

**100**  
1919-2019  
**YEARS**

**COMBAT**  
**STRESS**  
FOR VETERANS' MENTAL HEALTH

# ANNUAL REPORT & ACCOUNTS 2019

Company registered in England and Wales No 256353,  
Charity No 206002, Charity Scotland No SC038828

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The image on the front cover is a still taken from a film made for us free of charge by members of Channel 4’s in-house creative team 4Creative. Several former servicemen who had received treatment from us took part in the filming.

## Bring Them Home

During the year we were fortunate to have a short film created free of charge for us by members of Channel 4's in-house creative team 4Creative.

4Creative admired our work and each of the core team had a personal connection to the charity. The film, 'Bring Them Home', presents how mental health problems such as PTSD can leave former servicemen and women withdrawn and isolated from family, friends and their community.

The film features a group of veterans who have served in past conflicts including Northern Ireland, the Gulf War, Bosnia, Iraq and Afghanistan. It shows how after leaving the Armed Forces, veterans may physically be at home but psychologically can be trapped in the past, reliving their trauma on the battlefield through flashbacks, nightmares and constant anxiety. Left untreated the trauma can destroy relationships, tear families apart and devastate lives.

The film will be used for TV, radio, cinema and social media advertising and direct mail activity to build brand awareness and fundraise during April and May 2019.

It is worth noting that had we paid to make this film, it would have cost almost £110,000. Thank you so much to the team from 4Creative for creating this incredible asset for us.

To see the film and to learn more about it, please visit [combatstress.org.uk/bringthemhome](http://combatstress.org.uk/bringthemhome)



Pictured here: the filming taking place at a studio in London.

# WHO WE HELP

An insight into those seeking our help this year

**57%**  
of calls were made by new callers

**2,400+**  
veterans were referred to us

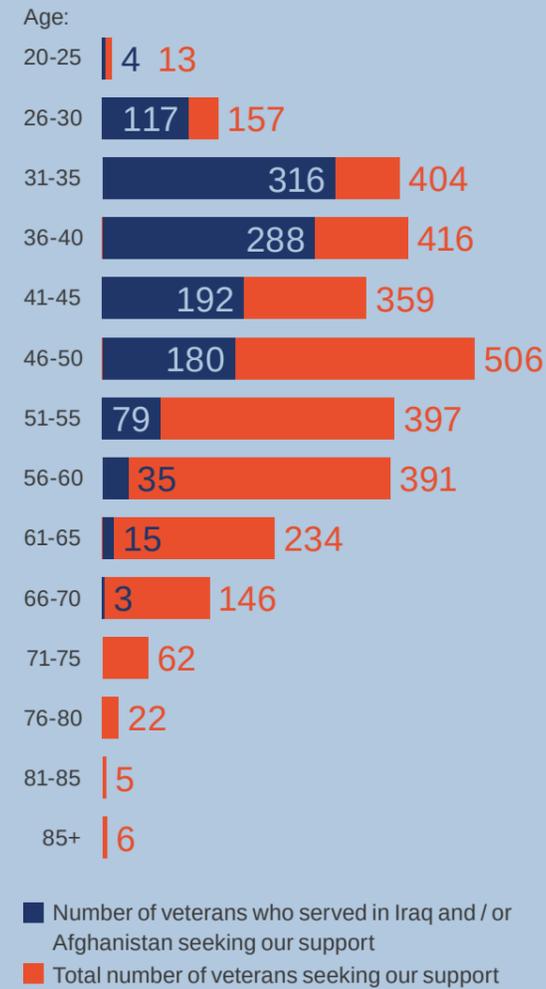
**15,000+**  
calls were handled by our Helpline

**3,121**  
veterans were directly helped by us in the last year

**13**  
years is the time it takes on average for a veteran to seek our help after leaving the military

**OVER 30%**  
of the veterans we helped during the year were under the age of 40

Veterans from more recent conflicts are seeking our help at a younger age

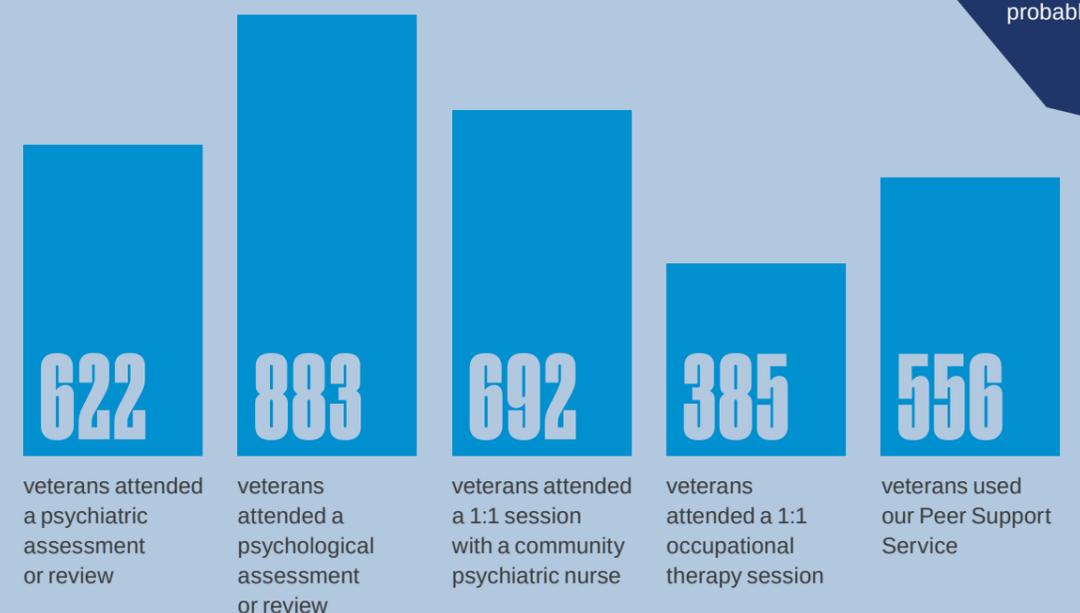


**80%+**  
of the veterans we support have tried to get help for their mental health from the NHS or MOD before contacting us\*

**82%**  
of the veterans we treat have been diagnosed with PTSD\*

**17%**  
Among veterans who have served in a combat role in Afghanistan or Iraq, 17% reported symptoms suggesting probable PTSD.\*\*

## Illustrative pathway and veteran numbers



\*Source: Combat Stress research \*\*Source: King's Centre for Military Health Research

# FUNDRAISING AND EVENTS: OUR HIGHLIGHTS

There have been many highlights during the last year and here are just a few:

## April 2018

This is the month for jumping out of planes – six sky divers take to the skies in aid of Combat Stress.

## May 2018

Our fourth Military Mind business symposium takes place in London and Edinburgh. Representatives from over 60 organisations attend the symposiums to learn about the value of veterans in the workplace and how to support them.

## June 2018

We partner with Blesma and Blind Veterans to relaunch the D-Day 44 Challenge – a unique 44 mile run that commemorates the 1944 Allied invasion of occupied France on the anniversary of D-Day.



June 2018



May 2018



July 2018

## July 2018

Minister for Defence, People and Veterans Rt Hon Tobias Ellwood MP visits our Helpline to find out how we're supporting veterans and service personnel with mental health problems.

During Mr Ellwood's visit he meets with our Regional Operations Manager Adrienne Coward and several of the call advisors.

## August 2018

Veteran artist Steven Brown sets up 'Private McCoo and the Troops', giving us 10% of the profits for every painting sold.



August 2018



October 2018

## September 2018

'Heroes at Highclere' fundraising weekend takes place to commemorate the centenary of the end of the First World War and raises vital funds for us. Director of Fundraising Robert Marsh is interviewed by Lady Carnarvon to promote the event.

## October 2018

Almost 50 runners, including a group from our corporate supporter Veolia, brave the pouring rain to take part in the Royal Parks Half Marathon.



December 2018

## November 2018

We hold our annual Armistice Lecture as our contribution to military debate in the UK. Over 100 supporters attend this sold-out event.

## December 2018

'Men of Oar' take on one of the world's toughest rows: 3,000 miles from the Canaries to Antigua to raise money for us.

## January 2019

Our Community Team South take on the gruelling Winter Fan Dance, the original 24km SAS selection challenge, raising over £2,300.



February 2019



September 2018



March 2019

## February 2019

A Valentine themed fundraising appeal features Royal Navy veteran Dave and raises £37,000.

## March 2019

The London Landmarks Half Marathon takes place and 28 runners run around the capital raising over £16,000 in the process.

# COLIN'S STORY



Combat Stress opened my eyes to my mental health and how I can look after it. It was like somebody had suddenly lifted a weight off my shoulders.”

Colin struggled adjusting to civilian life after serving in the Army for 18 years. He eventually sought help from us for PTSD and after treatment now has the tools to manage his mental health. He was one of the veterans who took part in the 'Bring Them Home' film.



# INTRODUCTION

**In the past year we have made good progress against each of our three strategic aims. Our service model continues to develop to ensure that we provide the most beneficial services that we can to as many veterans as possible. Our Peer Support Service has expanded during the year, building a volunteer network of veterans who really understand what others are going through.**

We have implemented changes in our approach to Fundraising and Communications, becoming a more marketing-led, digitally focused organisation to build brand awareness, stimulate interest in our story, gather data and grow income. And we have taken significant steps forward in building a healthy, effective organisation, including focusing on our values and behaviours, improving our people support infrastructure, restructuring our executive leadership team, and honing our leadership behaviours.

We have also achieved a positive set of financial results, reporting a surplus for the second year in a row. But our underlying position is still susceptible to fluctuations in

income. We have been fortunate in the scale of one-off income opportunities that have come our way, but reliance on these is not a sound basis for planning. This forced us to revisit our initial plans and seek to refine our services and achieve our objectives in a different way including intensifying other fundraising efforts. A service redesign exercise has begun and a revised plan will be completed by the end of the year ahead. During the year, a substantial transformational support grant we had bid for from The Royal British Legion was unsuccessful, but we continue to engage in discussions with them about future support and co-operation.

Combat Stress is unique in the mental health and veterans' arena in terms of our understanding of this particular group whose support needs are increasing. We are the leading experts and we have an important role to play in ensuring that veterans with mental health issues are well served by treatment and support. Our clinical expertise, combined with our knowledge and understanding of the needs of the ex-services community, means that, as for the past 100 years, we have a part to play in veterans' mental health treatment today, tomorrow and in the years to come.

# 2,400+

Demand for our services remains high – over 2,400 new veterans were referred to Combat Stress during the year

# 100

1919-2019

# YEARS

In 2019 all our collateral features this logo to mark our anniversary



**Lieutenant General Andrew Graham CB CBE**  
Chairman of the Board of Trustees



**Sue Freeth**  
Chief Executive

# VISION, MISSION, VALUES AND AIMS 2017-2022

## OUR VISION

We want all former servicemen and women with mental health problems to live full and meaningful lives.

## OUR MISSION

To provide support and treatment to veterans with mental health problems to help them tackle the past and take on the future.

## OUR STRATEGIC AIMS

### AIM 1

Deliver sustainable, accessible services to meet the needs of veterans with mental health problems.

### AIM 2

Develop a distinct brand positioning to improve engagement and sustain and grow our supporter and financial base.

### AIM 3

Build a healthy, cohesive and effective organisation – a place where people want to work.

## OUR VALUES

### Together

We are united in purpose, collaborative in action.

### Bold

We'll do and say what we must to achieve our organisation's vision.

### Focused

We're clear about what we will and won't do to deliver the best outcomes.

### Personal

We respect diversity and appreciate everyone's individual needs and talents.



Every day is an opportunity to help a veteran to feel heard and supported, to help them make sense of their traumatic experiences, and learn how to effectively manage their mental health challenges. It's equally rewarding to see a veteran regain a sense of hope, improve their self-esteem and progressively rebuild aspects of their lives."

Lisa Walters, Counselling Psychologist, Combat Stress



# STRATEGIC AIM 1

## Deliver sustainable, accessible services to meet the needs of veterans with mental health problems

During the year we have continued to evolve by developing and introducing a more responsive, flexible service delivery model to meet the needs of veterans today. We have started to see evidence that these changes are broadening our reach and improving access. We recognise that not everyone has agreed with our changes but without them we cannot achieve our mission to provide mental health support and treatment to as many veterans as possible.

Overall, referral numbers have remained high, with over 2,400 new veteran referrals received during the year.

### Helpline and Triage Process

Our Helpline continued to be a vital source of support providing confidential help and advice, day and night, to veterans and their families. We have seen a significant growth in contacts to our Helpline with over 15,000 calls received. Over 57% of these calls were made by new callers, a 17% increase on last year. One of the main reasons for calling is emotional support - some callers just need a listening ear.

We have made improvements to our Helpline and streamlined how we make referrals. From spring 2018,

the Helpline became a single point of contact for veterans to simplify access to our own and other services. Four specialist triage mental health nurses joined our Helpline team. This means that whenever an individual meets the eligibility criteria for our services, he or she can be put in contact with one of our mental health nurses for an initial assessment. Where a veteran would benefit from our treatment or our Peer Support Service, they are referred to one of our weekly, multi-disciplinary meetings. Where another agency or charity is better equipped to meet the particular needs of the veteran (e.g. for debt, housing or employment issues), then he/she is signposted to that organisation.

This service improvement has meant that we are able to make recommendations about the care pathway more rapidly so that the veteran can make a quicker start to their recovery journey. It has also enabled our community psychiatric nurses to spend more time engaging with and supporting veterans, rather than spending too much time undertaking assessments.

### Serving Personnel Helpline

We have continued to provide a mental health helpline for serving personnel and their families. During the year over 500 calls were received. The majority of callers used the helpline for support and to voice their problems and a small number were referred to the MOD's Department of Community Mental Health for their specialist help.

### Veteran Involvement

It is our aim to involve veterans at every level of our service, as well as in its design and delivery, to help achieve the best engagement and outcomes as possible. Our core treatment programmes are evidence-based, designed using veteran evaluation insight and tested with veterans before being adopted. Veterans have also been involved in our fundraising and communications activity, providing their insight on some of the marketing materials we produce. We intend to expand veteran involvement further.



Above: One of the call handlers at our Helpline. Emotional support is one of the main reasons for calling.

### Refocus of our Central Region treatment centre to deliver outpatient services

During the year, our Central Region treatment centre, Audley Court in Shropshire, transitioned from a residential treatment centre to an outpatient centre and community hub. The team operating from the hub and based within communities in our Central Region now includes a clinical team of psychologists and Cognitive Behavioural Therapy (CBT) therapists, an occupational therapist team, an art therapist, and a substance misuse nurse.

The Central Region is paving the way for more flexible and tailored approaches to treating trauma-related mental health conditions. Outpatient pilots at Audley Court have been replicated throughout the region. We now offer veterans a more varied menu of treatment options according to their individual needs. Veterans can join programmes which take place at times and locations suited to the individual and run at the veteran's own pace. These options include:

#### Outpatient PTSD Treatment

Based on our six-week residential programme, this outpatient-based format includes psychoeducation groups, individual psychology sessions of trauma-focused CBT, individual occupational therapy and art therapy sessions.

#### Coping with Emotions

This programme helps veterans cope with and manage strong emotions. It is being delivered as a weekly outpatient group at Audley Court.

#### Preparation for Trauma Therapy

Our residential programme, Preparation for Trauma Therapy, has been adapted to be an outpatient format and we plan to introduce it during 2019. The programme is for veterans with a diagnosis of PTSD who may need some help in developing skills to manage their symptoms before embarking on trauma therapy.

# 23%

increase in calls to our Helpline

# 57%

of callers to our Helpline are new callers



**Above:** Ben Fitzgerald, one of our peer support regional coordinators

**Below:** Lucy Spencer Harvey, research assistant, undertaking a video call therapy session



## Increasing Access Nationally

Several of the initiatives started last year to increase access are producing positive results:

### Peer Support Service

We have expanded this valuable service which allows veterans with mental health issues to help and support each other on a non-clinical basis. During the year, 774 veterans were referred to the service and 556 used one of the 42 peer support groups nationwide. A further 15 new groups are planned. Five peer support co-ordinators mentored 22 newly trained volunteers who now help to run our local peer support groups. The majority of the peer support volunteers are current or previous beneficiaries of Combat Stress treatment services.

We completed a formal evaluation of this service and found that the service is highly valued by veterans and is improving engagement in clinical treatment. The demand has motivated us to further invest in the expansion of the service – something we plan to do in the year ahead.

### Video Call Therapy (teletherapy)

Thanks to funding from the Forces in Mind Trust, we completed a comprehensive feasibility and

acceptability study of using video call therapy for UK veterans with PTSD and published the results in 2018. The successful research project provided evidence that treatment by a live internet link such as Skype is a secure and practical way to offer therapy for PTSD and provides good mental health outcomes for veterans. The research project provided the insight we needed to ensure we have the right policies, procedures and protocols required to incorporate video call therapy into our core service offering. We plan to deliver video call therapy as a pilot service across the UK in the coming year.

### Substance Misuse Service

Treatment for mental health problems is most effective when drug and alcohol dependence is reduced. Through our Substance Misuse Service, veterans access help to learn how to manage their addiction prior to starting treatment with Combat Stress. This year, our specialist substance misuse workers started to work more closely alongside the community psychiatric nurses and occupational therapists. Our substance misuse practitioners and nurses help veterans to find and join local specialist substance misuse services so that they can be ready to fully benefit from our mental health treatment.

“  
Video call  
therapy enables  
veterans to  
access therapy  
in a way which  
is flexible and  
convenient.”

Lucy Spencer Harvey,  
research assistant



Stephen Griffith, one of our  
substance misuse nurses

## Other Developments

### NHS Collaboration

We continue to be the NHS veterans' mental health service provider specialising in PTSD related disorders across Scotland and are contracted to do this until 2021.

We are a supply partner to the Leeds and York Partnership NHS Foundation Trust which delivers the north region NHS Veterans' Mental Health Complex Treatment Service. Through this partnership contract we provide enhanced peer support and substance misuse support for veterans who find it hard to access any mental health service.

### Veterans' Gateway

We remain a lead partner in this consortium to provide better support to former servicemen and women. In the past year access via self-referral to Combat Stress from Veterans' Gateway online guides has reached around 1,500 and in the same timeframe veterans referred to our Helpline team from Veterans Gateway has passed 150. Support to Veterans' Gateway marketing campaigns has increased awareness of the services we provide. Combat Stress has also become a full member of the Board which has enabled us to help shape the delivery of Veterans' Gateway services.

### Veterans' Mental Health Network

Many of our senior clinicians are involved in veteran and trauma-related expert mental health bodies, both nationally and internationally. These include:

- Nationally: Forces in Mind Trust, UK Psychological Trauma Society, King's College London, British Psychological Society (Crisis, Trauma and Disaster Section), Napier University, Ulster University, Poppy Factory, Cobseo Research Cluster, Contact Armed Forces group (a Heads Together charity partner), Scottish Trauma Advisory Group.
- Internationally: NATO, European Society for Traumatic Stress Studies (ESTSS), Phoenix Centre Melbourne University (Australia), University of Southern California, Boston Veterans Affairs, Western University (Canada).

The national collaborations have led to better clinical pathway design of services enabling veterans to be treated by Combat Stress, the NHS

and other charities in a more seamless way. Our international collaborations have allowed us all to better design our clinical services based on joint working and data sharing.

## Defence Select Committee

Our Chief Executive, Medical Director and three veterans and their partners gave written and oral evidence to the Defence Select Committee, highlighting funding gaps for residential treatment needed by some veterans and a continuing lack of co-ordination of the new veterans' mental healthcare system. The Committee report, published in February 2019, has 35 recommendations currently being considered by the government.

## Research

Our research team has three main aims: to evaluate our treatment programmes; to develop new treatment programmes; and to better understand the needs of former servicemen and women, nationally and internationally. These aims combine to help us develop our services and lead best practice in the field of veteran mental health.

Since being established in 2014, the research team has published 55 peer reviewed papers, including 15 in the last year.

Highlights from research work during the year include:

- Research published in the Journal of Traumatic Stress detailing the treatment outcomes for different groups a year after completing our PTSD Intensive Treatment Programme. Whilst most veterans had very good outcomes, some did not. As a result, we are considering more pre-treatment intervention options to try to improve outcomes.

These research findings have also led us to formulate a new study to consider prevalence rates of complex PTSD in veterans. This is the first in the world and will help develop treatment to tackle complex PTSD in veterans around the world.

• Our large study into veteran needs has continued. It began in 2016 and is the first of its kind in the UK to explore the needs of veterans seeking help for mental health problems in a nationally representative sample. During the year we published papers from this study on physical health needs and body mass index. These insights will be used to enhance our understanding and help us, the NHS and other partners to plan clinical services.

• We completed our two-year 'Partners' research project. Insights from this have been used to develop our pilot 'Together' programme which offers spouses/partners of veterans the opportunity to access support through webinars.

We continue to be active participants in the following international collaborations:

- *Five Eyes – UK, USA, Australia, New Zealand and Canada Ministerial Conference*

We are part of the working party group for veterans and serving personnel providing ministerial advice on suicide, engagement in mental health treatment and treatment outcomes.

- *NATO Research Task Group*

This international group is looking at how to better personalise medicine for mental health difficulties.

- *International help-seeking veterans' study*

We are founding members of this study to compare veteran mental health needs across the world.

- *International conferences*

Presentations about our work were delivered at psychological trauma and other academic conferences and workshops in Argentina, Australia, Finland, France, Holland, Malta, and the USA. This included presenting at The World Veteran Federation annual conference in conjunction with The Royal British Legion as part of the British Military Committee and the UK Psychological Trauma Society.

# STRATEGIC AIM 2

## Develop a distinct brand positioning to improve engagement and sustain and grow our supporter and financial base

We have had a successful year – the investment in Fundraising and Communications has helped us to generate greater awareness of the charity and bring in new supporters as a consequence. We remain particularly grateful to our very generous and loyal existing supporter base, who have remained keen to support the charity in spite of new GDPR regulations.

Acting on recommendations from an independent review of our Fundraising and Communications activity, significant change has occurred including defining profiles of our core target audiences, increasing emphasis on digital marketing communication, and implementing new governance processes to support better alignment in planning and execution of activities. Additionally, we have created a new Marketing and Communications function to enable a more insight driven and marketing-led approach to support growth in donor numbers and income.

We also collaborated with member of Channel 4's in-house creative team 4Creative who generously produced a short film for us at no cost to us. The film 'Bring Them Home' presents how mental health problems such as PTSD can leave former servicemen and women withdrawn and isolated from family, friends and their community. The film forms the centre-piece for a multi-channel integrated marketing and fundraising campaign. This campaign

will raise awareness of Combat Stress during April and May, helping to engage and drive donor acquisition.

To help increase engagement and giving, our website has been further refined to maximise engagement and we have seen a 34% increase in visitors in the last year. We have also seen growing engagement with our social media platforms. Our Twitter followers have increased by 25% and we have seen an increase in 'likes' to our Facebook page from 67,000 to 71,000.

The milestone of our Centenary year (2019 calendar year) is also an opportunity to engage supporters and



Above: 'Bring Them Home' filming taking place  
Above right: The 4Creative team who produced 'Bring Them Home'



Above: Our Centenary Dinner at the beautiful Drapers Hall in London

Below: Our auctioneer for the Centenary Dinner, Robert Brooks



we started it all off with a very well attended and successful Centenary Dinner. We also ran a 100-day social media campaign to engage and excite supporters, veterans and the wider world in the lead up to the date of our founding (12 May). Centenary activity will continue during the rest of 2019.

In addition, thanks to funding from the National Lottery Heritage Fund (received in February 2019), we are partnering with reminiscence arts charity Age Exchange to capture the voices of military veterans with mental health problems. This living archive will be part of a multimedia exhibition that will tour the UK later this year and into 2020.

We have developed a transformative new three-year fundraising appeal. The At Ease Appeal will be launched in May 2019 by our patron, HRH The Prince of Wales. Chaired by our President, General Sir Peter Wall, an engaged, strategic Appeal Advisory Board brings together ten key influencers to advise and assist with relationship cultivation and advocacy. The aim of the Appeal is to raise £10m over the next three years to help fund our world-renowned treatment and transform how we deliver the best support to veterans.

During the year our media activity had far-reaching impact on a nationwide scale. We worked with The Sun on a campaign for World Suicide Prevention

Day to highlight how our interventions help to prevent veteran suicide. We also featured extensively in a national and regional media campaign that ran for several months, calling for coroners to record the suicides of veterans so the nation could better understand the scale of the issue.

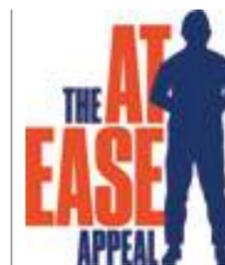
As a consequence of all these varied initiatives and activities, we have started to see an increase in terms of new supporter numbers and donations. In the final quarter of the year we saw our live donor base return to month-on-month growth for the first time in over two years. The growing engagement and usage of our website and our social media platforms has also increased online donations.

Here are some highlights from the year from our various sources of income:

### Major Gifts

Income in this area was ahead of target thanks to some significant large gifts from longstanding and new supporters. We continued to grow our successful Benefactor programme which encourages and rewards sustained, regular giving.

Two open days were held for this group of supporters at our Tyrwhitt House treatment centre and we also hosted several individual donor visits. Connecting donors directly with our clinical staff and veteran beneficiaries helped to deepen supporters' understanding of our work and resulted in renewed and larger donations.



This is the logo for our new fundraising appeal

## Corporate Partnerships

A new two-year partnership with the UK's leading resource management company Veolia began in November 2018. The company has pledged to raise £100,000 per year for us through corporate and employee fundraising.

We secured a new partnership with international defence and cybersecurity company, Raytheon. The partnership began with a £40,000 donation at Christmas on behalf of their staff to kick-start their support of us.

We have also had significant support from our commercial partner Koin through sales from their War Poppy coin collection - we have received over £60,000 from this partnership.

Working closely with several corporate supporters and charitable trusts, we have started the creation of the Centenary Garden at Tyrwhitt House. Following the donation by David and Claudia Harding in 2016, of the award-winning Chelsea Flower Show garden, 'The Winton Beauty of Mathematics Garden', companies including BAE Systems, Carey's PLC and Fidelity International have collaborated to help us create this unique space that will be used by veterans, clinicians and staff alike in our Centenary year and beyond.

Finally, we are honoured to be selected as the chosen charity for the 2019 Army versus Navy rugby match at Twickenham.

## Trusts and Foundations

We are tremendously grateful to the support of over 300 charitable trusts and

foundations who have given what they can so that we can deliver our vital services.

Trust and foundation assistance means that in addition to our residential services, our community nurses and occupational therapists can reach and help veterans in communities up and down the country, from the farthest reaches of Scotland down to Penzance and across to Northern Ireland.

We are particularly grateful when Trusts and Foundations can commit to future years funding as we can plan with confidence to be there for the veterans we know will seek our help. This year we would particularly like to thank the Oak Foundation for their continued support for our core work with a grant of £333,333.

We also also received £500,000 from the LIBOR Fund to support veterans in the North of England through integrated community, outpatient and inpatient mental health services.

The following veteran charities and funds have provided vital support this year:

- **ABF The Soldier's Charity:** a grant of £350,000 towards the whole range of services provided to army veterans.
- **Armed Forces Covenant Fund:** a grant of £149,800 towards community mental health services in Northern Ireland.
- **RAF Benevolent Fund:** a grant of £216,000 to support the assessment and treatment of RAF veterans during the year. We are extremely grateful for an additional £250,000 grant towards our transformation plans to become a more flexible, integrated and sustainable organisation.
- **The Royal British Legion:** a grant of £1.5m was provided to deliver key services – community occupational therapy, peer support services, substance misuse services and residential intensive treatment programmes.
- **Royal Navy and Royal Marines Charity:** a grant of £90,000 helped us to support former servicemen and women from the Royal Marines and Royal Navy. This included a generous increase in the Charity's commitment to Combat Stress to support our transformation plans.

All partner grants were for the financial year apart from the grant from The Royal British Legion which was for a six-month period (November 18 – April 19).



Left: 'Men of Oar' taking on the Talisker Atlantic Challenge for Combat Stress

Above: Two of our amazing fundraisers - 80 year old Alisa and her granddaughter Gemma who undertook a skydive to raise money for us

## Volunteer and Community

The Volunteer, Regional and Community team has had a successful year.

Our amazing supporters have taken on many different challenges such as two intrepid teams and a solo rower who took part in the Talisker Atlantic Challenge and rowed across the Atlantic Ocean over Christmas. There were also the D-Day participants who ran 44 miles on the Normandy beaches on the 6 June. We had hundreds of other wonderful challenge fundraisers who together raised £439,014.

Our supporters didn't only take on challenge events. Churches across the UK raised almost £70,000 through Remembrance collections and screenings of the film Journey's End. Supporters also put on a number of fundraising events for which we were the beneficiaries such as the All Morgans Day at Blenheim Palace that raised over £16,000.

We have used the experience of our Scottish Committee and Southern Regional Committee to begin to expand our regional fundraising. We have now appointed our first county representatives (voluntary roles) in Devon, Essex and Hampshire. We look forward to welcoming more volunteers to the team in the coming year to enable us to expand our fundraising and awareness across the country.

## Legacies

Legacy income has played a pivotal role in this financial year, coming in at £4.2m plus we were gifted a living legacy of a flat valued at £1.2m. The value of legacies to the Charity cannot be underestimated and we have continued to develop and invest in this area of fundraising. We held an open day at our Tyrwhitt House Treatment Centre as well as several 'Coffee, Cake and Combat Stress' regional events to give interested parties the chance to meet the charity in an informal way.

## Individual Giving

We have refined our donor acquisition activity and introduced to our annual plans a fourth appeal to donors who are warm to us. Our main appeals have all hit or beaten targets this year, raising £270,761. We have also been looking at the composition of the appeals, testing different formats and enclosures to increase return on investment and supporter engagement.

We have carefully tested digital communications with targeted advertising on Facebook and Google, and used the findings to inform the multi-channel marketing campaign 'Bring Them Home' in April and May 2019.



Above: Some of the guests who attended our open day at our Tyrwhitt House Treatment Centre

For each £1 spent:

- 81p** supports veteran treatment
- 16p** is invested in fundraising
- 3p** raises awareness



**£1 = £5.67**

For every £1 we spend on fundraising\*, we raise £5.67

\*This excludes investment income and costs.

In line with reporting requirements, these costs include an allocation of support costs, which are described in detail in Note 6 on Page 47.

# STRATEGIC AIM 3

## Build a healthy, effective organisation – a place where people want to work

To ensure the Charity functions effectively and operates safely, we have completed an in-depth review of attitudes and behaviours and started a programme of work to strengthen ways of working across all areas. This has included:

### Roll Out of Values and Behaviour Framework

Following the launch of a new set of shared values, the whole organisation has been engaged in bringing our values to life. We created visual cues across the organisation's centres to promote the values and behaviours we want to see and celebrate.

Throughout February and March we held 'Values Roadshows' at eight of our locations across the UK and focused on ensuring that everyone:

- knows what our values are and why they are important to Combat Stress
- knows what sort of behaviours underpin the values
- can offer their own perspective as to where they feel Combat Stress is on the journey to embed our values and behaviours

### Our values poster - one of the visual clues utilised across the organisation



Above: Ashleigh Boakes, HR Coordinator, using the holiday booking function of ECHO, our new HR system

### Launch of our Intranet

In September we launched our new Intranet to help improve communication between all employees across the UK. News, updates and staff contacts as well as quick links to key essential tools such as policies are all available. Each area of the organisation has a dedicated section and Intranet Champions have been recruited to help upload information.

Alongside this communication tool, we have developed and refined Viewpoint – our employee forum – through the establishment of better communication channels.

To help further improve communication within the organisation, we have introduced regular communications from the Executive Management Team to all employees, using the Intranet as the distribution channel.

### Staff Conference

We held a two-day conference in November for 150 staff. The event was an opportunity to network and also for our talented staff to showcase their day-to-day work. A strong sense of pride, ingenuity and deep understanding of veterans was palpable. For those not able to attend due to veteran care commitments, summaries of the event

were available on the Intranet. We plan to hold a similar event in the autumn for all staff.

All of these initiatives have combined to improve communication within the organisation, helping us to function more effectively.

### Launch of ECHO, our new HR system

This self-service tool for employees also provides essential monitoring information for managers. We now have much clearer information relating to sickness, absence, holidays, vacancies and recruitment. Having this information all in one place has enabled us to improve governance of our people information and ensure our employees get the training and support they need.

### Governance

Our policy structure has been updated. All policies are now available on the Intranet. We have developed a clearer approval process for policies and we can communicate with staff easily and quickly on a variety of policy, procedure and guidance communications, from launching a new policy and alerting staff to changes to an existing policy,

to sharing key information about the 'policy of the month' and key news for this area. All staff are encouraged to engage in policy development and review through the dedicated space on our Intranet.

Our clinical governance processes remain at the forefront of our treatment practices – for example creating a continuous learning loop from any complaints we receive.

### Executive Structure

In January 2019, our Executive Management Team was adjusted to improve focus and clarify responsibilities and accountabilities. This will help to better drive forward the development of a sustainable service model that both meets the growing and increasingly diverse needs of veterans and builds increasing awareness of and support for the charity.

Research, clinical strategy, and clinical governance now report into our Medical Director and a new role of Director of Marketing and Communications responsible for both growing the Charity's profile and individual giving donor base, has been created. Our HR function has been re-organised and strengthened with the reintroduction of regional HR business partners.

# FUTURE PLANS

During the next financial year, we will continue to support veterans and their families with information about mental health and how we can help. Our growing network of veteran peer support volunteers will continue to help more veterans access help in their local community and support them into a pathway to help change their lives for the better. Our support to partners of veterans will continue as we pilot our 'Together' webinar programme.

We will complete a service redesign, reviewing all elements of our treatment programmes and support with the aim of providing a more targeted, accessible and veteran friendly programme closer to home with clear measurable outcomes. We will begin co-producing our services with current and potential service users to improve what we offer. We will continue to adapt our residential treatment programmes to be accessed on an outpatient basis and this year plan to introduce video call therapy as a pilot service.

We will also be investing in a phased awareness and fundraising campaign to capitalise on the impactful 'Bring Them Home' film, increasing our social and digital media marketing activity, and using a digital format of our magazine to reach new supporter audiences.

We will continue to improve our data management to create better insight and performance measurement information to help us maximise awareness and income generation opportunities. Planning work will begin on a series of

significant brand awareness campaigns for the next two to three years. This year we will launch a new fundraising appeal, The At Ease Appeal. Throughout this Centenary year, veterans, their families and our employees will be sharing their stories through our partnership with reminiscence charity Age Exchange to increase awareness of the benefits of accessing treatment.

Investment in our information technology will also take place to take advantage of the benefits improved technology can bring. This will help us to support new services such as video call therapy.

We will complete the first phase of embedding an organisational-wide values and behaviours programme to support how we work. We will also review all our people policies, overhaul our recruitment offer and introduce a new performance management system. We will also increase employee participation in our service redesign activity. Finally, we will review and maximise use of our intranet to continue to improve internal communications.

Working closely with our Board of Trustees, our Executive Management Team strive to maintain high standards in compliance and practice to ensure that codes of conduct, safeguarding and safe practice standards are maintained across all aspects of the Charity.

# AERAN'S STORY



Before treatment, I had no drive, no purpose and no happiness.

“Combat Stress completely turned my life around. I’ve gone from a place of having no hope to having fire in my belly again.”

Aeran joined the Army aged 17. It was after his second tour to Iraq that his nightmares and flashbacks began. Treatment from us nine years after leaving the Army changed his life for the better. Aeran is now a peer support volunteer and also took part in the 'Bring Them Home' film.



# BOARD OF TRUSTEES

There are 14 members of the Combat Stress Board of Trustees. Here they explain what our Centenary means to them.



**Andrew Graham, Chairman**

"I have mixed feelings at the Centenary. On the one hand, the cause which the founders set themselves to address is better understood than ever and treatment is more advanced and effective; on the other hand, the Charity still needs to exist which means that a pressing need remains for what Combat Stress is doing."



**Sally Goldthorpe, Vice Chairman**

"The founders of this charity were extraordinary, and we are now custodians of a very important organisation with a proud history. That said, it is all about focusing on the present and the future to ensure that we are equipped to make an important contribution to the health and wellbeing of veterans and their families."



**Mickey Morrissey, Honorary Treasurer**

"After the 'war to end all wars' who would have thought a hundred years later that veterans would still be needing the help of services provided by Combat Stress? As we enter our second century of helping veterans, this demand looks to be increasing and more complex than ever, which is why we need to ensure Combat Stress has the funds to cope with it."



**Peter Allen**

"A hundred years on our founders would be very moved, as I am, that we have this wonderful charity, Combat Stress, continuing to play a significant role now and into the future, helping veterans and their families overcome the ravages of mental illness brought about through their sacrifice and service for our country. Thank you to all our supporters."



**Mark Izatt**

"One hundred years on, our work is just as essential. We've led the way in supporting those who have defended our freedoms and we will not be found lacking in the next hundred years either!"



**Calvin Man**

"For 100 years Combat Stress has helped veterans overcome psychological injuries resulting from their service and to go on to lead fulfilling lives. I am privileged to be a Trustee and to support Combat Stress at a time when demand for our services remains high and veterans from more recent conflicts are seeking our help."



**Calum McArthur**

"The approach to treatment has changed over time but the trauma-related mental health problems faced by former servicemen and women remain the same as they were in 1919 and the demand on Combat Stress remains high. Having served in the Royal Navy for over three decades, I am delighted to be able to help support the Charity's vital work for the veteran community."



**Giles Peel**

"This Centenary represents a continuous period of need for generations of service personnel. Our work remains as vital as ever and I am very proud of the services that Combat Stress provides."



**Simon Wessely**

"No one can doubt that attitudes to mental health have changed dramatically in recent years. The good news is that this means that those who have developed mental health issues as a result of military service are more willing to talk about it, and less reluctant to seek help than before. And that's why Combat Stress is more necessary than ever before."



**Christian Melville**

"One hundred years. It's a significant landmark for us, but only a point in time. The vital need for Combat Stress and the unique support we offer our veterans and their families remains."



**Jan Sobieraj**

"Combat Stress was born at a certain time due to the unmet needs of our veterans and despite greater technology and all the amazing advancements in the world the sad reality is that this wonderful Charity is as important today as it was 100 years ago."



**Graham Williams**

"I am impressed that an organisation celebrating its Centenary can be at the forefront of developments in its field."



**Mary Molesworth-St Aubyn**

"I am proud to be a trustee of a charity that has reached the landmark of 100 years of helping veterans to recover from trauma. I have huge admiration for the dedicated staff who have made this possible and the generous donors who have supported us."



**Suzy Walton**

"That our charity has been in existence for so long emphasises that the need for our services still exists today. In fact, what we offer has become even more important as the nature of combat trauma has become more widely understood. We will continue to do the very best we can to help our veterans recover from psychological wounds."

One of our trustees, Tim Evans, sadly passed away at the end of 2018. Tim was an extremely valued and inspiring member of the Board of Trustees.

# 100 YEARS

## Combat Stress – the past, the present and the future

2019 is our Centenary year. In the 100 years since the charity was founded, treatment for PTSD has changed enormously. However the mental health problems that former servicemen and women can face are as prevalent as ever.

Shortly after the end of the First World War, our founders saw how servicemen returning with shell shock received little to no sympathy from the public, with many either locked away in mental war hospitals or suffering in silence at home.

But our founders believed that with the right support, veterans could be helped to lead fulfilling lives despite their mental health problems. On 12 May 1919, Combat Stress was founded. Taking a stand against the contempt and misunderstanding around mental health at the time, our founders began fundraising to introduce recuperative

homes for veterans where they could take part in occupational activities to help them rebuild their lives.

Over time we have developed our services, evolving to meet the changing needs of veterans. While a lot has changed over the last century, one thing remains the same – how vital our support is to the veteran community.

Today, for those former servicemen and women who develop trauma-related mental health problems, without the right help their lives can become desperate. Anxiety, anger, depression, isolation and, in some cases, suicide – all can tear families apart, destroy relationships and devastate lives.

We know invisible illnesses can be just as hard to cope with as physical ones. That's why we remain committed to helping every former serviceman and woman tackle the past and take on the future.

Our mission is to continue providing crucial support and treatment to veterans and their families. We continue to be an important part of a growing and evolving provision of veterans' mental health.

As one of our occupational therapists said recently, "Combat Stress speaks veteran".



Above: Veterans receiving our treatment, past and present

# FINANCIAL REVIEW

# FINANCIAL REVIEW

Over the last three years, the charity has focused on a recovery plan to bring finances back into balance, whilst not affecting the standard of care that we provide. The effects of this can be seen this year as results show a surplus of £1.5m (2017/18 surplus £0.3m) on operating activities. This has allowed us to put some money back into reserves, as these had reduced below target levels over the previous years, and to continue to invest for the future.

Income has remained relatively flat, but there is a significant change in income source behind this. Statutory

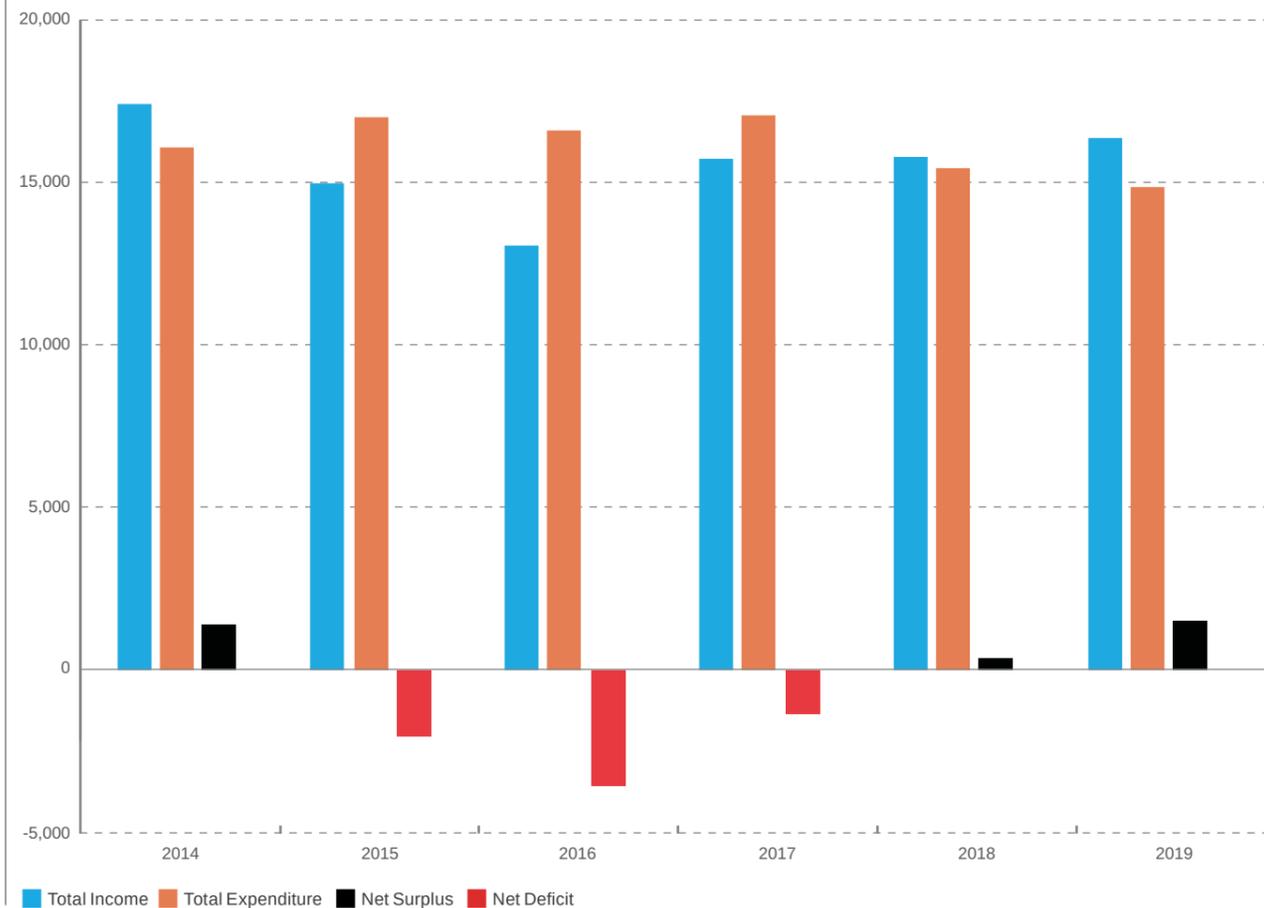
income has reduced significantly, and so the voluntary income that we receive from our many supporters has had to increase to cover that change in funding. The investments that we have made in fundraising and brand awareness over recent years have enabled this growth, and we continue to invest in these areas.

Over many years we have received 40% of our income from statutory sources but this has now reduced to 10%. As our income for this financial year was heavily reliant on two one-off gifts, we are aware we can't be reliant on this level of income in the future.

Our contract with NHS England ended in June 2018, as they moved away from funding our residential model. We maintain a small role in their new community-based model. The strong relationship with NHS Scotland continues, and our contract with them has been extended until March 2021.

Our work would not be possible without the generous help of individuals, companies, trusts and statutory bodies. We are immensely grateful for their continued help and support.

## Net income / (expenditure) before transfers and investment gains and losses (£'000)



# £16.4M

Income increased by £600k

### Incoming resources

Our total incoming resources for the year were £16.4m (2017/18: £15.8m).

Income from our strategic partners was down this year compared to 2017/18. The relationships with these partners remain close and collaborative. The Royal British Legion donated £1.5m in the year (2017/18: £1m) allowing us to continue to fund services such as peer support and community based occupational therapists.

# £0.5M

Expenditure was reduced by £500k

Statutory income was lower due to a large £2.07m grant for core services from HM Treasury received in the previous year. In 2018/19 we benefited from a £500k grant funded by the Chancellor of the Exchequer using LIBOR funds for work in the North of England.

Legacies remain an important income stream at £4.2m (2017/18: £2.0m) and we are rolling out a legacy marketing programme. In 2019/20, we will continue to work hard to build stronger and longer-term relationships with all of our partners and supporters.

# 84%

The percentage of expenditure on charitable activities

Income from charitable activities was £2.4m (2017/18: £4.8m). Contractual income from NHS England was £552k (2017/18: £3.3m) and £1.4m from NHS Scotland (2017/18: £1.2m). Leeds and York Partnership NHS Foundation Trust also funded £117k of contract work in the Yorkshire region (2017/18: nil).

Investment income of £251k was slightly increased from last year (2017/18: £238k).

### Resources expended

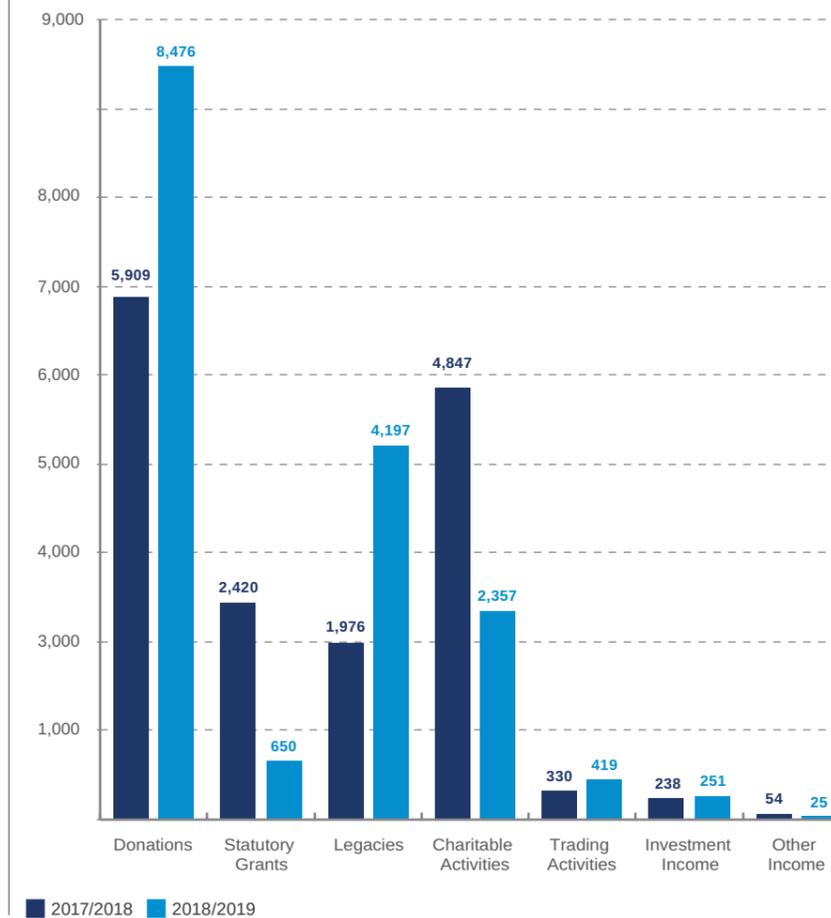
Total resources expended for 2018/19 were £14.9m (2017/18: £15.4m) with 84% being spent on charitable activities (2017/18: 86%).

The reduction in expenditure of £0.5m was spread across all areas of the charity. During 2018/19, we continued our programme to review our activities and spending in order to balance our books.

In 2018/19, our spending on charitable activities was £12.4m (2017/2018: £13.3m). This reduction was a direct effect of the pressure on charitable income forcing us to restrain our overall expenditure. Clinical Services – including our six-week PTSD Intensive Treatment Programme - continued to represent our area of biggest spend (61% of charitable activity).

Staff costs comprise 66.4% of our total costs (2017/18: 71.3%) as shown in Note 8. It remains a challenge to recruit and retain excellent employees in a competitive market, and we are seeking to address this through our HR Strategy review.

## Group income (£'000)



## PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has overarching responsibility for managing risks faced by the Charity. Major risks have been reviewed and systems established to mitigate these risks. As well as a corporate risk register, we also maintain registers for key projects and for each department. The corporate risk register is regularly reviewed by the Risk Management Group which is made up of senior managers, and is further reviewed by the Executive Directors. The Audit and Risk Management Committee oversees risk management arrangements. All other Committees review their sections of the risk register, and the Board reviews the corporate risk register at each meeting.

Clinical and service-related incidents are reported to the Medical Director and Director Client Services. The most significant cases are reported to the Serious Incident Review Group of senior managers and Directors, as well as to the Clinical Governance Committee, the Board of Trustees and Regulatory Bodies, if it is a reportable incident. All incidents undergo appropriate investigation.

The principle risks facing the Charity and how we manage them are as follows:

- Operational risks: that we cause harm to a veteran, member of staff or another person in the course of our work. We mitigate this risk by having effective policies and procedures and effective training in place to promote a safe environment for all. Operational risks are also significant if we are unable to recruit and retain the skilled employees we require to deliver our services. We manage this risk by paying salaries in line with the NHS and employee engagement activities. We will continue to deliver our HR strategy in 2019/20 in order to improve our employee engagement position.

- Compliance risks: including the need to safeguard the confidential medical records of veterans using our services, as well as those of our supporters. We mitigate this by having implemented thorough policies, procedures and training across the Charity as well as ensuring our IT hardware and applications are secure. The compliance risks caused by GDPR have been addressed by the GDPR Steering Group, which has members from all departments.
- Income generation: the need to grow our income by our own efforts and with the help of our partners, in order to offset the loss of contract income. We continue to invest in fundraising and brand awareness, to drive our income generation.
- Governance risks: a key risk for all charities is a lack of effective leadership, resulting in a loss of clarity over its future direction. We have mitigated this by recently reviewing our governance and leadership arrangements.

## REMUNERATION FUNDRAISING

Combat Stress employs people whose skills and competencies are in great demand throughout the healthcare and charity sectors. Our policy is to pay at the NHS salary scale rates plus 1%. The additional uplift recognises that the NHS makes a larger pension contribution for its employees. Our most recent increase was with effect from 1 October 2018.

The Remuneration and Nominations Committee determines the salary and any benefits of the Chief Executive and Executive Directors. Their salaries are set at the median for the charity sector.

Combat Stress operates a defined contribution pension scheme, to which all eligible employees are auto-enrolled. Any employee who does not qualify automatically may opt to join. The minimum employee contribution level was 5% of basic salary in 2018/19 and is currently 5% in 2019/20 in line with the auto-enrolment requirements. The employee contribution is matched by the organisation. Staff may opt to make higher contributions, which we match up to a maximum of 10%. At March 2019, 81% (March 2018: 88%) of our employees were enrolled in the pension scheme.

We only work with external agencies that meet our high standards to help deliver our work – including telemarketing agencies, creative agencies, print and fulfillment houses. We monitor closely all the organisations we use; having regular meetings, listening to live calls (if applicable), and carrying out checks. If we find cause for concern, we will investigate as a matter of urgency. We do not engage the services of professional fundraisers who take commission from donations to fundraise on our behalf.

We strive for the highest possible standards in our fundraising, are registered with the Fundraising Regulator and are committed to complying with its Fundraising Promise and the Code of Fundraising Practice. We are also a member of the Institute of Fundraising. We have complied with all the rules and regulations and to date not received any notification of breach.

In 2018/19 we received 18 complaints from over 280,000 touch points. Each complaint is investigated thoroughly in a timely and sensitive manner and acted upon as necessary. Complaints typically concern matters such as the frequency of communications, or queries around why someone is receiving communications from the charity.

We are especially careful and sensitive when engaging with vulnerable people, including the elderly and those affected by mental health issues. Our procedures and practice reflect this. Each supporter is given a genuine choice to donate and we are always respectful of the wishes of our supporters.

# PUBLIC BENEFIT, POLICIES AND GOVERNANCE

## Public benefit

The Trustees have considered the Charity Commission's guidance when reviewing our aims and objectives and planning future activities.

The public benefit of the Charity is in mitigating the effect of mental health issues of veterans across the UK. Our strategic aims and activities are designed to achieve this benefit.

Combat Stress is widely acknowledged as the specialist in the treatment of veterans suffering from service-related mental illness.

Our services are accessible to all veterans who need our help. We help UK veterans on their recovery journey so they are able to integrate more fully back into their communities.

Our campaigning and education work means we contribute to a better understanding of mental illness across the UK, and particularly in the Armed Forces. By working in partnership with the NHS, other service charities, statutory agencies and the media, we are now seeing a growing understanding of the needs of those with hidden injuries.

As a result of the above, the Trustees consider that Combat Stress clearly satisfies the public benefit test.

## Investment policy and returns

Under the Memorandum and Articles of Association, Combat Stress has the power to make any investment that the Trustees see fit.

The Board of Trustees is responsible for setting our investment policy, which it reviews on a regular basis.

We recognise that the way we invest our funds can make a positive contribution to society. Combat Stress does not invest in the shares of individual companies, but instead in a pooled fund. This is the most effective way to produce a reasonable, sustainable return, and to reduce the risk of financial loss should stock markets fall, so best protects our financial position. This meets our obligation to make the best use of our assets in the interest of veterans. It means though that we are not able to make decisions ourselves on which companies to exclude from our portfolio. However, we work with an investment manager who takes ethical investment issues seriously, including demonstrating active engagement with companies on environmental, social and governance issues and has signed up to the UK Stewardship Code.

Combat Stress holds its investments in the Cazenove Charity Multi-Asset Fund. The stated objective of the fund is, over a three-year period, to deliver a total return target of the Consumer Price Index plus 4.5%. The fund holds a range of diversified investments to reduce risk. We review the performance of our investments on a quarterly basis.

During 2018/19, the performance of markets resulted in unrealised gains of £5k (2017/18: loss of £156k). At 31 March 2019, our investments were worth £8.3m (2018: £8.1m).

Cash balances totalling £2.1m (2018: £2.1m) held by the investment manager at year end are included in these investment figures.

## Reserves policy

Trustees review our Reserves Policy annually.

Combat Stress has a long-term commitment to veterans. The Trustees believe the level of free reserves (that is those funds not tied up in fixed assets, designated and restricted funds) should represent six months' budgeted unrestricted expenditure. This protects our services from the risk of disruption due to lack of funds, whilst at the same time ensuring we do not retain income for longer than necessary.

The general reserve, excluding pension scheme reserve, at 31 March 2019 stood at £8.6m, representing 6.8 months' budgeted unrestricted expenditure (2018: £6.4m, or 4.9 months). This is in line with our policy to have the level of general reserves equal to six months' budgeted unrestricted expenditure.

Restricted and designated funds are held for specific purposes, as detailed in Note 21.

The valuation for financial reporting purposes of the Ex-Services Mental Welfare Society 1974 Pension & Life Assurance Scheme at 31 March 2019 showed a surplus on the fund of £289k (2018: surplus of £289k). The last triennial actuarial valuation was for 30 September 2017. Under the previous recovery plan, the Charity made a payment of £75k during 2018/19 whilst the report on the valuation as at 30 September 2017 was being finalised. Following a consultation with active members, the Scheme was closed to

future accrual on 31 March 2013. Details of the Scheme are disclosed in Note 17 of the accounts. The next triennial actuarial valuation will take place on 30 September 2020.

## Governance

Combat Stress is a charitable company limited by guarantee. It was incorporated on 11 May 1931 and is governed by Memorandum and Articles of Association, which were revised on 14 November 1991 and then amended by resolution on 21 September 2006, 20 September 2007 and 17 July 2008. In December 2016, we changed our legal name from Ex-Services Mental Welfare Society to Combat Stress.

The objects of the charity are 'to provide, establish and maintain recuperative homes, hospitals, sanatoria, schools of training, clubs, workshops and other centres for discharged officers, men and women members of the Navy, Army, Air Force and other allied services, with a view to aid their restoration to health of mind and body, and more particularly to assist those suffering from neurasthenia and mental diseases, and to train or employ them in industries and handicrafts either for a return to their homes and previous occupations or so as to enable them to take up a new life and occupations in the United Kingdom, and to assist and to provide for their dependants'.

The Board of Trustees is responsible for selecting and recommending suitable Trustees for election to office at the

annual general meeting. A maximum of fifteen Trustees are elected, each of whom serve for an initial period of three years. One third of the trustees normally retire from office at each Annual General Meeting. Retiring trustees are the longest serving Board members, excluding ex-officio members. A retiring trustee is eligible for re-election and may serve a maximum of two consecutive terms of three years unless there is an extenuating reason for their retention approved at the General Meeting, or they are elected to the office of Chairman, Vice Chairman or Honorary Treasurer. The Board of Trustees is empowered to appoint a trustee to fill a casual vacancy until the next Annual General Meeting. The Trustees are the Directors for the purposes of company law.

The Chairman, Chief Executive and Executive Directors induct new trustees through briefings. We also provide a copy of the Trustee handbook to all new Board members. The induction process includes a visit to a treatment centre and a trustee may also accompany a member of the Community Team to visit veterans.

The Board of Trustees meets at least four times a year and has appointed committees with responsibility for finance, income generation, audit and risk management, clinical governance, and remuneration and nominations. A further independent committee is responsible for stewardship of the closed defined benefit pension scheme. The Board delegates management of day-to-day activities to the Chief Executive and the team of Executive Directors.

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Combat Stress for the purposes of company law) are responsible for preparing the strategic report, the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- ensure that applicable UK 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for

safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

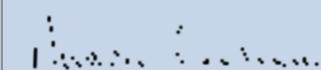
### Disclosure of Information to Auditors

In the case of each of the persons who are directors of the company at the date when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditors are unaware; and
- each of the directors has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

The Board of Trustees approved this Trustees' Annual Report and Strategic Report.



**Andrew Graham**  
Chairman

Date: 31 March 2019

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF COMBAT STRESS

### Opinion

We have audited the financial statements of Combat Stress ("the Parent Charitable Company") and its subsidiary ("the Group") for the year ended 31 March 2019 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the consolidated cash flow statement 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 Group's and of the Parent Charitable Company's affairs as at 31 March 2019 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

### 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 Group and the Parent Charitable Company in accordance with the ethical requirements 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 related 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group and the Parent Charitable Company'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.

### Other information

The other information comprises the information included in the Annual Report and financial statements, other than the financial statements and our auditor's report thereon. The other information comprises Bring Them Home, Highlights of the Year, Introduction from the Chairman and Chief Executive and A Special Thank You. The Trustees are 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.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;

- proper and adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are 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 Trustees 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 Trustees are responsible for assessing the Group's and the Parent Charitable Company'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 Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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

### Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



### Julia Poulter

(Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor, Gatwick

Date: 7<sup>th</sup> August 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2019

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Totals 2019 £'000	Totals 2018 £'000
<b>Income from:</b>					
Donations and legacies	3	9,989	3,334	13,323	10,305
Charitable activities	4	2,357	-	2,357	4,847
Trading activities		417	2	419	330
Investments		251	-	251	238
Other		25	-	25	54
<b>Total income</b>		<b>13,039</b>	<b>3,336</b>	<b>16,375</b>	<b>15,774</b>
<b>Expenditure on:</b>					
Raising funds		2,442	-	2,442	2,191
Charitable activities					
Clinical services		6,872	1,543	8,415	9,335
Community services		909	1,789	2,698	2,746
Helpline		501	42	543	273
Raising awareness and improving access		438	15	453	367
Substance misuse case management service		-	313	313	529
		<b>8,720</b>	<b>3,702</b>	<b>12,422</b>	<b>13,250</b>
<b>Total expenditure</b>	<b>5</b>	<b>11,162</b>	<b>3,702</b>	<b>14,864</b>	<b>15,441</b>
<b>Net income / (expenditure) before transfers and investment gains and losses</b>		<b>1,877</b>	<b>(366)</b>	<b>1,511</b>	<b>333</b>
Net gains/(losses) on investments		5	-	5	(156)
<b>Net income / (expenditure)</b>		<b>1,882</b>	<b>(366)</b>	<b>1,516</b>	<b>177</b>
<b>Transfers between funds</b>	<b>21</b>	<b>341</b>	<b>(341)</b>	<b>-</b>	<b>-</b>
Actuarial gains/(losses) on defined benefit pension scheme	17	(84)	-	(84)	175
<b>Net movement in funds</b>		<b>2,139</b>	<b>(707)</b>	<b>1,432</b>	<b>352</b>
<b>Reconciliation of funds:</b>					
Fund balances brought forward at 1 April		16,972	2,538	19,510	19,158
<b>Fund balances carried forward at 31 March</b>	<b>21</b>	<b>19,111</b>	<b>1,831</b>	<b>20,942</b>	<b>19,510</b>

The notes on pages 43 to 58 form part of these financial statements. All activities relate to continuing operations.

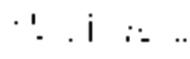
There are no gains and losses for either the current or prior years other than those recognised above. All items in the Statement of Financial Activities would appear in the Income and Expenditure Account with the exception of the realised and unrealised gain/(loss) on investments. There is no difference between the net incoming resources before other recognised gains and losses and their historical cost equivalents. The Consolidated Statement of Financial Activities funds analysis for 2018 is shown in Note 22.

## CONSOLIDATED AND CHARITY BALANCE SHEETS AT 31 MARCH 2019

	Notes	Group		Charity	
		2019 £'000	2018 £'000	2019 £'000	2018 £'000
<b>Fixed assets</b>					
Tangible assets	9	8,679	8,991	8,679	8,991
Investments	10	8,295	8,055	8,295	8,055
<b>Total fixed assets</b>		<b>16,974</b>	<b>17,046</b>	<b>16,974</b>	<b>17,046</b>
<b>Current assets</b>					
Property for resale		1,204	-	1,204	-
Stock		77	36	-	-
Debtors	11	2,317	1,725	2,459	1,828
Cash at bank and in hand		1,454	1,257	1,367	1,172
<b>Total current assets</b>		<b>5,052</b>	<b>3,018</b>	<b>5,030</b>	<b>3,000</b>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	12	(1,373)	(843)	(1,351)	(825)
<b>Net current assets</b>		<b>3,679</b>	<b>2,175</b>	<b>3,679</b>	<b>2,175</b>
<b>Net assets excluding pension asset</b>		<b>20,287</b>	19,221	<b>20,287</b>	19,221
Defined Benefit Pension Scheme asset	17	289	289	289	289
<b>Total net assets</b>	<b>19</b>	<b>20,942</b>	<b>19,510</b>	<b>20,942</b>	<b>19,510</b>
The funds of the charity:					
Unrestricted income funds					
General fund		8,598	6,449	8,598	6,449
Defined benefit pension scheme reserve		289	289	289	289
General fund, excluding pension scheme reserve		8,887	6,738	8,887	6,738
Investment revaluation reserve		845	843	845	843
Designated funds		9,379	9,391	9,379	9,391
		<b>19,111</b>	16,972	<b>19,111</b>	16,972
<b>Restricted income funds</b>		<b>1,831</b>	2,538	<b>1,831</b>	2,538
<b>Total charity funds</b>	<b>21</b>	<b>20,942</b>	<b>19,510</b>	<b>20,942</b>	<b>19,510</b>

The notes on pages 43 to 58 form part of these financial statements. During the year ended 31 March 2019, Combat Stress, the parent charity results showed a surplus of £1,432k (2018: surplus of £352k).

The Financial Statements were approved by the Board of Trustees and signed on its behalf by:

**Andrew Graham** Chairman  
**Mickey Morrissey** Honorary Treasurer

Date:  Date: 

Company Limited by Guarantee Registered in England and Wales No 00256353  
Charity Registration No England and Wales 206002, Charity Registration No Scotland SC038828

## CONSOLIDATED STATEMENT OF CASH FLOWS AND CHARITY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

	Group		Charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Cash flows from operating activities:				
Net cash provided by (used in) operating activities	394	130	392	94
Cash flows from investing activities:				
Dividends, interest and rents from investments	251	238	251	238
Proceeds from sale of property, plant and equipment	-	1	-	1
Purchase of property, plant and equipment	(213)	(149)	(213)	(149)
Proceeds from sale of investments	14	18	14	18
Purchase of investments	(242)	(281)	(242)	(281)
Net cash provided by (used in) investing activities	(190)	(173)	(190)	(173)
Change in cash and cash equivalents in the reporting period	204	(43)	202	(79)
Cash and cash equivalents at the beginning of the reporting period	3,379	3,422	3,294	3,373
Cash and cash equivalents at the end of the reporting period	<b>3,583</b>	<b>3,379</b>	<b>3,496</b>	<b>3,294</b>

### Reconciliation of net income / (expenditure) to net cash flow from operating activities

	Group		Charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Net income / (expenditure) for the reporting period (as per the Statement of Financial Activities)	1,432	352	1,432	352
Adjustments for:				
Depreciation charges	525	482	525	482
(Gains) / losses on investments	(5)	156	(5)	156
Actuarial gains / (losses) on defined benefit pension scheme	84	(175)	84	(175)
Dividends, interest and rents from investments	(251)	(238)	(251)	(238)
Loss / (profit) on the sale of fixed assets	-	(1)	-	(1)
(Increase) / decrease in current asset property for resale	(1,204)	-	(1,204)	-
(Increase) / decrease in stocks	(41)	1	-	-
(Increase) / decrease in debtors	(592)	(305)	(631)	(326)
Increase / (decrease) in creditors	530	9	526	(5)
Pension scheme costs under FRS 102 – employer contribution	(75)	(150)	(75)	(150)
Pension scheme costs under FRS102 – Interest Movements	(9)	(1)	(9)	(1)
Net cash provided by (used in) operating activities	<b>394</b>	<b>130</b>	<b>392</b>	<b>94</b>

### Analysis of cash and cash equivalents

	Group		Charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Changes in net funds during the year				
Cash at bank and in hand	1,454	1,257	1,367	1,172
Notice deposits (less than 3 months)	2,129	2,122	2,129	2,122
	<b>3,583</b>	<b>3,379</b>	<b>3,496</b>	<b>3,294</b>

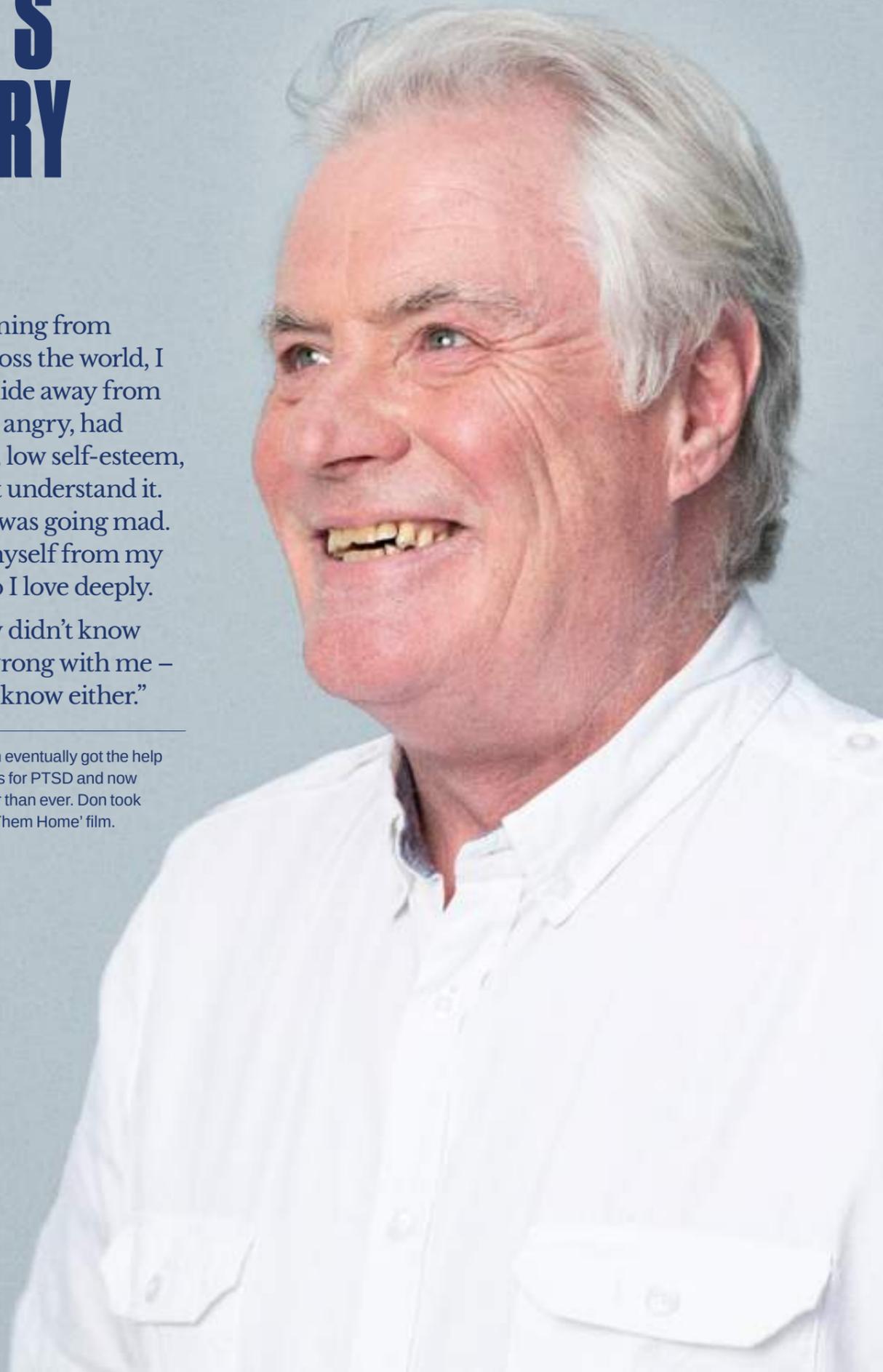
# DON'S STORY



After returning from serving across the world, I started to hide away from things, was angry, had depression, low self-esteem, and I didn't understand it. I thought I was going mad. I isolated myself from my family who I love deeply.

“My family didn't know what was wrong with me – but I didn't know either.”

Army veteran Don eventually got the help he needed from us for PTSD and now his family is closer than ever. Don took part in the 'Bring Them Home' film.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 1. Accounting policies

#### a. Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments, which are included at fair value (bid price). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), “Accounting and Reporting by Charities” applicable to charities in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2015, Companies Act 2006, Charities Act Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010, the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The Financial Statements are prepared on the going concern basis which assumes that Combat Stress will continue in operational existence for the foreseeable future. The Board of Trustees have considered the working capital and cash flow requirements and consider that the current and forecast cash resources are sufficient to cover the working capital requirements of the charity for at least 12 months.

#### b. Key judgements and estimates

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under

the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities with the next financial year are as follows:

1. Defined benefit pension assumptions – as disclosed in Note 17, the Group's principal retirement benefit scheme is a defined contribution scheme. However there is a smaller residual defined benefit scheme. Year end recognition of the liabilities under this residual scheme requires a number of significant assumptions to be made, relating to key financial market indicators such as inflation and expectations on future asset returns and mortality rates.
2. Legacy recognition – legacies are included in the accounts based on their probate value, where there is reasonable certainty that Combat Stress is entitled to the funds (see Note 3). In the case of residuary legacies, the final income received may change from this initial valuation.
3. Depreciation – judgements are made in assessing the useful economic life of categories of assets to spread their cost over the accounting periods to which their use relates. See accounting policy 1g for further details.

#### c. Basis of consolidation

The charity has one wholly owned subsidiary, Combat Stress Trading Limited, which is registered in England. Consolidated Financial Statements for the group, being Combat Stress and Combat Stress Trading Limited have been prepared on a line by line basis in the Statement of Financial Activities and Balance Sheet.

#### d. Company status

Combat Stress (formerly the Ex-Services Mental Welfare Society) is a company limited by guarantee. The directors of the company are the members of the Board of Trustees named on page 60.

In the event of Combat Stress being wound up, the liability in respect of the guarantee is limited to £1 per member.

#### e. Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of Combat Stress and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Board of Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

#### f. Incoming resources

All incoming resources are included in the Statement of Financial Activities when Combat Stress is legally entitled to the income, and the amount can be quantified with reasonable accuracy. The following specific policies apply to categories of income:

## Accounting policies (continued)

### • Donations

Donations of cash are recognised when received. Donations of property are recognised at valuation on title transfer and held as a current asset until sold.

### • Legacies

Legacies are recognised as income when notification of entitlement has been received by Combat Stress, a grant of probate has been issued, the amount of the legacy can be estimated with reasonable certainty and the likelihood of receiving the income is judged to be probable. No value is included where the legacy is subject to a life interest held by another party.

### • Donated services and facilities

Auction prizes donated for resale are included as income when they are sold. Donated assets and services are included at the value to Combat Stress where this can be quantified. No amounts are included in the financial statements for services donated by volunteers.

### • Grants received which are to be utilised over more than one year

In accordance with the Charities Statement of Recommended Practice, Combat Stress recognises grant funding in the year of receipt, as a restricted grant. Therefore, the incoming resources are not deferred but the unspent monies are carried forward as a restricted fund balance to be expended in future years.

### g. Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Expenditure is allocated as follows:

### i. Cost of generating funds

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

### ii. Clinical Services

This represents all direct expenditure incurred in the running of Treatment Centres, including related payroll, office and other costs. A proportion of central support costs is allocated on the basis set out in note 6.

### iii. Community Services

Costs represent the direct expenditure on Community Services and a proportion of central support costs allocated on the basis set out in note 6.

### iv. Helpline

This represents the direct cost of providing the 24-hour Helpline and a proportion of central support costs allocated on the basis set out in note 6.

### v. Raising awareness and improving access

This represents the direct costs of publicising and promoting our services directly to veterans, their families and medical health professionals. It includes a proportion of central support costs allocated on the basis set out in note 6.

### vi. Substance misuse case management service

This represents the direct cost of providing the substance misuse case management service and a proportion of central support costs allocated on the basis set out in note 6.

### h. Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and provision for impairment. Only items over £1,000 are capitalised. Repairs are written off as incurred. Depreciation is provided from the month following the date assets are brought into use, to write down cost to estimated residual value over the estimated useful life by equal annual instalments, as follows:

Freehold property - land and buildings	40 years
Furniture and equipment	5 years
Computer equipment	3 years
Computer software – Patient Administration System	6 years
Plant	10 years
Maintenance vehicles	3 years

### i. Investments

Investments are stated at fair value (bid price). Unrealised gains and losses arising on the revaluation of investments are, together with the realised gains and losses arising on the sale of investments, shown in the consolidated statement of financial activities as net gains/(losses) on investments.

### j. Pension costs

Pension costs and the pension provision for the defined benefit scheme are calculated on the basis of actuarial advice and are charged to the statement of financial activities on a basis to spread the costs over the employees' working lives. Pension costs for the defined contribution scheme are charged to the accounts on an accruals basis in accordance with FRS 102 and SORP 2015. A pensions reserve has been created within unrestricted funds in compliance with SORP 2015. Details of the pension schemes are disclosed in note 17 to the accounts.

### k. Leases

Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period in which the cost is incurred.

### l. Employee benefits

Expenditure is recognised for all employee benefits resulting from their service to Combat Stress during the period. A liability has been included for the cost of annual leave to which employees are entitled at the reporting date that has yet to be paid.

### m. Financial instruments

The group and parent financial instruments comprise fixed asset investments measured at fair value through profit or loss and other financial assets which comprise cash, group debtors, and other debtors and financial liabilities which comprise trade creditors, and other creditors, measured at amortised cost.

### n. Stock

Stock is valued at the lower of cost and net realisable value.

## 2. Results of the parent charity

	Unrestricted	Restricted	Total	Total
	£'000	£'000	£'000	£'000
Charity total incoming resources	12,994	3,336	16,330	15,709
Charity resources expended	(11,117)	(3,702)	(14,819)	(15,376)
Transfers between funds	341	(341)	-	-
Charity net incoming resources	2,218	(707)	1,511	333
(Loss)/gain on investment assets	5	-	5	(156)
Actuarial gain/(loss) on defined benefit scheme	(84)	-	(84)	175
Charity net movement in funds	2,139	(707)	1,432	352
Funds balance brought forward	16,972	2,538	19,510	19,158
Funds balance carried forward	19,111	1,831	20,942	19,510

The total incoming resources figure for the Charity excluding the subsidiary includes the gift aid donation from Combat Stress Trading Limited of £79,278 (2017/18: £4,507). This will result in no tax having to be paid on the net profits.

As permitted by section 408 of the Companies Act 2006 no separate Statement of Financial Activities is presented in respect of the parent company.

## 3. Voluntary income

### Group voluntary income

	Unrestricted	Restricted	Total	Total
	£'000	£'000	£'000	£'000
Donations	5,842	2,634	8,476	5,909
Statutory grants	-	650	650	2,420
Legacies	4,147	50	4,197	1,976
	9,989	3,334	13,323	10,305

The voluntary income in 2018 was £10,305K of which £4,400K was restricted.

### Charity voluntary income

	Unrestricted	Restricted	Total	Total
	£'000	£'000	£'000	£'000
Donations	5,921	2,634	8,555	5,913
Statutory grants (See below)	-	650	650	2,420
Legacies	4,147	50	4,197	1,976
	10,068	3,334	13,402	10,309

The voluntary income in 2018 was £10,309k of which £4,400k was restricted.

The charity's voluntary income includes a donation from the subsidiary trading company of £79k (2018: £5k)

Certain legacies had been notified to Combat Stress as at 31 March 2019 but have not been included in the accounts as they do not meet the criteria to enable them to be measured or the entitlement is not yet certain. None are considered to be material but their combined value is estimated to be £477k (2018: £502k).

### 3. Voluntary income (continued)

The details of government (statutory) grants received were as follows:

		Total 2019 £'000	Total 2018 £'000
Scottish Executive *	Grant from the Scottish Government to fund part of the community services in Scotland	-	200
Armed Forces Covenant Fund	Grant to fund the community team working in Northern Ireland	150	150
HM Treasury	Grant to cover costs of medical and clinical staff, assessing and treating UK military veterans in 2018 and UK military veterans in the North of England in 2019	500	2,070
		<b>650</b>	<b>2,420</b>

None of the above grants have any unfulfilled conditions or contingencies.

\* In 2019 the Scottish Executive funding was included in contract income received via NHS Scotland.

### 4. Incoming resources from charitable activities (Group and Charity)

	Unrestricted £'000	Restricted £'000	Total 2019 £'000	Total 2018 £'000
Clinical services				
Ministry of Defence – Veterans' Agency fees	-	-	-	121
Contract funding	2,143	-	2,143	4,487
Performance related grant	216	-	216	238
Other	-	-	-	1
	<b>2,357</b>	<b>-</b>	<b>2,357</b>	<b>4,847</b>

### 5. Total Group resources expended

	Activities undertaken directly £'000	Allocated support costs £'000	Total 2019 £'000	Total 2018 £'000
Cost of generating funds				
Cost of generating voluntary income	2,135	237	2,372	2,098
Cost of trading activity	53	-	53	75
Investment management fees	17	-	17	18
	<b>2,205</b>	<b>237</b>	<b>2,442</b>	<b>2,191</b>
Charitable activities				
Clinical services	7,241	1,174	8,415	9,335
Community and outreach services	2,352	346	2,698	2,746
Helpline	527	16	543	273
Awareness raising and improving access	379	74	453	367
Substance misuse case management service	276	37	313	529
	<b>10,775</b>	<b>1,647</b>	<b>12,422</b>	<b>13,250</b>
Total	<b>12,980</b>	<b>1,884</b>	<b>14,864</b>	<b>15,441</b>

### 5. Total Group resources expended (continued)

	2019 £'000	2018 £'000
Resources expended include:		
Audit fee – charity	23	23
Audit fee – trading company	2	1
Audit fee – pension scheme	6	7
Operating leases	105	131
Depreciation	525	482

### 6. Support costs

2018/19 Allocations:	Finance £'000	Management £'000	Governance £'000	Human Resources £'000	Information Technology £'000	2019 Total £'000
Activities for generating funds	64	40	23	50	60	237
Clinical services	218	217	127	271	341	1,174
Community services	71	65	38	81	91	346
Helpline	16	-	-	-	-	16
Awareness raising and improving access	11	15	9	18	21	74
Substance misuse case management service	8	6	4	8	11	37
	<b>388</b>	<b>343</b>	<b>201</b>	<b>428</b>	<b>524</b>	<b>1,884</b>
2017/18 Allocations:	Finance £'000	Management £'000	Governance £'000	Human Resources £'000	Information Technology £'000	2018 Total £'000
Activities for generating funds	44	28	13	42	62	189
Clinical services	186	211	98	313	421	1,229
Community services	56	56	25	82	109	328
Helpline	6	-	-	-	-	6
Awareness raising and improving access	7	12	5	17	22	63
Substance misuse case management service	11	8	4	13	17	53
	<b>310</b>	<b>315</b>	<b>145</b>	<b>467</b>	<b>631</b>	<b>1,868</b>

Basis of allocation

The support costs expenditure is allocated on the following basis:

Finance costs:	On the basis of the value of direct costs incurred by each activity.
Management costs:	On the basis of full time equivalent numbers of employees directly employed in each activity.
Governance:	On the basis of full time equivalent numbers of employees directly employed in each activity.
Human resources costs:	On the basis of full time equivalent numbers of employees directly employed in each activity.
Information technology:	On the basis of the number of employees directly employed in each activity.

## 7. Trustee expenses

Out-of-pocket expenses were reimbursed and paid on behalf of trustees as follows.

	2019		2018	
	Number	£'000	Number	£'000
Travel and sundry expenses	10	7	9	4

No members of the Board of Trustees received any remuneration or emoluments in respect of services during the year (2018: £Nil), nor had any beneficial interest in any contract with Combat Stress during the year.

## 8. Staff costs

Combat Stress Trading Limited, the only subsidiary in the Group, does not have any employees and does not pay directors. Consequently, all of the information in this note relates to the Group and to the charity.

	2019	2018
	£'000	£'000
Wages and salaries	8,366	9,120
Social security costs	810	908
Redundancy & termination payments (2019 release of 2018 over provision)	(33)	290
Pension costs	417	574
Other costs	309	392
	<b>9,869</b>	<b>11,284</b>

### Emoluments for employees above £60,000

	2019		2018	
	Executive	Clinical	Total	Total
Between £60,001 - £70,000	-	3	3	2
Between £70,001 - £80,000	-	-	-	1
Between £80,001 - £90,000	2	-	2	3
Between £90,001 - £100,000	-	-	-	1
Between £100,001 - £110,000	1	-	1	-
Between £110,001 - £120,000	-	1	1	1
Between £130,001 - £140,000	-	-	-	1
Between £140,001 - £150,000	1	1	2	1
	<b>4</b>	<b>5</b>	<b>9</b>	<b>10</b>

The total remuneration costs of the CEO and Executive Directors in 2018/19 was £674k (2018: £665k). This does not include the costs of Interim Executive Directors paid as consultants.

The decrease in number of employees with emoluments over £60,000 in 2018/19 is due to the retirement of a psychiatrist and the interim cover of this role by a consultant paid by invoice not on the payroll. The number of executive staff in these salary ranges is unchanged.

As a charity providing complex clinical services, we employ senior clinicians, including psychiatrists and psychologists. The highest paid Director is the Medical Director, a Consultant Psychiatrist, who leads the research and design of the treatment programmes. It is essential that we have a leading expert in the field of veterans mental health for this post.

Benefits provided to all staff include matched contributions of up to 10% into the Group Personal Pension Scheme, childcare voucher scheme, cycle to work scheme and free car parking.

## 8. Staff costs (continued)

### Pension contributions for employees above £60,000

	2019		2018	
	Number	£'000	Number	£'000
Defined contribution schemes	9	62	10	66

The number of employees including bank and casual staff, analysed by function was:

	2019		2018	
	Number	FTE*	Number	FTE*
Clinical services	163	133	197	166
Community services	44	39	49	44
Substance misuse service case management	5	4	8	7
Fundraising and communications	38	33	36	31
Management and administration	22	20	22	19
	<b>272</b>	<b>229</b>	<b>312</b>	<b>267</b>

\* FTE = Full Time Equivalent

## 9. Tangible fixed assets for use by the Group and the Charity

	Assets in the course of construction	Freehold property	IT projects in progress	Furniture and equipment	Plant	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Asset cost</b>						
At 1 April 2018	-	12,230	43	1,696	84	14,053
Additions	3	2	3	205	-	213
Disposals	-	-	-	-	-	-
Transfers	-	-	(46)	46	-	-
<b>At 31 March 2019</b>	<b>3</b>	<b>12,232</b>	<b>-</b>	<b>1,947</b>	<b>84</b>	<b>14,266</b>
<b>Accumulated depreciation</b>						
At 1 April 2018	-	3,863	-	1,169	30	5,062
Charge for period	-	305	-	211	9	525
Disposals	-	-	-	-	-	-
<b>At 31 March 2019</b>	<b>-</b>	<b>4,168</b>	<b>-</b>	<b>1,380</b>	<b>39</b>	<b>5,587</b>
<b>Net book values</b>						
At 1 April 2018	-	8,367	43	527	54	8,991
<b>At 31 March 2019</b>	<b>3</b>	<b>8,064</b>	<b>-</b>	<b>567</b>	<b>45</b>	<b>8,679</b>

The value of freehold property above includes an amount of £0.7m which is represented by a restricted fund. Details are provided in Note 14.

## 10. Investments

### Fixed asset investments

	Group and Charity	
	2019	2018
	£'000	£'000
Investments at start of the period	8,055	8,091
Less cash held by investment manager	(2,122)	(2,265)
Market value at start of the period	5,933	5,826
Additions at cost	242	281
Disposals	(14)	(18)
	6,161	6,089
Net investment gain / (loss)	4	(156)
Market value at end of period	6,165	5,933
Cash and cash products held by investment manager – at cost	2,129	2,122
Cash and cash products held by investment manager – unrealised gain	1	-
	8,295	8,055
Analysis of investments held at end of the period		
Cazenove Charity Multi Asset Fund	6,165	5,933
Historical cost of listed investments at end of period	5,320	5,090
Unrealised gains / (losses)	845	843

The cash held by the investment manager is held for cash management purposes.

## 11. Debtors

	Group		Charity	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Fees	67	304	61	304
Accrued income	2,083	1,232	2,069	1,232
Income tax recoverable	19	35	19	35
Other debtors	23	7	23	7
Intercompany debtor	-	-	162	103
Prepayments	125	147	125	147
	2,317	1,725	2,459	1,828

## 12. Creditors: amounts falling due within one year

### Deferred income reconciliation:

	Group and Charity
	2019
	£'000
Brought forward at 1 April 2018	-
Recognised during the year	-
Received in the year and deferred	350
Carried forward at 31 March 2019	350

## 12. Creditors: amounts falling due within one year (continued)

	Group		Charity	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Trade creditors	355	259	347	243
Other taxes & national insurance	231	217	231	217
Accruals & deferred income	452	96	451	95
Accrued holiday pay	203	108	203	108
VAT Payable	5	1	-	-
Pension fund	67	59	67	59
Sundry creditors	60	103	52	103
	1,373	843	1,351	825

For the deferred income reconciliation please see the bottom of the previous page.

## 13. Capital and financial commitments

	Group and Charity	
	2019	2018
	£'000	£'000
Total commitments under non-cancellable leases – total payments due over lease term:		
In less than one year	81	57
In two to five years	83	29
In later years	19	-
	183	86

The prior year figures have been restated to include multi-functional device photocopiers commitments of £17k due in less than one year and £11k due in two to five years that were missed from the schedule in error in the 2017/18 accounts.

## 14. Group and Charity contingent liabilities

In 2011/12 restricted funding of £3.5m was received from Help for Heroes for refurbishment and to extend the facilities at Tyrwhitt House as follows:

- the refurbishment and extension to the Welfare Block
- the extension to the Activities Centre
- the extension of Tyrwhitt House – the “Living Zone”
- the reorganisation of the ground floor of Tyrwhitt House including the construction of a new main entrance
- other associated work including professional fees and expenses for design and project management, infrastructure, external works, furnishings and equipment

If Combat Stress disposes of Tyrwhitt House or ceases to make use of it in accordance with its charitable objects then for a period of ten years from 31 March 2011 funding shall be repayable on reducing terms calculated as a proportion of the period yet to expire. The remaining value of the restricted fund at 31 March 2019 is £0.7m (2018: £1.05m).

## 15. Taxation

The company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

No tax charge arose in the year.

The subsidiary company makes qualifying donations of all taxable profit to the Charity. No corporation tax liability arises in the accounts.

## 16. Subsidiaries

Combat Stress owns the whole of the issued share capital of Ex-Services Mental Welfare Society (company registration number 11578139, domiciled in the United Kingdom with registered office at Tyrwhitt House, Oaklawn Road, Leatherhead, Surrey, KT22 0BX). This company was registered at Companies House on 19 September 2018, has net assets of £1 and did not trade in the period to 31 March 2019.

The charity has one wholly owned trading subsidiary, Combat Stress Trading Limited, which is registered in England and Wales (Company registration number 07839816) and has its registered office at Tyrwhitt House, Oaklawn Road, Leatherhead KT22 0BX. The company was incorporated on 9 November 2011 and started to trade on 1 April 2013. The following is a summary of the assets and liabilities at 31 March 2019.

	2019	2018
	£	£
<b>Net assets at 31 March</b>		
Current assets	183,396	120,567
Current liabilities	(183,395)	(120,566)
	<u>1</u>	<u>1</u>
<b>Share capital</b>	<u>1</u>	<u>1</u>

Combat Stress Trading Limited's issued share capital comprises one £1 ordinary share, which is held by the charity.

During the year the directors of the trading company, who were all executive directors of the charity, were Sue Freeth and Robert Marsh. The office of Company Secretary was held by Jeff Harrison.

The main source of income for the company was the sale of merchandise, such as Christmas cards, clothing and badges and promotional material bearing the Combat Stress logo. During the year an additional income strand related to Commercial Participator Agreements was developed. An agreement is in place between Combat Stress and the trading subsidiary such that the profits are gifted annually to Combat Stress under deed of covenant.

	2019	2018
	£	£
Royalty income	281	-
Sale of merchandise and event income	61,716	86,619
Commercial Participator Agreement income	79,495	-
Total turnover	141,492	86,619
Cost of sales	(49,267)	(73,085)
	<u>92,225</u>	<u>13,534</u>
Gross profit	92,225	13,534
Administrative costs	(12,947)	(9,027)
	<u>79,278</u>	<u>4,507</u>
Profit for the year	79,278	4,507
Qualifying distribution to Combat Stress	(79,278)	(4,507)
Retained profit for the year	<u>-</u>	<u>-</u>

## 17. Pension costs

	Group and Charity	
	2019	2018
	£'000	£'000
Defined benefit scheme	75	150
Defined contribution scheme	426	424
	<u>501</u>	<u>574</u>

Defined contribution scheme

The defined contribution scheme is a Group Personal Pension Scheme provided by Royal London. Employee contributions into the scheme are matched by Combat Stress up to a maximum of 10% of basic salary.

## 17. Pension costs (continued)

Ex-Services Mental Welfare Society 1974 Pension & Life Assurance Scheme

Combat Stress (the "Employer") operates a defined benefit pension arrangement called the Ex-Services Mental Welfare Society 1974 Pension and Life Assurance Scheme (the "Scheme"). The scheme was closed to new entrants on 31 August 2000 and closed to future accrual on 31 March 2013. The Scheme provides benefits based on final salary and length of service on retirement, leaving service or death.

The Employer expects to contribute nil to the Scheme during the year to 31 March 2020.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process the Employer must agree with the trustees of the Scheme the contributions to be paid to address any shortfall against the Statutory Funding Objective.

The most recent comprehensive actuarial valuation of the Scheme was carried out as at 30 September 2017. The results of that valuation were updated by an independent qualified actuary to 31 March 2019 allowing for cashflows in and out of the Scheme and changes to assumptions over the period.

### Explanation of amounts in the financial statements

The amounts recognised in the Balance Sheet at 31 March are as follows:

	2019	2018
	£'000	£'000
Present value of Scheme obligations	(11,768)	(11,951)
Fair value of Scheme assets	12,057	12,240
Net defined benefit (liability)/ surplus at 31 March	<u>289</u>	<u>289</u>

The amounts recognised in the Statement of Financial Activities (SoFA) over the year are as follows:

	2019	2018
	£'000	£'000
Current service cost	-	-
Administration costs	-	-
Interest on liabilities	307	352
Interest on assets	(316)	(353)
Past service cost	-	-
Settlement cost	-	-
	<u>(9)</u>	<u>(1)</u>

Remeasurements over the year:

	2019	2018
	£'000	£'000
Loss / (gain) on scheme assets in excess of interest	(159)	558
Experience losses / (gains) on liabilities	-	(971)
Losses / (gains) from changes to demographic assumptions	-	78
Losses / (gains) from changes to financial assumptions	243	160
Changes in effect of asset ceiling	-	-
Total remeasurements	<u>84</u>	<u>(175)</u>

## Reconciliation of assets and defined benefit obligation

Analysis of changes in the present value of the defined benefit obligations and fair value of assets

	Present value of defined benefit obligation		Value of Scheme assets		Net (asset) / liability recognised in the Balance Sheet	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Scheme liabilities at the start of the year	11,951	12,797	12,240	12,760	(289)	37
Current service cost	-	-	-	-	-	-
Interest cost	307	352	-	-	307	352
Interest on scheme assets	-	-	316	353	(316)	(353)
Employer contributions	-	-	75	150	(75)	(150)
Members contributions	-	-	-	-	-	-
Benefits received / (paid)	(733)	(465)	(733)	(465)	-	-
Experience (gain)/loss on defined benefit obligations	-	(971)	-	-	-	(971)
Changes to demographic assumptions	-	78	-	-	-	78
Changes to financial assumptions	243	160	-	-	243	160
Return on plan assets less interest	-	-	159	(558)	(159)	558
Scheme (surplus) liabilities at the end of the year	11,768	11,951	12,057	12,240	(289)	(289)

## Assets

The major categories of assets as a percentage of total assets are:

Asset category	2019	2018
UK equities	7%	8%
Overseas equities	13%	15%
Bonds	13%	11%
Annuities	55%	56%
Property	7%	6%
Other assets	4%	2%
Cash	1%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The actual return on the Scheme's assets over the period to the Review Date was £475k.

The Scheme has no investments in the Charity or the Group or in property occupied by the Charity or the Group.

## Actuarial assumptions

The principal assumptions used to calculate the Scheme's liabilities include:

	2019	2018
Discount rate	2.55% p.a.	2.65% p.a.
Retail Prices Index (RPI) inflation	3.60% p.a.	3.50% p.a.
Consumer Prices Index (CPI) inflation	2.60% p.a.	2.50% p.a.
Pensionable salary increases	3.60% p.a.	3.50% p.a.
Increases to pension payment at 5% or RPI if less, subject to a minimum of 3% pa	3.80% p.a.	3.80% p.a.
Mortality base table	90% S2PXA	90% S2PXA
Mortality projections	CMI 2017 with a long term rate of 1.5% for both males and females	CMI 2017 with a long term rate of 1.5% for both males and females
Tax free cash	Members will commute 20% of their pension for a cash lump sum on retirement	Members will commute 20% of their pension for a cash lump sum on retirement

## 18. Related party transactions

Combat Stress Trading Limited

- During the year Combat Stress purchased merchandise from Combat Stress Trading Ltd for £7,477 (2017/18 £10,343), which it used for fundraising activities.
- All profits of Combat Stress Trading Limited are donated to its ultimate parent undertaking, Combat Stress. For the year ended 31 March 2019 this was £79,278 (31 March 2018 £4,507).
- There are no employees within Combat Stress Trading Limited. Work undertaken by the ultimate parent undertaking, Combat Stress, on behalf of Combat Stress Trading Limited has been charged as a management fee. For the year ended 31 March 2019 this was £8,856 (31 March 2018 £6,782).
- At 31 March 2019 Combat Stress Trading Limited owed Combat Stress £161,946 (2018 102,835).
- All of these items have been eliminated on consolidation into these group accounts.

## 19. Analysis of net assets between funds

### Group

Fund balances at 31 March 2019 are represented by:

	Restricted funds	Designated funds	Investment revaluation reserve	General funds	Total
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	700	7,979	-	-	8,679
Investments	700	1,400	845	5,350	8,295
Current assets	431	-	-	4,621	5,052
Current liabilities	-	-	-	(1,373)	(1,373)
Defined benefit pension scheme surplus	-	-	-	289	289
	<b>1,831</b>	<b>9,379</b>	<b>845</b>	<b>8,887</b>	<b>20,942</b>

Fund balances at 31 March 2018 were represented by:

	Restricted funds	Designated funds	Investment revaluation reserve	General funds	Total
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	1,050	7,941	-	-	8,991
Investments	900	1,450	843	4,862	8,055
Current assets	588	-	-	2,430	3,018
Current liabilities	-	-	-	(843)	(843)
Defined benefit pension scheme surplus	-	-	-	289	289
	<b>2,538</b>	<b>9,391</b>	<b>843</b>	<b>6,738</b>	<b>19,510</b>

Analysis of net assets between funds is materially the same for the parent charity as the group figures shown above.

## 20. Disclosure of funding

In addition to those funders mentioned elsewhere in this report, funding is acknowledged under the terms and conditions of the following grants and donations:

Funder	Purpose	Funding Received £'000
Royal Air Force Benevolent Fund	Community services and residential treatment for ex-RAF personnel	466
Royal Navy and Royal Marines Charity	Royal Navy and Royal Marine veterans	90
Tudor Investments	Anger management residential treatment	25
Irish Ex-Service Trust	Northern Ireland Community Team	75
Oak Foundation	Unrestricted	333
Funded by the Chancellor of the Exchequer using LIBOR funds	Veterans services in North of England	500
Veteran's Foundation	Support for the Helpline	5

## 21. Statement of changes in reserves

Statement of changes in reserves 2018/19	At 1 April 2018 £'000	Income £'000	Expenditure £'000	Gains/ (Losses) £'000	Transfers £'000	At 31 March 2019 £'000
<b>General reserves</b>	<b>6,449</b>	13,039	(11,246)		356	<b>8,598</b>
<b>Investment revaluation reserve</b>	<b>843</b>			5	(3)	<b>845</b>
<b>Defined benefit pension scheme asset / (liability)</b>	<b>289</b>		84	(84)		<b>289</b>
<b>Designated funds</b>						
Fixed asset fund	7,941				38	7,979
Tyrwhitt House project	500					500
IT development fund	200					200
Property maintenance fund	250				50	300
Strategy Implementation fund	500				(100)	400
<b>Total unrestricted funds</b>	<b>16,972</b>	13,039	(11,162)	(79)	341	<b>19,111</b>
<b>Restricted funds</b>						
Community Services	68	836	(793)			111
Community Occupational Therapists	355	295	(649)			1
Peer Support	371	187	(346)			212
Helpline	-	42	(42)			-
Clinical services	-	1,618	(1,467)		9	160
Medical Research	227	76	(75)			228
Substance misuse case management service	445	268	(313)			400
Peterborough Veterans	2	-	(1)			1
Veterans Hardship Fund	9	-	(1)			8
Property – Tyrwhitt House	1,050	-	-		(350)	700
Head Office	11	14	(15)			10
<b>Total restricted funds</b>	<b>2,538</b>	3,336	(3,702)	-	(341)	<b>1,831</b>
<b>Total funds</b>	<b>19,510</b>	<b>16,375</b>	<b>(14,864)</b>	<b>(79)</b>	<b>-</b>	<b>20,942</b>

### Statement of changes in reserves:

- General (Free) Reserves: these are funds which are available for general use and are not designated or restricted to particular purposes.
- Investment Revaluation Reserve: this represents the excess of the market value of investments over their historical cost at the balance sheet date.
- Defined Benefits Pension Scheme asset: this represents the actuarial deficit calculated under the requirements of FRS 102. At 31 March 2019 the valuation of the pension scheme showed a surplus of £289k (2018: surplus of £289k).

Other than general and revaluation reserves the only funds that moved by a material amount in the previous financial year, 2017/18, were:

- As described in Note 14, in 2011/12 restricted funding of £3.5m was received from Help for Heroes for refurbishment and to extend the facilities at Tyrwhitt House. This restricted funding is being reduced by £350k each year for 10 years, in line with the grant conditions. During 2017/18 the restricted fund reduced from £1.4m to £1.05m.
- The defined benefit pension scheme moved to no longer being in deficit due to contributions from Combat Stress and the revaluation by actuaries at 30 September 2017.
- The Clinical Services fund represented money received in March 2017 and fully utilised in 2017/18.
- The substance misuse fund included a multi-year grant (see accounting policy 1f) from which £529k was used in 2017/18 prior to new funding in 2018/19.

### Designated funds:

Total net transfers of £12k during the year from designated funds to general reserves (2017/18: £17k to designated funds from general reserves) as detailed below:

- Fixed Asset Fund: this represents the net book value of fixed assets, less amounts represented by restricted funds, and reflects the fact that the reserve value is tied up in property and assets and

therefore the funds cannot be spent on operational activity.

- Tyrwhitt House Project Fund: these are designated funds which have been set aside for expected capital work.
- IT Development Fund: this enables Combat Stress to undertake planned development of the Information Technology infrastructure and database software.
- The Property Maintenance Fund: this is to ensure that sufficient funds are set aside for any unforeseen major property issues and to provide a sinking fund for regular, but costly maintenance, such as internal and external redecoration. It is expected that redecoration and refurbishment costs may result in these funds being required within the next few years.
- The Strategy Implementation Fund: this represents estimated one-off costs relating to our corporate strategy. These costs will be incurred in 2019/20.

### Restricted funds:

- Community Services: These funds represent donations or grants which have been received for regional Community Services.
- Community Occupational Therapists: In addition to £1.5m, which has been donated by The Royal British Legion over three years commencing in 2015/16 to pay Occupational Therapists based in The Royal British Legion Pop-In Centres in England and Wales, a further £295k was given in December 2018. These funds have been substantially spent by 31 March 2019.
- Helpline: This represents grant funding for running the Helpline.
- Clinical Services: This funding allows us to provide ongoing services at our residential centres. This figure includes a grant of £0.5m from HM Treasury for spending in the North of England.
- Medical Research: Funding of £76k from the Forces in Mind Trust was received to allow us to continue our research into

which treatments provide the best outcomes for veterans.

- Substance Misuse Case Management Service: This funding has been provided by the Ministry of Defence Armed Forces Covenant Team from the fund set up from collection of penalties incurred by banks for LIBOR fixing. The funding of £2m is to run a UK wide multi-year project providing a case management service for those veterans with substance misuse disorders who may also have underlying mental health issues. Additionally, in the year we received £268k from The Royal British Legion to continue supporting this service.
- Peterborough Veterans: This is the balance of funding received from a local supporters' group to help provide additional help to veterans living in the Peterborough area.
- Veterans' Hardship Fund: This Fund is to help pay for veterans' travel if they are unable to attend treatment due to financial hardship.
- Property – Tyrwhitt House: £350k of this restricted funding is detailed in Note 14. The transfer of £350k from the restricted fund to general reserves reflects the release of the restriction for 2018/19.
- The Head Office Fund of £10k carried forward at 31 March 2019 relates to a grant from the National Lottery Heritage Fund for use in establishing an organisational archive to mark our 100th year. We will use this information to raise awareness of the charity and the work it does to support veterans.

## 22. Consolidated Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 31 March 2018 – comparative figures

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Totals 2018 £'000
<b>Income from:</b>				
Donations and legacies	3	5,905	4,400	10,305
Charitable activities	4	4,847	-	4,847
Trading activities		330	-	330
Investments		238	-	238
Other		51	3	54
<b>Total income</b>		<b>11,371</b>	<b>4,403</b>	<b>15,774</b>
<b>Expenditure on:</b>				
Raising funds		2,191	-	2,191
Charitable activities				
Clinical services		6,499	2,836	9,335
Community services		1,089	1,657	2,746
Helpline		231	42	273
Raising awareness and improving access		358	9	367
Substance misuse case management service		-	529	529
		8,177	5,073	13,250
<b>Total expenditure</b>	5	<b>10,368</b>	<b>5,073</b>	<b>15,441</b>
Net income / (expenditure) before transfers and investment losses		1,003	(670)	333
Net gains/(losses) on investments		(156)	-	(156)
<b>Net income / (expenditure)</b>		<b>847</b>	<b>(670)</b>	<b>177</b>
<b>Transfers between funds</b>				
Other recognised gains / (losses):	21	350	(350)	-
Actuarial gains/(losses) on defined benefit pension scheme	17	175	-	175
<b>Net movement in funds</b>		<b>1,372</b>	<b>(1,020)</b>	<b>352</b>
<b>Reconciliation of funds:</b>				
Fund balances brought forward at 1 April		15,600	3,558	19,158
<b>Fund balances carried forward at 31 March</b>	21	<b>16,972</b>	<b>2,538</b>	<b>19,510</b>

## HERBIE'S STORY



After leaving the Army, I felt very different. My wife said if I didn't get help she'd leave me and I began to realise that I needed to do something."

Herbie joined the Army in 1977, serving for seven years. Treatment from Combat Stress has helped him to get his life and family back. Herbie took part in the 'Bring Them Home' film.



# LEGAL AND ADMINISTRATIVE INFORMATION

Combat Stress was founded on 12 May 1919, incorporated on 11 May 1931, registered with the Charity Commission on 22 September 1962, and registered with the Office of the Scottish Regulator on 19 October 2007. We are also registered with the Care Quality Commission and Care Inspectorate.

## Patron

HRH The Prince of Wales KG KT GCB OM AK QSO PC ADC

## President

General Sir Peter Wall GCB CBE DL

## Vice Presidents

Dennis Bailey MCSI  
 Air Vice-Marshal Nigel Baldwin CB CBE  
 Robert Bieber MBE MA  
 Lieutenant General Sir Roderick Cordy-Simpson KBE CB DL  
 Major General Peter Currie CB CBE  
 Vice Admiral Sir Geoffrey Dalton KCB  
 Commodore Toby Elliott OBE DL RN  
 Brigadier Charles S Grant OBE  
 General Sir Charles Huxtable KCB CBE DL (deceased 26.11.2018)  
 Sir Bernard Jenkin MP  
 Lieutenant General Sir John Kiszely KCB MC DL  
 Dr Lord Moonie  
 Surgeon Captain Morgan O'Connell RN  
 Richard Nunneley  
 Dr Chai Patel CBE FRCP  
 Sir Malcolm Rifkind KCMG QC  
 Derek Twigg MP  
 Major General Sir Evelyn Webb-Carter KCVO OBE DL  
 General Sir Roger Wheeler GCB CBE  
 Air Marshal Sir Robert Wright KBE AFC FRAeS

## Board Of Trustees

Our governing document permits a maximum of 15 trustees, all of whom must be Members of the Charity. At present, we have 14 Trustees on the Board. Under company law, the Trustees are also the directors of the Charity.

### Chairman of the Board of Trustees

Lieutenant General Andrew Graham CB CBE

### Vice Chair (from 06.09.2018)

Sally Goldthorpe

### Vice Chair (to 06.09.2018)

Jenny M Green OBE MA

### Honorary Treasurer

Major Mickey Morrissey FSCI

Peter Allen

Professor Timothy Evans DSC FRCP FRCA FMedSci (deceased 09.11.2018)

Mark A Izatt BSc

Calvin Man TD BSc

Surgeon Rear Admiral Calum JG McArthur FRCGP (from 06.09.2018)

Christian K B Melville LLB Dip LP NP TEP WS

Mary Molesworth-St Aubyn DL

Giles Peel (from 06.09.2018)

Jan Sobieraj

Dr Suzy Walton BSc MSc PhD CPsychol CSci Cdir FRSA FIoD

Colonel Robert Ward MBE (to 06.09.2018)

Professor Sir Simon C Wessely MA BM BCh MSc MD FRCP FRCPsych FMedSci FKC

Graham Williams BA FCA (from 06.09.2018)

## Co-opted Members

Jessica Hughes

Surgeon Rear Admiral Calum JG McArthur FRCGP (to 06.09.2018)

George Osborne BA MBA

Colonel Robert Ward MBE (from 06.09.2018)

## Executive Management

### Chief Executive

Sue Freeth BA MBA

### Director of Resources, Company Secretary

Jeff Harrison BSc FCA

### Medical Director

Dr Walter Busuttill MBChB MPhil MRCP FRCPsych

### Director of Fundraising

Robert Marsh BSc MSc

### Director of Client Services (to 31.01.2019)

Carol Smith MBE MA FCIPD

### Interim Director of Engagement (from 02.07.2018)

Position filled by a consultant

### Interim Director of Operations (from 04.02.2019)

Position filled by a consultant

## Key Committees

### Audit & Risk Management

Sally Goldthorpe \*

Jessica Hughes

Mary Molesworth-St Aubyn DL

Graham Williams BA FCA

### Finance

Major Mickey Morrissey FSCI \*

Calvin Man TD BSc

Christian K B Melville LLB Dip LP NP TEP WS

George Osborne BA MBA

### Income Generation

Mark A Izatt BSc \*

Peter Allen

Colonel Robert Ward MBE

### Clinical Governance

Dr Suzy Walton BSc MSc PhD CPsychol CSci Cdir FRSA FIoD \*

Professor Timothy Evans DSC FRCP FRCA FMedSci (deceased 09.11.2018)

Surgeon Rear Admiral Calum JG McArthur FRCGP

Jan Sobieraj

Professor Sir Simon C Wessely MA BM BCh MSc MD FRCP FRCPsych FMedSci FKC

### Remuneration & Nominations

Lieutenant General Andrew Graham CB CBE \*

Sally Goldthorpe

Major Mickey Morrissey FSCI

Giles Peel

\* denotes Committee Chairman, from 06.09.2018

## Advisors

### Auditors (External)

BDO LLP

2 City Place

Beehive Ring Road

Gatwick

West Sussex

RH6 0PA

### Auditors (Internal)

Sayer Vincent LLP

Invicta House

108-114 Golden Lane

London

EC1Y 0TL

### Bankers

National Westminster Bank plc

1 Princes Street

London

EC2R 8BP

The Royal Bank of Scotland plc

1 Redheughs Avenue

Edinburgh

EH12 9JN

### Investment Managers

Cazenove Capital Management

1 London Wall Place

London

EC2Y 5AU

### Solicitors

Rradar Limited

6 Beacon Way

Hull

East Yorkshire

HU3 4AE

## Registered Office

Tyrwhitt House

Oaklawn Road

Leatherhead

Surrey

KT22 0BX

Company Registered in England & Wales

No. 256353

Charity Registration No. 206002

Charity Registration Scotland No.

SC038828

combatstress.org.uk

# A SPECIAL THANK YOU

Combat Stress is sincerely grateful for all donations, every single one of which makes a real difference to the veterans we help. Our supporters are fundamental to our success and we would like to acknowledge their generosity and encouragement. In particular, we would like to thank the following who have contributed £10,000 or more to our work this year:

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This year we have received 33 legacies with a value of £10k or more. Legacies in total raised over £4.2 million. A gift in a Will is a thoughtful and generous way of supporting veterans and we are extremely grateful to each and every one of the supporters who chose to donate in this way.

## CONTACT US

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