

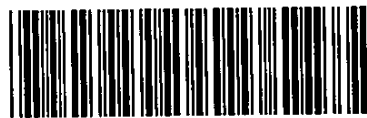


HELP *for* HEROES

Support For Our Wounded

ANNUAL REVIEW 2011

MONDAY



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25/06/2012

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COMPANIES HOUSE

INSPIRE

ENABLE

SUPPORT

"IT'S ABOUT THE 'BLOKES'. OUR MEN AND WOMEN OF THE ARMED FORCES. IT'S ABOUT DEREK, A RUGBY PLAYER WHO HAS LOST BOTH HIS LEGS. IT'S ABOUT CARL WHOSE JAW IS WIRED UP SO HE HAS BEEN DRINKING THROUGH A STRAW. IT'S ABOUT RICHARD WHO WAS HANDED A MOBILE PHONE AS HE LAY ON THE STRETCHER SO HE COULD SAY GOODBYE TO HIS WIFE. IT'S ABOUT BEN. IT'S ABOUT STEPHEN AND ANDY AND MARK. IT'S ABOUT THEM ALL. THEY ARE JUST BLOKES BUT THEY ARE OUR BLOKES; THEY ARE OUR HEROES.

WE WANT TO HELP OUR HEROES."



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CHAIRMAN'S REPORT

Help for Heroes (H4H) was born of a passion, the recognition of the urgent need to support those injured in current conflicts combined with the utter conviction that this support should be 'the best'. This urgency was the catalyst for huge support from the public resulting in £14m being raised in the first year and during this last year (2010/2011) the Charity reached the fundraising milestone of £100m. Despite being only four years old, there has been no let up in the passion and pace of activity. If anything, 2010/11 was more frenetic than previous years.

We have always had a 'Money In, Money Out' policy meaning that as money is raised it is put to work. As both major capital projects and quick reaction funding by Help for Heroes have started to be delivered, it is becoming clear how much the facilities and support provided with your donations are valued by the injured and their families. This in turn drives on the Help for Heroes teams and supporters to raise and deliver more.

But as more is done so the awareness of what still needs to be done increases. Life changing injuries need lifelong support. For some the road to recovery is relatively quick but for others the injuries sustained will affect their entire lives and support, both physical and mental, will

be required throughout. For others the true nature and extent of the challenges faced by an individual may only surface after several years. What is abundantly clear is that while facilities can be put in place for all, every individual will have different needs and tailored long-term support is vital.

As these needs have become clearer so has Help for Heroes clarified its role as a champion of the wounded and lead funder in the delivery of what is needed. After four years in operation the drive and values of the Help for Heroes team is the same as when it was founded, but the vision and commitment have been immeasurably strengthened as the mission has matured.

Working with the Ministry of Defence (MOD) and other military charities, Help for Heroes has led the creation of a network of Personnel Recovery Centres (PRCs) that are now being set up to provide superb local rehabilitation facilities and to act as hubs for tailored individual recovery programmes. For us, Tedworth House sets the standard as to what can be achieved with vision, commitment and considerable impatience. It came into operation during the year with interim facilities being made available while the main building reconstruction work is still being done. The staff and facilities at Tedworth have already made a dramatic impact on the lives of many recovering Servicemen and women and this serves as inspiration to complete the delivery of the other Centres. As we move forward, we aim to play our part not only in leading the delivery of the facilities but also in creating a unique sustainable partnership between the MOD and the Forces charities, particularly The Royal British Legion (TRBL) – each of which provide specialist expertise in order to do their very best for 'the blokes', the men and women of the Armed Forces.



From a financial perspective, being able to support these Recovery Centres for the long term has been a central goal of Help for Heroes fundraising during the year. As all the Centres come on stream in 2012/3 we aim to have sufficient funding to underwrite their operational costs for at least twenty years. We aim to do this in parallel with supporting all our other commitments such as providing funds to the Quick Reaction Fund, Battle Back and a large number of charities that support the wounded through their specialist expertise.

Helping to rebuild lives is a huge task and we are only just beginning to understand the emotional and psychological impact of the transition to a new life for the wounded. We will need to do more, and in the future we aim to develop greater support in this area. One example of this is through the creation of the Band of Brothers and Band of Sisters networks. In addition to existing ties with their previous serving units, these networks will provide a strong link to others in similar situations, can trade and can support each other in all kinds of ways.

None of this can be done without the amazing volume of funds raised by the general public. We have a wonderful team within Help for Heroes to support you, from those working in Help for Heroes Trading to those supporting events, seeking corporate funding or processing donations. But we are continually in awe of the public in providing the funds that are so desperately needed. Your energy, generosity and creativity are making a huge impact on the lives of wounded Servicemen and women.

Thank you,
Hadyn Parry

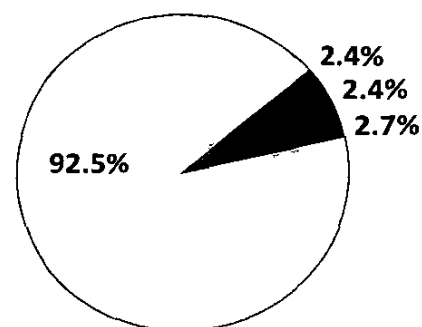


AT A GLANCE

Most of our income comes from donations and legacies, together with the funds raised by challenges and the profits from our Trading company

WHERE OUR MONEY COMES FROM

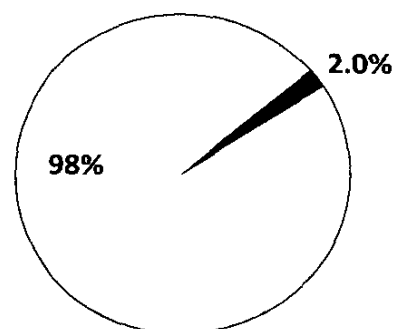
	Voluntary Income	£38.2m
	Profits from trading	£1.0m
	Net income from challenges	£1.0m
	Interest earned	£1.1m



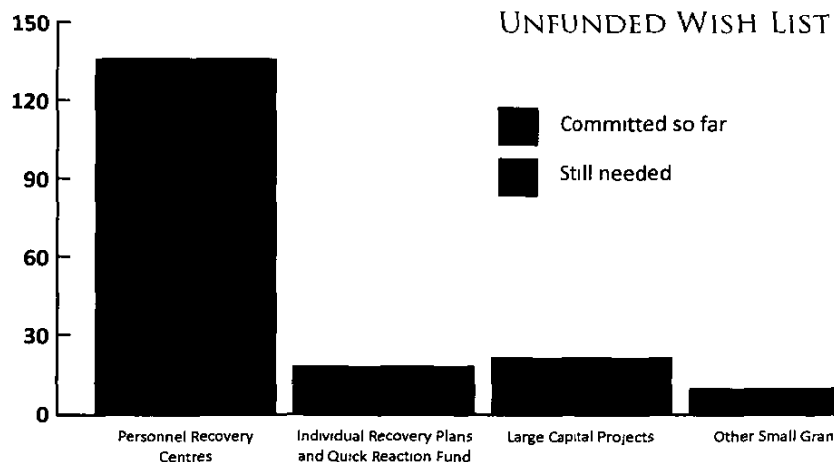
By using the profits from the Trading Company to cover the majority of its support costs, Help for Heroes maximises its 'Money In, Money Out' approach, resulting in 98p of every pound donated to the Charity going towards our charitable activities

MONEY IN, MONEY OUT

	Surplus Available for Charitable Activities
	Costs of Admin net of other income



However, we still have lots to do and our current wish list amounts to £91m



CO-FOUNDERS' LETTER



INSPIRE, ENABLE AND SUPPORT

We talked in the last Annual Review of being, 'in a race to raise funds and deliver facilities and a network of support', that race continues and the pace has quickened

We took over Tedworth House with a simple 'ceremony of the key' on February 18th 2011 and walked into a huge, cold, somewhat neglected and possibly unloved house. Sixteen weeks later, Tedworth House had been reborn and was full of people, warm, restored and ready to welcome its first residents. It was a great day.

Tedworth is the trailblazer site for all our Recovery Centres and is the first time H4H, through The Tedworth House Charity, has become a service delivery organisation. Hitherto, we raised funds and made grants and, although we saw a great deal of our beneficiaries, now we are truly at the workplace with 'the blokes'.

Through Battle Back we have met some extraordinary individuals, young men and women who tackle their injuries full on and within months of being injured are cycling, swimming, climbing, sailing, skiing and thinking of their next challenge. At Tedworth we have met individuals who face different challenges. For some, just getting through the day is a challenge, let alone making a plan for a fulfilling future.

Each of the young men and women we meet has a different set of problems which need to be addressed holistically. One may have lost his leg but may also have lost his best friend in the same incident, his girlfriend has left him, he does not have a cosy family to support him. He feels battered and lost, life looks hopeless.

Our job is to give the wounded, injured and sick time to recover both mentally as well as physically. Working together – military, H4H and other charities – we seek the spark of inspiration that can be rekindled. The individual faces a different future from the one he planned and needs the inspiration to get going again. Then, he or she needs to be enabled to go on the right course, to prepare to launch forward. Finally they will need lifelong support for when things go wrong, which inevitably for some, they will. We need to be there to help and we will be.

We were inspired to hear the 'Walking with the Wounded' team talk at Tedworth about their extraordinary trek to the North Pole and even more awe inspiring plans to conquer Everest. The most important point they made however was that not everyone will be able to climb Everest but, 'everyone can climb their own Everest'.

We say that it's about the 'blokes' and it still is. It's about Guy who walked to the North Pole with one leg, Jon who made it to Everest basecamp with spinal injuries, Si who trekked across the Sahara with limited eyesight and Neil who rowed across the Atlantic, they are all true heroes. It's also about Ben who discovered he can cook and is training to become a chef, Dan who has become a bricklayer and is working on the new wing at Tedworth. It's also about Lyndon who passed the first stage of his plumbing exams and it's certainly about Charmaine who is tackling dyslexia and wrote a poem, they too are heroes.

Inspire, enable and support, three words that help set our course for the future. It will be a challenge for us and it is a huge challenge for the blokes but then again, whoever said life should be easy?

Onwards and Upwards!

Bryn and Emma



CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDING 30 SEPTEMBER 2011

I hope we will look back on 2009/10 as the worst year for casualties in Afghanistan. Certainly in 2010/11, the number of injuries dropped significantly but sadly the type of injury sustained, especially by IED victims, has increased in severity and reminds us of the need for lifelong care and support. The dreadful power of IEDs means the victim suffers multiple injuries that will affect him and his family for life. The mental scars alone are just beginning to show and we believe we are only seeing a small proportion of those who will eventually suffer from their experiences.

INSPIRE, ENABLE AND SUPPORT

The funds raised by the amazing Help for Heroes supporters and the British public can often take months to finally arrive in our Donations Department. Although the press interest in Afghanistan switched to Libya and Royal Wootton Bassett no longer stands silently for our fallen, we have not yet seen a fall-off in donations. Indeed, with an income in excess of £46m for the year, we have seen our greatest level of revenue to date. However, we are mindful when the fighting is over, and so out of mind, the public interest may wane and we must prepare for that. There may be peace but our wounded Servicemen and women will still be fighting their own lifelong battles.

With the need for long term comprehensive support at the top of our agenda, it has been good to begin to deliver our national Recovery Centres project. During this period we cut turf at Colchester and Plymouth and opened our interim facility at Tedworth House. Catterick opened its interim facility in the autumn of 2011 and all four Centres are on schedule to be at full operating capability during 2013.

Tedworth House merits a special mention as an example of what can be achieved with the right 'can do' attitude. The construction team, run by Vinci, took on a 'totally unrealistic' deadline and delivered a restored building ready to receive its first 26 residents in just twenty weeks. Some of the 150 builders worked for weeks without a break and on the opening day we were unwrapping furniture minutes before we opened the doors. It was teamwork at its best and our thanks must go to some extraordinary people who made it happen.

Both during the preparatory phase and since opening Tedworth House, we continue to build on the ethos of Inspire, Enable and Support. Working together as Team Tedworth we seek to inspire those whose lives have been changed to set a course to new ambitions with the right skills and support if needed. The lessons learnt at Tedworth provide a blueprint for best practice which is being replicated at our other Centres. The wounded, injured and sick all face an uncertain future and need support that meets their individual needs. This is new ground for the military and for us, David Richmond CBE, the most senior British officer to be wounded in the current conflicts, is leading the team as both Chief Operating Officer of Tedworth House and H4H Defence Recovery Projects Officer.



During 2010/11 The Tedworth House Charity was established to provide service delivery within Tedworth House. During 2011/12 the intention is to rename the Charity and extend its scope to encompass service delivery within the other PRCs at Catterick, Colchester and Plymouth.

Our Quick Reaction Fund (QRF) continued to deliver swift individual financial support to both the injured and their nearest and dearest. In this year, the £6m fund, administered for us by ABF The Soldiers' Charity and The Royal Navy & Royal Marines Charity (RNRMC) and working with The Royal British Legion and SSAFA Forces Help caseworkers, delivered over £1.6m in grants.

The QRF is backed up by the Individual Recovery Plan fund which helps top up the resettlement funding available to those wounded, injured and sick on discharge from military service. Our funding enabled many to achieve professional and vocational qualifications allowing them to move on into civilian employment.

Our fellowships, the Band of Brothers (BoB) and the Band of Sisters (BoS) have grown this year. Originally the BoB was an informal network that allowed our beneficiaries to talk to us and their colleagues about shared issues and for us to pass on offers we received. For example if we have seats for a football match, the offer goes out on a first come first served basis. This simple network has taken on a life of its own and is fast developing into a social media-based club, offering friendship or, in some cases, signposting someone in distress to the right assistance. As more and more of those whose lives have been affected by injury leave the Services and face the loneliness of civilian life, we anticipate the BoB and BoS networks being there as our principal method of staying in touch.

During this year we continued to champion the wounded's issues to Government. We gave evidence to the Parliamentary Defence Committee and working together with COBSEO, our Service charities' confederation and BLESMA, the lead on the limbless, we played a key role in the Murrison Report. The report recommended establishing five centres to provide high quality prosthetics to the amputee veterans and we will continue to work hard to ensure they deliver the recommendations.

Whilst we welcome the Murrison report, we should emphasise that the amputees are only a relatively small group within the wider cohort of the wounded. To have centres providing quality prosthetic support is undoubtedly a positive step, but does not address the long term and unique nature of the injuries faced by battle casualties. This group of several thousand has injuries that are not seen in civilian life and that may well need reconstructive surgery long after the casualty has left the Services. H4H supports the concept of linking the network of Recovery Centres to national hospitals with the necessary surgical and medical skills, to which the wounded will be able to return throughout their lives. This concept of linkage is already being trialled between Tedworth House and Salisbury NHS Foundation Trust, and H4H will continue to work with the Department of Health to develop this during the year ahead.

An area of particular concern is that of mental health. From our close work with the wounded, injured and sick (WIS) we realise that all who have to face life-changing circumstances have some degree of mental health issues. These are by no means all full blown Post Traumatic Stress Disorder (PTSD), but may include depression and worries about the future, marital breakups and so on. We believe mental health support should be integral to the recovery process and not confined to support when called for, that may be too late.

£100M!
DON'T STOP NOW!



INSPIRE, ENABLE AND SUPPORT (CONT)

We are working with Combat Stress, King's College London and the MOD to address this issue and expect it will play a large part in our future grant support programme, it is clearly needed

H4H has long called for a 'Champion of the Wounded' role to exist outside the MOD and was delighted to be involved in the creation of a new Armed Forces and Veterans Committee, which we have shortened to 'The Heroes Committee'. This committee, the initial meeting of which was chaired by the Prime Minister, will address the various unique issues faced by Service personnel and veterans and will work across Government departments. We welcome this and look forward to seeing the results.

DELIVERY PROJECTS

In our first three years we focused on fundraising and grant giving to organisations that we felt could best support our beneficiaries or to provide facilities such as the £8.5m Headley Court Rehabilitation Complex. With the development of the Recovery Centre project, we have moved into direct delivery.

We provided the initial (£750K) funding for the Edinburgh Pathfinder Centre, are funding the further capital costs of £60m to build the Recovery Centres at Tidworth, Catterick, Plymouth and Colchester, and during 2012 we will be involved (£2m of the total £4m) in a joint venture, with Fisher House Foundation and Queen Elizabeth Hospital Charity, to provide a Fisher House family accommodation unit at Queen Elizabeth Hospital Birmingham.

H4H is the lead service provider at the Recovery Centres, responsible for funding the majority of operating costs and providing the right environment for the military to carry out their support to those WIS who are transitioning to civilian life. The estimated costs needed to run all four H4H centres for 20 years are £93m (excluding MOD costs). The Royal British Legion, our principal charitable partner, will be making a significant contribution of an annual grant (£1.75m) to H4H to help us run Catterick, Colchester and Tidworth House. Other supporters, notably GlaxoSmithKline, Army Central Fund, Tesco and CSC are all making significant financial contributions.

Our funding to Battle Back, the MOD adaptive adventure training and sports initiative, continues to gain pace. We were delighted to be the founder patrons of this wonderful organisation, created by Colonel Fred Hargreaves OBE, which gives the wounded, injured and sick the chance to feel the 'wind in their hair and the sun on their backs' once again. We employ staff at Headley Court to support Battle Back and are building a team of former military specialists to support Battle Back opportunities for both serving and veterans at the Recovery Centres (Battle Back Phoenix). We are delighted the Royal British Legion is supporting the MOD's new Battle Back Centre at NSC Lilleshall offering a week-long inspirational introduction to activities that can be continued later at the Recovery Centres.

"To all those who have raised money for Help for Heroes I would like to say thank you. You have helped to put grins back on the faces of men and women who, not long ago, thought their lives would never be the same again."



MONEY IN FUNDRAISING HIGHLIGHTS

With our delivery projects increasing and the requirement to cover their long-term costs, the need for funds has not diminished and so far, nor have the energies of our wonderful fundraisers. The number of bakers who made cakes for the annual Colossal Cake Sale increased, Tesco and ASDA both gave us fundraising days when thousands of our volunteers collected over £1m in just five days and the annual GMG Radio H4H day broke their record with donations of over £300k

Our Big Battlefield Bike Ride rode with a record number of wounded Servicemen including a team from the USA, and as we cycled through manic Parisian traffic we heard we had broken through the £100m mark. Even a rainstorm of biblical proportions could not dampen our high spirits as we finished at the Eiffel Tower

The support from our Corporate Partners continued to grow with over 250 organisations 'doing their bit' ranging from staff fundraising to providing invaluable pro bono support to H4H. An increasing number of companies joined us in fundraising through Commercial Partnerships where their products are sold and we benefit through the H4H Trading Company. To walk into a supermarket and buy a box of Eggs for Soldiers and know you are benefitting our wounded puts a smile on the face of even the most cynical of shoppers

We have seen a marked increase in the number of people leaving legacies and of course we may have many more wills being written in our favour than we can possibly anticipate. Following an inspirational pro bono 'The Apprentice' style input from trainee solicitors at Wilsons, we are preparing a new legacy campaign based on their slogan of "with your WILL we can" and expect to see a significant increase in this area in forthcoming years

Our Challenges and Events team registered over 400 events a week and took teams of fundraisers to the ends of the Earth, including Everest, the Sahara, the jungles and even Outer Mongolia in our quest to challenge people to do their bit for the wounded. It is even more humbling when the fundraisers are those whose lives have been affected as a consequence of war. For example the family of Rifleman Dan Hume raising over £178k in Dan's memory, or the amazing Team Hatton who continue to cycle, run, climb and swim towards their target of £100k, inspirational indeed

Similarly the wounded themselves are literally unstoppable, we have been deeply honoured to have been involved with the various achievements that have seen many injured Servicemen and women, now friends, climb mountains, row the Atlantic, walk to the North Pole, ski, cycle and even aim for the Paralympics. For some their achievement is to pass a plumbing exam or to learn to walk again, these feats are equally impressive. Not all can climb Everest but we want to be with them as they tackle their own Everest, whatever it may be

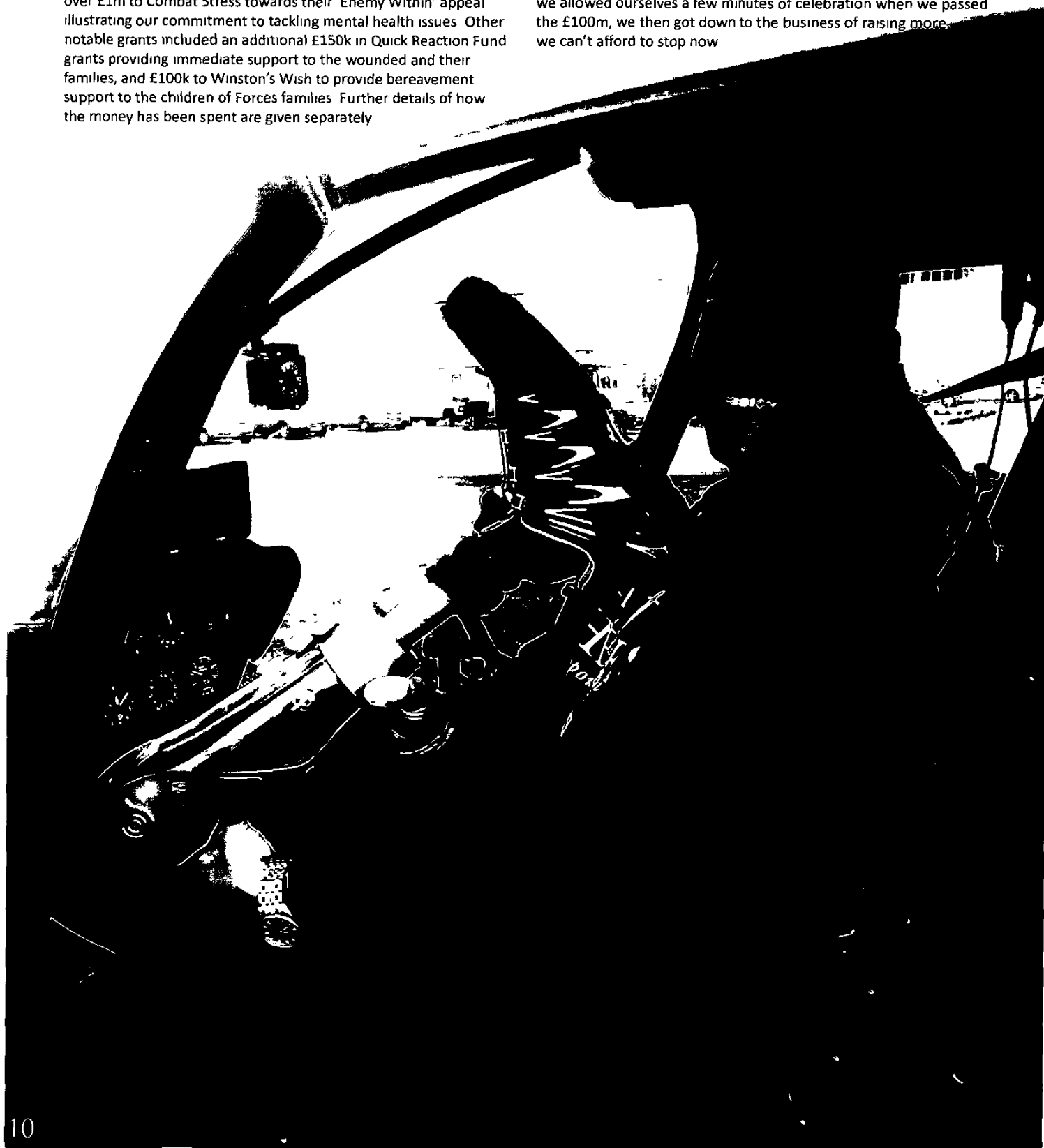
"It makes everything that little bit more worthwhile, knowing you have got the support of the nation behind you makes you feel very proud."



MONEY OUT GRANT HIGHLIGHTS

In 2010/11 we made commitments in the form of grants or designations totalling over £29m including a further grant of over £1m to Combat Stress towards their 'Enemy Within' appeal illustrating our commitment to tackling mental health issues. Other notable grants included an additional £150k in Quick Reaction Fund grants providing immediate support to the wounded and their families, and £100k to Winston's Wish to provide bereavement support to the children of Forces families. Further details of how the money has been spent are given separately.

We continue to run a shopping list of projects we want to tackle, adding new ones as we achieve each target. This means that while we allowed ourselves a few minutes of celebration when we passed the £100m, we then got down to the business of raising more – we can't afford to stop now.



ONWARDS AND UPWARDS, THE FUTURE

During our fourth year (2010/11) we continued to evolve as we responded to our ever greater understanding of the needs of 'the blokes', the wounded, injured and sick Servicemen and women who are our beneficiaries. Where there is another organisation well placed to provide the support they need, we help them do that, where there is a gap, we fill it. We are always learning and making the necessary improvements as we seek to provide the best support, we are anything but complacent.

This continual need to improve our service means we are a very different organisation from the one that started out in October 2007 but our mission to help 'the blokes' remains our single focus and is the compass by which we steer our course.

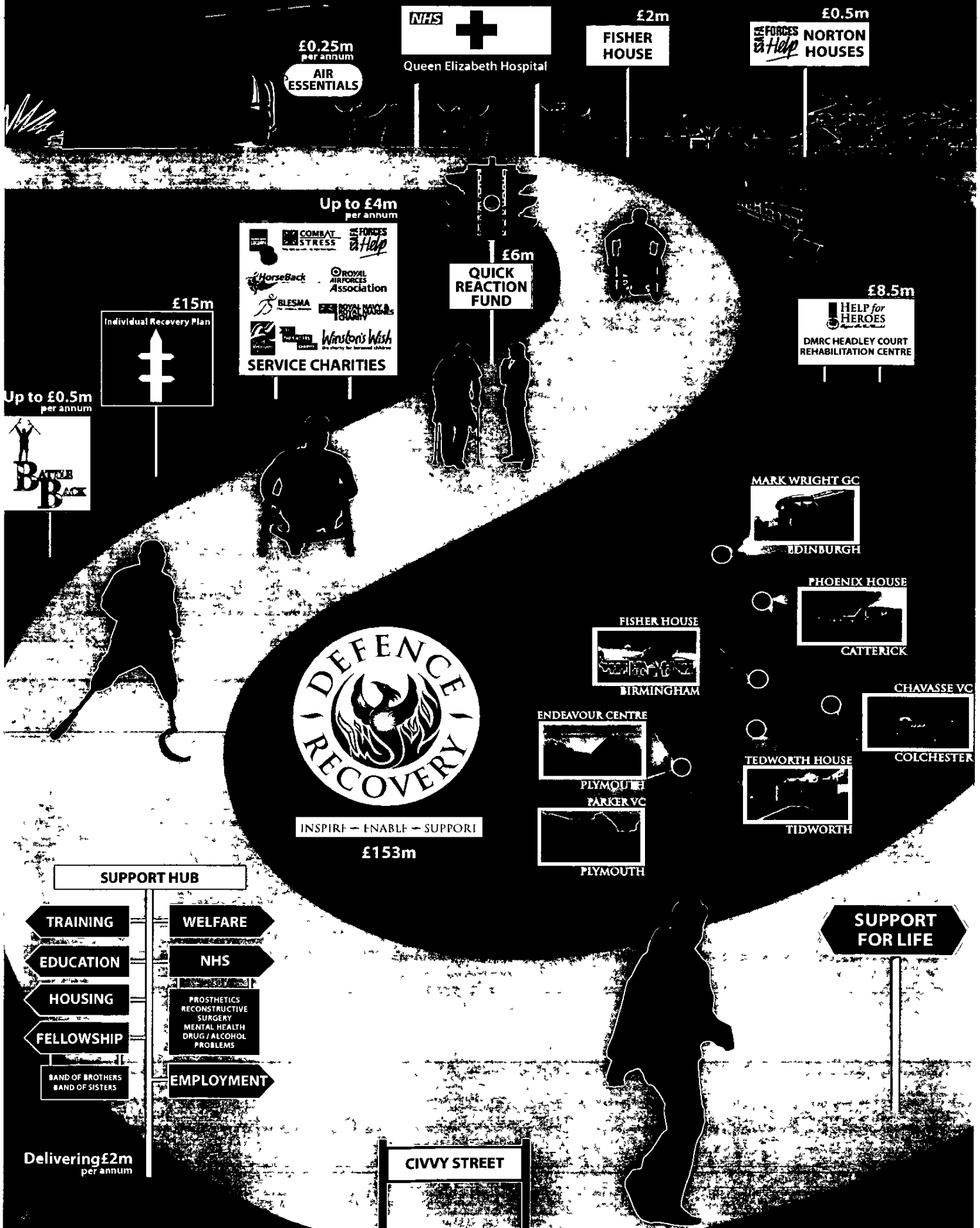
We have grown but as demonstrated in The H4H Ratio (see page 34) at 98% we are unique amongst charities in our efficiency and we will always strive for 100%. We still "blag" where we can, for example we saved over £1m at Tedworth House through pro bono support or services and goods-in-kind. We still operate a 'Money In, Money Out' policy and the only investment provision is to ensure that the Recovery Centre running costs are in place for the first twenty years.

We are still passionate, we are still determined and everything we do is focused on 'the blokes'. The challenge is to ensure that our ethos and style remains the same as it was on day one, while at the same time ensuring we are prepared, supported by the right governance and management, to provide the best for 'the blokes' – for life.

Bryn Parry



THE ROAD TO RECOVERY





The journey along the Road to Recovery starts at the point of injury. Whether in operations or otherwise, if someone's life has been badly affected whilst in the line of duty, Help for Heroes will step in and help. If injured during operations, casualties are flown directly from the scene to the field hospital for emergency medical help before being flown home on the Aeromed and given an H4H Air Essentials bags – immediate, direct, comfort supplies.

Once at the new Queen Elizabeth Hospital in Birmingham, the casualty's family are welcomed at SSAFA Norton House, which H4H is proud to have supported. In 2013, we will also deliver the new Fisher House in partnership with the Fisher House Foundation and the Queen Elizabeth Hospital Charity. Once the casualty is sufficiently recovered, the next step is DMRC Headley Court which houses a £8.5m H4H Rehabilitation Complex.



It is here that 'the blokes' begin thinking about the future and adventure training and sport plays a key role. Adrenaline boosting activities like sitting volley-ball or water-skiing can prove a great boost for those used to being fit and active – physically and mentally. H4H support for Battle Back began in 2008 as founder patrons and it continues to be a key part of the Recovery process. £1.2m has been granted to date.

For seriously injured servicemen, the recovery process in hospital can be long, frightening and lonely – for them and their family. The H4H Quick Reaction Fund (QRF) delivers swift individual financial support to both the injured and their nearest and dearest as and when they need it on the Road to Recovery. It is administered by ABF The Soldiers' Charity and The Royal Navy & Royal Marines Charity (RNRMC), working with The Royal British Legion and SSAFA Forces Help caseworkers.



When 'the blokes' are ready to move on and it has become clear that they will have a civilian future, they are directed to a Recovery Centre. H4H is the lead service provider at the PRCs, responsible for funding the operating costs and providing the right environment. The estimated cost we will need to meet to run all four H4H centres for 20 years is £76m (excluding MOD costs). PRCs are a "one stop welfare shop" for our wounded and their families and provide the facilities to support the two key parts of the recovery process: holistic life skills courses and activities to get the wounded, injured and sick back out doing what they enjoy the most. From learning new skills, to accessing psychological, financial, employment, prosthetic and social support via the Support Hub.

Finally, 'the blokes' move out into Civvy Street. By this stage they should have a job, training, home and family support in place. They can keep in touch with their colleagues via the Band of Brothers network and their family can access the Band of Sisters. They can continue to enjoy sport and adventure training through our Battle Back Phoenix programme, join our challenges or pop into our superb gyms at the Recovery Centres, they can stay in touch.

If at any point things go wrong, and we all know that from time to time they will, 'the blokes' know that they can contact the Support Hub and get the help they need with minimum fuss and in one place. It sounds simple and of course life is not like that but, working with other key stakeholders, it can be done. Our young men and women have had their lives changed on our behalf and we, the people of this country, not just the Government, owe them the best support in return.



PERSONNEL RECOVERY CENTRES AND SUPPORT HUBS

Tedworth House opened its doors to the first wounded Service personnel on July 11th 2011, just 20 weeks after H4H received the keys, marking a major milestone for H4H. It is one of four new Personnel Recovery Centres (PRCs) which H4H is delivering, revolutionising the way we look after our injured Service personnel.

Being built in or near major garrison towns across the UK, the Centres provide comfortable living and learning accommodation for those on the Road to Recovery, giving individuals the very best training and opportunities for a fulfilling future. The focus is on the two essential elements of a positive recovery process, holistic life skills courses and activities to get individuals back out doing what they enjoy the most. Alongside, Battle Back plays a vital role here in inspiring the wounded to set new physical challenges for themselves and create adaptive training regimes.

Tedworth House is also home to the ground-breaking concept of a 'Support Hub'. This is a communal space where the specialist delivery agencies, local social services and charities provide a joint solution to individual needs, each contributing their specialist skills and services. This means the residents can receive everything they need in one place, whether advice on relationships, financial issues, mental wellbeing, housing needs or help with prosthetics, it can all be obtained at Tedworth House.

The 'blokes', the men and women of the Armed Forces, are the focus of everything at Tedworth House. David Richmond, COO, says "Every one of them has enormous potential, it is Team Tedworth's job to help them fulfil it by understanding their challenges and fears, strengths and weaknesses and to work as one team to inspire and motivate them." David continues, "We've worked hard to ensure that those who are working at Tedworth House are the best possible because Team Tedworth will be essential in bringing the Tedworth House vision to life." Team members include military staff, full and part time Help for Heroes employees, Help for Heroes volunteers, other charity representatives (volunteers and paid) and contractors.

TRANSFORMING TEDWORTH

On February 18th 2011, Help for Heroes finally took on the lease for Tedworth from the MOD at the nominal rent of £1 a year for 99 years. The vision of creating a place where our wounded would prepare themselves to launch into the next phase of their life, and could return whenever they needed support, for life, would finally become a reality.

Help for Heroes was determined that, no matter what, Tedworth House would open its doors to residents within six months. A huge challenge and a seemingly impossible task at the time.

Respected architect Quinlan Terry interpreted the vision, whilst an army of friends, supporters and volunteers offered up time and goods to help. Contributions included interior design from Annabelle Elliott and Cindy Leveson, furniture from John Lewis and design, furnishings and furniture from Tesco, along with the invaluable crisps and sandwiches for the workers!

The team of 150 builders worked tirelessly to ensure that Tedworth House was able to open on time, many without a single day off and sometimes working into the small hours.

Two weeks before the launch however there was still a long way to go. In true H4H style, everyone rolled up their sleeves and made it happen – unpacking furniture right up until the afternoon of the opening!

"I know they will always be there for injured guys and girls in times of crisis, which will help them achieve much more from their future lives."



WHAT IT MEANS TO THE 'BLOKES'

An opening event was arranged to mark completion of the first phase. The event was not just a triumph for everyone involved in the refurbishment and funding, but deeply moving for individual blokes and their families.

Stephen Vause was one of the first young men that Bryn and Emma Parry met at Selly Oak Hospital when they were first inspired to launch Help for Heroes. He was injured in Iraq in 2007 and was not expected to survive his wounds. He is in a wheelchair and has brain damage. At the Tedworth opening his mother Jessica said, "Stephen wants to say something" – and he was able to say 'hello'. His speech therapy has taught him to go through his letters and then pull out a sentence all at once. He had only just started to be able to do this and just that day had said to his mother, "Mum, I love you," and, "I'm still a Rifleman."

Former Royal Marine, Arthur Williams aged 26, who is paralysed from the waist down and a permanent wheelchair user, is a fiercely independent and inspiring individual. He prides himself on not having to rely on the financial support of Help for Heroes, but takes comfort knowing the support is only a phone call away. He says, "They saved my life – I owe them an un-repayable debt. Knowing that there are so many lovely people out there looking out for you makes a huge psychological difference. Life is tough enough for everybody, let alone those living with a disability, but Help for Heroes takes a huge weight off my mind."

He paid tribute to the PRCs. "Help for Heroes is the strongest foundation in supporting my rehab. I can't put into words how much I appreciate everything they have done and are still doing for me. I feel like I can say 'I'm really struggling with this,' or, 'This might sound like a stupid question but what do I do about this?' and they will always go out of their way to help me. When you're in a rut or you need something quick, Help for Heroes just get it. They do exactly what they say they are going to do. When I visited Tedworth House all my worries about leaving the Army disappeared. There are no catches, the choice is mine and I know their support is there for life whether I need it now or in the future."

"The lengths the team go to help is amazing. I know that, whatever the future holds for me, they will be there as a life line, to help support me."





PRCS ACROSS THE UK

2011 also saw a major step forward in plans for the PRC at Colchester Garrison with the turf cutting ceremony on February 11th. This is the first purpose-built facility of its kind and provides residential accommodation for 29 soldiers and 31 day attendees. Construction was completed in Spring 2012.

Phoenix House is a new build recovery centre within the garrison at Catterick. During 2010/11, H4H funded refurbishment of temporary accommodation and recruited the first members of Team Catterick, ready to receive the first residents during Interim Operating Capacity in October 2011. Phoenix House will be operating at full capacity in early 2013.

In Plymouth, H4H is funding the expansion of facilities at HMS Drake, ultimately for use by all three Services. Temporary accommodation has been provided whilst Parker VC is built, to include 60 cabins, breakout rooms and social space in early 2013 when it reaches Full Operating Capacity.

Complementing Parker VC, the Endeavour Centre will have facilities to support rehabilitation. The building is designed using the experiences gained from Headley Court and will include a 25 metre liftable floor swimming pool, a 12.5 metre hydrotherapy pool, a 25 metre sprung floor gymnasium including a full suite of cardiovascular equipment, a physiotherapy suite with 8 purpose designed clinical treatment rooms and a veterans hub that will host agencies who support injured Service personnel. There will also be a large social space with café facilities and IT connectivity.

"Dear All at Help for Heroes,

As a serviceman that has previously raised over £10,000 through wrist band sales and other donations, I would just like to add a massive well done and "Pat on the Back"

I was recently evacuated from Afghanistan, with what turned out to be a Brain Tumour! And to see the charity at work at the 'sharp end' was really incredible, to see young male and female soldiers on the back of a cold C17 at night heading back to the UK, finding comfort in a Help for Heroes hoodie, clinging on to it like it was a survival blanket, displayed volumes of what the charity is all about, giving comfort to those in need.

As a young soldier they must, initially, feel alone having to deal with their situation, and then they're given this sack of comfort! Which they protect as if it was their only belongings! Well done and keep going. Simply amazing, just like the rest of the charity and welfare that hits you at that fantastic hospital."

"There have been many dark days but my son's continual need for care and support is worth any challenge, and H4H cares. It is because they care that I do the challenges; quality care comes at a price."

TO INSPIRE OUR WOUNDED, INJURED
AND SICK SERVICEMEN AND VETERANS TO LEAD
ACTIVE, INDEPENDENT AND FULFILLING LIVES.
ENABLING THEM TO REACH THEIR
FULL POTENTIAL AND SUPPORTING THEM,
AND THEIR FAMILIES, FOR LIFE.



HOW YOUR MONEY HELPS

In the last year H4H has made commitments in the form of grants or designations in excess of £28m to enable direct practical support to be available to a huge number of people and organisations that have approached us for help. It's not all about the latest sports equipment for those who feel inspired to compete in elite challenges, for most it's small grants, for basic needs, that make the world of difference.

Each week, H4H receives literally dozens of calls, letters and emails asking for support. These range from significant requests from other service charities, to vitally important, immediate cries for help from those directly affected, or their loved ones.

INDIVIDUAL GRANTS

Personal, immediate grants that have been made from our Quick Reaction Fund (QRF) include supporting a suicidal ex-serviceman who suffered with severe Post Traumatic Stress Disorder (PTSD) following incidents in Iraq and, unable to cope alone, urgently needed help to move closer to his family. In another case, a veteran with a below-knee amputation asked for help to fund a locksmiths training course so he could run his own business.

Sometimes unexpected personal and family situations need help like a serving member of our Band of Brothers who is not only blind but also had to lose one leg from above his knee. With his wife 20 weeks pregnant, their boiler broke down and needed replacing – H4H stepped in to help.

A new mattress might not sound particularly urgent, but when you have a brain injury which causes epilepsy, it can make the world of difference during a severe night-time fit.

Many ex-Servicemen and women find their relationships come under immense pressure after being discharged and/or injury. Often, cries for help come from newly-single mothers needing help with child-care and moving costs. Combined with severe injuries it can be financially crippling just to try to move on. Wherever we can, we step in to ease the burden by covering these essential costs.

For seriously injured servicemen, the recovery process in hospital can be long, frightening and lonely. Having loved ones visit regularly is vital, but often partners and parents also need to work and keep the family going. No-one should ever have to choose between the two, and H4H has been able to provide immediate funds for close family members to enable them to give up work for a short period of time and be where they need to be supporting their loved one in hospital.



LARGE GRANTS

Requests for specific larger scale donations normally come via, or are distributed by, other Service charities. In the last year we have given substantial grants to support a wide range of requests from mental health to physical challenges support, rehabilitation equipment to employment skills courses.

One of H4H's high profile activities is the provision of 'Air Essentials Bags' – these are given to each of the 3,000+ wounded or injured Service personnel who are evacuated from the theatre of war to their most appropriate medical facility, usually Queen Elizabeth Hospital in Birmingham. Many have no belongings or personal basics with them. After the trauma they have already experienced, it is great to receive a back-pack containing simple essentials like a H4H hoodie, a pre-loaded MP3 player, eyeshades, ear plugs, toiletries and a travel pillow, as well as reading material. These basic, small things can make a huge difference in improving conditions and is the first contact that H4H has with the wounded on their Road to Recovery. These bags would not be possible without the support of DCS Europe, Colgate, Unilever, P&G and Johnson & Johnson.

Support is also provided for vital, but less immediately obvious needs. £1m has been given to Combat Stress to help fund their 'Enemy Within' campaign. Combat Stress delivers free, dedicated treatment and support to ex-Service men and women with conditions such as PTSD, depression and anxiety disorders. Left untreated, the consequences can be devastating. The 'Enemy Within' appeal aims to ensure that veterans and their families are never far from help through residential and local community support.

Other key beneficiaries have included the Not Forgotten Association to whom we granted £150k and Winston's Wish, the leading childhood bereavement charity and largest provider of services to bereaved children, young people and their families in the UK. H4H gave £100k to develop and implement a bereavement support programme for any military family across the UK with children aged 18 or under affected by the death of a sibling or parent killed while serving.

Giving ex-Servicemen and women the opportunity to explore new employment and build confidence is a vital part of the H4H support. £150k was provided to SkillForce, following an initial grant of £224k in 2009. The grant provides long term wounded, injured and sick personnel with formal and on-the-job training working with young people in a learning environment.

"There is absolutely no way I would ever have had the chance to see Michael. You were there to meet me at the train station, take me to the hospital, book me into a B&B and always be on the other end of the 'phone if I needed you."

£50k was granted to HorseBack UK who offer a combination of equine therapy, nature therapy and adventure training to aid the recovery process. As one wounded Serviceman put it, "On arrival at Horseback UK I was anxious and completely out of my comfort zone. Working with the horses and the staff and experiencing new activities increased my confidence on a daily basis. I have learnt that I am stubborn but determined and still able to learn. I can laugh again and know what fun is. I thank you so much for this chance as I now realise I am not on the scrap heap and have a chance at life again."



BATTLE BACK

SUPPORTED BY HELP FOR HEROES

Battle Back uses Adaptive Adventure Training and Sports Rehabilitation to help seriously wounded Service personnel gain confidence and return to an active life and is making a phenomenal difference to the lives of many wounded Servicemen and women. By encouraging those who have suffered serious injuries to play sports and try new activities in a sociable atmosphere, the team work hard to prove that disability need not spell the end of participation in physical challenges. In 2010/11, the Battle Back programme offered wounded Servicemen and women a wide variety of activities to get involved in, from sledge hockey to flying lessons.

Luke Sinnott who was wounded in Afghanistan in 2010, is a fine example of Battle Back in action. Following an introduction to Matt Grier, coach to sailors with disabilities, Luke went to the Isle of Wight in July 2011 – just eight months after the incident which took his legs. Luke says, “It was my first time sailing since my injury. I tried out a 2.4 which are small and sit low in the water and are operated using foot pedals and a hand tiller for the rudder. My background in sailing meant that it wasn’t too hard to pick up but they are quite complicated boats, made harder if you don’t have feet, but once I got the hang of it, it was an amazing feeling.”

The year also saw huge successes, including Battle Backer Netra Rana with the GB sitting volleyball team defeating the Americans in the ECVD volleyball cup and Derek Derenalagi far exceeding the UKA ‘A’ standard in Shot put with a throw of 11.5m. In recognition of their achievements, Derek and several other wounded Servicemen have been nominated to carry the Olympic torch in 2012.

Battle Back has close links with the British Paralympic team and works to identify wounded personnel who show a talent for a particular sport and may benefit from inclusion in Paralympic Development programmes.

Through the H4H-supported Battle Back programme, a number of our wounded Heroes have been identified as potential contenders for the London 2012 Paralympic Games and those hoping to compete in the 2014 Winter Paralympics and 2016 Summer Paralympics are beginning to train hard, hoping to win a coveted place in the sport of their choice.

The Battle Back Phoenix Team is based at Tedworth House where work is well under way to create a purpose-built facility which will include a Skiplex and the best equipped adaptive gym facility in the country. The Phoenix Centre is due for completion in September 2012, marking the final stage in the development of Tedworth House.



**BATTLE
BACK**

PETE 'THE FEET' DUNNING

"I was serving with the Royal Marines Armoured Support Company on OP HERRICK 8, supporting 2 Para. On the 25th May 2008 we had just finished our last mission and were returning to Camp Bastion, just as we were about to cross the Helmand River the armoured vehicle I was travelling in struck an IED. My driver died instantly and I lost both of my legs, fractured my spine and received burns to my arms and legs to name but a few injuries.

During my rehabilitation I found out about Battle Back and the great work that they do. With them I have done a number of different sports including scuba diving and water skiing, but I found my passion when I did a two weeks introduction camp to adaptive skiing. From those two weeks in March 2009, I furthered my skills by doing a season with the Combined Services Disabled Ski Team (CSDST). From that season I bettered myself yet again and I have now just completed my first season as a member of the British Disabled Ski Team (BDST).

Help for Heroes helped fund a trip to Canada with Battle Back which I was a part of, experiencing the 2010 Winter Paralympics. Whilst I was over there I had a fantastic time and was given the chance of a lifetime to carry the Paralympic flame in the 24 hour torch relay, prior to the opening ceremony. It was also a particularly special trip for me as I proposed to my girlfriend in Vancouver.

The BDST gets very little money and athletes are encouraged to raise their own funds. This is where the grant from the H4H Quick Reaction Fund (QRF) comes in. The money I received will help out greatly with next season's travel costs, accommodation, race fees and lift passes and also with the purchasing of new skis which are long overdue. I am extremely grateful for the money from the QRF as this has helped calm my nerves so I'm not worrying about if I will have enough money for the whole season, leaving me with the opportunity to focus on the training and races. The money is also assisting me in training this summer in New Zealand, where there will be further adaptive ski races to assist me in my climbing further up the world rankings.¹ My ultimate goal is to make the squad for the 2014 Winter Paralympics.

I can't thank the Help for Heroes QRF enough for their support in helping me and my dream of representing Great Britain at the Paralympic Games in 2014."





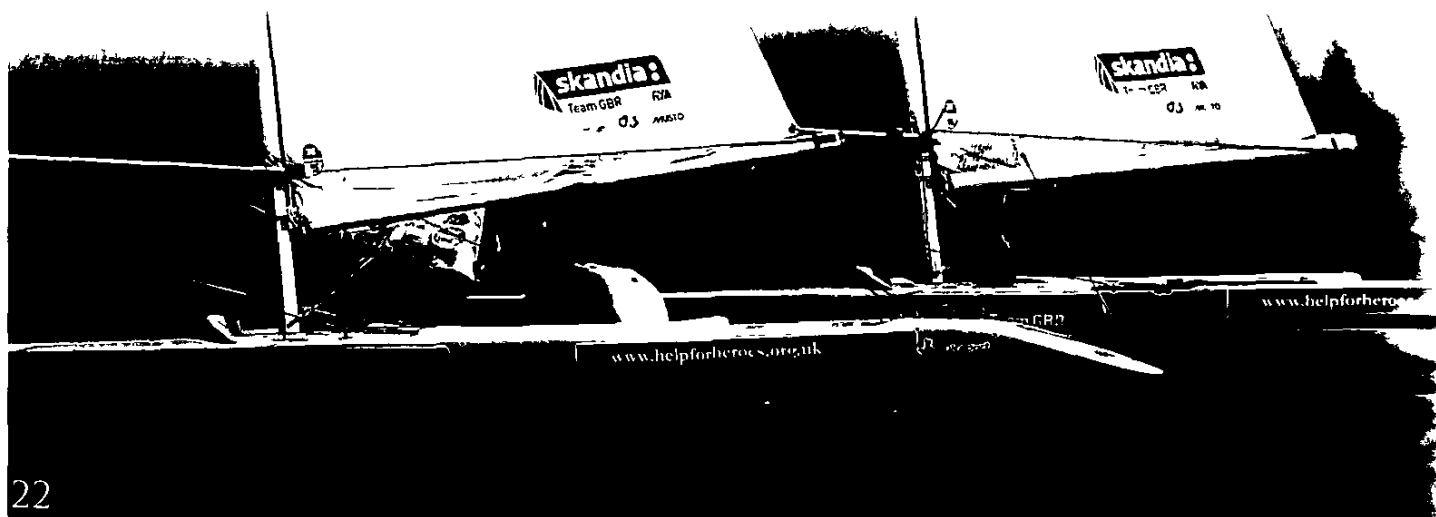
CRAIG WOOD

On 30th July 2009, Rifleman Craig Wood set out on a routine afternoon patrol. He was three months into his tour and his battalion, 2RIFLES, were based in Sangin and had already experienced a high number of casualties. This was Craig's first experience of a warzone and he had been apprehensive before he left the UK. "Part of my job in Afghanistan was to go out with my platoon or company on foot patrols. We would talk to the locals, find out how they were and help them in any way."

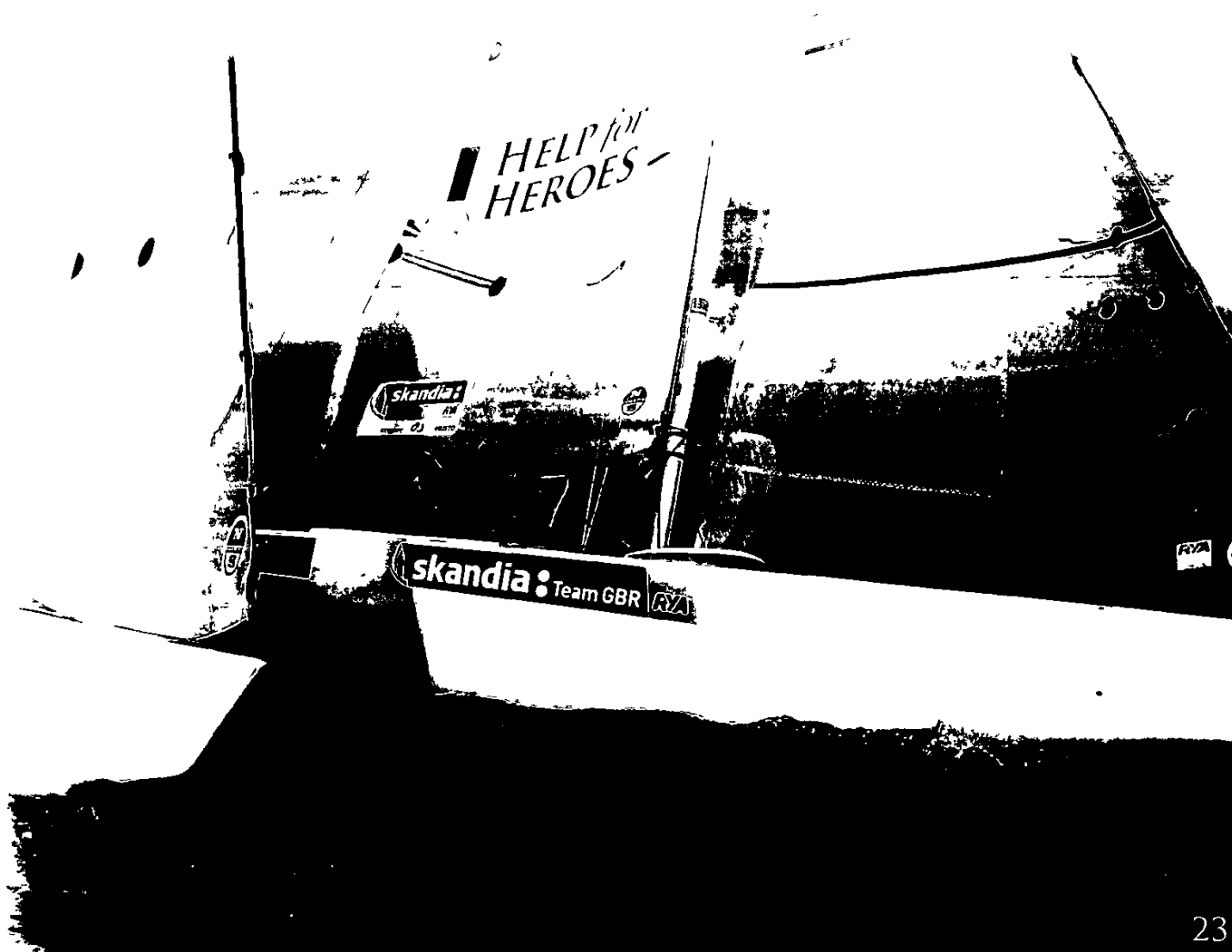
The morning of the 30th had started like any other before a patrol, with a briefing before the group gathered together their kit. Then they set out. "I remember the section stopping for some water before carrying on. I had gone about 10 feet when suddenly there was a white flash and the feeling that something had hit me. I saw my friend running towards me but then I blacked out." Craig was the only casualty, "I was aware I had been hit but didn't realise how badly. I know now, that the process was very quick, from the moment I was hit to the evacuation and the result undoubtedly saved my life. I was taken back to Camp Bastion and stabilised. I was flown back home the next day."

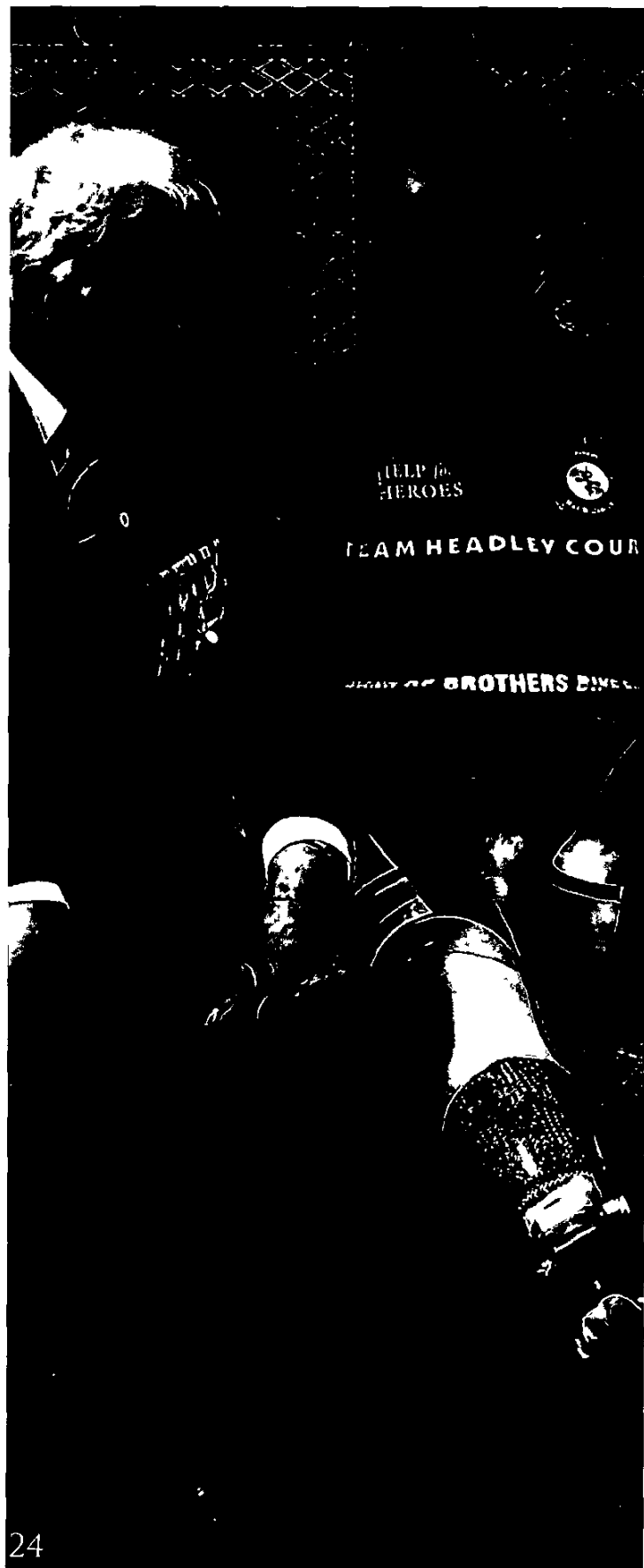
Craig spent 15 weeks in Selly Oak Hospital then had two weeks at home, "It was overwhelming and hard at first but I had to get on and accept that this is how I am now. My family were very upset but they have been amazing and have supported me every day." The next stage for Craig was beginning the long rehabilitation process at Headley Court which he has been going to for over two years now. "There's so much camaraderie which really helps. They teach you how to walk on your prosthetic legs which was a real achievement."

Craig has benefitted from a huge variety of things H4H has provided from using the swimming pool and gym at Headley Court to taking part in some of the Battle Back activities like water skiing. He's also a member of the Band of Brothers. "I think Help for Heroes is great. It helps people out when they need something or even if they just want to try something new." H4H has been able to fund a windsurfing simulator for Craig, as well as a boat which he hopes to take to the Paralympics in 2016 for which he is a potential contender. We wish Craig the best of luck in achieving this dream.



*"I think Help for Heroes is great.
It helps people out when they need something
or even if they just want to try something new."*





BAND OF BROTHERS

Help for Heroes provided the nation with a way to show its respect and admiration for our Armed Forces. People have run marathons, baked cakes and climbed mountains, raising an incredible amount of money in a relatively short amount of time, as the money flowed in so did the offers – the British public wanted to say thank you to wounded personnel and donated tickets to sporting and music events, offered holidays, hospitality and much more.

Band of Brothers (BoB) was created to enable the Charity to stay in touch with those it was trying to help, as well as distribute the offers it was receiving. But BoB is about much more than goodies and freebies – by putting the wounded, injured or sick in contact with one another it is a network that provides inspiration and support from those who are living through similar experiences.

Vitality, BoB also signposts its members to civilian and military welfare and support organisations when a need is identified.

One of our Band of Brothers, Scott Meenagh, lost both his legs in January 2011 whilst on tour in Afghanistan. He is committed to making the most of every opportunity that comes his way and, since joining the BoB, has attended many events including the Heroes Rugby Challenge Launch, where he met rugby legend Will Greenwood. He also attended the GQ Men of the Year Awards to accept a special award on behalf of the Armed Forces.

In Scott's words: "Help for Heroes is the strongest foundation in supporting my rehab. I can't put into words how much I appreciate everything they have done and are still doing for me. The people working there have just taken me under their wing and they are now my friends."

"I feel like I can say 'I'm really struggling with this', or 'this might sound like a stupid question but what do I do about this' and it is never too much trouble, they will always go out of their way to help you. When you're in a rut or you need something quick, Help for Heroes just seem to get it. They do exactly what they say they are going to do."



BAND OF SISTERS

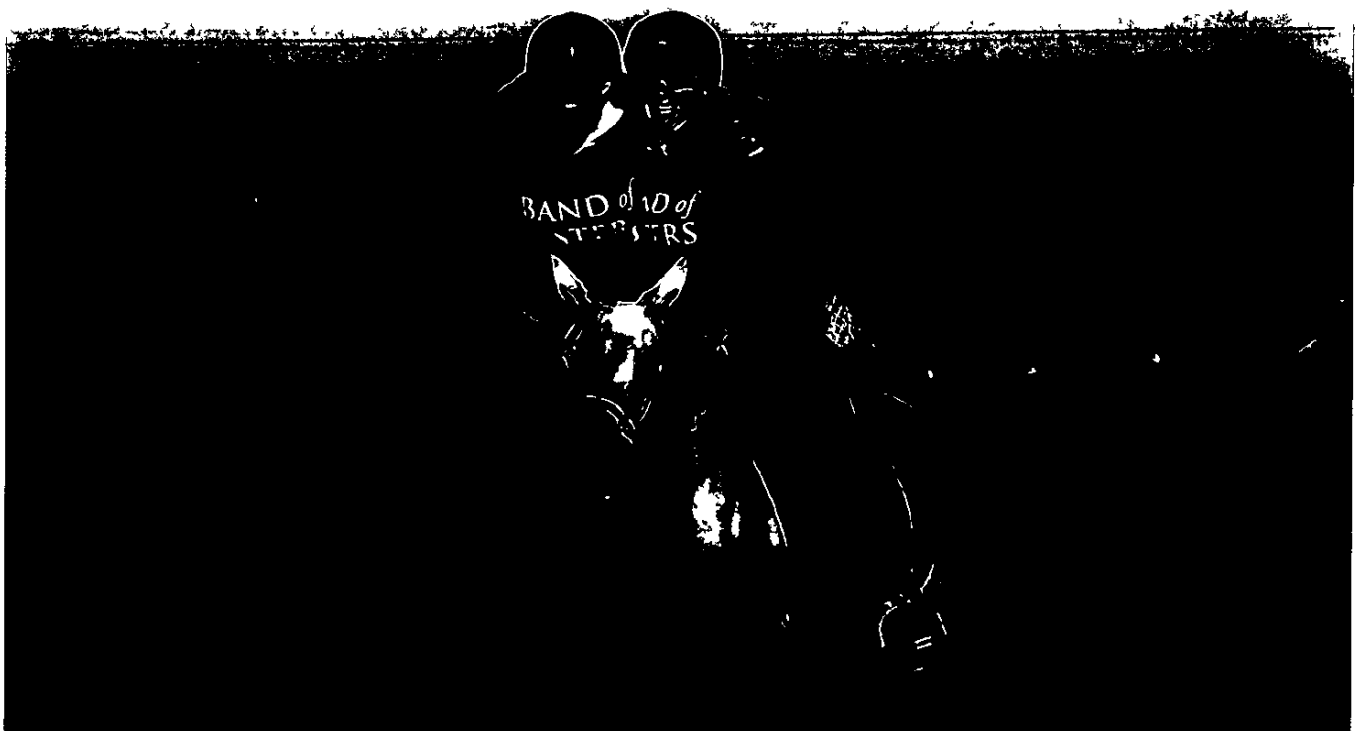
At the start of 2011 the Band of Sisters (BoS) was officially launched, quietly, through BoB and word of mouth. The group has gone from strength to strength, giving an opportunity for the nearest and dearest of the wounded to support one another through the experience of living with the suffering of a loved one.

As with BoB, members receive offers of hospitality, holidays and more from the very supportive public and businesses. Among those being helped by the Band of Sisters is 21 year old Loren, a full-time student studying veterinary medicine, who was just 18 when her husband Jordan was blown up during a foot patrol in Afghanistan in 2009. Loren says "Being a member of the Band of Sisters has taught me that it's OK to feel the myriad emotions I feel. They've given me the means to cope, to accept what happened and provided me with support – which ultimately enables my husband and I to continue on our road to recovery together. We're still young and, because of the Band of Sisters, I'm now excited and optimistic about our future, whatever it may bring."

BoS has over 300 members and is growing rapidly. BoS is headed up by Alison Richmond, the wife of David Richmond who is a wounded soldier, a patron of Help for Heroes and Chief Operations Officer at Tedworth House. Alison says "When David was injured in 2008, despite the best efforts of the Regimental Welfare team, I felt very

A year after David was wounded Alison and her family moved to Wiltshire. "I had been volunteering at H4H for a year when the need for a BoS started to be discussed. A core group of staff members – including the fiancée of another wounded soldier, a few other wives like me and mums – met to discuss what Help for Heroes could do to help those caring for their wounded hero. Band of Sisters was born and I was thrilled to be a part of it. I knew how much BoS, being an exclusive club where everyone understands the ups and downs, would have helped me when David was first injured and in the long term."

"Working in this role is a privilege, the women – and men, we have more than 20 male members of BoS – we are trying to help are so inspiring. I just hope that my experience will enable me to help them. I want more people to join BoS so that no wife, mother, brother or father ever has to feel that they are alone. BoS is a crucial part of H4H, because I know first-hand that for our wounded men and women to make a decent recovery, we have to look after the families who are supporting them."





DELOITTE AND HELP FOR HEROES

BOB THUST, HEAD OF CSR

In addition to their relentless fundraising for H4H as their Charity of the Year, Deloitte has provided invaluable pro bono support to H4H. Bob Thust, Head of Corporate Responsibility at Deloitte, describes the benefits of the partnership.

Deloitte

"Help for Heroes has been our charity partner for the past 3 eventful years – voted for by our people with a huge 80% of the vote. I've worked with many charities but H4H is completely unique – what are the special ingredients?"

INGREDIENT 1 – IMPOSSIBLE IS NOTHING

H4H moves fast – it doesn't hang around discussing things, it gets on and delivers them. In my experience no charity, and very few corporates, can be so responsive and so quick to turn a big vision into a big reality. One extraordinary example of this was the Heroes Concert at Twickenham which went from concept to 60,000 people in the stadium and many millions more on the BBC in just 4 months.

INGREDIENT 2 – EVERY LITTLE HELPS

H4H talks about 'everyone doing their bit'. This is easy to say, but hard to do, at H4H though this is embedded in the culture – every little counts, every little helps, no matter how big or how small.

They respond to and thank people for every donation and have the most committed network of volunteers around the country. And the staff live these values – they take part in events no matter how gruelling, they have offices in the famous tin hut to keep costs down, they ALL make the tea and clean up after themselves.

Our staff have engaged actively and enthusiastically in fundraising for H4H, supported at every step by H4H, their volunteers and fundraising teams. We have climbed Kilimanjaro, rode in the BBR, collected at Tesco and held cake sales in the offices.

INGREDIENT 3 – INSPIRATION BUILT IN AS STANDARD

There is a real entrepreneurial spirit that challenges the traditional way of doing things and they are open to change – if they can see a better way of doing something they will take it, as long as it doesn't compromise their values or weaken their culture. We have built relationships at all levels and helped them consider the organisational structure and IT systems that would be fit for purpose in times of rapid growth. This has offered real development and engagement opportunities for Deloitte staff.

INGREDIENT 4 – IT DOES EXACTLY WHAT IT SAYS ON THE TIN

H4H people will be pretty familiar with this phrase. I have never met a charity more closely connected to the people it is there to help – at every event, in every challenge, in every conversation it's all about 'the blokes' and what they can do for them, how they can make a difference.

The partnership has provided H4H with pro-bono support and fundraising donations. In terms of client relationships, staff engagement and brand profile they have paid us back in spades, it has been our most impactful charity partnership to date.

So there you have it – Help for Heroes is unique – and delivers real benefits to corporates who want to engage and I encourage you all to do just that."

CORPORATE RELATIONSHIPS

CHARITY OF THE YEAR

In 2010/11 over 200 organisations chose Help for Heroes as their Charity of the Year

These organisations accepted the challenge to 'do their bit' in a variety of ways from cake sales, pub quizzes, swimathons and dress down days to the more unusual truck pulling competitions or boss slave auctions!

There simply isn't enough space to share all the fantastic fundraising efforts but here are a few highlights



Premier Foods raised over £100k in their first year, across 35 sites. It's been such a success they have extended their partnership for another year

shoosmiths

Shoosmiths Solicitors raised £62k through quizzes, cycle rides and an auction at the Partners annual conference which, amongst other lots, managed to sell off the H4H Chief Financial Officer's wristband for a considerable sum

FLIGHT CENTRE
Unbeatable

Flight Centre where the sky was the limit, their fundraising smashed all previous targets raising £46k in just one year which is three times more than they had ever raised for charity



VAUXHALL

Vauxhall continue to support H4H, with a variety of activities including Hero Days, 3 Peaks Challenge, T-shirt design competition, their running total at the end of 2011 was an astounding £174k. Vauxhall also provided three Astra Tourers which helped us reduce our travel costs

COMMERCIAL PARTNERSHIPS

In 2010/11 our Commercial Partnerships generated nearly £900k across 53 products. Sometimes known as Cause Related Marketing, in a Commercial Partnership (CP) a company is licensed to use our trademark on their product and pledge an amount per item sold

We select products or services that will complement our brand and appeal to our supporters, we're always looking to add to our collection. Below are just a few of this year's successes



Red Lion Foods Eat Well, Do Good! The team at Red Lion donate 100% of their profits to Service charities including H4H. Our logo is used on a variety of products including pork chops, ham and corned beef



Sycro Entertainment continued their support of H4H through the X-factor Finalist single, a remake of David Bowie's Heroes, raising £170k and raising spirits at Headley Court when the finalists paid them a visit at Christmas

**NOBLE
FOODS**



Noble Foods a cracking idea! 2011 saw the launch of Eggs for Soldiers. Available in Tesco, ASDA and Morrison's with a 15p donation per pack, this egg-cellent partnership brought in £147k this year (and provided endless egg related puns!)

2011 also saw a number of short term campaigns around the Royal Wedding including Fox's confectionery limited edition Union Jack pack



"Crossing the finish line was an incredibly emotional experience as I finally felt something I had been searching for since my injury – a sense of achievement. Although I can't change what has happened to me, I can choose how I tackle the problems my injuries present."



PRO BONO SUPPORT

From solicitors, IT and marketing to finance and HR we value all offers of Pro Bono support which are invaluable in reducing costs and supporting the development of the Charity

CSC stepped in to assist with the IT set up at Tedworth House, providing an army of helpers full of enthusiasm at very short notice

H4H has also benefited greatly from the legal wisdom and expertise generously given by Olswang and SNR Denton. Both have played key parts in our business management

SPONSORSHIP OF THE WOUNDED TO TAKE PART IN A H4H CHALLENGE

Adventure training plays an important part in the Road to Recovery, we provide opportunities on all of our Challenges for a company to sponsor a member of the Band of Brothers to achieve the extraordinary and take part in H4H Challenges such as climbing Mount Kilimanjaro or trekking the Sahara

PRODUCT DONATIONS

For those who are short on time a stock donation can make a huge difference. DCS Sales and Distribution donate items for the Air Essentials bags that are provided on RAF Aeromed flights

WE'D ALSO LIKE TO THANK THOSE COMPANIES WHO PROVIDED INVALUABLE FUNDRAISING OPPORTUNITIES

Tesco staff and suppliers hosted a triathlon, their photo department sold Royal Wedding mugs and they gave us permission to run a collection weekend across all stores. As they say 'Every little helps' and together we have raised over of £1m!

Newman's Own the American food producer founded by Paul Newman, donated £100k to Tedworth House

ASDA allowed a national collection day across their stores and also permitted volunteers to sell H4H merchandise. It raised a whopping £563k, in addition to the on-going dedication from many stores who have collection tins and wristbands available on their customer service desks



6.5 MILLION
PEOPLE WEAR
A H4H
WRISTBAND



HESSELE
JIVE CLUB
DANCED FOR
OUR HEROES



KEVIN HELD
A CAR BOOT
SALE

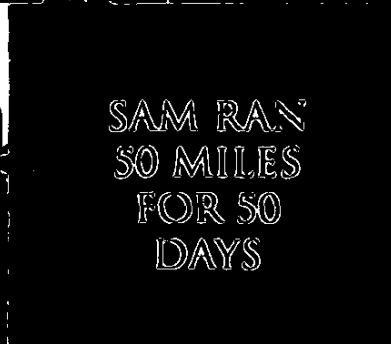


2114 PEOPLE
SHOOK A
BUCKET
OUTSIDE ASDA

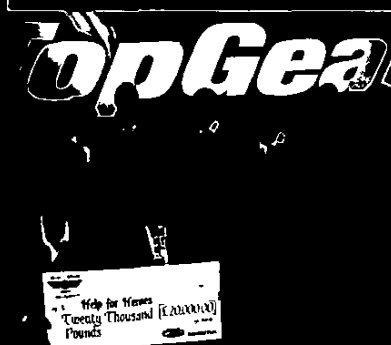
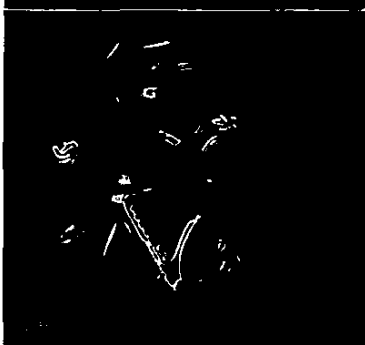
ALAN SHOOK
A BUCKET
OUTSIDE A
SUPERMARKET



SAM RAN
50 MILES
FOR 50
DAYS

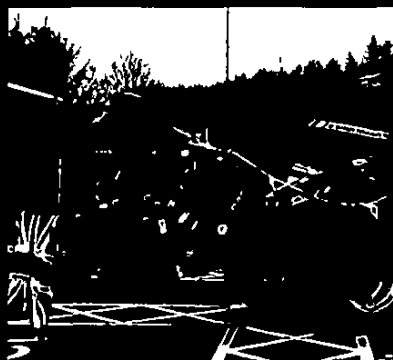


ANGLEY SCHOOL
ORGANISED
A 24HR
TRAMPOLINING
EVENT



HANNAH
JUMPED OUT
OF A PLANE
ON HER
25TH BIRTHDAY

DAN CLIMBED
6 PEAKS IN
48 HOURS



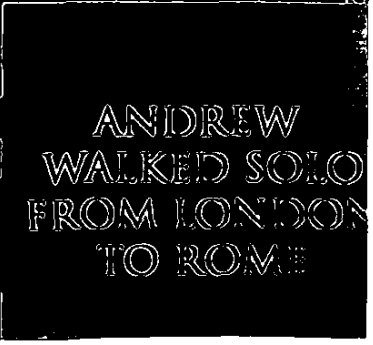
CHRIS & STEVE
RAN 3000 MILES
ACROSS
AMERICA



AMY, 10,
SWAM THE
LENGTH OF
LOCH NESS



ANDREW
WALKED SOLO
FROM LONDON
TO ROME



JAMES & SARAH
PARTIED ON
THEIR
50TH WEDDING
ANNIVERSARY



MILLIE
HELD A
FANCY DRESS
PARTY



HUNDREDS
DONNED THEIR
APRONS FOR
THE BIGGEST
EVER COLOSSAL
CAKE SALE



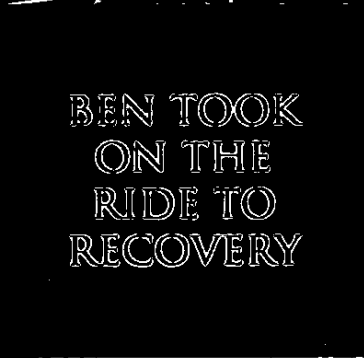
GAVIN
DONATED
A WEEK'S PAY
FROM HIS
PAPER ROUND



MARINE
MATTHEW
BRAVED A
LEG WAX



BEN TOOK
ON THE
RIDE TO
RECOVERY



TEAM SAPPER
RODE A
RICKSHAW
FOR 600 MILES



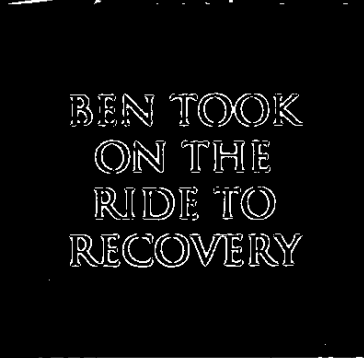
PAT
CELEBRATED
HER BIRTHDAY
WITH A
SKYDIVE



TERRY, 5,
CYCLED IN
THE PARK
WITHOUT
STABILISERS



SIMON RAN
100
MARATHONS
IN 100 WEEKS



6 WOUNDED
HEROES
ROWED THE
ATLANTIC



ANDREW, 6,
SAVED UP HIS
POCKET MONEY



TRUSTEES' REPORT

This report is for the year ended 30 September 2011 and makes reference to the prior year, being the twelve months ended 30 September 2010.

OUR OBJECTS FOR THE PUBLIC BENEFIT

Our Charitable Objects are unchanged during the year and are

- 1 to assist persons who are currently serving or who have served in the Armed Forces, and their dependants, by advancing any lawful charitable purpose at the discretion of the Trustees and in particular but not exclusively
 - to promote and protect the health of those that have been wounded or injured whilst serving in the Armed Forces through the provision of facilities, equipment or services for their rehabilitation, and
 - to make grants to other charities who assist members of the Armed Forces and their dependants
- 2 to promote and protect the health of those that have been wounded or injured whilst providing services to, or in conjunction with, and in either case under the direction of the Commander of the Armed Forces, in an area of conflict or war and to provide benefits to the dependants of such persons who are in need

For the purposes of clause 2, a reference to the Commander of the Armed Forces means the Commander of Her Majesty's Armed Forces, and his officers, or, where relevant, of any allied military body with whom Her Majesty's Armed Forces is working during combined operations

AIMS AND ACHIEVEMENTS FOR THE YEAR

In our previous report and accounts we set out our aims for the year ending 30 September 2011 as being to

Aims	Achievements
Establish interim operational capabilities (IOC) effectively supporting the wounded at both Tedworth House and Catterick for PRC South and North respectively	Tedworth House opened to the wounded July 2011 and shortly after the year end i.e. October 2011, for Catterick Initial lessons learnt will be reflected in Full Operational Capability (FOC) design
Complete the funding of the Hasler PRC Phase 2, the rehabilitation complex costing an estimated £12m	Funding completed for Hasler PRC Phase 2
Continue to support the tri service PRC requirements in particular supporting any agreed RAF requirement	We have worked with MOD regarding the requirements for the Defence Recovery Capability and accordingly have re-scoped and deferred a dedicated RAF requirement
Raise an additional £16.5m to establish an externally managed fund to meet the running costs of Tedworth House for the next 10 years	We have re-scoped this requirement to build up funds to support the running costs of the four PRCs (Catterick, Colchester, Tidworth and Plymouth) for up to 20 years. We estimate this will take up to three years and at the end of 2010/11 we had set aside designated funds of £12m in respect of running costs

Aims	Achievements
Continue to fund smaller grants as appropriate in particular to meet the outreach costs of the Combat Stress "Enemy Within" Programme, to support the Special Forces and to continue to support a number of smaller charities that offer invaluable assistance to the wounded	We continue to successfully deliver against this objective. Other grants of significance in 2010/11 included a further £1m to support the Combat Stress "Enemy Within" Appeal endorsing our commitment to help those with mental health issues, a further £500k to Headley Court to enhance their Gait Analysis facilities, and £150k each to the Not Forgotten Association and SkillForce. Other smaller grants included £200k to the RAF for welfare packs for those being medically repatriated, £100k to the Scottish Veterans' Garden City Association to assist with accommodation for those injured post 9/11, and £100k to Winston's Wish to run a pilot course to work with bereaved children of Military families
Develop a strategic vision for 2012/ 2013	Our key strategic imperatives are to fully fund the running costs of the PRCs, to continue our wider grant giving capability, and ensure that fundraising income supports these objectives

PERSONNEL RECOVERY CENTRES GRANT

There has been significant progress on the PRC related grant. It was anticipated, in line with the public announcement in February 2010, that the grant would cover four PRCs at a cost of £5m each at Edinburgh, Catterick, Colchester, and Tidworth. It was subsequently agreed during 2010/11 that the Edinburgh Pathfinder trial would continue with support from TRBL for the foreseeable future (at least until 2014) with the consequent deferral of any capital project spend. Each of the remaining PRCs has been re-scoped,

- Colchester was increased from 20 to 29 beds and work was completed in February 2012 at a cost of circa £6m
- Tidworth was increased to 54 beds and costs to circa £20m (including enhanced adaptive sports and gym facilities) to be delivered through a 99 year lease with the MOD for Tedworth House
- Catterick was increased to 50 beds and circa £12m costs delivered through a 20 year lease (with the option of a further 10 year extension)

In addition a centre primarily focused on the Royal Navy and Royal Marines personnel at Hasler in Plymouth was identified

- The Hasler facility, again through a 17 year lease with the MOD, is progressing with a £10m accommodation block (comprising 60 cabins) due to complete Spring 2013 and a £10.5m rehabilitation/swimming pool complex due to complete late 2013

All capital works are now fully funded as at 30th September 2011

In total our funding requirement of the PRCs is some £153m, including the capital funding together with the running cost commitment for the 4 Centres for up to 20 years. We will receive a significant contribution towards these running costs from a £17.5m grant that The Royal British Legion (TRBL) have committed to the MOD. In terms of fundraising we had by 30 September 2011 raised some £60m capital costs and £12m running costs

We have set up two designated investment funds with Newton and Ruffer to support this commitment. A very conservative approach has been taken re risk and capital preservation with interest being reinvested to help defray future inflationary pressures

We opened the Interim Operating Capability at Tedworth House, supported by a temporary accommodation unit for 26 residents in July 2011 and likewise at Catterick in October 2011 with a mix of temporary and refurbished accommodation for up to 35 residents



We continued to fund Individual Recovery Plan spend for the wounded at a cost of up to £3.75m per annum. This covers a range of identified training needs arising out of the individual assessments (from supporting, for example, a GCSE Maths study programme, training to be a locksmith, or progressing to further education courses).

KEY PERFORMANCE INDICATORS

The Charity has sought, since inception, to maximise the proportion of voluntary income (donations), available for making grants and for this reason uses two key ratios: the fundraising ratio and the H4H ratio.

The Fundraising Ratio

The fundraising ratio is a widely used indicator within the sector and enables us to make comparisons against other charities. The ratio shows the expenditure required to raise each £1 of voluntary income and is arrived at on the following basis:

	2011 £'000	2010 (Restated)* £'000
Voluntary income (donations) earned	38,225	36,289
Cost of generating voluntary income	2,926	2,025
Fundraising ratio	8%	6%

**Note: Voluntary income for 2011 excludes gifts in kind of £545k (2010, also restated to exclude gifts in kind of £150k) which has been treated as notional income.*

The cost of generating voluntary income covers the direct costs associated with the voluntary income earned plus an allocation of the Charity's support costs. The Charity does not engage professional fundraisers but its supporters do use externally owned donation sites such as JustGiving which charge a commission on the donations processed, as well as Bmycharity (an H4H Group Company) which is commission free.

The H4H ratio

The H4H ratio is not a sector benchmark, but is considered a key indicator because it looks at all expenditure for the Group prior to the making of grants and is therefore a good test as to whether the original aim of offsetting all Group costs through profit and income made elsewhere within the Group is being achieved. The ratio is arrived at on the following basis:

	2011 £'000	2010 (Restated)* £'000
Voluntary Income (donations) earned	38,225	36,289
Surplus available for direct charitable activity	37,517	37,768
H4H Ratio	98%	104%

**Note: Voluntary income for 2011 excludes gifts in kind of £545k (2010 also restated to exclude gifts in kind of £150k) which has been treated as notional income.*

Although the ratio has fallen slightly, 98 pence in every £ donated goes towards grants which maintains an excellent performance. The ratio has fallen due to increased support costs in line with the expanding Charity.

We have amended the calculation this year and restated the comparatives to remove notional pro bono income and equivalent expenditure and remove service delivery costs (i.e. running costs) associated with Tedworth House (incurred in the year ending 30 September 2011 only).

FUNDS

The tremendous support of fundraisers enabled the Trustees of the Charity to earmark further funds for the PRCs, building upon the grants made in 2009 of £41.7m. With net funds generated of £39.4m (2009 £38.9m) we have remained consistent with the 'Money In, Money Out' philosophy of the Charity whereby all possible funds have been either committed to grants or earmarked (treated as designated funds) for the PRC programme by the Trustees.

During the year the Trustees made grants for the PRC programme covering both capital build and future service delivery. As a result of an improved clarity around the nature of legal structures likely to be entered into we have, during the year, altered the accounting classification of the funds that we are committing to the PRC programme. The PRC grants are now classified as 'Designated Funds' within the accounts, and we have also re-classified prior year PRC grants in a similar manner. As a result of the new funds being committed to the PRCs, plus the re-classification of prior years' PRC grants, the value of designated funds held within the balance sheet totals £50.4m.

The impact of the reclassification of prior year grants in the year ending 30 September 2011 has resulted in 'Grant Costs' within the Consolidated Statement of Financial Activities showing a credit balance of £28.1m.

Total funds as of 30 September 2011 were £65.9m comprising the designated funds as above, Asset Reserves (relating to The Tedworth House Charity) of £7.9m, restricted funds of £0.4m and General Funds of £7.2m.

FINANCIAL REVIEW OF THE YEAR

During the year under review the Group earned income of £46.7m (2010 £45.7m) and incurred costs, other than grants, of £9.4m (2010 £7.9m), of this increase of £1.5m, £0.4m is attributable to the service delivery costs at Tedworth House (which commenced during the year). Further analysis of the income and expenditure during the year is provided below.

Income

Voluntary income contributed £38.8m (2010 £36.4m) of the total £46.7m. The key constituents of the voluntary income were major donations of £3.6m, other donations of £31.4m, legacies of £2.1m and gift aid of £1.1m.

The balance of the income was £7.9m (2010 £9.3m) and came from the H4H Bike Rides that raised £0.8m (2010 £1.5m), other H4H and Open Challenges raising £0.8m (2010 £0.8m), Trading income of £5.2m (2010 £6.5m) and investment income of £1.1m (2010 £0.5m).

Costs of generating funds

Total costs of generating funds for the year were £7.7m (2010 £6.7m). The constituent parts of this were £2.9m (2010 £2.0m) from generating voluntary income, £0.5m (2010 £0.8m) of costs for bike rides and challenges and £4.3m (2010 £3.9m) of Trading costs.

Costs of charitable activities

Within the allocated support costs the largest item was employee costs of £0.9m (2010 £0.6m), the year on year growth reflecting the additional staff resource to meet Charity expansion and service delivery costs of Tedworth House during the year.



Grants made

Before re-classification to designated funds, grants for the PRC programme in year totalled £29.5m (2010 £36.0m), other smaller grants totalled £2.8m, with a reversal in Individual Recovery Plan grant not expended of £3.4m

During the year, prior year grants for the PRCs together with additional grants have led the Trustees to earmark funds for the PRC programme and these have been classified as Designated Funds. As a result of the reclassification of prior year grants the Income and Expenditure statement is carrying a 'negative' cost of grants. Accordingly the Charity remains committed to a 'Money In, Money Out' philosophy, and the spend on the PRC programme is progressing with completion of all of the capital works scheduled during 2013.

The summary Income and Expenditure Account is

	2011 £'000	2010 £'000
Total incoming resources	46,703	45,723
Costs of generating funds	(7,734)	(6,668)
Net incoming resources for charitable application	38,969	39,055
Grants made in year	28,107	(41,658)
Costs in support of PRCs	(1,869)	-
Allocated support costs	(1,427)	(1,260)
Governance costs	(26)	(27)
Net incoming/outgoing resources	63,754	(3,890)

HELP FOR HEROES TRADING (H4H TRADING)

H4H Trading strives to cover the support costs (including governance costs) of the Group, and for the year ended 30 September 2011 it has continued to generate a significant surplus. In tough external trading conditions (and without the benefit of the Live Nation Heroes Concert at Twickenham held on 12 September 2010 which contributed some £0.7m in 2009/10) turnover has fallen year on year from £6.5m to £4.9m. Despite the challenging economic climate H4H Trading has remained profitable but the level of profits is lower and has fallen from £2.7m to £1.5m.

	2011 £'000	2010 (Restated)* £'000
Donation by H4H Trading due to the Charity	1,471	2,705
Allocated support costs	(882)	(1,110)
Governance costs	(26)	(27)
Surplus donation from Trading Activities	563	1,568

*Note: Allocated support costs for 2011 exclude gifts in kind of £545k (2010 also restated to exclude gifts in kind of £150k)

H4H Trading continues to benefit from the continued growth of the Charity's brand, the increasing number of products on offer, the continued dedication and reach of the volunteer County Coordinators, and the focus on corporate participation arrangements, through high profile tie-ups.

The strength of the brand has continued to be fed by a supportive media, an accessible and informative website and the popularity of the challenge events run by the Charity, such as the Big Battlefield Bike Ride that takes place in May/June each year. H4H Trading has contributed to, and benefited from this by producing branded clothes and products that supporters, both young and old, want to wear and use in everyday life.

H4H Trading now offers over 600 products to the buying public and is innovating and developing all the time in response to customer feedback. We have broadened the way we distribute merchandise, approximately a quarter of the company's sales continue to be made by volunteer County Coordinators and supporters by way of sale or return, with merchandising van/pop up shop sales increasing by 2% year on year to 5% of revenue in the year to 30 September 2011.

During the year we have been fortunate to recruit Richard Sims as a non-executive director of H4H Trading. Richard has extensive experience and knowledge of the retail sector and is contributing to the development of the vision and strategy of H4H Trading.

We have also undertaken a major strategic review and identified a number of key areas for further improvement (including supplier management, new product innovation, supply chain improvements, distribution channel and marketing opportunities). We are very positive the benefits of this review will be seen over the next 12 to 18 months.

BMYHERO LTD

BMyHero Ltd trades as Bmycharity and continues to operate effectively as a well-established brand in the online giving market. Online giving is an important fundraising tool for H4H and our supporters, and the commission-free model is very attractive in ensuring that all funds go to the Charity. Bmycharity has improved its trading performance during the year and the directors are confident that profits will increase in future years, reflecting

- i) increased use by H4H supporters undertaking events and challenges
- ii) a continuous programme of low-cost website enhancements and developments to the proposition, and
- iii) a comprehensive review of the underlying cost base

THE TEDWORTH HOUSE CHARITY

Tedworth House Limited was incorporated on 26th May 2011 and on 8th July 2011 changed its name to The Tedworth House Charity and gained charity status on 8th July 2011. Help for Heroes entered into a 99 year lease for Tedworth House. The Tedworth House Charity is a separate charity with a separate board of Trustees (with a Trustee representative for H4H) albeit controlled by Help for Heroes. The key objectives of The Tedworth House Charity are to operate Tedworth House providing on-going service delivery.

H4H remains a 'Money In, Money Out' fundraising charity, but with the establishment of the first of the four PRCs at Tedworth House, H4H has, in addition to funding, day to day management responsibilities. Accordingly the Trustees of H4H felt that a separate service delivery charity was more appropriate to run and manage both the properties and service delivery. The Tedworth House Charity has entered into an agreement with H4H for on-going funding.

We are exploring the most appropriate support for providing service delivery across the four PRCs. During 2011/12 our intention is to rename The Tedworth House Charity and extend the scope of its activities to encompass service delivery at Catterick, Colchester and Plymouth.



HELP FOR HEROES DEVELOPMENT COMPANY

The capital build project for Tedworth House is managed through a separate company, Help for Heroes Development Company Limited (DevCo). DevCo, a subsidiary of H4H and incorporated on 8th December 2010, manages all the construction contracts for the refurbishment and extension works at Tedworth House and is entirely funded by H4H Charity. This company, operating in accordance with its agreement with H4H, carries no assets. The asset value of the improvements at Tedworth House (in respect of the lease which is held by H4H) are capitalised in the balance sheet of H4H Charity.

OUR AIMS FOR THE NEXT FINANCIAL YEAR

- Continue to deliver the PRC programme so that by the end of 2013 we have four Personnel Recovery Centres operating at Full Operating Capability (Catterick, Tidworth, Colchester and Plymouth)
- Continue to refine operational capabilities at the Centres so we can effectively support the wounded
- Continue to fundraise so that we can fully fund the running costs of all four PRCs for the next 20 years
- Continue to fund smaller grants as appropriate to support a number of smaller charities that offer invaluable assistance to the wounded
- Develop our support of mental health for the veterans
- Develop a strategic vision for fundraising post 2014 i.e. subsequent to the planned withdrawal of troops from Afghanistan

FINANCIAL OUTLOOK

We have established a strong brand presence and are optimistic that new and developing income streams such as corporate income and legacies will support the core fundraising areas of events and challenges.

In 2010/11 we saw a sizeable increase in corporate-related revenue through formal arrangements such as Charity of the Year partnerships (COTYs) and less formal relationships. Indeed the number of COTYs has doubled year on year from around 150 to over 300. We also receive significant gifts in kind from some of our corporate supporters, for example professional services from Deloitte. Likewise Commercial Partnerships where products are sold with a specified amount coming to Help for Heroes Trading (to be subsequently gifted up to H4H) have increased year on year by 35% to £900k (excluding the Heroes Concert).

We are also encouraged by year on year growth in legacy income. In the 2009/10 accounts we had legacy income of £0.9m, this has grown to £2.1m in 2010/11 and we are confident that will further increase as the Charity matures.

The Challenges Team is fielding a number of new events in 2011/12, alongside our now traditional Big Battlefield Bike Ride, such as the Peru and Jordan treks alongside a number of UK day treks, a Mexico Cycle Challenge alongside the Ride to Recovery bike series at each of the Personnel Recovery Centres. Together with the Heroes 5 Peaks Challenge, we are confident we have a range of challenges to appeal to all our supporters and expect these to generate increased income. The Challenges Team also looks after supporters who opt to join an Open Challenge (run by many adventure providers for participants from multiple charities), thus increasing the opportunities for participation by supporters and increasing revenue.

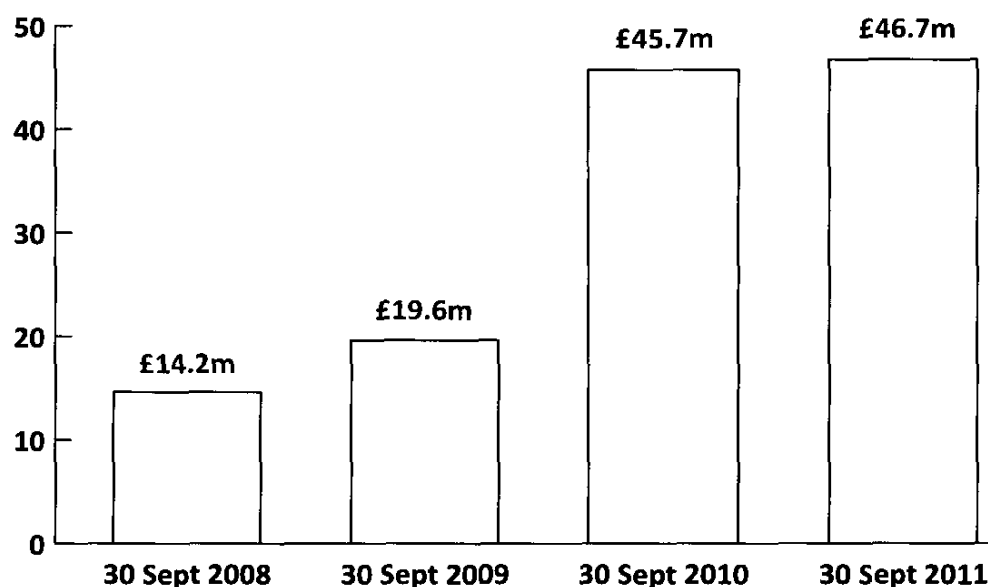
Whilst voluntary income is expected to be by far the largest income stream, H4H Trading will make a substantial contribution. At H4H Trading the challenge for the current year is to ensure the business structure will support continued expansion, development and marketing of the product range is key to continued income growth, as is maximising revenue from our extensive supporter base as well as attracting new customers to the product range.

The growing stature of the Charity is reflected in the strength of the H4H brand and this has been reflected in rising to number 4 in the Charity Brand Index and securing the 'Third Sector's Britain's Most Admired Charity Award' for 2011

So long as H4H continues to identify and communicate clear funding targets to the public and is seen to be delivering on those targets, then there is every reason for optimism about the financial outlook of H4H

H4H GROUP INCOME BY YEAR

£m



PUBLIC BENEFIT STATEMENT

The Charity works to provide practical, direct support for wounded, injured and sick (WIS) Service personnel. The Trustees have considered the Charity Commission's general guidance on public benefit and have taken it into account when reviewing the Charity's aims and objectives and in planning its future activities.

The Trustees are satisfied that the aims of the Charity are carried out wholly in pursuit of its charitable aims for the public benefit.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity was incorporated on 6 September 2007, registered with the Charity Commission on 20 September 2007 and launched on 1 October 2007. It has grown rapidly since it was launched, both in terms of income and the sources of that income.

Suitable governance policies were put in place progressively throughout the first financial period and continue to be reviewed as the Charity continues to grow. The detail below sets out the current position.



STRUCTURE

The Charity currently has a board of eight Trustees (the increase in Trustees during the year further strengthens the Board), all of whom are members of the Charity. The Board aims to meet a minimum of four times a year chaired by the chairman of the Charity. Suitable papers, including an agenda, prior meeting minutes, special topic briefings, latest monthly management accounts and comprehensive governance and risk updates, are circulated before each meeting and formal minutes are taken.

The Board makes use of committees, of which there are four:

- Audit, Finance and Legal
- Remuneration
- Grants
- Recovery Centres Advisory Panel

Each committee has an appointed chairman and written terms of reference. Greater detail on the committees is provided in the Legal and Administrative section.

The senior management teams of all H4H Group entities meet weekly (the directorate heads produce weekly bullet points of achievements/targets/issues in advance) as a means of facilitating good communication, managing key projects and ensuring suitable allocation of resources. These meetings are minuted. Special project groups such as the IT Steering Group are also in place. The directorate structure introduced in 2009/10 continues to work well, and has been further developed with monthly reporting now in place. We believe this structure best meets the operational, governance and growth requirements of the Charity.

TRUSTEES

The Charity aims to appoint Trustees with a broad range of skills and backgrounds and, as a minimum, would expect representation from the Services and the professions. All Trustees are issued with induction papers covering their roles and responsibilities and relevant governance updates are available as and when required, including governance briefings (not less than once a year) incorporated into Trustee meetings.

RELATED PARTIES

During his time as a volunteer, Bryn Parry created the logo, the strap line and the image of the stretcher bearers, all of which he gifted to, and have subsequently become registered trademarks of, the Charity. The Charity also makes use, at no cost, of various images including 'Hero the Bear' under a license agreement with Bryn Parry. Related party transactions are reviewed at each Trustee Meeting.

EMPLOYEES

Consistent with the Group's desire to behave as a responsible employer, we have periodically commissioned external reviews to benchmark salary levels throughout the Group and ensure compliance with all related employment and health & safety legislation. This is an area that continues to develop.

As the Charity has grown we have taken on board a range of professional support including an HR Manager.

VOLUNTEERS

Volunteers are vital to the success of the Charity and form an integral part of what it does both within the Charity's Tidworth office and across the country. The volunteers in Tidworth have always been on hand to ensure well-wishers are able to contact someone that shares their passion and commitment. Nationally, volunteers provide help and information at a local level to anyone looking to donate or fundraise, this network is the responsibility of employed Regional Coordinators whose role includes ensuring each county has at least one volunteer County Coordinator. Within each county we also have a growing number of local volunteer coordinators supporting the County Coordinators.

GRANTS POLICY

Our grants policy is underpinned by the 'Road to Recovery' that looks to support the wounded Service Personnel from the point of injury and then throughout the rest of his or her life. Accordingly we are establishing both the physical infrastructure and providing further support to the wounded through our strategic charity partners.

Whilst we would hope that all in need might benefit, we do have a particular emphasis on those injured since the events of 9/11 as we acknowledge the support already in place by many other established Service charities. Mindful of our duty to monitor the proper application of each grant we make, we believe we can be most effective by making a small number of high value grants to specific projects with a tangible outcome, together with a number of grants to smaller Service charities that may otherwise find fundraising difficult.

Potential projects may originate from within the Armed Forces, and to that end a Defence Recovery Steering Group (chaired by AVM David Murray and with tri-Service representation as well as representatives from Help for Heroes, The Royal British Legion and COBSEO) meets regularly to ensure that charitable support for the wounded is most appropriately focussed.

Grants are only made to registered charities or institutions providing care and through these to individuals. All amounts granted are for capped amounts, though there is no restriction on further applications by successful applicants. As a minimum, all applicants are requested to complete a basic questionnaire provided by the Charity at the start of the application process. A small grant, for £150,000 or less, requires the written authority of the Small Grants Committee and ratification at the subsequent Trustees' Board Meeting. A large grant (over £150,000) requires the consent of the full Board of Trustees and a deed of grant or similar reviewed by the Charity's solicitor.

RESERVES POLICY

The general reserve for the Charity at the period end stood at £2.5m, consistent with the policy to hold twelve months of the Charity's anticipated fixed support costs, based on the forecast for the coming year. The selected time period is based on the twelve-month going concern requirements of any company and is consistent with continuing confidence over future income and the continued policy to make only capped grants.

INVESTMENT POLICY

The policy needs to reflect the grants and reserves policies. The grants policy anticipates making large but infrequent payments, the exact timing of which is not always within the Charity's control as they will often be contingent on, say, completing a key stage of a building project. Consequently, the key need is to maintain a high degree of liquidity, stability and security.



In practice the policy (which has been externally reviewed during the year) means that the Group would not expect to invest in anything more volatile than fixed deposits and would seldom do so for periods beyond twelve months. The Group maintains a panel of nine banks, and aims to hold no more than two thirds of its cash and deposits with any single institution.

The Charity aims to operate on a 'Money In, Money Out' basis and so plans to hold the money for a short period of time.

With the entering of leases in respect of Tedworth House in July 2011 and Catterick in February 2012, fund managers have been selected, (following a tender assisted by external support from LJ Athene) to manage ring-fenced funds in respect of future running costs. Newton Investment Management Ltd was appointed to run the years 1 to 10 fund (funding Year 1 to 10 running costs) and Ruffer LLP to run the years 11 to 20 fund.

RISK MANAGEMENT

Whilst risk management is the responsibility of the whole Board, which receives an updated report for each Trustee meeting, it is advised on matters of governance and risk management by an independent consultant with proven experience in this area.

Management conduct a specific external review of Group risk every six months which is presented to the Trustees and supplement these with the maintenance of an internal risk register updated quarterly. On-going areas of risk are considered to include reputation, counterparty, public liability and business continuity.

REPUTATION RISK

This is the risk that adverse publicity might lead to a reduction in future donations. The area of particular sensitivity is considered to be the use of funds received, particularly the proportion of voluntary income spent on support costs as opposed to the making of grants, and the subsequent diligence required to ensure grants are used as intended.

To ensure the best possible ratio of voluntary income available for the making of grants, costs are tightly controlled, a number of activities for generating funds are promoted and H4H Trading operates with the aim to make sufficient profits to offset a high proportion of the Charity's support costs.

To ensure that grants are made properly and within the objects of the Charity, there is an agreed written process and an internal grants committee that meets fortnightly to review applications. The Trustees operate with written terms of reference, take legal opinion and review all recommendations and ensure compliance with internal procedures.

To ensure grants are used as intended, all large grants require a deed of grant that has been drafted or reviewed by the Charity's solicitor and all applicants are asked to appoint a specific liaison person whose role is to communicate with the Charity in relation to the subsequent application of the grant for as long as required.

COUNTERPARTY RISK

This is the risk that the Group suffers financial loss through the default of any of the institutions holding cash or deposits on its behalf. The Group mitigates this risk by aiming to hold accounts only with major UK banks, holding funds across several such institutions and never holding more than two thirds of its cash and deposits with any one institution. We externally review holdings against strict Standard and Poor ratings on a monthly basis.

PUBLIC LIABILITY RISK

This is the risk that a third party, or their representative, participating in an event either promoted by the Charity or organised in support of it may bring suit following death or serious injury as a result of their participation

In the case of events promoted by the Charity, also known as Challenges, those that it does promote are of an adventurous nature and, whilst the running of all events is sub-contracted, a duty of care remains. Managing this risk is achieved by careful selection of the challenge event organiser, clear communication as to the limit of the Charity's liability and the purchase of insurance to cover those areas that cannot be disclaimed. We have carried out a full review of the Challenge Organiser arrangements during the year.

In the case of events organised in support of the Charity by third parties, risk is managed by communicating clear disclaimers both on the website and in related correspondence.

BUSINESS CONTINUITY RISK

This is the risk that an event such as a fire or failure of the computer network causes financial loss, most likely due to the inability of staff to communicate with potential donors to the Charity or potential purchasers from the Trading Company.

The fire risk is not considered high given that the Group operates from several different buildings across two different sites, although a fire at one of the three warehouses containing the merchandise for H4H Trading would cause disruption.

Of equal, if not greater concern, is a failure of the computer network particularly as electronic communication is such a cornerstone of the Charity. We have an experienced Head of IT in place and we have been able to seek further support from external reviews and third party offers of help. We have subsequently to the year end terminated an outsourcing agreement with a third party for certain IT activities, reflecting that an in-house facility, with robust external support as required, is more appropriate.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The Trustees are also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees (who are directors for the purposes of company law) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Charity and of the incoming resources and application of resources of the Group for that period.

In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.



The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Charity 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 Group and Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the websites of the Group in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the on-going integrity of the financial statements contained therein.

PROVISION OF INFORMATION TO AUDITORS

All of the current Trustees (who are also the directors of the company) have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Charity's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Trustees are not aware of any relevant audit information of which the auditors are unaware.

APPOINTMENT OF AUDITORS

BDO LLP has indicated its willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

APPROVAL

This report was approved by the Board of Trustees on (28 May) 2012 and signed on its behalf by



Hadyn Parry, Chairman

Date 28th May 2012

INDEPENDENT AUDITOR'S REPORT

We have audited the financial statements of Help for Heroes for the year ended 30 September 2011 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charity'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 Charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' Responsibilities Statement (see page 43), 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 (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the Group's and the parent charitable company's affairs as at 30 September 2011, and of the Group's 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

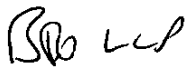
In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



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

- the parent charitable company has not kept adequate accounting records, 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 Trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Andrew Stickland,
Senior Statutory Auditor
for and on behalf of BDO LLP,
Statutory Auditor
Epsom
United Kingdom

Date 28th May 2012

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

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 30 September 2011 (incorporating an income and expenditure account)

	Notes	2011 Unrestricted funds £'000	2011 Restricted funds £'000	2011 Total funds £'000	2010 Total funds £'000
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	38,375	395	38,770	36,439
Activities for generating funds	3	1,562	0	1,562	2,329
Trading activities	4	5,232	0	5,232	6,496
Interest earned		1,139	0	1,139	459
Total incoming resources		46,308	395	46,703	45,723
Resources expended					
Cost of generating funds					
Cost of generating voluntary income	5	2,926	0	2,926	2,025
Cost of activities for generating funds	6	540	0	540	765
Cost of trading activities	4	4,268	0	4,268	3,878
Total costs of generating funds		7,734	0	7,734	6,668
Net incoming resources available for charitable application		38,574	395	38,969	39,055
Cost of charitable activities					
Grants made	9	(28,107)	0	(28,107)	41,658
Grant costs in support of PRCs	9	1,869	0	1,869	0
Allocated support costs	7	1,427	0	1,427	1,260
		(24,811)	0	(24,811)	42,918
Governance costs	11	26	0	26	27
Total resources expended		(24,785)	0	(24,785)	42,945
Net incoming/outgoing resources		63,359	395	63,754	(3,890)
Net movement in funds		63,359	395	63,754	(3,890)
Funds brought forward		2,169	37	2,206	6,096
Funds carried forward		65,528	432	65,960	2,206



CONSOLIDATED AND CHARITY BALANCE SHEETS

As at 30 September 2011

	Notes	2011 Group £'000	2011 Charity £'000	2010 Group £'000	2010 Charity £'000
Fixed assets	12	7,877	7,934	197	25
Current assets					
Stock		947	117	1,085	26
Debtors and prepayments	13	3,530	3,965	3,782	4,958
Cash and short term deposits	14	64,080	61,946	51,546	49,680
Investments	21	9,205	9,205	0	0
Creditors falling due within one year	15	(19,679)	(21,864)	(54,404)	(52,399)
Net current assets		58,083	53,369	2,009	2,265
Net assets		65,960	61,303	2,206	2,290
Funds					
General funds	16	7,215	2,501	2,169	2,253
Designated funds	16	50,436	50,436	0	0
Restricted funds	16	432	432	37	37
Asset Reserves	16	7,877	7,934	0	0
Total funds	16	65,960	61,303	2,206	2,290

CONSOLIDATED CASH FLOW STATEMENTS

For the year ended 30 September 2011

	2011 Group £'000	2011 Charity £'000	2010 Group £'000	2010 Charity £'000
Net cash flow from outgoing activities				
Net incoming/outgoing resources	63,754	59,013	(3,890)	(6,508)
Adjustments for non-cash items				
Interest earned	(1,139)	(1,139)	(459)	(459)
Depreciation	103	69	63	20
Donation due from H4H Trading Ltd	0	1,471		2,705
Acquisition of Bmycharity	0	0	30	30
Loss on write down of fixed assets	0	0	125	125
(Increase)/decrease in stock	138	(91)	(588)	(26)
(Increase)/decrease in debtors	252	994	(2,733)	(2,095)
Increase/(decrease) in creditors	(34,725)	(32,006)	33,090	31,299
Net cash inflow from operating activities	28,383	28,311	25,638	25,091
Capital expenditure and interest received				
Purchase of fixed assets	(7,783)	(7,979)	(202)	(14)
Interest received	1,139	1,139	459	459
Acquisitions and Disposals				
Goodwill written off	0	0	(30)	(30)
Management of Liquid Resources				
Cash invested on short term deposit	15,010	15,010	(42,010)	(42,010)
Fixed Term Investments	(9,205)	(9,205)	0	0
Increase/(Decrease) in cash	27,544	27,276	(16,145)	(16,504)
Cash brought forward	9,536	7,670	25,681	24,174
Cash carried forward	37,080	34,946	9,536	7,670



NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES

Accounting convention

These accounts have been prepared under the historical cost convention as modified by the revaluation of investments. They comply with the Statement of Recommended Practice 'Accounting and Reporting by Charities' as revised in 2005 ('the SORP'), together with the reporting requirements of the Companies Act 2006 and applicable accounting standards.

Basis of consolidation

The Group structure has expanded during the course of the year as detailed below. The Group structure as at 30th September 2011 is:

HELP FOR HEROES

HELP FOR HEROES
TRADING LIMITED

THE TEDWORTH
HOUSE CHARITY

HELP FOR HEROES
DEVELOPMENT
COMPANY LIMITED

BMYHERO
LIMITED

The consolidated accounts are based on the structure shown above and incorporate the results of Help for Heroes ('the Charity'), its subsidiary undertakings Help for Heroes Trading Limited (H4H Trading), Help for Heroes Development Company Limited (DevCo) (incorporated 8th December 2010) and The Tedworth House Charity (incorporated 26th May 2011 and registered as a charity on 8th July 2011). H4H Trading has one subsidiary undertaking being BMyHero Limited (BMyHero). The consolidated entity is referred to as 'the Group'. No separate company Statement of Financial Activities ('SOFA') has been prepared for the Charity as permitted by the Companies Act 2006 and paragraph 397 of the SORP.

Fund accounting

Unrestricted funds represent funds which are expendable at the discretion of the Trustees in furtherance of the objects of the Charity.

Designated funds represent funds that have been earmarked by the Trustees for specific purposes and are therefore held separately from general funds.

Restricted funds represent donations which are allocated by the donor for a specific purpose.

Asset Reserves represent the value of fixed Assets held by the Group at 30 September 2011.

Incoming resources

Incoming resources are included in the SOFA and are recognised when the Group has entitlement, measurability and sufficient certainty. No amounts are included for services donated by volunteers.

Incoming resources comprise

Grants receivable		Recognised on notification
Major donations		Donations are considered major if they have a value of £50,000 or more. Donations from events organised in support of the Charity are recognised at the date the event occurs.
Voluntary income	Other donations	Accounted for as received
	Gifts in kind	Recognised on notification
	Gift Aid	Amounts recoverable
	Legacies	Accounted for as received or if, before receipt, there is sufficient evidence as to the entitlement, measurement and certainty of the receipt.
Generating funds	Events organised by the Charity	Recognised in the period in which the events take place
	Merchandise	Accounted for when the transaction occurs

Gifts in kind and donated services and facilities

Incoming resources in the form of gifts in kind are included in the SOFA when they are seen as having a value in excess of £1,000. Assets given for use by the Group are recognised as incoming resources and within the relevant fixed asset category of the balance sheet when receivable.

Donated services and facilities recognised in the financial statements include those usually provided by an individual or entity as part of their trade or profession for a fee. In contrast, the contribution of volunteers is excluded from the SOFA as the value of their contribution to the Charity cannot be reasonably quantified in financial terms. Commercial discounts are not recognised as incoming resource except where they clearly represent a donation.

Where donated services or facilities are recognised, an equivalent amount is included as expenditure under the appropriate heading in the SOFA.

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.

- Cost of generating voluntary income includes all the costs directly attributable to raising voluntary income.
- Cost of activities for generating funds includes all the costs directly attributable to that event, specifically the fees paid to event organisers and staff costs.
- Support costs are allocated on the basis of staff time.
- Trading costs include all the costs directly attributable to the trading subsidiaries.



- Grants payable are commitments made to third parties in the furtherance of the charitable objectives of the Charity. Single or multi-year grants are accounted for when the recipient receives the conditional offer of the grant unless it cannot be determined with certainty that the recipient will meet these conditions.
- Governance costs include costs associated with the governance arrangements of the Charity including external audit and costs of complying with constitutional and statutory requirements, such as professional fees and Trustees liability insurance.

Stock

Stock is measured at the lower of cost or net realisable value.

Fixed assets

Items with a cost in excess of £250 are capitalised and written off evenly over their useful economic life. The following rates have been applied:

Office equipment	— Computers etc	3 years
Leasehold improvements		Depreciated over the life of the lease to the first break point
Vehicles		10 years (relates only to the Merchandising Vehicle)

No depreciation has been charged on the Tedworth House capital works as the asset is in the course of construction.

Investments

Investments are included in the Balance Sheet at market value. Movements in the value of investments reflect only realised gains or losses.

2 VOLUNTARY INCOME

	2011 Unrestricted funds	2011 Restricted funds	2011 Total funds	2010 Total funds
Grants received	0	200	200	3
Major donations	3,621	0	3,621	2,059
Other donations	31,028	195	31,223	31,170
Legacies	2,113	0	2,113	851
Donated services	545	0	545	150
Gift Aid receivable	1,068	0	1,068	2,206
	38,375	395	38,770	36,439

The £200k grant received was from the Army Central Fund and is to be used towards sports facility-related expenditure at Tedworth House and Colchester PRCs.

3 ACTIVITIES FOR GENERATING FUNDS

	2011 £'000	2010 £'000
Big Battlefield (2011 and 2010) & A Bridge Too Far (2010 only) Bike Rides	772	1,497
Open Challenges	205	36
Sahara 2011 and 2010	24	198
Nepal 2011	25	0
Kilimanjaro Challenge 2010	26	558
Other Challenges	510	40
	1,562	2,329

See note 6 for the related costs of the activities

4 RESULTS OF THE CONSOLIDATED ENTITIES

	H4H Trading £'000	BMyHero £'000	Total H4H Trading and BMyHero 2011 £'000	Total H4H Trading and BMyHero 2010 £'000	The Tedworth House Charity from 08/07/2011 £'000	DevCo from 08/12/2010 £'000
Turnover	4,897	335	5,232	6,496	5,101	7,938
Direct costs	1,537	126	1,663	2,336	0	7,555
Employee costs	898	81	979	866	142	41
Overheads	991	70	1,061	676	474	0
Net income before donation to the Charity	1,471	58	1,529	2,618	4,485	342
Donated to the Charity	(1,471)	0	(1,471)	(2,705)	0	0

The results shown above are those of the individual trading entities of the Group. There is an element of trading between these Group entities that takes place which is eliminated when the entities are consolidated into the Group resulting in a balance of £4,268k in the SOFA.

Two new entities have been established during this year being Help for Heroes Development Company Limited ('DevCo') (incorporated 8th December 2010) which was established to manage the construction works at Tedworth House, and a new charity being The Tedworth House Charity (incorporated 26th May 2011) which is the entity through which the services at Tedworth House are delivered. Both 'DevCo' and The Tedworth House Charity are funded by the Charity with a small element of the income in Tedworth House resulting from its own sales such as catering income. Both entities are included in the Group results.



BALANCE SHEETS OF THE CONSOLIDATED ENTITIES

	H4H Trading £'000	BMyHero £'000	H4H Trading and BMyHero 2011 £'000	H4H Trading and BMyHero 2010 £'000	The Tedworth House Charity from 08/07/2011 £'000	DevCo from 08/12/2010 £'000
Fixed assets	205	1	206	171	4	(0)
Stock	822	0	822	1,059	8	0
Debtors	2,215	28	2,243	1,856	4,423	484
Other assets	0	0	0	249	0	0
Cash	102	710	812	1,866	200	1,121
	3,344	739	4,083	5,201	4,635	1,605
Liabilities	(1,873)	(768)	(2,641)	(2,385)	(150)	(1,263)
Donation due to the Charity	(1,471)	0	(1,471)	(2,903)	0	0
Net Assets/(Liabilities)	0	(29)	(29)	(87)	4,485	342
Profit and Loss Account	0	(29)	(29)	(87)	4,485	342
	0	(29)	(29)	(87)	4,485	342

5 COST OF GENERATING VOLUNTARY INCOME

	2011 £'000	2010 £'000
Intermediary charges	101	314
Consultancy fees	428	301
Other direct costs	1,500	1,201
Allocated support costs	897	209
	2,926	2,025

The intermediary charges are commission deducted at source on donations paid through external donation sites and the bank charges (1.6% of donations) incurred through Bmycharity. Consultancy fees relate to the design and maintenance of the H4H website and automated creation of on-line fundraising pages for supporters registering events with H4H. Other direct costs include staff directly supporting fundraising, purchase of fundraising materials such as collection tins, collection buckets and wristbands, distribution of fundraising materials to event organisers, and the cost of promotional items produced for certain events.

6 COST OF ACTIVITIES FOR GENERATING FUNDS

	2011 £'000	2010 £'000
Big Battlefield & A Bridge Too Far Bike Rides	232	411
Open Challenges	64	10
Sahara 2010	27	50
Kilimanjaro Challenge	0	284
Other Challenges	217	10
	540	765

7 ALLOCATED SUPPORT COSTS

	2011 £'000	2010 £'000
Employee costs	904	647
Social Security costs	136	62
Consultancy fees	40	171
Professional fees	136	61
Travel & subsistence	104	19
Irrecoverable VAT	428	292
Depreciation	27	20
Other costs	549	197
Total before allocation to cost of generating voluntary income	2,324	1,469
Allocated to cost of generating voluntary income	(897)	(209)
	1,427	1,260

All costs relate to unrestricted expenditure and, where required, are allocated on the basis of staff time



8 EMPLOYEE COSTS

	2011 Group £'000	2011 Charity £'000	2010 Group £'000	2010 Charity £'000
Wages and salaries	2,638	1,570	1,184	554
Social Security	214	119	101	62
	2,852	1,689	1,285	616

The above includes wages, salaries and social security costs associated with all the entities within the Group, and are shown before allocation against cost categories such as support costs

None of the Trustees were paid during the period and none were reimbursed for expenses. There were five employees who earned more than £60,000 during the year as below,

£80,001 – £90,000 2

£60,000 – £70,000 3

The average number of employees during the year was 49 (2010: 26) for the Charity and 101 (2010: 51) for the Group

9 GRANTS MADE

During the year the Trustees made grants for the further expansion of the Personnel Recovery Centres (PRCs) programme which includes the Centres at Tidworth, Hasler (Plymouth), Catterick and, Colchester, covering both capital build and service delivery. As a result of an improved clarity around the nature of legal structures entered into and being negotiated at the balance sheet date we have, during the year, altered the accounting classification of the funds that we are committing to the PRC programme. Many PRC grants are now classified as 'Designated Funds' within the accounts, including those committed in prior years and this is shown in the following table

	Grants made in year to 30th Sept 2011 prior to reclassification £'000	Reclassification of PRC-related Grants to Designated Funds (including prior year Grants) £'000	PRC Grant Costs in support of PRCs	Group Inter/co Elimination	Movement in Grants to 30th Sept 2011 £'000
PRC grants:					
Hasler	21,000	(19,480)	(1,520)		0
Catterick	4,000	(11,832)	(168)		(8,000)
Colchester	(2,500)				(2,500)
Tedworth House	15,000	(19,124)			(4,124)
Transfer to Assets	(8,000)				(8,000)
Other				(4,855)	(4,855)
Movement on PRC grants – see notes	29,500	(50,436)	(1,688)	(4,855)	(27,479)
Other grants					
Combat Stress – The Enemy Within	1,075				1,075
Headley Court	500				500
Aeromed Packs	200				200
SkillForce	150				150
Quick Reaction Fund (QRF)	150				150
Not Forgotten Association	150				150
Scottish Veterans' Garden City Association	150				150
Winston's Wish	100				100
Other – incl Individual Recovery Plans	(3,103)				(3,103)
Total grants	28,872	(50,436)	(1,688)	(4,855)	(28,107)

Grant Costs in support of PRCs are amounts expensed on PRCs in advance of signing of the leases and which will be reversed in future periods

The negative grant shown at 'Other' above includes an adjustment to the IRP grant of £3,750k for the year which was not all spent, resulting in the write back of £3,443k of the IRP grant

As a result of the adjustments to the PRC grants, the value of designated funds held within the balance sheet totals £50.4m

Grants Costs in support of PRCs (GCSP) of £1,688k shown above relate to those costs held within H4H Charity. The Group figure for GCSP in the SOFA includes £181k for Tedworth House giving a group figure of £1,869k



Designated Funds

	£'000	
PRC commitments	65,000	related to Catterick, Hasler and Tedworth House
Less moved from commitments to Capital	(8,000)	
Less spend to 30 Sept 2011	(1,688)	
Less Tedworth Yrs 1 - 3	(4,876)	three year commitment to fund Tedworth House
Designated funds	50,436	

The impact of the above reclassification of the PRCs has resulted in the 'Grant Made' within the SOFA showing a credit of £28 1m

The designated funds of £50 4m, together with previous grants for PRCs takes the total funds earmarked for both capital and service delivery of the PRCs to £136m Capital build at the PRCs is progressing well and it is planned that the construction of PRCs will be completed by late spring 2013

10 SURPLUS AVAILABLE FOR GRANT MAKING

	2011 £'000	2010 £'000
Voluntary income earned	38,770	36,439
Profit from activities for generating funds	1,022	1,564
Profit from consolidated trading activities	964	2,618
All other costs including inter-company costs, net of interest and excl grants and PRC costs	(3,240)	(2,853)
	37,516	37,768

11 GOVERNANCE COSTS

	2011 £'000	2010 £'000
Audit	14	14
Risk review	2	3
Accounts printing and distribution	5	5
Trustees' Liability Insurance	5	5
	26	27

Governance costs are those related to the activities of the Charity Costs of audit and other reporting items for other Group entities are allocated to costs of trading activities (£20k)

12 FIXED ASSETS

	Leasehold Improvements £'000	Office Equipment £'000	Plant and Machinery £'000	Vehicles £'000	Assets in the Course of Construction £'000	2011 £'000
Group cost or valuation						
At 30 September 2010	72	152	26	41	0	291
Additions during the year	0	138	8	0	7,637	7,783
Disposals during the year	0	0	0	0	0	0
At the end of the year	72	290	34	41	7,637	8,074
Depreciation						
At 30 September 2010	(18)	(62)	(10)	(4)	0	(94)
Charge for the year	(14)	(74)	(11)	(4)	0	(103)
Disposals for the year	0	0	0	0	0	0
At the end of the year	(32)	(136)	(21)	(8)	0	(197)
Net book value at 30 September 2010	54	90	16	37	0	197
Net book value at 30 September 2011	40	154	13	33	7,637	7,877

The assets in the course of construction relate to Tedworth House, value £7.6m

The difference in values of fixed assets between Group and Charity is due to the mark up charged to the Charity by the Development Company which is eliminated in the Group consolidated figures

13 DEBTORS AND PREPAYMENTS

	2011 Group £'000	2011 Charity £'000	2010 Group £'000	2010 Charity £'000
Due from major donations	0	0	694	694
Due from grants	100	100	100	100
Gift Aid receivable	1,516	1,516	1,223	1,223
Donation due from H4H Trading	0	1,471	0	2,705
Trade debtors	401	0	1,280	0
Other debtors	785	284	174	0
Accrued interest	395	395	154	154
Prepayments	333	199	157	82
	3,530	3,965	3,782	4,958

The grant is due from the Army Central Fund and is not payable until the expenditure has been incurred which is planned to happen during 2011/2012



14 CASH, CASH EQUIVALENTS AND SHORT-TERM FIXED DEPOSITS

	2011 Group £'000	2011 Charity £'000	2010 Group £'000	2010 Charity £'000
Short-term fixed deposits	27,000	27,000	42,010	42,010
Same-day deposit account	5,541	5,541	5,229	5,229
Cash	31,539	29,405	4,307	2,441
	64,080	61,946	51,546	49,680

The same-day deposit account was held with RBS and earning interest at a rate of 0.8% at the year end. The balance of the funds were held with Lloyds TSB, Co-operative Bank, Barclays and HSBC.

Short-term fixed deposits were held with RBS, Lloyds TSB, Barclays, Coutts and Rothschild. This is consistent with the policy not to hold more than two-thirds with any one institution.

15 CREDITORS DUE WITHIN ONE YEAR

	2011 Group £'000	2011 Charity £'000	2010 Group £'000	2010 Charity £'000
Grant payable re PRCs	4,446	4,446	32,819	32,819
Grant payable re Individual Recovery Plans (IRPs)	7,250	7,250	10,966	10,966
Grant payable re Quick Reaction Fund (QRF)	2,946	2,946	4,700	4,700
Grant payable re Combat Stress	500	500	960	960
Grant payable re SBSA	250	250	0	0
Grant payable re St Dunstons	248	248	748	748
Grant payable re Headley Court	184	184	4	4
Other grants	471	471	1,308	1,308
Total grants	16,295	16,295	51,505	51,505
Trade creditors	1,288	193	597	356
Other creditors	356	266	1,584	6
Other taxes and Social Security	301	47	548	23
Intercompany creditors	0	4,998	0	374
Accruals	1,439	65	170	135
	19,679	21,864	54,404	52,399

16 FUNDS

	2011 Group £'000	2011 Charity £'000	2010 Group £'000	2010 Charity £'000
General funds brought forward	2,169	2,253	1,271	1,269
Net income from the Charity	62,789	57,541	(6,509)	(6,509)
Donated by H4H Trading	0	1,471	0	2,705
Net income from the trading companies	965	0	2,619	0
Designated during the year	(50,436)	(50,436)	4,788	4,788
Transferred to Asset Reserves	(7,877)	(7,934)	0	0
Restricted funds	(395)	(395)	0	0
Total available (General funds)	7,215	2,501	2,169	2,253
Designated funds brought forward	0	0	4,825	4,825
Designated during the year	50,436	50,436	(4,825)	(4,825)
Designated funds at close of the year	50,436	50,436	0	0
Restricted funds brought forward	37	37	0	0
Movement in year	395	395	37	37
Restricted funds at close of the year	432	432	37	37
Asset Reserves brought forward	0	0	0	0
Movement in year	7,877	7,934	0	0
Asset Reserves at close of the year	7,877	7,934	0	0
	65,960	61,303	2,206	2,290

The increase in designated funds in the year is due to the classification of the grant funds in support of the PRC programme (comprising Tidworth, Catterick and Plymouth) from grants to designated funds as detailed in note 9 above. The 'asset reserves' represent the reserves held at 30th September 2011 that are held within fixed assets, the largest of which is the leasehold improvements to Tidworth House.

17 RELATED PARTY TRANSACTIONS

A lease for 14 Parker's Close, Downton was agreed between Help for Heroes Trading and Bryn Parry Properties Ltd (BPP) a company owned by Bryn Parry on 22nd February 2010. Rent paid to BPP during the period amounted to £17,500 (2010 £10,208). At 30th September 2011 the company owed BPP £Nil (2010 £Nil).

Stephen Oxley, a Trustee, is also a senior partner of Wilsons Solicitors LLP which provides legal services to the Charity. During the year the Charity was charged £152,370 (2010 £46,205) and the Group was charged £261,885 (2010 £92,808) primarily in support of negotiations on leases for the PRCs. £Nil (2010 £3,290) was outstanding by the Charity and £Nil (2010 £3,628) by the Group at the year end.



18 POST BALANCE SHEET EVENTS

On 23rd February 2012 a 20 year lease was signed with the MOD (with the option to extend for a further 10 years) for the Catterick Personnel Recovery Centre. On 25th April 2012 a 16 year lease was signed with the MOD for Parker VC accommodation centre (Phase 1) at Plymouth

19 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET CASH FUNDS

	2011 Group £'000	2011 Charity £'000	2010 Group £'000	2010 Charity £'000
Net funds at beginning of year	51,546	49,680	25,681	24,174
Increase in cash on fixed term deposit	(15,010)	(15,010)	42,010	42,010
Change in net funds during the year	27,544	27,276	(16,145)	(16,504)
Cash and short-term deposits	64,080	61,946	51,546	49,680

20 ANALYSIS OF NET FUNDS

	At 1 October 2010 £'000	Cash flow £'000	At 30 September 2011 £'000
Cash	9,536	27,544	37,080
Cash on fixed-term deposit	42,010	(15,010)	27,000
Cash and fixed-term deposits	51,546	12,534	64,080

21 INVESTMENTS

	2011 Group £'000	2011 Charity £'000	2010 Group £'000	2010 Charity £'000
Ruffer	1,500	1,500	0	0
Newton	7,705	7,705	0	0
Total fixed-term investments	9,205	9,205	0	0

LEGAL AND ADMINISTRATIVE DETAILS

HELP FOR HEROES

CHARITY STATUS

Help for Heroes (H4H) is registered in England and Wales as a charity, number 1120920, and as a company limited by guarantee, number 6363256. The Charity has no maximum permitted membership and membership is open to any individual interested in promoting the objects of the Charity. There are currently eight members, all of whom are Trustees. Each member guarantees to contribute up to one pound sterling (£1GBP) to the Charity's debts, liabilities and costs in the event of the charity being wound up and for one year after ceasing to be a member. H4H is governed by its Memorandum and Articles of Association.

HONORARY PRESIDENT

General The Lord Dannatt GCB CBE MC DL

Appointed 19 September 2011

TRUSTEES

The Trustees who are also directors under company law, who served during the year ended 30 September 2011 and up to the date of this report were as follows:

Hadyn Parry

Chairman

Alex Scott-Barrett

Treasurer

Air Vice Marshall John Ponsonby

Resigned 16 March 2011

Richard Constant MBE

Stephen Oxley

Lieutenant General Sir Robert Fry KCB CBE

His Honour Judge Jeff Blackett

Appointed 23 May 2011

Steve Harman

Appointed 23 May 2011

Alex Northcott

Appointed 27 June 2011

Biographies of our trustees can be found on the Trustees section of our website.

SUB COMMITTEES

AUDIT, FINANCE AND LEGAL

Alex Scott-Barrett

Chairman

Stephen Oxley

Hadyn Parry

Jonathan Ballin

REMUNERATION

Richard Constant

Chairman

Stephen Oxley

Alex Scott-Barrett

GRANTS

Hadyn Parry

Chairman

Stephen Oxley



RECOVERY CENTRES ADVISORY PANEL

Chris Davies (Drivers Jonas Deloitte)	<i>Chairman</i>
Warren Glaister (Bovis Lend Lease)	
Alex Scott-Barrett	
David Dickinson (Gardiner & Theobald)	
John Desmond (Bernard Williams Associates)	
Stephen Oxley	
Jonathan Ballin	

DEFENCE RECOVERY CAPABILITY

The Defence Recovery Capability sub committee was subsumed into the Recovery Centres Advisory Panel from 10 February 2011

THE TEDWORTH HOUSE CHARITY

CHARITY STATUS:

The Tedworth House Charity was established 26 May 2011 and is registered in England and Wales as a charity, number 1143004, and as a company limited by guarantee, number 07647921. The Charity has no maximum permitted membership and membership is open to any individual interested in promoting the objects of the Charity. There are currently six members, all of whom are Trustees. Each member guarantees to contribute up to one pound sterling (£1GBP) to the Charity's debts, liabilities and costs in the event of the charity being wound up and for one year after ceasing to be a member. H4H is governed by its Memorandum and Articles of Association.

TRUSTEES

The Trustees who are also directors under company law, who served during the year ended 30 September 2011 and up to the date of this report were as follows:

Stephen Oxley	<i>Chairman</i>	<i>Appointed 8 July 2011</i>
Rod Dunn MB DS DMCC FRCS (Plast)		<i>Appointed 22 September 2011</i>
Steve Harman		<i>Appointed 8 July 2011</i>
Lieutenant General Sir Philip Trousdell KBE CB		<i>Appointed 8 July 2011</i>
Major Peter Norton GC MSc MCGI CEng FIEpE		<i>Appointed 8 July 2011</i>
Tony Schofield		<i>Appointed 25 November 2011</i>

Biographies of our trustees can be found on the Trustees section of our website.

CHARITY OBJECTS.

The objects for which the Company is established are restricted to the assistance of persons who are currently serving or have served in the Armed Forces and their dependants and persons connected to the Armed Forces ('Beneficiaries') by

1. The provision of facilities, equipment and services at Tedworth House and any location in order to promote the health of Beneficiaries and assist in the recovery of those who have been wounded or injured, and
2. Meeting charitable needs of beneficiaries and assisting Help for Heroes and other charities or bodies which are engaged in meeting those needs in each case for the benefit of the public.

For the purposes of this clause, persons are connected to the Armed Forces if they have been wounded or injured whilst providing services to, or in conjunction with, and in either case under the direction of the Commander of the Armed Forces and his officers or, where relevant, of any military body with whom Her Majesty's Armed Forces are working during combined operations

TRUSTEES MEETINGS FOR BOTH H4H AND THE TEDWORTH HOUSE CHARITY ARE ALSO ATTENDED BY

Bryn Parry OBE	<i>Chief Executive Officer</i>
Emma Parry OBE	<i>Executive Chairman of H4H Trading</i>
Jonathan Ballin	<i>Chief Financial Officer</i>
David Richmond CBE	<i>Chief Operating Officer of The Tedworth House Charity</i>

Note David Richmond attends The Tedworth House Charity Trustee meetings only

FINANCIAL STATEMENTS

The financial statements comply with the Statement of Recommended Practice (SORP) – Accounting and Reporting by Charities as revised in 2005, the Charities Act (1993) and the Companies Act (2006)

REGISTERED OFFICE AND COMPANY SECRETARY

Wilsons Solicitor's LLP, Steynings House, Summerlock Approach, Salisbury, Wiltshire SP2 7RJ

AUDITORS

BDO LLP, Epsom, Surrey KT17 1HS

BANKERS

Lloyds TSB Bank plc, 25 Gresham Street, London EC2V 7HN
 The Royal Bank of Scotland plc, 36 St Andrew Square, Edinburgh EH2 2YB
 Barclays Bank plc, 1 Churchill Place, London E14 5HP
 HSBC Bank plc, Harry Weston Road, Binley, Coventry CV3 2TQ
 Co-operative banking plc, PO Box 101, 1 Balloon Street, Manchester M60 4EP
 AIB Group (UK) plc, 4 Queens Square, Belfast BT1 3DJ
 Coutts & Co, 440 Strand, London WC2R 0QS
 N M Rothschild & Sons Ltd, New Court, St Swithin's Lane, London EC4P 4DU
 Hoare & Co, 37 Fleet Street, London EC4P 4DQ

INVESTMENT ADVISERS

LJ Athene, 9 Clifford Street, London W1S 2FT

SOLICITORS

Wilsons Solicitor's LLP, Steynings House, Summerlock Approach, Salisbury, Wiltshire SP2 7RJ

GOVERNANCE AND RISK MANAGEMENT

Baker Tilly UK Audit LLP, Hartwell House, 55-61 Victoria Street, Bristol BS1 6AD





"A MAN WHO IS GOOD ENOUGH TO SHED HIS BLOOD FOR HIS COUNTRY IS
GOOD ENOUGH TO BE GIVEN A FAIR DEAL AFTERWARDS MORE THAN THAT
NO MAN IS ENTITLED TO AND LESS THAN THAT NO MAN SHALL HAVE"

THEODORE ROOSEVELT 4TH JULY 1903

HOW TO FIND OUT MORE

ON-LINE: www.helpforheroes.org.uk
You can also follow us on Facebook and Twitter



BY TELEPHONE: 01725 513212

BY POST Help for Heroes, 14 Parker's Close, Downton Business Centre, Salisbury, Wiltshire SP5 3RB



www.helpforheroes.org.uk