

2012

Financial Report



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COMPANIES HOUSE

Forward

The commentary to accompany the accounts submission for the financial year ending December 2012 will be centered around the index, however its designed to provide true transparency of the charities national operations to include fundraising, events, merchandise and the fulfillment of objectives against stated missions. It is important to articulate the trustee's methods in adopting the decision making process and how we were able to realise our ultimate objective in 2012 just thirty six months after the charity was launched in September 2009.

Whilst it is physically impossible to formerly recognise the efforts and charitable donations of every individual we would wish to draw reference to the following, as quite simply without there tireless work and support we would not be in the position that we are today.

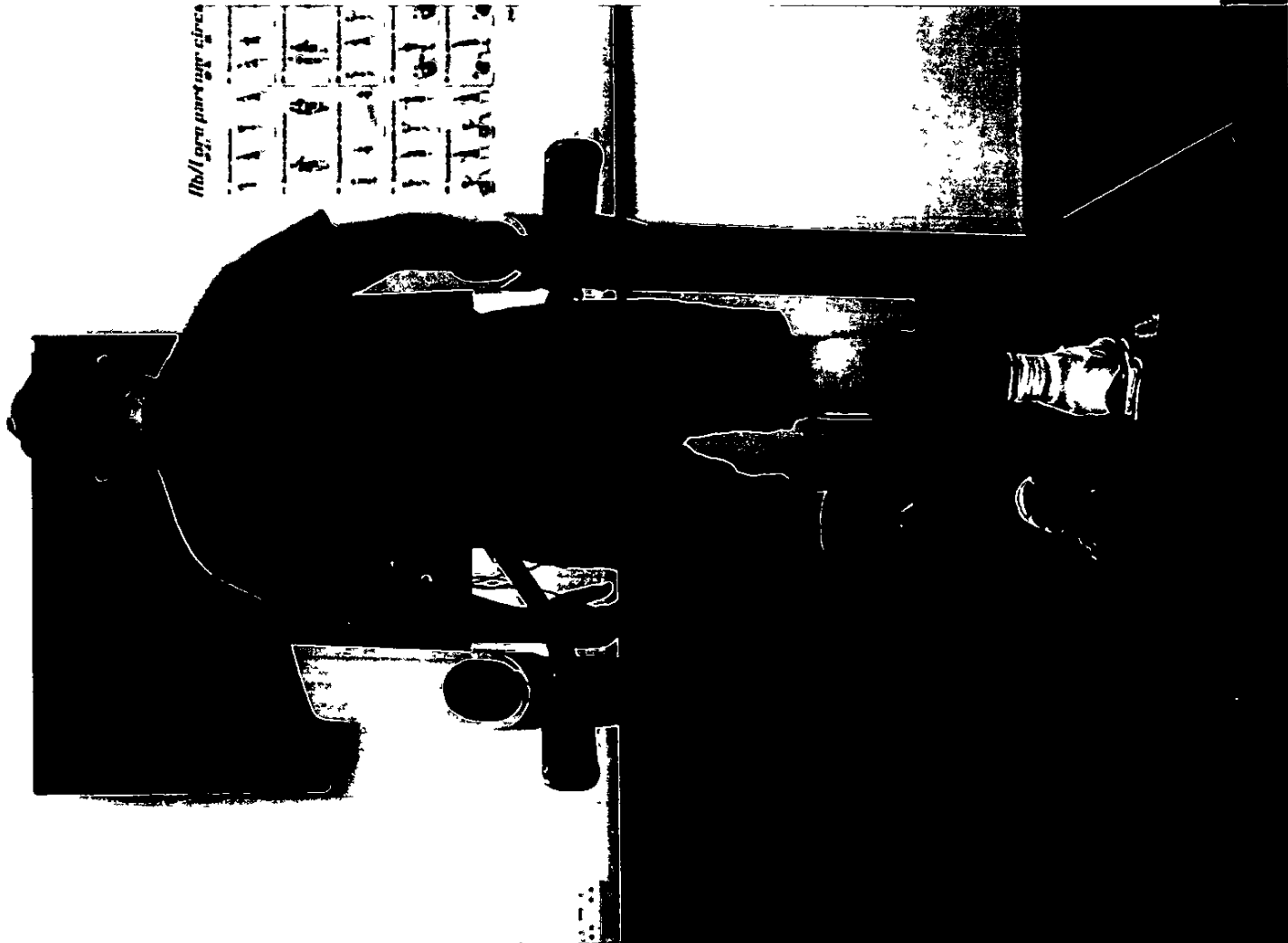
- Our team of dedicated Regional Coordinators and their volunteers
- Our Patrons
- Our Trustee's
- Prize Promotions

Our overwhelming thanks to the generosity of the British Public. Your support has been fantastic and it is heartwarming to know that you feel as passionately as we do when it comes to supporting our boys and girls who are prepared to pay the ultimate sacrifice in order for us all to go about our lives peacefully and safely.

Afghan Heroes was launched as a charity for the people by the people and it continues to provide practical solutions to assist with the morale of all our service personnel in theatre, the families of the fallen and the returning wounded personnel who require our support and assistance especially when they become medically discharged. Our goal is simple to give these personnel a future, a new career and the creation of a similar environment from which they have become so familiar with.

With our thanks

The Trustees



Registered Charity No 1132340

Supporting British Forces





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1.1 Why the charity was formed

The conflict in Afghanistan has at the time of writing claimed the lives of 425 service personnel and directly affected the lives of thousands of other personnel and their families. This conflict will continue to affect families as the atrocities associated with war present themselves over time and in many different and often harrowing ways. For the founder of Afghan Heroes her journey commenced on the 10th July 2009.

The telephone call that everyone fears and nobody expects became a reality. Denise's son Lee was killed by an IED in Nad-e-Ali on Friday 10th July early in the morning. For clarity this is not the time to articulate those early days, however people need to be aware that it is at moments like this when as human beings we have to call on every ounce of strength to counter an overwhelming feeling of loss and emptiness, whilst living through the mental torture of attempting to piece together the fragmented details surrounding the death of a child. People who have never experienced such a loss can imagine however when the unthinkable happens and no matter how strong minded the individual, nothing in life has ever prepared us to deal with such devastating news. A fallen hero deserves the maximum respect and this in itself brings massive pressure, the repatriation, the military funeral and the services of remembrance.

In the weeks following Lee's death the grief was overwhelming, there had to be a way in which his life alongside all his fallen comrades, could be remembered through a lasting legacy that would make a difference to his colleagues and their families. During those bleak weeks two lasting impressions became crystalised, firstly that although the MoD was and continues to be of fantastic support to the immediate family, there were definite shortcomings when it came to the siblings, grandparents and the extended families. It is understood that the support from the MoD had to stop somewhere but who supports the families? Secondly a telephone conversation with Lee bounced to the fore, he had asked for gift parcels to be sent to his mates who hadn't receive any from home.

The charity was launched on the 15th September 2009, alongside six of the other mothers who were all united through grief at the loss of their son's during the worst twenty-four hours of hostilities in Afghanistan which saw eight of our boys repatriated together.



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The missions were clear and concise -

- 1 1 To support of serving personnel in the theatre of war
- 1 2 To support the families of the fallen
- 1 3 To create a national support infrastructure for the families to receive specifically counseling
- 1 4 To provide holiday homes for the serving, wounded and their families

We very quickly realised that longer term social problems would continue to effect a considerable number of medically discharged service personnel as they struggle to come to terms with their theatre experiences and there medical conditions. Back in 2010 Denise stated that the charities ultimate goal was the creation of a post services facility, the first of which we achieved in 2012, and it is extremely humbling to see the first full and the difference it has made to the residents and families affected. We will explore the Retreat program in section 6, which sets out the aims and objectives and geographical locations, which importantly are all self-supporting.

At the time of writing nearly three long years have passed and we are comforted by our achievements, which have made a lasting difference to our son's friends and colleagues.



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2.0 A note from the founder

Four years on and the pain is still as raw as it was on that cold black day that we lost our son's, people say it gets easier but it never will, we do what we do to keep them alive and a purpose to carry on

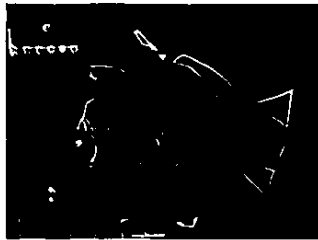
Since we founded the Charity we have supported the Troops on the front line by sending comfort boxes out to every serving soldier no matter of rank or force, we have sent over 24,500.00 through the Mod, they were so well received the Mod asked us to incorporate Iraq, we have also sent thousands from our head quarters to regiments all over Iraq and Afghanistan

We have supported the families left behind with financial help to get to memorials for their loved ones, also holidays giving them time to come to terms with their loss, we have given them counselors to help them get through this devastating time and try and move forward, we have also helped the returning soldiers by giving them holidays with their families on their return from the front line

We have supplied multi media equipment in to what was Sally Oaks (Queen Elizabeth Hospital) twice we also have extended this out to camp Bastion, we have supplied and installed a Pool Table at Headley Court, so the guy's in wheel chairs can play pool

We launched Give Us Time and have had a number of wounded soldiers and their families take Free holidays abroad that they would never have been able to afford, we are still doing this and have pledged over 10-20 years of Free holidays

The ultimate goal for the Charity was to have what I call a post services facility, when our service personnel come home with PTSD, loss of limb or just find they can't go back out there they are Medically Discharged, we have to remember some are only young and have lived on Barracks, they don't necessary have family or the family unit breaks down they end up on the streets, these facilities are there to help them build a new life, each facility has to be sustainable for the future, each facility will have a Bar and Restaurant to enable the community to support and integrate with the Soldiers which in turn will be self funding, we aim to work with the local community ie if a school needs classrooms painted or works in the grounds we can provide the labour to do this



Denise Harris
Founder Afghan Heroes /
True Heroes



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We opened our first Retreat in Ashcott, Somerset, we can't thank the locals and general public who come from far and wide to support us, the response has been amazing

Thank you all from the bottom of my heart

We welcomed our first soldier in to the Retreat in March of this year Alex Fulford, Alex had come back from the front line with PTSD, his marriage fell apart he lost his home and was living on the streets, he then found a shed and was living in a shed chopping wood to keep warm, Alex is only 23yrs old, he came to us this little nervous, shy and can I say dirty little urchin, Ha! Ha! Seriously once Alex had settled in we then started looking at what he wanted to do in the future, thanks to a local Company Amass Alex is now being trained as a Medic, he has done his basic courses enabling him to do his job, and is looking at doing other courses so eventually he will take his Paramedics course and will be a fully fledged Paramedic who will run his own ambulance and crew, once Alex is ready we will then help him back in to the community, we will always be there if he ever needs to come back

The Somerset Retreat filled very fast so we opened our second retreat in Blue Anchor near Minehead, we opened in June and have our first Soldier in there, We have proved there is a need out there and are still making a difference to so many lives

Our True Heroes are the ones that are still fighting for us the ones that gave their lives, the ones that come back wounded and the ones with the scars you can't see

Lest we forget



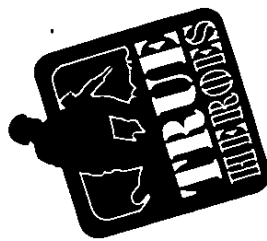
Denise Hams
Founder Afghan Heroes / True Heroes



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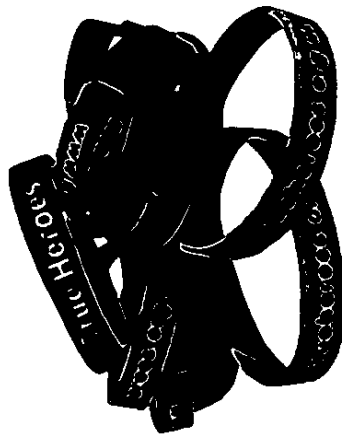
3.0 True Heroes Trading



All events and donations are held 100% in an Afghan Heroes account, whereas the proceeds from the sale of merchandise would be held in a True Heroes account which would fund the entire operations of the charity to include staff, office, PR, website design / management and the management of the Retreat program

True Heroes intends to absorb all the charities operational costs whilst also making a donation directly into the activities of Afghan Heroes This practice is common in charities and demonstrates are commitment, ensuring that 100% of the money raised through our vast range of events and individual donations is directed to the missions which are clearly set-out within the charities supporting information and website

The growth of the charity is reflected in the accounts and whilst every effort is made to ensure that costs are kept to a minimum the simple fact is that we need staff to operate the charity and ensure that we have the right exposure throughout the UK The small team that makes up the face of the charity is dedicated, loyal and hardworking and we continue to see additional unpaid commitments for weekends and evening attendances at events throughout the country We need more staff, however this would impact on the money being donated and we simply will not compromise, it is important to us to ensure that all public donations are utilized where they need to be and that these monies are maximised Your support of our clothing and merchandise brands enable us to deliver the 15,000 parcels, provide the first Retreat and minimize travel expenses for those service personnel who will be benefiting from the "Give us Time" initiative



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2012 was a tough financial year, the collapse of the financial markets coupled with a double-dip recession provided a stark realisation of the public's job security and retention, this was further impacted upon by the worst summer weather conditions experienced in nearly a century. We were aware that the revenue's received through our core trading activities were down and therefore reacted with the only viable solution, removing one trailer and regrettably having to lay off one of the merchandising representatives, who had previously supported the charity in this role for over two years, a sad day.

In addition we further cut costs by relocating our administration unit to a smaller and more cost effective office solution. We can accurately predict cost savings in subsequent years to be in the region of £10,000 per annum by taking this prudent step. We strive to ensure that as much money as possible is directed to the wellbeing of the ex-service personnel in our care.

“During my time as Secretary of State for Defence I was extremely heartened to see how we improved the treatment of those who had been physically injured in combat. Medical improvements in prosthetics, better physiotherapy and improved social attitudes all contributed to a better chance of rehabilitation. In terms of psychological trauma, the invisible scars of war, we are making progress though perhaps at a slower rate.”

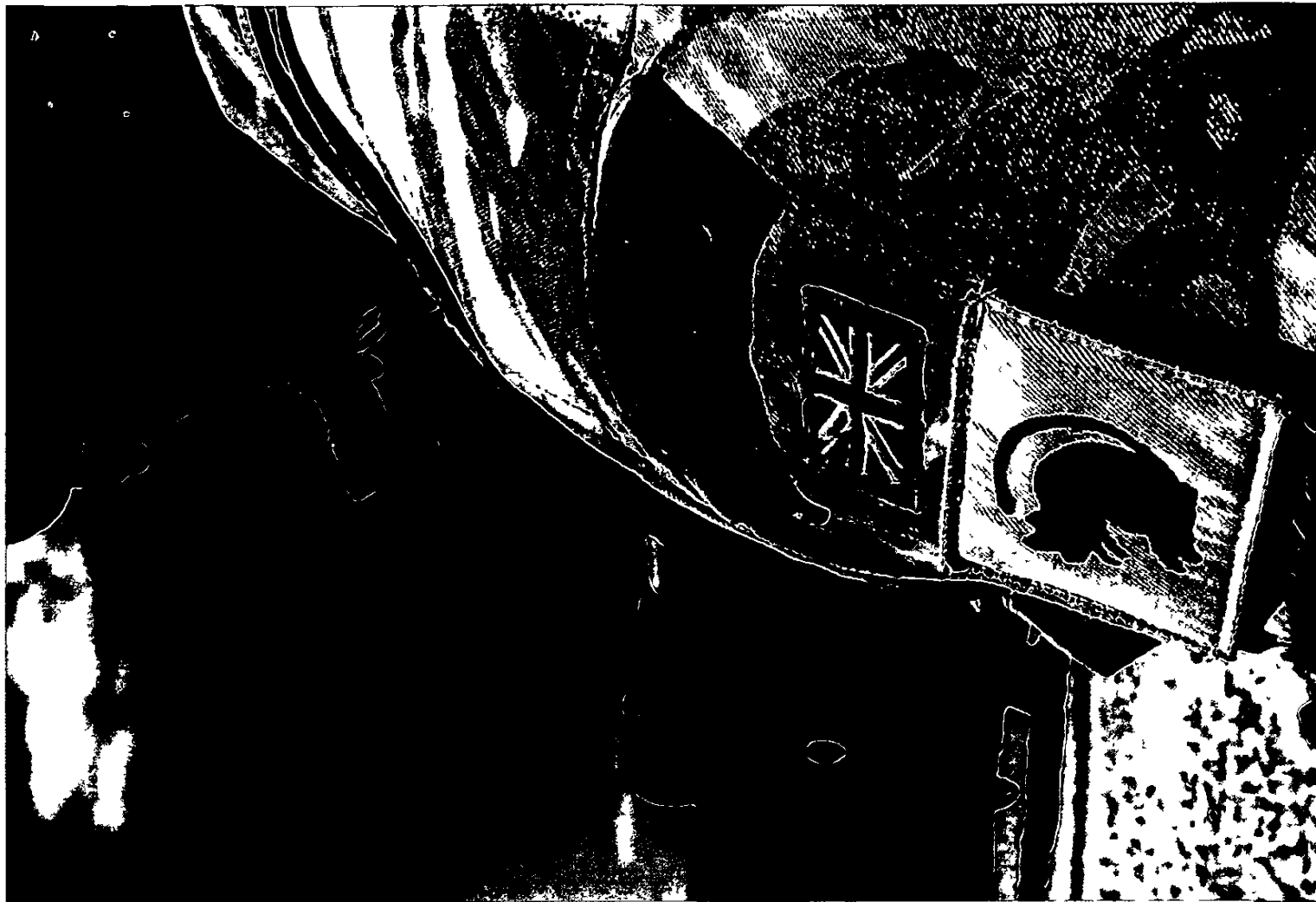
One of the areas where I think there remains room for improvement is the integration of service families into this equation. As a doctor working with the Armed Forces I learned the importance of seeing our personnel not as isolated individuals but as members of a wider family and community dynamic.”

Dr Liam Fox



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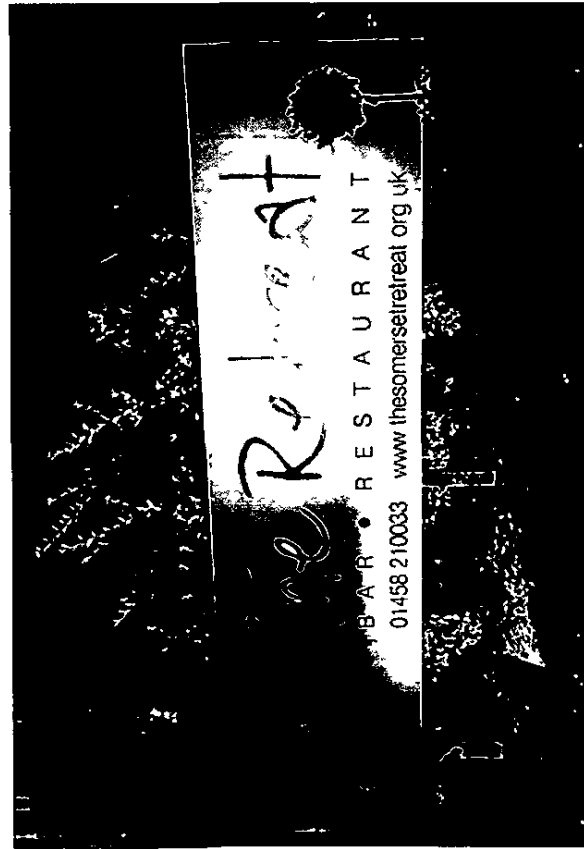
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4.1 The Somerset Retreat

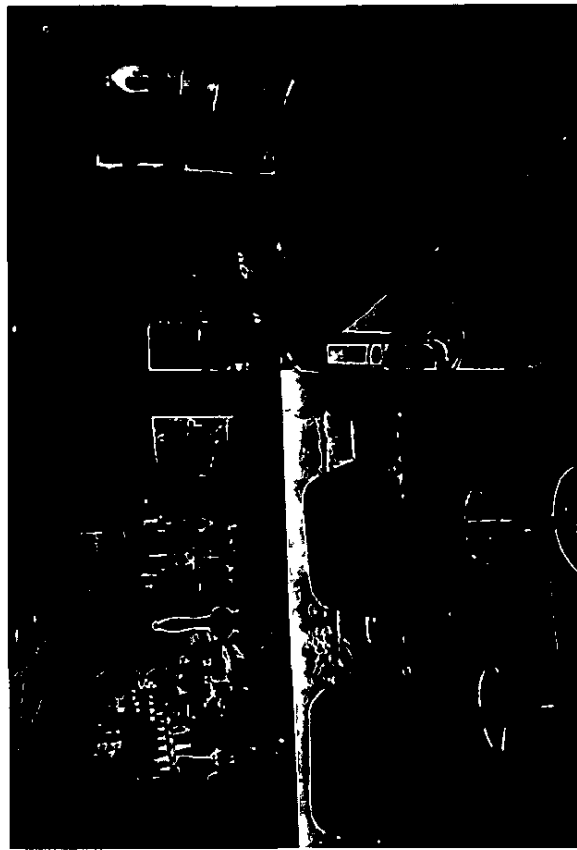
Our vision of operating a post services facility became a reality in November, following years of fund-raising whilst simultaneously fulfilling the box packing initiatives we secured the first Retreat in Ashcott, Somerset. The Retreat is a new dynamic that is designed to accommodate six medically discharged service personnel, whilst becoming self-financing in the longer term.

Simply we have remodeled and focused the traditional British pub and created a safe and welcoming environment for residents and the local community alike. Within this process and part of the all-encompassing solution we have also benefited the local community by creating over twenty new jobs, from cleaners – chefs – bar and waiting staff, the Retreat is a real win-win.

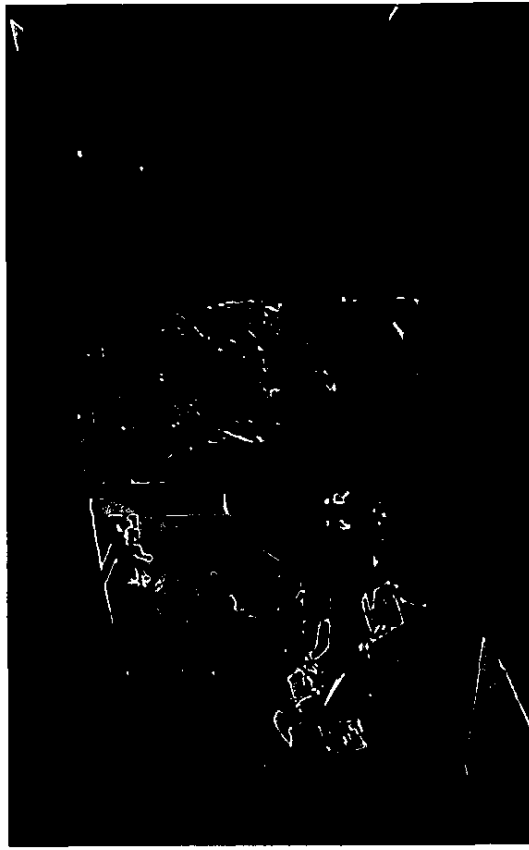


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Refurbished Sports Bar



Restoration of the Fireplace

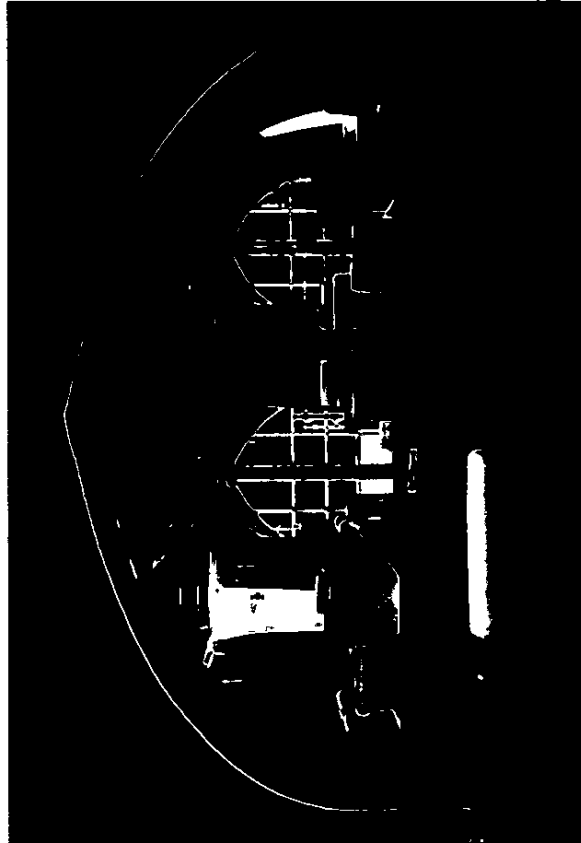


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Refrurbished Lounge Bar



Refrurbished Restaurant



Relax in the Lounge Bar

Noting the above it's core function is to care for medically discharged service personnel, not just from Afghanistan but also conflicts including - Iraq, Bosnia, Northern Ireland and the Falklands. Its about providing a safe, warm and comfortable environment from which our boys can re-establish their lives, a footing to re-train, recover and integrate with the local community, it's about them rediscovering their pride and belonging in their own time amongst like minded people who have had similar experiences, its about team-work



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We are immensely proud of our boys, The Somerset Retreat is full, five medically discharged service personnel and one mentor. Afghan Heroes delivers the building and creates individual trading environments, the boys are already seeing massive gains, confidence, stability and structure with two of them now working within the local community, one having retrained into first aid and actively pursuing the fast track route options to become a full Paramedic, not bad considering only six-months ago and through the toughest winter for some years he was living in a shed, no power or water just an old wood stove



Our real success will actually be when they leave, we have already successfully seen one of our boys move on, the Retreat works and is recognised by Social Services, Local Authorities and other Military Charities with referrals being made weekly we had to fast track the second



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Let's show our support

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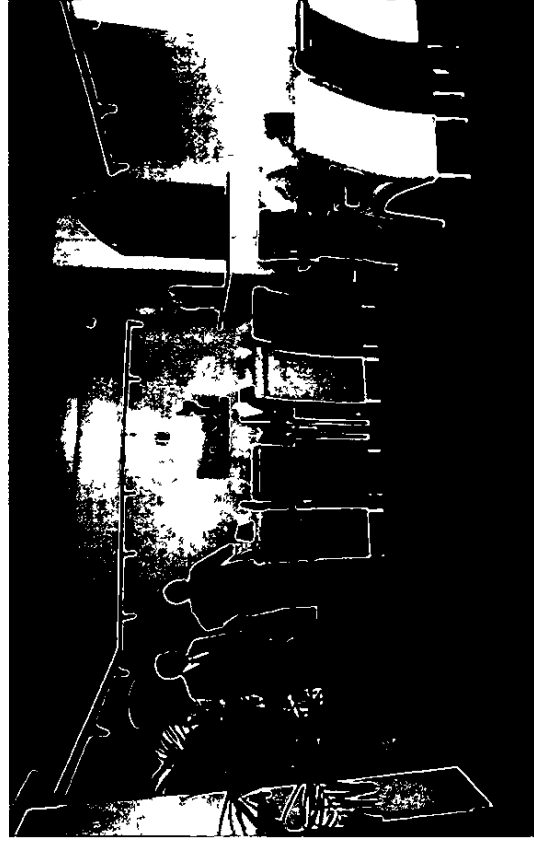
4.2 The Smuggled Retreat

Taking advice from the Auditors, and other we chose to locate the second Retreat in Somerset as well. Why? Simply to prove the processes that we have adopted locally, yet run as a stand-alone unit, we had to prove that our policies reflected the needs and that our staff were correctly trained and empowered



The Smuggled Retreat is located in Blue Anchor on the coast and is a popular holiday destination. The Smuggled will have six bedrooms, however also boasts a holiday cottage, which we intend to use as a halfway house when one of our residents is due to leave. Again the concept is a mirror and we are grateful once again to the local community for supporting our initiatives and again we can also reveal that we have created a further fifteen jobs within the community.

Our first resident has moved in and we now have a waiting list, the Retreats will continue to grow and help our forces heroes



Refurbished Restaurant

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Relax in the Family Garden



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4.3 Weymouth Bay

From the 01st March until the end of August sixteen families have utilised the charities holiday home in Weymouth Bay (all for a week) and have benefited from its tranquil and safe environment providing a real back-stop for our service personnel and their families



The initiative has clearly been well received and to see the benefit to the family unit un-parallelled, it simply is a safe Haven and a time for families to kick back and relax often in the middle of very stressful situations, bereavement as well as those suffering from medical conditions. We are considering relocating the holiday home for next season, either to Cornwall or West Wales, to ensure that we continue to offer the best locations and preferred holiday destinations

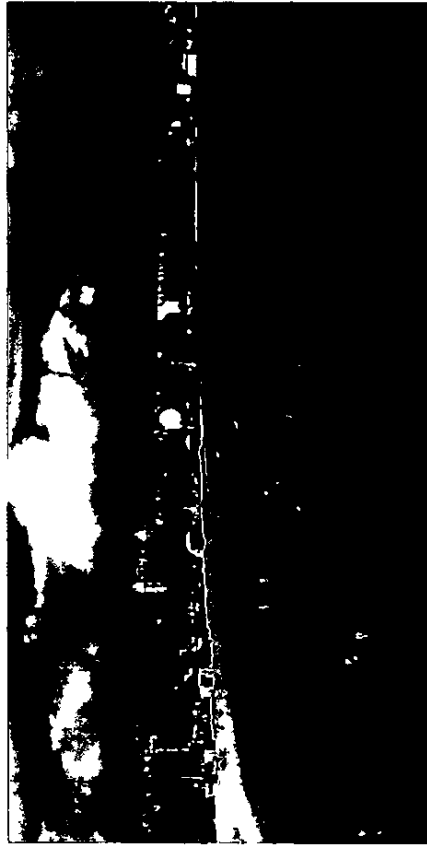


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The other consideration is the requirement for disabled access, which can only be offered through the introduction of a decking area, to include ramp. The one stipulation where the static currently resides is that we cannot have any form decking, which could also influence a change of site location



Weymouth Bay invested thousands of pounds on their new water park facilities, which continue to be a wow factor for our families, and the numerous letters of thanks confirms that our instincts were right from inception



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4.4 Give us Time

Give us time was launched as a separate entity to Afghan Heroes, however falling under its charity status. Founded by the Right Honorable Dr Liam Fox and launched alongside Denise Harris, Give us time has secured a massive 15 years of holidays for our service personnel both serving and medically discharged

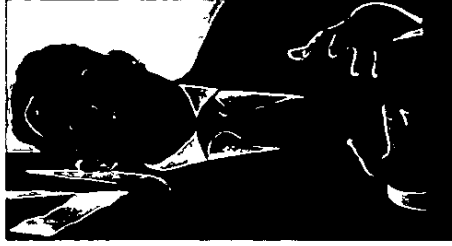
We have had holiday's donated throughout the world and already families have been to Gibraltar and Tenerife with pending holidays been taken up weekly. It has been quite a task to assimilate all the applications and match them with suitable vacations taking into consideration their disabilities

Give us Time will provide a large number of our armed forces the opportunity to holiday as a family and it is to the credit of time-share operators and the great British public how highly they are regarded for the work that they do ensuring that the rest of us remain safe and able to go about our daily business

Thousands of soldiers, sailors, airmen and marines return from Afghanistan without a scratch but still find that the lives of their family have moved on without them whilst they've been away. All too often, this feeling of being "spare" in the life they used to know, alongside the need to finally reflect on the triumphs and traumas of their operational tour, leads to deep emotion – and often anger – that gets in the way of reintegrating with their families

The power of a good holiday is immeasurable. For the parent left at home it is a break from the single-parenthood that they have coped with so stoically for the last six months. For service personnel, it's an opportunity to spend quality time with their families and to re-establish relationships in a neutral location. The family returns home having re-learned to live together and reinvigorated after a very difficult time apart.

More importantly still, the serviceman or woman has just put their life on the line defending our nation's interests and the family have been at home living in dread of a knock at the door that could bring heart-breaking news. They deserve a holiday!



Dr Liam Fox



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5.1 National Coordinator Network / Fundraising

We can't raise the profile, awareness and money needed to fulfill our missions without the help of some very special people. Our coordinators give their time placing collection tubs throughout their area, organizing events and creating other amazing ways of raising money, for this we will always be in their debt. Their commitment is steadfast, their loyalty a real testament of their tireless work. Fundraising can be fun as well as hard work, we are continually looking to expand our network throughout the UK, it's a way of meeting new people and sharing a like-minded goal of supporting our service personnel and their families.

Recent events include "Hike for Heroes" who have raised a massive £1,701.08 and Ian Johnson who has swam the river forth raising much needed funds, next year he has already registered to swim the stretch of water between Manhattan and Alcatraz.



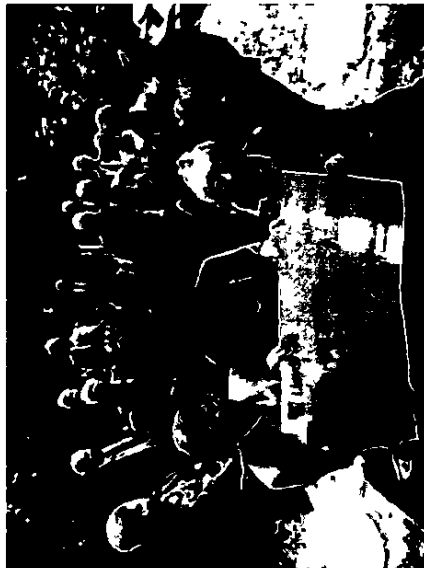
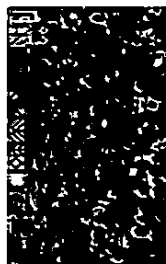
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Our gratitude is extended further to a company based in the northwest that operate raffles, sold through promoters in shopping malls at events and other locations throughout the UK.

Bobby Ball (our most recent Patron) has backed the campaigns and has drawn the winning numbers on previous occasions, at the time of writing Prize Promotions have raised a massive £619,000 and it is with their help alongside our events and coordinators that has enabled us to open our first post service facility in December.

Thank you

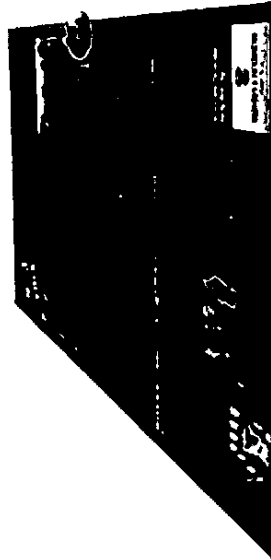
5.2 Merchandising Trailers / On-Line Store

From 2010 Afghan Heroes promoted its activities by attending a diverse range of tradeshow and events throughout the country. It continues to do so today, however as previously stated acknowledges the financial pressure which has been imposed on the general public during these extreme times of austerity. During 2012 and into 2013 we have attended in excess of 150 events, including motorsport, biking, county shows, boat shows and music festivals. We have to be realistic during our first year it was about raising the awareness, however now we have to ensure that the shows maximise revenue returns to cover the costs of the merchandise, maintenance of the vehicle / trailer and salary of the person in charge of the trade stand.



We concluded that due to the extreme weather conditions during 2012 and the impact of the double – dip recession that we could not warrant two full time employees operating the units, therefore with a heavy heart we had to release one of the employees and will sell the trailer with the funds going straight into the charity. Whilst it is always difficult to make these decisions, we cannot overlook the fact that the merchandising trade stands are funded by the public and prudence had to prevail, we simply could not allow the position to continue. We have begun to notice a marked up turn in 2013 sales from two outlets rather than three, and we have become very much more focused on which events we attend driven from previously collated data collected over previous years. In addition the show operators have also suffered badly through the weather and market conditions, and have reacted by increasing their trade / stand rates, this has all impacted on the mobile trade.

Our on-line sales have leveled and we completed a reskin of the old website back in June, which has had a positive impact with the on-line sales position, equally a new Autumnal range will be launched in October which will provide a greater depth in our merchandise offer. We continue to source products in answer to supply requests and will add to our range throughout the autumn and winter periods.



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5.3 Donations



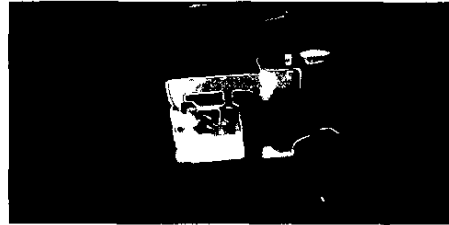
Prize Promotions are a professional fund-raising company based in Blackpool Lancashire. In January 2012 they commenced fund raising through the generation of a prize draw, typically there were prizes for 1st, 2nd and 3rd places consisting of high-end electronic equipment such as Plasma Televisions and IPAD's

They have raised a phenomenal £619,000 since January 2012 by donating 20% of the ticket sales to the charity, which has contributed significantly to the Retreat program

Each campaign concludes on a thirteen week period and the winning tickets have been drawn at the Lancashire offices, in the main by comedian Bobby Ball, all winning ticket numbers are then displayed on the True Heroes website

In addition to the skill prize draw, Prize Promotions are also selling the True Heroes wristbands from which their revenue has also been reflected within the accumulative sum

At a time when raising funds is difficult we are very grateful to the team at Prize Promotions and this is repeated ten fold by our residents in the Retreats



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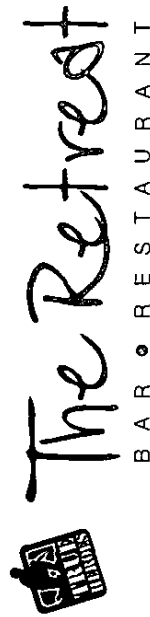
6.0 The Retreat "A Post Services Facility"

6.1 Concept

Denise has always spoken about in her words a post services facility, we hear all too often about the number of medically discharged service personnel. Yes they have been offered resettlement courses and in a lot of cases are able to acclimatise back into the family fold, securing work and integrating back into community life, however this is not always the case

Our goal is clear to take as many medically discharged service personnel as we can, take them of the streets, out of the woods, provide them with comfortable living accommodation and retrain them through our partnerships with local business operators and colleges. They select their career path, we try and make it happen, it is very challenging however rewarding to see them progress and make the transition back into the community

The Retreat is designed to accommodate a small number of medical discharged service personnel and one full time live-in mentor. The concept is simple, we take a pub lease and refurbish the premises to provide the required number of rooms for the boys



Why a Pub?

Again the model is simple, it is self-financing, if we create the right environment, select the right food and most importantly get the price point right then each Retreat will become self financing. The Somerset Retreat in Ashcott has been a resounding success, the local community has embraced the initiative, and the furnishings and décor are neutral and inviting

By delivering a quality product in the right setting ensures that our lads upstairs are supported in the long-term with little / no dependency on the charity. This way we create a long-term lasting legacy, which will continue to support the boys and girls into the future, and the public is supporting these objectives by eating and drinking in the establishment



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Job Creation

In addition to the vital help and care we provide to our residents, we are also creating employment opportunities for the local community, in Ashcott we have created 20 full and part-time posts and are still looking to increase the number to fulfill the requirements of a very busy bar and restaurant



6.2 Refurbishment

The Somerset Retreat used to be a very dark and cold building, the living accommodation whilst large was largely unusable and the restaurant non-existent

We took the view that the refurbishment works need to create life, warmth and an inviting atmosphere where locals would want to eat and drink, which would promote our objective of self-financing. In addition the kitchen was poorly equipped and needed updating and the restaurant was at best a mismatch of furniture and very old carpet

We commenced the refurbishment works on the 12th November and completed the bar, restaurant and part of the residents accommodation ready for the launch on the 5th December 2012

During this time we replaced the bars with natural stone and granite, installed stud walling to lighten the bar and restaurant area's, fitted all the necessary security, fire alarm and CCTV systems, equipped the residents bedrooms and lounge, completely overhauled the gardens, installed a floating deck and finished with new carpets, curtains and bar / restaurant furniture. No mean feat in just three-weeks and three days!

Our thanks to the teams that worked tirelessly throughout the period to create such a warm and inviting new home for the boys, they no who they are however

- Paul Carmichael
- Brush Strokes
- Dunelm Mill
- Currys
- Carpet Right
- At your Service
- Travis Perkins
- Benson Beds
- Plasterers
- Plumbers
- Carpenters
- Electricians



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6.3 Our Residents

This really is a personal mission, this is all about the boys, its about giving them a new start in life, a career, a purpose and above all restoring their pride and worth within a community. It's about rebuilding the family unit and watching relationships flourish, it's about restoring life

The Somerset Retreat is now full all the residents have suffered from PTSD (Post Traumatic Stress Disorder) and have been in theatre serving our Country, not all from Afghanistan, also Iraq, Bosnia and Northern Ireland, the effects can hit when you least expect them and in some cases years later. We work with Mental HealthCare teams, social workers, advice centres to ensure that we provide the best quality of care and a future

To hear the story's is harrowing and whilst we are not going to divulge individual cases there remains the constant problem of fitting back into normal society

We have recreated the camaraderie of squaddies, new friendships and ethos of looking out for one another and also their own internal support structure, whereby they help each other through the bad days. The mentor is there to oversee, coach, guide and identify new career paths, which the lads themselves select

The history of a typical resident would find themselves on the streets or in a shed, no proper food or nourishment, no prospect of employment, a loss of drive and no self-esteem. Our process has taken them from this very dark place, and working together with the local community created work experience, social interaction, healthier lifestyles and a positive mental outlook. Social workers, Mental Health teams and the extended families have noticed and welcomed the huge change in our boys attitude to life



We have even discussed the possibility of one our boys providing the mentoring role at a future Retreat, they will be ideally positioned to give advice knowing exactly where they are coming from, the mentor at the Somerset Retreat is an ex-2RTR Corporal, who has toured in both Iraq and Afghanistan and can empathise with the lads 100%

It works, we have proven the concept and intend to roll out the vision to other parts of the United Kingdom



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6.4 Training

We touched upon local community support in section 6.3, however this has been a pivotal driver in the process. Take Alex at 23 without any future, he has been taken under the wing of a local company, who have put him through his initial training qualifying him as a first aider. This was followed up with additional courses, enabling him to work with additional equipment. His ultimate goal is to become a fully-fledged paramedic, this is achievable and his trainer has already hosted fundraising events on his behalf to assist in expediting the process as soon as is practically possible.

Working with the colleges and community is key for the social interaction, one of our other lads will be starting a course very soon exploring an entirely new career path which will encompass working with wildlife.

The success stories continue however the biggest success will come on the day that they actually leave the Retreat, in order for that to happen both employment and housing will need to be secured and yet we will still be there as a back stop if something goes wrong. We are proud of our lads and their achievements to date however the work continues, we also have additional service personnel wanting to come into the Retreat, we will help as many as possible as we expand the initiative.



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6.5 Self Financing

When we looked at this new initiative we first thought of a large facility, one that would be home to between 40 and 50 lads. The problem was sustainability, yes the purchase and development price would be high, the cost however to maintain was prohibitive, especially given the current financial trends. Also one large unit in Somerset could be conceived as arrogance on our part, how could we expect everybody to want to live and work in the County. In addition the mentor, a key member of the team can work with five / six guys however how many would we need to look after 40 / 50?

The key is working with the community, everybody likes to socialize, enjoy good food and a relaxing drink after a hard days work. Our thought process was simple is we can provide this, in a warm and inviting environment, coupled to exceptional standards of food and delivery this at a realistic cost, then actually the community will be paying their part by enjoying what they normally do, day in and day out.

It has worked exceptionally well and has afforded us the confidence to extend the Retreat programme, welcome to The Smuggled Retreat.



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6.6 The Smuggled Retreat

Understanding that the Somerset Retreat is full and we have a waiting list with referrals coming from other military charities, we needed to make provision for additional ex-service personnel. We were also mindful of not running before you walk and we needed to be sure that the systems and procedures we had put in place would work effectively in other parts of the Country, including suppliers, tills, software, mentors and the overall model.

Each regional Retreat will have it's unique differences, be it local food, holiday destinations or general operations and we took the view that this needed to be tested closer to the Somerset Retreat for the second one. We launched the Smuggled Retreat on the 28th June 2013, having gone through a redecoration of the two trading floors and the restaurant. It is like moving Ashcott to Blue Anchor, the same furniture, colour schemes and graphics have been utilised developing a proven theme.

The Smuggled Retreat can seat 92 in the Restaurants and once the internal works have been completed will be home to a further five service personnel and a mentor. The advantage this time is that it has a holiday cottage attached, ultimately as the lads become ready to move on, we intend to use this as a halfway house, they can look after themselves, cook, clean and even pay a portion of the bills, safe in the knowledge that people are around if something goes wrong.

The Smuggled Retreat has been very successful in the summer months, and we are now drawing up the plans to convert the boys accommodation, albeit we have the first resident in already. It boasts a very peaceful seaside frontage, which is conducive to long relaxing walks, clearing the head and re-charging the batteries. We have introduced the same systems and they have proved to be working effectively throughout the summer months, we have centralized the purchasing and negotiated greater discounts through increased buying power. The model is working effectively, the staff are well briefed in work and the message continues to get out within the community. We are ready for the ultimate role out and are actively looking at new properties throughout the United Kingdom.



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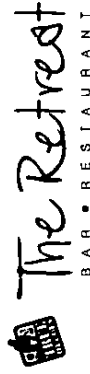
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6.7 Future Retreats

Denise has spoken publicly regarding the number of Retreats we would like to operate, however this will fluctuate upon requirement, the more lads that require the facility the more we will try and accommodate. We are also clear that as previously mentioned they should not all reside within the same county, therefore the strategy will be to roll the Retreats nationally.

We are currently reviewing details in Wales, Lancashire and Wiltshire and it is our intention to open a third in time for Christmas 2013. Again this is not a simple process, geographical area's are sought depending upon requirement and need and after all they all have to be staffed correctly, a mentor from day one and a staffing infrastructure including the key roles of Chef's and front of House.

Our strategic partnerships with Breweries and food supply chains will ensure that we deliver quality wherever we choose to operate and this can be enforced further with our training procedures and personnel. For example the manager and mentor at the Smuggled Retreat has vast large scale catering experience including football clubs and hotel chains, we can therefore guarantee the recruitment process through to on-site training.



Retreat Locations

- Ashcott
- Blue Anchor

Target Locations

- Preston
- Powys
- Falkirk
- Newcastle
- North East Lincolnshire
- Colchester
- Romney (Kent)
- London
- Birmingham
- Wiltshire
- Devon
- Cumbria



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6.8 Job Creation

The Retreat concept is there solely to assist with our medically discharged heroes, however as a by-product we are also investing into the local communities from which we operate the Retreats

In Ashcott we have created 20 new full and part time positions
In Blue Anchor we have created 14 new full and part time positions

If we achieve are goal, providing twelve Retreats nationwide and using the mean average taken from the above we will be providing employment for 204 people within an industry that has taken it's shares of knocks over the recent years. We will be restoring the traditional public house with all its social interaction whilst providing a new home and life to a further 60-90 medically discharged service personnel

The Retreat provides a win-win platform and we look forward to delivering a new future for our heroes and their communities



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7.0 Financials

Registered company number 07032339 (England and Wales)

Report of the Trustees and Consolidated Financial Statements for the Year Ended 31 December 2012



A Company limited by guarantee

Contents of the Financial Statements for the Year Ended 31 December 2012

Report of the Trustees for the Year Ended 31 December 2012

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2012. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

The trustees would like to draw to the attention to the readers of the audited financial statements that the financials and associated disclosures notes incorporate the trading results of the subsidiary company, True Heroes Retreat Ltd, a company registered in England and Wales, company number 06987236. The trustees would like to draw to the reader's attention the notes to the financial statements, as these provide a thorough breakdown of the figures reported.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number 07032339 (England and Wales)

Registered Charity number 1132340

Registered office

4 Northside
Wells Road
Chilcompton
Radstock BA3 4ET

Trustees

Mrs D Harris
A Harris
S P Miles
G R Wilson
D Catton
P Ferguson
M Turner

Chief Executive

Resigned 6 4 12
Resigned 31 10 12

Appointed 5 9 13

Company Secretary Mrs D Harris

Auditors

Houghton Stone
The Conifers
Filton Road
Hambrook
Bristol BS16 1QG

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document a deed of trust, and is a registered charitable company limited by guarantee, set up by a memorandum of association on 28th September 2009.

At the inaugural meeting on the 28th August 2009, it was agreed to essentially split the two functions of Governance and Operation of the charity. It was agreed that in order to operate effectively and to react in a professional and timely manner, the trustees would set the aims and objectives of the organisation which would be managed on a day to day basis through its appointed management team. It was further noted that to reduce the number of direct employees in the charities infancy that the charity would invest heavily in the development of bespoke software both for its website exposure and for its back-office functions, these include full dynamic reporting and order fulfilment practices and policies.

Essentially the management team report to the trustees covering all aspects concerning the donations, promotion, merchandising and event management which all equate to the income generated into the charity for dispersal in accordance with the trustees stated objectives.



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Appointment and training of new trustees

The trustee body shall comprise of a mix of skills and experience

The board of trustees constantly reviews the number of trustees and recruits as and when required. New trustees have their responsibilities explained by the existing trustees and their professional advisors as appropriate.

Risk management

The trustees have identified and reviewed the risks to which the charity are exposed and ensured that appropriate controls are in place to provide reasonable assurance against fraud and error.

OBJECTIVES AND ACTIVITIES

Objectives and aims

For reference the charities key missions / objectives are -

- 1 To support British Forces serving in the theatre of war
- 2 To support the families of fallen soldiers
- 3 To support our returning soldiers
- 4 To support wounded soldiers, through the Give us Time initiative
- 5 To establish a network of post services facilities for our medically discharged service personnel whereby they will have a base to rebuild their lives and career

The charity will achieve its missions through global fundraising activities whilst acknowledging and thanking its many Regional Co-ordinators who have provided sterling support. Fundraising activities can be broken into several key areas, and where the Management team have not had the relevant experience or knowledge specialists have been sought to fulfil the requirements of regulatory bodies, namely police, fire, ambulance services and Health and Safety. The key fundraising categories are itemised below, however are not exhaustive -

- 1 Sale and promotion of charity merchandise through its on-line shop
- 2 Sale and promotion of charity merchandise from the two merchandising trailers and one bike trailer at trade shows throughout the UK, which also serves as a vehicle to increase the awareness of the cause and enforce its core mission statement
- 3 Events, taking ideas from the public who seek to raise money for the charity and developing the concept into a manageable event, maximising fund generation. Fundraising events run on a day to day basis and include Hero nights, Marathon running, Quiz's, Fetes, Coffee mornings, UK wide cycle rides, Balls, Swims, Walks and Parachute jumps

Public benefit

We have referred to the guidance contained in the charity commission's general guidance on public benefit when reviewing our aims and objectives. All of these aims are undertaken so as to further our objectives for the public benefit.



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ACHIEVEMENT AND PERFORMANCE

Charitable activities

1 Our vision of operating a post services facility became a reality in November, following years of fund-raising whilst simultaneously fulfilling the box packing initiatives we secured the first Retreat in Ashcott, Somerset. The Retreat is a new dynamic that is designed to accommodate six medically discharged service personnel, whilst becoming self-financing in the longer term. Simply we have remodelled and focused the traditional British pub and created a safe and welcoming environment for residents and the local community alike. Within this process and part of the all-encompassing solution we have also benefited the local community by creating over twenty new jobs, from cleaners – chefs – bar and waiting staff, the Retreat is a real win-win. Noting the above it's core function is to care for medically discharged service personnel, not just from Afghanistan but also conflicts including - Iraq, Bosnia, Northern Ireland and the Falklands. Its about providing a safe, warm and comfortable environment from which our boys can re-establish their lives, a footing to re-train, recover and integrate with the local community, it's about them rediscovering their pride and belonging in their own time amongst like minded people who have had similar experiences, its about team-work. We are immensely proud of our boys, The Somersat Retreat is full, five medically discharged service personnel and one mentor. Afghan Heroes delivers the building and creates individual trading environments, the boys are already seeing massive gains, confidence, stability and structure with two of them now working within the local community, one having retrained into first aid and actively pursuing the fast track route options to become a full Paramedic, not bad considering only six months ago and through the toughest winter for some years he was living in a shed, no power or water just an old wood stove.

2 The charity continues to host an increasing number of services families at our has its first holiday home, located in Weymouth Bay, where families of the fallen can spend quality time together within an informal environment. Noting the site fee increase for the period ended 31 December 2012 the trustees are looking at relocating the unit to an alternative seaside location and are taking prudent steps of ensuring that it continues to be used throughout the year at the most cost effective location.

3 The charity has been generously given the support from trained counsellors, healers and life coaches with the objective of addressing the needs of the families of the fallen and our returning soldiers who have witnessed horrific scenes, sites and losses of fellow comrades, in many cases returning with PTSD (Post Traumatic Stress Disorder).



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4 "Give us Time" continues to grow at an incredible rate, with banked holidays supporting ten years, it continues its discussion with relevant partners (travel and time share operators) to make a bigger difference. The Role out will commence in 2013, however it has already gone through trailing with individual families.

FINANCIAL REVIEW

During the period under review, the charity earned income of £548,440 (2011 £740,911), made grants of £13,219 (2011 £148,652) and incurred costs, other than grants of £503,069 (2011 £567,731). Included within these costs of £503,069 is the sum of £94,929 (2011 £nil) which relates to the refurbishment of the first Retreat in Ashcott.

As at the 31st December 2012, with a recorded surplus of £32,152 (2011 £24,528), the charity was pleased to announce cash reserves of £132,191 (2011 £113,119) which in its previous periods, has made significant inroads to ensuring the longevity of the Charity and as such, its ability to meet its future aims and objectives. The retained reserves position of the charity as at 31st December 2012 of £248,264 (2011 £216,112) will ensure that the charity is able to make significant steps towards meeting its objective of more post services facilities, referred to as "Retreats" elsewhere in this document.

Income

Voluntary income contributed to £430,218 (2011 £595,070) of the total £548,440 (2011 £740,911). The key constituents of voluntary income were donations of £424,079 (2011 £560,121) and gift aid of £6,139 (2011 £34,949).

The balance of income totalling £118,222 (2011 £145,841) was derived from trading income of £117,789 (2011 £144,568) and investment income of £433 (2011 £1,273).

Costs of generating funds

Total costs for the period were £516,288 (2011 £716,383). The constituent parts of this were £241,014 (2011 £345,979) from generating voluntary income and £233,910 (2011 £193,111) of trading costs.

Allocated support costs have been kept to a minimum so far as possible so as to maximise the ratio of funds available as grants. It is hoped that in the coming financial year, the trading activities of the charity will continue to grow, so much so that going forward, the support costs will be funded directly from trading profits.



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Reserves policy

FINANCIAL REVIEW

The trustees policy is to hold sufficient reserves as cash to enable the charity to meet its annual expenditure on charitable activities

Afghan Heroes has a retained balance of £248,264 of which £150,000 has been allocated to fulfil the requirements of the post services facilities

Financial outlook

The current economic climate continues to be a concern for the charity however it will strive to encourage the growth of its trading activities in the hope of maintaining donations at their current level

With regards to donations, it is difficult to assume growth given that all donations rely solely on the generosity of the public and we appreciate at this time and in this climate, it is very difficult to put your hands deep into your pockets. We thank the general public for their continued support through this difficult time

The charity, together with its staff, co-ordinators and many supporters will therefore seek new and innovative ways to generate funds so as to ensure firstly the longevity of the charity, and secondly in ensuring that the all important aims and objectives are successfully achieved



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FUTURE DEVELOPMENTS

We have spoken publicly regarding the number of Retreats we would like to operate, however this will fluctuate upon requirement, the more lads that require the facility the more we will try and accommodate. We are also clear that as previously mentioned they should not all reside within the same county, therefore the strategy will be to roll the Retreats nationally

We are currently reviewing details in Wales, Lancashire and Wiltshire and it is our intention to open a third in time for Christmas 2013. Again this is not a simple process, geographical areas are sought depending upon requirement and need and after all they all have to be staffed correctly, a mentor from day one and a staffing infrastructure including the key roles of Chef's and front of House

Our strategic partnerships with Breweries and food supply chains will ensure that we deliver quality wherever we choose to operate and this can be enforced further with our training procedures and personnel. For example the manager and mentor at the Smuggled Retreat has vast large scale catering experience including football clubs and hotel chains, we can therefore guarantee the recruitment process through to on-site training

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Afghan Heroes for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)



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Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as the trustees are aware

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

AUDITORS

The auditors, Houghton Stone, will be proposed for re-appointment at the forthcoming Annual General Meeting

In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

ON BEHALF OF THE BOARD.




Mrs D Harris - Trustee

Date

27/9/2013.

Registered Charity No. 1132340

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We have audited the financial statements of Afghan Heroes for the year ended 31 December 2012 on pages eight to eighteen. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page four, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



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Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Trustees

Richard Houghton
 Mr Richard Houghton (Senior Statutory Auditor)
 for and on behalf of Houghton Stone

The Conifers
 Filton Road
 Hambrook
 Bristol
 BS16 1QG

Date **30/9/13**



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Supporting British Forces

Period 1 9.10

	Year Ended 31 12 12	Unrestricted funds	Total funds
	£	£	£
INCOMING RESOURCES			
Incoming resources from generated funds			
Voluntary income	430,218		595,070
Activities for generating funds	117,789		144,568
Investment income	433		1,273
Total incoming resources	548,440		740,911
RESOURCES EXPENDED			
Costs of generating funds			
Costs of generating voluntary income	241,014		345,979
Fundraising trading cost of goods sold and other costs	233,910		193,111
Charitable activities			
Gifts to individuals and organisations	15,153		148,652
Governance costs	26,211		28,641
Total resources expended	516,288		716,383
NET INCOMING RESOURCES	32,152		24,528
RECONCILIATION OF FUNDS			
Total funds brought forward	216,112		191,584
TOTAL FUNDS CARRIED FORWARD	248,264		216,112



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Afghan Heroes
Balance Sheet - Consolidated
As at 31 December 2012

		2012 Unrestricted funds	2011 Total funds
	Notes	£	£
FIXED ASSETS			
Tangible assets	14	105,869	59,648
Intangible assets	15	8,999	-
Investments	16	1	1
		114,869	59,649
CURRENT ASSETS			
Stocks	17	22,933	26,873
Debtors	18	64,000	64,210
Cash at bank and in hand		132,191	113,119
		219,124	204,202
CREDITORS			
Amounts falling due within one year	19	(76,524)	(34,786)
NET CURRENT ASSETS		142,600	169,416
TOTAL ASSETS LESS CURRENT LIABILITIES		257,469	229,065
CREDITORS			
Amounts falling due after more than one year	20	(9,205)	(12,953)
NET ASSETS		248,264	216,112
FUNDS			
Unrestricted funds	22	248,264	216,112
TOTAL FUNDS		248,264	216,112



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Afghan Heroes
Balance Sheet – Charity Only
As at 31 December 2012

		2012 Unrestricted funds	2011 Total funds
	Notes	£	£
FIXED ASSETS			
Tangible assets	14	56,241	59,648
Investments	16	2	1
		56,243	59,649
CURRENT ASSETS			
Stocks	17	16,657	26,873
Debtors	18	174,791	64,210
Cash at bank and in hand		127,471	113,119
		318,919	204,202
CREDITORS			
Amounts falling due within one year	19	(59,481)	(34,786)
NET CURRENT ASSETS		259,438	169,416
TOTAL ASSETS LESS CURRENT LIABILITIES		315,681	229,065
CREDITORS			
Amounts falling due after more than one year	20	(9,205)	(12,953)
NET ASSETS		306,476	216,112
FUNDS	22		
Unrestricted funds		306,476	216,112
TOTAL FUNDS		306,476	216,112

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These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Trustees on 27/09/13 and were signed on its behalf by



Mrs D Harris - Trustee



M Turner - Trustee
Afghan Heroes

ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities

Incoming resources

All incoming resources are included on the Consolidated Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2012, is being amortised evenly over its estimate useful life of ten years

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter

Short leasehold	- 20% on cost
Plant and machinery	- 25% on reducing balance and 20% on reducing balance
Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on cost



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Expenditure over £100 and of a capital nature is included within fixed assets and depreciated over its useful economic life

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Taxation

The charity is exempt from corporation tax on its charitable activities

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts are capitalised as tangible assets and depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

Period 1 9.10

	Year Ended	to
	31 12 12	31 12 11
	£	£
Donations		
Gift aid	424,079	560,121
	6,139	34,949
	430,218	595,070

TRADING ACTIVITIES FOR GENERATING FUNDS

Trading income	117,789	144,568
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INVESTMENT INCOME

Deposit account interest	433	1,273
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COSTS OF GENERATING VOLUNTARY INCOME

Event costs	45,469	94,888
Advertising and PR	20,165	55,528
Website	-	14,087
Support costs	175,380	181,476

	241,014	345,979
--	---------	---------

FUNDRAISING TRADING COST OF GOODS SOLD AND OTHER COSTS

Opening stock	26,873	20,992
Purchases	59,901	89,525
Closing stock	(22,933)	(26,873)
Support costs	170,069	109,467

	233,910	193,111
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CHARITABLE ACTIVITIES COSTS

	Direct costs	Grant funding of activities (See note 8)	Support costs (See note 9)	Totals
	£	£	£	£
Gifts to individuals and organisations	6,875	6,344	1,934	15,153



GRANTS PAYABLE

	Year Ended	to
	31 12 12	31 12 11
	£	£
Gifts to individuals and organisations	6,344	7,631

SUPPORT COSTS

	Management	Finance	Other	Totals
Costs of generating voluntary income	189,020	415	15,518	204,953
Fundraising trading cost of goods sold and other costs	126,321	2,508	11,667	140,496
Gifts to individuals and organisations	500	1,434	-	1,934
	315,841	4,357	27,185	347,383

GOVERNANCE COSTS

Book keeping	6,151	6,513
Accountancy	2,485	1,855
Legal fees	13,075	16,773
Auditors' remuneration	4,500	3,500
	26,211	28,641

NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting)	Auditors' remuneration
Depreciation - owned assets	4,500
Depreciation - assets on hire purchase contracts and finance leases	23,927
Amortisation of goodwill	4,724
Surplus on disposal of fixed asset	1,000
	(2,463)



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TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2012 nor for the period ended 31 December 2011

Trustees' expenses

During the year there were no trustee expenses incurred In 2011, expenses incurred by Mr A and Mrs D Harris totalled £13,230

As at the balance sheet date, these expenses had been repaid in full

STAFF COSTS

Wages and salaries	183,254	46,854
Social security costs	7,225	3,930
	190,479	50,784

During the period under review there were eight full time members of staff and sixteen part time members of staff

No employee received remuneration in excess of £60,000

TANGIBLE FIXED ASSETS - CONSOLIDATED

	Short leasehold	Plant and machinery	Fixtures and fittings
COST			
At 1 January 2012	12,259	33,020	1,370
Additions	35,397	21,982	18,746
Disposals	-	-	-
At 31 Dec 2012	47,656	55,002	20,116
DEPRECIATION			
At 1 January 2012	3,269	8,816	300
Charge for year	6,809	11,548	3,963
Eliminated on disposal	-	-	-

TANGIBLE FIXED ASSETS - CHARITY ONLY - continued

NET BOOK VALUE		Short leasehold	Plant and machinery	Fixtures and fittings	
At 31 Dec 2012	37,578		34,638	15,853	Fixed assets, included in the above, which are held under hire purchase contracts are as follows
At 31 Dec 2011	8,990		24,204	1,070	
		Motor vehicles	Computer equipment	Totals	Plant and machinery
COST					£
At 1 Jan 2012	33,580		3,454	83,683	25,193
Additions	4,500		3,434	84,059	
Disposals	(15,000)		-	(15,000)	
At 31 Dec 2012	23,080		6,888	152,742	6,298
DEPRECIATION					
At 1 January 2012	10,457		1,193	24,035	
Charge for year	4,610		1,721	28,651	4,724
Eliminated on disposal	(5,813)		-	(5,813)	11,022
At 31 Dec 2012	9,254		2,914	46,873	
					NET BOOK VALUE
At 31 Dec 2012					14,171
At 31 Dec 2011					18,895

TANGIBLE FIXED ASSETS - CONSOLIDATED - continued

At 1 January 2012	25,193				
DEPRECIATION					
At 1 January 2012	6,298				
Charge for year	4,724				
At 31 Dec 2012	11,022				
					NET BOOK VALUE
At 31 Dec 2012	14,171				
At 31 Dec 2011	18,895				

NET BOOK VALUE

At 31 Dec 2012	13,826	3,974	56,241
At 31 Dec 2011	23,123	2,261	59,648

DEPRECIATION

At 1 Jan 2012	10,457	1,193	24,035
Charge for year	4,610	1,721	20,402
Eliminated on disposal	(5,813)	-	(5,813)
At 31 Dec 2012	9,254	2,914	38,624

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FIXED ASSET INVESTMENTS – CONSOLIDATED

Shares in group undertakings

At 1 January 2012	£	
Additions	1	
At 31 December 2012	0	
	1	

NET BOOK VALUE

At 31 December 2012	1
At 31 December 2011	1

The charitable company owns 100% of the issued share capital of True Heroes Limited, a company registered in England. The subsidiary has been a dormant company since incorporation and as such there is no activity in this subsidiary

FIXED ASSET INVESTMENTS – CHARITY ONLY

Shares in group undertakings

At 1 January 2012	£	
Additions	1	
At 31 December 2012	1	
	2	

NET BOOK VALUE

At 31 December 2012	2
At 31 December 2011	1

The charitable company owns 100% of the issued share capital of True Heroes Limited, a company registered in England. The subsidiary has been a dormant company since incorporation and as such there is no activity in this subsidiary

STOCKS – CONSOLIDATED

Stocks

2012	2011
22,933	26,873

STOCKS – CHARITY ONLY

Stocks

2012	2011
16,657	26,873

DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR – CONSOLIDATED

Other debtors	2012	2011
	64,000	64,210
	64,000	64,210

DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR – CHARITY ONLY

Other debtors	2012	2011
Amounts owed to group undertakings	36,956	64,210
	137,835	-
	174,791	64,210

CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR – CONSOLIDATED

Hire purchase	2012	2011
Trade creditors	3,749	3,749
Taxation and social security	53,572	23,328
Other creditors	7,277	2,559
	11,926	5,150
	76,524	34,786

CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR – CHARITY ONLY

Hire purchase	2012	2011
Trade creditors	3,749	3,749
Taxation and social security	36,989	23,328
Other creditors	6,881	2,559
	11,862	5,150
	59,481	34,786



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CREDITORS AMOUNTS FALLING DUE
AFTER MORE THAN ONE YEAR - CONSOLIDATED

	2012	2011
Hire purchase	9,205	12,953

The hire purchase creditor is secured on the asset to which it relates

CREDITORS AMOUNTS FALLING DUE
AFTER MORE THAN ONE YEAR - CHARITY ONLY

	2012	2011
Hire purchase	9,205	12,953

OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	2012	2011
Expiring Within one year	25,000	7,600

MOVEMENT IN FUNDS - CONSOLIDATED

	At 1 1 12	Net movement in funds	At 31 12 12
Unrestricted funds			
General fund	216,112	32,152	248,264
TOTAL FUNDS	216,112	32,152	248,264

Net movement in funds, included in the above are as follows

	Incoming resources	Resources expended	Movement in funds
Unrestricted funds			
General fund	548,440	(516,288)	32,152
TOTAL FUNDS	548,440	(516,288)	32,152

MOVEMENT IN FUNDS - CHARITY ONLY

	At 1 1 12	Net movement in funds	At 31 12 12
Unrestricted funds			
General fund	216,112	90,364	306,476
TOTAL FUNDS	216,112	90,364	306,476

Net movement in funds, included in the above are as follows

	Incoming resources	Resources expended	Movement in funds
Unrestricted funds			
General fund	536,875	(446,511)	90,364
TOTAL FUNDS	536,875	(446,511)	90,364



RELATED PARTY DISCLOSURES

During the period under review, the charity purchased consultancy and administration services from ADA Consultancy, comprising fees of £64,203. In addition to the fees, expenses incurred wholly, necessarily and exclusively for the purposes of the charity of £14,962 (2011: £41,776) were reimbursed, of whom the directors are also trustees of the charity.

There was an amount owing to ADA Consultancy as at 31 December 2012 of £4,588 (2011: £nil) which is included within trade creditors.

During the period under review, the charity purchased book keeping and accountancy services from Accounting Solutions in the sum of £8,080 (2011: £4,583) of whom the director is also a trustee of the charity.

There was an amount owing to Accounting Solutions as at 31 December 2012 of £326 (2011: £411) which is included within trade creditors.

During the period under review, the charity purchased goods for resale from Event Merchandise Supplies in the sum of £23,886 (2011: £27,253) of whom the proprietor is a trustee of the charity.

There was an amount owing to Event Merchandise Suppliers as at 31 December 2012 of £22 (2011: £nil) which is included within trade creditors.

During the period under review a motor vehicle was sold to Mr Dean Scott, son of Mrs D Harris for the sum of £6,000 which was agreed by the trustees to be a fair market value at the point of sale.

There was an amount owing by Mr Scott as at 31 December 2012 of £2,600, this was paid in full post year end.

ULTIMATE CONTROLLING PARTY

The charity has no ultimate controlling party throughout the period under review.

INCOMING RESOURCES

Voluntary income

Donations	424,079	560,121
Gift aid	6,139	34,949

	430,218	595,070
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Activities for generating funds

Trading income	117,789	144,568
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Investment income

Deposit account interest	433	1,273
Total incoming resources	548,440	740,911

RESOURCES EXPENDED

Costs of generating voluntary income

Event costs	45,469	94,888
Advertising and PR	20,165	55,528
Website	-	14,087

	65,634	164,503
--	--------	---------

Fundraising trading cost of goods sold and other costs

Opening stock	26,873	20,992
Purchases	59,901	89,525
Closing stock	(22,933)	(26,873)

	63,841	83,644
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8.0 Conclusions

We have entered into an entirely new phase of the charity's work, which we have stated would become reality from the outset. To achieve two post services facilities to date has been both challenging and rewarding, scheduling trades, securing the best possible rates for the refurbishment was just the starting point and it has taken until now to narrow down the long-term strategic suppliers for the future expansion and role out of the Retreats

We are certainly on the road to establishing a model which will ultimately support the boys and girls in our care, it will also importantly deliver the refurbishment costs back to the charity as they trade, enabling the charity to provide additional Retreats as we have reported earlier

We have made the transition to bricks and mortar to fulfill our core mission "providing a safe environment and a new start for those disadvantage medically discharged service personnel"

During the last quarter of 2013 and moving on into 2014 we would like to provide the following new post service facilities -

2013	Preston
2014	Powys
2014	North East / Cumbria
2014	Devon

By using the Retreats you are making a real difference to the lives of our heroes, we thank you unreservedly

Registered Charity No 1132340

Supporting British Forces





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