

Charity number: 1145688

Forces in Mind Trust

Report and financial statements

For the year ended 31 December 2018

Forces in Mind Trust

Contents

For the year ended 31 December 2018

Reference and administrative details	1
Chair's introductory report	4
Directors' annual report	6
Protector's annual report.....	23
Independent auditor's report	27
Statement of financial activities (incorporating an income and expenditure account)	31
Balance sheet	32
Statement of cash flows	33
Notes to the financial statements	34

Forces in Mind Trust

Reference and administrative details

For the year ended 31 December 2018

Charity number	1145688
Registered office	Alexandra House St Johns Street Salisbury SP1 2SB
Operational address	Mountbarrow House 6-20 Elizabeth Street London SW1W 9RB
Country of registration	England and Wales
Trustee	FIM Trustee Ltd
Principal staff	Ray Lock CBE Chief Executive Tom McBarnet Director of Programmes (from November 2018) Meri Mayhew Head of Policy (until May 2018) Dennis Treleaven Interim Head of Policy (May 2018 to February 2019) Caroline Cooke Head of Policy (from February 2019) Rodrigo Voss Operations Manager Kirsteen Waller Research and Support Manager Lucy Caruana Grants Manager (until January 2018) Clare Crookenden Grants Manager (from March 2018)
Bankers	Barclays Bank UK PLC 1st Floor 27 Soho Square London W1D 3QR
Solicitors	Wilson Solicitors LLP Alexandra House St Johns Street Salisbury SP1 2SB

Forces in Mind Trust

Reference and administrative details

For the year ended 31 December 2018

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

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

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

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

The Directors of FIM Trustee Limited during the period 1 January 2018 to 12 June 2019 were:

Chair	H J R Pung	Chair of the Board
Director	A C R Barnett MA	Resigned 12 December 2018
Director	I Brown	Chair of the Grants and Commissioning Committee
Director	R S Campbell FCA	Member (Chair from 19 April 2018) of the Finance and Investment Committee
Director and Deputy Chair	Captain A S Cowan RD RNR	Member (Chair until 7 August 2018) of the Governance Committee. Resigned 7 March 2019
Director	Professor N Greenberg	Member of the Grants and Commissioning Committee
Director	General Retd Sir John C McColl KCB CBE DSO	Member of the Governance Committee
Director	D Mills	Member of the Grants and Commissioning Committee. Appointed 13 November 2018
Director	Air Vice-Marshal Retd The Hon D P Murray CVO OBE	Member of the Grants and Commissioning Committee
Director	A S D Reding	Member of the Grants and Commissioning Committee

Forces in Mind Trust

Reference and administrative details

For the year ended 31 December 2018

Director and Deputy Chair	N J Roberts	Member of the Grants and Commissioning Committee (until 7 March 2019), Member of the Governance Committee (from 7 March 2019) and Deputy Chair of Board (from 7 March 2019)
Director	R N Robson OBE	Member of the Finance and Investment Committee. Appointed 1 January 2018
Director	Major General Retd M J Rutledge CB OBE	Member (Chair until 19 April 2018) of the Finance and Investment Committee
Director	A C Ward	Member (Chair from 7 August 2018) of the Governance Committee
Director	M D Waters OBE LLB MBA	Member of the Grants and Commissioning Committee. Resigned 6 March 2018

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

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

2018 has seen continued focus in the Forces in Mind Trust's efforts to work toward our vision that all ex-Service personnel and their families lead fulfilled civilian lives. In particular, we welcomed the publication of the UK's first cross-government Veterans' Strategy in November 2018 which should serve as a guide providing ex-Service member support on a more consistent and coherent basis. It also demonstrated the stated recognition across all parts of the United Kingdom, including the devolved administrations, of the important role veterans play in society and how all levels of government can support to maximise their potential. Although the Trust's role in the strategy development was largely advisory, I was personally delighted that the Strategy largely adopts the outcomes from the Trust's change model into their own strategic framework; this is good evidence and recognition that our thought leadership around ex-Service member transition is making an impact on government policy. In this same light, it was also beneficial that the Trust was able to fund the secondment of a Cobseo representative into the MOD Veteran's Strategy team to make sure that evidence from across the military charity sector was integrated into the final document. And we look forward to the publication of the results of the strategy consultation and governmental response later this year to see how we can bring additional evidence and good practice to bear in the strategy's implementation.

But it would be misleading to hold up the UK Veteran's Strategy as the primary measure of our activity in the post-military transition space. As I mentioned in last year's report, the Trust is undergoing a fundamental shift in our own strategy towards a more coherent programmatic approach to our activities and focus areas, an approach we launched at our 'Third Age' event in Central London in June, headlined by the Minister for Defence People and Veterans. Based around the six outcomes of our change model—employment, mental and physical health and well-being, housing, finance, relationships, and criminal justice we anticipate these changes will lead to greater impact of our work. I am pleased that we have successfully hired our first Director of Programmes to oversee this new approach and the initial programme formulation around employment, the first of our outcomes to be subjected to the design and execution in this way. Part of this shift will also be a greater focus on influencing, convening, thought leadership, and capacity building in addition to evidence generation, which has been the principal focus of the Trust's first seven years.

This past year also saw the inaugural FiMT Research Conference in October where many past recipients of Trust grants were able to showcase and reflect on their contributions. The FiMT Research Centre at Anglia Ruskin University is now operating at full capability, driven forward by the appointment of its first academic chair, Professor Mike Almond. The Centre has already produced a number of lay guides, 'Snapshots', summarising the body of evidence in some of our key focus areas and has continued to build a detailed repository of veterans' research more broadly. And I would commend this research hub to anyone looking to draw on the latest in empirical research in this space. Other highlights of the year included a consultation at St. George's House, Windsor, on the Armed Forces Covenant as well as the graduation of our first alumni of the Cobseo Clore Leadership cohort—with the second cohort anticipated in 2019.

Chairman's introductory report

For the year ended 31 December 2018

Of course, the work of the Trust could not flourish without the commitment and efforts of our directors and staff, who each play an important role in delivering our mission. We are particularly grateful to directors Andrew Barnett and Melanie Waters who stepped down in 2018 and were pleased to welcome Deirdre Mills and Robert Robson to the board as two of our Cobseo-nominated directors. We were also sorry to say good-bye to our Head of Policy Meri Mayhew who left us in the spring after seven years of service to the Trust and Dennis Treleaven who filled the position on an interim basis pending the arrival of a permanent appointment. Fortunately, they leave behind a strong staff team who are dedicated to our mission and tireless in their work on behalf of our beneficiaries. Moreover, we were able, after a short break, to employ Meri Mayhew on a fixed-term secondment to the UK government as the Charity Adviser to the Veterans Strategy

As we advance the work of the Trust in a more focussed way in the coming year, we look forward to building new partnerships, strengthening our sector's capacity, discovering new insights, and continuing to have an impact on behalf of those whom we serve — ex-Service personnel and their families striving to make successful, sustainable transitions from military service.

H J R Pung
Chairman, Forces in Mind Trust

Introduction

The Directors of the Trustee (FIM Trustee Limited) present their Report, together with the audited financial statements of Forces in Mind Trust for the year ended 31 December 2018.

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

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

Comment on Protector's Report

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

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

The Protector has highlighted three key areas: governance; the Trust's relationship with Cobseo; and the Third Age concept. The handover of Chair of the Governance Committee coincided with initiatives from the Charity Commission and together provided both the impetus and the capacity to examine in breadth and depth our governance arrangements. We cover these reviews later in our report.

Five Directors are nominated by Cobseo, four of whom are, or have recently been, Chief Executive equivalents of Cobseo member organizations in their own right, the other Director being the Confederation's Chair. The Trust already has robust and tested arrangements in place to ensure any conflicts of interest are handled according to best practice. Moreover, Cobseo Directors are fully cognisant of their legal responsibilities to act in the Trust's interests. However, under the Third Age, we will be inviting Cobseo's membership (and other stakeholders) to play a more active role in shaping our Grants and Commissioning Plan. We recognize the potential tensions this change might create, and have in place safeguards to ensure continued transparency and independence of the Trust's decision making as we become more reliant on partnerships to advise and take forward our Plan

We cover the Protector's comments on our Third Age more extensively later in our report.

Objectives and activities

Purposes and aims

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

The prevention and relief of poverty, the protection of mental and physical health and the relief of sickness and need amongst serving and former serving members of the Armed Forces by means of the provision of mentoring, services, facilities and equipment to support their treatment, rehabilitation, resettlement, education, training and employment and thereby support their transition to civilian life;

and

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

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

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

The conceptually well-targeted grant-giving programme has remained at the core of the Trust's activities, continuing the trend towards an increasing emphasis on commissioning and co-creation versus responsive funding. In 2018, the Trust launched the concept of the 'Third Age', which is described later in the report.

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

Achievements and performance

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

During 2018, the Trust reviewed its Change model and confirmed the framework as below:

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

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

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

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

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

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

In June 2018, the Trust formally launched its Third Age concept, which is described later. To reflect the change in emphasis signalled by the Third Age, the Strategy was adapted as follows:

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

Grants and Commissioning Programme

During the period, 29 grant awards were made, in addition to a grant to provide the supporting infrastructure for the Mental Health Research Programme (previous period 23 plus infrastructure), listed below by organization. Other costs related to grants awarded totalling £52,884 (£32,267)

are also shown. As noted in last year's report, 2018 saw the full introduction of accounting through Change Mechanism, hence direct comparison is not appropriate. Of the 29 awards:

- 18 were for Knowledge and evidence
- 6 were for Influence and convening
- 3 were for Collaboration and leadership
- 2 were for Capacity building

Full details of amounts and types of grant can be found at Note 5 to the financial statements and on the Trust's website (section 'who we have helped' <http://www.fim-trust.org/who-we-have-helped/>). Grants made in 2018, by organization title, were:

- Stoll Housing – House of Lords launch event for Phase 2 research
- Soldiering on through life Trust – 2019 'Working Together' award
- SeAp – evaluation project for seAp Military Advocacy Service
- Barnardo's – assessment to understand the needs of imprisoned veterans and their families
- University of Swansea – gambling participation, financial management and healthcare costs in ex-Service personnel
- Cardiff University – Phase II Randomised Controlled Trial of 3MDR for treatment resistant PTSD in military veterans – additional award
- Probation Institute – Meeting the needs and providing effective services for ex-Service personnel serving criminal sentences in the community – additional award
- St George's House 2018 – improving the delivery of the Armed Forces Covenant
- NatCen – The mental health needs of serving and ex-Service personnel: a review of the latest evidence and key stakeholder perspectives
- University of Warwick, Institute for Employment Studies – Senior Non-Commissioned Officers and employment after leaving the UK Armed Forces
- King's College London (Williamson) – experiences and impact of moral injury in veterans
- Edinburgh Napier University (Karatzias) – PTSD and complex PTSD in military personnel
- University of Sunderland – The mental health status and motivations of ex-Service personnel who use performance and image enhancing drugs: a scoping study
- University of Glasgow – trends in Scottish veterans' health
- Windsor Leadership Trust – sector leadership programme
- YouGov – Military veterans research (qualitative element)
- Wrexham Glyndwr University – dissemination proposal for 'Leaving the Armed Forces and Living as a Civilian: an exploratory study of everyday decision making.'
- Army Families Federation – tri-Service families' transition project – additional award
- Walking With The Wounded – NHS consultation
- NatCen – The mental health needs of serving and ex-Service personnel: a review of the latest evidence and key stakeholder perspectives – additional award
- Clore Social Leadership – Cobseo Emerging Leadership Programme 2018–2020

- King's College London (Stevelink, Mark) – the utility and feasibility of data extraction from patient case registers to identify treatment pathways for veterans who access secondary mental health care services: a follow-up study
- King's College London (MacManus, Goodwin) – mental health and treatment needs of UK ex-serving personnel – additional award
- Army Families Federation – tri-Service families' transition Project – additional award
- Charnwood Borough Council – upskilling and training programme for Covenant
- Deloitte – Veterans work 2
- King's College London (Rafferty) – MIND fitness: development and feasibility assessment of a mental health support toolkit for military veterans
- King's College London (Burdett) – employment trajectories of UK Service leavers
- University of York – developing peer support for families of veterans with substance use problems
- MHRP infrastructure quarterly costs

The impact of these grant awards will be felt in subsequent years.

On the third anniversary of the Mental Health Research Programme, the co-chair of the associated Steering Group, who is Chief Executive of the Centre for Mental Health, briefed the Directors on progress. The Directors welcomed the progress that had been made over the previous 12 months, and noted that the Programme was on track to meet its 5-year funding target. Work was set in train to better understand the impact of the programme and the additional activities that could be undertaken to enhance it.

The total value of the 2018 awards, less other costs related to grants awarded but including Mental Health Research Programme infrastructure, was £2.265 million (previous period £4.554 million, £2.240 million with Research Centre award removed). However, some grants were re-calculated by holders post-award notification, for example due to the award of QR funding or non-charging of VAT, hence £162k above this figure was originally awarded. Thus the annual award made by the Trust was 94% of the £2.600 million target. The total employment cost of the Charity Adviser to the Veterans Strategy on secondment to the UK government from June to December 2018 was £26,788.

Total charitable expenditure for the year amounted to £3.141 million (previous period £5.205 million).

Impact and Influence

Throughout 2018, the work of Forces in Mind Trust was extensively cited, and the Trust's outputs contributed to the development of national policies, service delivery and the capacity of the military charities sector.

At the most senior and influential policy level, thanks to FiMT's record of independent credible thinking, the basis for the UK's Veterans Strategy consultation document was firmly rooted in the

FiMT change model. The Trust's decision to fund the secondment of the former Head of Policy, Meri Mayhew, into the Government's team based within the Ministry of Defence as Charity Adviser to the Veterans Strategy (the Adviser) ensured that the views of the whole military charities sector were represented, and heard, at the highest level. In addition, the Adviser published the consultation paper describing charity support to the armed forces community, a key document that was based in large part on the current 'Armed Forces Charities – Focus On' project being delivered by the Directory of Social Change and also funded by FiMT. Senior officials and politicians within Government have frequently acknowledged the impact of the Adviser, and the output from FiMT in shaping policy. The Adviser is supporting the consultation stage, and is independently recommending an enduring model for better collaboration between the charity and public sectors across the UK.

The annual report to the UK Parliament on the Armed Forces Covenant contained multiple references to reports published by FiMT, in particular 'Our Community – Our Covenant', which was reprinted for a fourth run and distributed to local authorities at their behest.

The House of Commons Defence Select Committee heard oral evidence from leading mental health experts. During one session alone, FiMT reports were referenced over 20 times.

The Trust also spoke on shared platforms with a wide selection of senior politicians and officials, including: the Minister for Defence People and Veterans; the Minister for Housing and Planning; the Chairs of the Westminster All Party Groups on the Covenant and on Veterans; the Scottish Veterans Minister; the Chair of the Cross Party Group on the Armed Forces; and the Scottish Veterans Commissioner. The Trust also attended the Welsh Armed Forces expert group and the Northern Ireland Veterans Health and Well Being Study. Bilateral discussions were also held with Shadow Ministers in Westminster and Cardiff.

In sum, during 2018 the work and interventions of the Trust made a significant and singular contribution to the development of effective policies across the United Kingdom.

At the operational level, FiMT's reports on veterans housing led directly to a consultation with local authorities on better prioritisation. A ground-breaking study into tele-therapy is driving a new approach to delivering mental health interventions. Our Welfare Conditionality research prompted enhancements to Job Centre arrangements for dealing with ex-Service personnel. An independent evaluation of a spousal employment support programme trial enabled the Ministry of Defence to justify improved support to this critical section of the Armed Forces community, whilst the self-employment research recommendations were actively applied by the Ministry of Defence's training delivery partner. Working in partnership with Deloitte, the second in the 'Veterans Work' series was published to provide momentum to moves to encourage businesses to provide better employment opportunities to ex-Service personnel. This will continue into 2019 with the publication of the second of our Covenant delivery studies, 'Benefit not Burden'.

The launch of the Venture Trust report on its innovative 'Positive Futures' programme was well attended, and with Government funding having been secured in part thanks to the research

project, work is now underway to scale this intervention up sustainably across the United Kingdom.

Using its power of the convenor, the Trust held another St George's House consultation, which featured a novel four-nation debate on the Armed Forces Covenant, and a round table on physical rehabilitation. As well as continuing its sponsorship of the world-leading King's College London Veterans Mental Health Conference, the Trust also held its first Research Centre Conference, which saw over 150 delegates engage under the theme of 'Evidence and Policy for veterans and their families'. The Conference was addressed by the Centre's Patron Lord Ashcroft and included speakers from many of the Trust's grant holders as well as the Minister for Defence People and Veterans. It saw the launch of the insightful YouGov study into public perceptions, a co-produced project with the Ministry of Defence, and the inaugural awards for impactful research given to Shared Intelligence (Our Community - Our Covenant) and Community Innovations Enterprise (Call to Mind series).

The Trust has also continued its investment in improving the capacity of the military charities sector. In 2018, 24 members of staff from Cobseo charities undertook a bespoke Clore Social Emerging Leaders Programme. In addition, 6 specialist fellows from Cobseo charities participated in the Experienced Leaders programme. Finally, for the first time, one Cobseo Chief Executive enrolled on the prestigious Windsor Leadership Programme. All three of these interventions were substantially funded by FiMT with only minimal financial contributions from the sending charities based on affordability.

Measuring the impact of our work remains a challenge, particularly at the policy level. As part of the Third Age initiative, described below, impact measurement will be developed further.

Third Age

After 18 months of development, the Trust launched its 'Third Age' initiative at a showcase event in Westminster in June. The Third Age has at its heart the intention to deliver greater and more measurable impact. This is being achieved through a set of changes that ran throughout 2018 and will continue into 2019 and beyond. They include:

- Moving to a programme-based approach where all activities are coherently focused on delivering one of the Trust's defined Outcomes, led by the new position of Director of Programmes.
- Increasing the impact of the Trust's work by using all four Change Mechanisms, ie applying greater effort in Influence and Convening, Collaboration and Leadership, and Building Capacity.
- Awarding commissions and co-creations as a greater proportion (versus responsive grants) of the Grants and Commissioning Plan.
- Measuring the impact of the Trust's work with sensible metrics that take account of the strategic environment and do not become unduly onerous

A full description of the Trust's impact, influence and engagement can be found in the 2018 Activity Report <http://www.fim-trust.org/reports/>

Beneficiaries of our services

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

Financial review

At the end of 2018 the Trust held total unrestricted charity funds of £27.216 million (2017: £31.593 million). Concerns about global market volatility continued to affect the financial environment and markets saw significant falls in value. The Finance and Investment Committee reviewed and decided to recommend to the Board (who agreed) to continue holding the level of 'cash instruments' which had been set at that required to maintain the Trust's current level of activity and grant awarding for a 2-year period without drawing down from the medium-term investment portfolios. At the close of 2018, a total of £7.178 million (2017: £6.659 million) was held in liquid funds.

Draw down from medium-term funds totalled £3 million (2017: £2.75 million), and this, combined with stock market falls in the second half of the year, led to the value of the portfolios managed by Cazenove and Sarasin reducing by £4.956 million to £31.145 million (2017: £36.100 million). As a result of drawdowns and lower market returns, investment income fell to £750k (2017: £880k). With the Trust required to have spent out by November 2031, the Directors are satisfied that the planned Grants and Commissioning Plan, incorporating costs associated with monitoring and evaluation, is currently set at an appropriate level and that the Trust's other (ie non-grant awards) costs of £965k (2017: £774k) represent good value and reflect the Board's strategic intent to invest in increasing the Trust's impact.

Principal risks and uncertainties

During the course of the year, the Directors considered the major risks to which FiMT is exposed and the systems that it has to mitigate them. The Directors concluded that there are policies, procedures and systems in place to deal with the identified risks, which have been captured and are routinely managed through a comprehensive Risk Register. The Directors decided that the Trust's growth, life cycle and aspirations meant that a revised framework should be developed, which was implemented in March 2019.

The Board has assessed that the major strategic risk to FiMT is that it fails to have delivered sufficient impact at the end of its 20-year life. It is controlling that risk by adopting the Third Age approach previously described.

Forces in Mind Trust

Directors' annual report

For the year ended 31 December 2018

The Board has assessed that the major legal and regulatory compliance risk to FiMT is failure to keep abreast of regulatory changes. It is controlling that risk by a combination of advice and updates from professional advisers including Cobseo and other third sector organizations, and technical knowledge of the Board and staff, both of whom undergo regular relevant training

The Board has assessed that the major operational risk to FiMT is staff turnover and or unexpected absence resulting in under-staffing and loss of corporate knowledge. It is controlling that risk by enhancing the employment 'offer' and by growing the staff's ability to step up and cover for others.

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

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

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

Investment policy

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

- To each maintain at all times £3m in cash instruments in separate segregated mandates. This has been achieved.
- To generate a real return of 3% annually over a rolling 5-year period from the remaining medium-term investments, after expenses and using CPI as the inflation measure. This being the first year of the new mandate, and given the difficult market conditions, the Trustees are satisfied why the real returns over a one-year period are negative against target (Cazenove -10.6% and Sarasin -9.3%), and are looking to see improvements next year.

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

At the end of the year, the Board approved the formal investment policy statement for 2019 in accordance with Charity Finance Group best practice.

Reserves policy and going concern

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

Cash held in the instant access bank account is calculated so as to meet monthly cash flow forecasts, and can be replenished at 24 hours' notice from Investment Manager's cash/cash instruments. At 31 December 2018, cash flow for January 2019 was forecast to be £563k and instant access bank account holdings were £557k (31 December 2017 – £614k).

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

Plans for the future

The Trust intends for the next 3 years (2019–21) to maintain its underpinning Change Model (which includes Vision, Mission and Strategy as well as six identified Outcomes and four Change Mechanisms). However, to deliver the increased impact the Directors seek, the Trust is developing programmes for each of its six Outcomes, commencing with Employment in 2019. Once the initial mapping stage is complete, work will start on the programme for Health and Wellbeing. These have previously been identified as the top two Outcome priorities. The Trust expects all six programmes to have reached an initial development stage by the end of 2021. Each programme, which will be the responsibility of the new Director of Programmes, will comprise activities across all four Change Mechanisms, with greater effort being invested in the Change Mechanisms for Influence and Convening, Collaboration and Leadership, and Capacity Building. This shift will require greater staff resources as commissions and co-creations become the norm for the Grants and Commissioning Plan, and targeted influence is delivered through high-quality engagement.

Reflecting this shift in Change Mechanism emphasis, the Trust has set a grants award target for the next 3 years from 2019 to 2021 at £2.6 million per year (2018: £2.6 million), whilst retaining the flexibility afforded by the endowment funds to increase the awards substantially if a requirement arises. Given that the Trust has not reached its annual awards target in previous

years, this reduction is both a pragmatic recognition of the ability of the 'market' to present sound funding opportunities as well as the deliberate strategic shift.

With the 5-year Mental Health Research Programme coming to an end in July 2020, the Trust has begun work to identify its performance and impact and to consider what might follow, and expects to make the necessary decisions by the end of 2019.

The appointment of the Research Centre's academic chair has provided the impetus to move this ground-breaking project forward at greater and more focused pace. The Trust will conduct a performance review at the end of the second year of this 5-year project in Autumn 2019, from which adjustments will be made. Initial progress has been sound, but the Trust wishes to create greater impact.

Finally, the Trust will be undertaking a series of reviews of outsourced providers, including financial management, audit and support services in addition to the programme for conformance review described later.

Structure, governance and management

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

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

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

Throughout 2018, the Trust conducted its Mental Health Research Programme, constituted by a Steering Group under the remunerated co-chairmanship of the Centre for Mental Health and King's Centre for Military Health Research. The Steering Group provides expert advice to the Grants and Commissioning Committee and to the Executive Team, but has no grant awarding authority. One Director also sits in attendance at Steering Group meetings.

The Forces in Mind Trust Research Centre is governed by an Executive Committee, chaired by a nominated Trust Director. The Centre's full-time director, a University employee based at Anglia Ruskin University, works from the Trust's offices once a week and submits a formal quarterly report to the Board. During 2018, the Centre recruited the part-time (0.4 FTE) position of Research Centre Academic Chair. Professor Almond is also employed by the University. The Centre is advised by a strategic panel and an advisory group.

To reflect the increased emphasis placed by the Third Age on the 'Influence and Convening' Change Mechanism, in 2018 the Board established a Virtual Influence Panel. The Panel, which is filled by selected Directors, convenes (usually via tele-conference) quarterly to advise the staff on all aspects of the Trust's influence planning and activity. The Panel has no executive or grant-awarding authority, and provides a written report to each Board meeting.

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

After careful consideration of benefit versus cost of implementation, the Board instigated a 'Programme for conformance review' and intends in 2019 to address the top priorities for the Trust's internal work: Financial; Grant-making; and Operational.

During the period, FiMT piloted the Cobseo Governance Self-Reporting Tool, and so contributed to the roll-out of the official product in February 2019. This will ensure that FiMT meets the Charity Commission's policy to 'apply or explain' and to demonstrate that the Trust is achieving, or aspiring to achieve, a good standard of governance.

Appointment of Directors

At the start of the reporting period, the Board had its full complement of 14 Directors, comprising the Chair (an independent Director), 5 Directors who were nominated by Cobseo, and 8 other independent Directors who ensure a wide range of skills and knowledge, listed previously. Two Directors stood down and 2 were recruited during this period. At the start of 2019, the Board held one vacancy, and intended to recruit a replacement.

The Trust recognises and embraces the benefits of having an inclusive organization that makes good use of differences between Directors, staff and external partners. In this context, FiMT recognises such differences can include gender, race, national and ethnic origin, colour, religion, age, sexual orientation, marital and family status, and physical or mental disabilities, as well as differences in political and other beliefs. FiMT ensures that all individuals are provided with equal opportunities, and seeks positively to create opportunities for those groups that may be disadvantaged. In 2019, the Directors plan particularly to improve the search for geographical and gender diversity.

Director induction and training

New Directors (two this year) receive induction briefings from the Board and Committee chairs, the Protector and the Chief Executive in accordance with a continuously reviewed programme. Depending upon a new Director's experience, access to legal, trust and military expert briefings are also arranged as required. The Trust meets the full costs of such attendances. Departing Directors (two in 2018, one in March 2019) conduct 'exit' interviews with the Board Chair and Chief Executive.

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

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

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

Related parties and relationships with other organizations

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

ABF – The Soldiers' Charity

The Chief Executive of ABF – The Soldiers' Charity is also a Director of FIM Trustee Limited. The FiMT Protector is also a Trustee of ABF – The Soldiers' Charity. FiMT has a lease with ABF – The Soldiers' Charity for room hire and premises services provided at Mountbarrow House. Rent and service charges in respect of this lease for the year to 31 December 2018 were £75,414 (2017: £51,961) and pass-through cost for postal and other services was £3,571 (2017: £12,802). A payment of £21,736 made in December 2018 refers to the first quarter of 2019. The increase in these charges reflects the increase in lease costs incurred by ABF – The Soldiers' Charity and the growth in the Trust's staff numbers. Whilst these cost increases are an inevitable consequence of the Trust's expansion, rent and services remain substantially below market rate and ABF – The

Forces in Mind Trust

Directors' annual report

For the year ended 31 December 2018

Soldiers' Charity continues to act in the Trust's interests in its dealings with the Landlord, Grosvenor Estates.

Army Families Federation

The Chief Executive of the Army Families Federation (AFF) is a Lay Adviser to the Trust's Grants and Commissioning Committee. During the period, FiMT awarded 2 grants to the Federation to extend the Tri-Service Families' Transition Project, as described under Note 5 to the Financial Statements with a value of £19,241. In addition, a payment for £28 was made to the AFF for travel costs associated with staff attendance at the Third Age event in London in June.

Barclays Bank UK PLC

An employee of Barclays Bank UK PLC is also a Director of FIM Trustee Limited. At the year end, £150 (2017: £173) was paid for banking services to Barclays Bank UK PLC and Barclaycard.

Cobseo

The Executive Chair of Cobseo is also a Director of FIM Trustee Limited. Up to 5 members of the Board of Directors of FIM Trustee Limited are nominated by Cobseo and appointed by FiMT. There have been two direct transactions between FiMT and Cobseo. At the year end, £586 (2017: £558) membership fees (£520) and awayday costs (£66) was paid on behalf of FiMT. In addition, during the period FiMT awarded a grant to Clore Social Leadership to conduct a programme 'Clore 6: Cobseo' which provided benefit to Cobseo members which is described under Note 5 to the Financial Statements with a value of £240,000. Payments to Chairman of Cobseo were exclusively for personal expenses associated with his role as a Director of FIM Trustee Limited, and are included within Note 7 to the financial statements.

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

A Director of King's Centre for Military Health Research (KCMHR), which is a part of King's College London (KCL), is also a Director of FIM Trustee Limited. During the period, FiMT awarded five research contracts directly to KCL which are described under Note 5 to the Financial Statements, and which totalled £604,002.

RAND Europe

The President (Chief Executive) of RAND Europe is also a Director of FIM Trustee Limited. During the period FiMT contracted with RAND Europe for an event raconteur at St George's House in November 2018 at a cost of £4,788 (invoice received January 2019).

Forces in Mind Trust

Directors' annual report

For the year ended 31 December 2018

The Sir Oswald Stoll Foundation

A Trustee of The Sir Oswald Stoll Foundation since 9 February 2018 and the Chair of Trustees from 29 November 2018 is also the Chief Executive of Forces in Mind Trust/FIM Trustee Limited. During the period the Foundation received £4,530 to conduct the launch event of the Phase 2 report 'Accommodation for Single Veterans: Developing Housing and Support Pathways' at the House of Lords.

Walking with the Wounded

A Trustee for Walking with the Wounded is also a Director of FIM Trustee Limited. During the period, FIMT awarded a grant to Walking with the Wounded for £5,000 to produce a model of care for veterans in the Criminal Justice System that the sector is prepared to endorse, to inform NHS England's commissioning arrangements.

X-Forces Enterprise

One Director of FIM Trustee Limited is conducting consultancy work for X-Forces Enterprise. During the period, X-Forces Enterprise acquired the assets of the Soldiering On Through Life Trust (SOTLT) which had been awarded £18,000 for the 2019 Soldiering on Awards.

Remuneration policy for key management personnel

In March 2016, the Board adopted a formal remuneration policy based upon an incremental salary scale, benchmarked annually using a leading market provider (currently Croner Reward) to cover cost-of-living and market comparators. The Governance Committee recommends to the Board the appropriate award for the forthcoming tax year. In March 2018, the Board accepted the Governance Committee's recommendations, all of which met the Policy requirements. The Policy will be formally reviewed after 5 years (for March 2021).

In addition to the annual salary review, the Trust also considers other employee benefits, where it is guided by sector comparators. As a result, all staff now receive death-in-service insurance, and can access a cycle-to-work scheme and season ticket loan. In 2018, an annual health screening was introduced and offered to all employees. Annual leave at 30 days (plus bank holidays) is above sector average, and the Trust offers flexible working. The Board uses all these factors to encourage retention.

Statement of responsibilities of the Directors

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

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

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

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

Forces in Mind Trust

Directors' annual report

For the year ended 31 December 2018

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

The Directors' report has been approved by the Directors on 12 June 2019 and signed on their behalf by:

H J R Pung
Chair of the Board
12 June 2019

Air Vice-Marshal Retd R Lock CBE
Chief Executive
12 June 2019

Report of the Protector for the year ended 31 December 2018

Background

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

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

Protector's Function

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

How I have discharged the Protector's function

I attended the four board meetings held during the year and participated in one additional Board conference call. I also attended the Board strategy away day which took place in February 2018, the FiMT Third Age conference in June 2018 and the inaugural FiMT Veterans Research Centre conference in October 2018. In addition, I have had a number of meetings with, and spoken to, the Board Chair, other directors and the Chief Executive of the Trust, as required, during the course of the year.

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

Forces in Mind Trust

Protector's report

For the year ended 31 December 2018

Administration and Governance of the Trust

I am satisfied that the Trust has been administered in accordance with the terms of the Trust Deed in the year to 31 December 2018.

I am pleased to note that the executive team and the Governance Committee have completed a comprehensive review of the Board's operating practices and procedures against the principles and recommended best practice set out in the Charity Governance Code. Some relatively minor changes have been identified and introduced.

I noted in my report last year that several directors of the Trustee are also directors and/or employees of organizations with which the Trust has a close working relationship or have been nominated as members of the Board by the Confederation of Service Charities ("Cobseo") which, under the Trustee's constitution, has the right to nominate up to 5 individuals for appointment to the Board. These relationships, and the knowledge and experience of the individuals serving on the Board, greatly benefit FiMT and I believe that Cobseo and the broader military charity sector benefit equally from the work of FiMT. The Chief Executive of FiMT sits as an elected member on the Cobseo Executive Committee.

I have not observed any actual conflicts of interest between the interests of Cobseo and the military charity sector, as represented by the Cobseo nominated directors, and the interests of the Trust. Indeed, for most of the time, these interests are entirely aligned. There have, however, been occasions when the views of the Cobseo nominated directors have diverged from those of the independent directors. In every case, a consensus has been reached and, if required, a decision has been taken after appropriate and robust debate.

All the directors must continue to be mindful of the potential for an apparent if not actual conflict of interest to arise. This may be particularly relevant as the Trust allocates its limited financial and staff resources to more focused programmes and influencing and convening activities that may not accord with the current priorities of Cobseo or the wider military charity sector. There is a balance to be struck. FiMT cannot and should not function without regard for Cobseo interests but equally FiMT should not be seen as an offshoot of, or funding vehicle for, Cobseo.

The Board of the Trustee

There has been less change in the composition of the Board during the year ended 31 December 2018 than in the previous year or so. This stability and continuity is welcome and has contributed to the effectiveness of the Board. Two directors stepped down during the course of the year and two new directors were appointed. I am satisfied that there were no significant factors behind the two resignations that have an impact on the operation or governance of the Trust. There were 13

Forces in Mind Trust

Protector's report

For the year ended 31 December 2018

directors in post at the year end, with one vacancy and one director due to retire from the Board after the March 2019 Board meeting.

The Board has continued to operate in an engaged and challenging manner. Decisions are invariably taken after open and constructive discussions, aided by the comprehensive Board papers provided by the executive team on a timely basis before Board and Committee meetings.

The administration of the Trust's activity is generally efficient and effective. There is, in my view, an appropriate delegation of authority and workload from the full Board to the three functioning committees of the Board: the Finance and Investment Committee, the Grants and Commissioning Committee and the Governance Committee. Reports from each of the Committees are presented at each Board meeting.

There is also a proper division between the strategy setting, oversight and monitoring role of the Board and the day to day responsibilities of the executive team

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

The Executive Team

Ray Lock, the Chief Executive of FiMT, continues to lead a hard working, loyal and experienced team with a broad range of skills. The Trust is fortunate that the executive team has been stable throughout the financial year, allowing for continuity, consistency and progress. A new post – Director of Programmes – has been created and a new Head of Policy has been recruited. This additional senior staff resource is welcome and, indeed, essential if FiMT is to undertake effectively the more focused activities described below, with a greater emphasis on impact, within the timescales expected by the Board.

Activities and Achievements of the Forces in Mind Trust

The activities and achievements of the Trust in 2018 are described elsewhere in this annual report.

As an independent observer, I am pleased to note the decision of the Board to review and refocus the activities of the Trust in 2018: the so-called Third Age of FiMT. The key components are a greater emphasis on commissioned research rather than responsive grant giving and an increased focus on more targeted programmes of activity, building on the Trust's theory of change for each of its target outcomes and critically seeking more impact. Alongside this, lies a greater emphasis on non-research activity: influencing, engaging, convening, promoting collaboration and investing in leadership.

Forces in Mind Trust

Protector's report

For the year ended 31 December 2018

The ability to measure and demonstrate impact will be critical when determining the extent to which the Trust is on course to achieve its objectives. It is easy to mistake activity – for example research projects funded or the number and value of grants awarded – for impact. However, the Board and the executive team rightly recognise that the true measure of success will be for the Trust to be able show that it has made a lasting and positive change to the lives of our beneficiaries – ex-Service personnel and their families. Success may be bringing about policy or system change or an improvement in service delivery by State or voluntary sector organizations to meet the needs of our beneficiaries, before or after transition, or a change in the behaviours of the intended beneficiaries or in the attitude of prospective employers or, most likely, a combination of these outcomes. It remains vital that the Trust continues to be rigorous in seeking to address the causes of unsuccessful transition to a fulfilled civilian life as well as seeking to build the capacity and improve the effectiveness of the State and third sector organizations which address the consequences of failed transition.

Simon Martin
Protector, Forces in Mind Trust

Independent auditor's report

To the members of

Forces in Mind Trust

Opinion

We have audited the financial statements of Forces in Mind Trust (the 'charity') for the year ended 31 December 2018 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 31 December 2018 and of its incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Charities Act 2011

Basis for opinion

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

Conclusions relating to going concern

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

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

Independent auditor's report

To the members of

Forces in Mind Trust

Other information

The other information comprises the information included in the trustee's annual report, other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- The information given in the trustee's annual report is inconsistent in any material respect with the financial statements;
- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit

Responsibilities of trustee

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

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

Independent auditor's report

To the members of

Forces in Mind Trust

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Independent auditor's report

To the members of

Forces in Mind Trust

Use of our report

This report is made solely to the charity's trustee as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

18 June 2019

Sayer Vincent LLP, Statutory Auditor

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

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

Forces in Mind Trust

Statement of financial activities

For the year ended 31 December 2018

	Note	Endowment £	Unrestricted £	2018 Total £	2017 Total £
Income from:					
Investments	3	750,107	–	750,107	879,861
Total income		750,107	–	750,107	879,861
Expenditure on:					
Raising funds		–	140,684	140,684	102,710
Charitable activities					
Knowledge and Evidence		–	2,547,161	2,547,161	4,902,405
Collaboration and Leadership		–	377,827	377,827	137,176
Influence and Convening		–	188,032	188,032	85,734
Capacity Building		–	27,909	27,909	80,019
Total expenditure	4	–	3,281,613	3,281,613	5,308,044
Net income / (expenditure) before net gains/ (losses) on investments		750,107	(3,281,613)	(2,531,506)	(4,428,183)
Net (losses) / gains on investments		(1,845,788)	–	(1,845,788)	2,171,737
Net expenditure	6	(1,095,681)	(3,281,613)	(4,377,294)	(2,256,446)
Transfers between funds	17	(3,281,613)	3,281,613	–	–
Net movement in funds		(4,377,294)	–	(4,377,294)	(2,256,446)
Reconciliation of funds:					
Total funds brought forward		31,593,163	–	31,593,163	33,849,609
Total funds carried forward	17	27,215,869	–	27,215,869	31,593,163

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

Forces in Mind Trust

Balance sheet

As at 31 December 2018

	Note	£	2018 £	2017 £
Fixed assets:				
Tangible assets	11		7,200	10,080
Investments	12		31,144,644	36,099,565
			<u>31,151,844</u>	<u>36,109,645</u>
Current assets:				
Debtors	13	21,737		292
Cash at bank and in hand		557,180		613,973
		<u>578,917</u>		<u>614,265</u>
Liabilities:				
Creditors: amounts falling due within one year	14	2,137,633		2,324,190
			<u>(1,558,716)</u>	<u>(1,709,925)</u>
Net current liabilities				
			<u>29,593,128</u>	<u>34,399,720</u>
Total assets less current liabilities				
Creditors: amounts falling due after one year	15		2,377,259	2,806,557
			<u>27,215,869</u>	<u>31,593,163</u>
Total net assets				
The funds of the charity:				
Endowment funds	17		27,215,869	31,593,163
Unrestricted general funds			-	-
			<u>27,215,869</u>	<u>31,593,163</u>
Total charity funds				

Approved by the trustee on 12 June 2019 and signed on their behalf by

H J R Pung
Chairman of the Board

Air Vice-Marshal R Lock
Chief Executive

Forces in Mind Trust

Statement of cash flows

For the year ended 31 December 2018

	Note	2018 £	£	2017 £	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)		(4,377,294)		(2,256,446)	
Dividends, interest and rent from investments	2	(750,107)		(879,861)	
Losses/(gains) on investments		1,845,788		(2,171,737)	
Increase in debtors		(21,445)		(292)	
(Decrease)/increase in creditors		(615,855)		1,698,667	
Net cash used in operating activities			(3,918,913)		(3,609,669)
Cash flows from investing activities:					
Dividends and interest from investments		750,107		879,861	
Depreciation of fixed assets		2,880		2,880	
Proceeds from sale of investments		7,243,548		7,396,243	
Purchase of investments		(3,958,641)		(3,052,463)	
Cash movement within investment portfolio		(175,774)		(1,585,469)	
Net cash provided by investing activities			3,862,120		3,641,052
Change in cash and cash equivalents in the year			(56,793)		31,383
Cash and cash equivalents at the beginning of the year			613,973		582,590
Cash and cash equivalents at the end of the year	19		557,180		613,973

1 Accounting policies

a) Statutory information

Forces in Mind Trust is an unincorporated charity, registered with the Charity Commission in England and Wales. The registered office address is Mountbarrow House, 6–20 Elizabeth Street, London, SW1W 9RB.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Charities Act 2011.

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

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

c) Public benefit entity

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

d) Going concern

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

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

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

e) Income

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

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

f) Donations of gifts, services and facilities

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

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

1 Accounting policies (continued)

g) Interest receivable

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

h) Fund accounting

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

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

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

i) Expenditure and irrecoverable VAT

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

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

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

j) Allocation of support costs

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

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

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

● Knowledge and Evidence	53%
● Collaboration and Leadership	8%
● Influence and Convening	4%
● Capacity Building	1%
● Cost of raising funds	10%
● Governance costs	25%

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

1 Accounting policies (continued)

k) Grants payable

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

l) Operating leases

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

m) Tangible fixed assets

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

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

n) Listed investments

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

o) Debtors

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

p) Cash at bank and in hand

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

q) Creditors and provisions

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

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

1 Accounting policies (continued)

r) Pensions

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

2 Detailed comparatives for the statements of financial activities

	Endowment £	Unrestricted £	2017 Total £
Income from:			
Investments	879,861	–	879,861
Total income	879,861	–	879,861
Expenditure on:			
Raising funds	–	102,710	102,710
Charitable activities	–	5,205,334	5,205,334
Total expenditure	–	5,308,044	5,308,044
Net income / expenditure before gains / (losses) on investments	879,861	(5,308,044)	(4,428,183)
Net gains / (losses) on investments	2,171,737	–	2,171,737
Net income / expenditure	3,051,598	(5,308,044)	(2,256,446)
Transfers between funds	(5,308,044)	5,308,044	–
Net movement in funds	(2,256,446)	–	(2,256,446)
Total funds brought forward	33,849,609	–	33,849,609
Total funds carried forward	31,593,163	–	31,593,163

3 Income from investments

	2018 Total £	2017 Total £
Income from investments	749,617	875,653
Bank interest	490	4,208
	750,107	879,861

All income from investments is allocated to endowment funds.

Forces in Mind Trust

Notes to the financial statements

For the year ended 31 December 2018

4a Analysis of expenditure (current year)

	Charitable activities						2018 Total £	2017 Total £	
	Cost of raising funds £	Knowledge and Evidence £	Influence & Convening £	Capacity building £	Collaboration and Leadership £	Governance costs £			Support costs £
Staff costs (Note 7)	35,190	222,090	16,451	2,742	32,902	104,103	75,267	488,745	376,542
Recruitment costs	-	-	-	-	-	-	49,548	49,548	18,615
Travel and subsistence	-	17,709	1,312	219	2,624	6,180	-	28,044	24,201
Grants payable (Note 5)	-	1,880,248	138,630	19,675	279,025	-	-	2,317,578	4,585,855
Investment manager's fees	57,694	-	-	-	-	-	-	57,694	38,969
Advisors' fees and expenses	-	-	-	-	-	15,179	-	15,179	15,159
Auditors' remuneration	-	-	-	-	-	7,064	-	7,064	8,470
Premises costs	-	-	-	-	-	-	78,633	78,633	51,961
Legal and professional fees	-	77,782	5,762	960	11,523	-	-	96,027	70,497
Marketing and communications	-	93,752	6,945	1,157	13,889	-	-	115,743	79,457
Directors' expenses	-	-	-	-	-	3,953	-	3,953	5,600
Office costs	-	-	-	-	-	-	23,405	23,405	27,868
Other costs	-	-	-	-	-	-	-	-	4,850
	92,884	2,291,581	169,100	24,753	339,963	136,479	226,853	3,281,613	5,308,044
Support costs	22,685	119,438	8,847	1,475	17,695	56,713	(226,853)	-	-
Governance costs	25,115	136,142	10,085	1,681	20,169	(193,192)	-	-	-
Total expenditure 2018	140,684	2,547,161	188,032	27,909	377,827	-	-	3,281,613	
Total expenditure 2017	102,710	4,902,405	85,734	80,019	137,176	-	-		5,308,044

Forces in Mind Trust

Notes to the financial statements

For the year ended 31 December 2018

4b Analysis of expenditure (prior year)

	Charitable activities						2017 Total £	2016 Total £	
	Cost of raising funds £	Knowledge and Evidence £	Influence & Convening £	Capacity building	Collaboration and Leadership £	Governance costs £			Support costs £
Staff costs (Note 7)	27,356	198,576	3,473	3,241	5,556	80,362	57,978	376,542	309,133
Recruitment costs	-	-	-	-	-	8,500	10,115	18,615	23,859
Travel and subsistence	-	17,064	298	279	477	6,083	-	24,201	27,453
Grants payable (Note 5)	-	4,318,977	75,531	70,496	120,851	-	-	4,585,855	3,079,133
Investment manager's fees	38,969	-	-	-	-	-	-	38,969	40,793
Advisors' fees and expenses	-	-	-	-	-	15,159	-	15,159	15,325
Auditors' remuneration	-	-	-	-	-	8,470	-	8,470	9,240
Premises costs	-	-	-	-	-	-	51,961	51,961	53,062
Legal and professional fees	-	66,394	1,161	1,084	1,858	-	-	70,497	46,601
Marketing and communications	-	74,833	1,309	1,221	2,094	-	-	79,457	53,625
Directors' expenses	-	-	-	-	-	5,600	-	5,600	7,667
Office costs	-	-	-	-	-	-	27,868	27,868	9,963
Other costs	-	-	-	-	-	-	4,850	4,850	2,297
	66,325	4,675,844	81,772	76,321	130,836	124,174	152,772	5,308,044	3,678,151
Support costs	15,277	93,516	1,635	1,526	2,617	38,201	(152,772)	-	-
Governance costs	21,108	133,045	2,327	2,172	3,723	(162,375)	-	-	-
Total expenditure 2017	102,710	4,902,405	85,734	80,019	137,176	-	-	5,308,044	

5 Grant making

	2018 £	2017 £
Creditors at the start of the year	5,075,927	3,377,145
Grants awarded in the year (Note 4 and detailed below)	2,264,692	4,553,588
Costs related to monitoring and evaluation of grants awarded	52,886	32,267
Grants paid	<u>(2,943,362)</u>	<u>(2,887,073)</u>
Total creditors at the end of the year	<u>4,450,143</u>	<u>5,075,927</u>
Creditors due within one year (Note 14)	2,072,884	2,269,370
Creditors due in over one year (Note 15)	<u>2,377,259</u>	<u>2,806,557</u>
Total creditors at the end of the year	<u>4,450,143</u>	<u>5,075,927</u>

Grants awarded in the year:	Charitable Activity	2018 £	2017 £
Army Families Federation – annual research symposium venue costs	Knowledge and Evidence	–	3,000
The Poppy Factory – additional award to exploit research findings	Knowledge and Evidence	–	8,052
Walking With The Wounded – to increase recruitment for research project	Knowledge and Evidence	–	15,000
King’s College London (Rafferty) – additional award to research further aspects of barriers to care	Knowledge and Evidence	–	18,474
Anglia Ruskin University (Cobseo cluster) – audit of services for Commonwealth Service personnel/families	Knowledge and Evidence	–	28,664
Ulster University – assessment of public attitudes to veterans	Knowledge and Evidence	–	31,500
Anglia Ruskin University (VFI) – Veterans Research Hub continuation funding	Knowledge and Evidence	–	40,000
Community Self Build Agency – building capacity to reach sustainable position	Capacity Building	–	70,000
RAND Europe – research into resilience and impact on transition	Knowledge and Evidence	–	74,768
Veterans Scotland – engagement programme ‘Informing Scotland’	Influence and Convening	–	75,000
Cranfield University – research into employment outcomes for female Service leavers	Knowledge and Evidence	–	96,688
Officers’ Association – research into transition challenges faced by over 50s	Knowledge and Evidence	–	115,122
Clore Social Leadership – Clore 6: Cobseo leadership programme	Collaboration and Leadership	–	120,000
Behavioural Insights Team – research into engagement of families preparing for transition	Knowledge and Evidence	(21,885)	131,308
King’s College London (McManus) – research into domestic violence and abuse in military families	Knowledge and Evidence	–	153,273
University of Liverpool – research in help seeking for ex-Service personnel abusing alcohol	Knowledge and Evidence	–	154,198
Sub-total carried forward		<u>(21,885)</u>	<u>1,135,047</u>

Forces in Mind Trust

Notes to the financial statements

For the year ended 31 December 2018

5 Grant making (continued)		2018	2017
Grants awarded in the year:	Charitable Activity	£	£
Sub-total brought forward		(21,885)	1,135,047
Shared Intelligence – research into improving the delivery of organizational Covenant pledges	Knowledge and Evidence	–	174,737
Galahad SMS – research into outcomes of those discharged for failing compulsory drugs test	Knowledge and Evidence	–	175,800
Queen’s University Belfast – research into pathways to unsuccessful transition	Knowledge and Evidence	–	179,848
Invictus Games Foundation – research into long-term impact of participation in sport	Knowledge and Evidence	–	183,500
Tros Gynnal Plant – trial of restorative engagement to help ex-Service families	Knowledge and Evidence	–	284,427
Anglia Ruskin University – 5-year establishment of the FiMT Research Centre	Knowledge and Evidence	–	2,313,322
Demos – guide for residential social care settings	Knowledge and Evidence	–	24,999
Refunds (Bath Spa & Officers' Association)	Knowledge and Evidence	–	(12,293)
Centre for Mental Health – Mental Health Research Programme infrastructure	Knowledge and Evidence	–	94,201
Stoll Housing – House of Lords Launch Event	Influence and Convening	4,530	–
Soldiering on through life Trust, 2019	Influence and Convening	18,000	–
SeAp – Evaluation Project for seAp Military Advocacy Service (mAs)	Knowledge and Evidence	126,872	–
Barnardo’s – Assessment to understand the needs of imprisoned veterans and their families	Knowledge and Evidence	91,707	–
University of Swansea – Gambling Participation, Financial Management and Healthcare Costs in ex-Service Personnel	Knowledge and Evidence	279,503	–
Cardiff University – Phase II Randomised Controlled Trial of 3MDR for Treatment Resistant Post Traumatic Stress Disorder (PTSD) in Military Veterans – Additional award	Knowledge and Evidence	47,980	–
Probation Institute – Meeting the needs and providing effective services for ex-Service personnel serving criminal sentences in the community – Additional award	Influence and Convening	41,500	–
St George’s House 2018	Influence and Convening	30,000	–
NatCen – The mental health needs of serving and ex-Service personnel: A review of the latest evidence and key stakeholder perspectives.	Knowledge and Evidence	95,877	–
University of Warwick, Institute for Employment Studies – Senior Non-Commissioned Officers and employment after leaving the UK Armed Forces	Knowledge and Evidence	111,352	–
King’s College London – Experiences and impact of moral injury in UK veterans	Knowledge and Evidence	168,813	–
King’s College London – Experiences and impact of moral injury in UK veterans	Knowledge and Evidence	(71,649)	–
Edinburgh Napier University – Posttraumatic Stress Disorder (PTSD) and Complex PTSD in Military Personnel	Knowledge and Evidence	97,444	–
University of Sunderland – The Mental Health Status and Motivations of Ex-Services Personnel Who Use Performance and Image Enhancing Drugs: A Scoping Study	Knowledge and Evidence	42,357	–
Galahad SMS – “Fall Out”: Substance misuse and service leavers: an investigation into the impact of a CDT (drug) discharge on drug misuse and mental health	Knowledge and Evidence	(62,100)	–
University of Glasgow – Trends in Scottish Veterans’ Health	Knowledge and Evidence	182,265	–
Sub-total carried forward		1,182,566	4,553,588

Forces in Mind Trust

Notes to the financial statements

For the year ended 31 December 2018

5 Grant making (continued)	Charitable Activity	2018 £	2017 £
Grants awarded in the year:			
Sub-total brought forward		1,182,566	4,553,588
Windsor Leadership Trust – Sector Leadership Programme	Collaboration and Leadership	11,200	–
YouGov – Military veterans research (qualitative element)	Influence and Convening	32,280	–
Wrexham Glyndwr University – Dissemination proposal for ‘Leaving the Armed Forces and Living as a Civilian: An exploratory study of everyday decision making.’	Collaboration and Leadership	21,681	–
Army Families Federation – Tri-Service Families’ Transition Project – Additional Award	Capacity Building	11,596	–
Walking With The Wounded – NHS Consultation	Knowledge and Evidence	5,000	–
NatCen – The mental health needs of serving and ex-Service personnel: A review of the latest evidence and key stakeholder perspectives. – Additional Award	Knowledge and Evidence	46,256	–
NatCen – The mental health needs of serving and ex-Service personnel: A review of the latest evidence and key stakeholder perspectives. – Additional Award	Knowledge and Evidence	(15,313)	–
Clore Social Leadership – Cobseo Emerging Leadership Programme 2018–2020	Collaboration and Leadership	240,000	–
King’s College London – The utility and feasibility of data extraction from patient case registers to identify treatment pathways for veterans who access secondary mental health care services: A follow up study	Knowledge and Evidence	78,216	–
King’s College London – Mental health and treatment needs of UK ex-serving personnel – Additional award	Knowledge and Evidence	22,882	–
Army Families Federation – Tri-Service Families’ Transition Project – Additional Award	Capacity Building	7,645	–
Charnwood Borough Council – upskilling and training programme	Influence and Convening	7,900	–
Deloitte – Veterans Work 2	Knowledge and Evidence	20,000	–
King’s College London – Employment trajectories of UK Service leavers	Knowledge and Evidence	183,929	–
King’s College London – MIND Fitness: Development and Feasibility Assessment of a Mental Health Support Toolkit for Military Veterans	Knowledge and Evidence	221,811	–
University of York – Developing Peer Support for Families of Veterans with Substance Use Problems	Knowledge and Evidence	108,713	–
University of Portsmouth – Evaluating Veteran Outreach Support in Portsmouth for Effectiveness & Cost Effectiveness	Knowledge and Evidence	(12,847)	–
MHRP Infrastructure Quarterly Costs	Knowledge and Evidence	91,177	–
Sub-total – grant awards		<u>2,264,692</u>	<u>4,553,588</u>
Other costs related to grants awarded		52,886	32,267
Total costs of grant making		<u><u>2,317,578</u></u>	<u><u>4,585,855</u></u>

6 Net outgoing resources for the year

	2018	2017
	£	£
This is stated after charging / crediting:		
Depreciation	2,880	2,880
Auditor's remuneration (excluding VAT):		
▪ Audit	7,064	6,800
Advisor's fees and expenses (Protector)	15,179	15,159
Operating lease rentals		
▪ Property	78,633	51,961
	<u>78,633</u>	<u>51,961</u>

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

	2018	2017
	£	£
Staff costs were as follows:		
Salaries and wages	423,345	320,159
Social security costs	42,221	32,207
Employer's contribution to defined contribution pension schemes	19,243	10,000
Death in Service	2,551	2,551
Other Staff costs	1,385	11,625
	<u>488,745</u>	<u>376,542</u>

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

	2018	2017
	No.	No.
£90,000 – £99,999	<u>1</u>	<u>1</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £107,041 (2017: £104,488).

The charity directors were not paid or received any other benefits from employment with the charity in the year (2017: £nil). No charity director received payment for professional or other services supplied to the charity (2017: £nil).

Directors' expenses represents the payment or reimbursement of travel and subsistence costs totalling £3,953 (2017: £5,600) incurred by 7 (2017: 7) members relating to attendance at meetings of the directors.

8 Staff numbers

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

	2018	2017
	No.	No.
Raising funds – investment management	0.9	0.7
Governance	2.5	1.9
Knowledge and Evidence	5.0	4.5
Collaboration and Leadership	0.8	0.1
Influence and Convening	0.4	0.1
Capacity Building	0.1	0.1
	<u>9.7</u>	<u>7.4</u>

9 Related party transactions

The value of the related party transactions 2018 is £890,774 (2017: £781,556). Full details of this figure is given on pages 15–17 of the Directors' Annual Report.

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

10 Taxation

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

11 Tangible fixed assets

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

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

Forces in Mind Trust

Notes to the financial statements

For the year ended 31 December 2018

12 Listed investments

	2018 £	2017 £
Fair value at the start of the year	30,263,021	32,435,064
Additions at cost	3,958,641	3,052,463
Disposal proceeds	(7,243,548)	(7,396,243)
Net gain on change in fair value	(1,845,788)	2,171,737
	<u>25,132,326</u>	<u>30,263,021</u>
Cash held by investment broker pending reinvestment	6,012,318	5,836,544
Fair value at the end of the year	<u><u>31,144,644</u></u>	<u><u>36,099,565</u></u>
Investments comprise:	2018 £	2017 £
Fixed Interest Bonds	4,747,804	5,993,460
UK Shares listed on the London Stock Exchange	7,303,084	9,462,263
Non UK Shares listed on the London Stock Exchange	6,949,706	8,726,159
Hedge Funds	249,354	255,950
Property Funds & Trusts	2,720,111	2,872,601
Alternative Assets	1,996,154	2,130,201
Liquid Funds	7,178,431	6,658,931
	<u><u>31,144,644</u></u>	<u><u>36,099,565</u></u>

13 Debtors

	2018 £	2017 £
Prepayments	21,737	-
Cycle to work scheme	-	292
	<u>21,737</u>	<u>292</u>

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

14 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	13,278	5,492
Taxation and social security	15,032	13,105
Accruals	33,193	34,725
Grants payable (Note 5)	2,072,884	2,269,370
Other creditors	3,246	1,498
	<u><u>2,137,633</u></u>	<u><u>2,324,190</u></u>

15 Creditors: amounts falling due after one year

	2018 £	2017 £
Grants payable (Note 5)	<u>2,377,259</u>	<u>2,806,557</u>
Grants are paid in line with agreed timetables and are payable:		
In less than one year	2,072,884	2,269,370
Between one and five years	<u>2,377,259</u>	<u>2,806,557</u>
	<u>4,450,143</u>	<u>5,075,927</u>

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

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

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

	Endowment funds £	General funds £	Total funds £
Tangible fixed assets	10,080	-	10,080
Investments	36,099,565	-	36,099,565
Net current liabilities	(1,709,925)	-	(1,709,925)
Long term liabilities	(2,806,557)	-	(2,806,557)
Net assets at the end of the year	<u>31,593,163</u>	<u>-</u>	<u>31,593,163</u>

17a Movements in funds (current year)

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
Endowment funds	31,593,163	750,107	(1,845,788)	(3,281,613)	27,215,869
Total endowment funds	31,593,163	750,107	(1,845,788)	(3,281,613)	27,215,869
Unrestricted funds:					
General funds	-	-	(3,281,613)	3,281,613	-
Total unrestricted funds	-	-	(3,281,613)	3,281,613	-
Total funds	31,593,163	750,107	(5,127,401)	-	27,215,869

17b Movements in funds (prior year)

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
Endowment funds	33,849,609	3,051,598	-	(5,308,044)	31,593,163
Total endowment funds	33,849,609	3,051,598	-	(5,308,044)	31,593,163
Unrestricted funds:					
General funds	-	-	(5,308,044)	5,308,044	-
Total unrestricted funds	-	-	(5,308,044)	5,308,044	-
Total funds	33,849,609	3,051,598	(5,308,044)	-	31,593,163

Purposes of endowment funds

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

Forces in Mind Trust

Notes to the financial statements

For the year ended 31 December 2018

18 Operating lease commitments

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

	Property 2018	2017
	£	£
Less than one year	7,246	4,421
	<u>7,246</u>	<u>4,421</u>

19 Corporate Trustee

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