



**The Salvation Army United Kingdom and Ireland Territory  
The Salvation Army Trust  
Report and Financial Statements for the United  
Kingdom in the year ended 31 March 2021**

Charity Registration No: 214779 Scottish Charity Registration No: SC009359

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# CONTENTS

Introduction from the Territorial Commander .....	3
Our Vision, Mission & Values .....	4
Objects of The Salvation Army Trust .....	5
Explaining Our Strategy, Structure and Operation .....	5
• Summary of What The Salvation Army Trust Does .....	6
• The Scale of the Work of The Salvation Army Trust .....	6
• How We Work .....	7
• Our Organisational Structure and How it Enables Agile Delivery .....	8
• Operational Structure .....	9
Two Distinctive Features Of 2020/2021 .....	10
• Our Pandemic Response .....	10
• Restating Our Vision, Mission and Values .....	11
2020/2021 Fulfilling Our Mission in a World Transformed	
- Highlights, Achievements, Delivery and Impact Across the UK: .....	13
Fast and Effective - Our Response to the Crisis .....	13
Proclaiming Our Faith in a New Era .....	16
In the Frontline Against Poverty .....	18
Reaching Out to Vulnerable People .....	20
A Safe Place and a Fresh Start for Homeless People .....	22
A Caring Friend for Older People .....	24
Walking the Extra Mile with Children and Young People .....	25
Making Christmas Truly Joyful .....	26
Challenging Disability .....	27
Ready in a Crisis .....	28
Speaking Up for Justice and Seeking Reconciliation .....	29
Looking Forward as an Organisation .....	31
Our Approach to Fundraising .....	32
Territorial Headquarters Relocation Project .....	38
Modern Slavery and Anti-Human Trafficking Statement .....	39
Reviewing Finances .....	40
Reserves Policy .....	43
Investing for the Future .....	44
Structure, Governance and Management .....	47
Subsidiary and Associated Companies .....	48
Recruitment and Appointment of Directors (Trustees) .....	48
• Training and Induction of Directors .....	48
• Organisational Structure and Decision Making .....	49
• Directors' Responsibilities .....	49
• Remuneration of Key Management .....	50
• Risk Management & Key Risks .....	50
Directors .....	53
Advisers .....	54
Independent Auditors Report .....	55
Financial Statements .....	59

## INTRODUCTION FROM THE TERRITORIAL COMMANDER



### Commissioner Anthony Cotterill

The Salvation Army has often been described as ‘Christianity with its sleeves rolled up’ - and certainly that has never been truer than it was last year. As the pandemic struck, it brought not just sickness but economic devastation, unemployment, poverty and social isolation in its wake.

Facing such a crisis, we in The Salvation Army knew what we had to do. With God’s help, we responded quickly and compassionately to the needs of people in our own communities.

Our deep roots in cities, towns and villages across the UK, Ireland, the Channel Islands and the Isle of Man, meant that we understood what needed to be done. We didn’t

need to wait for a national strategy or central guidelines before we got down to work. Instead, our response was immediate, practical, agile, professional - and highly effective.

So, if anyone asks you ‘what was The Salvation Army doing in the pandemic?’ the simple answer is ‘we were there, at the heart of it, in over 600 communities.’

We were there to deliver food parcels, medicines and other necessities to people in desperate need. We were there to minister to people’s spiritual and emotional needs. Our online services reached many thousands of people who felt frightened and were trying to make sense of what was happening. Our phone calls and doorstep visits to vulnerable and isolated people raised their spirits and let them know that they were still loved and valued. We were also a persistent and forceful advocate for the needs of vulnerable people in our discussions with the Government.

At the same time, for us, the past year was never ‘all about the pandemic’. At no time did we lose our wider vision of the better, kinder world that we as Christians are called to build. Our long-term work with vulnerable people, such as people living with dementia and people with learning disabilities, continued. So too did our church life - even if, because of the coronavirus, we had to live it in new ways online, on doorsteps and in gardens.

In the messages I write for our annual reports, I always like to give my thanks to all the people who make our work possible - our devoted officers, staff members and volunteers; and everyone who supports our work. This year I do so with particular warmth and deep gratitude. Faced with an emergency like no other, everyone in the Salvation Army ‘family’ gave their time and effort unsparingly to serve others. I would also like to give special thanks to our donors for their wonderful generosity, at a time when the pandemic put a huge strain on our finances.

Last year we saw The Salvation Army at its very best. Thank you and God bless you for helping us rise to the challenge.

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

## OUR VISION, MISSION & VALUES

Our Vision and Mission statements were explored and restated during 2020/2021 to reaffirm our sense of purpose and direction for The Salvation Army in the United Kingdom, Ireland, the Channel Islands and the Isle of Man.

### Vision statement:

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

### Mission statement:

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

### Our values:

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

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

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

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

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

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

## OBJECTS OF THE SALVATION ARMY TRUST

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

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

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

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

## EXPLAINING OUR STRATEGY, STRUCTURE AND OPERATION

The Salvation Army operates through two charitable trusts, The Salvation Army Trust and The Salvation Army Social Work Trust. This report and accounts outlines the work of The Salvation Army Trust, which is the charity registration through which we manage our programmes of engagement and support that are delivered through our local corps (churches) and our community centres.

Reported separately is the work we do through our Social Work Trust, which is the charity registration for our centrally coordinated programmes of support in Lifehouses for people experiencing homelessness, older people in our care homes, our addictions services and our delivery of support for the victims of modern slavery and human trafficking.

## Summary of what The Salvation Army Trust does

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

## The scale of the work of The Salvation Army Trust

The Salvation Army Trust works principally through 621 corps (churches) and community centres.

England 501 (Includes Isle of Man 1, Channel Islands 3, rest of England 497)

Wales 34

Scotland 70

N. Ireland 16

A similar list of centres operated by The Salvation Army Social Work Trust is listed in the Report and Accounts for that trust.

## How We Work

As this report will illustrate, The Salvation Army is a diverse, responsive, agile, Christian church and charity. Our strategy is to encourage effective and flexible activities focused on helping people experience life in all its fullness across all the communities in the UK where we have a local presence. 'Fullness of life' is a scripturally inspired aim which now forms the heart of our new vision statement.

The UK Salvation Army deliberately does not have a prescriptive, directive strategy for its delivery at corps or centres. Instead, we strategically prioritise local responses to local needs as the way we choose to work across the UK. The size, scale and professionalism of The Salvation Army can be underestimated due to this strategic decision. However, this report highlights how this approach enabled us to respond powerfully, quickly and in an agile and flexible - and above all, in a locally relevant way - to the pandemic as it spread across the UK and took its toll in different ways in different communities, age groups and diverse areas of deprivation.

Alongside the locally driven operations, The Salvation Army operates centrally co-ordinated and managed social services. This includes residential programmes for homeless people, care homes for older people, residential detox centres, family centres, refuges for victims of domestic violence, safe houses and services for the victims and survivors of modern-day slavery and human trafficking and our Employment Plus services. These services are managed in a top-down model due to the vulnerability of the people needing help and because of statutory regulations and contract requirements. These are our flagship national services, and they are managed and funded centrally through The Salvation Army Social Work Trust, which has its own Report and Accounts. Together the two Annual Reports and Accounts provide a comprehensive account of the work of The Salvation Army in the United Kingdom. At a local level, all parts of The Salvation Army are encouraged to work together to bring lasting change at local as well as national level - we call this 'integrated mission'.

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

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

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

Ensuring appropriate oversight and support to more than 600 diverse and locally responsive Salvation Army churches and community centres is challenging. Work has been ongoing in recent years to improve the quality of headquarters support to local units while ensuring cost efficiency and sustainability. This is led by the Structure Coordination and Design Project which is focused on three desired outcomes:

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

This project is complex and is seeking gradual change over the next couple of years. To date, 3 of the 22 divisions have embarked on the change process resulting in a reduction to 20 divisions. Further transformation, integration and streamlining can be expected.

Because The Salvation Army's approach is to not have a tightly defined 'top down' corporate strategy and instead to prioritise local response to local need, and to ensure there is adequate funding for that to happen, illustrating all that The Salvation Army has achieved across the UK would be a colossal task. Therefore, this report highlights some of the developments we have implemented in the last year as we work to deliver our mission and strive to achieve our vision. We are blessed to have the resources to operate in this way and we believe - and know - that our approach helps transform the lives of thousands of people every day.

## Our Organisational Structure and How It Enables Agile Delivery

### Leadership of The Salvation Army:

The Salvation Army was founded in 1865 by William and Catherine Booth and is currently operating in more than 130 countries.

The world leadership of The Salvation Army is provided by the General of The Salvation Army. The General is assisted by officers and staff based at International Headquarters in London. The current General is Brian Peddle who was elected into office in August 2018.

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

Further information on our legal structures and our governance is included later in this Report.

## Operational Structure:

The Salvation Army in the UK seeks to be an integrated, yet diverse, organisation that contributes to the betterment of society in the service of God and people. Legally, we are structured under two main trusts. These are:

- The Salvation Army Trust; and
- The Salvation Army Social Work Trust

Therefore, we publish two separate reports and accounts. This document is the Annual Report and Accounts for The Salvation Army Trust. Together, both trusts reflect the life and work of The Salvation Army as a whole and exist to enable effective management and accountability for the two main ways in which we work.

To ‘make sense’ of The Salvation Army, it is important to remember that The Salvation Army is essentially a church. Everything The Salvation Army does should positively contribute to making the world a better place - as God intends it to be.

We have a network across the UK of over 621 local corps (churches) community centres. These are generally run by corps officers, who are trained and commissioned (ordained) Salvation Army ministers of religion. Each corps officer is accountable to his or her community but is operationally accountable to one of 20 divisional commanders who in turn report to the headquarters, based in London.

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

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

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

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

# TWO DISTINCTIVE FEATURES OF 2020/2021

## Our Pandemic Response

This report and accounts cover the 12 months that started with the first COVID-19 Lockdown. The pandemic, the restrictions that followed, the national, regional and local guidelines had a huge impact on the way in which The Salvation Army worked. Often, the communities that were the hardest hit by the pandemic were the very communities where our work is needed the most. Our churches and community centres and charity shops closed for long periods and even when they opened, there was no return to normal.

Despite this, as the following section highlights, The Salvation Army rose to the challenge of delivering its mission, within its charitable objectives, with a characteristically true spirit of innovation, determination, sensitivity to need and willingness to adapt. Our organisational approach in The Salvation Army Trust is to ensure our 'frontline'- our corps and community centres - has the resources they needed to meet local need, to deliver services in adapted ways, and to innovate. In some ways, it could be said that the Pandemic saw The UK Salvation Army at its best - responding positively to a national crisis.

We have always provided companionship for older people, so we found new ways of doing this, often through telephoning and through a form of 'doorstep ministry'. We have always supported disadvantaged families, so, as the impact of the pandemic really started to bite and food was becoming less available, we opened food hubs to ensure local food banks remained stoked. We developed food parcel delivery programmes and used the kitchens in our centres to provide take away services for people in need of hot and cold meals. We met the needs of local people experiencing homelessness, who were temporarily housed in B&Bs, with hot meals and advice. We supported people with debt advice and emotional support. We found new ways of carrying on our youth work and children's work, often using digital channels. We found new ways to carry on worship and innovative ways to keep our music flourishing. The territorial leaders issued weekly, short messages on YouTube aimed at everyone but especially to the UK Salvation Army community, to sustain a sense of belonging and motivation, which were watched on average 1,800 times a week.

Therefore, what this report aims to demonstrate is the immensely diverse and hugely practical way in which The Salvation Army 'rolled up its sleeves' across hundreds and hundreds of churches and community centres across the UK in the face of the pandemic and delivered exactly the services and support that was needed locally. This report can only highlight examples of this response, but it is a testament to the commitment of our officers, staff and volunteers that for the entirety of the year under review, The Salvation Army was doing all it could for the people who needed us the most. Consequently, The Salvation Army benefited from the single most significant increase of donated funds that we have ever seen to enable us to meet that need and we owe immense thanks to all who supported us with donations, grants and gifts in kind.

## Restating our Vision and Mission and affirming our Values

Late in 2019 an Identity Task Force was convened to review the vision, mission and values statements used by The Salvation Army in this territory. This was felt to be timely and necessary because a sense of identity can become weakened over time as a result of our diverse operations and expressions. We are involved in so many different activities. We are not simply a local evangelical church. Neither are we only a homelessness charity or a social service agency or a chain of charity shops or a leader in the fight against human trafficking and modern slavery. A strong, consistent identity helps answers questions such as ‘Who are we?’ ‘What are we doing?’ ‘What do we want to be in the future?’

The Salvation Army has a fundamental belief that it is part of the universal Church, raised up by God with a unique identity and proud history. Our identity must have the capacity to ‘make sense’ to today’s Salvation Army members as well as employees, volunteers, the people we serve, our supporters and our ecumenical partners.

Therefore, a **new Vision Statement** was approved and communicated to help us capture the difference we want to make in the UK Territory and indeed the wider world.

### **‘Fullness of Life for All with Jesus’.**

This is ‘Our Vision’ for every part of The Salvation Army. It is inspired by the words of Jesus who said: ‘I have come that they may have life, and have it to the full’ (John 10:10 NIV). ‘Fullness of Life for All with Jesus’ includes every aspect of Salvation Army life. We believe everyone can enjoy fullness of life with Jesus. It is aspirational - we are not there yet - but this is what we strive towards.

We also developed and implemented a **new Mission Statement**. The Mission Statement is built on five principles which should act as the drivers for all we do, how we do it and why we do it, across the entire organisation.

### **‘Our Mission’ is to:**

- **Share the good news;**
- **Serve others without discrimination;**
- **Nurture disciples of Jesus;**
- **Care for creation;**
- **Seek justice and reconciliation.**

These short phrases communicate immense challenge and ambition and direction. When these priorities are present, The Salvation Army is working towards ‘Our Vision’ of ‘Fullness of Life for All with Jesus’. Each of the five priorities of ‘Our Mission’ are rich in meaning and help us explain to 21st century society why the Christian message and the work of The Salvation Army is relevant and desperately needed in our communities and nations.

**Our values** have been refreshed and refocused on the behaviours that should result from living out the values. Our values are for everyone involved in The Salvation Army and must be reflected in our behaviour and result in good relationships, increased wellbeing and help us integrate what we do with how we do it. The basic standard of Christian behaviour, derived from our understanding of the character and action of God, is love so we need to continually be drawn back to understand how God is asking us to live and work together to help us be faithful to our calling to be God's people.

The six values are unchanged but the explanation of what they mean has been refreshed:

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

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

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

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

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

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

Finally, we agreed a new, simple statement to explain why we are here and frames all we are and all we do as a church and charity. Four words achieve this,

**'Love God, Love Others'**

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

# 2020/2021: FULFILLING OUR MISSION IN A DISLOCATED WORLD TRANSFORMED

## HIGHLIGHTS, ACHIEVEMENTS, DELIVERY AND IMPACT ACROSS THE UK

Our ethos is to resource, enable and facilitate our ‘frontline’ of over 620 churches and community centres to identify the most pressing needs in their communities and implement ways to meet those needs. This means that across the UK, there are many hundreds of programmes, initiatives and services in operation at any one time, in support of tens of thousands of people. These programmes are always evolving and developing, and this section of the Report and Accounts serves to illustrate innovations and highlight examples of The Salvation Army putting its faith into action during 2020/2021.

## FAST AND EFFECTIVE - OUR RESPONSE TO THE CRISIS

In the early months of 2020, a tiny virus transformed the world completely. As the coronavirus pandemic spread to the UK and Ireland, it brought sickness, economic devastation, unemployment and poverty. It also brought loneliness, as many people became isolated in their own homes.

Never has The Salvation Army’s ‘can-do’ spirit been needed more. As a church and charity that is rooted in hundreds of communities, we were right in the front line of the crisis - and we responded immediately to people’s needs, doing what needed to be done.

- We greatly expanded the capacity of our foodbanks to feed hungry people. We established 22 regional food hubs and introduced central purchasing of food to keep prices low. As a result, we were able to make donations go further and reach many more hungry people.
- We supported the most isolated members of our communities - delivering prescriptions and medical supplies and regularly phoning people in isolation to check that they were all right.
- We delivered thousands of items of protective personal equipment (PPE) to frontline NHS staff to help protect them against the virus.
- Our drop-in centres and night-shelters for homeless people offered doorstep health advice, food parcels and overnight accommodation.
- When the vaccination programme started, we made some of our centres available for use as vaccination stations. Salvation Army officers, staff and volunteers who are medically trained also served as vaccinators to support the NHS.

Our crisis response work was highly effective because it was inspired by the needs of people. Our officers, staff and volunteers know the communities they serve. They know how to reach the people in greatest need when a crisis comes. They were also part and parcel of a community-wide response to the pandemic in hundreds of cities, towns and villages, working with local authorities, health services, churches and voluntary organisations to make sure no one in need was ignored.

■ **The power of innovation:** The lockdowns we saw at several times during the year made it near-impossible to deliver our services in the traditional way. Face to face meetings became out of the question. Our centres, while still open for busy officers, staff and volunteers, had to be closed to the public for long periods. Lunch clubs for older people and youth clubs were no longer possible. Even services like employment advice and debt advice located within corps buildings - which were badly needed during the crisis - could not go on in the usual way.

Yet we were determined that the pandemic was not going to beat us. And this is where we used our imagination to transform the way we worked. For example:

- We used telephone, email and online meetings to provide employment support and debt advice.
- We organised activities for young people online, including opportunities to meet up with their friends and watch films or play music together.
- We delivered activity packs to parents of young children, with games, puzzles and suggestions for things they could do to stay busy and active during lockdown.
- Our Christmas dinners for people living alone became festive ‘meals on wheels’, delivered with a cheery ‘happy Christmas’ to their doors on Christmas Day.

■ **Compassion without boundaries:** The coronavirus pandemic is a worldwide crisis - and The Salvation Army is a worldwide Christian church that knows no boundaries. That is why we in this country did all we could to reach out to countries which have little or no health provision to offer them practical help.

In the past year we funded £145,475 of projects, helping over 38,000 people in ten countries: Zimbabwe, Mexico, Kenya, Mozambique, Ghana, Bolivia, Peru, Chile, Brazil and Pakistan. We delivered over 28,000 food packages to families under quarantine and families faced with loss of employment due to the coronavirus. We delivered 3,900 sanitation and hygiene kits to vulnerable families. In some communities, we also delivered awareness-raising leaflets and posters to help prevent the spread of the virus.

This was, of course, just a small part of The Salvation Army’s global response to the pandemic, which has involved every Salvation Army territory, command and region in almost every part of the world.

■ **Fundraising in a crisis:** At the beginning of the year, when the full magnitude of the coronavirus pandemic became clear and we were several weeks into the first lockdown, it seemed as if The Salvation Army was headed for a huge and potentially devastating financial shortfall. The demand on our services, especially our foodbanks, was at an all-time high. At the same time, many of the sources of our income, including street collections and charity shops, were wiped out by the lockdown and the need for social distancing. In April 2020, our forecast was that our income would fall by £40 million in the 2020/21 financial year.

That this terrible situation was averted is largely due to the generous response we received from warm-hearted members of the British public to our appeals for funds. Donations, large and small, came in to help fill our shortfall. The result was that we ended the year with a surplus of £30million against reforecast budget.

We are immensely grateful to everyone who rallied to us so wonderfully in our time of need.

We recognise that the economic and social effects of the pandemic will continue for some time, putting more demand on our services and stretching our resources for years ahead. However, we are immensely heartened by the generosity of our supporters in the past year and hopeful that, with their continued help, we will be equal to the tasks ahead.

■ **Living with the pandemic - an officer's story:** One of the most striking accounts of how The Salvation Army lived and thrived through the pandemic comes from Major Andrea Still, of our Portsmouth Citadel. She wrote to our Territorial HQ to give this account:

‘Here at Portsmouth, we took the decision to keep our doors open (or more accurately our foyer) and our reception manned, so that people who needed help could still have a face-to-face conversation with someone. It meant that hundreds of people were able to access essential services, through phone calls we made on their behalf when normal access was not possible. We even had a lady fleeing domestic violence with her children and everywhere else she went was closed.

‘Our food bank, nursery and Good Neighbours befriending, and shopping service continued, and our messy church at home [activities for children] really took off as many of our families struggled with lockdown in high-rise flats with no garden. Our Salvation Army folk were mobilised to make welfare calls to vulnerable people. At the height of the pandemic, we were making 450 calls a week, and doorstep visits when able.

‘I have never felt so supported as in this past year. All the way through this journey, many different sections of The Salvation Army, including IT, community services and emergency services, were proactive in supporting us. Your communications team kept us up-to-date and picked things up from what officers were needing via social media.

‘I hope we are able to learn much from these experiences about availability, innovation and Spirit-led responses that sometimes involve taking risks, so that we are truly fitted for our mission.’

■ **Her Majesty says thank-you:** The Salvation Army was honoured to receive the thanks of Her Majesty The Queen for our work in the pandemic, at an event in the grounds of Windsor Castle in December. The event, held in honour of charity and key workers, saw a Salvation Army band perform a selection of Christmas carols for Her Majesty, the Prince of Wales, the Duke of Cambridge, other members of the Royal Family and guests.

Speaking of the occasion, The Salvation Army's UK leader Commissioner Anthony Cotterill said: ‘I am greatly heartened that our support for rough sleepers, struggling families and isolated older people throughout this very difficult year have been recognised.’

■ **Working towards a post-pandemic world:** The pandemic brought challenges, hardships and a good deal of sorrow into our lives. But for The Salvation Army there are positive things to be taken from the experiences of the past year.

The pandemic perhaps gave us a deeper knowledge of, and a closer relationship with, our communities. It taught us more agile and flexible ways of working, including less travelling to meetings and more use of online communication. It highlighted the potential that the internet offers to improve the lives of isolated people and to spread the Christian Gospel. It helped us build new relationships with other community organisations with whom we worked in the pandemic.

During the pandemic, our territorial Research and Development team carried out a project on how coronavirus has affected our front-line work. The team spoke to 404 local church leaders to help them understand how The Salvation Army had changed the emphasis of local work, and to capture the spiritual and organisational challenges that we will face in order to thrive in the future.

## PROCLAIMING OUR FAITH IN A NEW ERA

The Salvation Army is an international Christian church worshipping and working in 131 countries and has more than 620 local churches in the UK. Our purpose is to extend God's Kingdom on earth as it is in heaven so that fullness of life for all with Jesus becomes an increasing reality. Our work is energised by our worship of God and the inspiration, passion and energy for all the work we do comes from God. Throughout this report, you will read examples of Salvation Army corps (churches) involved in a wide range of activities and service to community, responding creatively and with spirit to the pressures of the pandemic and the opportunities it created.

■ **Ministry online.** When the coronavirus pandemic began to sweep across the UK, Salvation Army churches across the country closed their doors in line with government guidance and embraced technology. They streamed worship online and used social media and video communication to maintain a presence and enable congregations to stay connected.

As lockdown measures began to ease, our magazine *Salvationist* carried out a survey to find out how our local churches were using online ministry before the lockdown and whether they planned to maintain an online presence post-lockdown.

The results revealed that 67.4 per cent of the churches surveyed had an online presence before the lockdown. As well as Facebook and Twitter accounts, some churches had closed Facebook groups for children's activities. During the pandemic, not surprisingly, we have seen a sharp increase in online activity. A large majority of the corps surveyed used Facebook (95.3 per cent), Zoom (79.1 per cent) and YouTube (74.4 per cent) to connect. Online activities include Bible study, live streaming meetings and music practices.

Captain Sarah Pitts, Salvation Army leader in Oldham Roundthorn, is one of many church leaders who is enthused by the potential which online communication offers in the future. She says: 'We have had our eyes opened to the possibilities of online ministry.'

■ **Online resources to inspire young people.** In the past year, The Salvation Army has developed a range of online resources to keep young people active, raise their spirits, safeguard their mental health, and deepen their spiritual understanding. They include Upbeat and Made To Be, two resources for boys and girls respectively to build help them build emotional resilience. We also introduced Inside Out, a resource to enable young people to get into the Bible and apply it to their lives today - in conjunction with which we also distributed 1,300 Youth Bibles. A special promotion called Young Volunteers was aimed at encouraging young people to volunteer in charity shops in the school holidays.

■ **Connecting with young people.** Our Youth and Children's Ministries Unit has conducted a survey to help The Salvation Army develop an effective approach to future work with young people. More than 1,400 people across the territory took part, including children and young people themselves, corps officers, youth and children's workers and divisional and regional specialists.

The results, published in a booklet called Listen Up, revealed a need for effective discipleship. Youth workers were looking for up-to-date and culturally relevant resources that young people would engage with and that would get them excited about their relationship with God. Their comments are now inspiring new and better materials for bringing the Gospel to young people.

■ **New officers, new commitments.** In July, 20 cadets of the Messengers of the Kingdom session at our college were commissioned as Salvation Army officers. They come from a wide variety of different backgrounds - and each has his or her own reason for believing passionately that God called them to serve in this very demanding way.

Lieutenant Debbie-Anne Howarth is one of the newly commissioned officers. She says: 'Previously I worked in the finance department of a fabric manufacturer in Tiverton. Then I heard God speaking to me, through the words of the song There Are People Hurting In The World Out There. During her training, Debbie-Anne was given the verse: 'Care for the flock that God has entrusted to you. Watch over it willingly, not grudgingly - not for what you will get out of it, but because you are eager to serve God' (1 Peter 5:2). As they embark on their careers as Salvation Army officers, she and her husband John are more certain than ever that this is what God is calling them to do.

■ **War Cry brings faith to people in prison.** The War Cry had an unexpected circulation boost during the pandemic as prisoners requested copies to help them cope with self-isolating. More than 15,000 copies were delivered to 31 jails in England and Wales, representing a 16.5 per cent increase. One prisoner wrote to us to say: 'I wanted to let you know the positive impact you have on prisons in the UK. I feel a stronger connection to God than I ever have. This has been greatly helped by the War Cry.'

Prison Ministries Officer Major Paul Johnson says: 'Some of the most vulnerable and marginalised people are in prison. Mental health struggles, self-harm and addiction are all prevalent. Prison chaplains are dedicated and courageous in reaching out to support prisoners. Supplying the War Cry often helps to start a relationship with a prisoner, and we have seen salvation come into many people's lives in prison.'

■ **Celebrating light, life and love.** Salvationists from the UK and Republic of Ireland Territory joined together online this year for an inspiring congress on the theme of Light, Life and Love. The theme was taken from former General Albert Orsborn's song, 'Light, life and love are in that healing fountain'.

The programme included music, dance, personal testimonies, and prayer. The Chief of Staff of The Salvation Army, Commissioner Lyndon Buckingham, and the World Secretary of Women's Ministries, Commissioner Bronwyn Buckingham were the guest speakers. In his address, the Chief of Staff emphasised that our love for God is demonstrated in our love for our neighbour. He added: 'When we know God's love, love him in return and love others, then we experience fullness of life.'

## IN THE FRONTLINE AGAINST POVERTY

The last year saw many communities that were already struggling, hit even harder by the impact of the pandemic, in so many ways. The Salvation Army was ready to respond to new situations and an increasing level of need across the UK, sometimes from people who never before thought they would be turning to a charity for support and advice.

■ **'Operation Food Parcel'.** Poverty was already increasing in the UK, even before the pandemic. Figures published by the Joseph Rowntree Foundation in December 2019 estimated that the number of children living in destitution had risen by 52 per cent in two years. Even before the lockdown began, it was obvious that the pressure on our foodbanks would grow enormously during the pandemic, as more people lost income and jobs and faced dire poverty. At one of our busiest foodbanks, in Preston, referrals for food parcels doubled in the week before lockdown - and a similar situation was reported in many other communities.

The Salvation Army's response was 'Operation Food Parcel' - a concerted effort to meet the increased demand on our foodbanks. An urgent appeal was issued to supermarkets, wholesalers and business generally to give bulk donations of non-perishable food. Meanwhile, our whole foodbank operation was reorganised by introducing bulk buying to keep costs down and establishing 22 regional hubs where food could be stored, packed and delivered to individual Salvation Army churches around the country.

- In **Reading**, The Salvation Army responded to the coronavirus pandemic by starting a food distribution hub, supported by many local residents and businesses who donated food. Local church leader Major Richard Welch said: 'We are delivering hundreds of meals for families facing hardship. We are also providing meals for elderly or vulnerable people who are not getting their usual support due to the restrictions.'
- In **Jersey**, we greatly expanded our work of feeding hungry people. A large-scale foodbank was set up to serve hungry people with food parcels. It helped more than 600 people and 300 families during the pandemic.
- In **Guildford**, we increased our foodbank distribution from 30 to 250 parcels per week.

- In **Chippenham**, we greatly increased the capacity of our foodbank, providing more parcels in a day than we would normally give in a month. Volunteers from the Rotary Club, Chippenham Borough Lands Charity and other churches joined with Salvation Army volunteers to make this possible.
- In **Sunderland**, The Salvation Army's Southwick Community Project responded to the pandemic by starting a 'knock and drop' service. This allowed businesses to donate items to the emergency food supply, simply by knocking on the office window and dropping the food at the front door. It also allowed vulnerable people to pick up much-needed food parcels and see a friendly place at a time when social distancing was in force.
- In **Cardiff**, homeless people continued to be able to get food and hot drinks from The Salvation Army. We used an emergency response vehicle with an extendable service hatch to serve food and drinks while keeping a safe distance between customers and our staff and volunteers.
- In **Govan**, our volunteers worked alongside the local housing association to knock on doors and serve hot meals and drinks, as well as handing out food parcels to those hardest hit by the crisis. Our team there reported that they were able to help a 94-year-old resident who hadn't had anything to eat for five days.
- In **Portsmouth**, The Salvation Army expanded its Good Neighbours Project so that it could help older people who were lonely and isolated. Major Andrea Still, one of our local officers, told us: 'We're doing double the amount of home shopping for vulnerable and isolated people that we were doing at the start of the crisis.'
- In **Walthamstow**, we are providing vulnerable families with necessities such as nappies and formula food for their babies. One of the parents who received this help wrote thanking us for 'bringing a little relief into an unbelievably stressful situation.'

■ **Helping schools to lock down hunger.** During the pandemic, The Salvation Army joined forces with other churches and charities for Lockdown Hunger, an initiative to support children and families in need over the summer.

Government data shows 4.1 million children in poverty. Of these, 1.3 million qualify for free school meals. However, school meals were not available during the summer holidays, leaving some hard-pressed families struggling to feed their children. Lockdown Hunger encouraged churches to approach schools in their area to discuss pupils' needs and offer help, in the form of food deliveries or organising activities for the children.

Chelmsford is one of the areas where The Salvation Army ran local initiatives to ease the problem of 'holiday hunger' among children and young people. Eighty-two school-age children from low-income families received goody bags, which contained fruity snacks, biscuits and other treats. The children and their families, including some who lived in a local women's refuge, also received more than 300 food parcels from The Salvation Army over the summer.

■ **Uniform banks help kids back to school.** In the past year, demand for second-hand uniforms soared because of the effects of the pandemic. That's why many of our church communities ran school uniform banks to support families who need help clothing their children as they returned to the classroom after the lockdown.

For example, Cannock's school uniform bank provided 279 children aged 3 to 16 with blazers, shorts, PE kits, trousers in the last two weeks of August. Faversham supported 134 children within a fortnight of opening its Community Wardrobe.

■ **A Royal helping hand.** Her Royal Highness Princess Eugenie and her husband Jack Brookbank helped pack emergency parcels at The Salvation Army's regional food distribution hub at the Croydon Citadel. The Princess said: 'In the past few years I have witnessed first-hand The Salvation Army's dedication and hard work, so when they invited Jack and me to their newly created hub to pack boxes, we jumped at the chance. With a group of volunteers, we helped pack trolleys of food that are distributed to The Salvation Army's hugely important and much-needed foodbanks that feed thousands across the UK.'

## REACHING OUT TO VULNERABLE PEOPLE

The diversity of our work is a result of our strategy of ensuring our local presence was equipped and enabled to respond to local need, in an agile way. The examples below are just a few of the hundreds of ways The Salvation Army meets changing - and emerging needs across the UK.

■ **The Salvation Army joins vaccination drive.** The Salvation Army played its full part in a nationwide effort to get people vaccinated against coronavirus. Several of our centres were volunteered for use as vaccination centres. One of them is in Lower Earley near Reading. Envoy Roger Coates, the local Salvation Army leader, says: 'It is only right that we offer our building to help the fight against this deadly disease.'

Lieutenant Daniel Holland, our assistant regional homelessness manager for London, is among those who have been trained to carry out vaccinations. Daniel volunteered to cover vaccination shifts at GP surgeries and other centres at weekends. He said: 'I simply couldn't stay at home at weekends when I knew people were suffering.'

Many Salvationists were also involved in the vaccination drive through their jobs in the health service. Among them is Charlotte Sharman, a member of our Regent Hall church in London. She is a practice nurse and vaccinated residents of a local care home. She says: 'Everyone told me how happy they were to be receiving the vaccine. It is such a blessing to be part of getting our communities back to normal.'

■ **At the heart of the community.** A former Lidl store has been renovated by The Salvation Army in Chesterfield to provide a worship space as well as a centre for donated goods. The new centre now offers a range of goods donated to The Salvation Army, including affordable and good-quality second-hand furniture, clothes and bicycles. Other features include a community refrigerator and cupboard, providing free food for people who need it and a community space which will give visitors a chance to sit and enjoy a cup of tea.

■ **Putting people's needs first.** In partnership with Age UK, Mid-Suffolk district council and Community Action Suffolk, The Salvation Army in Stowmarket has helped 23 families with highly individual needs. For example, an isolated older woman could not walk, so volunteers changed her bed and brought her food. Others who have received food include a blind woman and a 93-year-old RAF veteran whose wife is living with dementia. We have picked up prescriptions for a couple who require more than 21 medications. For a mother with a PEG-fed child (fed by a tube into the stomach) we supplied anti-bacterial wipes and laundry soap. We have also given much-needed kitchen appliances and other household goods to hard-pressed single parents.

■ **Raising awareness of domestic abuse.** The Salvation Army is working to raise awareness of domestic abuse. As part of this work, we have produced a film entitled Domestic Abuse: What? Why? How? which is intended to be shown to church and community groups. The film explains why it is necessary to discuss domestic abuse so that we can help victims of domestic abuse and also help perpetrators who want to stop their abusive behaviour, Captain Emma Scott of Mitcham Salvation Army, one of the presenters of the film, says: 'This film will help our corps, centres and offices to be safe spaces for people to approach us about domestic violence, Sadly, many people live with domestic abuse for a significant period before getting effective help, so we need to be alert, to spot the signs, and to provide sanctuary spaces for conversations to happen.'

■ **Gifts and carols.** In Perth, The Salvation Army packed more than 70 boxes with Christmas treats and an invitation to join Perthshire churches' online carol service. The boxes were distributed to staff and volunteers at our charity shops, our furniture project and our nearby Lifehouse (centre for homeless people). They worked hard to ensure that the boxes reached people in need of friendship and companionship over Christmas.

■ **Combating isolation.** The Salvation Army in Harwich teamed up with other local organisations to launch a new support website and helpline for vulnerable people during the pandemic. Called Harwich Helps, it offers practical and emotional support. Services on offer include food delivery for self-isolating people, food supplies for people experiencing financial hardship, and collecting and delivering prescriptions. We also offered utility top-ups so that people could afford stay warm and cook their own meals.

■ **New website puts people in touch.** The Salvation Army launched a new website for the UK and Republic of Ireland, which is easier for members of the public to 'navigate' than the old one. Secretary for Communications Lieut-Colonel Dean Pallant explained: 'Our priority is to connect with people who have little or patchy knowledge of our work and who want to know more. Statistics reveal that most people come to the website to find their local Salvation Army church or charity shop. The new website makes it easier to do so.'

■ **Star volunteers.** Film stars Jude Law, Katherine Waterston and Naomie Harris helped out at our homelessness drop-in at Chalk Farm. The actors were placed by SpareHand, a community support group that provided volunteers during the pandemic. Naomie is best known for playing Miss Money Penny in the past three James Bond films. Katherine and Jude appeared in the Harry Potter spin-off *Fantastic Beasts*.

■ **A volunteer's story.** For the past ten years, Vanessa has run activities for young people at her local Salvation Army centre. But when the pandemic came and many of these activities could not continue, she volunteered instead to prepare food for people in need. In her new role, Vanessa has learned a lot about her community. She says: 'Many people coming to us have never used a food bank before. Many feel anxious and just need someone to acknowledge them, offer a smile or to say hello. It gives me a feeling of joy to help someone in this way.'

She adds: 'Whether in my role as a youth worker or in the kitchen as a cook, I do it because of a promise I made to God when I was 10-years-old. On my birthday, I was told to blow out the candles on my cake and to make a wish. I asked God to bless me so that I could bless others. Through the work of my local Salvation Army, I am able to do that.'

## A SAFE PLACE AND A FRESH START FOR HOMELESS PEOPLE

The Salvation Army has been at the forefront of efforts to reduce homelessness and support homeless people since its earliest days. We provide a range of services for homeless people, including many community-based initiatives tailored to local needs which had to adapt significantly during the pandemic, and this is highlighted below. Our residential programmes are reported separately in the Salvation Army Social Work Trust report and accounts.

■ **Hope after hospital.** Last year, The Salvation Army introduced a new, much-needed service to homeless people who were due to be discharged from hospital. They were offered 'step-down beds' at our St Ann's building in Westminster, which gave them a safe space to recover while also freeing up NHS beds. We provided round-the-clock care, while a specialist nurse and housing worker from Guy's and St Thomas' NHS Foundation Trust visited the patients twice a week to support them with their health needs and help them move on to longer-term housing.

Tess James, a clinical nurse specialist with Guy's and St Thomas' Homeless Health Team, said: 'Many of the patients are clinically vulnerable and are unlikely to survive sleeping rough. By giving people a safe place to live, we can continue to provide the care they need.' Patients were also signposted to legal and housing support and alcohol and drug services to help them get back on their feet and make a fresh start.

Whilst this service delivery was managed by our Homelessness Services Unit, which forms part of The Salvation Army's Social Work Trust, The Salvation Army Trust helps fund the costs of HSU work and this is an illustration of how across both trusts, The Salvation Army can respond to needs with innovative solutions and make additional use of our buildings.

■ **A warm bed in winter.** Salvation Army churches in several areas opened their door to rough sleepers during the winter months as temperatures dropped. One of them was in Bury in Lancashire, where we set up an emergency shelter with Adullam Homes Housing Association and Bury council. The initiative was part of the Severe Weather Emergency Protocol, a national scheme which aims to provide a bed for those sleeping on the streets when temperatures drop below zero.

We provided two rooms with camp beds for eight people in total, ensuring the accommodation was covid-safe. The beds were needed most nights in January due to the bad weather and the service continued to run until March. Lieutenant Hannah Borrett, of the Bury Salvation Army, said: 'The Salvation Army wants to make sure no one spends a night on the street over winter. Providing safe and warm shelter for the most vulnerable people is at the core of what we do.'

■ **Food for homeless people.** During the worst of the pandemic, The Salvation Army in Cambridge provided breakfast, sandwiches and a hot meal for up to 75 people a day. Most of them were people experiencing homelessness who had been given accommodation in hotels and guest houses without cooking facilities. A small team cooked, packed and delivered the meals from our church and community centre. Food parcels and hot meals were also given to isolated older people and families who were struggling to make ends meet.

■ **Where no one forgets you.** In Edinburgh, The Salvation Army's Niddry Street Wellbeing Centre provides a safe place for people in need of support. They include homeless people, those with addictions, and those at risk of losing their homes because of health or other issues. Before the pandemic, many people came to the centre to get a hot meal and a shower and receive help and advice. And when the lockdown started, and much of the existing activity had to stop, the team who run the centre didn't stop working.

Susan, the programme manager, says their focus during the pandemic was to ensure that no one was forgotten. She says: 'We're the closest thing many people have to a family. So, our workers kept in regular contact with people by phone and in other ways to ensure they had everything they needed. A grant from the Morrisons Foundation enabled us to donate phones to people who didn't have them, so that we could get in touch easily.'

## A CARING FRIEND FOR OLDER PEOPLE

We believe it's important that later life should be a rich and fulfilling time. Locally we organise a wide range of services for older people, including day centres, lunch clubs and home visiting schemes - and although some of these were not able to continue during the lockdown, we found alternative ways of keeping in touch with older people who were alone and isolated, such as making regular phone calls and delivering essential supplies.

■ **Meals and friendship.** Louth in Lincolnshire is one of many areas where we made every effort to keep in touch with older people who were affected by the pandemic. With our twice-weekly luncheon club no longer able to meet during lockdown, more than 125 two-course lunches were prepared and distributed by a team of staff and volunteers each week. The outreach was in partnership with the Lighthouse drop-in centre at Louth Methodist Church, with which the local Salvation Army has a close relationship.

■ **A message of love.** All over the UK, The Salvation Army worked hard during the pandemic to support isolated and vulnerable people. That work mainly took the form of delivering essential supplies to older and disabled people and phoning them regularly in a spirit of friendship. But in Ballymoney, in Northern Ireland, we went one step further - putting some heart (quite literally) into our work.

Local volunteers made knitted 'Hearts of Hope' and delivered them, along with an uplifting verse of Scripture, to all the people we support through our befriending service. Lieutenant Tim, who with his wife Marie leads the local Salvation Army, says: 'We knew many people who were lonely, self-isolating or grieving for loved ones. Hearts of Hope have been a way to let people know that we are thinking about them. Alongside the practical things we are doing to support vulnerable people, they're a message of love at a difficult time.'

■ **Singing with joy.** The Salvation Army in Wrexham have helped people with dementia by hosting virtual singing sessions throughout the pandemic. Like many Salvation Army churches, our church in Wrexham runs a range of dementia-friendly activities, including our monthly Singing By Heart. This had to close during the lockdown, but we decided to continue supporting these vulnerable people by delivering the sessions online.

Karen, our community manager in Wrexham, says: 'The people who used to attend our sessions really missed them when they closed. So, we applied for grants to buy new equipment, so we could take Singing By Heart into local care homes. The songs definitely ignite memories for people, which they love to share. It's wonderful that our centre is once again filled with joy and laughter.'

## WALKING THE EXTRA MILE WITH CHILDREN AND YOUNG PEOPLE

Developing ways of working with and supporting children, families and young people was a real challenge during the pandemic, but as the examples below illustrate, we innovated and adapted. The Salvation Army believes that every child should have the very best chance to develop their abilities and make the most of their lives. Yet there are all kinds of factors, such as family breakdown, poverty, drugs, gang crime and a lack of opportunities that can wreck young people's futures. That is why we aim to provide safe environments, positive activities and good quality learning experiences for children from challenging backgrounds.

■ **Children's activity packs.** Whitleigh in Plymouth is one of many church communities where we delivered activity packs to vulnerable families to keep the children busy during the lockdown. Each pack included a craft activity, a small toy, a drink, a copy of our children's magazine Kids Alive! and a challenge to create something artistic. The packs were very popular and enabled us to reach out to new families in the area.

■ **Side by side.** It's becoming clear that children and young people are likely to feel the consequences of the pandemic for many years - potentially their whole lives. As The Guardian expressed it in a headline on 29 January 2021: 'Behind closed bedroom doors, a teenage mental health crisis is brewing.'

Now The Salvation Army is considering how we can help and support young people as they face this challenge. One of the answers we have come up with is a new initiative called Side-by-Side. It's a befriending model in which a committed and consistent adult befriender from outside the family will meet regularly with a young person for a short walk and a talk. There is no agenda. Young people may wish to talk about how they are feeling and what is happening in their lives - or they may not.

One youth worker described **Side-by-Side** like this. 'Last Saturday I met up with a young person from my youth group and we walked and talked. We talked about the experience of lockdown and home learning. But we also spoke about films, sports, birthday parties and past youth group socials. That brought a smile, laughter and much-needed distraction and gave so much joy to both of us.'

■ **Friends together in lockdown.** The Salvation Army's youth clubs play a big part in the lives of many young people, especially those from disadvantaged backgrounds. So, when the clubs had to close because of lockdown, we knew we had to come up with new ways to occupy their leisure time, develop their abilities and stretch their imaginations.

We involved young people in voluntary work, delivering shopping and baking treats for older people in their community. We organised online games, and Netflix parties where young people could watch a film together and discuss it from their own home. We also held lockdown 'pizza parties' for our youth club members - delivering pizzas to their doors which they could eat while chatting with their friends via Zoom.

Karac Boldick, who organised some of these activities for our Aston 614 club in Birmingham, says: ‘We didn’t want our work with young people to stop - and thankfully we found lots of wonderful ways to help them connect with their friends and enjoy new experiences together.’

■ **Summer schools.** Due to the pandemic, our divisional summer schools for young people moved online in 2020, with young people gathering together virtually for fun and discipleship. Hertfordshire and Essex Division’s summer school is a good example of how we brought wonderful opportunities for activity, friendship and worship to young people despite the lockdown.

Each day, videos posted on social media channels retold the story of the Good Samaritan, which helped young delegates to look at different aspects of the parable around themes of Kindness, Diversity, Support and Worth. Daily activities supported these themes, including games, crafts and fun lunches as well as Zoom ‘campfire’ sessions in the evenings. All in all, a lively and uplifting week for the enthusiastic youngsters who took part.

## MAKING CHRISTMAS TRULY JOYFUL

Last Christmas was a difficult time for many people. Many families were barely able to afford to buy the necessities, let alone treats or presents for the children. Many older people were isolated and unable to be with family and friends. That is why The Salvation Army worked harder than ever to make sure that as many people as possible could share in the joy of Christmas.

■ **Toy appeal.** Once again, The Salvation Army teamed up with The Entertainer, the UK’s largest high street toy retailer, to deliver presents to children who needed them most. The Big Toy Appeal asked customers to buy a toy online or in-store and donate it to a family in need at Christmas. For every toy donated, The Entertainer donated a toy. This was the appeal’s third year, with well over 60,000 toys and books being donated.

■ **TV show highlights Christmas appeal.** The crucial work of The Salvation Army in Glasgow at Christmas was featured on the BBC’s The One Show in December. The programme highlighted the Christmas Present Appeal, which brings joy and hope to children who might otherwise miss out on opening a present. Local Salvation Army leaders Majors Mark and Tracy Bearcroft told viewers that, because of the effects of coronavirus, demand for toys had almost doubled compared with 2019. Viewers were also introduced to the team who were sorting and delivering thousands of presents and found out how they could donate a gift or make a financial contribution towards The Salvation Army’s work.

■ **Northern Ireland Christmas Family Appeal.** Once again in 2020, The Salvation Army and St Vincent de Paul launched their Christmas Charity Appeal. The appeal has been helping struggling families celebrate Christmas for 40 years and the latest appeal was aimed at helping those families in our communities who were facing particularly difficult choices.

The appeal offered hope to many parents and carers who were hard-pressed to afford even the basics of heat and light, let alone to put presents under the tree.

■ **Toys and tins.** The Salvation Army in Norfolk always organises a Toy and Tins Appeal, encouraging members of the public to donate goods for children who might otherwise go without at Christmas. But last Christmas the need was greater than ever, with a 27 per cent increase in referrals.

Happily, local people - families, workplaces, faith groups and community leaders - came to the rescue by responding to the appeal with particular generosity. More than £14,000 was donated through JustGiving, which enabled volunteers to sort, pack and deliver approximately 19,000 gifts. Thanks to their efforts, more than 6,700 vulnerable people across Norfolk, including more than 3,800 children, had presents to open on Christmas Day.

■ **Food and good cheer at Christmas.** The Salvation Army in Abertillery, Wales, worked hard to make Christmas special for vulnerable people, including low-income families. 100 food parcels were made up, including the Christmas edition of the War Cry, for distribution by social services. The local Salvationists also received a generous response from local people to their toy appeal, with donated toys also being distributed by social services.

## CHALLENGING DISABILITY

To us in The Salvation Army, every human being is precious and unique. Each deserves the opportunity to develop their talents, to make a positive contribution to society and to live a full, rewarding life. Yet for many people with learning difficulties in the UK, their opportunities in life are frustratingly limited. That's why we are actively involved in helping them to overcome the barriers they face - and why we invest in facilities and training programmes that give them the opportunities they need.

■ **Enabled members come together at Christmas.** Building on the success of the Enabled Summer School at Home, The Salvation Army held a new event called Enabled at Christmas. Overcoming isolation and loneliness was a key aim throughout the pandemic, so the idea was to offer Enabled members a variety of activities to replace cancelled Christmas events. Hosted using Facebook Live and YouTube, nearly 200 people participated in a weekend programme packed with music, Godly Play, poetry, fitness, lively worship, crafts and more.

The sessions received more than 6,000 views and members shared photos and clips on Facebook and WhatsApp. Sandra Atkinson from Gateshead was one of many who took part in Enabled at Christmas and really loved it. She wrote: 'I had a fabulous weekend. Every video and live session cheered me up and helped to make Christmas really special.'

## READY IN A CRISIS

Our Emergency Response teams have had one of their busiest years. As usual our emergency vehicles attended call-outs to incidents such as fires and accidents - but we also supported the civil authorities in their response to the pandemic.

■ **Family support.** The first pandemic-related call for help took place when we were asked, along with colleagues from the Red Cross, to establish a friends and family support centre in the Wirral, for people whose loved ones were being isolated after being repatriated from China.

■ **Forest fire.** In May 2020, when forest fires near Wareham in Dorset put lives, property and the environment at risk, The Salvation Army was asked to provide food and support to more than 140 firefighters, as well as personnel from the Forestry Commission, wildlife experts and the police. The demand was so great that a whole day's food supplies were used up within two hours and extra supplies had to be sent for.

As the fires came under control, we were able to ease the stress on on-site staff and raise their spirits by chatting with them in a comforting and good-humoured way. Many posted thank-you messages on Facebook or shouted 'thank you' when their shifts came to an end.

■ **Helping flood victims.** In February 2021, The Salvation Army provided support to the emergency services as they helped flood victims in the wake of Storm Christoph. The worst-hit areas were South Wales, Greater Manchester and South Yorkshire.

In Skewen, South Wales, about 100 households were evacuated, as well as a residential nursing home. As well as serving food and drink to the emergency teams, The Salvation Army distributed essential items like food, clothing and cleaning products to displaced residents. In Doncaster, South Yorkshire, our Salvation Army hall was on standby to provide emergency shelter for people evacuated from their homes. Meanwhile in Didsbury, Greater Manchester, volunteers from the Sale Salvation Army spent six hours feeding around 100 fire, police and ambulance personnel.

## SPEAKING UP FOR JUSTICE AND SEEKING RECONCILIATION

The last year has seen The Salvation Army speaking on many areas of policy, especially to highlight the impact of the pandemic on the communities and individuals that were hit the hardest by the economic and social impact. The Lord's Prayer says: 'Your will be done, on earth as it is in heaven' - and part of our calling is to bring about a more compassionate and socially just world. Challenging injustice and seeking reconciliation are therefore key priorities for The Salvation Army.

■ **A guiding light for our times.** In 1890 The Salvation Army's Founder William Booth wrote *In Darkest England* in which he described the social problems of the time and his own blueprint for tackling poverty and social exclusion. Now The Salvation Army has published a new book *In Darkest England: 130 Years On* showing how Booth's principles are still relevant today.

Lieut-Colonel Dean Pallant, Secretary for Communications for The Salvation Army in the UK and Ireland, says: 'The challenges people were facing in the late 19th Century are not too different from those people are experiencing today. Pandemic Britain is concerned about rising unemployment, debt, alcohol abuse, modern forms of slavery, a lack of affordable housing and people still living on the streets. Booth's solutions are, 130 years on, still relevant and, more importantly, we know they work.'

■ **The Salvation Army warns of a poverty crisis.** Even before the pandemic, The Salvation Army was warning of a poverty crisis, as the number of people living in poverty increased. Then, when the lockdown began, and many people lost their jobs and income, the number of people claiming Universal Credit grew sharply. Yet at the time there was a five-week wait before claimants receive their first payment - and we knew that a quarter of UK households had no savings. We therefore urged the Government to rethink the waiting period, which was leaving many families and young people in desperate poverty. We called for advance payment loans to be replaced by grants. We also urged the Government to retain the temporary £20 uplift to Universal Credit.

■ **Speaking up for rough sleepers.** We warmly welcomed the Government's interim housing plan, which provided £105 million towards interim housing for rough sleepers during the pandemic. However, we warned that this assistance was only due to last for 12 months and could not solve the problem of rough sleeping permanently. We urged the Government to do more in the longer term to bring rough sleepers in from the streets.

During the worst of the pandemic, the number of rough sleepers fell, as the Government's Everybody In initiative helped to move them into temporary accommodation. However, The Salvation Army warned that the UK still faced a longer-term crisis. Our director of Homelessness Services Lorrita Johnson said: 'Getting everybody in is only part of the solution. People need support to overcome the reasons why they ended up rough sleeping in the first place. Without sustained support, our experience tells us that these vulnerable people may end up back on the streets.'

We published our own report entitled Future-proof the Roof setting out what we believed needed to be done to reduce homelessness. The proposals included improving data collection to assess the number of people rough sleeping and their needs, as National Audit research has shown that the Government underestimated the number of people needing temporary accommodation in the first lockdown. It also included sustained investment to build on the progress made during the pandemic; and providing a steady supply of suitable homes.

■ **Speaking up for vulnerable jobseekers.** The Salvation Army welcomed the Government's pledge to double the number of work coaches in jobcentres and offer more support for under-25s. However, we also warned that vulnerable jobseekers, such as those who lack computer skills or have mental health problems, could be locked out of the job market for years. We called for funding through the UK Shared Prosperity Fund to address the problem. The scheme is the Government's post-Brexit replacement for EU funding that supported the most deprived communities in the UK.

■ **Defending refugees.** Asylum seekers and refugees attract unwarranted criticism in some quarters. But as Christians we believe they have the right to be treated with dignity and humanity. We know that many have had no choice but to make a dangerous journey to seek safety from conflicts, persecution and violence.

We joined other churches to call on the Government to stop housing asylum seekers in military barracks but to find more suitable accommodation for them. We also joined with the Lift the Ban coalition of organisations in urging the Government to allow people seeking refugee status to have the right to work.

During the year, we welcomed the support of asylum seekers and refugees who volunteered to assist with our coronavirus response work. Many of them rolled their sleeves up to pack essential food parcels or cook meals for people who were going hungry.

■ **An inclusive church.** In the past year, The Salvation Army issued strong statements against discrimination on grounds of sexual orientation or gender identity, race, religion and ethnicity. In the words of our inclusion statement, The Salvation Army 'aims to be a church where everyone is welcome'.

## LOOKING FORWARD AS A MOVEMENT:

2020/2021 was a year which was quite unlike any other. An immense amount of change happened in a short space of time, and The Salvation Army is committed that learning from this as a church and charity in the UK is paramount. This experience must positively influence how we move forward and how we seek to deliver against our charitable objects. Because our strategy for the Salvation Army Trust is to remain responsive and to resource, enable and encourage our 'frontline' of over 620 corps and centres to engage with the local community and support the needs that are most pressing or the needs that most need meeting, we do not have a prescriptive organisational plan. Our plan is to ensure our local presence can flourish, be as effective as it can, be as transformational as it can and help deliver our vision of 'Fullness of Life for All with Jesus'. What we can be certain of is our ongoing commitment to this vision and to ensure we are active and present where we are needed.

A significant piece of research was conducted to review how we responded as a church to the pandemic and what we can learn from it and we are committed to implementing many of the learnings.

We learned a lot from using digital media to create a sense of community and belonging, as congregations. We saw the immense impact this can have and how it enables us to reach so many people in new ways. However, as our congregations once again resume active worship, we need to ensure that digital media are an additional tool to facilitate activities and grow new forms of engagement alongside more traditional forms of activities.

On a wider front we have seen how digital media can enable different forms of service delivery, how they can help reduce travel and add immense accessibility and efficiency to our day-to-day work. Learning from this is already shaping our approach to the use of buildings and office spaces, ways of working, and development and delivery of training and resources.

We will continue to ensure our frontline operations at corps and centres receive the funding they need to meet local needs and that there is a constant spirit of innovation, learning and cross-fertilisation of ideas.

We are committed to reviewing our structures and processes to ensure we have the most effective and efficient support mechanisms to enable our frontline to flourish and that resources are applied where they are most needed.

We will continue to speak out on issues that impact positively or unhelpfully on the people in the communities we serve and to ensure those without a strong voice are heard as government policies are shaped.

We are excited about the future, and we commit to challenge ourselves constantly at local level to ensure we are identifying the areas of community work and ministry that is needed and to which we can add the most value. Many people see us as the understanding and responsive heart of the community, and that is what we intend always to be. Agile and responsive, wise and understanding, strong and principled, focused on enabling fullness of life for all, with Jesus.

## OUR APPROACH TO FUNDRAISING

### Context:

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

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

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

Fundraising for the financial year 2020/2021 was influenced by the pandemic and the ways in which we responded are illustrated below.

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

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

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

A proportion of fundraised income is granted to The Salvation Army Social Work Trust each year as part of the planned budgeting process. Our fundraising appeals to the public feature the work of The Salvation Army across both trusts so there is absolute transparency that the funds donated go to support the work we illustrate in public appeals.

## Corps-based (church) giving and local fundraising:

The UK Salvation Army has 621 corps and community centres across the UK. Each corps or centre will develop programmes and services that are geared to meeting the needs of the people in the community, so there is huge diversity across the UK. Each local Salvation Army centre is expected to find ways to raise funds to support their local work as much as it can. This is achieved in several ways.

**Church membership giving** totalled £16.3 million in the year ended 31 March 2021, a decrease of £2.6m from 2019/20, mainly as a result of the suspension of congregational worship and opportunity to give during services. Nevertheless, it is a substantial offering and this income from church members helps to sustain the local life of The Salvation Army as a church and meet as much of the operating overhead as it can.

Despite the suspension of many months of congregational worship because of COVID, members continued their giving in a spirit of generosity. During the peak of the pandemic, Salvation Army leadership encouraged members to consider a spirit of increased giving, and we saw examples of truly sacrificial giving by our members and officers of The Salvation Army to help meet the increased costs of providing care.

In addition, **local fundraising** delivered approximately an additional £10m which helps fund the practical support that is needed in the communities that The Salvation Army serves, examples of which are described in the narrative of this Report. Christmas carolling in town centres and street collecting are two of the familiar ways in which corps raise funds. The onset of coronavirus put a stop to most public fundraising, but many corps turned to digital ways of fundraising early in the pandemic and using tools such as JustGiving were able to continue to raise funds for local coronavirus impact relief work, such as food parcels.

Salvation Army church membership also actively engage in two main annual fundraising drives, the **Self-Denial Appeal** and the **Big Collection**.

The annual **Self-Denial Appeal** in February and March 2021 helps fund Salvation Army work in overseas territories. In 2021, the appeal raised just over £1.24 million, £200,000 increase on the 2020 appeal.

The Salvation Army **Big Collection** is an annual public campaign in September, whereby church membership actively raises funds to support our Social Work Trust, supporting programmes for people experiencing homelessness, older people, and people needing help with addictions. Against a total of £1.28 million raised in September 2019, in 2020 we raised a total of £783k. Public Fundraising was not allowed due to the pandemic, but income was still 62% on the previous year.

## National Fundraising:

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

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

## Appeals to the public

In 2020/21 we saw incredible generosity. We received a total of £79.9m in donations from the public, an increase of £21.6m over 2019/20. As noted above, approximately £10m was raised locally by individual Salvation Army corps, and the remainder, approximately £69m, was secured by national and centrally co-ordinated fundraising activities, summarised below. Furthermore, we received a total of £48.4m in legacies.

As the pandemic began, there was concern how levels of donations could be affected, but we were over-whelmed with the out-pouring of generosity from supporters and the public. Total public and supporter donations in response to our national appeals programme for 2020/21 was £66.9m, an increase of £24.9m over 2019/20. This total includes regular giving and Gift Aid income.

In March, we launched a Covid appeal in response to the increasing demand seen at local level, particularly for food provision. This extra appeal ran from March-June raising £3.6m in additional income. All appeals to our supporters raised significantly more than expected, and the Christmas appeal raised a record-breaking £28.7m which was £7.8m up on the 2019 Christmas appeal.

The Salvation Army would want to put on record here its sincere appreciation of the support that our donors and the public have given during such an uncertain and unprecedented year.

Legacies: We are deeply grateful to those people who remember us in their Will with a bequest. This is a hugely important income stream in support of our work and protecting and sensitively encouraging this income is an important task.

We received a total of £48.4m in legacies during 2020/21, a decrease of £4.6m compared with legacy receipts in 2019/20. Tracking indicates that around 67 per cent of our legacies comes from our appeal to supporters and approaching these supporters and the public with a sensitive suggestion to consider leaving a gift in their Will is an important part of protecting the future of this very important income pipeline.

At the start of the pandemic, we took the decision to suspend legacy promotion not believing it was the right time to promote this way of giving. As lockdown eased, we wrote to our supporters in August asking them to consider leaving us a gift in their Will which resulted in significant response. We also began a partnership with Bequeathed, an online free Will-writing service, and promoted this opportunity to supporters and the public through Facebook advertising. We have seen enquiries increase over the year, and we take a sensitive and a strong personal approach to enquiry handling and stewardship.

### Grant-making trusts and foundations

Grant-making foundations and charitable trusts make an important contribution to revenue and capital costs for many of our projects. We would like to extend our sincere thanks for their support. During 2020/21 we received over £4 million from charitable trusts and foundations in support of 280 Salvation Army projects across the UK and internationally. Grants from charitable trusts and foundations have contributed to the running costs of our pandemic response work including our foodbanks, employment services and debt advice services.

For example, with support from charitable trusts and foundations, The Salvation Army in Penrith has opened 'The Nourished Project', a new hub to provide food, baby products and other essential items, plus spiritual and emotional support, for the community. The 'Nourished Project' aims to nourish people practically by providing necessities from a new purpose-built area and spiritually by offering visitors a listening ear. People will also be signposted to other services on offer at the church and charity, such as the toddler play and stay sessions, happy to chat café and activities mornings.

Grants have also contributed towards costs of refurbishing or creating new centres and the salaries of project staff. As an example, support from charitable trusts and foundations have enabled work to begin on the Greenock Garage project in Greenock, Scotland; a renovation and extension to the existing corps building to provide a much-enhanced community hub. The new community hub offers a range of care and support services and an expanded shop area to meet the increased needs of individuals and families in the local areas.

### Corporate giving

Our corporate partners have grown in number and depth over this year. The existing and new strategic corporate partnerships across the UK include The Entertainer with their Big Toy Appeal which in 2020/2021 saw over 32,000 new toys and books donated at Christmas and Pickfords who have chosen The Salvation Army as their charity of the year. We hope to see over 1 million Pickfords moving boxes promoting The Salvation Army. Our partnership with Anglo American continues with their support including their executive team volunteering at our Cambria House Lifehouse as well as supporting our work combatting Modern Slavery. Other new partnerships include Clearly Drinks, supporting employment Plus and Howdens through the national network of 140 depots.

We had a very generous response from corporates to our Covid appeal, including a donation from Barclays bank of £100,000 and executives at another partner sacrificing 30% of their salary to support The Salvation Army's Covid response.

## Other fundraising

We continued to develop relationships with people who wanted to 'do something' to raise funds for The Salvation Army, especially in support of our pandemic response. We explored ways of supporting corps with their locally based fundraising and we benefited from the increased contributions from individuals who participated in the covid-adapted sporting challenges and individuals who fundraised in their own way in order to support us. Much of their contribution is channelled locally, but we would want their combined support to be recognised as it generates significant income.

## Our Fundraising Approach

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

During the year in review, we offered the public additional opportunities to support The Salvation Army by launching a fundraising campaign to meet the additional costs of the services we were delivering and to help keep our operations going at a time, for example that we were not receiving income from our charity shops.

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

We do not use professional fundraising agencies such as outbound telemarketing agencies or face-to-face/street fundraising agencies to fundraise on our behalf. Our public, street and house-to-house cash-collection fundraising operations are normally carried out by members and volunteers drawn from and connected with our congregations. Much of these were suspended because of COVID restrictions and this was another reason for increasing our public COVID appeal.

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

The term 'professional fundraiser' also encompasses individuals who participate in some challenge and mass participation fundraising events. These relationships are managed centrally with due diligence as to clarity and transparency in terms of an agreement between The Salvation Army and the participant who is fundraising for us. Advice is provided regarding the correct solicitation statements that the fundraiser should use when asking for sponsorship or donations.

## Fundraising Standards

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

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

## Fundraising on our behalf

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

## Monitoring of Fundraising

During this year under review, we updated and strengthened our internal processes and policies to ensure we have the highest ethical standards in accepting donations.

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

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

## Complaints

In the financial year under review, The Salvation Army received 136 complaints about our fundraising compared with a total of 83 complaints in 2019/2020. Of the total 136 complaints, 32 were referred to our Trading Company regarding charity bag collections.

During the 2020/2021 financial year we significantly increased our fundraising activities to enable us to meet the increased demand for our services during the pandemic. While we always strive to minimise the number of complaints we receive, when viewed against the national extent of our fundraising appeals programme, this is a comparatively low figure for the sector and reflects the degree to which we have developed a fundraising programme that is as sensitive and respectful as possible.

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

### Protecting People in Vulnerable Circumstances

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

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

## TERRITORIAL HEADQUARTERS RELOCATION PROJECT

The new Territorial Headquarters building at Denmark Hill resumed procurement activity earlier this year, and construction of the new building started in early August 2021. Construction is on a 2-year programme for completion and occupation from late summer 2023. The building is being constructed externally as originally designed in order to maintain the existing Planning Approval. The interiors are being re-planned to take account of agile/'hybrid' working and reduced daily attendance at the new THQ in comparison to the previous THQ prior to lockdown.

## MODERN SLAVERY AND ANTI HUMAN TRAFFICKING STATEMENT

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

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

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

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

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

## REVIEWING FINANCES

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

Our main sources of income are as follows:

	2021 £m	2020 £m
Legacies	48.4	53.0
Donations from the public	79.9	58.3
Donations from members	16.3	19.0
Grants	16.5	2.5
Trading income	58.6	91.2
Investment income	2.8	5.2
Other income	15.5	11.6
	<b>238.0</b>	<b>240.8</b>

### Voluntary income

Voluntary income (including legacies, donations and grants from trusts and foundations) represents 68% of our total income and we continue to be deeply and sincerely grateful to the individuals who have remembered us in their wills, which is a crucially important, sustaining income stream. Donations from members represent the weekly or planned giving by soldiers and other members of The Salvation Army to their local Salvation Army corps (church).

Grant income increased dramatically in 2021 as a result of £9.9 million from COVID grants.

### Trading income

Trading income comprises:

- Corps trading activities, mainly charity shops (£3.3 million). Net trading expenditure is £1.3 million, compared with net trading income of £6.7 million in 2020.
- Income of trading subsidiaries: The Salvation Army General Insurance Corporation (£19.4 million) and The Salvation Army Trading Company (£35.9 million). There has been a decrease in net trading income to a deficit of -£9.0m from a surplus of £2.5m:

Expenditure has decreased from £235.5 million to £199.2 million.

	2021 £m	2020 £m
Cost of raising donations and legacies	13.4	12.0
Cost of trading activities	68.8	82.1
<b>Total cost of raising funds</b>	<b>82.3</b>	<b>94.1</b>
Charitable activities:		
Church and evangelism programmes	39.2	48.7
Community programmes	49.1	62.8
International programmes	6.3	5.9
Training programmes	4.6	5.3
Youth and young people's programmes	1.8	2.7
Grant to Social Work Trust	16.0	16.0
<b>Total charitable activities</b>	<b>117.0</b>	<b>141.4</b>
<b>Total expenditure</b>	<b>199.2</b>	<b>235.5</b>

### Costs of raising donations and legacies

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

### Church and Evangelism Programmes

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

### Community Programmes

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

### International Programmes

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

## Training Programmes

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

## Youth and Young People's Programmes

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

## Grant to The Salvation Army Social Work Trust

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

Net income (2020: expenditure), which includes gains on investments of £36.5 million (2020: £14.4 million loss), was £75.3 million (2020: £9.1 million expenditure). The gain on investments is a book gain only (2020:loss).

Total funds as at the year end were as follows:

	2021 £m	2020 £m
Endowment funds	17.6	14.6
Restricted funds:		
Property fund	332.0	321.4
Corps funds	50.2	48.2
Legacy reserves	73.6	77.0
Trust funds	2.4	2.1
Specific donations	10.5	9.2
	<b>468.7</b>	<b>457.9</b>
Unrestricted funds:		
Non-charitable trading funds	19.6	21.7
Designated funds	158.5	115.5
General reserve	42.1	21.5
	<b>220.2</b>	<b>158.7</b>
<b>Total funds</b>	<b>706.5</b>	<b>631.2</b>

## Endowment Funds

Only the income arising on these funds is available for expenditure.

## Restricted Funds

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

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

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

## Unrestricted Funds

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

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

## RESERVES POLICY

Our reserves policy focuses on the level of general reserves.

We rely on donations, legacies and grants to fund our activities. These can be uncertain and fluctuate from year to year. They represented 68 per cent of our total income for the year ended 31 March 2021. We need reserves to ensure that the operation of our church and community programmes can continue in the event of fluctuations in voluntary income and unexpected expenditure. We also want to be able to provide for the new and innovative opportunities that may appear to further the mission of The Salvation Army Trust.

The Directors have reviewed the reserves policy taking into account the risks and uncertainties faced by the Charity. Based on this review, a target range of £29.9m to £49.2m was set for free reserves.

As at 31 March 2021 the charity had general reserves of £42.1 million which is within the target range.

## INVESTING FOR THE FUTURE

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

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

The funds are subject to The Salvation Army Act 1980 and the following guidelines: the principal aim is to invest in a manner consistent with the promotion of the objects of The Salvation Army

- investments should be made on longer-term considerations rather than in the pursuit of short-term gains
- investments may be held in stocks, shares, debentures and other securities quoted on a recognised stock exchange, in government, municipal and public utility stocks and in bank deposit accounts
- investments may be made in collective investment schemes, including those holding real estate assets
- no direct investment may be made in unquoted securities in the UK or overseas
- there will be no investment in companies which derive a material amount of their revenues (% indicated) from the following activities:
  - the production of alcohol (5%)
  - the sale, together with any production, of alcohol (10%)
  - the production of tobacco (5%)
  - the sale, together with any production, of tobacco (10%)
  - the manufacture of whole weapons, weapon platforms and weapon systems (no minimum limit)
  - the manufacture or sale of strategic parts for weapons systems (10%)
  - the business of gambling or providing access to such businesses (5%)
  - the production of adult entertainment services or providing access to such services (1%)
  - the publication or wholesale of pornographic magazines or newspapers (1%)

- Investment managers are expected to exclude companies whose activities might reasonably be expected to increase poverty or act against the relief of poverty. The investment managers are required to monitor companies in the portfolios to ensure best practice in corporate governance, employment conditions and environmental sustainability.

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

<b>Asset Class</b>	<b>Benchmark</b>	<b>Range</b>
	%	%
Equities:		
Global	90	+/-10
Bonds	0	+/-10
Property	10	+/-10
Cash	0	+10
	<hr/>	
	<b>100</b>	
	<hr/>	

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

### **CIF1**

Fund strategy is:

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

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

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

## CIF2

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

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

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

	CIF1	CIF2
	%	%
Annual total return (gross of fees)	25.8	27.5
Benchmark return	27.1	27.1

For the year to 31 March 2021 CIF 1 slightly underperformed compared to benchmark, whilst CIF 2 met its benchmark performance objective.

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

	CIF1	CIF1	CIF1	CIF2	CIF2	CIF2
	2021	2020	2019	2021	2020	2019
	%	%	%	%	%	%
(Decrease)/Increase in capital value of fund	22.3	-9.3	8.8	25.5	-8.4	6.4
Average net income return	0.5	1.7	1.6	0.8	2.1	1.9

## STRUCTURE, GOVERNANCE AND MANAGEMENT

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

The Salvation Army's assets in the United Kingdom are held by The Salvation Army Trustee Company (SATCo), a company limited by guarantee, registered in England (No 00259322) with its registered office at 101 Newington Causeway, London SE1 6BN). The governing document of The Salvation Army Trust is The Salvation Army Act 1980, as amended. Under Section 12(1)(a) SATCo is appointed as the sole ordinary trustee of the trusts listed in Schedule 5 to that Act.

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

- The Salvation Army Trust, whose accounts are contained in this report; and
- The Salvation Army Social Work Trust

### Connected Trusts

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

#### The Salvation Army Social Work Trust

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

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

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

#### William Booth Memorial Trust

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

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

## SUBSIDIARY AND ASSOCIATED COMPANIES

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

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

**1. SATCoL** is a wholly owned subsidiary of The Salvation Army Trust. Its main activity is the collection and sale of second-hand clothes donated by the public from its 215 charity shops. SATCoL also supplies Salvation Army publications and other related materials.

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

### Connected Company

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

## RECRUITMENT AND APPOINTMENT OF DIRECTORS (TRUSTEES)

There are 14 directors, 10 by virtue of their appointments within The Salvation Army. One director is a divisional leader responsible for one of The Salvation Army's 22 divisions. There are normally five external non-executive directors and the vacant position is currently being reviewed.

Each non-executive director brings expertise in a relevant field - property, finance, fundraising/marketing, investments or social services. The appointment of non-executive directors is made by The General on the recommendation of the Nominations Committee.

### Training and Induction of Directors

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

## Organisational Structure and Decision Making

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

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

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

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

During the previous financial year, the Internal Audit Department reviewed SATCo's performance against the Charity Governance Code for larger charities. The review identified a number of areas in which SATCo is performing well and other areas for development. The areas for development are being taken forward in preparation for another assessment that will take place in the next three years.

## Directors' Responsibilities

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

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

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

The directors confirm they have taken account of the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and planning future activities and consider how planned activities will contribute to the aims and objectives set.

### **Remuneration of Key Management**

Key management personnel of The Salvation Army comprise Salvation Army officers and employees. Salvation Army officers do not receive a salary, they receive an allowance based on length of service and, as ministers of religion, are provided with furnished accommodation and a motor vehicle. The allowances received by officers in positions of key management range from £18,148.92 to £24,249.88 per annum.

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

Further information is disclosed in Notes 11 and 12 to the Accounts.

### **Risk Management**

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

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

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

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

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

The Covid-19 pandemic not only had a significant impact on the Salvation Army's Corps (churches) and services, but it also created significant new risks as essential provision continued, and in the reopening of sites. The management of some of our principal risks in the reporting year related to business continuity and Safe Mission (health and safety) which changed considerably as a result, while the mitigations of other risks were also adapted. The following table outlines the most significant risks for the reporting period, taking account of their impact and likelihood, and the mitigations in place to manage them.

### Principal risks

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

Principal Risks	Mitigation
<b>Business Continuity</b> - There is a risk that the occurrence of a significant incident where, during and after the incident, The Salvation Army will not be able to continue to be viable and meet stakeholder expectations.	Business continuity policies and procedures, including the application of ISO27001 for some parts of the organisation, prepare us for management of interruptions. Our business continuity plans have been invoked to manage the pandemic response, enabling us to continue delivering key services in challenging circumstances.
<b>Cyber</b> - The risk is that we fail to protect our information systems and the information they hold.	We deploy multiple measures to protect our systems and the information they hold. We work within an information security international standard (ISO27001) and build on lessons from our internal and external audits in this area. The Salvation Army United Kingdom and Ireland Territory experienced an IT incident in June of 2021, the impact on the work of the Salvation Army Trust was contained with temporary operational adjustments allowing the Trust to continue business as normal.
<b>Data Protection</b> - The risk that we fail to protect sensitive and personal data.	As well as our data protection/GDPR policies and training we take steps to ensure that personal data is treated properly through appropriate security measures, staff training, the use of data protection impact assessments and contractual requirements with organisations we work with who process our personal data.
<b>Financial Sustainability</b> - The risk that there is insufficient revenue income from donations and reserves to support our operating model resulting in the failure of The Salvation Army to thrive in a rapidly changing environment	We continue to monitor the funding situation and adjust our financial planning and commitments accordingly to ensure we are financially resilient. We adjusted our approach during the pandemic to offer enhanced monitoring of this risk, and our Fiscal Stewardship Principles guide our financial decision making.
<b>Healthy Corps and Centres</b> - There is a risk that a variety of factors prohibit flourishing of our churches and centres.	We seek to understand how our Corps (churches) and centres can thrive in a wider environment of falling church attendance. We are taking steps to establish and measure factors that contribute to healthy mission and provide close support to our Corps Officers in their daily work.
<b>Safeguarding</b> - The risk is that we fail to provide a safe environment, free from abuse, for everyone, including vulnerable beneficiaries.	We continue to maintain clear policies and procedures in relation to safeguarding and ensure the appropriate screening, training and supervision of personnel. A subcommittee of RMC - the Territorial Safeguarding Committee - oversees management of the risk.
<b>Safe Mission</b> - The risk is that we are not able to ensure the health, safety and welfare of personnel, service users and members of the public who are affected by our activities, including in a Covid-impacted environment.	As Covid-related rules and guidance have changed, so have our processes. Thanks to the continuation of our business continuity measures throughout much of the pandemic, we have been adaptable and responsive in ensuring that health and safety measures are proportionate and offer the right protection for our personnel and beneficiaries. Two RMC subcommittees - the Safe Mission Council and the Sudden Deaths Review Group - inform the management of this risk.



**Lieut-Colonel Alan Read, Director**

**On behalf of the Directors of The Salvation Army Trustee Company**

**10 December 2021**

## DIRECTORS

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

Commissioner Anthony Cotterill .....	Chair
Colonel Paul Main .....	Deputy Chair (Appointed 20.11.20)
Colonel William Lee Graves .....	(Resigned 31.10.20)
Colonel Jenine Main.....	(Appointed 20.11.20)
Colonel Deborah Graves .....	(Resigned 31.10.20)
Lieut-Colonel Alan Read .....	Managing Director
Lieut-Colonel Andrew McCombe	
Lieut-Colonel Beverley McCombe	
Lieut-Colonel Dean Pallant	
Lieut-Colonel Judith Payne	
Major Noreen Batt	
Major Judith Hilditch	
Helen O'Brien	
Mark Puller	
Peter Gale	
Graham Roper .....	(until 19.09.21)
Andrew Stickland	

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

### Committee Members (current)

#### Territorial Operations Board

Colonel Paul Main (Chair), Commissioner Gillian Cotterill, Tony Daniels, Major Mal Davies, Miguel Fiallos, Peter Grant, Major Judith Hilditch, Lorrita Johnson, Lieut-Colonel Andrew McCombe, Lieut-Colonel Beverley McCombe, Mitch Menagh, Alex O'Hara, Lieut-Colonel Dean Pallant, David Rice, Lieut-Colonel Alan Read, Julius Wolff-Ingham

#### Audit Committee

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

#### Investment Advisory Committee

Peter Gale (Chair), Mark Colton, William Dalziel, Major Judith Hilditch, Mary Haly, Major Beverly Lloyd, Lieut-Colonel Alan Read, Philip Rotherham, Daniel Wills

#### Nominations Committee

Peter Gale, Colonel Paul Main, Lieut-Colonel Alan Read, Elliot Thomas

### Risk Management Committee

Helen O'Brien (Chair), Lieut-Colonel Andrew McCombe, Lieut-Colonel Beverley McCombe, Lieut-Colonel Dean Pallant, David Rice, Lieut-Colonel Alan Read, Major Elwyn Harries, Elliot Thomas, Daniel Wills, Major Julian Watchorn, Julius Wolff-Ingham

### Company Secretary

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

## ADVISERS

### Bankers

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

### Auditors

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

### Solicitors

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

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

### Investment Advisers

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

### Investment Managers

Cazenove Capital Management, 12 Moorgate, London EC2R 6DA

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

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

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

## Opinion

We have audited the consolidated financial statements of The Salvation Army Trust for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Balance Sheets, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- a) give a true and fair view of the state of The Salvation Army Trust and parent charity's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, for the year then ended;
- b) have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- c) have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustees Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

## Basis for opinion

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

## Conclusions relating to going concern

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

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

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

## Other information

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

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

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

## Matters on which we are required to report by exception

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

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

## Responsibilities of trustee

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

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

## Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

### Use of our report

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



65 Leadenhall Street  
London EC3A 2AD

**Knox Cropper LLP**  
**Chartered Accountants**  
**Registered Auditors**

10 December 2021

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

# The Salvation Army Trust

## Financial Statements

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Endowment £000	Restricted £000	Unrestricted £000	2021 Total £000	2020 Total £000
<b>INCOME AND ENDOWMENTS FROM</b>						
<b>Donations, Legacies and Grants</b>						
Legacies		-	8,646	39,740	48,386	52,972
Donations - Public		-	12,665	67,238	79,903	58,254
Donations - Members	2	-	16,174	92	16,266	18,964
Grants	3	225	7,021	9,234	16,480	2,533
Trading Activities	4	-	3,291	55,270	58,561	91,197
Investments	5	-	1,314	1,532	2,846	5,216
<b>Other</b>						
Gain on property disposal		-	3,066	11,064	14,130	10,669
Other income		-	569	872	1,441	1,017
<b>Total Income</b>		<b>225</b>	<b>52,746</b>	<b>185,042</b>	<b>238,013</b>	<b>240,822</b>
<b>EXPENDITURE</b>						
<b>Raising Funds</b>						
Costs of raising donations, legacies and grants		-	665	12,757	13,422	12,039
Costs of trading activities	4	-	4,590	64,252	68,842	82,038
		-	5,255	77,009	82,264	94,077
<b>Charitable Activities</b>						
	7					
Church and Evangelism Programmes		-	24,569	14,591	39,160	48,721
Community Programmes		-	32,028	17,060	49,088	62,855
International Programmes		-	3,063	3,213	6,276	5,926
Training Programmes		-	29	4,584	4,613	5,286
Youth and Young People's Programmes		-	-	1,822	1,822	2,652
Grant to the Salvation Army Social Work Trust		-	-	16,000	16,000	16,000
		-	59,689	57,270	116,959	141,440
<b>Total Expenditure</b>			<b>64,944</b>	<b>134,279</b>	<b>199,223</b>	<b>235,517</b>
Gains/(Losses) on Investments	16(a)	2,754	597	33,180	36,531	(14,422)
<b>Net Income/(Expenditure)</b>		<b>2,979</b>	<b>(11,601)</b>	<b>83,943</b>	<b>75,321</b>	<b>(9,117)</b>
Transfer between funds		-	22,391	(22,391)	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>2,979</b>	<b>10,790</b>	<b>61,552</b>	<b>75,321</b>	<b>(9,117)</b>
Fund balances brought forward		14,573	457,918	158,669	631,160	640,277
<b>Fund balances carried forward at 31 March 2021</b>		<b>17,552</b>	<b>468,708</b>	<b>220,221</b>	<b>706,481</b>	<b>631,160</b>

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

## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021

	Notes	Consolidated		Trust	
		2021 £000	2020 £000	2021 £000	2020 £000
<b>FIXED ASSETS</b>					
Intangible Fixed Assets	13	1,608	2,904	-	-
Tangible Fixed Assets					
Properties	14	313,216	310,256	308,305	307,486
Property Schemes in Progress	14	24,660	20,669	24,660	20,669
Motor Vehicles and Equipment	15	8,544	10,217	1,866	1,139
Investments	16	205,283	168,544	208,185	170,475
		<b>553,311</b>	<b>512,590</b>	<b>543,016</b>	<b>499,769</b>
<b>CURRENT ASSETS</b>					
Short-Term Deposits		62,029	69,302	62,029	69,302
Stock		2,444	2,521	211	210
Debtors	17	49,733	48,832	38,482	35,176
Bank Balances and Cash		73,174	36,231	59,507	22,567
		<b>187,380</b>	<b>156,886</b>	<b>160,229</b>	<b>127,255</b>
CREDITORS: amounts falling due within one year	18	(33,700)	(34,404)	(15,878)	(13,612)
<b>NET CURRENT ASSETS</b>		<b>153,680</b>	<b>122,482</b>	<b>144,351</b>	<b>113,643</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>706,991</b>	<b>635,072</b>	<b>687,367</b>	<b>613,412</b>
CREDITORS: amounts falling due after one year	19	(510)	(3,912)	(510)	(3,912)
<b>TOTAL NET ASSETS</b>		<b>706,481</b>	<b>631,160</b>	<b>686,857</b>	<b>609,500</b>
<b>FUNDS</b>					
Endowment Funds	20	17,552	14,573	17,552	14,573
Restricted Funds					
Property Fund	21	332,060	321,395	332,060	321,395
Other Restricted Funds	22	136,648	136,523	136,648	136,523
Unrestricted Funds	23	220,221	158,669	200,597	137,009
<b>TOTAL FUNDS</b>	24	<b>706,481</b>	<b>631,160</b>	<b>686,857</b>	<b>609,500</b>

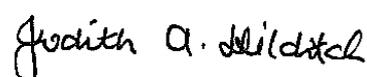
The consolidated Balance Sheet incorporates the subsidiary.

Approved on behalf of The Salvation Army Trustee Company on 10 December 2021.

The annexed notes form part of these financial statements.



Lieut-Colonel Alan Read  
Director



Major Judith Hilditch  
Director

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £000	2020 £000
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	28	28,520	(9,285)
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES			
Additions to intangible Assets		-	(625)
Additions to Properties		(15,384)	(16,588)
Net Additions to Property Schemes in Progress		(5,169)	(8,423)
Proceeds on disposal of Properties		19,744	16,490
Additions to Motor Vehicles and Equipment		(1,918)	(4,797)
Proceeds on disposal of Motor Vehicles and Equipment		1,296	116
Additions to Investments		(1,496)	(226)
Proceeds from disposal of Investments		1,288	-
Investment Income		2,846	5,216
Management of short-term deposits		7,273	28,588
		8,480	19,751
NET CASH (OUTFLOW) FROM FINANCING ACTIVITIES			
Loan Repayments		(57)	(119)
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>36,943</b>	<b>10,347</b>
Cash and Cash Equivalents at beginning of year		36,231	25,884
Cash and Cash Equivalents at end of year		73,174	36,231

	Balance 1 April 2020 £000	Cash-Flows £000	Loan Repayments £000	Balance 31 March 2021 £000
ANALYSIS OF CHANGES IN NET DEBT				
Cash at Bank	36,231	36,943	-	73,174
Loans falling due within one year	(52)	-	3	(49)
Loans falling due after more than one year	(564)	-	54	(510)
	35,615	36,943	57	72,615

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

## 1. ACCOUNTING POLICIES

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

### (a) Basis of Accounting

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

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

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of The Salvation Army Trust to continue as a going concern. The trustee has made this assessment for a period of at least one year from the date of approval of the financial statements and has considered the ongoing impact of the Covid-19 pandemic. The activities and services of the Salvation Army Trust has had to adjust to the closure of many Corps, Charity shops and community centres, delivering service out to the community, continuing to provide emergency food supplies, cooked meals to the elderly, support to the homeless and our country's frontline workers, and support services under government guidelines against the backdrop of the COVID-19 pandemic. Our churches have continued to communicate with people with activities such as online worship as well as online debt and employment advice. The income for the work of The Salvation Army Trust has been much more resilient than anticipated. The general public has responded well to our fundraising campaigns, our members have given sacrificially, the furlough scheme has enabled us to support staff who were not able to work, and we have been able to benefit from local authority and government grants. We have maintained some remedial actions, using restricted reserves and sold properties that are no longer needed for our mission. This has resulted in The Salvation Army Trust being able to maintain its operations both now and going forward.

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

### (b) Consolidation

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

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

#### i. Financial instrument classification

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

#### ii. Capitalisation of property improvement and development

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

#### iii. Useful lives of properties and other fixed assets

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

#### iv. Pension obligations

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

#### v. Identification and valuation of investment properties

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

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

### (d) Income

- i. Donations, Legacies and Grants - Donations, including the gross equivalent of those under Gift Aid, legacies and grants are brought into account when the Trust is entitled to the income, receipt is probable and the amount receivable can be measured reliably.
- ii. Investment Income - Dividends and interest are brought into account gross in the year they are due.
- iii. Profits and losses on disposal of assets are reflected in the Statement of Financial Activities in the year of disposal.
- iv. Trading Income - Trading income is recognised at the point of sale for retail sales and at the time of distribution for wholesale unsorted clothing.
- v. Funds raised by local corps including trading income, are deemed to be restricted for use in the local area.

### (e) Expenditure

Expenditure is charged on the accruals basis.

- i. Irrecoverable Value Added Tax is charged to the related expenditure.
- ii. Resources expended
  - Costs of raising donations, legacies and grants consist of direct campaign appeal expenses and the running costs of the Fundraising Department.
  - Charitable Activities consists of all expenditure relating to the objects of the charity including the costs of supporting charitable activities and projects.

Support costs, including governance, have been apportioned to each category of expenditure based on the number of officers and employees involved in each area or on an estimate of the time spent by officers and employees on particular activities.

- iii. The non-capital element of property schemes is written off in the year of completion, and a provision is made annually for schemes in progress. The capital element of such schemes not completed at the year-end is carried forward in the Balance Sheet under the heading of Property Schemes in Progress and is disclosed as a fixed asset.
- iv. Retired Officers' Allowance Fund - This is a multi-employer charitable fund which operates in a similar way to a defined benefit pension fund. The assets and constructive liabilities cannot be separately identified and therefore the amount charged in the Statement of Financial Activities represents the contribution payable during the year in respect of current service and the total contributions payable (or movement in provision thereof) in respect of past service.
- v. Employees' Pension Fund - This is a multi-employer pension fund where the assets and liabilities cannot be separately identified and therefore the amount charged in the Statement of Financial Activities represents the contribution payable during the year in respect of current service and the total contributions payable (or movement in provision thereof) in respect of past service. The actuarial valuation is done on a three-year cycle and each year, we designate an amount of money to meet the deficit at the end of the cycle

## (f) Fixed Assets

- i. Expenditure on the acquisition or improvement of property is reflected as a fixed asset, whereas costs of repairs and renewals to property are charged to the Statement of Financial Activities.
- ii. Expenditure on the acquisition of vehicles is capitalised and expenditure on computer equipment and other office equipment which exceeds £15,000 in value (individually or for groups of related assets) is capitalised and depreciated over its economic life.
- iii. In accordance with FRS 102 component accounting has been adopted for Freehold and Long leasehold properties. A property comprises of major components with substantially different useful lives. Depreciation is charged on major components so as to write off the cost of the components to their residual values, over their estimated useful lives, using the straight-line method, as follows

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

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

- iv. Depreciation is provided on other tangible fixed assets at the following rates:

Motor Vehicles	- 25% pa on cost
Office Equipment	- 25% pa on cost
- v. Goodwill arising on acquisition is amortised on a straight-line basis over the estimated useful life which has been estimated to be 10 years.

## (g) Investments

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

## (h) Stocks

Stocks are valued at the lower of cost and net realisable value.

## (i) Funds

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

## 2. MEMBERS' DONATIONS

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

### 3. GRANTS RECEIVABLE

	Endowments	Restricted	Unrestricted	2021 Total	2020 Total
	£000	£000	£000	£000	£000
Government Grants Covid-19	-	-	9,174	9,174	-
Other Grants	-	-	40	40	80
Local Authority (incl. Covid grants)	-	3,081	-	3,081	1,424
Trusts	225	3,940	20	4,185	1,029
	<b>225</b>	<b>7,021</b>	<b>9,234</b>	<b>16,480</b>	<b>2,533</b>

Local authority restricted grants include Covid-19 grants to support Corps.

### 4. TRADING INCOME AND EXPENDITURE

Funds generated by corps are retained by the corps for use in the local area and are regarded as restricted for that geographical region.

	2021 £000	2020 £000
Local corps charity shops and other trading activities		
Income	3,291	14,633
Expenditure	(4,590)	(7,908)
	<b>(1,299)</b>	<b>6,725</b>
Trading Subsidiaries		
Income (Note 6)	55,270	76,564
Expenditure (Note 6)	(64,252)	(74,130)
	<b>(8,982)</b>	<b>2,434</b>

### 5. INVESTMENT INCOME

	2021 £000	2020 £000
Dividends receivable	1,535	3,134
Interest receivable	331	645
Rental income from investment properties	120	539
Income from connected company	816	794
Investment Income of subsidiary companies (Note 6)	44	104
	<b>2,846</b>	<b>5,216</b>

## 6. NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARIES

The Salvation Army Trust has two wholly owned trading subsidiaries which are incorporated in the UK. The Salvation Army General Insurance Corporation Limited (SAGIC) transacts insurance business, mainly property insurance. The Salvation Army Trading Company Limited (SATCoL) deals with the collection and recycling of second-hand clothing donated by the general public and is engaged in publishing and the supply of Salvationist materials. Both companies make a qualifying donation of part of their profits to The Salvation Army Trust. Where profits are retained, it is for working capital needs and capital for the long-term development of the business. A summary of the trading results of the subsidiary companies for the year ended 31 March 2021 is shown below. Audited accounts of the companies have been filed with the Registrar of Companies.

	SAGIC	SATCoL	2021	2020
	£000	£000	Total £000	Total £000
Profit and Loss Account				
Trading Income	19,352	35,918	55,270	76,564
Cost of Trading Activities:				
Cost of Sales	(17,949)	(26,472)	(44,421)	(50,644)
Distribution Costs	-	(1,462)	(1,462)	(1,472)
Operating Costs	(729)	(17,977)	(18,706)	(21,246)
Other Income/(Costs) Including Taxation	(134)	471	337	(768)
Total cost of Trading Activities	(18,812)	(45,440)	(64,252)	(74,130)
Covid-19 Grant Income	-	9,174	9,174	-
Investment Income	44	-	44	104
<b>Net Profit</b>	<b>584</b>	<b>(348)</b>	<b>236</b>	<b>2,538</b>
Realised Losses on Investments	(25)	-	(25)	(54)
Unrealised Gains on Investments	8	-	8	12
<b>Net Income for the year</b>	<b>567</b>	<b>(348)</b>	<b>219</b>	<b>2,496</b>
Payable to The Salvation Army Trust (Gift Aid)	-	(2,241)	(2,241)	-
<b>Retained in Subsidiary</b>	<b>567</b>	<b>(2,589)</b>	<b>(2,022)</b>	<b>2,496</b>

## 7. CHARITABLE ACTIVITIES

	Direct Costs £000	Grants £000	Support Costs (Note 8) £000	2021 Total £000
Church and Evangelism Programmes	29,385	-	9,775	39,160
Community Programmes	37,320	-	11,768	49,088
International Programmes	3,068	3,067	141	6,276
Training Programmes	3,434	-	1,179	4,613
Youth and Young People Programmes	602	-	1,220	1,822
Grant to Salvation Army Social Work Trust	-	16,000	-	16,000
	<b>73,809</b>	<b>19,067</b>	<b>24,083</b>	<b>116,959</b>

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

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

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

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

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

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

*Support Costs* represent centrally supplied services.

## 8. SUPPORT COSTS

	Finance £000	HR £000	IT £000	Property £000	Communi- cation £000	Other £000	Legal & Secretarial £000	2021 Total £000	2020 Total £000
Fundraising	55	35	57	53	71	35	11	317	370
Church & Evangelism Programmes	1,394	1,783	2,137	1,502	1,800	901	258	9,775	11,211
Community Programmes	1,814	2,006	2,275	1,827	2,342	1,167	336	11,767	13,559
International Programmes	23	18	29	23	30	15	4	142	163
Training Programmes	211	124	200	197	273	135	39	1,179	1,373
Youth & Young People Programmes	291	38	62	217	375	184	53	1,220	1,477
	<b>3,788</b>	<b>4,004</b>	<b>4,760</b>	<b>3,819</b>	<b>4,891</b>	<b>2,437</b>	<b>701</b>	<b>24,400</b>	<b>28,153</b>
<b>Total 2020</b>	<b>3,967</b>	<b>4,546</b>	<b>4,561</b>	<b>4,433</b>	<b>4,560</b>	<b>3,645</b>	<b>2,441</b>	<b>-</b>	<b>28,153</b>

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

## 9. GOVERNANCE COSTS

Absorbed within support costs were the following governance costs:

	2021 £000	2020 £000
External audit	135	132
Internal audit	317	407
Trustee expenses	-	1
Support costs allocated:		
Trustee indemnity insurance	17	11
Apportionment of directors' time	104	111
	<b>573</b>	<b>662</b>

## 10. PERSONNEL

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

	2021 Headcount Number	2021 FTE Number	2020 Headcount Number	2020 FTE Number
Trust				
Number of Officers	792	776	826	803
Number of Employees	1,411	1,127	1,620	1,185
	2,203	1,903	2,446	1,988
Subsidiaries	651	651	619	619
<b>Total</b>	<b>2,854</b>	<b>2,554</b>	<b>3,065</b>	<b>2,607</b>
	Trust	Subsidiaries	2021 Total	2020 Total
	£000	£000	£000	£000
Personnel Costs				
Allowances and Salaries	56,176	17,983	74,159	74,733
Redundancy Costs	626	-	626	55
Social Security Costs	4,559	1,390	5,949	6,613
Pension Fund Contributions (Current Service)	9,509	1,264	10,773	10,608
Officers Pension Fund Contributions (Past Service)	-	-	-	583
	<b>70,870</b>	<b>20,637</b>	<b>91,507</b>	<b>92,592</b>

## Higher Paid Employees

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

	Trust No.	Subsidiaries No.	2021 Total No.	2020 Total No.
£60,001 - £70,000	22	-	22	23
£70,001 - £80,000	8	-	8	4
£80,001 - £90,000	-	1	1	1
£90,001 - £100,000	5	-	5	6
£100,001 - £110,000	3	2	5	3
£110,001 - £120,000	-	-	-	-
£120,001 - £130,000	-	1	1	1
£130,001 - £140,000	-	1	1	1
£140,001 - £150,000	-	1	1	1
£150,001 - £160,000	-	-	-	1
£160,001 - £170,000	-	1	1	-
	<b>38</b>	<b>7</b>	<b>45</b>	<b>41</b>

## Key Management Personnel

The key management personnel of the Trust are those persons having authority and responsibility for planning, directing and controlling the activities of the Trust, directly or indirectly, including the directors of the Salvation Army Trustee Company as the Corporate Trustee of the Trust. The Trustee considers the key management personnel of the Trust to be the executive directors (officers and employees) of the Board. The total aggregate emoluments including pension contributions paid to key management personnel during the year was £222,784 (2020: £233,142)

## 11. TRUSTEES

### (a) Emoluments:

The directors of The Salvation Army Trustee Company comprise Salvation Army officers and employees and other external directors with specialist expertise. All active Salvation Army officers receive an allowance based on length of service and, as ministers of religion, are provided with furnished accommodation and a motor vehicle. They are eligible for support from the Salvation Army Retired Officers Allowance Fund. The allowances received by the officers serving as directors ranged from £18,148.92 to £24,249.88 per annum and they did not receive any additional remuneration for their duties as directors.

### (b) Expenses

No (2020: three) directors of The Salvation Army Trustee Company were reimbursed for travelling expenses, amounting to £0 (2020: £888).

## 12. PENSION AND SIMILAR COSTS

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

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

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

### (a) SALVATION ARMY RETIRED OFFICERS ALLOWANCE FUND

The Salvation Army Retired Officers Allowance Fund was established by The Salvation Army Act 1963 under the legal name, The Salvation Army Officers Pension Fund. It is a registered charity and operates on the same basis as a defined benefit scheme, but the benefits are not guaranteed. It is non-contributory by the officer, but a contribution per officer, at present £4,860 per annum (2020: £4,740), is made by The Salvation Army. Officers in both principal Trusts (The Salvation Army Trust and The Salvation Army Social Work Trust) participate in the scheme and it is not possible to allocate the assets and constructive liabilities of the Fund between the Trusts. Therefore, the Fund is accounted for in a similar way as a multi-employer pension fund.

The Salvation Army Retired Officers Allowance Fund was subject to a triennial actuarial review on 31 March 2019, using the Attained Age Method, and this was based on the following principal assumptions:

Post-Retirement Discount Rate	2.7% per annum
Pre-Retirement Discount Rate	3.4% per annum
Rate of Increase in Allowances and Pensions	4.1% per annum
Rate of Inflation	3.6% per annum

The market value of the Fund's assets at the valuation date amounted to £231.6m whereas the value of past service ongoing liabilities amounted to £238.8m revealing a funding shortfall of £7.2m.

A recovery plan was agreed whereby the contribution per officer was increased to £4,860 per annum, from 1 April 2020, and The Salvation Army Trust would make an annual capital contribution to the scheme of £2m over a period of approximately 13 years. In practice, capital contributions in excess of this amount are being paid in order to fund the deficit over a shorter period of time and in 2020/21 the capital contribution paid was £4m (2019/20 £4m).

Although the pension benefits are not guaranteed, they do represent a constructive liability as there are expectations that the pensions will be paid. Therefore, a provision is made for the total discounted value of the future capital contributions which The Salvation Army Trust has agreed to pay. At the year end, the Salvation Army Trust had fully paid the deficit contributions which it had agreed to pay and had paid an additional amount in advance amounting to £621,000. As this will reduce the requirement for future contributions, this amount has been accounted for as a payment in advance within debtors.

### (b) SALVATION ARMY EMPLOYEES PENSION FUND

The Salvation Army Employees' Pension Fund is a funded defined benefit scheme. The contribution rate payable by members is 8% of pensionable salaries and the employer's contribution is 23.9% of pensionable salaries.

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

The Scheme is subject to triennial actuarial valuations. The last actuarial valuation was completed, using the Projected Unit Method, at 31 March 2018.

The review was based on the following assumptions:

Post-retirement discount rate	2.3% per annum
Pre-retirement discount rate	3.8% per annum
Rate of salary increases	4.0% per annum
Rate of pension increase:	
On pensions accrued before 6 April 2006	3.4% per annum
On pensions accrued after 6 April 2006	2.3% per annum
Inflation: RPI	3.5% per annum
CPI	2.75% per annum
Deferred Pension Increases (pre 6 April 2009)	2.75% per annum
Deferred Pension increases (post 6 April 2009)	2.5% per annum

The market value of the Fund's assets on the valuation date was £167.8m and the value of technical provisions amounted to £178.4m giving rise to a funding shortfall of £10.6m.

The trustees and employers agreed a recovery plan to eliminate the shortfall which involved lump sum payments into the fund by each of the employers. The amount payable by The Salvation Army Trust amounted to £6.1m and this was fully accounted for in the 2018/19 financial year.

### 13. INTANGIBLE FIXED ASSETS

Goodwill	Goodwill £000	Other £000	Total £000
Cost			
<b>Balance at 1 April 2020</b>	<b>11,275</b>	<b>625</b>	<b>11,900</b>
Additions	-	-	-
<b>Balance at 31 March 2021</b>	<b>11,275</b>	<b>625</b>	<b>11,900</b>
Accumulated Depreciation			
<b>Balance at 1 April 2020</b>	<b>8,895</b>	<b>101</b>	<b>8,996</b>
Charge for the year	1,171	125	1,296
<b>Balance at 31 March 2021</b>	<b>10,066</b>	<b>226</b>	<b>10,292</b>
<b>Net Book Value at 31 March 2021</b>	<b>1,209</b>	<b>399</b>	<b>1,608</b>
<b>Net Book Value at 31 March 2020</b>	<b>2,380</b>	<b>524</b>	<b>2,904</b>

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

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

## 14. PROPERTIES

(a) Consolidated	Freehold	Long Leasehold	Short Leasehold	Total	Property Schemes In Progress
	£000	£000	£000	£000	£000
Cost					
Balance at 1 April 2020	424,144	39,850	229	464,223	20,669
Additions during the year	11,166	4,218	-	15,384	7,886
Schemes completed during the year	1,178	-	-	1,178	(1,178)
	436,488	44,068	229	480,785	27,377
Less: Disposals	(8,354)	(389)	-	(8,743)	(2,717)
<b>Balance at 31 March 2021</b>	<b>428,134</b>	<b>43,679</b>	<b>229</b>	<b>472,042</b>	<b>24,660</b>
Accumulated Depreciation					
Balance at 1 April 2020	142,175	11,565	227	153,967	-
Charge for the year	6,909	1,079	-	7,988	-
Less: Disposals	(2,980)	(149)	-	(3,129)	-
<b>Balance at 31 March 2021</b>	<b>146,104</b>	<b>12,495</b>	<b>227</b>	<b>158,826</b>	<b>-</b>
<b>Net Book Value at 31 March 2021</b>	<b>282,030</b>	<b>31,184</b>	<b>2</b>	<b>313,216</b>	<b>24,660</b>
<b>Net Book Value at 31 March 2020</b>	<b>281,969</b>	<b>28,285</b>	<b>2</b>	<b>310,256</b>	<b>20,669</b>
<b>(b) Trust</b>					
	Freehold	Long Leasehold	Short Leasehold	Total	Property Schemes In Progress
	£000	£000	£000	£000	£000
Cost					
Balance at 1 April 2020	422,837	38,086	229	461,152	20,669
Additions during the year	11,166	1,934	-	13,100	7,886
Schemes completed during the year	1,178	-	-	1,178	(1,178)
	435,181	40,020	229	475,430	27,377
Less: Disposals	(8,354)	(389)	-	(8,743)	(2,717)
<b>Balance at 31 March 2021</b>	<b>426,827</b>	<b>39,631</b>	<b>229</b>	<b>466,687</b>	<b>24,660</b>
Accumulated Depreciation					
Balance at 1 April 2020	141,907	11,531	228	153,666	-
Charge for the year	6,893	951	-	7,844	-
Less: Disposals	(2,978)	(150)	-	(3,128)	-
<b>Balance at 31 March 2021</b>	<b>145,822</b>	<b>12,332</b>	<b>228</b>	<b>158,382</b>	<b>-</b>
<b>Net Book Value at 31 March 2021</b>	<b>281,005</b>	<b>27,299</b>	<b>1</b>	<b>308,305</b>	<b>24,660</b>
<b>Net Book Value at 31 March 2020</b>	<b>280,930</b>	<b>26,555</b>	<b>1</b>	<b>307,486</b>	<b>20,669</b>

Trust properties comprise primarily corps halls, Divisional and Territorial Headquarters buildings and residential properties for active and retired officers.

## 15. MOTOR VEHICLES AND EQUIPMENT

(a) Consolidated	Motor Vehicles £000	Office Equipment £000	Total £000
Cost			
Balance at 1 April 2020	2,590	26,222	28,812
Additions	13	1,905	1,918
Disposals	(2,254)	(1,350)	(3,604)
Balance at 31 March 2021	349	26,777	27,126
Accumulated Depreciation			
Balance at 1 April 2020	1,158	17,437	18,595
Charge for the year	107	2,188	2,295
Disposals	(1,031)	(1,277)	(2,308)
Balance at 31 March 2021	234	18,348	18,582
<b>Net Book Value at 31 March 2021</b>	<b>115</b>	<b>8,429</b>	<b>8,544</b>
<b>Net Book Value at 31 March 2020</b>	<b>1,432</b>	<b>8,785</b>	<b>10,217</b>
(b) Trust	Motor Vehicles £000	Office Equipment £000	Total £000
Cost			
Balance at 1 April 2020	336	2,469	2,805
Additions	13	1,156	1,169
Disposals	-	-	-
Balance at 31 March 2021	349	3,625	3,974
Accumulated Depreciation			
Balance at 1 April 2020	172	1,494	1,666
Charge for the year	62	380	442
Disposals	-	-	-
Balance at 31 March 2021	234	1,874	2,108
<b>Net Book Value at 31 March 2021</b>	<b>115</b>	<b>1,751</b>	<b>1,866</b>
<b>Net Book Value at 31 March 2020</b>	<b>164</b>	<b>975</b>	<b>1,139</b>

## 16. FIXED ASSET INVESTMENTS

(a) Consolidated	Investment Properties	Salvation Army Common Investment Funds		Unlisted Investments £000	Subsidiaries Listed Investments £000	Total £000
		Fund 1	Fund 2			
		£000	£000			
Market Value at 1 April 2020	13,856	4,315	138,555	10,282	1,536	168,544
Acquisitions	-	-	-	225	1,271	1,496
Gain/(Loss)	(1,310)	961	35,105	1,792	(17)	36,531
Disposals	(563)	-	-	-	(725)	(1,288)
<b>Market Value at 31 March 2021</b>	<b>11,983</b>	<b>5,276</b>	<b>173,660</b>	<b>12,299</b>	<b>2,065</b>	<b>205,283</b>
<b>Historical Cost at 31 March 2021</b>	<b>307</b>	<b>2,963</b>	<b>96,700</b>	<b>9,484</b>	<b>3,266</b>	<b>112,720</b>

(b) Trust	Investment Properties	Salvation Army Common Investment Funds		Unlisted Investments £000	Subsidiaries Listed Investments £000	Total £000
		Fund 1	Fund 2			
		£000	£000			
Market Value at 1 April 2020	13,856	4,315	138,555	10,282	3,467	170,475
Acquisitions	-	-	-	225	1,500	1,725
Gain/(Loss)	(1,310)	961	35,105	1,792	-	36,548
Disposals	(563)	-	-	-	-	(563)
<b>Market Value at 31 March 2021</b>	<b>11,983</b>	<b>5,276</b>	<b>173,660</b>	<b>12,299</b>	<b>4,967</b>	<b>208,185</b>
<b>Historical Cost at 31 March 2021</b>	<b>225</b>	<b>2,963</b>	<b>96,700</b>	<b>9,484</b>	<b>4,967</b>	<b>114,339</b>

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

	2021 £000	2020 £000
William Leech (Investments) Limited	12,297	10,280
Other	2	2
	<b>12,299</b>	<b>10,282</b>

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

## Common Investment Funds

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

	Fund 1	Fund 2
Cash	3%	23%
UK Equities	11%	9%
UK Property Funds	8%	8%
Overseas Investments	78%	81%

## 17. DEBTORS

	Consolidated		Trust	
	2021 £000	2020 £000	2021 £000	2020 £000
Connected Salvation Army Trusts and Companies	5,775	3,897	11,040	4,778
Taxation recoverable	907	1,729	437	1,729
Prepayments and accrued income	24,847	24,123	21,644	23,633
Other Debtors	18,204	19,083	5,361	5,036
	<b>49,733</b>	<b>48,832</b>	<b>38,482</b>	<b>35,176</b>

Included in accrued income above is an amount of £4,108k (2020: £4,108k) which is the deferred consideration due in connection with the sale of shares in Reliance Bank in 2018/19 and which is receivable after more than one year.

## 18. CREDITORS: amounts falling due within one year

	Consolidated		Trust	
	2021 £000	2020 £000	2021 £000	2020 £000
Loans repayable within one year (secured)	49	52	49	52
Connected Salvation Army Trusts and Companies	-	-	5,265	881
Tax and Social Security	-	1,889	-	1,126
Creditors and Accruals	33,651	32,463	10,564	11,553
	<b>33,700</b>	<b>34,404</b>	<b>15,878</b>	<b>13,612</b>

## 19. CREDITORS: amounts falling due after one year

	Consolidated		Trust	
	2021 £000	2020 £000	2021 £000	2020 £000
Bank Loans (secured)	510	564	510	564
Pension Provision	-	3,348	-	3,348
	<b>510</b>	<b>3,912</b>	<b>510</b>	<b>3,912</b>

	Consolidated		Trust	
	2021 £000	2020 £000	2021 £000	2020 £000
<b>Bank Loans</b>				
<i>Repayable by instalments</i>				
Within one year	49	52	49	52
More than one year less than five years	170	181	170	181
More than five years	340	383	340	383
	<b>559</b>	<b>616</b>	<b>559</b>	<b>616</b>

	Consolidated		Trust	
	2021 £000	2020 £000	2021 £000	2020 £000
<b>Pension Provision</b>				
Balance Brought Forward	3,348	6,765	3,348	6,765
Contributions paid	(4,000)	(4,000)	(4,000)	(4,000)
Interest on pension obligation	31	122	31	122
Change in assumptions	-	461	-	461
Contributions paid in advance	621	-	621	-
	<b>-</b>	<b>3,348</b>	<b>-</b>	<b>3,348</b>

## 20. ENDOWMENTS (Consolidated and Trust)

	Balance 1 April 2020	Movement in Funds Income & Gains/(Losses)	Balance 31 March 2021
	£000	£000	£000
Permanent Endowments			
E.S. Brant	2,082	17	2,099
Sir James Reckitt Trust	486	245	731
W.J. Davis Trust	1,076	108	1,184
Other	630	591	1,221
	<u>4,274</u>	<u>961</u>	<u>5,235</u>
Expendable Endowments			
William Leech Fund	10,299	2,018	12,317
<b>Total</b>	<u><b>14,573</b></u>	<u><b>2,979</b></u>	<u><b>17,552</b></u>

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

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

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

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

### 31 March 2020

	Balance 1 April 2019	Movement in Funds Income & Gains/(Losses)	Balance 31 March 2020
	£000	£000	£000
Permanent Endowments			
E.S. Brant	2,295	(213)	2,082
Sir James Reckitt Trust	536	(50)	486
W.J. Davis Trust	1,188	(112)	1,076
Other	696	(66)	630
	<u>4,715</u>	<u>(441)</u>	<u>4,274</u>
Expendable Endowments			
William Leech Fund	11,574	(1,275)	10,299
<b>Total</b>	<u><b>16,289</b></u>	<u><b>(1,716)</b></u>	<u><b>14,573</b></u>

## 21. RESTRICTED PROPERTY FUND (Consolidated and Trust)

Funding of properties for charitable purposes

	Balance 1 April 2020 £000	Movement in Funds Income & Transfers £000	Expenditure £000	Balance 31 March 2021 £000
Consolidated and Trust	321,395	20,643	(9,978)	332,060

31 March 2020

	Balance 1 April 2019 £000	Movement in Funds Income & Transfers £000	Expenditure £000	Balance 31 March 2020 £000
Consolidated and Trust	308,478	24,745	(11,828)	321,395

## 22. OTHER RESTRICTED FUNDS (Consolidated and Trust)

	Balance 1 April 2020 £000	Movement in Funds Income & Transfers £000	Expenditure & Transfers £000	Balance 31 March 2021 £000
Corps funds	48,157	33,308	(31,296)	50,169
Legacy reserves	77,028	8,646	(12,116)	73,558
Trust funds	2,079	612	(317)	2,374
Specific donations	9,259	10,045	(8,757)	10,547
Consolidated and Trust	136,523	52,611	(52,486)	136,648

31 March 2020

	Balance 1 April 2019 £000	Movement in Funds Income & Transfers £000	Expenditure & Transfers £000	Balance 31 March 2020 £000
Corps funds	48,860	45,996	(46,699)	48,157
Legacy reserves	75,067	13,183	(11,222)	77,028
Trust funds	2,555	274	(750)	2,079
Specific donations	11,875	4,001	(6,617)	9,259
Consolidated and Trust	138,357	63,454	(65,288)	136,523

## 23. UNRESTRICTED FUNDS (Consolidated and Trust)

	2021 £000	2020 £000
Designated Funds (i)	158,462	115,498
General Reserve (ii)	42,135	21,510
Trust	200,597	137,008
Non-charitable Trading Funds (iii)	19,624	21,661
<b>Consolidated</b>	<b>220,221</b>	<b>158,669</b>

### i. Designated Funds

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

	Balance 1 April 2020 £000	New Designations £000	Utilised/ Realised £000	Balance 31 March 2021 £000
Property Purposes	48,317	5,000	2,422	55,739
Investment Property Unrealised Gains	13,856	-	(1,873)	11,983
Other Investments Unrealised Gains	36,140	-	34,151	70,291
Pension Reserve	(3,348)	-	3,969	621
DHQ Reserves	5,295	-	768	6,063
Other	15,238	-	(1,473)	13,765
	<b>115,498</b>	<b>5,000</b>	<b>37,964</b>	<b>158,462</b>

### ii. General Reserve

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

### iii. Non-Charitable Trading Funds

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

31 March 2020	2020 £000	2019 £000
Designated Funds (i)	115,498	137,635
General Reserve (ii)	21,510	20,352
Trust	137,008	157,987
Non-charitable Trading Funds (iii)	21,661	19,166
<b>Consolidated</b>	<b>158,669</b>	<b>177,153</b>

Designated Funds	Balance 1 April 2019 £000	New Designations £000	Utilised/ Realised £000	Balance 31 March 2020 £000
Property Purposes	71,008	-	(22,691)	48,317
Investment Property Unrealised Gains	13,525	-	331	13,856
Other Investments Unrealised Gains	48,330	-	(12,190)	36,140
Pension Reserve	(6,765)	-	3,417	(3,348)
DHQ Reserves	5,489	-	(194)	5,295
Other	6,048	6,256	2,934	15,238
	<b>137,635</b>	<b>6,256</b>	<b>(28,393)</b>	<b>115,498</b>

## 24. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Fund Balances at 31 March 2021 are represented by:

	Endowment Funds £000	Restricted Funds Property £000	Other £000	Unrestricted Funds £000	Total Funds £000
Intangible assets	-	-	-	1,608	1,608
Fixed assets	-	332,965	-	13,455	346,420
Investments	17,552	-	86,477	101,254	205,283
Current assets	-	(343)	50,171	37,552	187,380
Current liabilities	-	(52)	-	(33,648)	(33,700)
Long-term liabilities	-	(510)	-	-	(510)
<b>Total Net Assets</b>	<b>17,552</b>	<b>332,060</b>	<b>136,648</b>	<b>220,221</b>	<b>706,481</b>

Fund Balances at 31 March 2020 are represented by:

	Endowment Funds £000	Restricted Funds Property £000	Other £000	Unrestricted Funds £000	Total Funds £000
Intangible assets	-	-	-	2,904	2,904
Fixed assets	-	328,155	-	12,987	341,142
Investments	14,573	-	88,380	65,591	168,544
Current assets	-	(6,144)	48,157	114,873	156,886
Current liabilities	-	(52)	(14)	(34,338)	(34,404)
Long-term liabilities	-	(564)	-	(3,348)	(3,912)
<b>Total Net Assets</b>	<b>14,573</b>	<b>321,395</b>	<b>136,523</b>	<b>158,669</b>	<b>631,160</b>

## 25. CAPITAL COMMITMENTS

The directors are continuing the process of refurbishing and developing Salvation Army properties. At the Balance Sheet date contractual obligations entered by The Salvation Army Trust in respect of property capital schemes amounted to £64.9m (2020: £41.1m).

## 26. FINANCIAL COMMITMENTS

As at 31 March 2021 the total annual commitments under non-cancellable operating leases on vehicles and equipment and land and buildings, are as follows:

	2021		2020	
	Land and Buildings £000	Vehicles and Equipment £000	Land and Buildings £000	Vehicles and Equipment £000
Expiring within 1 year	4,827	170	4,800	565
Expiring between 2 and 5 years	10,522	1,823	9,516	2,391
Expiring in over 5 years	3,006	-	230	-
	<b>18,355</b>	<b>1,993</b>	<b>14,546</b>	<b>2,956</b>

## 27. RELATED PARTY TRANSACTIONS

The Salvation Army Trust supports the work of other connected Salvation Army trusts through the payment of grants and these are set out in Note 8. Grants of £3.1 million were paid to The Salvation Army International Trust and overseas Salvation Army territories (2020: £2.9 million) and a grant of £16 million was paid to The Salvation Army Social Work Trust (2020: £16 million).

An overhead recharge was charged to The Salvation Army Social Work Trust during the year, representing that Trust's share of central overhead costs, specific to The Salvation Army Social Work Trust which were incurred by The Salvation Army Trust. In addition, recharges were charged to The Salvation Army Social Work Trust for hire of rooms at corps premises.

The Salvation Army Trust uses the banking services of Reliance Bank Limited which is a subsidiary of The Salvation Army International Trust. At the year end The Salvation Army Trust held balances of £111.7 million with Reliance Bank (2020: £93.3 million). Interest was earned on deposit balances on a normal commercial basis.

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

	2021 £000	2020 £000
Net Movement in Funds	75,321	(9,117)
Losses/(Gains) on Investments	(36,531)	14,422
Depreciation: Properties	7,988	7,712
Depreciation: Motor Vehicles and Equipment	2,295	2,470
Amortisation of Goodwill	1,296	1,272
Gain on Disposal of Properties	(14,130)	(10,669)
Investment Income	(2,846)	(5,216)
Decrease in Stocks	77	13
Increase in Debtors	(901)	(5,406)
(Decrease) in Creditors	(701)	(1,349)
(Decrease) in Pension provision	(3,348)	(3,417)
	(46,801)	(168)
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>28,520</b>	<b>(9,285)</b>

## 29. CONTINGENT GAIN

The United Kingdom & Ireland Territorial Headquarters (THQ) building at 101 at Newington Causeway is being sold to a developer and will be vacated in early 2024. The sale is conditional on the developer obtaining a planning permission for the project. If granted, the possible gain on the sale will be approximately £41m. The new THQ building will be funded from the proceeds from the sale of the current THQ.

### 30. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITY

As required by FRS 102 the SOFA set out below is the full analysis for the 2020 comparative.

	Endowment	Restricted	Unrestricted	2020 Total
	£000	£000	£000	£000
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations, Legacies and Grants				
Legacies	-	13,777	39,195	52,972
Donations - Public	-	10,689	47,565	58,254
Donations - Members	-	18,813	151	18,964
Grants	215	2,318	-	2,533
Trading Activities	-	14,633	76,564	91,197
Associated Company	-	4,602	614	5,216
Investments	-	-	-	-
Other				
Gain on disposal of property	-	-	10,669	10,669
Other Income	-	846	171	1,017
<b>Total Income</b>	<b>215</b>	<b>65,678</b>	<b>174,929</b>	<b>240,822</b>
<b>EXPENDITURE</b>				
Raising Funds				
Costs of raising donations, legacies and grants	-	147	11,892	12,039
Costs of trading activities	-	7,908	74,130	82,038
	-	8,055	86,022	94,077
Charitable Activities				
Church and Evangelism Programmes	-	28,615	20,106	48,721
Community Programmes	-	41,790	21,065	62,855
International Programmes	-	2,855	3,071	5,926
Training Programmes	-	18	5,268	5,286
Youth and Young People's Programmes	-	-	2,652	2,652
Grant to the Salvation Army Social Work Trust	-	-	16,000	16,000
	-	73,278	68,162	141,440
<b>Total Expenditure</b>	<b>-</b>	<b>81,333</b>	<b>154,184</b>	<b>235,517</b>
Gains/(Losses) on Investments	(1,931)	(205)	(12,286)	(14,422)
Gain/(Loss) on sale of Associate	-	-	-	-
<b>Net Income/(Expenditure)</b>	<b>(1,716)</b>	<b>(15,860)</b>	<b>8,459</b>	<b>(9,117)</b>
Transfer between funds	-	26,943	(26,943)	-
<b>NET MOVEMENT IN FUNDS</b>	<b>(1,716)</b>	<b>11,083</b>	<b>(18,484)</b>	<b>(9,117)</b>
Fund balances brought forward	16,289	446,835	177,153	640,277
<b>Fund balances carried forward at 31 March 2020</b>	<b>14,573</b>	<b>457,918</b>	<b>158,669</b>	<b>631,160</b>



Charity Registration No: 214779 Scottish Charity Registration No: SC009359

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