 March 2020). Resigned 10 March 2020
Director	R S Campbell FCA	Chair of the Finance and Investment Committee
Director and Deputy Chair	Captain A S Cowan RD RNR	Member of the Governance Committee Resigned 7 March 2019
Director	Professor N Greenberg	Member of the Programmes Committee Resigned 30 May 2020
Director	R P Harries	Member of the Programmes Committee (from 16 August 2019). Chair of the Programmes Committee (from 11 March 2020)
Director	General Retd Sir John C McColl KCB CBE DSO	Member of the Governance Committee

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For the year ended 31 December 2019

Director	D Mills	Member of the Programmes Committee
Director	Air Vice–Marshal Retd The Hon D P Murray CVO OBE	Member of the Programmes Committee Resigned 10 March 2020
Director	A S D Reding	Member of the Programmes Committee
Director and Deputy Chair	N J Roberts	Member of the Grants and Commissioning Committee (until 7 March 2019), Member of the Governance Committee (from 7 March 2019) and Deputy Chair of Board (from 7 March 2019)
Director	R N Robson OBE	Member of the Finance and Investment Committee Resigned 24 September 2019
Director	Major General Retd M J Rutledge CB OBE	Member of the Finance and Investment Committee
Director	A C Ward	Chair of the Governance Committee

The Trust's Patron is Admiral of the Fleet Lord Boyce KG GCB OBE DL.

The Trust's Honorary President is Air Vice–Marshal Retd A J Stables CBE.

Chairman's introductory report

For the year ended 31 December 2019

The past year has seen the Forces in Mind Trust move firmly into the next phase of our transformation into a more outcomes-focused change organisation. Perhaps the most visible sign of this was the reframing of our Grants and Commissioning Committee to that of a Programmes Committee, which now has a specific focus on the Trust's six programmatic areas, which align with the six transition outcomes which we seek to influence. These, combined with a wider enabling programme, allow the Trust to effectively exercise a range of change mechanisms to facilitate beneficial impact to the community we serve.

Looking through this year's annual report, you will note there are a number of activities and grants focussed on achieving our mission. In their own way, each of these plays a part in helping to drive the impact that we seek to make. Some may be largely unseen by the general population or armed forces community, such as a toolkit to reduce recidivism in ex-Service personnel coming out of prison which was developed by the Probation Institute using a FiMT grant; others are more public and wide-reaching, as shown by a national campaign led by the Cobseo housing cluster to change how local authorities consider social housing for ex-Services personnel. Regardless of the approach, what ties them together is our desire to apply empiricism and evidence to improve policy and practice around transition.

Fundamental to our evidence-driven approach is the Forces in Mind Trust research centre based at Anglia Ruskin University. Both a repository for completed research on veterans' issues and a hub for ongoing studies, the research centre also compiles lay summaries of specific areas such as employment or housing. I would encourage visiting their website and engage with the research posted there. In 2019, the Trust also committed another five years of funding for our Mental Health Research programme. We will deliver this by working with our partners at the Centre for Mental Health and leading academics to commission rigorous research to help better understand and address issues of ex-Service member mental health. We have also continued to strengthen and build capacity in the armed forces charity sector over the past year by sponsorship of a second cohort of the sector to complete the Clore Social leadership programme as well as a number of individuals through other development initiatives.

But research in and of itself is not enough: the real measure of our impact is to be found in changes to policy, methods, and practice to make a tangible difference in the lives of ex-Service personnel and their families. Good examples of this impact include the Department for Work and Pensions more than doubling the number of 'veterans champions' in Job Centres based on research conducted by the University of Salford on welfare conditionality as well as the Ministry of Defence establishing a tri-service working group to improve challenges facing members of Commonwealth personnel and their families.

Any success of the Trust should be viewed as a collective effort, and I would like to express my gratitude and thanks to the excellent staff and volunteer directors of FiMT who each uniquely contribute to the realisation of our mission. I would particularly like to thank Robert Robson for the conclusion of a successful second tour as a FiMT director and to welcome Adrian Bell and Richard Harries onto the board. We were also delighted that Caroline Cooke joined us as our new

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Chairman's introductory report

For the year ended 31 December 2019

Head of Policy. She and the rest of the staff team continue to do an outstanding job driving positive impact in a professional way.

In the coming year, as the Trust continues to focus on improving the desired outcomes of transition from military service, we look forward to joining with others—delivery partners, researchers, service providers, policy and decision makers, and beneficiaries—in our continuing quest to help ex-Service members and their families make successful and sustainable transitions from the Armed Forces.

H J R Pung

Chairman, Forces in Mind Trust

Impact of global pandemic

This Report covers 2019 and was originally written before the onset of the global Covid-19 pandemic. A short description of how the Trust has been affected is included here to provide additional information.

In advance of the United Kingdom Government's 'lockdown', the Trust took steps to ensure the safety of its staff and Directors whilst maintaining business continuity. At the time of signing, all these measures remain in place, and a gradual return to some office-based working is not anticipated before September 2020.

The Trust contacted all its grant holders to offer assistance in the form of time delays, additional funding and alterations to publication plans. As a direct result of the pandemic, additional grants have so far been awarded of £48,806. Operating costs for mail redirection and facilitating home working have cost £3,230, this being more than offset by an office rent rebate of £5,916.

The Trust continues to play a significant role in helping the Armed Forces charities sector through the crisis, both in staff and financial support. The senior executives have led or contributed to a series of work streams, and have played a full role as a permanent member of Cobseo's Executive Committee. Consultancy services for data and communications to support various initiatives have been provided at a cost of £20,669.

The value of the Trust's medium-term portfolio has fallen in line with global markets. Market volatility was extraordinary during March, with daily moves in both directions of close to 10% on several occasions, something not seen since the 1930s. FiMT portfolios held by Cazenove and Sarasin lost 7.18% between 31 December 2019 and the end of April 2020, and further deterioration of global economic news is predicted.

Thanks to prudent planning and de-risking by the Board, over £6 million of cash instruments was available to maintain the Trust's full operations and grant awarding without liquidating any medium-term investments. Cash flow will be closely monitored as global markets respond, and the Board has amended the Investment Policy to allow cash instruments to be drawn down.

From an income perspective, widespread dividend cuts are expected, with some companies likely to withdraw completely from declaring dividends in 2020. For this reason, the 2020 budgeted investment income has been revised down by 44.4% (£252,000).

The Board conducted a mini-strategic review in late March, and confirmed its short and long-term approaches. Given the rapidly changing nature of the world at the moment, this will continue to feature at each Board meeting.

There are no other material effects, and the Trust remains a going concern.

Introduction

The Directors of the Trustee (FIM Trustee Limited) present their Report, together with the audited financial statements of Forces in Mind Trust for the year ended 31 December 2019.

Reference and administrative information set out on pages 1 to 3 forms part of this report. The financial statements comply with current statutory requirements, the charity's trust deed and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

The Directors would like to express their gratitude for the continued and considerable support and engagement of our Patron, Lord Boyce, and Protector, Simon Martin, whose insightful report we address subsequently.

Comment on Protector's Report

The Protector was appointed in November 2011 by the Big Lottery Fund; his role and responsibilities are fully described in his Report.

The Directors welcome, and are encouraged by, the comments contained in the Protector's Report. The Protector's attendance at Board and a selection of Committee meetings contributes positively to the Trust's development, and his considered advice complements the institutional memory he retains.

The Board is determined to improve its success in Diversity, Equity and Inclusion, both in Board composition and more widely across the full breadth of the Trust's operations. The Board is considering in detail the helpful report from the Association of Charitable Foundations and intends to develop a comprehensive development plan in 2020.

The Directors note and will heed the Protector's warning about discussions on Legacy detracting from the Trust's maximizing the potential of its programmatic approach. Such discussions will take place only sparingly at this stage.

Objectives and activities

Purposes and aims

Forces in Mind Trust (FiMT, or the Trust) is a registered charity which has as its charitable aims:

The prevention and relief of poverty, the protection of mental and physical health and the relief of sickness and need amongst serving and former serving members of the Armed Forces by means of the provision of mentoring, services, facilities and equipment to support their treatment,

rehabilitation, resettlement, education, training and employment and thereby support their transition to civilian life;

and

The protection of the mental and physical health, and the relief of poverty of the families and dependants of serving and former serving members of the Armed Forces in all cases for the benefit of the public.

Throughout this document, the concept of transition is as described above.

The Directors have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities, and are confident that the Trust's activities meet the Charity Commission's requirements with regard to public benefit. In particular, the Directors considered how the planned activities will contribute to the aims and objectives that have been set. In its seventh year of full operation (and eighth overall), FiMT has taken significant steps towards delivering the impact its Founder intended by building on the strong foundations laid in the first third of its planned life.

The conceptually well-targeted grant-giving programme has remained at the core of the Trust's activities, with an increasing emphasis on commissioning and co-creation versus responsive funding. In 2019, the Trust accelerated its 'Third Age' concept (see 2018 report) by vigorously adopting a programmatic approach characterized by greater coherence of funding, more proactive and impactful projects, and a more innovative use of the full range of **Change Mechanisms** focused on priority **Programmes**.

The Directors review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The Directors report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the Directors ensure the charity's aims, objectives and activities remained focused on its stated purposes.

Achievements and performance

The Trust's main activities and who it tries to help are described below. All its charitable activities focus on ex-Service personnel and their families and are undertaken to further FiMT's charitable purposes for the public benefit.

During 2019, the Trust reviewed its Change model and adjusted and confirmed the framework as below:

Our **Vision** is that all ex-Service personnel and their families lead fulfilled civilian lives.

Our **Mission** is to enable them (all ex-Service personnel and their families) to make a successful and sustainable transition.

Our six **Outcomes** (the ends we seek) are:

- Housing
- Employment
- Health
- Finance
- Criminal Justice System
- Relationships

and our four **Change Mechanisms** (the way we work) are:

- Knowledge and evidence
- Influence and convening
- Collaboration and leadership
- Capacity building

The Trust considered whether it was appropriate to retain the 'Health and Wellbeing' **Outcome** and concluded that Wellbeing should be treated as a universal attribute to which all other **Outcomes** would contribute, not just Health. Consequently, the Trust modified the Outcome to become Health, and began conceptual development of how to create an impact on, and measure, the Wellbeing of the Armed Forces Community. This work is not expected to conclude before the end of 2020.

During the year, the Trust made significant progress in developing and adopting its programmatic approach, a key part of its 'Third Age' concept (see 2018 report) manifest in its adoption of the programmatic approach. This has resulted in the gradual roll-out of 6 **Programmes**, each delivering an associated **Outcome**. In addition, a seventh 'Enabling' programme has been introduced that brings together projects which contribute to all **Outcomes**, for example Clore Social Leadership programmes and the Directory of Social Change's Armed Force Charities series.

The Trust's Strategy has not been changed and is as follows:

Our **Strategy** is to use our spend-out endowment to fund targeted, conceptually sound, evidence generation and influence activities that will cause policy makers and service providers to support our **Mission**, and to strengthen the Armed Forces charities sector through collaboration and leadership, and by building its capacity, in order to realize our **Vision**.

Grants and Commissioning Programme

During the period, 26 grant awards were made, in addition to a grant to provide the supporting infrastructure for the Mental Health Research Programme (previous period 29 plus infrastructure), listed below by organization. Other costs related to grants awarded totalling £153,612 (2018: £52,884) are also shown. Of these 26 awards, 17 (18) were for Knowledge and evidence, 4 (6) were for Influence and convening, 3 (3) were for Collaboration and leadership and 2 (2) was for Capacity building.

Full details of amounts and types of grant can be found at Note 5 to the financial statements and on the Trust's website (section 'who we have helped' <http://www.fim-trust.org/who-we-have-helped/>). Grants made in 2019, by organization title, were:

- University of Central Lancashire with the University of Salford. Understanding the transition to civilian life for ex-Service personnel with physical conditions as a direct result of Service or acquired whilst in Service
- The Poppy Factory. The Poppy Factory IPS Pilot for Wounded, Injured and Sick Veterans
- TimeBank. Shoulder to Shoulder Erskine Online
- Probation Institute. Detailing the specific needs of veterans who have committed serious offences of harm for informed probation practice
- King's College London (Stevelink). The evolution of post-traumatic stress disorder in UK Armed Forces Serving and ex-Serving personnel: a mixed methods exploration*
- King's College London, MOD and The Royal Foundation (Stevelink). The evaluation of the mental fitness initiative: an implementation study*
- King's College London (Sturt). A pilot RCT to evaluate the performance of a research protocol to compare Reconsolidation of Traumatic Memories (RTM) intervention vs Trauma-Focused CBT delivered by charities for veterans with PTSD*
- Cobseo Housing Cluster. Campaign to end Veterans' Homelessness
- Independent Review on Armed Forces Families
- GoodPeople. Skills Transfer and Employment Access Development Model
- King's College London (Williamson). Experiences and impact of moral injury in UK Armed Forces veterans, additional award*
- Clore Social Leadership. Experienced Leaders Programme 2020
- Deloitte Veterans Work 4 project
- Soldiering On, operated by X-Forces Enterprise. Soldiering On Award 2020
- RAND Europe. Improving the Financial Stability of Military Families

- King's College London (Sturt). An external pilot RCT to evaluate the performance of a research protocol to compare Reconsolidation of Traumatic Memories vs Trauma-Focused CBT delivered by charities for veterans with PTSD, additional award*
- Contact Group (Winstanley) Contact Group operations*
- King's College London (Stevellink). SLAM 2 Veteran Detection Tool Validation, additional award*
- Black Country Chamber of Commerce. Chamber of Commerce Military and Business Project
- King's College London (Leightley). An RCT to assess the efficacy of InDEx to reduce alcohol consumption in veterans at Combat Stress*
- King's College London. Lifetime offending by UK military personnel: A data linkage study
- SSAFA. Evaluation of Glasgow Helping Heroes: A model for providing co-ordinated, holistic support to ex-service personnel and their families
- Directory of Social Change. Armed Forces Charities Project 2020
- Cobseo Housing Cluster. Campaign to end Veteran's Homelessness, additional award
- Barnardo's. Assessment to understand the needs of imprisoned veterans and their families, additional award
- Clore Social Leadership. Cobseo Emerging Leaders Programme 2019–2020, additional award
- MHRP Infrastructure quarterly costs*

*Awards made through the Mental Health Research Programme

The impact of these grant awards will mainly be felt in subsequent years. The impact of previous years' grant awards, and also where appropriate those listed above, is described in the following section on Impact and Influence.

The total value of the 2019 awards, less other costs related to grants awarded but including Mental Health Research Programme infrastructure, was £2.574 million (previous period £2.265 million). Thus the annual award made by the Trust was very close to the £2.600 million target.

Total charitable expenditure for the year amounted to £3.497 million (previous period £3.141 million).

To support the move to the programmatic approach, in November 2019 the Trust reviewed and reconfigured its Grants and Commissioning Committee, renaming it the Programmes Committee. The new terms of reference did not change the Committee's delegated authority, but did change its approach towards monitoring, evaluating, informing and authorizing the Trust's programmes. A more efficient and coherent purpose to the Committee's work was immediately evident, and it will continue to develop with a formal review being undertaken together with the Governance Committee towards the end of 2020.

As an example of how this approach has been operationalized, under the guidance of the newly-established Director of Programmes, Employment was developed throughout the year. An external 'deep dive' was commissioned that identified where further work was required, and how the Trust

could make the greatest impact. A broad range of individual stakeholders were consulted and a Programme Reference Panel was convened to provide expert input into the evolving programme, framed by a supply/demand construct. A 'dashboard' was drawn up and reviewed by the Programmes Committee which brought together current and future projects, and fully integrated elements of policy and influence. This coherent programme is now routinely monitored and evaluated by Directors at Board and Committee levels, with resources being allocated accordingly. This approach has allowed the staff to work up innovative projects, such as the Autumn employment 'triptych' which comprised an industry event hosted by Roche UK, a senior leaders' dinner with a keynote speech from the Director of the Office for Veterans' Affairs, and in January 2020, the fourth event in the Veterans Work series attended by the Minister for Defence People and Veterans, and led by Deloitte. The coherence, collaboration and focus of this approach have resulted in significant improvements in the Trust's capability to influence policy makers and service providers, and hence its overall impact.

Impact and Influence

In last year's Annual Report, Directors described how 2019 was to signal a marked shift towards a programmatic approach, characterised by a coherence of projects in support of a particular outcome, a focus on measurable impact and a greater distribution of funding across all Change Mechanisms. Whilst this remains work in progress, the Trust has had a notable impact in many areas, and in many different ways. Examples of impact are:

- **Knowledge.** The increased knowledge and understanding of the challenges faced by serving and former serving Commonwealth personnel and their families, generated by a funded research study, caused the Ministry of Defence to instigate face-to-face and on-line financial learning and to establish a tri-Service working group to take forward the study's recommendations, and was used as the basis for a campaign backed by 165 MPs to stop unfair charges.
- **Evidence.** A funded study on welfare conditionality led to the Department of Work and Pensions allocating an additional £6 million to its network of 'veterans champions' in its Job Centres, increasing the number from 44 to 100 and so greatly improving the quality of service and hence employment prospects of ex-Service personnel.
- **Influence.** A funded campaign to educate local authorities in preventing veterans homelessness, in collaboration with the Cobseo housing cluster, which by the end of January 2020 had a reach of over 20 million, caused nearly 100 authorities (so far) to change their approach to social housing for ex-Service personnel.
- **Convening.** A meeting convened by the Trust brought together potential funders of the Armed Services Trauma Rehabilitation Outcome Study, a collaboration between the Defence Medical Rehabilitation Centre, Imperial College London and King's College London, which resulted in other funders committing £11 million to research into a wide range of outcomes

relating to serious combat injury that will provide unique information that will be essential to the care of survivors of serious injuries, military or otherwise, across the globe.

- **Collaboration.** A funded post within the mental health charities grouping 'Contact' enabled the unpaid voluntary chair to bring coherence to the work of Armed Forces and other mental health charities, from policy to service delivery, which contributed directly to improving ex-Service personnel's access to mental health services.
- **Leadership.** Core funding enabled a total of 21 emerging leaders and 6 experienced leaders to complete Clore Social leadership programmes, and a further 2 to attend Windsor Leadership Trust programmes, causing a long-term increase in the quality of leadership within the Armed Forces charities sector.
- **Capacity building.** A funded toolkit and associated training materials developed by the Probation Institute in collaboration with the National Probation Service increased the capacity of the criminal justice system to improve the outcomes for ex-Service personnel in transition back into civilian life after incarceration.

Throughout 2019, the work of Forces in Mind Trust was extensively cited, and the Trust's outputs contributed to the development of national policies, service delivery and the capacity of the military charities sector across the UK. The Trust's work featured in the annual Armed Forces Covenant report to Parliament and the consultation on the UK Government's 'Strategy for our veterans'. In addition, the Trust maintained strong connections with the devolved Scottish and Welsh Governments, and officials within Northern Ireland. When the UK Government announced the establishment of the Office for Veterans Affairs, the Trust was one of the first voluntary sector organizations to brief the Minister and Director.

At the 2019 Board awayday, the co-chairs of the Mental Health Research Programme, Professor Sir Simon Wessely and Chief Executive of the Centre for Mental Health, led a discussion with the Directors on progress and options for future work. The Directors welcomed the progress that had been made over the previous 12 months and noted that the Programme was on track to meet its 5-year funding target. In December 2019, the Trust decided to continue the Programme for a further 5 years after July 2020, but with a reduced annual awards target of £500k (2016-2019: £1 million). This reduced amount would be offset by the approval of Quality-related Research (QR) funding. Moreover, the Trust's impact on improving psychological wellbeing, one of its founding priorities, would be increased by the integration of Mental Health into the Trust's wider Health Programme. In recognition of the quality of the Mental Health Research Programme, the National Institute for Health Research awarded the Trust non-commercial partner status, which provides grant holders with access to health and social care infrastructure for research, training and accreditation.

A full description of the Trust's impact, influence and engagement can be found in the 2019 Impact Report <http://www.fim-trust.org/reports/>

Beneficiaries of our services

The beneficiaries of the Trust's services are former members of the United Kingdom's Armed Forces, and their families. The Trust's strategy of achieving impact through its four Change Mechanisms listed previously means that benefit is gained not by the direct provision of welfare, relief in need or other grants, but by the improvements made to the support and preventative work provided by the public, private and voluntary sectors.

Financial review

At the end of 2019 the Trust held total unrestricted charity funds of £27.193 million (2018: £27.216 million). Concerns about global market volatility receded and 2019 finished on a high, especially for global equities. The Finance and Investment Committee reviewed and decided to recommend to the Board (who agreed) to continue holding the level of 'cash instruments' which had been set at that required to maintain the Trust's current level of activity and grant awarding for a 2-year period without drawing down from the medium-term investment portfolios. At the close of 2019, a total of £6.754 million (2018: £7.178 million) was held by the investment managers in liquid funds. This is in addition to the instant access bank account holdings, described in the subsequent section on Reserves.

Draw down from medium-term funds totalled £4 million (2018: £3 million), and this, combined with stock market gains, led to the value of the portfolios managed by Cazenove and Sarasin reducing by £1.101 million to £30.044 million (2018: £31.145 million). As a result of drawdowns investment income fell to £624.5k (2018: £750k). With the Trust required to have spent out by November 2031, the Directors are satisfied that the planned Grants and Commissioning Plan, incorporating costs associated with monitoring and evaluation, is currently set at an appropriate level and that the Trust's other (ie non-grant awards) costs of £910k (2018: £965k) represent good value and reflect the Board's strategic intent to invest in increasing the Trust's impact.

As presaged in the 2018 Annual Report, the Trust conducted a review of its outsourced providers including audit, financial management, human resources and office accommodation and services, to ensure value for money. Only minor adjustments were found necessary.

Principal risks and uncertainties

During the course of the year, the Directors considered the major risks to which FiMT is exposed and the systems that it has to mitigate them. The Directors concluded that there are policies, procedures and systems in place to deal with the identified risks, which have been captured and are routinely managed through a comprehensive Risk Register.

The Board has assessed that the major strategic risk to FiMT is that it fails to have delivered sufficient impact at the end of its 20-year life. It is controlling that risk by implementing more impact-focused actions as part of the programmatic approach, and by considering its legacy, including consulting with stakeholders on expectations.

The Board has assessed that the major legal and regulatory compliance risk to FiMT is failure to keep abreast of regulatory changes. It is controlling that risk by a combination of advice and updates from professional advisers including Cobseo and other third sector organizations, and technical knowledge of the Board and staff, both of whom undergo regular relevant training. An internal Conformance Review Programme was launched to identify and review conformance with policies following a risk-based approach.

The Board has assessed that the major operational risk to FiMT is staff turnover and or unexpected absence resulting in under-staffing and loss of corporate knowledge. It is controlling that risk by enhancing the employment 'offer' and by growing the staff's ability to step up and cover for others. A full review of all roles and job descriptions was conducted in February 2020 to ensure remuneration is set at appropriate levels and hence support retention and, where necessary, recruitment.

The Board has assessed that the major financial risk to FiMT is that Equity market volatility causes encashment of medium-term investments at low values in order to maintain planned expenditure. It has controlled the risk through its investment policy as described later, by proactive engagement with FiMT's two Investment managers, and by the recruitment of 2 new lay advisers to the Finance and Investment Committee with investment expertise.

The Board has assessed that the major governance risk to FiMT is insufficient Board capacity or skills. It is controlling that risk by running active recruitment campaigns based upon a matrix of skills and experience.

The main uncertainty faced by FiMT is the level of grant and commission awards that will be made over the remainder of the Trust's 20-year life. To reduce this uncertainty, the Board conducts an annual strategic planning cycle, which comprises: a strategy awayday in Q1 which looks through to end-of-term; a 3-year strategic resourcing plan in Q3; and a one-year budget set in Q4. The move to a programmatic approach with more proactive and impactful projects in priority programmes will also enable a better control of this uncertainty.

Investment policy

The Investment Policy is based upon the ability to fund 24 months of operations and grant making at full planned rates without drawing down on medium-term investments. This equates to approximately £6m. There are therefore two objectives for each Investment Manager:

- To each maintain at all times £3m in cash instruments in separate segregated mandates. This has been achieved.
- To generate a real return of 3% annually over a rolling 5-year period from the remaining medium-term investments, after expenses and using CPI as the inflation measure. Over the last period returns were positive with Cazenove at 8.8% and Sarasin at 13.6%. Since inception, overall performance against target has been 25.5% for

Cazenove and 38.5% for Sarasin. The Finance and Investment Committee are closely monitoring this widening gap in Investment Managers' performance.

The Trust's Grants and Commissioning Plan and operating costs are funded both by investment income and cash withdrawal. This requires both Investment Managers to forecast investment income from (reducing) capital accurately and FiMT to give proper notice to Investment Managers of projected cash withdrawals required in the following 12 months at least.

At the end of the year, the Board approved the formal investment policy statement for 2020 in accordance with Charity Finance Group best practice.

Reserves policy and going concern

The Trust's reserves policy is to maintain 24 months of operating costs, committed grant payments, and future grant making at the full strategically planned rates in a combination of an instant access bank account and held by the Investment Managers as cash/cash instruments to ensure FiMT's ability to fulfil its Grants and Commissioning Plan. The balance of the funds is held by the Investment Managers in medium-term portfolios in accordance with the Investment Policy. The Directors consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Cash held in the instant access bank account is calculated so as to meet monthly cash flow forecasts and can be replenished at 24 hours' notice from Investment Manager's cash/cash instruments. At 31 December 2019, cash flow for January 2020 was forecast to be £760k and instant access bank account holdings were £1.092 million (31 December 2018 – £557k).

The Directors do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. Directors are aware that there are net current liabilities, but this is principally due to timing and the fact that liabilities are recognised in full for the following 12 months but there is no corresponding income recognised. In addition, the Trust has significant resources available in fixed asset investments which can be drawn down as required to fund working capital.

Plans for the future

The Trust intends to pursue with all vigour its programmatic approach. Having developed two Outcomes (Employment and Health) into full programmes, the Trust expects to roll out the remaining four (Housing, Finance, Criminal Justice System and Relationships) over the next two years. The importance of consulting and collaborating with others, producing robust policy statements, taking an innovative approach to Change Mechanisms, and evaluating impact are now thoroughly embedded in the Trust's work. The ability of the Trust to effect significant change depends upon its capability to influence others, and this requires a continued investment in evidence generation and proactive but evidence-based advocacy. The Trust intends to become more vocal, but no less evidence based and independent, and to exert greater influence through

its power to convene. Whilst these latter moves are staff intensive, the core grant-awarding work will be accelerated as the breadth of potential funding areas expands, and as the Trust focuses on projects that deliver significant impact. However, the Trust does not expect to ignore the service delivery charities, whose needs are relatively modest and where small evaluations can create substantial changes. The emphasis though will continue to move towards targeted co-creations and commissions, and away from the responsive awards that had dominated the Trust's grant giving in its early years.

The establishment of an 'Enabler' programme is an important move as it will highlight how some of the Trust's most impactful work is achieved, and allow success to be built upon through funding and other activities. There are likely to be synergies and connections not yet identified, and the move from a set of individual projects towards a coherent whole will reap rewards. Working up concepts such as a Strategic Trends study and an Armed Forces Community Wellbeing index, and drawing upon the Trust's experience in influence and convening, for example through party conferences and consultations at St George's House Windsor, will substantially increase the Trust's impact and ability to improve the lives of current and future ex-Service personnel and their families.

The decision to pursue a further 5-year Mental Health Research Programme as part of a wider Health Programme is a significant one as the Trust is the sole regular funder outside the Ministry of Defence of such work. The Trust intends to retain the expert Steering Group working with its strategic partner the Centre for Mental Health, and will put in place a new agreement in 2020.

The Trust has begun to consider what might be needed once its endowment has been spent out. The Board awaydays in 2019 and 2020 included wide-ranging discussions and prompted the commissioning of a report on the views of the Armed Forces community sector. The Trust intends to refine its options and work up a decision timeline. With the value of its endowment still substantially affected by equities on the stock market, the Trust recognizes that capital growth cannot be assumed for the rest of its planned life. It is important therefore to make decisions sufficiently early so as not to preclude any sensible options, whilst at the same time not being diverted and losing focus on the primary aim of the Trust over the next few years, which is to substantially reinforce the early success of the programmatic approach.

With the FiMT Research Centre approaching the midpoint of its 5-year funded period, the Trust intends to begin consideration of its future in mid-2020, with a view to making a formal decision in September 2021, one year before the end of the current contract.

The Trust is outward-looking in many other ways. Its staff support volunteering with a number being members of the Armed Forces Reserves or First Aid Nursing Yeomanry, as well as mentors and other charity trustees. Staff have attended external meetings of the Funder Commitment on Climate Change – a collaboration by funders who recognize that they can play a significant role in reducing their environmental impact. As a result, the Trust is designing an internal policy that will introduce the topic of climate change, discuss practical individual and organizational actions to

impact on climate change, and provide credible evidence to demonstrate why, and how, these actions make a difference.

Structure, governance and management

Forces in Mind Trust is an unincorporated charity registered as a charity on 31 January 2012. The Forces in Mind Trust was established under a sole corporate trustee, FIM Trustee Limited (Trustee), on 21 November 2011 and the Trust Deed was agreed between BIG (the Founder) and Trustee on 28 November 2011. BIG is now known as the National Lottery Community Fund.

All Directors give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in Notes 4 and 7 to the accounts.

The Board meets quarterly. The Protector of the Trust also attends Board meetings. The Board has three sub-committees, and has approved Terms of Reference and appointments for each. The Governance (bi-annually) and the Finance and Investment (quarterly) Committees meet regularly to review relevant issues, and to monitor the work of, and provide advice to, the Executive Team. The Programmes Committee (Grants and Commissioning Committee until November 2019) assesses and awards grants and commissions to applicants, advises on aspects of the Trust's influence planning and activity, and also supports the Executive Team as required in this activity. Awards exceeding £100,000 per annum or those 'considered novel and contentious' are referred to the full Board for approval. All three committees provide a written report to each Board meeting.

Throughout 2019, the Trust conducted its Mental Health Research Programme, constituted by a Steering Group under the remunerated co-chairmanship of the Centre for Mental Health and King's Centre for Military Health Research. The Steering Group provides expert advice to the Grants and Commissioning Committee and to the Executive Team, but has no grant awarding authority. One Director also sits in attendance at Steering Group meetings.

The Forces in Mind Trust Research Centre is governed by an Executive Committee, chaired by a nominated Trust Director. The Centre's full-time director, a University employee based at Anglia Ruskin University, works from the Trust's offices once a week and submits a formal quarterly report to the Board. The Centre is advised by a strategic panel and an advisory group.

The Directors have delegated day-to-day running of the Trust to the Chief Executive, Air Vice-Marshal Retd Ray Lock CBE.

During 2019 the Board instigated a 'Programme for conformance review' that addressed the top priorities for the Trust: Financial; Grant-making; and Operational. Directors were satisfied that financial risks are covered by the annual audit. An external consultant was engaged to conduct a review of the Trust's grants processes, producing a report that also contained recommendations for FiMT to achieve greatest impact, and an internal review of operational policies and procedures is currently underway and being assessed by the Governance Committee.

Appointment of Directors

At the start of the reporting period, the Board had 13 Directors, comprising the Chair (an independent Director), 5 Directors who were nominated by Cobseo, and 7 other independent Directors who ensure a wide range of skills and knowledge, listed previously. Two Directors stood down and 2 were recruited during this period. At the start of 2020, the Board held one vacancy. In June 2020, there are 4 vacancies (one Cobseo and 3 independents) with recruitment underway to fill the one Cobseo and one independent position. Directors are aiming for a Board size of 12 (5 Cobseo and 7 independent), consistent with Charity Governance Code best practice, and will use the 2 vacancies when appropriate to develop future members and improve diversity.

The Trust recognises and embraces the benefits of having an inclusive organization that makes good use of differences between Directors, staff and external partners. In this context, FiMT recognises such differences can include gender, race, national and ethnic origin, colour, religion, age, sexual orientation, marital and family status, and physical or mental disabilities, as well as differences in political and other beliefs. FiMT ensures that all individuals are provided with equal opportunities and seeks positively to create opportunities for those groups that may be disadvantaged. In 2020, the Trust will recruit a number of Directors to replace those leaving, and hopes particularly to improve the Board's geographical and gender diversity.

Director induction and training

New Directors (two this year) receive induction briefings from the Board and Committee chairs, the Protector and the Chief Executive in accordance with a continuously reviewed programme. Depending upon a new Director's experience, access to legal, trust and military expert briefings are also arranged as required. The Trust meets the full costs of such attendances. Departing Directors (two in 2019, two in March 2020) conduct 'exit' interviews with the Board Chair and Chief Executive.

Current Directors are offered attendance at a range of professional development events throughout the year, for which the Trust will pay. In particular, NCVO, ACEVO, ACF, Legal Adviser and Investment manager programmes are highlighted to Directors in the Trust's monthly Newsletter. The Operations Manager maintains a log of all such events attended by Directors.

The Board reviews its own performance and that of individual Directors, including the Chair. All Directors conduct an annual one-to-one discussion with the Board Chair, during which any training needs are identified. The Deputy Chair in turn discusses the Chair's needs. In addition, Directors are strongly encouraged to attend Committees of which they are not members, including the Mental Health Research Programme Steering Group, and it is expected that all Directors will attend a Programmes Committee meeting at least once during each term of office (3 years maximum).

External evaluation of collective Board performance was not considered necessary this year; the presence of the Protector at all Board meetings provided adequate independent review. In

addition, the independent view of the expert facilitator at the annual awayday were sought and confirmed the effectiveness of the Board in this setting.

Related parties and relationships with other organizations

The Trust has in place robust procedures for handling conflicts of interest. In particular, Directors and staff with a conflict of interest are not present when discussions are held and funding decisions are made in relation to that interest. The Trust maintains a full register of interests, which is brought to Directors' attention at every meeting, and is also available on the organization's website.

ABF – The Soldiers' Charity

The Chief Executive of ABF – The Soldiers' Charity is also a Director of FIM Trustee Limited. The FiMT Protector is also a Trustee of ABF – The Soldiers' Charity. FiMT has a lease with ABF – The Soldiers' Charity for room hire and premises services provided at Mountbarrow House. Rent and service charges in respect of this lease for the year to 31 December 2019 were £80,116 (2018: £75,414) and pass-through cost for postal and other services was £5,114 (2018: £3,571.55). Rent and services remain substantially below market rate and ABF – The Soldiers' Charity continues to act in the Trust's interests in its dealings with the Landlord, Grosvenor Estates.

Barclays Bank UK PLC

An employee of Barclays Bank UK PLC is also a Director of FIM Trustee Limited. At the year end, £241 (2018: £150) was paid for banking services to Barclays Bank UK PLC and Barclaycard.

Cobseo

The Executive Chair of Cobseo is also a Director of FIM Trustee Limited. Up to 5 members of the Board of Directors of FIM Trustee Limited are nominated by Cobseo and appointed by FiMT. There has been one direct transaction between FiMT and Cobseo. At the year end, £550 (2018: £520) membership fee was paid on behalf of FiMT. During the period Cobseo's Housing Cluster was awarded £202,517.00 for the Campaign to end Veterans' homelessness, coordinated by The Sir Oswald Stoll Foundation, and an additional £1,000 grant to Clore Social Leadership towards the programme 'Clore 6: Cobseo Emerging Leaders Programme 2019–2020' which provided benefit to Cobseo members, both described under Note 5 to the Financial Statements. Payments to Chairman of Cobseo were exclusively for personal expenses associated with his role as a Director of FIM Trustee Limited, and are included within Note 7 to the financial statements.

King's College London – King's Centre for Military Health Research

A Director of King's Centre for Military Health Research (KCMHR), which is a part of King's College London (KCL), is also a Director of FIM Trustee Limited. During the period, FiMT awarded 8 research contracts directly to KCL which are described under Note 5 to the Financial Statements, and which totalled £967,616.78 (2018: £604,002.03).

RAND Europe

The President (Chief Executive) of RAND Europe is also a Director of FIM Trustee Limited. During the period, FiMT awarded a grant to RAND Europe for the project 'Improving the Financial Stability of Military Families' which is described under Note 5 to the Financial Statements with a value of £99,497.75. In addition, FiMT contracted with RAND Europe for an event raconteur and the production of the event report at a cost of £5,830.80.

The Poppy Factory

The Chief Executive of the Poppy Factory is also a Director of FIM Trustee Limited. During the period, FiMT awarded £289,843.00 for the Poppy Factory IPS Pilot for Wounded, Injured and Sick Veterans, described under Note 5 to the Financial Statements. FiMT also paid to The Poppy Factory £100 towards venue hire for the FiM Trustee Limited Board meeting in December 2019.

The Sir Oswald Stoll Foundation

A Trustee of The Sir Oswald Stoll Foundation since 9 February 2018 and the Chair of Trustees from 29 November 2018 is also the Chief Executive of Forces in Mind Trust/FIM Trustee Limited. During the period the Foundation received, on behalf of Cobseo's Housing Cluster, £202,517.00 for the Campaign to end Veterans' homelessness described under Note 5 to the Financial Statements. The Director of Programmes/Deputy Chief Executive handled and continues to lead all aspects of the application, award, monitoring and evaluation of the project.

X-Forces Enterprise

One Director of FIM Trustee Limited supported an X-Forces Enterprise networking event in Glasgow, unremunerated. During the period, X-Forces Enterprise was awarded £15,000 for the 2020 Soldiering on Awards.

Remuneration policy for key management personnel

In March 2016, the Board adopted a formal remuneration policy based upon an incremental salary scale, benchmarked annually using a leading market provider (currently Croner Reward) to cover cost-of-living and market comparators. The Governance Committee recommends to the Board the

appropriate award for the forthcoming tax year. In March 2019, the Board accepted the Governance Committee's recommendations, all of which met the Policy requirements. The Policy will be formally reviewed after 5 years (for March 2021).

In addition to the annual salary review, the Trust also considers other employee benefits, where it is guided by sector comparators. All staff receive death-in-service insurance, and can take advantage of a cycle-to-work scheme and season ticket loan. An annual health screening was once again offered to all employees, who can also access a confidential employee hotline. Annual leave at 30 days (plus bank holidays) is above sector average, and the Trust offers flexible working and 'time off in lieu'. The Board uses all these factors to encourage retention.

In 2020 the Trust will move to a new and best practice staff appraisal system.

Statement of responsibilities of the Directors

The Directors are responsible for preparing the Directors' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Forces in Mind Trust

Directors' annual report

For the year ended 31 December 2019

The Directors' report has been approved by the Directors on 9th June 2020 and signed on their behalf by:

H J R Pung
Chair of the Board

Air Vice-Marshal Retd R Lock CBE
Chief Executive

Report of the Protector for the year ended 31 December 2019

Background

I was appointed as the Protector of the Forces in Mind Trust ("FIMT" or "the Trust") in November 2011 for a 5 year term. My appointment was extended in September 2016 for a further 5 years, expiring in November 2021.

Pursuant to the Trust Deed dated 28 November 2011 constituting the Forces in Mind Trust, I am required to prepare a statement for publication by the Trustee (FIM Trustee Limited) in its annual report, explaining the Protector's function, how the function has been exercised and, if appropriate, identifying any areas of administration which require improvement and steps to be taken by the Trustee to effect such improvement.

Protector's Function

The function of the Protector is to ensure that the Trustee administers the Trust properly and to protect the Trust property. The principal objects of the Trust are set out elsewhere in this document. The Trust property consists of a portfolio of investments and cash derived from an original settlement on the Trust by the Big Lottery Fund – now titled the National Lottery Community Fund ("the Fund") of £35 million. If necessary, the Protector must report matters of serious concern to the Fund or to the Charity Commission. The Protector therefore has a "watch-dog" role and must monitor the Trustee and prevent it from abusing its powers or breaching its duties. More positively, the Protector must seek to ensure, as far as possible, that the Trust is administered in accordance with the terms of the Trust Deed and give or withhold consent or approval to the exercise of certain powers by the Trustee.

How I have discharged the Protector's function

I attended the four board meetings held during the year and also joined the Board strategy away day which took place in February 2019. In addition, I have had a number of meetings with, and spoken to, the Chair, other directors and the Chief Executive of the Trust, as required, during the course of the year.

I have given advice on the interpretation and application of certain provisions in the Trust Deed during the course of the year. I have not been required to consider or approve any changes to the constitution of the Trust.

Administration and Governance of the Trust

I am satisfied that the Trust has been administered in accordance with the terms of the Trust Deed in the year to 31 December 2019.

I noted in my report last year that the executive team and the Governance Committee had completed a comprehensive review of the Board's operating practices and procedures against the principles and recommended best practice set out in the Charity Governance Code ("CGC"). I am satisfied that, save for the points noted in this report, the directors continue to comply with the principles of the CGC.

The Board of the Trustee

Two directors stepped down during the course of the year ended 31 December 2019. I am satisfied that there were no factors relating to the two resignations that have an impact on the operation or governance of the Trust.

Two new directors were appointed during the course of the year. One of the new directors was nominated by the Confederation of Service Charities ("Cobseo"), which has the right to nominate up to 5 individuals for appointment to the Board, and the second was appointed after an open recruitment process. At the end of the year, there were 13 directors in post, with one vacancy.

The Board and the executive team are mindful of the need to apply so far as possible the principles of the CGC. It remains the case that the Board does not meet in full the recommended guidance of CGC principle 6 (Diversity) in that the directors are white, predominantly male and mainly based in London or the South East, albeit with a broad and balanced range of relevant knowledge, skills and experience. I am aware that the Board and executive team have attempted to identify potential directors from more diverse backgrounds and these efforts must continue in the forthcoming trustee recruitment exercise that will be undertaken to fill anticipated vacancies arising in the current year. Having said this, I do not believe that the lack of diversity on the Board has inhibited the effectiveness of the Trust in pursuing its charitable objectives.

The Board has continued to operate in an engaged and challenging manner. Decisions are taken after open and constructive discussions, informed by the comprehensive Board papers provided by the executive team on a timely basis in advance of Board and Committee meetings. Minutes of Board and Committee meetings, with clear action points, are circulated promptly following meetings.

The administration of the Trust's activity is generally efficient and effective. There continues to be, in my view, an appropriate delegation of authority and workload from the full Board to the three functioning committees of the Board: the Finance and Investment Committee, the Programmes Committee (formerly the Grants and Commissioning Committee) and the Governance Committee. Reports from each of the Committees are presented at each Board meeting. Directors are encouraged to attend meetings of the Committees of which they are not members to better understand the work of those Committees.

Protector's report

For the year ended 31 December 2019

I am satisfied that there is also a proper division between the strategy setting, oversight and monitoring role of the Board and the day to day responsibilities of the executive team.

Attendance at Board and Committee meetings has been generally good and the commitment of the directors (all of whom are unpaid) to the work of Trust, both in attending Board and Committee meetings and supporting the executive team at conferences and other public events, is commendable.

The Legacy of FIMT

The Trust was established for a 20 year term. The Trust Deed requires the endowment (and all accrued income arising from the endowment) to have been spent or at least committed to be spent by November 2031. Although the end date is more than 11 years away, quite significant Board and executive team time and resource have been devoted over the course of the year in a review and discussion of what legacy FIMT might leave in 2031. This work has been prompted in part by the recognition that, notwithstanding the progress and successes of the FIMT over the last 8 years, the challenges faced by some former servicemen and women and their families, after their transition to civilian life, relating to employment, health and wellbeing, housing, finance, relationships and the criminal justice system, which FIMT seeks to help policy makers and service delivers to understand better and to alleviate, will not have been solved by the end of the life of the Trust. The Board commissioned an independent report from Meri Mayhew, former Head of Policy at FIMT, to identify, through a consultation exercise with stakeholders, what FIMT capability might need to endure beyond the fixed term. This is an important strategic debate and some useful initial conclusions were reached at the Board's recent 2020 strategy awayday. It is important, however, that the Board do not allow planning for life after the end of the Trust in 2031 to detract from the current work of FIMT and, in particular, from maximizing the potential of the programmatic approach adopted in the last 18 months and which is starting to show promising results.

The Executive Team

None of the activities, achievements and impact of the Trust in 2019, described elsewhere in this annual report, would be possible without the hard work and dedication of the loyal, experienced and adaptable executive team, capably led by Ray Lock, the Chief Executive of FIMT. The Trust is fortunate that the executive team has been stable throughout the financial year, allowing for continuity, consistency and progress.

Simon Martin

Protector, Forces in Mind Trust

Independent auditor's report

To the members of

Forces in Mind Trust

Opinion

We have audited the financial statements of Forces in Mind Trust (the 'charity') for the year ended 31 December 2019 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. 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:

- Give a true and fair view of the state of the charity's affairs as at 31 December 2019 and of its incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Charities Act 2011

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue

Independent auditor's report

To the members of

Forces in Mind Trust

Other information

The other information comprises the information included in the trustee's 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, except to the extent otherwise explicitly stated in our report, 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 in relation to which the Charities Act 2011 requires 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;
- 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 statement of trustee's responsibilities set out in the trustee's annual report, 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 have no realistic alternative but to do so.

Independent auditor's report

To the members of

Forces in Mind Trust

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustee
- Conclude on the appropriateness of the trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditor's report

To the members of

Forces in Mind Trust

Use of our report

This report is made solely to the charity's trustee as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustee 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 trustee as a body, for our audit work, for this report, or for the opinions we have formed.

16 June 2020

Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Forces in Mind Trust

Statement of financial activities

For the year ended 31 December 2019

	Note	Endowment £	Unrestricted £	2019 Total £	2018 Total £
Income from:					
Investments	3	628,687	–	628,687	750,107
Total income		628,687	–	628,687	750,107
Expenditure on:					
Raising funds		–	139,834	139,834	140,684
Charitable activities					
Knowledge and Evidence		–	2,687,322	2,687,322	2,547,161
Collaboration and Leadership		–	139,943	139,943	377,827
Influence and Convening		–	503,472	503,472	188,032
Capacity Building		–	166,650	166,650	27,909
Total expenditure	4	–	3,637,221	3,637,221	3,281,613
Net income / (expenditure) before net gains / (losses) on investments		628,687	(3,637,221)	(3,008,534)	(2,531,506)
Net gains / (losses) on investments	12	2,985,519	–	2,985,519	(1,845,788)
Net income / (expenditure)	6	3,614,206	(3,637,221)	(23,015)	(4,377,294)
Transfers between funds	17	(3,637,221)	3,637,221	–	–
Net movement in funds		(23,015)	–	(23,015)	(4,377,294)
Reconciliation of funds:					
Total funds brought forward		27,215,869	–	27,215,869	31,593,163
Total funds carried forward	17	27,192,854	–	27,192,854	27,215,869

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17 to the financial statements.

Forces in Mind Trust

Balance sheet

As at 31 December 2019

	Note	£	2019 £	2018 £
Fixed assets:				
Tangible assets	11		4,320	7,200
Investments	12		30,044,107	31,144,644
			<u>30,048,427</u>	<u>31,151,844</u>
Current assets:				
Debtors	13	5,044		21,737
Cash at bank and in hand		1,091,931		557,180
		<u>1,096,975</u>		<u>578,917</u>
Liabilities:				
Creditors: amounts falling due within one year	14	(2,485,553)		(2,137,633)
Net current liabilities			<u>(1,388,578)</u>	<u>(1,558,716)</u>
Total assets less current liabilities			<u>28,659,849</u>	<u>29,593,128</u>
Creditors: amounts falling due after one year	15		(1,466,995)	(2,377,259)
Total net assets	16		<u>27,192,854</u>	<u>27,215,869</u>
The funds of the charity:				
Endowment funds			27,192,854	27,215,869
Unrestricted general funds			-	-
Total charity funds	17		<u>27,192,854</u>	<u>27,215,869</u>

Approved by the trustee on 9 June 2020 and signed on their behalf by

H J R Pung
Chairman of the Board

Air Vice-Marshal R Lock
Chief Executive

Forces in Mind Trust

Statement of cash flows

For the year ended 31 December 2019

	Note	2019 £	£	2018 £	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)		(23,015)		(4,377,294)	
Dividends, interest and rent from investments	3	(628,687)		(750,107)	
Losses/(gains) on investments		(2,985,519)		1,845,788	
Decrease/(increase) in debtors		16,693		(21,445)	
(Decrease)/increase in creditors		(562,344)		(615,855)	
Net cash used in operating activities			(4,182,872)		(3,918,913)
Cash flows from investing activities:					
Dividends and interest from investments		628,687		750,107	
Depreciation of fixed assets		2,880		2,880	
Proceeds from sale of investments		7,725,578		7,243,548	
Purchase of investments		(3,379,342)		(3,958,641)	
Cash movement within investment portfolio		(260,180)		(175,774)	
Net cash provided by investing activities			4,717,623		3,862,120
Change in cash and cash equivalents in the year			534,751		(56,793)
Cash and cash equivalents at the beginning of the year			557,180		613,973
Cash and cash equivalents at the end of the year			1,091,931		557,180

1 Accounting policies

a) Statutory information

Forces in Mind Trust is an unincorporated charity, registered with the Charity Commission in England and Wales.

The registered office address is Mountbarrow House, 6–20 Elizabeth Street, London, SW1W 9RB.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 October 2019) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (March 2018) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a ‘true and fair’ view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a ‘true and fair view’. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Key judgements that the charity has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether ‘capital’ grants or ‘revenue’ grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

1 Accounting policies (continued)

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

The expendable endowment fund provided by the Big Lottery Fund will be used over a 20 year period to support the charitable activities of the Trust. In accordance with the Trust Deed, the whole of the Trust Fund and Income will have been applied in furtherance of the charitable objectives by 28 November 2031. Transfers are made from the endowment fund to cover expenditure incurred during the year by the Trust

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to investment manager fees
- Expenditure on charitable activities includes the costs of grant making undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1 Accounting policies (continued)

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

● Knowledge and Evidence	50%
● Collaboration and Leadership	3%
● Influence and Convening	9%
● Capacity Building	3%
● Cost of raising funds	10%
● Governance costs	25%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with the constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Grants payable

Grants payable are charged to the Statement of Financial Activities in the year in which the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Multi-year grants are fully accounted for in the year the grant is approved. Payments falling due in later years are provided for as a liability on the balance sheet. This reflects the Trust's experience that only in exceptional circumstance are approved grants subsequently not paid.

l) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £5,000, including VAT. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. Software is assumed to have a useful economic life of five years and depreciated on that basis on a straight line basis. Assets not yet in use but which are expected to be utilised in future are held at cost until they are brought into use.

n) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

1 Accounting policies (continued)

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

With the exception of the listed investments described above, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

r) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

s) Pensions

The charity makes payments to defined contribution pension schemes on behalf of employees. The assets of the schemes are held separately from those of the charitable company in independently administered funds. The pension cost charge represents contributions payable to the funds during the year. The charity has no liability under the schemes other than the payment of those contributions.

2 Detailed comparatives for the statements of financial activities

	Endowment £	Unrestricted £	2018 Total £
Income from:			
Investments	750,107	–	750,107
Total income	750,107	–	750,107
Expenditure on:			
Raising funds	–	140,684	140,684
Charitable activities	–	3,140,929	3,140,929
Total expenditure	–	3,281,613	3,281,613
Net income / expenditure before gains / (losses) on investments	750,107	(3,281,613)	(2,531,506)
Net (losses) / gains on investments	(1,845,788)	–	(1,845,788)
Net income / expenditure	(1,095,681)	(3,281,613)	(4,377,294)
Transfers between funds	(3,281,613)	3,281,613	–
Net movement in funds	(4,377,294)	–	(4,377,294)
Total funds brought forward	31,593,163	–	31,593,163
Total funds carried forward	27,215,869	–	27,215,869

3 Income from investments

	2019 Total £	2018 Total £
Income from investments	624,651	749,617
Bank interest	4,036	490
	628,687	750,107

All income from investments is allocated to endowment funds.

Forces in Mind Trust

Notes to the financial statements

For the year ended 31 December 2019

4a Analysis of expenditure (current year)

	Charitable activities							2019 Total £	2018 Total £
	Cost of raising funds £	Knowledge and Evidence £	Collaboration and Leadership £	Influence and Convening £	Capacity Building £	Governance costs £	Support costs £		
Staff costs (Note 7)	40,175	241,031	12,521	43,824	15,651	118,850	85,929	557,981	488,745
Recruitment costs	-	-	-	-	-	-	3,223	3,223	49,548
Travel and subsistence	-	20,283	1,054	3,688	1,317	4,471	-	30,813	28,044
Grants payable (Note 5)	-	2,094,355	109,140	395,659	128,146	-	-	2,727,300	2,317,578
Investment manager's fees	50,081	-	-	-	-	-	-	50,081	57,694
Advisors' fees and expenses	-	-	-	-	-	15,149	-	15,149	15,179
Auditors' remuneration	-	-	-	-	-	8,690	-	8,690	7,064
Premises costs	-	-	-	-	-	-	79,018	79,018	78,633
Legal and professional fees	-	77,835	4,043	14,152	5,054	-	-	101,084	96,027
Marketing and communications	-	1,649	86	300	107	-	-	2,142	115,743
Directors' expenses	-	-	-	-	-	6,322	-	6,322	3,953
Office costs	-	-	-	-	-	-	55,418	55,418	23,405
	90,256	2,435,153	126,844	457,623	150,275	153,482	223,588	3,637,221	3,281,613
Support costs	22,359	111,906	5,813	20,347	7,267	55,896	(223,588)	-	-
Governance costs	27,219	140,263	7,286	25,502	9,108	(209,378)	-	-	-
Total expenditure 2019	139,834	2,687,322	139,943	503,472	166,650	-	-	3,637,221	
Total expenditure 2018	140,684	2,547,161	377,827	188,032	27,909	-	-		3,281,613

In 2019, as part of the Trust's strategic shift towards greater impact, spend on routine marketing and communications fell markedly. However, work by our outsourced provider Amazon PR, together with in-house costs, continued, this work now directly delivering one of our Outcomes via Change Mechanism 2 (Influence and convening), and therefore being included in Influence as a component of costs of grant making.

4b Analysis of expenditure (prior year)

	Charitable activities							2018 Total £
	Cost of raising funds £	Knowledge and Evidence £	Collaboration and Leadership £	Influence and Convening	Capacity Building £	Governance costs £	Support costs £	
Staff costs (Note 7)	35,190	222,090	32,902	16,451	2,742	104,103	75,267	488,745
Recruitment costs	-	-	-	-	-	-	49,548	49,548
Travel and subsistence	-	17,709	2,624	1,312	219	6,180	-	28,044
Grants payable (Note 5)	-	1,880,248	279,025	138,630	19,675	-	-	2,317,578
Investment manager's fees	57,694	-	-	-	-	-	-	57,694
Advisors' fees and expenses	-	-	-	-	-	15,179	-	15,179
Auditors' remuneration	-	-	-	-	-	7,064	-	7,064
Premises costs	-	-	-	-	-	-	78,633	78,633
Legal and professional fees	-	77,782	11,523	5,762	960	-	-	96,027
Marketing and communications	-	93,752	13,889	6,945	1,157	-	-	115,743
Directors' expenses	-	-	-	-	-	3,953	-	3,953
Office costs	-	-	-	-	-	-	23,405	23,405
	92,884	2,291,581	339,963	169,100	24,753	136,479	226,853	3,281,613
Support costs	22,685	119,438	17,695	8,847	1,475	56,713	(226,853)	-
Governance costs	25,115	136,142	20,169	10,085	1,681	(193,192)	-	-
Total expenditure 2018	140,684	2,547,161	377,827	188,032	27,909	-	-	3,281,613

Forces in Mind Trust

Notes to the financial statements

For the year ended 31 December 2019

5 Grant making

		2019 £	2018 £
Creditors at the start of the year		4,450,143	5,075,927
Grants awarded in the year (Note 4 and detailed below)		2,573,688	2,264,692
Costs related to monitoring and evaluation of grants awarded		153,612	52,886
Grants paid		(3,283,661)	(2,943,362)
Total creditors at the end of the year		<u>3,893,782</u>	<u>4,450,143</u>
Creditors due within one year (Note 14)		2,426,787	2,072,884
Creditors due in over one year (Note 15)		1,466,995	2,377,259
Total creditors at the end of the year		<u>3,893,782</u>	<u>4,450,143</u>
		2019	2018
		£	£
Grants awarded in the year:	Charitable Activity		
University of Central Lancashire with the University of Salford. Understanding the transition to civilian life for ex-Service personnel with physical conditions as a direct result of Service or acquired whilst in Service	Knowledge and Evidence	149,625	-
The Poppy Factory. The Poppy Factory IPS Pilot for Wounded, Injured and Sick Veterans	Knowledge and Evidence	289,843	-
TimeBank. Shoulder to Shoulder Erskine Online	Knowledge and Evidence	143,281	-
Probation Institute. Detailing the specific needs of veterans who have committed serious offences of harm for informed probation practice	Knowledge and Evidence	80,404	-
King's College London (Stevelink). The evolution of post-traumatic stress disorder in UK Armed Forces Serving and ex-Serving personnel: a mixed methods exploration*	Knowledge and Evidence	83,162	-
Brian Parry (St Georges)	Knowledge and Evidence	(9,779)	
RAND Europe 2017	Knowledge and Evidence	(12,461)	
King's College London, MOD and The Royal Foundation (Stevelink). The evaluation of the mental fitness initiative: an implementation study*	Knowledge and Evidence	92,757	-
King's College London (Sturt). A pilot RCT to evaluate the performance of a research protocol to compare Reconsolidation of Traumatic Memories (RTM) intervention vs Trauma-Focused CBT delivered by charities for veterans with PTSD*	Knowledge and Evidence	318,114	-
Cobseo Housing Cluster. Campaign to end Veterans' Homelessness	Influence and Convening	197,450	-
Independent Review on Armed Forces Families	Knowledge and Evidence	6,000	-
GoodPeople. Skills Transfer and Employment Access Development Model	Knowledge and Evidence	87,140	-
King's College London (Williamson). Experiences and impact of moral injury in UK Armed Forces veterans, additional award*	Knowledge and Evidence	16,790	-
Clore Social Leadership. Experienced Leaders Programme 2020	Collaboration and Leadership	21,000	-
Deloitte Veterans Work 4 project	Influence and Convening	25,000	-
Behavioural Insights Team - research into engagement of families preparing for transition	Knowledge and Evidence	-	(21,885)
Soldiering On, operated by X-Forces Enterprise. Soldiering On Award 2020	Collaboration and Leadership	15,000	-
RAND Europe. Improving the Financial Stability of Military Families	Knowledge and Evidence	99,498	-
Sub-total carried forward		<u>1,602,824</u>	<u>(21,885)</u>

Notes to the financial statements

For the year ended 31 December 2019

5 Grant making (continued)	Charitable Activity	2019 £	2018 £
Grants awarded in the year:			
Sub-total brought forward		1,602,824	(21,885)
King's College London (Sturt). An external pilot RCT to evaluate the performance of a research protocol to Contact Group (Winstanley) Contact Group operations*	Knowledge and Evidence	10,800	-
King's College London (Stevlink). SLAM 2 Veteran Detection Tool Validation, additional award*	Capacity Building	50,500	-
Black Country Chamber of Commerce. Chamber of Commerce Military and Business Project	Knowledge and Evidence	15,186	-
King's College London (Leightley). An RCT to assess the efficacy of InDEX to reduce alcohol consumption in King's College London. Lifetime offending by UK military personnel: A data linkage study	Collaboration and Leadership	128,146	-
SSAFA. Evaluation of Glasgow Helping Heroes: A model for Directory of Social Change. Armed Forces Charities Project	Knowledge and Evidence	310,144	-
Cobseo Housing Cluster. Campaign to end Veterans' Homelessness, additional award	Knowledge and Evidence	120,664	-
Stoll Housing – House of Lords Launch Event	Knowledge and Evidence	112,074	-
Soldiering on through life Trust, 2019	Knowledge and Evidence	125,825	-
SeAp – Evaluation Project for seAp Military Advocacy Service (mAs)	Influence and Convening	5,067	-
Barnardo's. Assessment to understand the needs of imprisoned veterans and their families, additional award	Influence and Convening	-	4,530
University of Swansea – Gambling Participation, Financial Management and Healthcare Costs in ex-Service Personnel	Influence and Convening	-	18,000
Cardiff University – Phase II Randomised Controlled Trail of 3MDR for Treatment Resistant Post Traumatic Stress Disorder (PTSD) in Military Veterans – Additional award	Knowledge and Evidence	-	126,872
Probation Institute – Meeting the needs and providing effective services for ex-Service personnel serving criminal sentences in the community – Additional award	Knowledge and Evidence	14,530	91,707
St George's House 2018	Knowledge and Evidence	-	279,503
NatCen – The mental health needs of serving and ex-Service personnel: A review of the latest evidence and key stakeholder perspectives.	Knowledge and Evidence	-	47,980
University of Warwick, Institute for Employment Studies – Senior Non-Commissioned Officers and employment after leaving the UK Armed Forces	Influence and Convening	-	41,500
King's College London – Experiences and impact of moral injury in UK veterans	Influence and Convening	(7,006)	30,000
King's College London – Experiences and impact of moral injury in UK veterans	Knowledge and Evidence	-	95,877
Edinburgh Napier University – Posttraumatic Stress Disorder (PTSD) and Complex PTSD in Military Personnel	Knowledge and Evidence	-	111,352
University of Sunderland – The Mental Health Status and Motivations of Ex-Services Personnel Who Use Performance and Image Enhancing Drugs: A Scoping Study	Knowledge and Evidence	-	168,813
Galahad SMS – "Fall Out": Substance misuse and service leavers: an investigation into the impact of a CDT (drug) discharge on drug misuse and mental health	Knowledge and Evidence	-	(71,649)
University of Glasgow – Trends in Scottish Veterans' Health	Knowledge and Evidence	-	97,444
		-	42,357
		-	(62,100)
		-	182,265
Sub-total carried forward		2,488,754	1,182,566

Forces in Mind Trust

Notes to the financial statements

For the year ended 31 December 2019

5 Grant making (continued)	Charitable Activity	2019 £	2018 £
Grants awarded in the year:			
Sub-total brought forward		2,488,754	1,182,566
Windsor Leadership Trust – Sector Leadership Programme	Collaboration and Leadership	–	11,200
YouGov – Military veterans research (qualitative element)	Influence and Convening	–	32,280
Wrexham Glyndwr University – Dissemination proposal for ‘Leaving the Armed Forces and Living as a Civilian: An exploratory study of everyday decision making.’	Collaboration and Leadership	–	21,681
Army Families Federation – Tri-Service Families’ Transition Project – Additional Award	Capacity Building	–	11,596
Walking With The Wounded – NHS Consultation	Knowledge and Evidence	–	5,000
NatCen – The mental health needs of serving and ex-Service personnel: A review of the latest evidence and key stakeholder perspectives. – Additional Award	Knowledge and Evidence	–	46,256
NatCen – The mental health needs of serving and ex-Service personnel: A review of the latest evidence and key stakeholder perspectives. – Additional Award	Knowledge and Evidence	–	(15,313)
Clore Social Leadership. Cobseo Emerging Leaders Programme 2019–2020, additional award	Collaboration and Leadership	1,000	240,000
King’s College London – The utility and feasibility of data extraction from patient case registers to identify treatment pathways for veterans who access secondary mental health care services: A follow up study	Knowledge and Evidence	–	78,216
King’s College London – Mental health and treatment needs of UK ex-serving personnel – Additional award	Knowledge and Evidence	–	22,882
Army Families Federation – Tri-Service Families’ Transition Project – Additional Award	Capacity Building	–	7,645
Charnwood Borough Council – upskilling and training programme	Influence and Convening	–	7,900
Deloitte – Veterans Work 2	Knowledge and Evidence	–	20,000
King’s College London – Employment trajectories of UK Service leavers	Knowledge and Evidence	–	183,929
King’s College London – MIND Fitness: Development and Feasibility Assessment of a Mental Health Support Toolkit for Military Veterans	Knowledge and Evidence	–	221,811
University of York – Developing Peer Support for Families of Veterans with Substance Use Problems	Knowledge and Evidence	–	108,713
University of Portsmouth – Evaluating Veteran Outreach Support in Portsmouth for Effectiveness & Cost Effectiveness	Knowledge and Evidence	–	(12,847)
MHRP Infrastructure Quarterly Costs	Knowledge and Evidence	83,934	91,177
Sub-total – grant awards		2,573,688	2,264,692
Other costs related to grants awarded		153,612	52,886
Total costs of grant making		2,727,300	2,317,578

6 Net income/(expenditure) for the year

	2019	2018
	£	£
This is stated after charging / crediting:		
Depreciation	2,880	2,880
Auditor's remuneration (excluding VAT):		
▪ Audit	7,150	6,950
Advisor's fees and expenses (Protector)	15,149	15,179
Operating lease rentals		
▪ Property	79,018	78,633
	<u> </u>	<u> </u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2019	2018
	£	£
Staff costs were as follows:		
Salaries and wages	483,046	423,345
Social security costs	49,440	42,221
Employer's contribution to defined contribution pension schemes	20,513	19,243
Death in Service	3,477	2,551
Other Staff costs	1,505	1,385
	<u> </u>	<u> </u>
	<u>557,981</u>	<u>488,745</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2019	2018
	No.	No.
£90,000 – £99,999	<u> </u>	<u> </u>
	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £110,080 (2018: £107,041).

The charity directors were not paid or received any other benefits from employment with the charity in the year (2018: £nil). No charity director received payment for professional or other services supplied to the charity (2018: £nil).

Directors' expenses represents the payment or reimbursement of travel and subsistence costs totalling £6,322 (2018: £3,953) incurred by 7 (2018: 7) members relating to attendance at meetings of the directors.

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2019	2018
	No.	No.
Raising funds – investment management	1.0	0.9
Governance	2.6	2.5
Knowledge and Evidence	5.0	5.0
Collaboration and Leadership	0.3	0.8
Influence and Convening	0.8	0.4
Capacity Building	0.3	0.1
	<u> </u>	<u> </u>
	<u>10.0</u>	<u>9.7</u>

9 Related party transactions

The value of the related party transactions 2019 is £1,667,426 (2018: £890,774). Full details of this figure is given on pages 19–20 of the Directors' Annual Report.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Tangible fixed assets

	Software £	Total £
Cost		
At the start of the year	14,400	14,400
Additions in year	–	–
At the end of the year	<u>14,400</u>	<u>14,400</u>
Depreciation		
At the start of the year	7,200	7,200
Charge for the year	2,880	2,880
At the end of the year	<u>10,080</u>	<u>10,080</u>
Net book value		
At the end of the year	<u><u>4,320</u></u>	<u><u>4,320</u></u>
At the start of the year	<u><u>7,200</u></u>	<u><u>7,200</u></u>

The above asset relates to a CRM system that was purchased in 2014. This was brought into use in July 2016 and is being depreciated over 5 years. It is used solely for charitable purposes.

Notes to the financial statements

For the year ended 31 December 2019

12 Listed investments

	2019 £	2018 £
Fair value at the start of the year	25,132,326	30,263,021
Additions at cost	3,379,342	3,958,641
Disposal proceeds	(7,725,578)	(7,243,548)
Net gains/(losses) on change in fair value	2,985,519	(1,845,788)
	<u>23,771,609</u>	<u>25,132,326</u>
Cash held by investment broker pending reinvestment	6,272,498	6,012,318
Fair value at the end of the year	<u>30,044,107</u>	<u>31,144,644</u>
Investments comprise:	2019 £	2018 £
Fixed Interest Bonds	4,329,603	4,747,804
UK Shares listed on the London Stock Exchange	4,136,116	7,303,084
Non UK Shares listed on the London Stock Exchange	11,133,765	6,949,706
Hedge Funds	526,202	249,354
Property Funds & Trusts	1,715,065	2,720,111
Alternative Assets	1,449,221	1,996,154
Liquid Funds	6,754,135	7,178,431
	<u>30,044,107</u>	<u>31,144,644</u>

13 Debtors

	2019 £	2018 £
Prepayments	-	21,737
Cycle to work scheme and season ticket loans	5,044	-
	<u>5,044</u>	<u>21,737</u>

With the exception of listed investments, all of the charity's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and also in note 14 and 15 below.

14 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	31,333	13,278
Taxation and social security	14,441	15,032
Accruals	9,650	33,193
Grants payable (Note 5)	2,426,787	2,072,884
Other creditors	3,342	3,246
	<u>2,485,553</u>	<u>2,137,633</u>

Forces in Mind Trust

Notes to the financial statements

For the year ended 31 December 2019

15 Creditors: amounts falling due after one year

	2019 £	2018 £
Grants payable (Note 5)	<u>1,466,995</u>	<u>2,377,259</u>
Grants are paid in line with agreed timetables and are payable:		
In less than one year	2,426,787	2,072,884
Between one and five years	<u>1,466,995</u>	<u>2,377,259</u>
	<u>3,893,782</u>	<u>4,450,143</u>

16a Analysis of net assets between funds (current year)

	Endowment funds £	General funds £	Total funds £
Tangible fixed assets	4,320	-	4,320
Investments	30,044,107	-	30,044,107
Net current liabilities	(1,388,578)	-	(1,388,578)
Long term liabilities	(1,466,995)	-	(1,466,995)
Net assets at the end of the year	<u>27,192,854</u>	<u>-</u>	<u>27,192,854</u>

16b Analysis of net assets between funds (prior year)

	Endowment funds £	General funds £	Total funds £
Tangible fixed assets	7,200	-	7,200
Investments	31,144,644	-	31,144,644
Net current liabilities	(1,558,716)	-	(1,558,716)
Long term liabilities	(2,377,259)	-	(2,377,259)
Net assets at the end of the year	<u>27,215,869</u>	<u>-</u>	<u>27,215,869</u>

17a Movements in funds (current year)

	At 1 January 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2019 £
Endowment funds	27,215,869	3,614,206	–	(3,637,221)	27,192,854
Total endowment funds	27,215,869	3,614,206	–	(3,637,221)	27,192,854
Unrestricted funds:					
General funds	–	–	(3,637,221)	3,637,221	–
Total unrestricted funds	–	–	(3,637,221)	3,637,221	–
Total funds	27,215,869	3,614,206	(3,637,221)	–	27,192,854

17b Movements in funds (prior year)

	At 1 January 2018 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2018 £
Endowment funds	31,593,163	750,107	(1,845,788)	(3,281,613)	27,215,869
Total endowment funds	31,593,163	750,107	(1,845,788)	(3,281,613)	27,215,869
Unrestricted funds:					
General funds	–	–	(3,281,613)	3,281,613	–
Total unrestricted funds	–	–	(3,281,613)	3,281,613	–
Total funds	31,593,163	750,107	(5,127,401)	–	27,215,869

Purposes of endowment funds

The expendable endowment fund provided by the Big Lottery Fund will be used over a 20 year period to support the charitable activities of the Trust. In accordance with the Trust Deed, the whole of the Trust Fund and Income will have been applied in furtherance of the charitable objects by 28 November 2031.

Forces in Mind Trust

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For the year ended 31 December 2019

18 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property	
	2019	2018
	£	£
Less than one year	7,526	7,246
	<u>7,526</u>	<u>7,246</u>

19 Corporate Trustee

Forces in Mind Trust is managed by a sole corporate trustee which is FIM Trustee Limited, registered company no. 07855145. Forces in Mind Trust is used to disburse funds for charitable purposes or activities. All activities take place within the Trust and are directed by the Trustee, FIM Trustee Limited.