

Charity number: 1145688

Forces in Mind Trust

Report and financial statements
For the year ended 31 December 2021

Forces in Mind Trust

Contents

For the year ended 31 December 2021

Reference and administrative details	1
Chair's introductory report	4
Directors' annual report	6
Protector's annual report.....	23
Independent auditor's report	26
Statement of financial activities (incorporating an income and expenditure account)	30
Balance sheet	31
Statement of cash flows	32
Notes to the financial statements	33

Forces in Mind Trust

Reference and administrative details

For the year ended 31 December 2021

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 (until June 2021) Mike Ellicock Chief Executive (from June 2021) Tom McBarnet Director of Programmes Caroline Cooke Head of Policy Rodrigo Voss Operations Manager Kirsteen Waller Health Programme 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 2021

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 2021 to 14 June 2022 were:

Chair	H J R Pung	Chair of the Board
Director	K Alpin	Member of the Programmes Committee (from 7 June 2021)
Director	A Bell	Member of the Finance and Investment Committee
Director	R S Campbell FCA	Chair of the Finance and Investment Committee
Director	C Elliot	Member of the Finance and Investment Committee (from 7 December 2021)
Director	R P Harries	Chair of the Programmes Committee
Director	General Retd Sir John C McColl KCB CBE DSO	Member of the Governance Committee (resigned (31 December 2021)
Director	K McCullough	Member of the Programmes Committee (from 7 June 2021)
Director	D Mills	Member of the Programmes Committee
Director	Professor D Murphy	Member of the Programmes Committee

Forces in Mind Trust

Reference and administrative details

For the year ended 31 December 2021

Director	N Pope	Member of the Governance Committee (from 1 January 2022)
Director	A S D Reding	Member of the Programmes Committee
Director and Deputy Chair	N J Roberts	Member of the Governance Committee and Deputy Chair of Board
Director	Major General Retd M J Rutledge CB OBE	Member of the Finance and Investment Committee (resigned 30 November 2021)
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.

Chair's Foreword

It has been ten years since the formation of the Forces in Mind Trust. Over that period, we have made a considerable impact to improve the transition journey for ex-servicepeople and their families and help them to live fulfilled civilian lives. Whether through our initial Transition Mapping Study, providing mental health support for veterans through empirical research, examining support to veterans navigating the benefits system, assessing the delivery of the Armed Forces Covenant, or supporting the creation of the UK's first Veterans' Strategy, the Trust has played an instrumental part in improving the environment for ex-servicepeople and their families in all four nations of the UK. These, and many more examples of our contributions are featured in our [Evidence into Impact: Forces in Mind Trust Impact Report 2011-2021](#), and I would highly commend it to you.

But our impact has not been limited to our early years. Over the past twelve months, the Trust has been busy continuing to assist in better understanding and improving the transition journey. In May 2021, we published *Lifting Our Sights* looking at long-term trends to 2030 and beyond—and their impact on transitioning servicepeople and their families. We also funded several surveys to provide strategic insights into the Armed Forces Charity Sector; these sectoral reports provide an authoritative view of “ground truth” about the sector and have allowed our partners in the Confederation of Service Charities (Cobseo) to demonstrate their value and access increased funding from government. We have also engaged with the new Minister for Defence People and Veterans as well as the new leadership and growing team in the Office for Veterans' Affairs, and we look forward to working with them to support the delivery of the new Veterans' Strategy Action Plan.

Our operating environment has changed significantly from our beginnings ten years ago. There is now considerably more funding for and attention on veterans' issues and our understanding of the transition journey is much improved. Going forward, the role of the Forces in Mind Trust will also change in subtle ways. We will commission less research in areas that others provide core funding for; instead, we will focus on ‘gaps’ in research areas and will leverage our position as a trusted knowledge partner to build stronger networks and convene effective partnerships around the transition journey. We will also focus efforts to better understand where certain groups within our diverse armed forces community may have suffered additional disadvantage and how to best address this.

We also welcomed a new Chief Executive for FiMT in 2021; Mike Ellicock has brought a fresh energy and experience in driving policy change to the role, and we are delighted that he is part of the team. We also recognise and celebrate all of the contributions that our departed Chief Executive, Ray Lock, brought to the Trust. FiMT's demonstrated impact and our high standing in the Armed Forces community is very much due to Ray's leadership and strategic foresight, and I am very grateful for his friendship and the rich legacy that he has left behind for the Trust to further build upon.

Forces in Mind Trust

Directors' annual report

For the year ended 31 December 2021

In addition to Ray's departure, we also said goodbye to two longstanding directors in John McColl and Martin Rutledge; both have been instrumental in keeping the Trust focused on our ultimate beneficiaries as well as articulating the value FiMT brings to the Armed Forces Charity sector and pushing us to consider how this will be sustained in the longer-term.

We welcomed four new Directors to the Trust in the past year. Katie Alpin and Kate McCullough have already been making strong contributions to board deliberations and in our Programmes Committee, and I also look forward to working with Nick Pope and Chris Elliot as our newest Cobseo-nominated directors.

In 2021, Simon Martin completed a ten-year term as our Founding Protector. Working with a Protector was a new experience for me when I joined the Trust over five years ago, and it has been a real pleasure working with Simon in his role, where he has simultaneously managed to guard the Founder's interests in the Trust while adding tremendous value through timely questions, wise advice, and an unassuming but fierce intellect. We will miss his contributions, but I am equally delighted that, following a comprehensive search process, the National Lottery Community Fund has appointed Alison Paines as the new FiMT Protector. Alison has already immersed herself into the Trust with energy and inquiry, and I have every confidence that she will be another great addition to the FiMT team.

In addition to John, Simon, Martin, and Ray, I would like to express my thanks and appreciation to everyone in the Forces in Mind Trust team—staff, Protector, board directors, and lay advisors. Despite continued challenges in our environment, they continue to carry out their responsibilities with integrity, professionalism, and dedication. Their efforts are hugely valued.

2022 promises to be another year of transition for the Trust. The Forces in Mind Trust Research Centre will move to a new home, having been successfully operated by the Veterans and Families Institute at Anglia Ruskin University for the past five years. Professor Mike Almond and Director Alex Cooper have played an instrumental role in establishing the Centre as an authoritative hub for research pertaining to ex-servicemembers, and their advice and expertise have been pivotal in helping the Trust commission and review important research projects.

I will also step down as Chair at the end of the year, having served for six years. I look forward to welcoming my successor to the role and am confident that they will find it every bit as fulfilling as I have, as the Forces in Mind Trust continues to help ex-Servicepeople and their families make successful and sustainable transitions from the Armed Forces.

H J R Pung
Chair, Forces in Mind Trust

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 2021.

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 support and engagement of our Patron, Lord Boyce and Simon Martin, the Trust's Protector until November 2021, whose final report is included below. We also welcome our new Protector, Alison Paines, who joined us in December 2021.

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 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.

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.

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. The Directors review the aims, objectives and activities of the charity each year to ensure they remained focused on its stated purposes.

2021 remained dominated by Covid-19 and a strong intent to double down on supporting our mission despite the restrictions of the pandemic, and also of maintaining continuity of operations in what was anticipated to be a challenging year.

In lieu of the annual February Strategy Awayday, the Board convened an online strategy forum to review the Trust's work across our seven Programme areas and whether we were prioritising them appropriately, and what more could be done to improve their effectiveness and impact. Overall, there was recognition that the Trust needed to pick out 'the signal from the noise' in a complex and crowded landscape and change tack as necessary. One of the Trust's key tenets is agility, and there was a strong desire to retain short to medium-term 'nimbleness'. Balancing this, creating greatest long-term impact was felt most likely to require a degree of continuity of approach, and changes needed to be 'thoughtfully nuanced'. The Chair concluded that deliberations be rolled forward to a full, in-person forum in July under the new Chief Executive.

At the July Strategy Awayday, the Board discussed two key areas emerging out of the February forum: how best to address issues relating to equality, diversity and inclusion in all our future work, and implementation of the Third Age strategy in the coming years. Reflection of themes of EDI in all the Trust's work was accepted as important in order to more demonstrably acknowledge and recognise these principles' significance in wider UK society. With respect to the Trust's Third Age strategy, the value of research and a sound evidence base was widely acknowledged as important in establishing what follow-on activity could be more or less effective. It was concluded that the Trust should continue to seek out impactful activity and intelligently work in areas where it can do the most good.

The July forum was the first opportunity for the new Chief Executive, Mike Ellicock, to outline his initial thoughts to Trustees. The guiding framework for 2021 grant awarding activity set out in last year's Trustees Annual Report has been maintained, with slight adjustments to the definition of activity. Grant awarding activity is now entitled External Spend rather than Mission Spend, to acknowledge the fact that 'internal' spend i.e. staff time spent influencing and convening is also central to us achieving our mission.

Achievements and performance

The Trust's main activities in the course of the year are described below. All charitable activities focus on ex-Service personnel and their families and are undertaken to further our charitable purposes for the public benefit.

Grants and Commissioning Plan

During the period, 14 grant awards were made (previous period 31), listed below. Other costs related to grants awarded totalling £145,304 (2020: £215,220) are also shown. Of these 14 awards, 7 (20) were for Knowledge and evidence, 4 (5) were for Influence and convening, 1 (2) was for Collaboration and leadership and 2 (4) were for Capacity building.

Full details of amounts and types of grants 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 2021 were:

- Veterans Work: The Podcasts. Deloitte. CE Award.
- Soldiering On Awards 2021. X Forces. CE Award.
- Armed Forces Charities Expanding Knowledge and Evidence, 2021–2023. Directory of Social Change
- Non-UK Personnel, Veterans and Families. Anglia Ruskin University
- Our Community, Our Covenant 3: Examining the impact of the Armed Forces Covenant. Shared Intelligence
- Ex-Service personnel in the Criminal Justice System in England, Wales and Scotland. Nacro
- Changing our Approach to Veterans' Employment through Trade Associations and Membership Bodies. X-Forces
- Chamber Military Network. Black Country Chambers of Commerce
- Contact Group Operational Resources Years 2022–2024. Contact Group
- No Homeless Veterans. Stoll on behalf of the Cobseo Housing Cluster
- Understanding the impact of serving within the UK Armed Forces for the Indian and West Indian veteran populations. University of Chester
- Non-UK Personnel, Veterans and Families. Anglia Ruskin University. Additional Award
- Windsor Leadership Programmes, Windsor Leadership Trust
- Pioneer Programme – MDMA-Assisted Psychotherapy Research for treatment-resistant PTSD. Supporting Wounded Veterans and King's College London*

*Award 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 previously, is described in the following section on Impact and Influence.

Over the past decade, both through funding projects and influencing work, the Forces in Mind Trust team have significantly influenced policy and practice to support ex-Service personnel and their families to make a successful and sustainable transition. The Board agreed that the Trust's activities should not be judged only through its self-imposed notional target of £2.6 million external spend, but by its impact. The need to reflect more on the impact of our work (rather than just activities) is highlighted and addressed in our '[Evidence into Impact: Forces in Mind Trust Impact Report 2011–2021](#)', covering the first ten years of our work.

Forces in Mind Trust

Directors' annual report

For the year ended 31 December 2021

The total value of the 2021 awards, less other costs related to grants awarded was £1.822 million (previous period £4.163 million). Underspent funds totalling £161.5k were returned to the Trust from previous years' awards, and a previously awarded grant of £100k was cancelled due to the impact of Covid-19.

Total charitable expenditure for the year amounted to £2.614 million (previous period £5.121 million).

Oversight of our Programmatic Approach has been provided by Programme Committee-led 'deep dives' of which Health, Employment, Enablers, Finance and Relationships were conducted through the course of the year. Two programme reference panels into Employment and Finance were conducted as part of our strategy of wider stakeholder engagement.

Exemplifying the principle of commissioning work where the Trust saw the strongest opportunities for impact, two specific commissions together amounting to £465,590 were awarded to examine the impact of the Armed Forces Covenant and to identify veterans in the criminal justice system and their support needs.

2021 was also the first year of the Trust's renewed commitment to a Mental Health Research Programme (MHRP) (the first being from 2015–2020). MHRP(2) is a 5 year commitment to continue to support veterans' mental health up to £500k p.a. (i.e. £2.5 million over 5 years). The 2021 MHRP was severely impacted by the pandemic, permitting only one meeting of its Steering Group, and disrupting what has been previously an active flow of research funding requests. Nevertheless, the MHRP awarded £250,000 to MDMA assisted therapy research for treatment resistant PTSD in veterans.

The most significant 2021 commissioning activity has been the tendering and selection of a preferred bidder for the FiMT Research Centre, an award valued at £2.5 million over 5 years. Invitation to tender took place in March with an interview and selection panel convening in July. A public statement of a RAND and KCL consortium being the preferred bidder was made in September. The new contract for the Research Centre will commence on 12 September 2022, and the Autumn 2021 has seen intense activity, led by the Trust, to coordinate transition activity and continuity of output so that the handover from the current incumbent, Anglia Ruskin University, to the new consortium is as smooth as possible.

Impact and Influence

Impact

The Trust once again played a key role in developing policies and supporting that contributed to improvements in the lives of the Armed Forces Community. This impact was achieved across the Trust's seven Programmes, with some examples listed here.

Despite the obvious constraints in being able to conduct influence and engagement activity as before, the Trust's has continued to publish reports and make important findings and recommendations on public policy and service delivery, utilising virtual and online means to the fullest extent. This year has seen publication of a full suite of policy statements on all our programmes, clearly setting out our change objectives and ambitions. Three particular areas of impact are worthy of note:

Mental Health Research Programme – four significant reports have emerged from the MHRP in 2021: a qualitative assessment on the impact of compulsory drug testing in the Armed Forces and of substance misuse amongst Service leavers; the much anticipated report on the evolution of PTSD amongst veterans from the Iraq and Afghanistan campaigns; and two widely welcomed reports into the impact on veterans' health of gambling, and of the impact of intimate partner violence and abuse among civilian partners of UK military personnel. The Trust has also continued to benefit from its partnership with the Centre for Mental Health, who provide the MHRP Steering Group Chair, and which has conducted a policy review of veterans' mental health needs in order to inform future programme planning. The MHRP also continues to support, via the Trust's wider Health Programme awards, the critical coordinating activity of Contact Group and its work in cohering the efforts of statutory and charitable organisations in improving support for veteran mental health. Of note, the Health Programme has also funded an important feasibility study into partnering of service charities in order to be able to bid for NHS commissions underpinning OP COURAGE services.

The Impact of Future Trends on Transition – the Trust's ground-breaking study and report *Lifting Our Sights*, examining the impact of future trends on transition from military to civilian life to 2030 and beyond, was published in May. This report has provided the basis for discussion at dedicated forums at both Labour and Conservative party conferences and attracted the interest and attention of the Secretary of State for Defence and Minister for Defence People and Veterans. In a significant year which has seen increased pressure placed upon the resources of service delivery charities, and continued interest from media and Government the need to support veterans and their families, this report has boldly sought to set headline goals for Government and others to attain in the next decade and provided a tool kit to help facilitate planning activity at charity, local authority, business and Government level in order to prepare and plan ahead.

Armed Forces Charity: Expanding Knowledge and Evidence 2021–23 – the Trust's previous funding of reports providing strategic insight into the Armed Forces charity sector and detailed, focused reports on individual aspects such as housing, employment, finance etc have been widely recognised and valued. Where nothing existed before, these reports continue to provide impartial and objective analysis of the scale of charitable provision and its relationship to statutory provision. 2021 saw a further investment into this long-term commitment through funding of Cobseo membership surveys, commissioning of a new Insight report for 2023 and new methods of information presentation. The value of this, and earlier related investment was arguably immediately evident in the ability of the Sector to lobby effectively for continued pandemic relief funding as well as for new money to support Afghanistan and wider health related initiatives.

Influence

2021 saw the Government's Office for Veterans' Affairs acquire new leadership and new impetus in funding both more staff and renewed activity of direct relevance to the Trust's mission. A newly in post Minister for Defence People and Veterans has also invigorated activity. The Trust has committed considerable effort to assist the Office for Veterans' Affairs in understanding its environment and our approach to addressing our similar mission. It is therefore gratifying to see the newly updated Veterans' Strategy Action Plan, which the Trust contributed much to the generation of original edition and the Strategy itself, reflect the Trust's work in area of employment, criminal justice, housing, transition support and wider support for the Armed Forces Covenant.

Both Strategy Awayday forums have emphasised trustees' interest in engaging in preventative strategies that set the conditions for successful and sustainable transition for veterans and their families. The MoD's most important contribution is their contract for the Career Transition Partnership, delivered by Right Management, which is due for re-let in 2023. The significance of the Trust's earlier work on transition, and not least the publication in Autumn 2021 of its Longer-Term Employment Outcomes study, has led to the Trust participating as a knowledgeable and influential stakeholder in the MoD-led consultation process underpinning design of the new CTP contract.

More broadly, the Trust has provided valued submissions to the Females in the Military Sub Committee of the Defence Select Committee and supported awards to two potentially significant projects that are examining the lived experiences of Non-UK veterans serving in the UK Armed Forces and their transition into civilian life.

Much of the success of the Trust is achieved by influencing others to adopt policies and adapt service provision in accordance with evidence-based recommendations. Consequently, the Trust places a high premium on its network and its ability to reach into key decision makers. This requires continual external staff engagement. During the year, the Trust engaged at Ministerial levels in London, Cardiff and Edinburgh, and with the Veterans Commissioners in Scotland and Northern Ireland.

In academia, the Trust once again played an important convening role through its support of the King's College London annual Veterans' Mental Health conference, a truly global and world-leading event where the Trust's research projects formed the backbone of the programme.

A fuller description of the Trust's impact, influence and engagement can be found in the 2021 Impact Report <http://www.fim-trust.org/reports/>

Beneficiaries of our services

The beneficiaries of the Trust's services are serving and former members of the United Kingdom's Armed Forces, and their families. The Trust's strategy of achieving impact 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 2021 the Trust held total unrestricted charity funds of £23.098 million (2020: £23.677 million). Despite finishing on a high, concerns about global market volatility remain due to effects of the Covid-19 pandemic. The Russian invasion of Ukraine, added to concerns of increased interest rates and inflation, has further affected markets volatility and the portfolios managed by Cazenove and Sarasin had lost £1.2m by March 2022.

In June 2020 the Board had decided to halt the replenishment of 'cash instruments' 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. Once portfolios had sufficiently recovered (in February 2021) the Board instructed both investment managers to top cash instruments funds up back to previous levels. At the close of 2021, a total of £6.026 million (2020: £4.533 million) was held by the investment managers in cash/cash instruments. 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 (2020: £3.5 million), and this, combined with stock market gains, led to the value of the portfolios managed by Cazenove and Sarasin reducing by £2.225 million to £ 26.032 million (2020: £28.258 million). As a result of drawdowns, investment income fell to £364.6k (2020: £455.7k). 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 £942k (2020: £889.6k) represent good value and reflect the Board's strategic intent to invest in increasing the Trust's impact.

The Board asked the Finance and Investment Committee to conduct a review of investment management and to recommend any changes to the current arrangements. This work on 'reconfiguring the endowment' started in November 2021 and concluded in March 2022, and following 11 initial proposals, a selection panel shortlisted and interviewed four potential managers. The Board is content that we have had a thorough and very useful examination of alternatives and that Sarasin represents the best option to best manage medium-term investments, limit the impact of stock market volatility, and ensure the Trust continues to gain maximum impact from its resources.

Principal risks and uncertainties

During the course of the year, the Directors considered the major risks to which the Trust 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 the Trust is that it fails to have delivered sufficient impact at the end of its 20-year life. It is controlling that risk by further implementing its programmatic approach, and by taking early steps to consult, identify and plan for when the current endowment is spent out.

The Board has assessed that the major legal and regulatory compliance risk to the Trust 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 continues to identify and review conformance with policies following a risk-based approach.

The Board has assessed that the major operational risk to the Trust 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 investing in staff development and so providing contingent capacity across the team. In December 2021 the Board reviewed and approved changes to its remuneration policy to ensure that the annual salary benchmarking was optimised to the size of the Trust.

The Board has assessed that the major financial risk to the Trust 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 the Trust's two Investment managers, and by the membership of two lay advisers on the Finance and Investment Committee with investment expertise.

The Board has assessed that the major governance risk to the Trust is insufficient Board capacity or skills. It is controlling that risk by regularly reviewing the Board succession plan and its matrix of skills and experience.

Over the years, the main uncertainty faced by the Trust has been the level of grant and commission awards that will be made over the remainder of the Trust's 20-year life. The Board is comfortable with the current level of spending, noting that the Trust has produced 10 years' worth of research that could be exploited, and that well-targeted Executive team activity could have as much impact in coming years as money spent on grants. The Board agreed that the Trust's activities should not be judged by how much money was spent but by its impact.

Investment policy

The current 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. Following the reconfiguration of the endowment exercise and the appointment of an Investment Manager for at least the next 5 years, a new policy is being developed. During 2021 there were two objectives for each Investment Manager:

- To maintain a combined total of £6m in cash instruments in separate segregated mandates. This was achieved since objective was re-instated in February 2021.
- 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 12-month period, returns were positive with Cazenove at 3.9% (2020: 2.8%) and Sarasin at 1.4% (2020: 7.2%). Since inception, overall performance against target has been 38.5% for Cazenove and 59.8% for Sarasin.

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 beginning of 2022, having taken into account work on 'reconfiguring the endowment', the Board is working on a formal investment policy statement for 2022 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 Managers' cash/cash instruments. At 31 December 2021, cash flow for January/February 2022 was forecast to be £747k and instant access bank account holdings were £936k (31 December 2020 – £477k)

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 held an in-person Annual Strategy Review (Awayday) in early February to discuss how can the Trust achieve most impact in a complex and rapidly changing landscape in the coming 3–5 years. The discussions benefitted greatly from the attendance, input and active engagement of Jessie Owen, Director of the Office for Veterans' Affairs and Anna Wright and Sonia Howe, Chief Executive and Head of Policy respectively of the Armed Forces Covenant Fund Trust. Neither organisation existed when the Trust was established yet they are now key stakeholders to work alongside if we are to maximise our impact in the coming years.

Our plans for 2022 are articulated in a one page '2022 Priority Activities' summary. Given the complex landscape and the breadth and depth of the Trusts work across seven Programme areas, this summary makes it easier for the Board, the Executive team, and also potentially for external stakeholders to understand what we are intending to do in the coming year. It will also be useful for reporting back on progress – whilst acknowledging that we need to retain flexibility to react to opportunities that are not captured on this summary, if we have the capacity to do so.

Following airing at the September and December 2021 Board meetings, the Trust has complemented the current articulation of our Vision and Mission, Change Mechanisms and Programmatic approach by including a new 'Ways' framing to focus on the barriers to successful transition, what works to address those barriers and then how we use that evidence to bring about change that has an impact on the ground. We believe that the following articulation of Ends, Ways and Means represents a conceptually coherent strategic framework for the Trust's activity for the coming years:

Ends:

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

Our Mission is to enable ex-Service personnel and their families to make a successful and sustainable transition to civilian life.

Ways:

We deliver our Mission by working collaboratively with others to:

1. Identify the barriers to successful transition.
2. Find out what works to address these barriers.
3. Use this evidence to bring about change that has an impact on the ground.

Means:

In practice, this means that we:

1. Fund work that builds our collective knowledge of the barriers to successful transition and of the evidence of what works to address them.
2. Seek to influence relevant stakeholders to help to bring about change on the ground, including through convening where appropriate.
3. Seek to collaborate with relevant stakeholders to bring about change and provide leadership to do so, where necessary.
4. Fund capacity building where this is what is required to bring about change on the ground.

We do this across the UK and across the full span of life domains for ex-Service personnel and their families: Health, Employment, Housing, Finance, Relationships, Criminal Justice System, along with a cross-cutting Enabler Programme area, and we utilise our Change Mechanisms across our Programme areas as the 'Means' by which we affect change.

The main effort for 2022 is the successful and smooth transition of the Forces in Mind Trust Research Centre from Anglia Ruskin University to a RAND/King's consortium for a 5-year term from September 2022, with an allocated budget of £2.5 million. Other key activities that feature on the Priority Activities 1 pager include: Establishing a strong relationship with the Armed Forces Covenant Fund Trust whilst strengthening relationships with Cobseo members, the Office for Veterans' Affairs, the Ministry of Defence, the variety of NHS bodies, other government departments and relevant bodies within the Devolved Administrations; continuing to extend the Equality, Diversity and Inclusion perspective into all of our work; engaging with the team leading the Career Transition Partnership re-let; engaging with the Ministry of Defence team developing the Life Skills package for serving personnel; and engaging with the team leading the Ministry of Defence Armed Forces Families strategy.

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 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. The Programmes Committee may authorise the award of grants for projects up to an agreed limit. Applications for grants outside this envelope or above the project limit, or which the Programmes Committee believes should be seen by the Board, must be assessed first by the Committee and recommendations made to the Board accordingly. All three committees provide a written report to each Board meeting.

Following the 'Positioning for a More Strategic Approach' review in 2020, which saw an increase the Committee's level of financial delegated authority, and the Chief Executive's delegated authority for micro-grants and contingency awards was raised, the formal follow up review was deferred for 12 months due to the number of applications assessed over the period.

Throughout 2021, the Trust continued its Mental Health Research Programme, constituted by a Steering Group under the remunerated chairmanship of the Chief Executive of the Centre for Mental Health. The Steering Group provides expert advice to the Programmes Committee and to the Executive Team, but has no grant awarding authority. One Director also sits in attendance at Steering Group meetings.

The current structure of 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, submits a formal quarterly report to the Board. Both the Director and the Academic Chair of the Research Centre brief the Board in person biannually. The Centre is advised by a strategic panel and an advisory group.

The Governance Committee reviewed a second internal assessment of the Charity Governance Code, following its update in 2020, and considered that the Trust remained fully compliant with the Code.

To continue work on Equality, Diversity and Inclusion (EDI), the Board dedicated a session at its July Strategy day to address the question 'How do we best address issues relating to Equality, Diversity and Inclusion in all our future work?' The Board agreed that it is the Trust's mission to identify and increase understanding of the range of needs of ex-Service personnel and their families, and to ensure that an equitable and inclusive approach is built into both our own decision-making on funding and commissioning, and into our policy influencing activity. It was agreed that the process and rigour applied to developing grant applications and commissions, and to generating research evidence ensures that the full breadth of diversity within the ex-Service community is already considered and reflected in much of our work, but few grant awards have focused on the specific issues of identity and discrimination of Service leavers and their families.

EDI in the context of staff and Board composition was also considered in 2021, and to this end the Governance Committee (GC) considered a paper at their January 2021 meeting, which provided an update on FiMT's, and also Cobseo's approaches to EDI. The GC agreed at that meeting that EDI issues required constant discussion and has become a standing item on the GC's agenda.

From September 2021, the Executive team embarked on a hybrid working policy that saw the return to the Trust's offices in London, although in December that policy had to be suspended due to further government guidance related to Covid-19/Omicron. Even though Directors believe that retaining the sub-lease within Mountbarrow House represent the most cost-effective option, the Executive team plans to consider options for the offices in the first part of 2022. To enable the extended periods of remote working, the Trust has implemented a monthly home working allowance for all employees which also replaced claims for staff mobile phone charges.

Development work regarding the Funders Commitment to Climate Change (FCCC) is currently under consideration. The Funder Commitment to Climate Change recognises that charitable trusts and foundations, such as Forces in Mind Trust, have a crucial role to fulfil in the united effort to mitigate and adapt to the impact of climate change. Across our investments, grant making and operations there may be multiple opportunities to contribute to the prevention and mitigation of the climate emergency. The impact potential here is expansive due to our unique and privileged position as an influential funder working within a large network. It is envisaged that a policy statement and an action plan will be developed in due course.

The Directors have delegated day-to-day running of the Trust to the Chief Executive, Mike Ellicock.

Appointment of Directors

At the start of the reporting period, the Board had 11 Directors, comprising the Chair (an independent Director), 5 Directors who were nominated by Cobseo, and 5 other independent Directors who ensure a wide range of skills and knowledge, listed previously. Two Directors stood down and four were recruited during this period. At the start of 2022, the Board held one vacancy (independent). Directors continue to aim at a Board size of 12 to 13 (5 Cobseo and 8 independent), consistent with Charity Governance Code best practice, and will use the remaining vacancy 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. The Trust ensures that all individuals are provided with equal opportunities and seeks positively to create opportunities for those groups that may be disadvantaged.

Director induction and training

New Directors (four this year) receive induction briefings from the Board 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 2021) conduct 'exit' interviews with the Board Chair and Chief Executive.

Forces in Mind Trust

Directors' annual report

For the year ended 31 December 2021

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 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. 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.

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 former Chief Executive of ABF – The Soldiers' Charity was also a Director of FIM Trustee Limited until November 2021. The FiMT Protector until November 2021 was 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 2021 were £ 77,370 (2020: £78,537) and pass-through cost for postal and other services was £7,717 (2020: £6,520). 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

A former employee and current shareholder of Barclays Bank UK PLC is also a Director of FIM Trustee Limited. At the year end, £226 (2020: £273) 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 was one direct transaction between FiMT and Cobseo during the period. At the year end, £570 (2020: £570) membership fee was paid on behalf of FiMT. During the period, Cobseo's Housing Cluster was awarded £ 193,000 for the project 'No Homeless Veterans', coordinated by the Sir Oswald Stoll Foundation, 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

An Honorary Professor 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 a £250,000 research contract (2020: £420,460) to the collaboration between Supporting Wounded Veterans and King's College London, which is described under Note 5 to the Financial Statements. The partnership Rand Europe/Kings College London is also the preferred bidder for the FiMT Research Centre award that is currently being negotiated.

RAND Europe

The President (Chief Executive) of RAND Europe is also a Director of FIM Trustee Limited. One award of 221,483 (2020: £0) was granted to the collaboration Shared Intelligence/RAND Europe/Meri Mayhew Consulting, as described under Note 5 to the Financial Statements. The partnership Rand Europe/Kings College London is also the preferred bidder for the FiMT Research Centre award that is currently being negotiated.

The Poppy Factory

The Chief Executive of the Poppy Factory is also a Director of FIM Trustee Limited. No awards were granted to The Poppy Factory during the period, but it is a current FiMT grant holder.

The Sir Oswald Stoll Foundation

The Chair of Trustees of The Sir Oswald Stoll Foundation was also the Chief Executive of Forces in Mind Trust/FIM Trustee Limited until June 2021. During 2021, Cobseo's Housing Cluster was awarded £ 193,000 for the project 'No Homeless Veterans', coordinated by the Sir Oswald Stoll Foundation, described under Note 5 to the Financial Statements.

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 2021, the Board accepted the Governance Committee's recommendations, all of which met the Policy requirements. The Policy was formally reviewed during 2021, ahead of the 2022 remuneration review.

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. The annual health screening once again took place in 2021 following a hiatus in 2020 because of Covid-19 restrictions; in addition, all employees still have access to an employee assistance programme and 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, which remains high.

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.

Forces in Mind Trust

Directors' annual report

For the year ended 31 December 2021

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.

The Directors' report has been approved by the Directors on 14 June 2022 and signed on their behalf by:

H J R Pung
Chair of the Board

M Ellicock
Chief Executive

Report of the Protector for the year ended 31 December 2021

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 which expired on 28 November 2021. This report therefore covers the period 1 January – 28 November 2021.

I am pleased to note that a new Protector has been appointed by the National Lottery Community Fund ("the Fund"), after an open recruitment process.

Pursuant to the Trust Deed dated 28 November 2011 constituting the Forces in Mind Trust, the Protector is 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 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 three board meetings held during the period 1 January – 28 November 2021. I also joined the Board strategy away day which took place in February 2021 and attended a meeting of the Governance Committee in January 2021. In addition, I had several meetings with, and spoke to, the Chair, other trustees and the Chief Executive of the Trust, as required, during the period under review.

I also gave advice on the interpretation and application of certain provisions in the Trust Deed during the period. I was not required to consider or approve any changes to the constitution of the Trust.

I note that there was a scheduled board meeting in December 2021, shortly after the expiry of my term of office, which the new Protector attended as an observer in advance of her formal appointment to the role.

Administration and Governance of the Trust

I am satisfied that the Trust was administered in accordance with the terms of the Trust Deed in the period from 1 January – 28 November 2021.

Two trustees stepped down during the course of the year. I am satisfied that there were no factors relating to these resignations that have an impact on the operation or governance of the Trust. Both trustees were originally nominated by the Confederation of Service Charities (“Cobseo”), which has the right to nominate up to 5 individuals for appointment to the Board, and both vacancies have been filled by further Cobseo nominees. In addition, two new trustees were appointed in the first half of the year, following an open recruitment process, during which the trustees were mindful of the need to achieve, if possible, greater diversity on the Board in line with Principle 6 of the Charity Governance Code. The Board has rightly continued to focus on equality, diversity and inclusion over the period.

There are currently 13 trustees in post, 5 of whom were nominated by Cobseo. This ratio preserves an appropriate balance between the independent and Cobseo nominated directors, whilst ensuring that the Trust benefits from the knowledge and sector expertise of the Cobseo representatives.

Covid lockdown and social distancing restrictions resulted in two of the three Board meetings which I attended, and the February Strategy Day, taking place on an online virtual meeting platform. The September Board meeting was a hybrid meeting, with four trustees joining remotely. The Board and the executive team have become accustomed to the virtual meeting environment, but constructive open discussions and effective challenge are, in my opinion, inevitably somewhat inhibited when the Board and executive team are unable to meet face-to-face. Hopefully there will be no such restrictions in the current year.

I am satisfied that there continued to be a proper division between the strategy setting, oversight and monitoring role of the Board and the day-to-day responsibilities of the executive team. There was also 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 and the Governance Committee – all of which meet regularly. Reports from each of the Committees are presented at each Board meeting.

The Executive Team

I highlighted in my report 12 months ago the recruitment of the new CEO, Mike Ellicock, in December 2020, allowing 6 months for an orderly transition and handover, by the outgoing CEO, Ray Lock. This handover was achieved without any noticeable disruption to the work or output of the Trust. I was pleased to note that the other members of the executive team remained in post following Ray Lock's departure, which ensured continuity.

The appointment of the new CEO has allowed for an objective review of FIMT's programmes and priorities which was at the heart of a second Strategy Day, held in July 2021, which I was unable to attend.

Forces in Mind Trust

Protector's report

For the year ended 31 December 2021

I note that, when necessary due to lockdown and other covid restrictions, the executive team have continued to work effectively and safely from home without any appreciable adverse impact on the Trust's output.

Forces in Mind Trust Research Centre

I reported last year that the Board had undertaken a review of the activities and impact of the FiMT Research Centre as part of the process of determining whether to extend the Trust's contract with Anglia Ruskin University. A formal tender process was initiated in the first half of the year, with a selection panel comprising three independent trustees reviewing tender proposals, meeting applicants and making a recommendation to the Board. Two trustees had a conflict of interest as a result of being connected with two of the bidders. I am satisfied that correct processes were followed and that the two trustees in question played no part in the tender process or the deliberations of the Board before a decision was taken to name a consortium of RAND Europe and the King's Centre for Military Health Research as preferred bidders, subject to satisfactory negotiation of a research Centre grant agreement.

Simon Martin

Protector – Forces in Mind Trust (1 January – 28 November 2021)

February 2022

Independent auditor's report

To the trustee 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 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2021 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

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

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

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

Independent auditor's report

To the trustee 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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 (Accounts and Reports) Regulations 2008 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 the 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.

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.

Independent auditor's report

To the trustee of

Forces in Mind Trust

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

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

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the Finance & Investment Committee Meeting, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Independent auditor's report

To the trustee of

Forces in Mind Trust

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's 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.

20 June 2022

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 2021

	Note	Endowment £	Unrestricted £	2021 Total £	2020 Total £
Income from:					
Investments	3	364,559	–	364,559	455,695
Total income		364,559	–	364,559	455,695
Expenditure on:					
Raising funds		–	133,276	133,276	134,853
Charitable activities					
Knowledge and Evidence		–	1,647,635	1,647,635	3,845,364
Collaboration and Leadership		–	403,008	403,008	11,841
Influence and Convening		–	397,186	397,186	818,246
Capacity Building		–	166,409	166,409	445,769
Total expenditure	4	–	2,747,514	2,747,514	5,256,073
Net income / (expenditure) before net gains on investments		364,559	(2,747,514)	(2,382,955)	(4,800,378)
Net gains on investments	12	1,803,785	–	1,803,785	1,284,205
Net income / (expenditure)	6	2,168,344	(2,747,514)	(579,170)	(3,516,173)
Transfers between funds	17	(2,747,514)	2,747,514	–	–
Net movement in funds		(579,170)	–	(579,170)	(3,516,173)
Reconciliation of funds:					
Total funds brought forward		23,676,681	–	23,676,681	27,192,854
Total funds carried forward	17	23,097,511	–	23,097,511	23,676,681

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 2021

	Note	£	2021 £	2020 £
Fixed assets:				
Tangible assets	11		–	1,440
Investments	12		26,032,467	28,258,465
			26,032,467	28,259,905
Current assets:				
Debtors	13	21,795	21,792	
Cash at bank and in hand		935,746	477,048	
		957,541	498,840	
Liabilities:				
Creditors: amounts falling due within one year	14	(2,869,737)	(3,094,891)	
Net current liabilities			(1,912,196)	(2,596,051)
Total assets less current liabilities			24,120,271	25,663,854
Creditors: amounts falling due after one year	15		(1,022,760)	(1,987,173)
Total net assets	16		23,097,511	23,676,681
The funds of the charity:				
Endowment funds			23,097,511	23,676,681
Unrestricted general funds			–	–
Total charity funds	17		23,097,511	23,676,681

Approved by the trustee on 14 June 2022 and signed on their behalf by

H J R Pung
Chairman of the Board

Mike Ellicock
Chief Executive

Forces in Mind Trust

Statement of cash flows

For the year ended 31 December 2021

	Note	2021 £	£	2020 £	£
Net expenditure for the reporting period (as per the statement of financial activities)		(579,170)		(3,516,173)	
Dividends, interest and rent from investments	3	(364,559)		(455,695)	
Gains on investments		(1,803,785)		(1,284,205)	
(Increase) in debtors		(3)		(16,748)	
(Decrease)/increase in creditors		(1,189,567)		1,129,516	
Net cash (used in) operating activities			(3,937,084)		(4,143,305)
Cash flows from investing activities:					
Dividends and interest from investments		364,559		455,695	
Depreciation of fixed assets		1,440		2,880	
Proceeds from sale of investments		10,212,294		6,707,589	
Purchase of investments		(4,688,949)		(5,377,365)	
Cash movement within investment portfolio		(1,493,562)		1,739,623	
Net cash provided by investing activities			4,395,782		3,528,422
Change in cash and cash equivalents in the year			458,698		(614,883)
Cash and cash equivalents at the beginning of the year			477,048		1,091,931
Cash and cash equivalents at the end of the year			935,746		477,048

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) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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) 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.

f) Interest and dividends receivable

Interest on funds held on deposit and dividends are 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.

1 Accounting policies (continued)

g) 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.

h) 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.

i) 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	41.0%
● Collaboration and Leadership	10.0%
● Influence and Convening	10.0%
● Capacity Building	4.0%
● Cost of raising funds	10.0%
● Governance costs	25.0%

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.

j) 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.

1 Accounting policies (continued)

k) Operating leases

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

l) 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.

m) 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.

n) 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.

o) 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.

p) 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.

q) 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.

r) 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 £	2020 Total £
Income from:			
Investments	455,695	-	455,695
Total income	455,695	-	455,695
Expenditure on:			
Raising funds	-	134,853	134,853
Charitable activities	-	5,121,220	5,121,220
Total expenditure	-	5,256,073	5,256,073
Net income / expenditure before gains on investments	455,695	(5,256,073)	(4,800,378)
Net gains on investments	1,284,205	-	1,284,205
Net income / expenditure	1,739,900	(5,256,073)	(3,516,173)
Transfers between funds	(5,256,073)	5,256,073	-
Net movement in funds	(3,516,173)	-	(3,516,173)
Total funds brought forward	27,192,854	-	27,192,854
Total funds carried forward	23,676,681	-	23,676,681

3 Income from investments

	2021 Total £	2020 Total £
Income from investments	364,489	454,491
Bank interest	70	1,204
	364,559	455,695

All income from investments is allocated to endowment funds.

Forces in Mind Trust

Notes to the financial statements

For the year ended 31 December 2021

4a Analysis of expenditure (current year)

	Charitable activities							2021 Total £	2020 Total £
	Cost of raising funds £	Knowledge and Evidence £	Collaboration and Leadership £	Influence and Convening £	Capacity Building £	Governance costs £	Support costs £		
Staff costs (Note 7)	47,800	234,731	57,415	56,585	23,708	141,407	102,238	663,884	558,706
Recruitment costs	-	-	-	-	-	-	10,299	10,299	28,850
Travel and subsistence	-	7,474	1,828	1,802	755	5,045	-	16,904	10,032
Grants payable (Note 5)	-	1,138,125	278,383	274,361	114,949	-	-	1,805,818	4,366,521
Investment manager's fees	31,720	-	-	-	-	-	-	31,720	42,772
Advisors' fees and expenses	-	-	-	-	-	15,000	-	15,000	15,161
Auditors' remuneration	-	-	-	-	-	8,760	-	8,760	8,900
Premises costs	-	-	-	-	-	-	77,722	77,722	78,538
Legal and professional fees	-	43,455	10,629	10,476	4,389	-	-	68,949	92,014
Directors' expenses	-	-	-	-	-	772	-	772	2,671
Office costs	-	-	-	-	-	-	47,686	47,686	51,908
	79,520	1,423,785	348,255	343,224	143,801	170,984	237,945	2,747,514	5,256,073
Support costs	23,795	97,478	23,843	23,498	9,845	59,486	(237,945)	-	-
Governance costs	29,961	126,372	30,910	30,464	12,763	(230,470)	-	-	-
Total expenditure 2021	133,276	1,647,635	403,008	397,186	166,409	-	-	2,747,514	
Total expenditure 2020	134,853	3,845,364	11,841	818,246	445,769	-	-		5,256,073

Forces in Mind Trust

Notes to the financial statements

For the year ended 31 December 2021

4b Analysis of expenditure (prior year)

	Charitable activities							2020 Total £
	Cost of raising funds £	Knowledge and Evidence £	Collaboration and Leadership £	Influence and Convening	Capacity Building £	Governance costs £	Support costs £	
Staff costs (Note 7)	40,227	235,348	725	50,079	27,282	119,004	86,041	558,706
Recruitment costs	-	-	-	-	-	-	28,850	28,850
Travel and subsistence	-	5,220	16	1,111	605	3,080	-	10,032
Grants payable (Note 5)	-	3,278,685	10,095	697,663	380,078	-	-	4,366,521
Investment manager's fees	42,772	-	-	-	-	-	-	42,772
Advisors' fees and expenses	-	-	-	-	-	15,161	-	15,161
Auditors' remuneration	-	-	-	-	-	8,900	-	8,900
Premises costs	-	-	-	-	-	-	78,538	78,538
Legal and professional fees	-	69,090	213	14,702	8,009	-	-	92,014
Directors' expenses	-	-	-	-	-	2,671	-	2,671
Office costs	-	-	-	-	-	-	51,908	51,908
	82,999	3,588,343	11,049	763,555	415,974	148,816	245,337	5,256,073
Support costs	24,534	119,740	369	25,479	13,881	61,334	(245,337)	-
Governance costs	27,320	137,281	423	29,212	15,914	(210,150)	-	-
Total expenditure 2020	134,853	3,845,364	11,841	818,246	445,769	-	-	5,256,073

Forces in Mind Trust

Notes to the financial statements

For the year ended 31 December 2021

5 Grant making

	2021 £	2020 £
Creditors at the start of the year	5,000,134	3,893,782
Grants awarded in the year (Note 4 and detailed below)	1,660,514	4,151,301
Costs related to monitoring and evaluation of grants awarded	145,304	215,220
Grants paid	<u>(2,955,591)</u>	<u>(3,260,169)</u>
Total creditors at the end of the year	<u>3,850,361</u>	<u>5,000,134</u>
Creditors due within one year (Note 14)	2,827,601	3,012,961
Creditors due in over one year (Note 15)	<u>1,022,760</u>	<u>1,987,173</u>
Total creditors at the end of the year	<u>3,850,361</u>	<u>5,000,134</u>
	2021 £	2020 £
Grants awarded in the year:		
Contact Group Operational Resources Years 2022–2024.	91,955	–
Windsor Leadership Programmes, Windsor Leadership Trust	22,994	–
Veterans Work: The Podcasts. Deloitte. CE Award	25,000	–
Soldiering On Awards 2021. X Forces. CE Award	18,000	–
Changing our Approach to Veterans' Employment through Trade Associations and Membership Bodies. X-Forces	42,383	–
No Homeless Veterans. Stoll on behalf of the Cobseo Housing Cluster	193,000	–
Mental health and its relationship with unemployment and disability benefits among UK veterans. King's Centre for Military Health Research	(7,569)	–
Chamber Military Network. Black Country Chambers of Commerce	129,057	–
Non-UK Personnel, Veterans and Families. Anglia Ruskin University	145,997	–
Armed Forces Charities Expanding Knowledge and Evidence, 2021–2023. Directory of Social Change	271,191	–
Ex-Service personnel in the Criminal Justice System in England, Wales and Scotland. Nacro in partnership with the Institute of Public Safety, Crime and Justice (IPSCJ) and the Institute for Social Innovation and Impact (ISII) at the University of Northampton	244,106	–
Our Community, Our Covenant 3: Examining the impact of the Armed Forces Covenant. Shared Intelligence in partnership with RAND Europe and Meri Mayhew	221,484	–
Non-UK Personnel, Veterans and Families. Anglia Ruskin University. Additional Award	4,000	–
Understanding the impact of serving within the UK Armed Forces for the Indian and West Indian veteran populations. University of Chester	162,894	–
Pioneer Programme – MDMA-Assisted Psychotherapy Research for treatment-resistant PTSD. Supporting Wounded Veterans and King's College London	250,000	–
Developing Peer Support for Families of Veterans with Substance Use Problems. University of York	(2,032)	–
Triggers of help seeking for alcohol problems in ex-serving personnel: the roles of recognition and mental health comorbidity. University of Liverpool	(962)	–
RCT of modular motion-assisted memory desensitisation & reconsolidation (3MDR) for treatment resistant PTSD. Cardiff University	<u>(23,645)</u>	<u>–</u>
Sub-total carried forward	<u>1,787,853</u>	<u>–</u>

5 Grant making (continued)		2021	2020
Grants awarded in the year:	Charitable Activity	£	£
Sub-total brought forward		1,787,853	–
The Poppy Factory IPS Pilot for Wounded, Injured and Sick Veterans. The Poppy Factory	Knowledge and Evidence	(21,000)	–
Mental Health and Treatment Needs of UK ex-Serving personnel. King's Centre for Military Health Research Sector Leadership Programme. Windsor Leadership Trust, Additional Award	Knowledge and Evidence	(6,339)	–
Cobseo Emerging Leaders Programme 2019–2020. Clore Social Leadership, Additional Award	Collaboration and Leadership	–	595
Shoulder to Shoulder Online. TimeBank. Additional Award	Collaboration and Leadership	–	–
MINDFit Development & Initial Assessment of a MH Toolkit for Veterans. King's College London. Additional Award *	Knowledge and Evidence	–	10,000
Where are all the veterans? Motivating military veterans to register with a Primary Healthcare practice. University of Chester.	Knowledge and Evidence	–	9,293
Exploring War Widows' experiences of social isolation and loneliness. University of Northumbria.	Knowledge and Evidence	–	133,150
Household Survey 2021. The Royal British Legion.	Knowledge and Evidence	–	99,979
Longer-term employment outcomes for ex-Service personnel. QinetiQ Ltd.	Knowledge and Evidence	(100,000)	100,000
Treating veterans with Complex PTSD using modular therapy. A pilot case study design. Edinburgh Napier University. *	Knowledge and Evidence	–	265,745
Advance 2020. ADVANCE Study Charitable Trust	Knowledge and Evidence	–	304,494
Caring and Coping: Living with Loss of Use of Limb/s, the family experience. Blesma	Knowledge and Evidence	–	500,000
Sanctions, Support & Service Leavers: Experiences of the UK	Knowledge and Evidence	–	197,645
social security system in transition. University of Salford.	Knowledge and Evidence	–	299,150
Understanding the psychosocial determinants of psychological health and wellbeing for veteran families in the UK. Queen's University Belfast.	Knowledge and Evidence	–	306,956
Casework Transformation Project. Royal Air Force Benevolent Fund on behalf of the Casework Steering Group.	Collaboration and Leadership	–	9,500
Helping the Armed Forces Community to be the Best in Business. X Forces.	Influence and Convening	–	7,500
Shoulder to Shoulder Erskine Online. TimeBank. Additional	Knowledge and Evidence	–	1,626
Sub-total carried forward		1,660,514	2,245,633

5 Grant making (continued)

Grants awarded in the year:	Charitable Activity	2021 £	2020 £
Sub-total brought forward		1,660,514	2,245,633
Beyond the Finish Line: Examining the Invictus Games. Invictus Games Foundation. Additional Award	Knowledge and Evidence	-	43,180
Psychological treatment for morally injured UK Armed Forces veterans: A feasibility study. King's Centre for Military Health Research*	Knowledge and Evidence	-	270,830
Scotland's Bravest Manufacturing Company – Progressive Employment Training. Royal British Legion Industries. MINDFit Development & Initial Assessment of a MH Toolkit for Veterans. King's College London. Additional Award *	Capacity Buiding	-	298,996
Future Trends Commission (Lifting our Sights)	Knowledge and Evidence	-	8,057
DVA Conference, 7 October 2020. The Royal British Legion	Knowledge and Evidence	-	298,200
Veterans Mental Health Conference 2021–2023. King's Centre for Military Health Research	Influence and Convening	-	1,000
Informing Scotland 2020–2023. Veterans Scotland	Influence and Convening	-	45,000
High Intensity Service (HIS) Consultancy Project. Combat Stress on behalf of Contact Group	Influence and Convening	-	209,700
Transition into Construction: Short Term Support. BuildForce	Capacity Buiding	-	19,800
You're in Your Own Time Now: Understanding Current Experiences of Transition to Civilian Life in Scotland. The University of Edinburgh	Capacity Buiding	-	40,000
Future Trends Commission (Lifting our Sights) website. CE Additional Award.	Knowledge and Evidence	-	301,868
A Roadmap to ensure achievement of No Homeless Veterans. The Riverside Group Limited on behalf of the Cobseo Housing Cluster	Knowledge and Evidence	-	14,982
Knowledge Transfer between TimeBank and SSAFA. TimeBank	Influence and Convening	-	219,243
Pilot Randomised Controlled Trial (RCT) to evaluate to compare the Reconsolidation of Traumatic Memories (RTM) intervention with Trauma-Focused CBT (TF-CBT) delivery by charities to treat PTSD in UK veterans (aka PETT – PTSD Experimental Treatment Trial). King's College London. Additional Award.	Influence and Convening	-	21,283
Understanding 'Negative Transitioning' in British Ex-Service Personnel. Queen's University Belfast. Additional Award	Capacity Buiding	-	87,280
University of Bristol underspend refund	Knowledge and Evidence	-	23,890
Female Veterans and Employment (Cranfield)	Knowledge and Evidence	-	(10,788)
KCMHR Veterans Mental Health Conference 2017–2019	Knowledge and Evidence	-	(597)
MHRP Infrastructure Quarterly Costs	Knowledge and Evidence	-	(624)
	Knowledge and Evidence	-	14,368
Sub-total – grant awards		1,660,514	4,151,301
Other costs related to grants awarded		145,304	215,220
Total costs of grant making		1,805,818	4,366,521

6 Net income/(expenditure) for the year

	2021	2020
	£	£
This is stated after charging / crediting:		
Depreciation	1,440	2,880
Auditor's remuneration (excluding VAT):		
▪ Audit	7,650	7,300
Advisor's fees and expenses (Protector)	15,000	15,161
Operating lease rentals		
▪ Property	77,722	78,538
	<u>77,722</u>	<u>78,538</u>

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

	2021	2020
	£	£
Staff costs were as follows:		
Salaries and wages	567,344	483,034
Social security costs	57,912	49,540
Employer's contribution to defined contribution pension schemes	30,986	19,728
Death in Service benefit	4,723	6,374
Other Staff costs	2,919	30
	<u>663,884</u>	<u>558,706</u>

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

	2021	2020
	No.	No.
£70,000 – £79,999	1	1
£90,000 – £99,999	2	1
	<u>2</u>	<u>1</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £122,783 (2020: £111,323).

The charity directors were not paid or received any other benefits from employment with the charity in the year (2020: £nil). No charity director received payment for professional or other services supplied to the charity (2020: £nil).

Directors' expenses represents the payment or reimbursement of travel and subsistence costs totalling £772 (2020: £2,671) incurred by 3 (2020: 6) 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:

	2021	2020
	No.	No.
Raising funds – investment management	1.0	0.9
Governance	2.7	2.4
Knowledge and Evidence	4.4	4.5
Collaboration and Leadership	1.0	0.0
Influence and Convening	1.0	1.0
Capacity Building	0.4	0.5
	<u>10.5</u>	<u>9.3</u>

9 Related party transactions

The value of the related party transactions is £742,649 (2020: £725,675). Full details of this figure is given on pages 23–24 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	12,960	12,960
Charge for the year	1,440	1,440
At the end of the year	<u>14,400</u>	<u>14,400</u>
Net book value		
At the end of the year	<u>–</u>	<u>–</u>
At the start of the year	<u>1,440</u>	<u>1,440</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 2021

12 Listed investments

	2021 £	2020 £
Fair value at the start of the year	23,725,590	23,771,609
Additions at cost	4,688,949	5,377,365
Disposal proceeds	(10,212,294)	(6,707,589)
Net gains on change in fair value	1,803,785	1,284,205
	<u>20,006,030</u>	<u>23,725,590</u>
Cash held by investment broker pending reinvestment	6,026,437	4,532,875
Fair value at the end of the year	<u>26,032,467</u>	<u>28,258,465</u>

Investments comprise:

	2021 £	2020 £
Fixed Interest Bonds	2,862,269	4,118,018
UK Shares listed on the London Stock Exchange	1,603,888	2,343,032
Non UK Shares listed on the London Stock Exchange	11,224,910	12,721,470
Hedge Funds	431,876	547,562
Property Funds & Trusts	1,106,960	1,199,199
Alternative Assets	1,895,142	1,486,418
Liquid Funds	6,907,422	5,842,766
	<u>26,032,467</u>	<u>28,258,465</u>

13 Debtors

	2021 £	2020 £
Prepayments	21,662	21,792
Cycle to work scheme and season ticket loans	133	-
	<u>21,795</u>	<u>21,792</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

	2021 £	2020 £
Trade creditors	9,541	53,870
Taxation and social security	19,318	16,954
Accruals	7,570	7,570
Grants payable (Note 5)	2,827,601	3,012,961
Other creditors	5,707	3,536
	<u>2,869,737</u>	<u>3,094,891</u>

Forces in Mind Trust

Notes to the financial statements

For the year ended 31 December 2021

15 Creditors: amounts falling due after one year

	2021 £	2020 £
Grants payable (Note 5)	<u>1,022,760</u>	<u>1,987,173</u>
Grants are paid in line with agreed timetables and are payable:		
In less than one year	2,827,601	3,012,961
Between one and five years	<u>1,022,760</u>	<u>1,987,173</u>
	<u>3,850,361</u>	<u>5,000,134</u>

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

	Endowment funds £	General funds £	Total funds £
Tangible fixed assets	-	-	-
Investments	26,032,467	-	26,032,467
Net current liabilities	(1,912,196)	-	(1,912,196)
Long term liabilities	(1,022,760)	-	(1,022,760)
Net assets at the end of the year	<u>23,097,511</u>	<u>-</u>	<u>23,097,511</u>

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

	Endowment funds £	General funds £	Total funds £
Tangible fixed assets	1,440	-	1,440
Investments	28,258,465	-	28,258,465
Net current liabilities	(2,596,051)	-	(2,596,051)
Long term liabilities	(1,987,173)	-	(1,987,173)
Net assets at the end of the year	<u>23,676,681</u>	<u>-</u>	<u>23,676,681</u>

17a Movements in funds (current year)

	At 1 January 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2021 £
Endowment funds	23,676,681	2,168,344	–	(2,747,514)	23,097,511
Total endowment funds	23,676,681	2,168,344	–	(2,747,514)	23,097,511
Unrestricted funds:					
General funds	–	–	(2,747,514)	2,747,514	–
Total unrestricted funds	–	–	(2,747,514)	2,747,514	–
Total funds	23,676,681	2,168,344	(2,747,514)	–	23,097,511

17b Movements in funds (prior year)

	At 1 January 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 December 2020 £
Endowment funds	27,192,854	1,739,900	–	(5,256,073)	23,676,681
Total endowment funds	27,192,854	1,739,900	–	(5,256,073)	23,676,681
Unrestricted funds:					
General funds	–	–	(5,256,073)	5,256,073	–
Total unrestricted funds	–	–	(5,256,073)	5,256,073	–
Total funds	27,192,854	1,739,900	(5,256,073)	–	23,676,681

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.

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 2021 £	2020 £
Less than one year	7,721	7,797
	<u>7,721</u>	<u>7,797</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.