

Charity number: 1145688

Forces in Mind Trust

Report and financial statements

For the year ended 31 December 2022

Contents

For the year ended 31 December 2022

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 2022

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	Mike Ellicock Tom McBarnet Caroline Cooke Rodrigo Voss Clare Crookenden	Chief Executive (until June 2021) Chief Executive (from June 2021) Head of Policy Head of Operations & Governance Grants & Programmes Manager
Bankers	Barclays Bank UK PLC 1st Floor 27 Soho Square London W1D 3QR	
Solicitors	Wilsons Solicitors LLP Alexandra House St Johns Street Salisbury SP1 2SB	

Forces in Mind Trust

Reference and administrative details

For the year ended 31 December 2022

Auditor	Price Bailey LLP Chartered Accountants Statutory Auditors 24 Old Bond Street London W1S 4AP
Investment Manager	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 2022 to 13 June 2023 were:

Chair	H J R Pung	Chair of the Board (resigned 14 December 2022)
Chair	J Macleod CB CVO	Chair of the Board (from 14 December 2022)
Director	K Alpin	Member of the Programmes Committee
Director	A Bell	Member of the Board (resigned 14 September 2022)
Director	R S Campbell FCA	Chair of the Finance and Investment Committee (resigned 14 December 2022)
Director	AVM Retd C Elliot CB CBE DL	Member of the Finance and Investment Committee (resigned 8 February 2023)
Director	R P Harries	Chair of the Programmes Committee
Director	R Hornsby-Clifton	Chair of the Finance and Investment Committee (from 14 December 2022)
Director	Maj Gen Retd T D Hyams CB OBE	Member of the Programmes Committee (from 14 September 2022)
Director	K McCullough	Member of the Programmes Committee
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 2022

Director	Lt Gen Retd Sir N Pope KCB CBE	Member of the Governance Committee
Director	A S D Reding	Member of the Finance and Investment Committee
Director and Deputy Chair	N J Roberts	Member of the Governance Committee and Deputy Chair of Board
Director	A C Ward	Chair of the Governance Committee

The Trust's past Patron was the late 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

Last year my predecessor reflected on a decade since the formation of the Trust and both the considerable changes to the environment and circumstances in which it operates. He also highlighted the notable achievements the Trust has made in pursuit of supporting successful and sustainable transition for the Armed Forces Community and their families out of Service life and into fulfilled civilian lives. Even in my short time leading the Trust, the complexity and challenges of the contemporary environment on those operating in the public and charity sectors in support of the Armed Forces Community are starkly evident. Demands for resources and support can outstrip capacity, limiting the ability of statutory providers to proactively recognise unique cohorts in their planning and potentially imparting more pressure on the third sector to bridge gaps. Whilst the majority of those leaving the Service manage transition well and go on to lead fulfilled and impactful lives, taking into their civilian worlds those characteristics that make the UK Service woman and man so respected worldwide, some find the transition more difficult and struggle. For those who may find departing from the Services more difficult, their needs can be complex and ensuring they do not fall between the cracks remains a challenge.

With such a well-established and to some eyes, large, military charity sector, the UK is arguably well-placed to extend support and benevolence to those most in need. Further, with the progress made over the last decade in recognising veterans and their needs in public service provision, and through the increasing influence of the Office for Veteran Affairs, there are fewer quarters where potential vulnerability arising from previous military service is not at least understood. Nevertheless, there remains substantial evidence of systemic problems that continue to be resolved through addressing symptoms as they present, rather than identifying and reducing systematic causes.

This need highlights the importance of the Trust continuing to leverage its independence in order to:

- Spotlight through commissioning and supporting the generation of empirical evidence and arguments that can highlight any policy shortfalls or new opportunities in service provision
- Continue to assist in bringing about a more joined-up and coordinated approach to supporting Service personnel and their families in transition
- Work to create a resource for the entire sector to help keep evidence based decision making at the heart of the formulation and delivery of policy.

I therefore see the Trust's role as a catalyser and collaborator in driving change, a cohering force for ideas, and as an independent and respected, evidentially based voice within the sector as important as ever.

Looking at the last year in more detail, 2022 was another significant year in the Trust's life. Following our successful earlier investment in the first Centre back in 2017, we launched the new partnership with King's College London and RAND, the next iteration of the Forces in Mind Trust

Research Centre. This highly accessible, free, authoritative, and comprehensive resource promises to be a real asset in understanding the Armed Forces Community and families, supporting Government resource planning, wider research and both media and public enquiry.

Further, we published new reports into the factors contributing to 'negative transition' of UK service personnel, the lived experience of returning to civilian life with physical injuries acquired in Service, health trends in the Scottish veteran's community and their impact, new initiatives to identify and track the ex-Service person in the healthcare system and the progress of delivery on pledges after a decade of the Armed Forces Covenant. These are all examples of the span of the Trust's work with each report making informed and targeted recommendations for the betterment of policy and service provision. As the Trust moves forward, we will continue to track the impact of our reports and ensure that our recommendations are seen by those helping to shape and transform the landscape for our ex-Service community.

2022 also saw the departure of Mike Ellicock after a relatively short 'tour' as the Trust's Chief Executive and the appointment of Tom McBarnet, the Trust's Deputy Chief Executive and Director of Programmes, in the role in an interim capacity. Tom has a wealth of knowledge and connections within the military charity sector, the public and private sector, and in government, and I am pleased to observe that both a change of CE and my arrival as the new Chair in December 2022 had little impact upon the running of our grant-making activity nor on the focus of Trust work. 2022 also saw the departure of Ross Campbell and Adrian Bell as long-standing directors who made significant contributions to the Trust's achievements over many years. Nevertheless I have been delighted to be able to welcome Tim Hyams and Russell Hornsby-Clifton as new directors, both of whom I look forward to working with. We have also said farewell to Nicholas Lambert as one of our lay advisors who has also been generous of both his time and energy in supporting the Trust's Finance and Investment Committee and his interest in our mission.

I must also note with sadness, that 2022 saw the sad passing of our Patron, Admiral of the Fleet, The Lord Boyce KG GCB OBE DL. Lord Boyce had been patron since the Trust's founding and his passion for supporting veterans through the challenges of leaving Service was at the core of our mission. His insight and enthusiastic engagement with the Trust at Board and staff level was valued, always welcomed, and will be sorely missed.

So, although I have had only a short time as Chair, I have now experienced first-hand what I believed when I applied for the role. The Trust provides an invaluable role in this sector, a role that no other can, and whilst the landscape has changed significantly since the Trust was set up in 2011, the need for what the Trust brings has not. Our independence in approach, our ability to commission and support the generation of research which can transform policy generation and service delivery, and our ability to support others within the sector who can leverage the work that the Trust has generated, is as important now as it was in 2011. Of course, as a Trust, we must stay agile, and ensure we deliver the maximum impact from our activity and I see myself and my fellow directors as pivotal in ensuring that Forces in Mind Trust continues to be a force for good, that it

leaves a lasting positive legacy and it continues to deliver on its purpose of enabling all ex-Service personnel and their families to make a successful and sustainable transition to civilian life.

As I close, I would like to thank the directors and the talented and professional staff at the Trust for all the work they have done to make Forces in Mind as influential and effective as it is, and for making my succession as Chair as seamless as possible. I would also like to recognise my predecessor Hans Pung for a thorough and generous handover, and for the tireless work he has done over the last 6 years as Chair. Work that has had so much positive impact for Service personnel and veterans and their families; the majority of whom will never know Hans or how he has personally contributed to the success of their transition. On mine, and their behalf, thank you Hans.

Finally, I look forward with excitement to my tenure as Chair of Forces in Mind Trust, confident that that the organisation is well placed to continue to adapt to new challenges and build upon an already impressive legacy.

Jim Macleod CB CVO
Chair, Forces in Mind Trust
31 January 2023

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 2022.

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 (2019) 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 the Trust's Protector, Alison Paines, whose report is included below.

Comment on Protector's Report

The current Protector was appointed in December 2021 by the National Lottery Community Fund; her role and responsibilities are fully described in her Report. The Directors welcome, and are encouraged by, the comments contained in the Protector's Report. The Protector's attendance at Board and a selection of Committee meetings contributes positively to the Trust's development, and the Board is grateful to her considered advice.

Objectives and activities

Purposes and aims

Forces in Mind Trust (FiMT, or the Trust) is a registered charity (Charity number: 1145688) 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. In particular, the Directors considered how the planned activities will contribute to the aims and objectives that have been set. In its tenth year of full operation (and eleventh overall), FiMT has taken significant steps towards delivering the impact its Founder intended by continuing work using the strong foundations that were laid in the first half of its planned life.

The conceptually well-targeted grant-giving programme, supported by strategic influence activities, has remained at the core of the Trust's activities, with an increasing emphasis on commissioning and co-creation versus responsive funding. In 2022, the Trust continued work on its programmatic approach that is characterized by greater coherence of funding, more proactive and impactful projects, and a more innovative use of the full range of **Change Mechanisms** focused on priority **Programmes**.

The Directors review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period.

In June 2022 the then Chief Executive, Mike Ellicock, resigned to pursue new professional challenges, and the Board was delighted that Tom McBarnet accepted the offer to become the Acting Chief Executive of the Trust from 20th June. Tom is extremely well placed to play this role, given his strong expertise and experience in leading FiMT's programmatic activities as well as his deep knowledge and networks across the Armed Forces Charity sector and FiMT's wider stakeholder base. The Board anticipates that Tom will remain in the Acting Chief Executive role until the point when they are able to make a permanent appointment. In the meantime the role of the Grants Manager (now Grants and Programmes Manager) was extended as a permanent adjustment in order to cover some of the responsibilities of the Director of Programmes, a role that has remained vacant since June.

Achievements and performance

The Trust's main activities in the course of the year are described below. All charitable activities ultimately 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, 20 grant awards were made (previous period 14), listed below. Other costs related to grants awarded totalling £84,933 (2021: £145,304) are also shown. Of these 20 awards, 18 (7) were for Knowledge and evidence, 1 (4) was for Influence and convening, and 1 (2) was for Capacity building, although in practice there is significant overlap between these categories.

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 2022 were:

- Improving life skills in the UK Armed Forces. QinetiQ
- The Experiences and Support Needs of Veterans Living with Dementia in their Own Homes. University of Manchester
- Examining and mapping the support needs of female veterans in the UK. King's College London
- Understanding The Patterns of Serious Offending Among ex-Service Personnel. Probation Institute. Additional Award.
- Non-UK Personnel, Veterans and Families. Anglia Ruskin University. Additional Award
- Influences on alcohol consumption among partners of UK military personnel/veterans. King's College London*
- FiMT Research Centre
- Our Community, Our Covenant. Examining the impact of the Armed Forces Covenant. Shared Intelligence. Additional Award
- No Homeless Veterans. Stoll on behalf of the Cobseo Housing Cluster. Additional Award
- Exploring veterans physical and mental health needs: the use of the Clinical Practice Research Datalink. King's College London
- Armed Forces Families and Children's Social Care. RAND Europe
- SCiP Alliance Funders' Forum – Support for service children – a proposed scoping report. Directory of Social Change
- Understanding the psychosocial determinants of psychological health and wellbeing for veteran families in the UK. Queen's University Belfast. Additional Award
- Ex-Service personnel in the Criminal Justice System in England, Wales and Scotland. Nacro. Additional Award
- Roadmap to End Veterans Homelessness. Riverside. Additional Award
- A Comparative Study: Common Mental Health Disorders in the Veteran & Non-Veteran Populations. Chester University *
- Mental health and wellbeing of UK Gurkha veterans. King's College London *
- Pride in Veterans Standard (PiVS) – Early Intervention for LGBT+ Veterans. Fighting with Pride
- Phase 2 Feasibility Pilot RCT for Restore & Rebuild (R&R): A Psychological Treatment for Moral Injury. King's College London *
- Exploring Suicidality in Northern Ireland's Veterans. Queen's University Belfast*

*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

For the year ended 31 December 2022

activities will not be judged only through its self-imposed notional target of £2.1 million external spend, but by its impact.

The total value of the 2022 awards, less other costs related to grants awarded was £4.374 million (previous period £1.660 million), including the grant for the new FiMT Research Centre.

Total charitable expenditure for the year amounted to £5.290 million (previous period £2.614 million).

Oversight of our Programmatic Approach has been provided by a Programme Committee-led 'deep dives' process of which Housing, Employment, Health, and Finance were conducted through the course of the year. While stakeholder engagement in all programmes is a routine activity throughout the year, both in pursuit of our strategy and as a key enabling function in each programme area, a specific programme reference panel was held for the Finance Programme which focused on the Cost-of-Living crisis and implied tasks for the Trust.

Exemplifying the principle of commissioning work where the Trust saw the strongest opportunities for impact, FiMT awarded a grant (Improving life skills in the UK Armed Forces) to examine the current deficit of life skills within the Armed Forces Community, critically review and assess the existing evidence on life skills, and present options for what a successful life skills programme could look like for Service personnel and their families in the UK Armed Forces.

The most significant 2022 commissioning activity was the award of the new FiMT Research Centre grant agreement to the RAND and King's College London consortium, an award valued at £2.5 million over 5 years. Directors are encouraged by the extent of work already carried out in the first few months of the new consortium. We also take this opportunity to thank the team at Anglia Ruskin University for their work during the first 5 years of the Centre and for their work on the transition to the new consortium being as smooth as possible.

Impact and Influence

Impact

The Trust has once again been influential in playing a key role developing policies and insightful recommendations that contributed to improvements in the lives of the Armed Forces Community. The Trust 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. Three particular areas of impact are worthy of note:

Mental Health Research Programme – the MHRP continued to generate a robust evidence base on the mental health needs of ex-Service personnel and their families and on effective and appropriate interventions to support those who require additional support for their mental health. The Trust has joint membership of NHS England's Armed Forces Research Translation Group, the Contact Group's Research Sub-Group, and sits on the Office for Veterans' Affairs health research

priorities panel. Three significant reports emerged from the MHRP in 2022. The first, an evaluation of Drinks:Ration, a smartphone application aimed at reducing alcohol consumption in veterans who were formally seeking mental health support. The Ministry of Defence is currently piloting the app with serving personnel and it is publicly available as an NHS approved app. The second, a feasibility trial of the MeTVeT smartphone app, developed to help ex-Service personnel overcome barriers that prevent them from help-seeking and lastly, the Military Service Identification Tool to aid the identification of veterans in electronic health records within secondary healthcare. The Tool, which is now publicly available, was successfully trialled at South London and Maudsley NHS Foundation Trust.

The MHRP, and wider related Health Programme, continued and further extended its reach into key stakeholder group activity through their existing, and some newly acquired roles. These include Contact Group (a voluntary collaboration of national government departments and statutory, charity, professional and academic bodies who work collaboratively on issues of military mental health policy, treatment and research to improve the mental health of the UK military community) and Contact's Research Sub-group (eg selecting a new independent Chair, a pivotal role to retain momentum on the achievements of this expert group); the MHRP Steering Group, a voluntary group representing statutory, non-statutory and academic sectors from across the devolved nations, who not only help assess mental health applications to FiMT, but also share their top concerns in veteran and wider mental health policy and services; the Office for Veterans Affairs-funded health research priority setting partnership with the James Lind Alliance, where lived experience, statutory and non-statutory representatives come together over 12 months to identify the top 10 veteran health research priorities; the Medical Advisory Committee, an independent group of medical, academic and associated experts that advises the Confederation of British Service Charities (Cobseo) on the health of UK veterans and the Service population, particularly matters affecting long term health; and the Armed Forces Research Translation Group, a newly formed group who aim to ensure latest findings make their way into front line health practice.

A Decade of the Covenant – The Trust's third iteration of the Our Community, Our Covenant reports, examining the impact of the Armed Forces Covenant in reducing disadvantage for the Armed Forces Community across the UK. The report, published in December, not only assessed the current delivery and impact of the Covenant, but provided a baseline for Government to measure the impact of the newly introduced Statutory Duty for specified bodies to have due regard for the principles of the Covenant when exercising certain statutory functions across health, housing, and education. The report also provided several resources to help local authorities and other organisations to assess and improve their delivery of the Covenant to ensure that no member of the Armed Forces Community is disadvantaged by their service.

Where are all the Veterans? – A highly successful project which resulted in a 218% increase in veteran registration at GP practices in North West England. Through the identification of low-cost and easily implemented initiatives, this project continues to have impact, increasing both veteran registration with GPs and GP practices becoming accredited as 'veteran friendly'. This was a significant step in encouraging veterans to access health care and ensuring that they receive appropriate care and support when they do.

Influence

In early 2022, the Office for Veterans' Affairs (OVA) launched its Veterans' Strategy Action Plan setting out the steps government will take from 2022–2024 towards its ambition of making the UK the best place in the world to be a veteran by 2028. Having been involved in the development of the Action Plan, it was pleasing to see several of the commitments align with our own policy goals and referral to a number of our projects. The Trust continued to work closely with the OVA throughout 2022, providing input and feedback on its Data and Research Framework and its strategy to measure progress against the 2028 outcomes. Our projects also continue to be influential with the No Homeless Veterans Campaign informing the government's new initiative, Op FORTITUDE, which will see £8.5 million of funding for a bespoke veterans' homelessness pathway. The Trust's work and its value on housing and monitoring Covenant delivery are also recorded in the government's Statutory Guidance for the Delivery of the Armed Forces Covenant.

Last year also saw the publication of the Ministry of Defence's UK Armed Forces Families Strategy 2022–32 which set out its commitment to ensuring that Armed Forces families are empowered to live rich and fulfilling lives and that their needs are recognised and supported. Two of the Trust's reports, 'Living in Our Shoes' and 'Lifting the Lid on Transition' feature in the Strategy with the former's recommendations providing the foundation for the accompanying action plan.

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 newly appointed Veterans Commissioners in Scotland and Wales.

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 2022 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 influencing the shaping and development of the improvements made to the policy, support and preventative work provided by the public, private and voluntary sectors.

Financial review

At the end of 2022 the Trust held total unrestricted charity funds of £15.377 million (2021: £23.098 million). Concerns about global market volatility remain largely due to effects of the Russian invasion of Ukraine, rising interest rates and inflation. The portfolio managed by Sarasin and Cazenove had lost £2.6m by March 2022.

This led the Board to once again 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 (and thus selling when prices were low). At the close of 2022, a total of £3.359 million (2021: £6.026 million) was held by Sarasin 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 £3.7 million (2021: £4 million), and this, combined with stock market losses, led to the value of the portfolio managed by Sarasin reducing by £6.35 million to £19.675million (2021: £26.032 million). As a result of drawdowns, investment income fell to £299.7k (2021: £364.6k). 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 £964k (2021: £942k) represent good value and reflect the Board's strategic intent to invest in increasing the Trust's impact. The Board is also aware that as FiMT approaches the end of its life, the proportion of grants expenditure versus staff resources will change significantly, with expenditure on grants reducing compared to staff/operational costs. This is justifiable as it is also recognised by the Board that most FiMT staff costs are directly associated to the delivery of FiMT's objectives, rather than overheads.

In January 2022 the Finance and Investment Committee conducted a review of investment management, which recommended changes to the arrangements that had been in place. The work on 'reconfiguring the endowment' concluded in March 2022 with Sarasin being appointed as the Trust's sole investment manager.

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 appropriate 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 organisations, and investing in the technical knowledge of the Board and staff, who 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 mitigating that risk by a short-term and targeted hiring to meet the immediate and enforced gaps in capacity and experience within the Executive Senior Leadership Team since June 2022, by appropriately enhancing the employment 'offer' and by investing in staff development and thus developing resilience and contingent capacity across the team.

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 Investment manager, Sarasin, 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 credible research that could be exploited, and upon which, well-targeted Executive team activity could still deliver much impact in coming years. The Board agreed that the Trust's activities should not be judged solely 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 per annum. Following the 'reconfiguration of the endowment' exercise and the appointment of Sarasin as sole Investment Manager for at least the next 5 years, a new policy, in accordance with Charity Finance Group best practice, was developed. During 2022 there were two objectives for the Investment Manager:

- To maintain at all times up to £6m in cash instruments in a separate segregated mandate (ie a 'short-term reserve' portfolio). This was achieved during 2022.
- To generate a target return of CPI on a rolling 3-year period from the remaining medium-term investments, after expenses (ie in a 'medium-term reserve' portfolio). The reason for

the change (previously CPI+3%) was to de-risk the portfolio, making the investments less exposed to equity markets, bringing less volatility and more predictability. Over the last 12-month period, return was negative at 8% (2021: 1.4%). Since inception, overall performance against target has been 3.5% from the portfolios managed by Sarasin.

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

Reserves policy and going concern

The Trust's reserves policy is to maintain between 6 and 24 months of operating costs, covering committed grant payments and future grant-making at the full strategically planned rates, in a combination of an instant access bank account and short-term funds held by the Investment Manager 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 Manager 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 the Investment Manager' cash/cash instruments. On 31 December 2022, cash flow for January/February 2023 was forecast to be £502k and instant access bank account holdings were £740k (31 December 2021 – £936k)

The Directors do not consider that there are any sources of reasonable uncertainty at the reporting date that have a significant risk of causing a material adjustment to the amounts of assets and liabilities carried 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. 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 2022 to review and discuss where the Trust could potentially achieve most impact in the coming 3–5 years. Discussion covered a proposed strategic framework for supporting transition under which the Trust would seek to operate. However, with no support for a radical change of direction, the Trust stayed true to its existing Strategy which had introduced the programmatic approach focused on Outcomes and Enablers as a way of increasing impact. However, following the Chair's succession and churn in some directors and the CE post, early 2023 saw another strategy awayday to focus on and review the Trust's mission and strategy for achieving impact.

Notwithstanding, in the Autumn 2022, the Board considered the 2023 Business Plan and outline budget, endorsing a continued focus on delivering upon the Research Centre project and provision of appropriate high-level support in achieving its aims, including Trust support and engagement in the combined Research Centre and KCMHR conference scheduled for March 2023. Future plans also include maintaining the Trust commitment to supporting its Mental Health Research Programme; development of two large commissions for a new Transition Mapping Study and a further Our Community, Our Covenant report as well as work to review Census 2022 veteran data and analysis of demographics of need and provision of support. Plans will also ensure sufficient flexibility to be able to entertain continued funding of reactive grant applications, co-created to ensure a good fit with existing programme priorities.

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.

Throughout 2022, 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.

Even though the Forces in Mind Trust Research Centre (the Centre) is an entirely separate entity, the Board has nominated a Research Centre Strategic Advisor (RCSA), a former FiMT Director who has relevant skills and experience to assist the Board with strategic oversight and higher-level management of the Centre. The Centre's Governance Board submits a formal quarterly report to the Board, and briefs the Board in person biannually. The Centre is advised by an Expert Advisory Board.

The Governance Committee instigated a formal governance review using Digi-Boards, a widely used tool that follows the principles of the Charity Governance Code. The responses to this review indicated that the Trust is perceived to be a 'Quite Well' run charity, and was commended for undertaking a governance review. At the same time, results showed that when looking at the individual principles of the Charity Governance Code there are improvements that can be made, and undertaking the Digi-Board governance review at this juncture was seen as an ideal opportunity to reflect on learning from past issues and focusing on future direction to have the maximum impact for the charity's beneficiaries.

To progress work on Equality, Diversity and Inclusion (EDI), the Board reconfirmed 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. 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, and one of the grants awarded during 2022 has a focus 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 2022, and to this end recruitment campaigns for both new Directors and staff members were open and widely advertised. EDI issues receive regular review and it remains a standing item on the GC's agenda.

Since the introduction of a hybrid working policy the Executive Team remains working both remotely and from the Trust's offices in London. Even though Directors believe that retaining the sub-lease within Mountbarrow House represent the most cost-effective option, the existing arrangements are reviewed regularly.

In December 2022 the Board agreed that the Trust would sign up to the Funders Commitment to Climate Change (FCCC), becoming the 100th funder to do so. The FCCC 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. A policy statement and an action plan are currently being developed, and a member of staff has been appointed as the lead on this.

The Directors have delegated day-to-day running of the Trust to the Chief Executive (Acting), Tom McBarnet.

Appointment of Directors

At the start of the reporting period, the Board had 13 Directors, comprising the Chair (an independent Director), 5 Directors who were nominated by Cobseo, and 7 other independent Directors who ensure a wide range of skills and knowledge, listed previously. Three Directors stood down and four were recruited during this period, including a new Chair. At the start of 2023, the Board held one vacancy (for an independent nominee). Directors continue to aim at a Board size of 12 to 13 (up to 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 organisation 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 (three in 2022) conduct 'exit' interviews with the Board Chair and Chief Executive.

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

The Board reviews its own performance and that of individual Directors, including the Chair (please note reference to the DigiBoard self-assessment exercise above). 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 organisations

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 Trust's website.

ABF – The Soldiers' Charity

The Chief Executive of ABF – The Soldiers' Charity is also a Director of FIM Trustee Limited. FiMT has a lease with ABF – The Soldiers' Charity for room hire and premises services provided at

Directors' annual report

For the year ended 31 December 2022

Mountbarrow House. Rent and service charges in respect of this lease for the year to 31 December 2022 were £ 88,938 (2021: £77,370) and pass-through cost for postal and other services was £7,772 (2021: £7,717). Rent and services remain substantially below market rate and ABF – The Soldiers' Charity continues to act in the Trust's interests in its dealings with the Landlord, Grosvenor Estates.

Barclays Bank UK PLC

An employee of Barclays Bank UK PLC is also a Director of FIM Trustee Limited. At the year end, £226 (2021: £226) 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, £170 (2021: £570) membership fee was paid on behalf of FiMT. During the period, Cobseo's Housing Cluster was awarded an additional £1,404 grant for the project 'No Homeless Veterans', coordinated by the Sir Oswald Stoll Foundation, and an additional £46,946.74 for the project 'Roadmap to End Veterans Homelessness', coordinated by Riverside; both are 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 five research contracts totalling £881,555 (2021: £250,000) to King's College London, as described under Note 5 to the Financial Statements. During the year the consortium Rand Europe/Kings College London was also awarded a grant to run the FiMT Research Centre (£2.5 million) until 2027, and King's College London was a partner in another project awarded to Rand Europe £149,900).

RAND Europe

The President (Chief Executive) of RAND Europe was also a Director of FIM Trustee Limited until December 2022. One award of £149,900 (2021: £221,483) was granted to Rand Europe. An additional grant (£4,398) was also awarded to the collaboration Shared Intelligence/RAND Europe/Meri Mayhew Consulting, as described under Note 5 to the Financial Statements. During the year the consortium Rand Europe/Kings College London was also awarded a grant to run the FiMT Research Centre (£2.5 million) until 2027.

The Poppy Factory

The former 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.

Remuneration policy for key management personnel

In March 2016 (formally reviewed during 2021), 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 2022, the Board accepted the Governance Committee's recommendations, all of which met the Policy requirements.

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 2022; 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.

Forces in Mind Trust does not undertake any fundraising activities, either directly or using an agency. As such, we do not currently subscribe to a fundraising code or regulation. We are not aware of any failures, during the year ended 31 December 2022 (2021 : none), by the charity of any person acting on its behalf, to comply with our fundraising standards, nor did we receive any complaints about fundraising activity.

Our staff have been provided with training on how to protect vulnerable people and other members of the public from behaviour which is an unreasonable intrusion on a person's privacy; or which is unreasonably persistent and places undue pressure on a person to give money or other property.

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 (2019)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

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

The Directors' report has been approved by the Directors on 13 June 2023 and signed on their behalf by:

J N Macleod
Chair of the Board

T F McBarnet
Chief Executive

Report of the Protector for the year ended 31 December 2022

Background

I was appointed by the National Lottery Community Fund (the 'Fund'), after an open recruitment process, as the Protector of the Forces in Mind Trust ('FiMT' or the 'Trust') in December 2021 for a 5 year term, succeeding Simon Martin who had served in this post for the preceding 10 years.

The Trust Deed dated 28 November 2011 which established FiMT requires the Protector to prepare a statement for publication by FiMT's corporate 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. This report covers my period in office up to 31 December 2022.

Protector's Function

The functions of the Protector are 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 four board meetings held during the period 1 December 2021– 31 December 2022. I also joined the Board strategy away day which took place in February 2022. 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 commented on various aspects of the governance and operation of the Trust during the period. I was not requested to consider or approve any changes to the constitution of the Trust.

Governance and Management of the Trust

I am satisfied that the Trust was administered in accordance with the terms of the Trust Deed in the period from December 2021– December 2022.

During this period there were various changes of director on the board of the Trustee:

- two directors who had been nominated by the Confederation of Service Charities ('Cobseo'), stepped down and were replaced by new individuals also nominated by Cobseo, which has the right under the articles of association of the Trustee to nominate up to 5 directors; and
- two independent directors left the board in December 2022, one because of his wish to

Protector's report

For the year ended 31 December 2022

explore other opportunities and the other, the Chair, at the end of his term; they were replaced by new appointees who were identified in open recruitment processes.

I am satisfied that there were no factors relating to these resignations that have an impact on the operation or governance of the Trust, and that the selection processes were aimed at recruiting suitably skilled directors for the board.

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 those associated with Cobseo and its member charities.

Covid lockdown and social distancing restrictions having been relaxed by the time I took up my post, I am pleased to be able to report that, although two Governance Committee meetings were held online, and one board meeting had to be held online because of train strikes, most full board and committee meetings during the period were attended in person. This enables a better quality of constructive debate and challenge, as well as building better board cohesion.

From what I have seen, there appears 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

As noted in the Trustee's report, the Trust's CEO, Mike Ellicock, who had been appointed in December 2020 and taken over full leadership 6 months later (on the retirement of the first CEO, Ray Lock), decided to leave the Trust during 2022 to pursue new professional challenges; he was replaced in June 2022 by Tom McBarnet as Acting CEO. As Tom was already an established and respected member of the Trust's Executive, this transition, which might have been disruptive, was smoothly achieved, with continuity of endeavour and support from the other members of the Executive.

Trust Research Centre

My predecessor commented in his report last year on the tender process relating to FiMT Research Centre (formerly based at Anglia Ruskin University) which resulted in a consortium of RAND Europe and the King's Centre for Military Health Research being selected as preferred bidders, subject to satisfactory negotiation of a research centre grant agreement. Those negotiations took place during the period to which this report relates, resulting in confirmation of the award (as described in the Trustee's report). Two of the directors (including the then Chair) had a conflict of interest, as they were each, respectively, connected with one of the bidders; I am satisfied that correct

Protector's report

For the year ended 31 December 2022

processes were followed in decision-making as regards the Research Centre, with the two directors in question having no influence and playing no part in the board's deliberations.

2023 Strategy Review

I note with approval the proposal to hold in February 2023 a review both of the board's own effectiveness and of the Trust's vision and mission for its remaining 8 years and its strategy for the next 2–3 years. This is timely, given the recent changes in board and executive leadership and given where the Trust is in its anticipated lifecycle. I look forward to continuing to work with the Trust through 2023 as it seeks to achieve its purposes, translating strategy into impact most effectively.

Alison Paines

Protector – Forces in Mind Trust (December 2021 – 31 December 2022)

February 2023

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 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the 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.

Independent auditor's report

To the trustee of

Forces in Mind Trust

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 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustee's report; or
- the charity has not kept adequate and proper accounting records; 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 trustee's responsibilities statement, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor 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 or having effect thereunder.

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

Independent auditor's report

To the trustee of

Forces in Mind Trust

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below: We gained an understanding of the legal and regulatory framework applicable to the Charity and the sector in which it operates and considered the risk of the Charity not complying with the relevant laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements, including financial reporting, and tax legislation. In relation to the operations of the Charity this included compliance with the Charities Act 2011 and SORP 2019.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified.

These included the following:

- Review of legal fees incurred;
- Reviewing minutes of Director Board meetings;
- Agreeing the financial statement disclosures to underlying supporting documentation;
- Enquiring of management, including those charged with governance;
- Reviewing key accounting policies and estimates

To address the risk of management override of controls, we reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness. We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates.

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 FRC's website at:

<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

Independent auditor's report

To the trustee of

Forces in Mind Trust

Use of our report

This report is made solely to the charity's trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's 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.

Price Bailey LLP
Chartered Accountants
Statutory Auditors
24 Old Bond Street
London
W1S 4AP
Date

Price Bailey LLP is eligible to act as an 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 2022

	Note	Endowment £	Unrestricted £	2022 Total £	2021 Total £
Income from:					
Investments	3	299,694	–	299,694	364,559
Total income		299,694	–	299,694	364,559
Expenditure on:					
Raising funds		–	122,510	122,510	133,277
Charitable activities					
Knowledge and Evidence		–	5,115,336	5,115,336	1,647,635
Collaboration and Leadership		–	(26,031)	(26,031)	403,008
Influence and Convening		–	100,841	100,841	397,186
Capacity Building		–	99,864	99,864	166,409
Total expenditure	4	–	5,412,520	5,412,520	2,747,515
Net income / (expenditure) before net gains on investments		299,694	(5,412,520)	(5,112,826)	(2,382,956)
Net gains on investments	12	(2,607,896)	–	(2,607,896)	1,803,785
Net income / (expenditure)	6	(2,308,202)	(5,412,520)	(7,720,722)	(579,171)
Transfers between funds	17	(5,412,520)	5,412,520	–	–
Net movement in funds		(7,720,722)	–	(7,720,722)	(579,171)
Reconciliation of funds:					
Total funds brought forward		23,097,511	–	23,097,511	23,676,681
Total funds carried forward	17	15,376,789	–	15,376,789	23,097,511

The negative balances showing for collaboration and leadership have arisen as a result of funds awarded in previous years having been returned to us in the year to 31 December 2022.

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 December 2022

	Note	£	2022 £	2021 £
Fixed assets:				
Tangible assets	11		–	–
Investments	12		19,674,702	26,032,467
			19,674,702	26,032,467
Current assets:				
Debtors	13	21,837	21,795	
Cash at bank and in hand		740,424	935,746	
		762,261	957,541	
Liabilities:				
Creditors: amounts falling due within one year	14	(2,480,593)	(2,869,737)	
Net current liabilities			(1,718,332)	(1,912,196)
Total assets less current liabilities			17,956,370	24,120,271
Creditors: amounts falling due after one year	15		(2,579,581)	(1,022,760)
Total net assets	16		15,376,789	23,097,511
The funds of the charity:				
Endowment funds			15,376,789	23,097,511
Unrestricted general funds			–	–
Total charity funds	17		15,376,789	23,097,511

Approved by the trustee on 13 June 2023 and signed on their behalf by

J M Macleod
Chairman of the Board

T F McBarnet
Chief Executive

Forces in Mind Trust

Statement of cash flows

For the year ended 31 December 2022

	Note	2022 £	£	2021 £	£
Net expenditure for the reporting period (as per the statement of financial activities)		(7,720,722)		(579,170)	
Dividends, interest and rent from investments	3	(299,694)		(364,559)	
(Gains)/losses on investments		2,607,896		(1,803,785)	
(Increase) in debtors		(42)		(3)	
(Decrease)/increase in creditors		1,167,677		(1,189,567)	
Net cash (used in) operating activities			(4,244,885)		(3,937,084)
Cash flows from investing activities:					
Dividends and interest from investments		299,694		364,559	
Depreciation of fixed assets		–		1,440	
Proceeds from sale of investments		4,766,825		10,212,294	
Purchase of investments		(4,351,763)		(4,688,949)	
Cash movement within investment portfolio		3,334,807		(1,493,562)	
Net cash provided by investing activities			4,049,563		4,395,782
Change in cash and cash equivalents in the year			(195,322)		458,698
Cash and cash equivalents at the beginning of the year			935,746		477,048
Cash and cash equivalents at the end of the year			740,424		935,746

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. The financial statements are prepared in pounds sterling and are rounded to the nearest pound.

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.

1 Accounting policies (continued)

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.

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.

1 Accounting policies (continued)

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 £	2021 Total £
Income from:			
Investments	364,559	–	364,559
Total income	364,559	–	364,559
Expenditure on:			
Raising funds	–	133,276	133,276
Charitable activities	–	2,614,239	2,614,239
Total expenditure	–	2,747,514	2,747,514
Net income / expenditure before gains on investments	364,559	(2,747,514)	(2,382,955)
Net gains on investments	1,803,785	–	1,803,785
Net income / expenditure	2,168,344	(2,747,514)	(579,170)
Transfers between funds	(2,747,514)	2,747,514	–
Net movement in funds	(579,170)	–	(579,170)
Total funds brought forward	23,676,681	–	23,676,681
Total funds carried forward	23,097,511	–	23,097,511

3 Income from investments

	2022 Total £	2021 Total £
Income from investments	299,353	364,489
Bank interest	341	70
	299,694	364,559

All income from investments is allocated to endowment funds.

4a Analysis of expenditure (current year)

	Charitable activities								
	Cost of raising funds £	Knowledge and Evidence £	Collaboration and Leadership £	Influence and Convening £	Capacity Building £	Governance costs £	Support costs £	2022 Total £	2021 Total £
Staff costs (Note 7)	48,050	362,027	(1,842)	7,137	7,068	142,148	102,774	667,362	663,884
Recruitment costs							26,713	26,713	10,299
Travel and subsistence		15,719	(80)	310	307	2,039		18,295	16,905
Grants payable (Note 5)		4,286,852	(21,815)	84,508	83,690			4,433,235	1,805,818
Investment manager's fees	18,539							18,539	31,720
Advisors' fees and expenses						15,600		15,600	15,000
Auditors' remuneration						10,010		10,010	8,760
Premises costs							88,938	88,938	77,722
Legal and professional fees		93,501	(476)	1,844	1,825			96,694	68,949
Marketing and communications						3,348		3,348	-
Directors' expenses						2,188	48	2,236	772
Office costs							31,550	31,550	47,686
	66,589	4,758,099	(24,213)	93,799	92,890	175,333	250,023	5,412,520	2,747,515
Support costs	25,002	157,149	(800)	3,098	3,068	62,506	(250,023)	-	-
Governance costs	30,919	200,088	(1,018)	3,944	3,906	(237,839)	-	-	-
Total expenditure 2022	122,510	5,115,336	(26,031)	100,841	99,864	-	-	5,412,520	
Total expenditure 2021	133,276	1,647,636	403,008	397,186	166,409	-	-		2,747,515

The negative balances showing for collaboration and leadership have arisen as a result of funds awarded in previous years having been returned to us in the year to 31 December 2022.

Forces in Mind Trust

Notes to the financial statements

For the year ended 31 December 2022

4b Analysis of expenditure (prior year)

	Charitable activities							
	Cost of raising funds £	Knowledge and Evidence £	Collaboration and Leadership £	Influence and Convening £	Capacity Building £	Governance costs £	Support costs £	2021 Total £
Staff costs (Note 7)	47,800	234,731	57,415	56,585	23,708	141,407	102,238	663,884
Recruitment costs	–	–	–	–	–	–	10,299	10,299
Travel and subsistence	–	7,475	1,828	1,802	755	5,045	–	16,905
Grants payable (Note 5)	–	1,138,125	278,383	274,361	114,949	–	–	1,805,818
Investment manager's fees	31,720	–	–	–	–	–	–	31,720
Advisors' fees and expenses	–	–	–	–	–	15,000	–	15,000
Auditors' remuneration	–	–	–	–	–	8,760	–	8,760
Premises costs	–	–	–	–	–	–	77,722	77,722
Legal and professional fees	–	43,455	10,629	10,476	4,389	–	–	68,949
Directors' expenses	–	–	–	–	–	772	–	772
Office costs	–	–	–	–	–	–	47,686	47,686
	79,520	1,423,786	348,255	343,224	143,801	170,984	237,945	2,747,515
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	1,647,636	403,008	397,186	166,409	–	–	2,747,515

Notes to the financial statements

For the year ended 31 December 2022

5 Grant making

	2022 £	2021 £
Creditors at the start of the year	3,850,361	5,000,134
Grants awarded in the year (Note 4 and detailed below)	4,348,727	1,660,514
Costs related to monitoring and evaluation of grants awarded	84,508	145,304
Grants paid	(3,289,246)	(2,955,591)
Total creditors at the end of the year	4,994,350	3,850,361
Creditors due within one year (Note 14)	2,414,769	2,827,601
Creditors due in over one year (Note 15)	2,579,581	1,022,760
Total creditors at the end of the year	4,994,350	3,850,361

	2022 £	2021 £
Grants awarded in the year:		
Contact Group Operational Resources Years 2022–2024.		
Windsor Leadership Programmes, Windsor Leadership Trust		
Veterans Work: The Podcasts. Deloitte. CE Award		
Soldiering On Awards 2021. X Forces. CE Award		
Changing our Approach to Veterans' Employment through Trade Associations and Membership Bodies. X-Forces		
No Homeless Veterans. Stoll on behalf of the Cobseo Housing Cluster		
Mental health and its relationship with unemployment and disability benefits among UK veterans. King's Centre for Military Health Research		
Chamber Military Network. Black Country Chambers of Commerce		
Non-UK Personnel, Veterans and Families. Anglia Ruskin University		
Armed Forces Charities Expanding Knowledge and Evidence, 2021–2023. Directory of Social Change		
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		
Our Community, Our Covenant 3: Examining the impact of the Armed Forces Covenant. Shared Intelligence in partnership with RAND Europe and Meri Mayhew		
Non-UK Personnel, Veterans and Families. Anglia Ruskin University. Additional Award		
Understanding the impact of serving within the UK Armed Forces for the Indian and West Indian veteran populations. University of Chester		
Pioneer Programme – MDMA-Assisted Psychotherapy Research for treatment-resistant PTSD. Supporting Wounded Veterans and King's College London		
Developing Peer Support for Families of Veterans with Substance Use Problems. University of York		
Triggers of help seeking for alcohol problems in ex-serving personnel: the roles of recognition and mental health comorbidity. University of Liverpool		
RCT of modular motion-assisted memory desensitisation & reconsolidation (3MDR) for treatment resistant PTSD. Cardiff University		
Sub-total carried forward	250,408	1,787,853

Charitable Activity

	2022 £	2021 £
Capacity Building		91,955
Capacity Building		22,994
Collaboration and Leadership		25,000
Collaboration and Leadership		18,000
Collaboration and Leadership		42,383
Collaboration and Leadership	1,404	193,000
Knowledge and Evidence		(7,569)
Influence and Convening		129,057
Knowledge and Evidence		145,997
Knowledge and Evidence	149,900	271,191
Knowledge and Evidence	56,338	244,106
Knowledge and Evidence	4,398	221,484
Knowledge and Evidence	38,368	4,000
Knowledge and Evidence		162,894
Knowledge and Evidence		250,000
Knowledge and Evidence		(2,032)
Knowledge and Evidence		(962)
Knowledge and Evidence		(23,645)

5 Grant making (continued)

Grants awarded in the year:	Charitable Activity	2022 £	2021 £
Sub-total brought forward		250,408	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	Knowledge and Evidence		(6,339)
Household Survey 2021. The Royal British Legion.	Knowledge and Evidence		(100,000)
Understanding the psychosocial determinants of psychological health and wellbeing for veteran families in the UK. Queen's University Belfast.	Knowledge and Evidence	28,761	-
A Roadmap to ensure achievement of No Homeless Veterans. The Riverside Group Limited on behalf of the Cobseo Housing Cluster	Influence and Convening	46,947	
A Comparative Study: Common Mental Health Disorders in the Veteran & Non-Veteran Populations. Chester Uni*	Knowledge and Evidence	110,987	
Examining and mapping the support needs of female veterans in the UK. King's College London	Knowledge and Evidence	220,066	
Exploring Suicidality in Northern Ireland's Veterans. Queen's University Belfast*	Knowledge and Evidence	130,659	
Exploring veterans physical and mental health needs: the use of the Clinical Practice Research Datalink, King's College London	Knowledge and Evidence	164,050	
FiMT Research Centre	Knowledge and Evidence	2,500,000	
Improving life skills in the UK Armed Forces. QinetiQ	Knowledge and Evidence	174,127	
Influences on alcohol consumption among partners of UK military personnel/veterans, King's College London*	Knowledge and Evidence	96,755	
Mental health and wellbeing of UK Gurkha veterans. King's College London *	Knowledge and Evidence	152,058	
Phase 2 Feasibility Pilot RCT for Restore & Rebuild (R&R): A Psychological Treatment for Moral Injury. King's*	Knowledge and Evidence	261,941	
Pride in Veterans Standard (PiVS) – Early Intervention for LGBT+ Veterans. Fighting with Pride	Capacity Building	83,690	
SCiP Alliance Funders' Forum – Support for service children a proposed scoping report. Directory of Social Change	Knowledge and Evidence	49,762	
The Experiences and Support Needs of Veterans Living with Dementia in their Own Homes. University of Manchester	Knowledge and Evidence	102,561	
Understanding The Patterns Of Serious Offending Among ex- Service Personnel. Probation Institute. Additional Award.	Knowledge and Evidence	2,116	
University of Sunderland	Collaboration and Leadership	(2,941)	
Clore Social Leadership	Collaboration and Leadership	(23,645)	
Sub-total – grant awards		4,348,302	1,660,514
Other costs related to grants awarded		84,933	145,304
Total costs of grant making		4,433,235	1,805,818

Notes to the financial statements

For the year ended 31 December 2022

6 Net income/(expenditure) for the year

	2022	2021
	£	£
This is stated after charging / crediting:		
Depreciation	–	1,440
Auditor's remuneration (excluding VAT):		
▪ Audit	9,250	7,650
Advisor's fees and expenses (Protector)	15,600	15,000
Operating lease rentals		
▪ Property	19,799	77,722
	<u>19,799</u>	<u>77,722</u>

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

	2022	2021
	£	£
Staff costs were as follows:		
Salaries and wages	565,626	567,344
Social security costs	58,369	57,912
Employer's contribution to defined contribution pension schemes	37,261	30,986
Death in Service benefit	2,696	4,723
Other Staff costs	3,410	2,919
	<u>667,362</u>	<u>663,884</u>

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

	2022	2021
	No.	No.
£70,000 – £79,999	–	1
£90,000 – £99,999	1	2
	<u>1</u>	<u>2</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £140,832 (2021: £122,783).

The charity directors were not paid or received any other benefits from employment with the charity in the year (2021: £nil). No charity director received payment for professional or other services supplied to the charity (2021: £nil).

Directors' expenses represents the payment or reimbursement of travel and subsistence costs totalling £2,236 (2021: £772) incurred by 3 (2021: 3) 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:

	2022	2021
	No.	No.
Raising funds – investment management	0.9	1.0
Governance	2.5	2.7
Knowledge and Evidence	6.3	4.4
Collaboration and Leadership	–	1.0
Influence and Convening	0.1	1.0
Capacity Building	–	0.4
	<u>9.8</u>	<u>10.5</u>

9 Related party transactions

The value of the related party transactions is £3,679.61k (2021: £742.65k). Full details of this figure is given on pages 19–20 of the Directors' Annual Report.

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

10 Taxation

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

11 Tangible fixed assets

	Software £	Total £
Cost		
At the start of the year	14,400	14,400
Additions in year	–	–
At the end of the year	14,400	14,400
Depreciation		
At the start of the year	14,400	14,400
Charge for the year	–	–
At the end of the year	14,400	14,400
Net book value		
At the end of the year	–	–
At the start of the year	–	–

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

Notes to the financial statements

For the year ended 31 December 2022

12 Listed investments

	2022 £	2021 £
Fair value at the start of the year	20,006,030	23,725,590
Additions at cost	4,351,763	4,688,949
Disposal proceeds	(4,766,825)	(10,212,294)
Net gains on change in fair value	(2,607,896)	1,803,785
	16,983,072	20,006,030
Cash held by investment broker pending reinvestment	2,691,630	6,026,437
Fair value at the end of the year	19,674,702	26,032,467

Investments comprise:

	2022 £	2021 £
Fixed Interest Bonds	3,539,017	2,862,269
UK Shares listed on the London Stock Exchange		1,603,888
Non UK Shares listed on the London Stock Exchange		11,224,910
Hedge Funds		431,876
Equities	9,302,889	
Property Funds & Trusts	921,273	1,106,960
Alternative Assets	1,497,852	1,895,142
Liquid Funds	4,413,671	6,907,422
	19,674,702	26,032,467

13 Debtors

	2022 £	2021 £
Prepayments	21,837	21,662
Cycle to work scheme and season ticket loans		133
	21,837	21,795

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

	2022 £	2021 £
Trade creditors	20,940	9,541
Taxation and social security	15,801	19,318
Accruals	24,000	7,570
Grants payable (Note 5)	2,414,769	2,827,601
Other creditors	5,083	5,707
	2,480,593	2,869,737

15 Creditors: amounts falling due after one year

	2022 £	2021 £
Grants payable (Note 5)	2,579,581	1,022,760
Grants are paid in line with agreed timetables and are payable:		
In less than one year	2,414,769	2,827,601
Between one and five years	2,579,581	1,022,760
	4,994,350	3,850,361

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

	Endowment funds £	General funds £	Total funds £
Tangible fixed assets	–	–	–
Investments	19,674,702	–	19,674,702
Net current liabilities	(1,718,332)	–	(1,718,332)
Long term liabilities	(2,579,581)	–	(2,579,581)
Net assets at the end of the year	15,376,789	–	15,376,789

16b Analysis of net assets between funds (prior 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	23,097,511	–	23,097,511

17a Movements in funds (current year)

	At 1 January 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2022 £
Endowment funds	23,097,511	(2,308,202)	–	(5,412,520)	15,376,789
Total endowment funds	23,097,511	(2,308,202)	–	(5,412,520)	15,376,789
Unrestricted funds:					
General funds	–	–	(5,412,520)	5,412,520	–
Total unrestricted funds	–	–	(5,412,520)	5,412,520	–
Total funds	23,097,511	(2,308,202)	(5,412,520)	–	15,376,789

17b Movements in funds (prior 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

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 2022 £	2021 £
Less than one year	13,070	7,721
	13,070	7,721

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.