

ARMY FAMILIES FEDERATION

England & Wales · Charity number 1176393

Details

Other names AFF

Status Registered

Legal form CIO

Registered 2017-12-20

Register [View on the Charity Commission register](#)

Contact

Address Aff
Floor 1 Zone 6
Ramillies Building
Marlborough Lines
Monxton Road
ANDOVER

Phone 01264554004

Email contact@aff.org.uk

Website www.aff.org.uk

Activities

Objects: THE OBJECTS OF THE CIO ARE:A) THE PROMOTION OF SOCIAL INCLUSION AND MILITARY EFFICIENCY, FOR THE PUBLIC BENEFIT, BY ASSISTING IN THE PREVENTION OF ARMY FAMILIES BEING DISADVANTAGED THROUGH MILITARY SERVICE; ANDB) SUCH OTHER CHARITABLE PURPOSES FOR THE GENERAL BENEFIT OF ARMY FAMILIES AS THE CHARITY TRUSTEES FROM TIME TO TIME THINK FIT.

Activities: The objects of the Charity are:1. The promotion of social inclusion and military efficiency, for the public benefit, by assisting in the prevention of Army families being disadvantaged through military service.2. Such other charitable purposes for the general benefit of Army families as the trustees from time to time think fit.

Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Armed Forces/emergency Service Efficiency, Human Rights/religious Or Racial Harmony/equality Or Diversity, Recreation, Other Charitable Purposes
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies, Other Defined Groups

Geography

- Belgium
- Canada
- Cyprus
- Germany
- Kenya
- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,130,847	£1,352,183	£1,146,482	34
2024-03-31	£1,412,815	£1,400,050	£1,124,929	35
2023-03-31	£1,126,652	£1,314,492	£1,100,930	32
2022-03-31	£1,327,533	£1,144,783	£1,362,980	27
2021-03-31	£1,323,071	£1,044,614	£1,141,432	27

Trustees

Name	Role	Appointed
Abigail Boyle	Chair	2022-05-03
Dave Roberts		2025-10-07
JAMES ROUS		2025-10-07
James Banks		2023-12-13
Julia Rogers		2023-12-13
Mark Watkins		2022-05-03
Nicola Scarr		2023-12-13
Paul Collard		2022-05-03

ARMY FAMILIES FEDERATION

England & Wales - Charity number 1176393

Accounts



army
families
federation

**AFF annual report
and accounts 2024/25**

CONTENTS

Report of the Trustees	3
Report of the independent auditors	14
Statement of financial activities	16
Balance sheet	17
Statement of cash flows	18
Notes to the financial statements	19

TRUSTEE REPORT AND ACCOUNTS 2024-2025

The Trustees present their report with the financial statements of the Charitable Incorporated Organisation (CIO) for the year ended 31 March 2025.

Need

The nature of Service life (unstable and uncertain) can mean that Army personnel and their families feel they have limited choice or control while accessing the services and advice they need.

Vision

All Army personnel and their families are valued and able to live well.

Purpose

To drive positive change and enable informed decisions for all Army personnel and their families.

Mission

The AFF mission statement is:

AFF communicates, questions and influences policy at all levels to improve the lives of the serving and resettling British Army community across the world. We offer support, information and guidance to individuals and communities on issues that impact on the quality of their lives.

Objectives

The objectives for 2024/25 were:

1. Listen to, respond to and support Army personnel and their families.
2. Provide information and guidance that empowers Army personnel and their families, recognises diversity and encourages resilience.
3. Gather robust evidence, using credible methods, to support and challenge change for Army personnel and their families.
4. Engage effectively with command and the MOD in order to promote the interest of the diverse range of Army personnel and their families.
5. Collaborate with public, private, and third sector to provide the support and service that Army personnel and their families need.
6. Influence change to policy, products and services that disadvantage Army personnel and their families.
7. Build a strong organisation in line with statutory guidelines and manage charitable funds effectively.
8. Promote an organisational culture that values diversity and tolerates differences by facilitating the recruitment, retention and promotion of individuals irrelevant of background, gender or ethnicity.

Structure, governance and management

The charity is a Charitable Incorporated Organisation (CIO) governed according to the constitution dated 6 December 2017 (as amended on 11 May 2021 and 6 March 2024). It was established to take forward the work of the Unincorporated registered charity number 291202.

ACHIEVEMENTS AND PERFORMANCE

Within the organisation, there are four teams, who work together to meet our objectives.

1. The Policy team

This year, the Policy team has been instrumental in providing evidence to the House of Commons Defence Committee and the House of Lords in order to demonstrate issues affecting Army personnel and families and provide real-life experiences to Government. AFF was part of a tri-Service team that provided key evidence in support of the proposed extension to the Armed Forces Covenant, and was able to provide the committee with robust written and oral evidence to clearly demonstrate where the Covenant was working well, or where improvement was required.

This year, the Policy team has been instrumental in providing evidence to the House of Commons Defence Committee and the House of Lords

In addition, the AFF Money & Allowances team provided evidence to the Government consultation on the introduction of 20% VAT to independent school fees via calls for evidence to families, and also a series of surveys to understand the issues that were being experienced in more depth. The team also provided a briefing note on the above to a House of Lords debate, and engaged with MPs who were gathering evidence on this topic about the effect this policy would have on families. AFF continues to engage with families and provide evidence to the Army and MOD on the continuing financial and recruitment/retention implications of this policy.

AFF has also provided evidence on a tri-Service basis to the House of Lords on the benefits of remote working for Army spouses and partners, as they are able to maintain a stable career despite having a highly mobile lifestyle, which has highlighted this important issue to senior policy and decision makers.

The AFF Policy team provides subject matter expertise, support and advocacy for Army serving personnel and their families in key areas, which are housing, education & childcare, health & additional needs, employment & training, Foreign & Commonwealth and money & allowances. As an evidence-based organisation, the Policy team uses the lived experience, data and information provided by serving personnel and families to highlight and raise issues to the Army, MOD, wider Government and other stakeholders to influence policy change and development in order to benefit the Army family and wider community.

The largest area of AFF's work continues to be in the Foreign & Commonwealth policy area, with 53% of our enquiries in 2024-2025 in this area. Our four Immigration Advice Authority qualified immigration advisors provide a unique level of support to non-UK serving personnel and their families, and are also able to provide advice and advocacy. As a result of grant funding received from the Royal British Legion (RBL), AFF was able to develop a series of step-by-step instructional videos on how to complete visa application forms, which has assisted serving personnel and their families.

The F&C team also promotes its popular monthly immigration webinar Q&A briefings, which are open to any serving person or family member.

AFF's Housing policy team continues to receive a large number of enquiries - 16% of total enquiries in 2024/25. Since the pause of the Modernised Accommodation Offer in March 2024, the team continues to advocate for and support serving personnel and families with the support they need. AFF continues to champion the need to have continued, sustained investment in Service Family Accommodation (SFA) for the families of today, and have a fit-for-purpose housing stock that can be maintained for years to come for the families of the future.

Spousal/partner employment overseas continues to be a significant enquiry area. In 2024-2025 36% of our employment enquiries were in relation to employment overseas.

This area of enquiry was highlighted in AFF's Spousal and Partner Employment Survey (published in September 2024) which found that 61% of spouses/



partners overseas were unemployed compared to just 20% of spouses/partners based in the UK. AFF continues to present evidence from families to the Army and the MOD, working with them to highlight the issues experienced in this area.

The Money & Allowances team received a huge increase in enquiries around the policy introduced in July 2024 on the addition of 20% VAT to school fees, which was implemented in January 2025. A total of 21% of all enquiries related to Money and Allowances in 2024-25 were in response to the policy. AFF continues to collect evidence on this issue regarding the impact this is having on Army families with our current survey and will continue to monitor this.

We now have a full year of data from each of our policy areas following AFF's revised data gathering process implemented in 2023. Analysis of this data has allowed us to look at the evidence gaps and where we need to implement additional information gathering processes in order for us to be able to present robust evidence to the Army, MOD and other Government stakeholders on the issues that affect Army families.

We continue to refine this data gathering process, and now have a mechanism for externally reporting our data, which will appear on our website and will be available to our stakeholders and funders.

2. The AFF Engagement team

The team provides, through regional roles and a central Enquiries team, day-to-day support to the Army family across the UK and overseas. This team works with the local chain of command, service deliverers and local authorities, and the governments of the devolved nations to ensure that Army family life is understood and supported in service delivery.

The pilot year of the AFF Roadshow (Ask AFF) visited several locations across the UK and overseas, including the Brunei Garrison in 2024, which were well received. Since launching in 2023 the roadshow model has been delivered alongside virtual briefings and engagements, enabling AFF to provide support in any locality. In 2024 an engagement review took place, examining AFF's reach with beneficiaries to identify new potential venues to best support Army personnel and their families.

In early 2025 AFF launched the new AFF&You model, working closely with other charities and organisations including linking with the Army Sport Control Board to enable attendance at many major Army sporting events.



Summary report for April 2024 - March 2025



Due to a continued demand for immediate engagement and support, AFF has continued to develop and improve online and telephone support, and to streamline internal enquiry handling processes. The Enquiries team provides a single and reliable entry point for new enquiries from Service personnel and their families, and is now open Monday–Thursday 8:30am-5pm and Friday 8.30am-1pm. Enquiries are triaged and directed to the relevant specialist teams, to ensure that Army personnel and their families can receive a timely response, and that resolution of their issues is achieved as efficiently as possible.

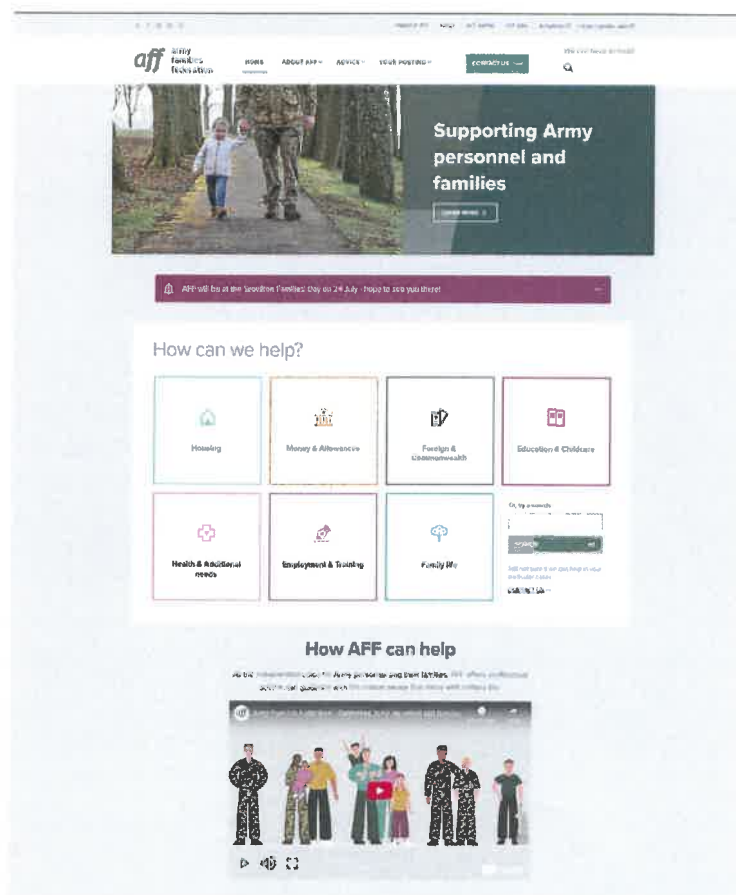
3. The Communications team

The team provides the expertise within AFF to ensure that information and guidance is available to Army personnel and their families across a range of digital and hard copy material and media, one of AFF’s key objectives. In 2024 we had nearly 400,000 views on our website, reached more than 15,000 followers on Facebook, 9,150 on X and 3,000 on Instagram and LinkedIn. The regular editions of Army&You magazine were produced and delivered to an average of 35,000 families per edition.

During the year the Communications team also ran a number of targeted evidence gathering social media posts and promoted a series of surveys to gather vital evidence from Service personnel and families. Topics covered included spousal and partner employment, Army pay and childcare. The team also helped to gather views on the removal of the VAT exemption on independent school fees – this crucial evidence was fed into the Government consultation on the issue.

Our constant rhythm of reliable communications ensures that we continue to be a trusted source of information for Service personnel and families.

During the year the team has launched a collection of self-help immigration videos, and a new AFF explainer video, with versions created in Fijian and Nepali for the non-UK community. In addition the AFF website has been updated with a more interactive homepage.



4. The Operations team

The team provides continuous support across AFF administration, finance, governance, IT, data protection, and HR functions to ensure that the organisation remains 'fit to deliver'. The Operations team has focused on risk mitigation and business continuity planning in 2024. The changes identified in the IT review in 2023 have been fully embedded into the organisation and form part of the annual review of all internal policies and process to ensure best practice for the charity and all statutory obligations are met in full.

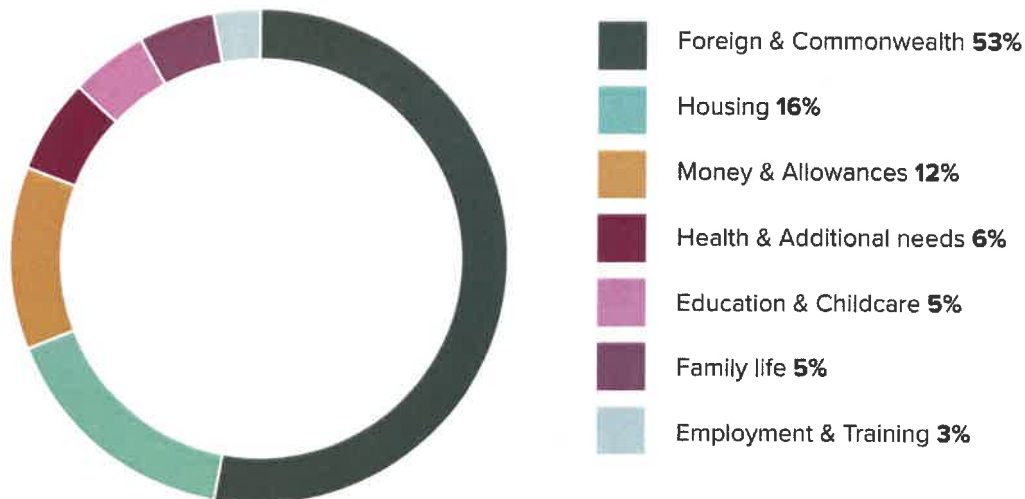
The Operations team has focused on risk mitigation and business continuity planning in 2024.

2024 focused on embedding new systems and processes following the theory of change and impact measurement work in 2023. Throughout the year a programme of contract reviews took place, with a full review of all operational costs. The resulting reduction in costs will ensure efficiency and an improved service to beneficiaries. This formed part of a series of internal reviews to develop structures which best meet the need of beneficiaries.

The Operations team has now produced a more efficient 'battle rhythm' of key internal meetings and briefings, freeing up working hours and reducing the administration for key decisions. The team continued to develop best practice across HR provision by migrating all annual staff training to the Beathe system, ensuring consistency across our geographically dispersed team. We have reviewed our performance against the needs of Army personnel and their families; these needs and how we've met them, are evident in our activities as described below.

ACTIVITIES

This financial year we answered over 6,700 enquiries across our seven specialist categories. Our Foreign & Commonwealth category continues to be our biggest source of enquiries followed by Housing then Money & Allowances.



FINANCIAL REVIEW

Income and allocated funding

AFF receives its main funding from MOD Grant in Aid (public money) and a charitable grant from the Army Central Fund. In addition to this core funding, AFF has received smaller, project specific funding from Army Benevolent Fund, the Armed Forces Covenant Fund Trust, Aspire and the Royal British Legion. Details of this funding are at Note 13 to the Financial Statement.

In March 2025 AFF was awarded Armed Forces Covenant Fund Trust funding, which will fund a four-year tri-Service programme - Valuing Forces Families Overseas - to target the support of serving personnel and families on overseas assignments and to enable them to have a positive experience. The programme will cover the cycle of overseas assignment, from pre-contemplation, deployment and return to the UK through a series of targeted projects and a research/evaluation project.

Total funds

At the end of the financial year, AFF held funds of £1,146,482 with £634,080 being held in the Armed Forces Charities Growth and Income Fund (AFCGIF).

At 31 March 2025, AFF had unspent restricted funds (funds committed to a specific project or event) of £35,453.

Investment powers

The constitution permits the investment of monies not immediately required for the objects of the CIO.

Investment performance

AFF holds its reserves in units of the AFCGIF, a mixed asset class Charity Authorised Investment Fund (CAIF) managed by BlackRock Investment Managers. The fund has an advisory committee, which oversees the investment performance and governance of the AFCGIF. AFCGIF offers two types of units to Armed Forces charities' investors – accumulation (reinvestment) units and distribution (income) units.

AFF currently holds only accumulation units (which reinvest income into the fund).

At 31 March 2025, the total value of investments was £634,080 and during the year, £20,460 (2024 £24,967) was reinvested.

AFF's holding in the Armed Forces Charities Growth and Income Fund reported a net unrealised loss, after taking into account the reinvested income, of £23,456. This has rallied in the first quarter of 2025/26 reporting a surplus of £24,131. Although financial markets have stabilised after the volatility and political instability seen in 2023/24 the investments are continuing to see variable fluctuations. The investment fund has consistently performed well since its inception in 2012 and overall continues an upward growth.

The Trustees continue to actively monitor AFF's investments and regularly review the appropriateness of the fund. A full review of the investment policy was undertaken during the financial year.

Investment risk management

The Trustees constantly review the investment and the investment risks to which AFF may be exposed. Their overall assessment of specific risk to the CIO is low. The Trustees are confident that the AFCGIF overall widespread investment strategy, which encompasses many different asset classes, is sound. The Trustees feel that the investment of the CIO, namely its reserves which are currently held in AFCGIF Accumulation Units, are sufficiently well diversified and are likely to provide long-term capital growth.

The CAIF has an advisory committee which continues to oversee the investment performance and governance of AFCGIF.

The fund is managed by BlackRock Investment Management (UK) (BRIM) under a charity authorised investment fund (CAIF) managed by BlackRock Financial Management.

However, after a full review of AFF's Investments during the year, the Trustees took the decision in the early part of 2025/26 to move the investment portfolio to Quilter Cheviot, who have a long history working in the charitable sector and whose investments have continued to perform well over a long period of time, providing a widespread

investment strategy. This move will provide AFF with the ability to move funds, quickly and efficiently, between short, medium and long-term holdings to ensure best returns on investment whilst maintaining a strong and flexible portfolio of investments and cash deposits. The move will happen in the summer of 2025.

Reserves policy

AFF is run as a charitable incorporated organisation and is responsible for all internal functions including employment practices and payment of wages, employee insurance and liability, direct and indirect running costs and project capital.

The Trustees continued to monitor the reserves policy during the financial year to ensure it was relevant, adequate and reflected current best practice across the sector and takes into account AFF's key current risks.

The CIO's policy is to hold reserves for the following purposes:

- Flexibility of cash flow to support expenditure between deliveries of income.
- A minimum of six months' basic running costs in the eventuality of the CIO either losing its primary sources of income, or having to close down completely. A sum of around £675,000 would be optimal based on AFF budgets for the next three years.

Reserves

In line with the above policy at 31 March 2025, optimal general reserves equate to £676,092. At the year end, the CIO is holding general reserves of £973,614. The reserves built up as a result of the unexpected and prolonged reduction in activity levels as a direct result of the COVID-19 pandemic. The Trustees have a three-year fully supported programme of investments in strategic data gathering and assessment which in turn is underpinning AFF's strategic plans and outputs. It is envisaged that as part of this general reserves will return to optimal levels.

In addition and to support AFF's strategy and the resulting three-year budget, the Trustees hold designated reserves to further underpin AFF's strategic goals.

- a. IT projects/improvements – to support the current and ongoing work to AFF's database and cyber security. £5,015 was spent during the financial year on continued improvements to the database. A further £60,535 has been carried forward for planned improvements in the next three years.
- b. Impact measurement – to support the work started with Trust Impact and any other worked deemed necessary as a result going forward.

In addition, the CIO is holding **restricted reserves** of £35,453, which are not available for the general purposes of the CIO. This represents the ongoing final year of work of the three-year project with the Royal British Legion developing AFF's support of our families through our Foreign & Commonwealth team and the continuing work on Supporting Partners with the Armed Forces Covenant Fund Trust.

Following the Strategic Defence Review, as part of our considerations of the impact of the changing security landscape, the Trustees will consider the longer-term reserves position to ensure AFF remains flexible to the changing needs of beneficiaries and remains financially robust.

PLANS FOR FUTURE PERIOD

We will be developing the AFF Vision and Mission 2023-28 into a wider strategy and delivery plan to take AFF to 2030 and provide a platform for development into the 2030s.

AFF will continue to provide guidance on all areas of family life that are affected by Defence and Army policies and processes. In the coming period, the Government's decision to buy back the SFA estate and to launch a Defence Housing Review will significantly change the housing landscape for Service families and AFF will seek to understand the impact and shape this with evidence order to best support families.

We will be closely monitoring the implementation of the Strategic Defence Review with regard to support for personnel and their families. We will seek to remain be closely involved in the development of the Armed Forces Commissioner role and in the extension of the Armed Forces Covenant. We will develop ever closer working relationships with key Service charities such as the Forces Employment Charity and the Army Benevolent Fund, to ensure that beneficiary need is met in the most efficient and appropriate way.

AFF will continue to develop and strengthen its cyber security systems and training. AFF will be working with the Naval and Royal Air Force Families Federations to deliver the Valuing Forces Families Overseas project, funded by the Armed Forces Covenant Fund Trust.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees

The AFF Board sets the strategic direction and is responsible for ensuring that AFF upholds its values and governance and delivers its objectives. The Board offers guidance, advice and support to the Chief Executive.

The Board met four times during the reporting period and they communicated frequently between meetings holding regular sub committees between full Board meetings.

The AFF Trustees' Code of Practice document and Trustee role responsibilities are reviewed annually.

Trustee appointments

The appointment of Trustees is governed by the Army Families Federation Constitution, which states that the Chair of the Board shall appoint Trustees, with the majority agreement of the rest of the Trustees. Appointments are for an initial period of three years. Following this first term, Trustees can be re-elected for a further term of three years. If required due to exceptional circumstances, Trustees may serve one additional and final year. Trustee positions will be reviewed based on the skills, experience and knowledge required and advertised on the AFF website and other advertising methods agreed by the Trustees, appropriate to the skills required by the position. The Chair, a Trustee and the Chief Executive interview candidates and a recommendation is made to the Board.

Trustee induction and training

On appointment, each Trustee undergoes an induction programme tailored to their knowledge and experience. The Trustees deploy a wide range of skills and experience essential to good governance. Skills audits are annually conducted to ensure an appropriate expertise across the Board.

New Trustees are provided with the NCVO Good Trustee Guide, the charity's Constitution, minutes of the last Trustees' meeting, latest copy of the annual report and accounts, risk assessment and business plan, and copies of all recent AFF publications. The Chair of Trustees and Chief Executive of AFF both invite new Trustees to meet them. Trustees are encouraged to attend appropriate external training events.

Executive Team (ET)

The day-to-day administration of the CIO is delegated to the Chief Executive and Executive Team. At the end of the reporting period, the Executive comprised of the Chief Executive, the Operations Director, the Head of Finance and the Head of Policy.

The way that AFF is governed fully complies with the Charity Governance Code.

The Executive sets AFF policies which are reviewed and endorsed by the Trustees.

Committees

The Board of Trustees work with two sub-committees, the Finance and Remuneration Committee and the Risk and Governance Committee.

The aim of AFF's committees is to examine the recommendations of the Chief Executive and the Executive Team in order to take forward and ratify recommended actions.

The committees also carry out the detailed work, which is then recommended to the full Board of AFF Trustees for approval.

Employees

The employees are line managed by the Chief Executive and the Executive Team, either as direct reports or indirectly through their line managers.

Remuneration to key management personnel

An annual review of all staff remuneration is carried out by the Finance and Remuneration Committee, which consists of a sub set of the Trustee Board, the Chief Executive, the Head of Finance and the Operations Director. Recommendations for this committee for any staff increases are put to the full Trustee Board for their approval. Remuneration of the Chief Executive is set by the Trustees.

Our charitable objectives

The Constitution of the CIO is laid down in the Army Families Federation Constitution adopted on 7 December 2017 (as amended on 11 May 2021 and 6 March 2024).

The objects of the Federation are:

1. Promotion of social inclusion and military efficiency, for the public benefit, by assisting in the prevention of Army personnel and their families being disadvantaged through military Service.
2. Such other charitable purposes for the general benefit of Army personnel and their families as the Trustees from time-to-time think fit.

Public benefit statement

The Trustees have given due regard to the Charity Commission's guidance on reporting Public Benefit when planning the charity's activities.

The paragraphs on pages 3-7 set out the CIO's objectives, activities, achievements and performance during the year, which directly relate to the objects and purposes for which the CIO exists. The CIO achieves its objects and purposes through a series of projects and services to deliver employment, training, housing and welfare support to Army personnel and their families. The benefits of this support are fully compliant with the Charity Commission principles on public benefit.

Risk management

The Risk and Governance Committee provides continual refinement to the risk management processes.

The fundamental review of risk management undertaken in 2022/23 has enabled AFF to update its risk management processes and register to ensure it is more aligned to strategic and dynamic risk capture. In doing so, we significantly reduced the number of risks the board was managing. Our Trustees are satisfied that the risk management process delivers a more effective picture to support their decision making and welcome the new process. In 2024 the Committee agreed for an annual external Peer Review of the risk register and processes to ensure continued best practice.

The risk register and risk heat map are reviewed at all Trustee Board meetings. The Chief Executive reports on key movement in risk, and mitigations that are identified and actioned. The Executive Team reviews and assesses risks as they arise and routinely as part of the monthly Strategic Executive meeting. The Safeguarding register is reviewed monthly by the Executive Team and approved by the Trustees as required.

In 2024 we reviewed our current Business Continuity Plan and identified key areas for improvement. The Operations team is now looking at best practices and aiming to complete a fundamental update by July 2025.

REFERENCE AND ADMINISTRATION DETAILS

REGISTERED CHARITY NUMBER

1176393 (England and Wales) | SC048282 (Scotland)

CHARITY OFFICES

Army HQ, Ramillies Building, Marlborough Lines, Monxton Road, Andover, SP11 8HJ

PATRON

HRH The Duchess of Gloucester GCVO

TRUSTEES

Abigail Boyle
James Banks
Julia Rogers
Mark Watkins
Nicola Scarr
Paul Collard
Vicki Wentworth (resigned 27 November 2024)

SENIOR MANAGEMENT

Collette Musgrave – Chief Executive
Paddy Bleakley MBE – Director of Operations and Engagement
Vivienne Franklin – Head of Finance
Rachel Smith - Head of Policy (appointed April 2024)

INVESTMENT MANAGERS

BlackRock Investment Management (UK) Ltd, 12 Throgmorton Avenue, London EC2N 2DL

AUDITORS

Azets Audit Services, Third Floor, Gateway House, Tollgate, Chandler's Ford, Hampshire, SO53 3TG

BANKERS

Barclays Bank Plc, Leicester LE87 2BB

Signed by order of the Trustees:



Mrs Abigail Boyle
Chair of the Trustees
Approved by the Board of Trustees on 7 October 2025

ARMY FAMILIES FEDERATION

REPORT OF THE TRUSTEES for the year ended 31 March 2025

RESPONSIBILITIES OF THE TRUSTEES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, Charities and Trustee Investment (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Signed by order of the Trustees



Mrs Abigail Boyle
Chair of the Trustees
Army Families Federation
Approved by the Board of Trustees on 7 October 2025

ARMY FAMILIES FEDERATION

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ARMY FAMILIES FEDERATION

We have audited the financial statements of Army Families Federation (the 'charity') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2025, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the charity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.
- Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Azets Audit Services (Statutory Auditor)
Third Floor, Gateway House
Tollgate
Chandler's Ford, S053 3TG

Dated: *16 October 2025*

Azets Audit Services is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

ARMY FAMILIES FEDERATION
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2025

	Notes	2025			2024
		£ Unrestricted	£ Restricted	£ Total	£ Total
INCOME AND EXPENDITURE					
INCOME FROM:					
Donations and grants	2	1,106,840	266,345	1,373,185	1,383,710
Other income		325	-	325	52
Investment income	3	23,682	-	23,682	29,053
Total income		1,130,847	266,345	1,397,192	1,142,815
EXPENDITURE FROM:					
Charitable activities	7	1,073,528	278,655	1,352,183	1,400,050
Total expenditure		1,073,528	278,655	1,352,183	1,400,050
NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES		57,319	(12,310)	45,009	12,765
Net gains/(losses) on investments	11	(23,456)	-	(23,456)	11,232
NET INCOME FOR THE YEAR		33,863	(12,310)	21,553	23,997
Reconciliation of funds:					
Total funds brought forward at 1 April 2024		1,077,166	47,763	1,124,929	1,100,932
TOTAL FUNDS CARRIED FORWARD AT 31 March 2025		1,111,029	35,453	1,146,482	1,124,929

The Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

The notes form part of these financial statements

ARMY FAMILIES FEDERATION

BALANCE SHEET

31 March 2025

		2025		2024	
	NOTES	£	£	£	£
FIXED ASSETS:					
Tangible assets	8	10,691		6,407	
Investments	11	<u>634,080</u>		<u>637,076</u>	
			644,771		643,483
CURRENT ASSETS:					
Debtors	9	9,203		208,933	
Cash at bank and in hand		<u>598,086</u>		<u>367,112</u>	
		607,289		576,045	
CREDITORS: Amounts falling due within one year	10	<u>(105,578)</u>		<u>(94,599)</u>	
NET CURRENT ASSETS:			<u>501,711</u>		<u>481,446</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u><u>1,146,482</u></u>		<u><u>1,124,929</u></u>
FUNDS:					
Unrestricted funds: general reserve	12		973,614		930,826
Unrestricted funds: designated funds	12		137,415		146,340
Restricted funds	13		<u>35,453</u>		<u>47,763</u>
			<u><u>1,146,482</u></u>		<u><u>1,124,929</u></u>

The financial statements were approved and authorised for issue by the members of the Board of Trustees on 7 October 2025 and signed on their behalf by Abigail Boyle (Chair).

.....
Mrs Abigail Boyle
Chair of the Trustees

Dated: 7 October 2025

The notes form part of these financial statements

ARMY FAMILIES FEDERATION

STATEMENT OF CASH FLOWS

31 March 2025

		2025	2024
	NOTES	£	£
		Total	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash provided by operating activities	a	239,052	(217,287)
Cash flows from investing activities:			
Interest from investments		3,222	4,085
Purchase of tangible fixed assets		(11,300)	-
Purchase of investment units		-	-
Proceeds from sale of investments		-	-
CHANGE IN CASH AND CASH EQUIVALENTS FOR THE YEAR		230,974	(213,202)
Cash and cash equivalents brought forward at 1 April 2024	b	367,112	580,314
CASH AND CASH EQUIVALENTS CARRIED FORWARD AT 31 March 2025	b	598,086	367,112
a) Reconciliation of net income/(expenditure) to net cash flow from operating activities			
		2025	2024
		£	£
Net (expenditure)/income for the year as per the Statement of Financial Activities		21,553	23,997
Adjusted for:			
Depreciation		7,016	13,821
(Gains)/Losses on investments		23,456	(11,232)
Interest from investments		(23,682)	(29,053)
Decrease/(Increase) in debtors		199,730	(197,900)
(Decrease)/Increase in creditors		10,979	(16,920)
Net cash provided by operating activities		239,052	(217,287)
b) Analysis of cash and cash equivalents			
		2025	2024
		£	£
Cash at bank and in hand		598,086	367,112

ARMY FAMILIES FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the Charities Act 2011 on the historical cost convention, except investment assets that are carried at market value. The financial statements are prepared in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting and Reporting by Charities: Charities SORP FRS102.

The Trust constitutes a public benefit entity as defined by FRS102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

The following principal accounting policies have been consistently applied in preparing these financial statements which remain unchanged from the previous year.

Fund accounting

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

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

Incoming resources

All incoming resources are included in the statement of financial activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Such income is only deferred when the donor specifies that the grant or donation must only be used in future accounting periods or when the donor has imposed conditions which must be met before the Charity has unconditional entitlement. For legacies, entitlement is the earlier of the Charity being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the Charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Resources expended

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

Tangible fixed assets

Expenditure on fixed assets over £1,000 is capitalised. Repair expenditure is written off as expenditure in the statement of financial activities. The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer and office equipment - 33% on cost

Income and funds policy

Voluntary income and donations are accounted for as received by the Charity.

Investments and investment income

Investments are included at closing mid-market value at the balance sheet date. Any gain or loss on revaluation is taken to the statement of financial activities. Investment income is accounted for on an accruals basis.

Cash at bank and in hand

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

Value added tax

Value added tax is not recoverable by the Charity, and as such is included in the relevant costs in the Statement of Financial Activities.

Governance costs

Governance costs include all expenditure which is not directly related to the charitable activity. This includes salaries for administrative staff, auditors' remuneration and Trustees' meeting expenses.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

2. DONATIONS AND GRANTS

	2025	2024
	£	£
Grant in Aid (Public money funding)	575,000	575,000
Army Central Fund (non-public money)	531,550	510,318
Royal British Legion	172,364	170,047
Army Benevolent Fund	45,000	58,000
British Forces Cyprus (Honorary)	0	4,800
Armed Forces Covenant Fund Trust	45,981	50,000
Annington Homes	0	15,000
Aspire Defence	3,000	0
Miscellaneous donations	290	545
	<u>1,373,185</u>	<u>1,383,710</u>

3. INVESTMENT INCOME

The Charity's investment income arises from both interest bearing deposit accounts and dividends from the Accumulation Units held within the Armed Forces Charity Growth & Income Fund. Funds invested in the AFCGIF are in accumulation units where income is reinvested.

4. EXPENDITURE

Expenditure for the year is stated after charging:

	2025	2024
	£	£
Auditors' remuneration- for audit	<u>7,500</u>	<u>7,290</u>

5. PENSION COMMITMENTS

The charity operates a defined contribution pension scheme in respect of certain employees. The assets of the scheme are administered by Trustees in a fund independent from those of the charity. Contributions are charged in the Statement of Financial Activities as they fall due and amounted to £18,278 in the year (2024 - £16,304). At the balance sheet date there were outstanding contributions of £4,476 (2024 - £0).

6. STAFF COSTS

	2025	2024
	£	£
Wages and salaries	943,762	888,900
Employer's National Insurance	77,519	71,430
Employer's pension contributions	<u>18,278</u>	<u>16,305</u>
	<u>1,039,559</u>	<u>976,635</u>

The average number of employees during the year, calculated on a full-time equivalent basis, was as follows:

	2025	2024
	No.	No.
Core staffing	33	34
Governance	1	1
	<u>34</u>	<u>35</u>

The majority of AFF staff are part-time. This takes the actual number of employees to 38 (2024 - 39).

One employee received a salary between £70,000 and £80,000 in the year. (2024 one employee received a salary between £80,000 and £90,000 in the year.) The total amount paid to key management personnel in the year was £248,383 (2024 £197,048).

No remuneration was paid to Trustees, or persons closely connected with them, in the period. £98 was paid to Trustees for travel expenses in the period (2024 - £152).

7. ANALYSIS OF EXPENDITURE

	Staff salaries and costs £	Support costs £	2025 Total £	2024 Total £
Charitable activities				
Core staff	1,039,559	273,058	1,312,616	1,359,548
Governance costs	<u>29,450</u>	<u>10,116</u>	<u>39,567</u>	<u>40,502</u>
	<u>1,069,009</u>	<u>283,174</u>	<u>1,352,183</u>	<u>1,400,050</u>

The Federation occupies premises on MOD sites at no cost. Certain utility and premises costs are also provided free. It is not currently possible to quantify the value of these services so they have not been included in the accounts.

8. TANGIBLE FIXED ASSETS

	Computer and office equipment £
COST:	
At 1 April 2024	50,189
Additions	11,300
Disposals	-
At 31 March 2025	<u>61,489</u>
DEPRECIATION:	
At 1 April 2024	43,782
Charge for year	7,016
Eliminated on disposal	-
At 31 March 2025	<u>50,798</u>
NET BOOK VALUE:	
At 31 March 2025	10,691
At 31 March 2024	<u>6,407</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade debtors	4,800	174,847
Prepayments and accrued income	4,403	34,086
	<u>9,203</u>	<u>208,933</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade creditors	6,875	9,984
Accruals and deferred income	98,703	84,615
	<u>105,578</u>	<u>94,599</u>

11. INVESTMENTS

	2025 £	2024 £
Balance as at 1 April 2024	637,076	600,877
Additions	-	-
Disposals	-	-
Reinvested income	20,460	24,967
Unrealised (Losses)/Gains	(23,456)	11,232
Listed investments as at 31 March 2025	<u>634,080</u>	<u>637,076</u>

The listed investment is held in Blackrock's Armed Forces Charities Growth and Income Fund.

12. UNRESTRICTED FUNDS

	General reserve £	Designated funds £	Total £
Balance at 1 April 2024	930,826	146,340	1,077,166
Surplus for the year	42,788	(8,925)	33,863
Transfers between funds	0	0	0
Balance at 31 March 2025	<u>973,614</u>	<u>137,415</u>	<u>1,111,029</u>

Designated Funds

	Balance at 1 April 2024	Movement in funds			Balance at 31 March 2025
		Incoming resources	Transfers	Resources expended	
It Spend - Hardware	30,000	-	-	-	30,000
IT Projects/Improvements	65,550	-	-	5,015	60,535
Impact Measurement	50,790	-	-	3,910	46,880
	<u>146,340</u>	<u>-</u>	<u>-</u>	<u>8,925</u>	<u>137,415</u>

The designated reserves have been established by the Trustees to ensure that they adequately support the charity and its strategic aims. The designated funds comprise:

1. An annual amount (£30,000) committed by the Trustees to enable the improvement of IT hardware capabilities ensure these adequately support the charity's work.
2. A reserve, to support IT projects and improvements.
3. A further reserve to support the charity's work on its strategy and Impact measurement.

13. RESTRICTED FUNDS

The income funds of the Charity include restricted funds comprising the following balances of grants held on trust to be applied for specific purposes:

	Balance at 1 April 2024	Movement in funds		Balance at 31 March 2025
		Incoming resources	Resources expended/transfers	
The Army Benevolent Fund	-	45,000	45,000	-
Royal British Legion	40,769	172,364	192,792	20,341
Armed Forces Covenant Fund Trust	6,994	45,981	37,863	15,112
Aspire Defence	-	3,000	3,000	-
	<u>47,763</u>	<u>266,345</u>	<u>278,655</u>	<u>35,453</u>

Comparative information from the previous financial year as follows:

	Balance at 1 April 2023	Movement in funds		Balance at 31 March 2024
		Incoming resources	Resources expended/transfers	
The Army Benevolent Fund	-	58,000	58,000	-
Royal British Legion	29,701	170,047	158,979	40,769
Armed Forces Covenant Fund Trust	-	50,000	43,006	6,994
Annington	-	15,000	15,000	-
	<u>29,701</u>	<u>293,047</u>	<u>274,985</u>	<u>47,763</u>

The Army Benevolent Fund (ABF The Soldiers' Charity)

The funding was provided to support AFF's work in the Money and Allowances area (in 2023/24 it was given for supporting Army family life).

Royal British Legion

The funding was provided to increase the capacity of the Foreign & Commonwealth team who provide visa and immigration advice to non-British UK Service personnel and their families, and push for change to Government and defence policy and processes.

The Armed Forces Covenant Fund Trust

Funding was received in 2023/24 for a tri-Service project between the three families federations, on 'Positive Futures for Military Partners'. Its purpose was to undertake a review of current employment support available to spouses and partners and how the offer could be made to best meet the needs of the beneficiaries. Further funding was received in 2024/25 to continue this work in supporting partners and enabling improvements to the Forces Families Jobs website and offering.

Aspire Defence

Funding was received to support the Ask AFF roadshow in Aldershot.

Annington Homes

The funding was provided to support military families living in SFA, to provide dongles for families with poor internet connections.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed assets	Current assets	Current liabilities	Total net assets at 31 March 2025
	£	£	£	£
Unrestricted funds	644,771	434,421	(105,578)	973,614
Designated funds	-	137,415	-	137,415
Restricted funds	-	35,453	-	35,453
Balance at 31 March 2025	<u>644,771</u>	<u>607,289</u>	<u>(105,578)</u>	<u>1,146,482</u>

Comparative information from the previous financial year as follows:

	Fixed assets	Current assets	Current liabilities	Total net assets at 31 March 2024
	£	£	£	£
Unrestricted funds	643,483	381,942	(94,599)	930,826
Designated funds	-	146,340	-	146,340
Restricted funds	-	47,763	-	47,763
Balance at 31 March 2023	<u>643,483</u>	<u>576,045</u>	<u>(94,599)</u>	<u>1,124,929</u>

THANKS TO OUR AFF FUNDERS

Army Central Fund
 Grant in Aid
 Army Benevolent Fund
 Royal British Legion
 Armed Forces Covenant Fund Trust
 Aspire Defence





Army Families Federation is a charitable incorporated organisation registered in England and Wales.

**1176393 (England and Wales)
SC048282 (Scotland)**

**AFF
IDL 414, Floor 1, Zone 6
Ramillies Building, Marlborough Lines
Monxton Road, Andover SP11 8HJ
T: 01264 554004
E: contact@aff.org.uk
W: aff.org.uk**

Published xxxxxx 2025



ARMY FAMILIES FEDERATION

England & Wales - Charity number 1176393

Accounts



army
families
federation

AFF annual report and accounts 2023/24

CONTENTS

Chairs' foreword	2
Report of the Trustees	3
Report of the independent auditors	14
Statement of financial activities	16
Balance sheet	17
Statement of cash flows	18
Notes to the financial statements	19

CHAIRS' FOREWORD

Heather Key, outgoing Chair

I pen this foreword reflecting on my last year as Chair of AFF, having served as a Trustee for six years. This year has been one of significant change, as we said farewell to our Head of Policy, Michelle Alston following a decade of service with AFF, and Trustee Pari Spencer Smith. We have invested in our ability to analyse information that our beneficiaries share with us. Recently this has enabled AFF to provide evidence to the Modernised Accommodation Offer review, reflecting the views of all Army personnel and their families whatever their make-up or situation.

It has been a privilege to work with our staff and beneficiaries this year, during which we have taken steps to refine our strategy to develop for the next five years.

As part of our work in building these firm foundations, I am delighted to have welcomed three new Trustees who bring a wealth of experience to the Board.

Investment into our data capabilities this year has enabled us to provide evidence and support our third sector partners, for example in response to the changes in Minimum Income Requirements for visa applications.

Abigail Boyle, incoming Chair

Having served alongside Heather on the Board for a number of years, I would like to take the opportunity to formally thank her for her leadership over this period. AFF now has very strong foundations for the future as we continue to develop our longer-term strategy to ensure no family is disadvantaged by Service.

As we look forward into the next phase of our work, to provide stronger evidence of the concerns of Army personnel and their families, I am confident in the professionalism of our staff team to deliver ever more ambitious outcomes for our beneficiaries. At the recent staff conference I was encouraged to hear from our Specialists about their ongoing work providing advice whilst gathering important evidence.



TRUSTEE REPORT AND ACCOUNTS 2023-2024

The Trustees present their report with the financial statements of the Charitable Incorporated Organisation (CIO) for the year ended 31 March 2024.

OBJECTIVES AND ACTIVITIES

Vision

Our vision is for all soldiers and their families to feel valued and heard throughout their journey as an Army family.

Mission

The AFF mission statement is:

AFF communicates, questions and influences policy at all levels to improve the lives of the serving and resettling British Army community across the world. We offer support, information and guidance to individuals and communities on issues that impact on the quality of their lives.

Objectives

The objectives for 2023/24 were:

1. Listen to, respond to and support Army personnel and their families;
2. Provide information and guidance that empowers Army personnel and their families, recognises diversity and encourages resilience;
3. Gather robust evidence, using credible methods, to support and challenge change for Army personnel and their families;
4. Engage effectively with command and the MOD in order to promote the interest of the diverse range of Army personnel and their families;
5. Collaborate with public, private, and third sector to provide the support and service that Army personnel and their families need;
6. Influence change to policy, products and services that disadvantage Army personnel and their families;
7. Build a strong organisation in line with statutory guidelines and manage charitable funds effectively;
8. Promote an organisational culture that values diversity and tolerates differences by facilitating the recruitment, retention and promotion of individuals irrelevant of background, gender or ethnicity.
9. Run a change programme with external partner Trust Impact, focusing on evidence gathering processes and IT structure.

Structure, governance and management

The Charity is a Charitable Incorporated Organisation (CIO) governed according to the constitution dated 6 December 2017, (as amended on 11 May 2021 and 6 March 2024). It was established to take forward the work of the Unincorporated registered Charity number 291202.

Activities

In 2023 work commenced with Trust Impact to undertake a theory of change and impact measurement. This work allowed us to:

Theory of change:

- Focus on the difference we want to make, not what we do as an organisation.
- Better understand our beneficiaries' needs.
- Ensure organisational understanding about who we are and what we do.
- Clearly set out our activities and the rationale behind them.
- Align our strategies.
- More effectively measure impact and report on this.

Impact measurement:

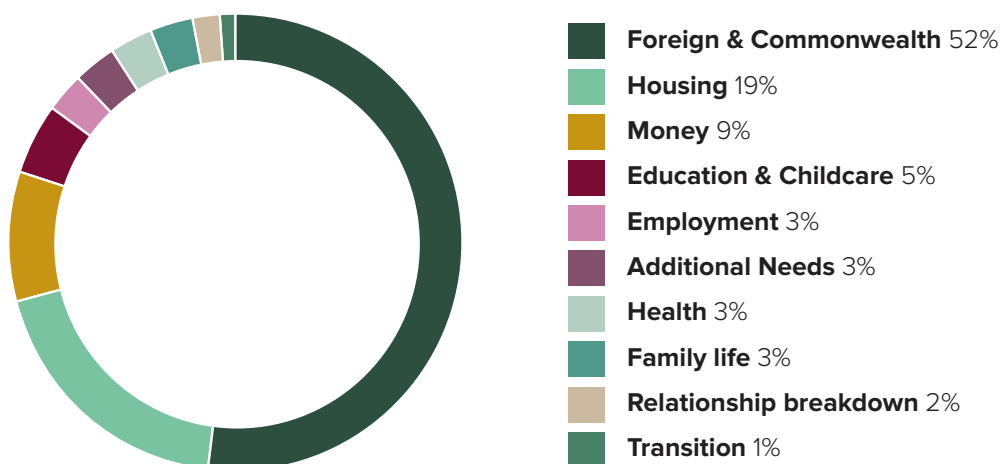
- Draft a strategy based on staff feedback and workshops.
- Test with beneficiaries who felt outcomes resonated with them.
- Feed directly into our measurement framework.
- Give clarity on the outcomes and impact we want to achieve for our families.
- Provide clarity and enable accountability to funders.

The work of Trust Impact, in co-ordination with the AFF Executive Team, also reviewed and identified a revised vision for the organisation, as highlighted on page 3.

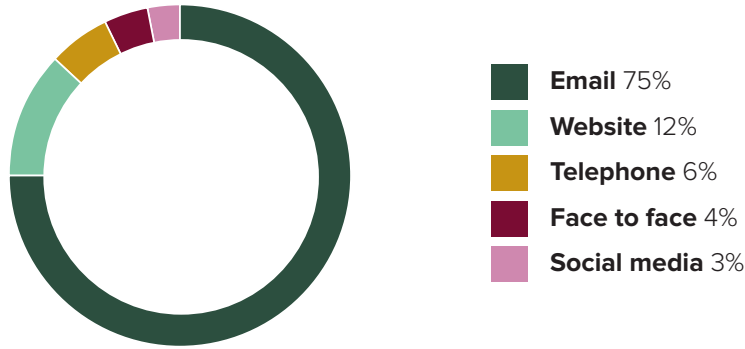
Our support to non-UK personnel and families remains our largest area of work, comprising more than 50% of enquiries, due to the unique support provided by our team of qualified immigration advisors and the complexity of the Armed Forces immigration rules. As a co-chair of the Cobseo Non-UK Cluster, we have been able to identify the key immigration issues facing non-UK family members and raised these with both the MOD and the Home Office.

Housing continued to be the focus of a significant number of enquiries. The announcement of the Modernised Accommodation Offer saw an increase in enquiries. The Specialist team continues to compile evidence to champion the views of all Army personnel and their families impacted by the proposed changes. Evidence supplied by AFF is being reviewed by policy teams ensuring that the views of Army personnel and their families are understood.

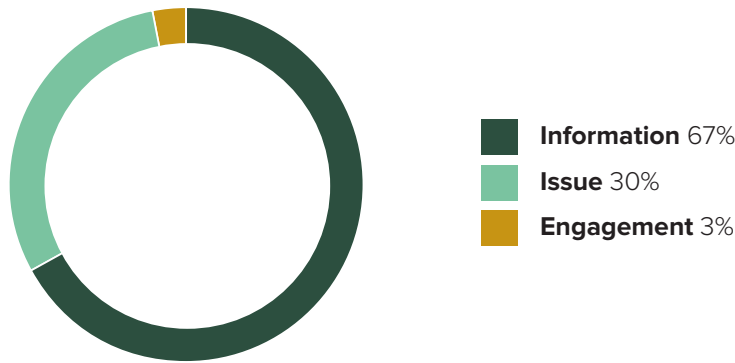
Enquiry by category



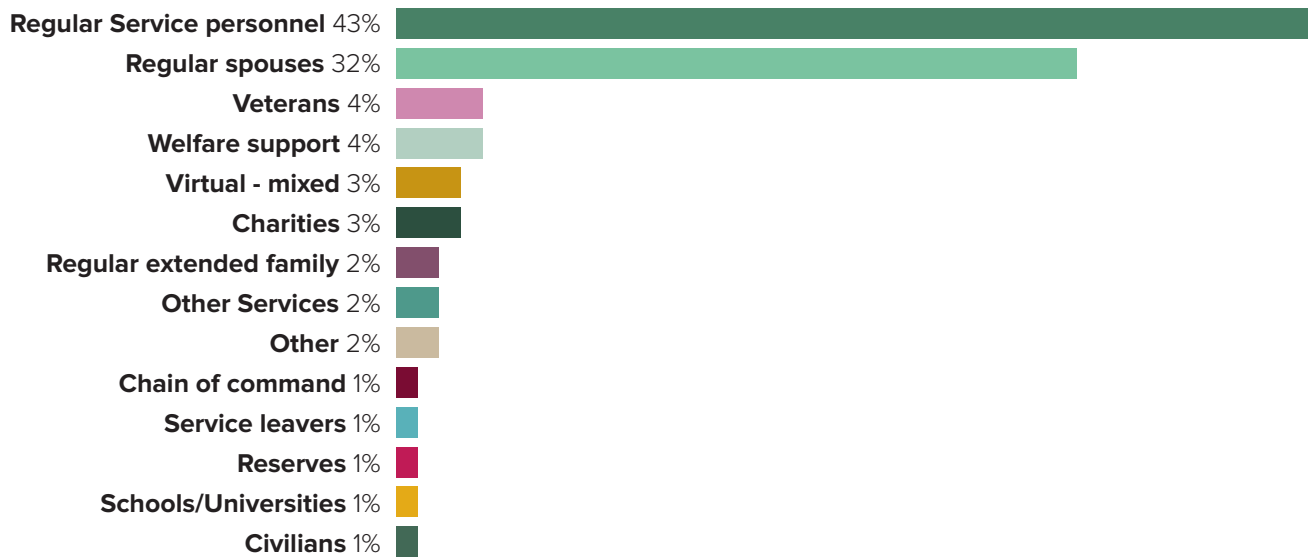
How enquiries were received



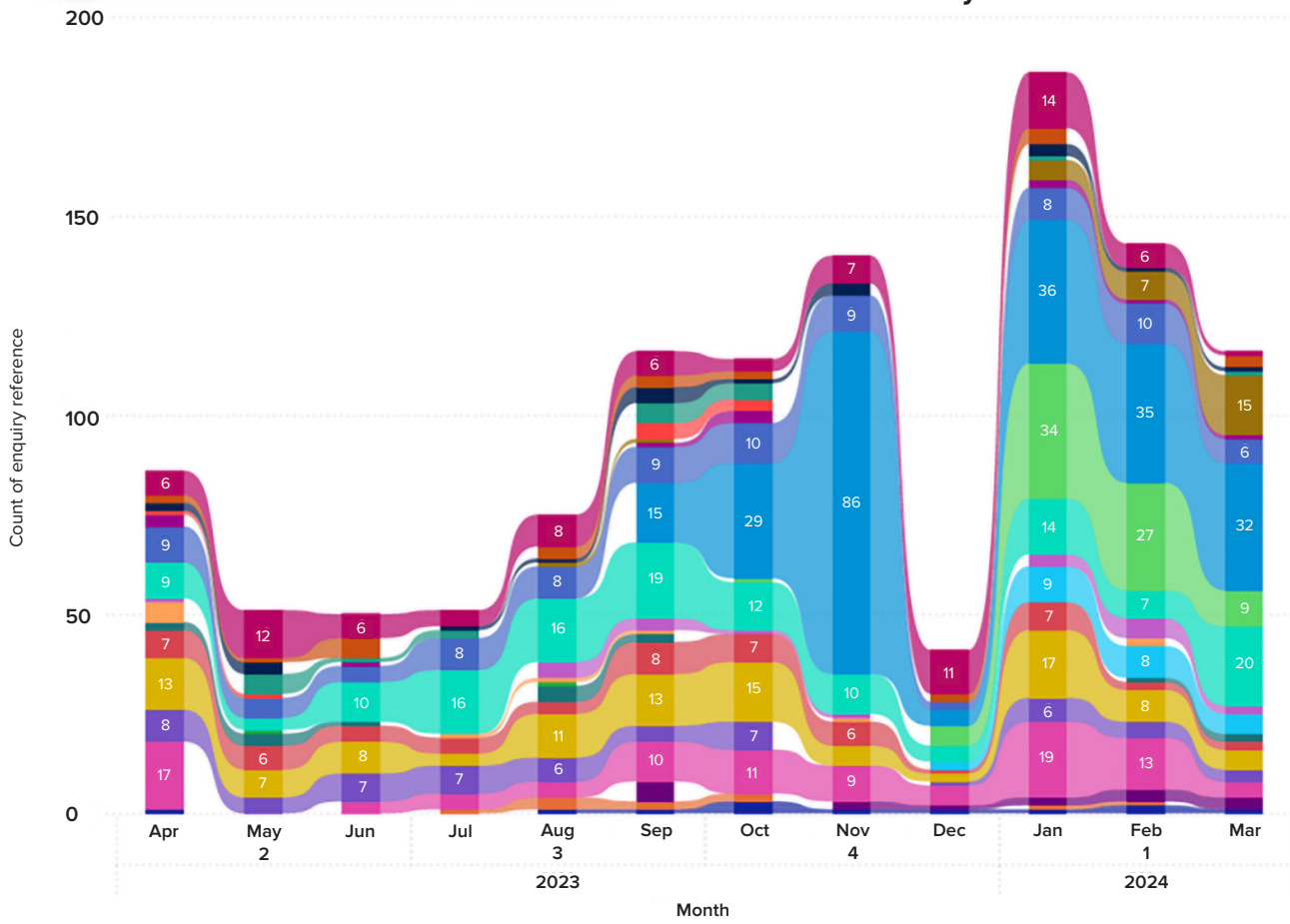
Types of enquiry



Enquirer type



A selection of themes tracked across the financial year



- Army employment advice
- Brexit
- Civilian employment advice
- Communication
- Compensation
- Complaints
- Cost of living
- Armed Forces Covenant
- COVID-19
- Damp and mould
- Future Accommodation Model (FAM)
- Family-friendly policies/leave
- Long term relationships (LTR(E))
- Minimum Income Requirement (MIR)
- Modernised Accommodation Offer (MAO)
- Overseas employment
- Pay & Allowance Casework and Complaints Cell (PACCC)
- Royal British Legion cases
- Rebasing
- Return to UK
- Unit errors
- University/student finances
- Wellbeing

Supporting personnel and families with their money and allowances issues has been key, with AFF providing evidence to key departments within Army Command and the Ministry of Defence (MOD). We continue to see enquiries from Army personnel and their families in long-term relationships as policies have not kept pace with modern family structures, and from all Army personnel and their families on the growing complexities of allowance entitlements. We evidence these issues to the MOD.

Our work with Army personnel and their families on health and additional needs issues has continued to bring together key stakeholders across Defence, public health and NHS trusts, providing evidence to support new initiatives and access provision.

Spousal employment remains a key issue for our Army personnel and their families, particularly for those on overseas assignments. Army personnel and their families have highlighted a lack of clear guidance and advice on remote working and we continue to raise this with the MOD to ensure they are fully supported to make informed decisions about their employment and overseas postings. Forces Families Jobs continues to not only offer employment opportunities for partners and spouses, but also connects them to training and other options, such as apprenticeships or self-employment. It has also allowed us to raise spousal employment issues with both employers and policy makers.

Collaboration has been key in delivering positive change for soldiers and their families. For example, our Money & Allowances and Foreign & Commonwealth teams worked closely with the Army, providing evidence to the Home Office to support the MOD's discretion for the Minimum Income Requirement.

In order to deliver the most effective impact for our beneficiaries, we have implemented the recommendations of our impact review and theory of change. Full roll-out of our newly refined data gathering processes took place towards the end of the year, and a full review of our pilot measurements will be conducted in autumn 2024. We continue to work on securing appropriate funding to ensure continuity in the support we can give to all Army personnel and their families, however they choose to live. As modern family life evolves, the challenge for Service personnel and their families in navigating policies and processes, and accessing appropriate and timely support, continues to grow, even as overall numbers within the Army community have fallen slightly. We continue to work hard within AFF to identify and meet the changing needs of our beneficiaries, and to allow us to influence positive change in support of Army family life.

ACHIEVEMENTS AND PERFORMANCE

Within the organisation, there are four teams, who work together to meet our objectives.

The Policy & Research (P&R) team supports personnel and families with complex enquiries and issues relating to housing, education, childcare, health, additional needs, training, employment, allowances, money and Foreign & Commonwealth visa and immigration issues. By raising the issues and evidence from Army personnel and their families, we are able to ensure that their lived experience is considered as policy is developed.

One such example of evidencing these issues includes the submissions to the Scottish Government's consultation on changes to residency criteria for access to financial support in further education which resulted in the agreement to consider the situation of Forces families further. The Student Awards Agency Scotland has since revised its guidance to local authorities to clarify the entitlement of Service children to 16+ further education funding in Scotland in line with the reciprocal agreement.

The UK & Overseas team provides, through regionally-focused roles and a central enquiries team, day-to-day support to Army personnel and their families across the UK and overseas. This team works with the local chain of command, service deliverers and local authorities, and the governments of the devolved nations to ensure that Army family life is understood and supported in service delivery.

In 2023 the AFF Roadshow (Ask AFF) was launched, enabling local face-to-face information briefs for Army personnel and their families. The roadshows are tailored for local issues and update Army personnel and their families on key areas of work in which AFF is engaged. We are developing the AFF Roadshow model to provide a focal point for these discussions and to provide Service personnel and families with information on the support that is available to them in different locations, particularly the devolved nations and overseas.

Due to a continued demand for immediate engagement and support, AFF has continued to develop and improve online and telephone support, and to streamline internal enquiry handling processes. The enquiries team provides a single and reliable entry point for new enquiries from Service personnel and their families, and is now open Monday – Thursday 8.30am-5pm and Friday 8.30am-1pm. Enquiries are triaged and directed to the relevant Specialist teams, to ensure that Army personnel and their families can receive a timely response, and that resolution of their issues is achieved as efficiently as possible.

The Communications team provides the expertise within AFF to ensure that information and guidance is available to Army personnel and their families across a range of digital and hard copy material and media. Providing information and guidance to Army personnel and their families is one of AFF's key objectives, and this team leads that work with a focus on ensuring that information is accessible, appropriate and engaging. In 2023 we had 556,906 views on our website, reached more than 14,500 followers on Facebook, 9,490 on X, 2,650 on Instagram and 2,150 on LinkedIn. The regular quarterly editions of Army&You magazine were produced and delivered to an average of 35,000 families per edition. During the year the Communications team also ran a number of targeted evidence gathering social media posts and surveys.

The Operations team provides continuous support across AFF administration, finance, governance, IT, data protection and HR functions to ensure that the organisation remains 'fit to deliver'. In 2023-24 the team conducted a fundamental review of our IT structures, programs and data security with the support of external expertise. The resulting changes and improvements allowed AFF to successfully apply for Cyber Essentials certification and in addition, enable regular security health checks. The team has focussed on continual improvement of our IT platforms, data protection and cyber security processes, and internal IT support; ensuring that all internal policies and processes follow best practice for our size of Charity and that all statutory obligations are met in full; and that our workforce management is both professional and responsive to the needs of our team members. In 2023 the Board supported the proposal to conduct a full review and upgrade of AFF's CRM system, which would bring more advanced and timely evidence gathering to the fingertips of the team and better support tools, enabling improved evidence presentation delivery to stakeholders. Both Trust Impact and TES supported the Operations team with this work.

We have reviewed our performance against the needs of Army personnel and their families; these needs and how we've met them, are evident in our activities as described above.

FINANCIAL REVIEW

Income & allocated funding

AFF receives its main funding from MOD Grant in Aid (public money) and a charitable grant from the Army Central Fund. In addition to this core funding, AFF has received smaller, project specific funding from ABF, the Armed Forces Covenant Fund Trust, Annington and the Royal British Legion. Details of this funding are at Note 13 to the Financial Statement.

Total funds

At the end of the financial year, AFF held funds of £1,124,929 with £637,076 being held in the Armed Forces Charities Growth and Income Fund (AFCGIF).

At 31 March 2024, AFF had unspent restricted funds (funds committed to a specific project or event) of £47,763.

Investment powers

The constitution permits the investment of monies not immediately required for the objects of the CIO.

Investment performance

AFF holds its reserves in units of the AFCGIF, a mixed asset class Charity Authorised Investment Fund (CAIF) managed by BlackRock Investment Managers. The fund has an advisory committee, which oversees the investment performance and governance of the AFCGIF. AFCGIF offers two types of units to Armed Forces charities' investors – accumulation (reinvestment) units and distribution (income) units.

AFF currently holds only accumulation units (which reinvest income into the fund).

At 31 March 2024, the total value of investments was £637,076 and during the year, £24,967 (2023 £26,884) was reinvested.

AFF's holding in the Armed Forces Charities Growth and Income Fund reported a net unrealised gain, after taking into account the reinvested income, of £11,232. This reflects the stabilising of the financial markets which was seen towards the end of the previous financial year, after a period of volatility in the UK markets coupled with political instability which had caused a drop in the value of AFF's investments. The investment fund has consistently performed well since its inception in 2012 and overall continues an upward growth.

The Trustees continue to actively monitor AFF's investments and regularly review the appropriateness of the fund. A full review of the Investment policy was undertaken during the financial year.

Investment risk management

The Trustees constantly review the investment and the investment risks to which AFF may be exposed. Their overall assessment of specific risk to the CIO is low. The Trustees are confident that the AFCGIF overall widespread investment strategy, which encompasses many different asset classes, is sound. The Trustees feel that the investment of the CIO, namely its reserves which are currently held in AFCGIF accumulation units, are sufficiently well diversified and are likely to provide long-term capital growth.

The CAIF has an advisory committee which continues to oversee the investment performance and governance of AFCGIF.

The fund is managed by BlackRock Investment Management (UK) (BRIM) under a charity authorised investment fund (CAIF) managed by BlackRock Financial Management.

Reserves policy

AFF is run as a charitable incorporated organisation and is responsible for all internal functions including employment practices and payment of wages, employee insurance and liability, direct and indirect running costs and project capital.

The Trustees continued to monitor the reserves policy during the financial year to ensure it was relevant, adequate and reflected current best practice across the sector and takes into account AFF's key current risks.

The CIO's policy is to hold reserves for the following purposes:

- Flexibility of cash flow to support expenditure between deliveries of income.
- A minimum of six months' basic running costs in the eventuality of the CIO either losing its primary sources of income, or having to close down completely. A sum of around £709,000 would be optimal based on AFF budgets for the next three years.

Reserves

In line with the above policy at 31 March 2024, optimal general reserves stand at £693,115. At the year end, the CIO is holding **general reserves** of £930,826. The reserves built up as a result of the unexpected and prolonged reduction in activity levels as a direct result of the COVID-19 pandemic. The Trustees have a three-year fully supported programme of investments in strategic data gathering and assessment which will bring the reserves levels in line with the optimal amount.

As part of this work and to support AFF's strategy and the resulting three-year budget, the Trustees hold **designated reserves** to underpin AFF's strategic goals.

- a. IT projects/improvements – to support the current work and ongoing work to AFF's database and Cyber Security, £13,640 was spent during the financial year on continued improvements to the database. A further £65,550 has been carried forward for planned improvements in the next three years.
- b. Impact measurement – to support the work started with Trust Impact and any other work deemed necessary as a result going forward. A further £65,000 was transferred in-year from general reserves. Of this, £39,962 was spent by the end of the financial year.

In addition, the CIO is holding **restricted reserves** of £47,763, which are not available for the general purposes of the CIO. This represents the ongoing first year of work of the three-year project with the Royal British Legion developing AFF's support of our families through our Foreign and Commonwealth team.

PLANS FOR FUTURE PERIOD

2023/24 saw significant investment into AFF's data gathering and analysis. A key focus of the Trustees' future plans includes a regular programme of data collection to evidence and champion key issues facing Army personnel and their families. In 2024/25 in particular this will inform the new government, by best representing the views of Army personnel and their families, maintaining insights on core issues and amplifying these voices both to the new government and other stakeholders. An equally important focus is regular, timely engagement with Army personnel and their families wherever they are, ensuring our communications are informative and accessible. AFF strives to ensure Army personnel and their families are confident in the information and advice provided. The impact information being gathered will also enable the Trustees to explore wider and more sustainable funding opportunities and to strengthen relationships with our core funders, developing multi-year funding relationships. This will allow greater investment in longer-term projects supporting Army personnel and their families. We will continue to commit to the continuing professional development of all staff with regular training events, both virtual and in person.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees

The AFF Board sets the strategic direction and is responsible for ensuring that AFF upholds its values and governance, and delivers its objectives. The Board offers guidance, advice and support to the Chief Executive.

In 2023 the AFF Board increased capacity to 12 Trustees and appointed three new Trustees in December 2023. The Board met three times during the reporting period and they communicated frequently between meetings, holding regular sub committees between full Board meetings.

The AFF Trustees' Code of Practice document and Trustee role responsibilities are reviewed annually.

Trustee appointments

The appointment of Trustees is governed by the Army Families Federation Constitution, which states that the Chair of the Board shall appoint Trustees, with the majority agreement of the rest of the Trustees. Appointments are for an initial period of three years. Following this first term, Trustees can be re-elected for a further term of three years. If required due to exceptional circumstances, Trustees may serve one additional and final year. Trustee positions will be reviewed based on the skills, experience and knowledge required, and advertised on the AFF website and other advertising methods agreed by the Trustees, appropriate to the skills required by the position. The Chair, a Trustee and the Chief Executive interview candidates and a recommendation is made to the Board.

Trustee induction and training

On appointment, each Trustee undergoes an induction programme tailored to their knowledge and experience. The Trustees deploy a wide range of skills and experience essential to good governance. Skills audits are regularly conducted to ensure an appropriate expertise across the Board.

New Trustees are provided with the NCVO Good Trustee Guide, the Charity's Constitution, minutes of the last Trustees' meeting, latest copy of the annual report accounts, risk assessment and business plan, and copies of all recent AFF publications. The Chair of Trustees and Chief Executive of AFF both invite new Trustees to meet them. Trustees are encouraged to attend appropriate external training events.

Executive Team (ET)

The day-to-day administration of the CIO is delegated to the Chief Executive and Executive Team. At the end of the reporting period, the Executive Team comprised the Chief Executive, the Operations Director and the Head of Finance. The Policy Director resigned during the reporting period and a new Head of Policy was appointed in April 2024.

The way that AFF is governed fully complies with the Charity Governance Code.

The Executive Team sets AFF policies as endorsed by the Trustees.

Committees

The Board of Trustees works with two subcommittees, the Finance and Remuneration Committee and the Risk and Governance Committee.

The aim of AFF's committees is to examine the recommendations of the Chief Executive and the Executive Team in order to take forward and ratify recommended actions.

The committees also carry out the detailed work, which is then recommended to the full Board of AFF Trustees for approval.

Employees

The employees are line managed by the Chief Executive and the directors, either as direct reports or indirectly through their line managers.

Remuneration to key management personnel

An annual review of all staff remuneration is carried out by the Finance and Remuneration Committee, which consists of a sub-set of the Trustee Board, the Chief Executive, the Head of Finance and the Operations Director. Recommendations for this committee for any staff increases are put to the full Trustee Board for their approval. Remuneration of the Chief Executive is set by the Trustees.

Our charitable objectives

The Constitution of the CIO is laid down in the Army Families Federation Constitution adopted on 7 December 2017 (as amended on 11 May 2021 and 6 March 2024).

The objects of the Federation are:

1. Promotion of social inclusion and military efficiency, for the public benefit, by assisting in the prevention of Army personnel and their families being disadvantaged through military Service.
2. Such other charitable purposes for the general benefit of Army personnel and their families as the Trustees from time-to-time think fit.

Public benefit statement

The Trustees have given due regard to the Charity Commission's guidance on reporting public benefit when planning the Charity's activities.

The paragraphs on pages 3-8 set out the CIO's objectives, activities, achievements and performance during the year, which directly relate to the objects and purposes for which the CIO exists. The CIO achieves its objects and purposes through a series of projects and services to deliver employment, training, housing and welfare support to Army personnel and their families. The benefits of this support are fully compliant with the Charity Commission principles on public benefit.

Risk management

Throughout 2023/24 the Risk and Governance Committee continued to refine risk management processes enabling the Board to manage the risks and associated mitigations in a more effective way. The fundamental review of risk management undertaken in 2022/23 has enabled AFF to update its risk management processes and register to ensure it is more aligned to strategic and dynamic risk capture. In doing so, we significantly reduced the number of risks the Board was managing. Our Trustees are satisfied that the new risk management process delivers a more effective picture to support their decision making and welcome the new process. The risk register and risk heat map are reviewed at all Trustee Board meetings. The Chief Executive reports on key movement in risk, and mitigations that are identified and actioned. The Executive Team reviews and assesses risks as they arise and routinely as part of the monthly Strategic Executive meeting. The safeguarding register is reviewed monthly by the Executive Team and approved by the Trustees as required.

REFERENCE AND ADMINISTRATION DETAILS

REGISTERED CHARITY NUMBER

1176393 (England and Wales) | SC048282 (Scotland)

CHARITY OFFICES

Army HQ, Ramillies Building, Marlborough Lines, Monxton Road, Andover, SP11 8HJ

PATRON

HRH The Duchess of Gloucester GCVO

TRUSTEES

Heather Key (resigned as Chair 2 July 2024)
Abigail Boyle (appointed as Chair 2 July 2024)
James Banks (appointed 13 December 2023)
Julia Rogers (appointed 13 December 2023)
Mark Watkins
Nicola Scarr (appointed 13 December 2023)
Pari Spencer Smith (resigned 13 December 2023)
Paul Collard
Vicki Wentworth

SENIOR MANAGEMENT

Collette Musgrave – Chief Executive
Michelle Alston – Director of Policy and Research (resigned September 2023)
Paddy Bleakley MBE – Director of Operations and Engagement
Vivienne Franklin – Head of Finance
Rachel Smith - Head of Policy (appointed April 2024)

INVESTMENT MANAGERS

BlackRock Investment Management (UK) Ltd, 12 Throgmorton Avenue, London EC2N 2DL

AUDITORS

Azets Audit Services, Athenia House, 10 – 14 Andover Road, Winchester, Hampshire SO23 7BS

BANKERS

Barclays Bank Plc, Leicester LE87 2BB

Signed by order of the Trustees:



Mrs Abigail Boyle
Chair of the Trustees
Approved by the Board of Trustees on 12 December 2024

ARMY FAMILIES FEDERATION

REPORT OF THE TRUSTEES for the year ended 31 March 2024

RESPONSIBILITIES OF THE TRUSTEES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, Charities and Trustee Investment (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Signed by order of the Trustees



Mrs Abigail Boyle
Chair of the Trustees
Army Families Federation
Approved by the Board of Trustees on 12 December 2024

ARMY FAMILIES FEDERATION

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ARMY FAMILIES FEDERATION

We have audited the financial statements of Army Families Federation (the 'Charity') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2024, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- the Charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the Charity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.
- Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Service

Azets Audit Services (Statutory Auditor)
Athenia House
10 – 14 Andover Road
Winchester SO23 7BS

Dated: *23 December 2024*

Azets Audit Services is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

ARMY FAMILIES FEDERATION
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2024

	Notes	2024			2023
		£ Unrestricted	£ Restricted	£ Total	£ Total
INCOME AND EXPENDITURE					
INCOME FROM:					
Donations and grants	2	1,090,663	293,047	1,383,710	1,098,423
Other income		52	-	52	243
Investment income	3	29,053	-	29,053	27,986
Total income		1,119,768	293,047	1,412,815	1,126,652
EXPENDITURE FROM:					
Charitable activities	7	1,125,065	274,985	1,400,050	1,314,492
Total expenditure		1,125,065	274,985	1,400,050	1,314,492
NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES		(5,297)	18,062	12,765	(187,840)
Net gains on investments	11	11,232	0	11,232	(74,208)
NET INCOME FOR THE YEAR		5,935	18,062	23,997	(262,048)
Reconciliation of funds:					
Total funds brought forward at 1 April 2023		1,071,231	29,701	1,100,932	1,362,980
TOTAL FUNDS CARRIED FORWARD AT 31 March 2024		1,077,166	47,763	1,124,929	1,100,932

The Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

The notes form part of these financial statements

ARMY FAMILIES FEDERATION

BALANCE SHEET

31 March 2024

		2024		2023	
	NOTES	£	£	£	£
FIXED ASSETS:					
Tangible assets	8	6,407		20,228	
Investments	11	637,076		600,875	
			643,483		621,103
CURRENT ASSETS:					
Debtors	9	208,933		11,033	
Cash at bank and in hand		367,112		580,314	
		576,045		591,347	
CREDITORS: Amounts falling due within one year	10	(94,599)		(111,520)	
NET CURRENT ASSETS:			481,446		479,827
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,124,929		1,100,930
FUNDS:					
Unrestricted funds: general reserve	12		930,826		936,288
Unrestricted funds: designated funds	12		146,340		134,942
Restricted funds	13		47,763		29,700
			1,124,929		1,100,930

The financial statements were approved and authorised for issue by the members of the Board of Trustees on 12 December 2024 and signed on their behalf by Abigail Boyle (Chair).



.....
Mrs Abigail Boyle
Chair of the Trustees

Dated: 12 December 2024

The notes form part of these financial statements

ARMY FAMILIES FEDERATION

STATEMENT OF CASH FLOWS

31 March 2024

		2024	2023
	NOTES	£	£
		Total	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash provided by operating activities	a	(217,287)	(135,814)
Cash flows from investing activities:			
Interest from investments		4,085	1,098
Purchase of tangible fixed assets		-	-
Purchase of investment units		-	-
Proceeds from sale of investments		-	-
CHANGE IN CASH AND CASH EQUIVALENTS FOR THE YEAR		(213,202)	(134,716)
Cash and cash equivalents brought forward at 1 April 2023	b	580,314	715,030
CASH AND CASH EQUIVALENTS CARRIED FORWARD AT 31 March 2024	b	367,112	580,314
a) Reconciliation of net income/(expenditure) to net cash flow from operating activities			
		2024	2023
		£	£
Net (expenditure)/income for the year as per the Statement of Financial Activities		23,997	(262,048)
Adjusted for:			
Depreciation		13,821	14,226
(Gains)/Losses on investments		(11,232)	74,209
Interest from investments		(29,053)	(27,986)
Decrease/(Increase) in debtors		(197,900)	(9,425)
Decrease in creditors		(16,920)	75,210
Net cash provided by operating activities		(217,287)	(135,814)
b) Analysis of cash and cash equivalents			
		2024	2023
		£	£
Cash at bank and in hand		367,112	580,314

ARMY FAMILIES FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2024

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the Charities Act 2011 on the historical cost convention, except investment assets that are carried at market value. The financial statements are prepared in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting and Reporting by Charities: Charities SORP FRS102.

The Trust constitutes a public benefit entity as defined by FRS102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

The following principal accounting policies have been consistently applied in preparing these financial statements which remain unchanged from the previous year.

Fund accounting

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

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

Incoming resources

All incoming resources are included in the statement of financial activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Such income is only deferred when the donor specifies that the grant or donation must only be used in future accounting periods or when the donor has imposed conditions which must be met before the Charity has unconditional entitlement. For legacies, entitlement is the earlier of the Charity being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the Charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Resources expended

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

Tangible fixed assets

Expenditure on fixed assets over £1,000 is capitalised. Repair expenditure is written off as expenditure in the statement of financial activities. The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer and office equipment - 33% on cost

Income and funds policy

Voluntary income and donations are accounted for as received by the Charity.

Investments and investment income

Investments are included at closing mid-market value at the balance sheet date. Any gain or loss on revaluation is taken to the statement of financial activities. Investment income is accounted for on an accruals basis.

Cash at bank and in hand

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

Value added tax

Value added tax is not recoverable by the Charity, and as such is included in the relevant costs in the Statement of Financial Activities.

Governance costs

Governance costs include all expenditure which is not directly related to the charitable activity. This includes salaries for administrative staff, auditors' remuneration and Trustees' meeting expenses.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

2. DONATIONS AND GRANTS

	2024	2023
	£	£
Grant in Aid (Public money funding)	575,000	562,190
Grant in Aid (additional)	0	15,000
Army Central Fund (non-public money)	510,318	504,644
Royal British Legion	170,047	
Army Benevolent Fund	58,000	-
British Forces Cyprus (Honorarium)	4,800	4,219
Armed Forces Covenant Fund Trust	50,000	
Annington	15,000	-
Miscellaneous Donations	545	2,370
RAND	-	10,000
	<u>1,383,710</u>	<u>1,098,423</u>

3. INVESTMENT INCOME

The Charity's investment income arises from both interest bearing deposit accounts and dividends from the Accumulation Units held within the Armed Forces Charity Growth & Income Fund. Funds invested in the AFCGIF are in accumulation units where income is reinvested.

4. EXPENDITURE

Expenditure for the year is stated after charging:

	2024	2023
	£	£
Auditors' remuneration- for audit	<u>7,290</u>	<u>5,940</u>

5. PENSION COMMITMENTS

The Charity operates a defined contribution pension scheme in respect of certain employees. The assets of the scheme are administered by Trustees in a fund independent from those of the Charity.

Contributions are charged in the Statement of Financial Activities as they fall due and amounted to £16,304 in the year (2023 - £17,105). At the balance sheet date there were outstanding contributions of £0 (2023 - £3,661).

6. STAFF COSTS

	2024	2023
	£	£
Wages and salaries	888,900	881,915
Employer's National Insurance	71,430	68,640
Employer's pension contributions	<u>16,304</u>	<u>17,105</u>
	<u>976,635</u>	<u>967,660</u>

The average number of employees during the year, calculated on a full-time equivalent basis, was as follows:

	2024	2023
	No.	No.
Core staffing	34	31
Governance	1	1
	<u>35</u>	<u>32</u>

The majority of AFF staff are part-time. This takes the actual number of employees to 39 (2023 - 38).

One employee received a salary between £80,000 and £90,000 in the year. (2023 one employee received a salary between £60,000 and £70,000 in the year)

The total amount paid to key management personnel in the year was £197,048 (2023 £207,727).

No remuneration was paid to Trustees, or persons closely connected with them, in the period. £152 was paid to Trustees for travel expenses in the period (2023 – no remuneration paid).

7. ANALYSIS OF EXPENDITURE

	Staff salaries and costs £	Support costs £	2024 Total £	2023 Total £
Charitable activities				
Core staff	945,649	413,899	1,359,548	1,269,720
Governance costs	30,986	9,516	40,502	44,772
	<u>976,635</u>	<u>423,415</u>	<u>1,400,050</u>	<u>1,314,492</u>

The Federation occupies premises on MOD sites at no cost. Certain utility and premises costs are also provided free. It is not currently possible to quantify the value of these services so they have not been included in the accounts.

8. TANGIBLE FIXED ASSETS

	Computer and office equipment £
COST:	
At 1 April 2023	50,189
Additions	-
Disposals	-
At 31 March 2024	<u>50,189</u>
DEPRECIATION:	
At 1 April 2023	29,961
Charge for year	13,821
Eliminated on disposal	-
At 31 March 2024	<u>43,782</u>
NET BOOK VALUE:	
At 31 March 2024	6,407
At 31 March 2023	<u>20,228</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade debtors	174,847	8,000
Prepayments and accrued income	34,086	3,033
	<u>208,933</u>	<u>11,033</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade creditors	9,984	20,097
Accruals and deferred income	84,615	91,423
	<u>94,599</u>	<u>111,520</u>

11. INVESTMENTS

	2024 £	2023 £
Balance as at 1 April 2023	600,877	648,199
Additions	-	-
Disposals	-	-
Reinvested income	24,967	26,884
Unrealised (Losses)/Gains	11,232	(74,208)
Listed investments as at 31 March 2024	<u>637,076</u>	<u>600,875</u>

The listed investment is held in Blackrock's Armed Forces Charities Growth and Income Fund.

12. UNRESTRICTED FUNDS

	General reserve £	Designated funds £	Total £
Balance at 1 April 2023	936,289	134,942	1,071,231
Surplus for the year	59,537	(53,602)	5,935
Transfers between funds	(65,000)	65,000	-
Balance at 31 March 2024	<u>930,826</u>	<u>146,340</u>	<u>1,077,166</u>

Designated Funds

	Balance at 1 April 2023	Movement in funds			Balance at 31 March 2024
		Incoming resources	Transfers	Resources expended	
It Spend - Hardware	30,000	-	-	-	30,000
IT Projects/Improvements	79,190	-	-	13,640	65,550
Impact Measurement	25,752	-	65,000	39,962	50,790
	<u>134,942</u>	<u>-</u>	<u>65,000</u>	<u>53,602</u>	<u>146,340</u>

During the year, the Trustees reviewed the designated reserves to ensure that they continue to adequately support the Charity and its strategic aims. The designated funds comprise:

1. An annual amount (£30,000) committed by the Trustees to enable the improvement of IT hardware capabilities ensure these adequately support the Charity's work.
2. A reserve, to support IT projects and improvements.
3. A further reserve to support the Charity's work on its strategy and Impact measurement. A further £65,000 was committed in the year to support this ongoing work.

13. RESTRICTED FUNDS

The income funds of the Charity include restricted funds comprising the following balances of grants held on trust to be applied for specific purposes:

	Balance at 1 April 2023	Movement in funds		Balance at 31 March 2024
		Incoming resources	Resources expended/transfers	
The Army Benevolent Fund	-	58,000	58,000	-
Royal British Legion	29,701	170,047	158,979	40,769
Armed Forces Covenant Fund Trust	-	50,000	43,006	6,994
Annington	-	15,000	15,000	-
	<u>29,701</u>	<u>293,047</u>	<u>274,985</u>	<u>47,763</u>

Comparative information from the previous financial year as follows:

	Balance at 1 April 2022	Movement in funds		Balance at 31 March 2023
		Incoming resources	Resources expended/transfers	
The Army Benevolent Fund	45,000	-	45,000	-
GiA (additional funding)	503	15,000	15,503	-
Royal British Legion	132,301	-	102,601	29,700
LIBOR funding - 2018 (five-year)	44,856	-	44,856	-
Lloyd's Patriotic Fund	2,984	-	2,984	-
Forces Families Jobs funding	10,000	-	10,000	-
	<u>235,644</u>	<u>15,000</u>	<u>220,944</u>	<u>29,700</u>

The Army Benevolent Fund (ABF The Soldiers' Charity)

The funding was provided to support AFF's work in supporting Army family life.

Royal British Legion

The funding was provided to increase the capacity of the Foreign & Commonwealth team who provide visa and immigration advice to non-British UK Service personnel and their families, and push for change to Government and Defence policy and processes.

The Armed Forces Covenant Fund Trust

Funding was received for a tri-Service project between the three Families Federations, on 'Positive Futures for Military Partners'. Its purpose was to undertake a review of current employment support available to spouses and partners and how the offer could be made to best meet the needs of the beneficiaries.

Annington

The funding was provided to support military families living in Service Family Accommodation, to provide dongles for families with poor internet connections.

GiA (additional funding)

The funding received in the financial year 2022/23 was provided to support the purchase of new IT equipment.

LIBOR funding

The 2018 funding carried forward was made to support additional costs associated with supporting the rebasing of Army personnel and their families back to the UK and to support the employment of an additional Foreign & Commonwealth Assistant. This grant is to cover a five-year time period.

Lloyd's Patriotic Fund

The grant was made to assist the Charity with continuing a project on domestic abuse in Foreign and Commonwealth families.

Forces Families Jobs funding

Funding was received to support the initial set-up, launch event and ongoing support costs of the FFJ website from the following funders: The Army Benevolent Fund, Army Central Fund, Annington, Defence Relationship Management, Royal Navy and Royal Marines Charity, Royal Air Forces Association, and University of Wolverhampton.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed assets	Current assets	Current liabilities	Total net assets at 31 March 2024
	£	£	£	£
Unrestricted funds	643,483	381,942	(94,599)	930,826
Designated funds	-	146,340	-	146,340
Restricted funds	-	47,763	-	47,763
Balance at 31 March 2024	643,483	576,045	(94,599)	1,124,929

Comparative information from the previous financial year as follows:

	Fixed assets	Current assets	Current liabilities	Total net assets at 31 March 2023
	£	£	£	£
Unrestricted funds	621,103	426,705	(111,520)	936,288
Designated funds	-	134,942	-	134,942
Restricted funds	-	29,700	-	29,700
Balance at 31 March 2023	621,103	591,347	(111,520)	1,100,930

THANKS TO OUR AFF FUNDERS

Army Central Fund
 Grant in Aid
 Army Benevolent Fund
 Royal British Legion
 LIBOR funds
 Lloyd's Patriotic Fund
 Annington
 Armed Forces Covenant Fund Trust





Army Families Federation is a charitable incorporated organisation registered in England and Wales.

**1176393 (England and Wales)
SC048282 (Scotland)**

**AFF
IDL 414, Floor 1, Zone 6
Ramillies Building, Marlborough Lines
Monxton Road, Andover SP11 8HJ
T: 01264 554004
E: contact@aff.org.uk
W: aff.org.uk**

Published December 2024



ARMY FAMILIES FEDERATION

England & Wales - Charity number 1176393

Accounts



**AFF annual report
and accounts 2022/23**

CONTENTS

Report of the Trustees	2
Report of the independent auditors	8
Statement of financial activities	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13

TRUSTEE REPORT AND ACCOUNTS 2022-2023

The Trustees present their report with the financial statements of the Charitable Incorporated Organisation (CIO) for the year ended 31 March 2023.

OBJECTIVES AND ACTIVITIES

Vision

Our vision is for all soldiers and their families to feel valued and heard throughout their journey as an Army family.

Mission

The AFF mission statement is:

AFF communicates, questions and influences policy at all levels to improve the lives of the serving and resettling British Army community across the world. We offer support, information and guidance to individuals and communities on issues that impact on the quality of their lives.

Objectives

The objectives for 2022/23 were:

1. Listen to, respond to and support Army families;
2. Provide information and guidance that empowers Army families, recognises diversity and encourages resilience;
3. Gather robust evidence, using credible methods, to support and challenge change for Army families;
4. Engage effectively with command and the MOD in order to promote the interest of the diverse range of Army families;
5. Collaborate with public, private, and third sector to provide the support and service that Army families need;
6. Influence change to policy, products and services that disadvantage Army families;
7. Build a strong organisation in line with statutory guidelines and manage charitable funds effectively;
8. Promote an organisational culture that values diversity and tolerates differences by facilitating the recruitment, retention and promotion of individuals irrelevant of background, gender or ethnicity.

Structure, governance and management

The charity is a Charitable Incorporated Organisation (CIO) governed according to the constitution dated 6 December 2017, (as amended on 11 May 2021). It was established to take forward the work of the Unincorporated registered charity number 291202.

Activities

Our support to non-UK personnel and families remains our largest area of work, due to the unique support provided by our team of qualified immigration advisors and the complexity of the Armed Forces immigration rules. As a co-chair of the Cobseo Non-UK Cluster, we have been able to identify the key immigration issues facing non-UK family members and raise these with both the MOD and the Home Office.

Housing enquiries saw a 26% increase, making up over a quarter of our enquiries. A significant proportion of enquiries this year were due to the very high level of problems families encountered in the roll out of the new accommodation contract.

Supporting personnel and families with their money and allowances issues has been key, with AFF providing evidence to a number of reviews of service allowances. We continue to see enquiries from families in long-term relationships as policies have not kept pace with modern family structures and from all families on the growing complexities of allowance entitlements - we evidence these issues to the MOD.

We have been able to increase our support to families on health and additional needs issues thanks to funding from the Army Benevolent Fund to expand our health team. We also held a successful additional needs study day, which brought together policy makers and practitioners supporting Army families with additional needs or disabilities.

Spousal employment remains a key issue for our families, particularly for those on overseas assignments. Families have highlighted a lack of clear guidance and advice on remote working and we continue to raise this with the MOD to ensure they are fully supported to make informed decisions about their employment and overseas postings. Forces Families Jobs continues to not only offer employment opportunities for partners and spouses but also connects them to training and other options, such as apprenticeships or self-employment. It has also allowed us to raise spousal employment issues with both employers and policy makers.

Collaboration has been key in delivering positive change for soldiers and their families. For example, our Money & Allowances, and Foreign & Commonwealth teams, worked closely with the Army, and with the Naval and RAF Families Federations to ensure that travel back to the UK to collect biometric residence permits for non-UK family members assigned overseas was funded by the MOD.

Evidence from our *Your Army Life* survey explored personnel and families' views on the current remuneration on offer to personnel, highlighting a lack of understanding about the policies, services and allowances that can support families, and the importance of MOD-provided housing as a key component of the package. In order to deliver the most effective impact for our beneficiaries, we have undertaken a review of our impact measurement, creating a theory of change for the organisation and recognising the importance of defining the issues we are trying to address and our role in doing so.

We continue to work on securing appropriate funding to ensure continuity in the support we can give to all Army families, however they choose to live. As modern family life evolves, the challenge for soldiers and their families in navigating policies and processes, and accessing appropriate and timely support continues to grow, even as overall numbers within the Army community have fallen slightly. We continue to work hard within AFF to identify and meet the changing needs of our beneficiaries, and to allow us to influence positive change in support of Army family life.

ACHIEVEMENTS AND PERFORMANCE

Achievements

Within the organisation, there are four teams, who work together to meet our objectives.

The Policy & Research (P&R) team supports personnel and families with complex enquiries and issues relating to housing, education, childcare, health, additional needs, training, employment, allowances, money and Foreign & Commonwealth visa and immigration issues. By raising the issues and evidence from families, we are able to ensure that their lived experience is considered as policy is developed.

The UK & Overseas team provides, through regionally-focussed roles and a central enquiries team, day-to-day support to the Army family across the UK and overseas. This team works with the local chain of command, service deliverers and local authorities, and the governments of the devolved nations to ensure that Army family life is understood and supported in service delivery. We are developing the AFF Roadshow model to provide a focal point for these discussions and to provide families with information on the support that is available to them in different locations, particularly the devolved nations and overseas. Due to a continued demand for immediate engagement and support, AFF has continued to develop and improve online and telephone support, and to streamline internal enquiry handling processes. The enquiries team provides a single and reliable entry point for new enquiries from Service personnel and their families, and is now open 0800-1800 Monday-Thursday, and 0800-1500 Friday. Enquiries are triaged and directed to the relevant specialist teams to ensure that families can receive a timely response, and that resolution of their issues is achieved as efficiently as possible.

The Communications team provides the expertise within AFF to ensure that information and guidance is available to families across a range of digital and hard copy material and media. Providing information and guidance to Army families is one of AFF's key objectives, and this team leads that work with a focus on ensuring that information is accessible, appropriate and engaging. In 2022 we had more than 450,000 unique views on our website, reached more than 13,000 followers on Facebook, 9,500 on Twitter and 2,500 on Instagram. The regular quarterly editions of Army&You magazine were produced and delivered to an average of 35,000 families per edition.

The Operations team provides continuous administrative support across the finance, governance, IT and data protection, and HR functions to ensure that the organisation

remains 'fit to deliver'. In 2022-23 the team conducted a fundamental review of our IT structures and data security with the support of external expertise. The resulting changes and improvements allowed AFF to successfully apply for Cyber Essentials certification. This team has focussed on continual improvement of our IT platforms, data protection and cyber security processes, and internal IT support; on ensuring that all internal policies and processes follow best practice for our size of charity and that all statutory obligations are met in full; and that our workforce management is both professional and responsive to the needs of our team members.

Performance

We have reviewed our performance against the needs of Army families; these needs and how we've met them, are evident in our activities as described above.

FINANCIAL REVIEW

Income & allocated funding

AFF receives its main funding from MOD Grant in Aid (public money) and a charitable grant from the Army Central Fund. In addition to this core funding, AFF receives smaller, project specific funding from the Army Benevolent Fund and the Royal British Legion. Details of this funding are at Note 13 to the Financial Statement. AFF continued to spend funds received in earlier financial years from LIBOR funds and Lloyd's Patriotic Fund.

Total funds

At the end of the financial year, AFF held funds of £ 1,100,930 with £600,875 being held in the Armed Forces Charities Growth and Income Fund (AFCGIF).

At 31 March 2023, AFF had unspent restricted funds (funds committed to a specific project or event) of £29,700.

Investment powers

The constitution permits the investment of monies not immediately required for the objects of the CIO.

Investment performance

AFF holds its reserves in units of the AFCGIF, a mixed asset class Charity Authorised Investment Fund (CAIF) managed by BlackRock Investment Managers. The fund has an advisory committee, which oversees the investment performance and governance of the AFCGIF. AFCGIF offers two types of units to Armed Forces charities' investors – accumulation (reinvestment) units and distribution (income) units.

AFF currently holds only accumulation units (which reinvest income into the fund).

At 31 March 2023, the total value of investments was £600,875, and during the year, £26,886 (2022 £17,003) was reinvested.

AFF's holding in the Armed Forces Charities Growth and Income Fund reported a net unrealised deficit, after taking into account the reinvested income, of £47,322. The volatility of the UK markets and the political instability caused this drop in the value of AFF's investments, but by the end of the financial year the markets were stabilising and quarter

four saw the value of investments rise again. The investment fund has consistently performed well since its inception in 2012 and overall continues an upward growth exceeding the benchmarked parameters.

The Trustees continue to actively monitor AFF's investments and 2023/24 will see a full review of its Investment policy.

Investment risk management

The Trustees constantly review the investment and the investment risks to which AFF may be exposed. Their overall assessment of specific risk to the CIO is low. The Trustees are confident that the AFCGIF overall widespread investment strategy, which encompasses many different asset classes, is sound. The Trustees feel that the investment of the CIO, namely its reserves which are currently held in AFCGIF Accumulation Units, are sufficiently well diversified and are likely to provide long-term capital growth.

The CAIF has an advisory committee which continues to oversee the investment performance and governance of AFCGIF.

The fund is managed by BlackRock Investment Management (UK) (BRIM) under a Charity Authorised Investment Fund (CAIF) managed by BlackRock Financial Management.

Reserves policy

AFF is run as a charitable incorporated organisation and is responsible for all internal functions including employment practices and payment of wages, employee insurance and liability, direct and indirect running costs and project capital.

The Trustees reviewed the reserves policy during the financial year to ensure it was relevant, adequate and reflected current best practice across the sector and takes into account AFF's key current risks.

The CIO's policy is to hold reserves for the following purposes:

- Flexibility of cash flow to support expenditure between deliveries of income.
- A minimum of six months' basic running costs in the eventuality of the CIO either losing its primary sources of income, or having to close down completely. A sum of around £775,000 would be optimal based on AFF budgets for the next three years.

Reserves

In line with the above policy at 31 March 2023, optimal general reserves stand at £775,000. At the year end, the CIO is holding **general reserves** of £936,288. The reserves built up as a result of the unexpected and prolonged reduction in activity levels as a direct result of the COVID-19 pandemic. During the year the Trustees therefore took the decision to use some of these reserves to further the work of the charity and therefore declared a deficit position for 2022/23. Further expenditure will occur in 2023/24 to ensure that the level of reserves stand at the optimal level.

As part of this work and to support AFF's strategy and resulting three-year budget, two new **designated reserves** were created in the year to underpin AFF's strategic goals:

a. IT Projects / Improvements – to support the current work and ongoing work to AFF's database and cyber security. £115,000 was transferred from general reserves to this fund. Of this £35,810 was spent against during the financial year, carrying forward £79,190 for work in the next three years on a new database platform and other IT improvements.

b. Impact Measurement – to support the work started with Trust Impact and any other work deemed necessary as a result going forward. £45,000 was transferred in year from general reserves. Of this £19,248 was spent by the end of the financial year.

In addition, the CIO is holding **restricted reserves** of £29,700, which are not available for the general purposes of the CIO. This represents the ongoing first year of work of the three-year project with the Royal British Legion developing AFF's support of our families through our Foreign and Commonwealth team.

PLANS FOR FUTURE PERIOD

In 2023/24 we will ensure that AFF is structured to meet the requirements of the Army families coming to us. We will continue to develop our impact measurement processes to ensure that we are responding to the needs of modern Army families, and complete a theory of change process across AFF to support our future strategy development. We will continue to focus on developing and making more accessible our communications to adapt to the needs of all Army families, to support both provision of information and evidence collection. Building resilience into our supporting technology and business processes remains ongoing work. And we will focus on growing our strong stakeholder networks at both regional and national level to ensure that the concerns of Army families are addressed. We will continue to commit to the continuing professional development of all staff with regular training events, both virtual and in person.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees

The AFF Board sets the strategic direction and is responsible for ensuring that AFF upholds its values and governance, and delivers its objectives. The Board offers guidance, advice and support to the Chief Executive.

The AFF Board has capacity for eight Trustees and four new trustees were appointed in May 2022. The Board met five times during the reporting period and they communicated frequently between meetings.

The AFF Trustees' Code of Practice document and Trustee role responsibilities are reviewed annually.

Trustee appointments

The appointment of Trustees is governed by the Army Families

Federation Constitution, which states that the Chair of the Board shall appoint Trustees, with the majority agreement of the rest of the Trustees. Appointments are for an initial period of three years. Following this first term, Trustees can be re-elected for a further term of three years. If required due to exceptional circumstances, Trustees may serve one additional and final year. Trustee positions will be reviewed based on the skills, experience and knowledge required, and advertised on the AFF website and other advertising methods agreed by the Trustees, appropriate to the skills required by the position. The Chair, a Trustee and the Chief Executive interview candidates and a recommendation is made to the Board.

Trustee induction and training

On appointment, each Trustee undergoes an induction programme tailored to their knowledge and experience. The Trustees deploy a wide range of skills and experience essential to good governance. A register of Trustees' skills is held centrally and reviewed on an annual basis.

New Trustees are provided with the NCVO Good Trustee Guide, the Charity's Constitution, minutes of the last Trustees' meeting, latest copy of the annual report accounts, risk assessment and business plan, and copies of all recent AFF publications. The Chair of Trustees and Chief Executive of AFF both invite new Trustees to meet them. Trustees are encouraged to attend appropriate external training events.

Executive Management Board (EMB)

The day-to-day administration of the CIO is delegated to the Chief Executive and EMB. At the end of the reporting period, the EMB comprised of the Chief Executive and the Operations Director, Head of Finance, and Director of Policy & Research.

The way that AFF is governed fully complies with the Charity Governance Code.

The EMB sets AFF policies as endorsed by the Trustees.

Committees

The Board of Trustees work with two sub-committees, the Remuneration Committee and the Governance Committee.

The aim of AFF's committees is to examine the recommendations of the Chief Executive and the Executive Management Board in order to take forward and ratify recommended actions.

The committees also carry out the detailed work, which is then recommended to the full Board of AFF Trustees for approval.

Employees

The employees are line managed by the Chief Executive and the directors, either as direct reports or indirectly through their line managers.

Remuneration to key management personnel

An annual review of all staff remuneration is carried out by the Remuneration Committee, which consists of a sub-set of the Trustee Board, the Chief Executive, the Head of Finance and the HR Manager. Recommendations for this committee

for any staff increases are put to the full Trustee Board for their approval. Remuneration of the Chief Executive is set by the Trustees.

Our charitable objectives

The Constitution of the CIO is laid down in the Army Families Federation Constitution adopted on 7 December 2017 (as amended on 11 May 2021).

The objects of the Federation are:

1. Promotion of social inclusion and military efficiency, for the public benefit, by assisting in the prevention of Army families being disadvantaged through military Service.
2. Such other charitable purposes for the general benefit of Army families as the Trustees from time-to-time think fit.

Interpretation clause

'Army families' means serving Army personnel and persons who have a family member in the Army. This could be a spouse, child or wider family members (including step-children) that are in any way affected by Army and Defence policies, processes or by service provision from other bodies that is uniquely due to being a member of an Army family.

Public benefit statement

The Trustees have given due regard to the Charity Commission's guidance on reporting public benefit when planning the charity's activities.

The paragraphs on pages 2-3 set out the CIO's objectives, activities, achievements and performance during the year, which directly relate to the objects and purposes for which the CIO exists. The CIO achieves its objects and purposes through a series of projects and services to deliver employment, training, housing and welfare support to Army families. The benefits of this support are fully compliant with the Charity Commission principles on public benefit.

Risk management

In early 2023, we undertook a fundamental review of risk management. This work has enabled us to update our risk management process and register to ensure we are more aligned to strategic and dynamic risk capture. In doing so, we significantly reduced the number of risks the Board were managing. Our Trustees are satisfied that the new risk management process delivers a more effective picture to support their decision making and welcome the new process. The risk register and risk heat map are reviewed at all Trustee Board meetings. The Chief Executive reports on key movement in risk, and mitigations that are identified and actioned. The Executive Management Board reviews and assesses risks as they arise and routinely as part of the monthly Strategic EMB meeting. A new Safeguarding register has now been added and presented to the Trustees as part of our Governance meetings.

REFERENCE AND ADMINISTRATION DETAILS

REGISTERED CHARITY NUMBER

1176393 (England and Wales)
SC048282 (Scotland)

CHARITY OFFICES

Army HQ, Ramillies Building, Marlborough Lines,
Monxton Road, Andover, SP11 8HJ

PATRON

HRH The Duchess of Gloucester GCVO

TRUSTEES

Heather Key
Abigail Boyle (appointed 3 May 2022)
Fiona Ellison (resigned 7 September 2022)
Mark Watkins (appointed 3 May 2022)
Pari Spencer Smith
Paul Collard (appointed 3 May 2022)
Julie Vere-Whiting (resigned 7 September 2022)
Vicki Wentworth (appointed 3 May 2022)

SENIOR MANAGEMENT

Collette Musgrave – Chief Executive
Michelle Alston – Director of Policy & Research
Paddy Bleakley MBE – Director of Operations and
Engagement
Vivienne Franklin – Head of Finance (appointed 4
May 2022)

INVESTMENT MANAGERS

BlackRock Investment Management (UK) Ltd, 12
Throgmorton Avenue, London EC2N 2DL

AUDITORS

Azets Audit Services
Athenia House
10 – 14 Andover Road
Winchester
Hampshire
SO23 7BS

BANKERS

Barclays Bank Plc
Leicester
LE87 2BB

Signed by order of the Trustees:



Ms Heather Key
Chair of the Trustees

Approved by the Board of Trustees on 13 September 2023

ARMY FAMILIES FEDERATION

REPORT OF THE TRUSTEES for the year ended 31 March 2023

RESPONSIBILITIES OF THE TRUSTEES

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

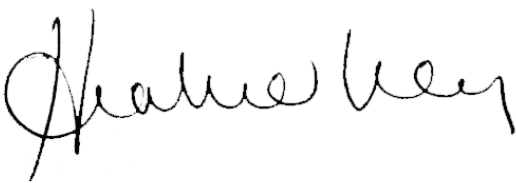
The law applicable to charities in England, Wales, and Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, Charities and Trustee Investment (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Signed by order of the Trustees



Ms Heather Key

Chair of the Trustees

Army Families Federation

Approved by the Board of Trustees on 13 September 2023

ARMY FAMILIES FEDERATION
REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ARMY FAMILIES FEDERATION

We have audited the financial statements of Army Families Federation (the 'charity') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Trustees annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the charity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Azets Audit Services (Statutory Auditor)
Athenia House
10 – 14 Andover Road
Winchester SO23 7BS

Dated: 13 September 2023

Azets Audit Services is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

ARMY FAMILIES FEDERATION
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2023

	Notes	2023			2022
		£ Unrestricted	£ Restricted	£ Total	£ Total
INCOME AND EXPENDITURE					
INCOME FROM:					
Donations and grants	2	1,083,423	15,000	1,098,423	1,309,620
Other income		243	-	243	858
Investment income	3	27,986	-	27,986	17,055
Total income		1,111,652	15,000	1,126,652	1,327,533
EXPENDITURE FROM:					
Charitable activities	7	1,093,548	220,944	1,314,492	1,144,783
Total expenditure		1,093,548	220,944	1,314,492	1,144,783
NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES		18,104	(205,944)	(187,840)	182,750
Net gains on investments	11	(74,208)	0	(74,208)	38,798
NET INCOME FOR THE YEAR		(56,104)	(205,944)	(262,048)	221,548
Reconciliation of funds:					
Total funds brought forward at 1 April 2022		1,127,335	235,645	1,362,980	1,141,432
TOTAL FUNDS CARRIED FORWARD AT 31 March 2023		1,071,231	29,701	1,100,932	1,362,980

The Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

The notes form part of these financial statements

ARMY FAMILIES FEDERATION

BALANCE SHEET

31 March 2023

		2023		2022	
	NOTES	£	£	£	£
FIXED ASSETS:					
Tangible assets	8	20,228		34,454	
Investments	11	600,875		648,199	
			621,103		682,653
CURRENT ASSETS:					
Debtors	9	11,033		1,608	
Cash at bank and in hand		580,314		715,030	
		591,347		716,638	
CREDITORS: Amounts falling due within one year	10	(111,520)		(36,311)	
NET CURRENT ASSETS:			479,827		680,327
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,100,930		1,362,980
FUNDS:					
Unrestricted funds: general reserve	12		936,288		1,092,335
Unrestricted funds: designated funds	12		134,942		35,000
Restricted funds	13		29,700		235,645
			1,100,930		1,362,980

The financial statements were approved and authorised for issue by the members of the Board of Trustees on 13 September 2023 and signed on their behalf by Heather Key (Chair).



.....
Ms Heather Key
Chair of the Trustees

Dated: 13 September 2023

The notes form part of these financial statements

ARMY FAMILIES FEDERATION
STATEMENT OF CASH FLOWS
31 March 2023

		2023	2022
	NOTES	£	£
		Total	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash provided by operating activities	a	(135,814)	208,278
Cash flows from investing activities:			
Interest from investments		1,098	52
Purchase of tangible fixed assets		-	(40,072)
Purchase of investment units		-	-
Proceeds from sale of investments		-	-
CHANGE IN CASH AND CASH EQUIVALENTS FOR THE YEAR		(134,716)	168,258
Cash and cash equivalents brought forward at 1 April 2022	b	715,030	546,772
CASH AND CASH EQUIVALENTS CARRIED FORWARD AT 31 March 2023	b	580,314	715,030
a) Reconciliation of net income/(expenditure) to net cash flow from operating activities			
		2023	2022
		£	£
Net (expenditure)/income for the year as per the Statement of Financial Activities		(262,048)	221,548
Adjusted for:			
Depreciation		14,226	9,392
(Gains)/Losses on investments		74,209	(38,798)
Interest from investments		(27,986)	(17,055)
Decrease/(Increase) in debtors		(9,425)	14,812
Decrease in creditors		75,210	18,379
Net cash provided by operating activities		(135,814)	208,278
b) Analysis of cash and cash equivalents			
		2023	2022
		£	£
Cash at bank and in hand		580,314	715,030

ARMY FAMILIES FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the Charities Act 2011 on the historical cost convention, except investment assets that are carried at market value. The financial statements are prepared in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting and Reporting by Charities: Charities SORP FRS102.

The Trust constitutes a public benefit entity as defined by FRS102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

The following principal accounting policies have been consistently applied in preparing these financial statements which remain unchanged from the previous year.

Fund accounting

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

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

Incoming resources

All incoming resources are included in the statement of financial activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Such income is only deferred when the donor specifies that the grant or donation must only be used in future accounting periods or when the donor has imposed conditions which must be met before the charity has unconditional entitlement. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Resources expended

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

Tangible fixed assets

Expenditure on fixed assets over £1,000 is capitalised. Repair expenditure is written off as expenditure in the statement of financial activities. The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer and office equipment - 33% on cost

Income and funds policy

Voluntary income and donations are accounted for as received by the charity.

Investments and investment income

Investments are included at closing mid-market value at the balance sheet date. Any gain or loss on revaluation is taken to the statement of financial activities. Investment income is accounted for on an accruals basis.

Cash at bank and in hand

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

Value added tax

Value added tax is not recoverable by the charity, and as such is included in the relevant costs in the Statement of Financial Activities.

Governance costs

Governance costs include all expenditure which is not directly related to the charitable activity. This includes salaries for administrative staff, auditors' remuneration and Trustees' meeting expenses.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

2. DONATIONS AND GRANTS	2023	2022
	£	£
Grant in Aid (Public money funding)	562,190	564,967
Grant in Aid (additional)	15,000	24,000
Army Central Fund (non-public money)	504,644	500,853
Annington Homes	-	10,080
Army Benevolent Fund	-	45,000
UKSC (Germany)	-	9,692
British Forces Cyprus (Honorarium)	4,219	7,041
Miscellaneous Donations	2,370	45
Andover Skills Fund	-	500
Royal Navy and Royal Marines Charity	-	5,000
Royal Air Forces Association	-	5,000
Royal British Legion	-	137,442
RAND	10,000	-
	<u>1,098,423</u>	<u>1,309,620</u>

The majority of AFF staff are part-time. This takes the actual number of employees to 38 (2022 - 38).

One employee received a salary between £60,000 and £70,000 in the year.

The total amount paid to key management personnel in the year was £207,727 (2022 £163,467)

No remuneration was paid to Trustees, or persons closely connected with them, in the period. No Trustees received travel expenses in the period (2022 – no remuneration paid).

3. INVESTMENT INCOME

The charity's investment income arises from both interest bearing deposit accounts and dividends from the Accumulation Units held within the Armed Forces Charity Growth and Income Fund. Funds invested in the AFCGIF are in accumulation units where income is reinvested.

4. EXPENDITURE

Expenditure for the year is stated after charging:

	2023	2022
	£	£
Auditors' remuneration - for audit	<u>5,940</u>	<u>5,760</u>

5. PENSION COMMITMENTS

The charity operates a defined contribution pension scheme in respect of certain employees. The assets of the scheme are administered by Trustees in a fund independent from those of the charity.

Contributions are charged in the Statement of Financial Activities as they fall due and amounted to £17,105 in the year (2022 - £14,593). At the balance sheet date there were outstanding contributions of £3,661 (2022 - £2,890).

6. STAFF COSTS	2023	2022
	£	£
Wages and salaries	881,915	755,964
Employer's National Insurance	68,640	52,106
Employer's pension contributions	17,105	14,593
	<u>967,660</u>	<u>822,663</u>

The average number of employees during the year, calculated on a full-time equivalent basis, was as follows:

	2023	2022
	No.	No.
Core staffing	31	26
Governance	<u>1</u>	<u>1</u>
	<u>32</u>	<u>27</u>

7. ANALYSIS OF EXPENDITURE

	Staff salaries and costs £	Support costs £	2023 Total £	2022 Total £
Charitable activities				
Core staff	929,818	339,902	1,269,720	1,096,753
Governance costs	37,842	6,930	44,772	48,030
	<u>967,660</u>	<u>346,832</u>	<u>1,314,492</u>	<u>1,144,783</u>

The Federation occupies premises on MOD sites at no cost. Certain utility and premises costs are also provided free. It is not currently possible to quantify the value of these services so they have not been included in the accounts.

8. TANGIBLE FIXED ASSETS

	Computer and office equipment £
COST:	
At 1 April 2022	60,965
Additions	-
Disposals	(10,776)
At 31 March 2023	<u>50,189</u>
DEPRECIATION:	
At 1 April 2022	26,511
Charge for year	14,226
Eliminated on disposal	(10,776)
At 31 March 2023	<u>29,961</u>
NET BOOK VALUE:	
At 31 March 2023	20,228
At 31 March 2022	<u>34,454</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN

ONE YEAR	2023	2022
	£	£
Trade debtors	8,000	580
Prepayments and accrued income	3,033	1,028
	<u>11,033</u>	<u>1,608</u>

10. CREDITORS: AMOUNTS FALLING DUE

WITHIN ONE YEAR	2023	2022
	£	£
Trade creditors	20,097	2,524
Accruals and deferred income	91,423	33,787
	<u>111,520</u>	<u>36,311</u>

11. INVESTMENTS

	2023	2022
	£	£
Balance as at 1 April 2022	648,199	592,398
Additions	-	-
Disposals	-	-
Reinvested income	26,884	17,003
Unrealised (Losses)/Gains	(74,208)	38,798
Listed investments as at 31 March 2023	<u>600,875</u>	<u>648,199</u>

The listed investment is held in the Armed Forces Charities Growth and Income Fund.

12. UNRESTRICTED FUNDS

	General reserve £	Designated funds £	Total £
Balance at 1 April 2022	1,092,335	35,000	1,127,335
Surplus for the year	3,953	(60,058)	(56,105)
Transfers between funds	(160,000)	160,000	-
Balance at 31 March 2023	<u>936,288</u>	<u>134,942</u>	<u>1,071,230</u>

Designated Funds

	Balance at	Movement in funds		Resources	Balance at
	1 April 2022	Incoming resources	Transfers expended		31 March 2023
IT Spend – Hardware	30,000	-	-	-	30,000
IT Projects/Improvements	-	-	115,000	35,810	79,190
Impact Measurement	-	-	45,000	19,248	25,752
Forces Family Funds	5,000	-	-	5,000	-
	<u>35,000</u>	<u>-</u>	<u>160,000</u>	<u>60,058</u>	<u>134,942</u>

During the year the Trustees undertook a full review of the designated reserves to ensure that they adequately support the charity and its strategic aims. The designated funds comprise:

1. An annual amount (£30,000) committed by the Trustees to enable the improvement of IT hardware capabilities to ensure these adequately support the charity's work.
2. A reserve, created in the year, to support IT projects and improvements (£115,000).
3. A further reserve to support the charity's work on its strategy and Impact measurement (45,000).

13. RESTRICTED FUNDS

The income funds of the charity include restricted funds comprising the following balances of grants held on trust to be applied for specific purposes:

	Balance at	Movement in funds		Balance at
	1 April 2022	Incoming resources	Resources expended/transfers	31 March 2023
The Army Benevolent Fund	45,000	-	45,000	-
GiA (additional funding)	503	15,000	15,503	-
Royal British Legion	132,301	-	102,601	29,700
LIBOR funding – 2018 (five-year)	44,856	-	44,856	-
Lloyd's Patriotic Fund	2,984	-	2,984	-
Forces Families Jobs funding	10,000	-	10,000	-
	<u>235,644</u>	<u>15,000</u>	<u>220,944</u>	<u>29,700</u>

Comparative information from the previous financial year as follows:

	Balance at	Movement in funds		Balance at
	1 April 2021	Incoming resources	Resources expended/transfers	31 March 2022
The Army Benevolent Fund	40,000	45,000	40,000	45,000
GiA (additional funding)	26,532	24,000	50,029	503
Royal British Legion	-	137,442	5,140	132,302
LIBOR funding – 2018 (five-year)	105,485	-	60,629	44,856
Lloyd's Patriotic Fund	7,320	-	4,336	2,984
Forces Families Jobs funding	26,411	10,000	26,411	10,000
Andover Skills Fund	-	500	500	-
UKSC/BFC funding	-	9,691	9,691	-
NHS England	62,714	-	62,714	-
Annington COVID-19	25,000	-	25,000	-
Aspire	514	-	514	-
	<u>293,976</u>	<u>226,633</u>	<u>284,964</u>	<u>235,645</u>

The Army Benevolent Fund

The grant was made to assist the charity with the employment of a Health & Additional Needs Specialist, an Employment & Training Specialist and Money & Allowances Specialist.

GiA (additional funding)

The funding received in the financial year 2022/23 was provided to support the purchase of new IT equipment.

Royal British Legion

The funding was provided to increase the capacity of the Foreign & Commonwealth team who provide visa and immigration advice to non-British UK Service personnel and their families, and push for change to government and defence policy and processes.

LIBOR funding

The 2018 funding carried forward was made to support additional costs associated with supporting the rebasing of Army families back to the UK and to support the employment of an additional Foreign & Commonwealth Assistant. This grant is to cover a five-year time period.

Lloyd's Patriotic Fund

The grant was made to assist the charity with continuing a project on domestic abuse in Foreign and Commonwealth families.

Forces Families Jobs funding

Funding was received to support the initial set-up, launch event and ongoing support costs of the FFJ website from the following funders: The Army Benevolent Fund, Army Central Fund, Annington, Defence Relationship Management, Royal Navy and Royal Marines Society, Royal Air Forces Association, and University of Wolverhampton.

Andover Skills Fund

The grant was made to assist the charity with the costs of training for the Business Support Manager.

UKSC(G) and BFC funding

The funding was made to assist the charity with the employment costs associated with the provision of services in Germany and Cyprus.

Annington COVID-19

The funding was provided to support military families during the COVID-19 lockdowns in two tranches. The first tranche provided dongles to support families with poor internet connections, and a 'Brighten your day' campaign provided activity boxes, entertainment gift cards and magazine subscriptions. The second tranche provided the opportunity for families to receive an annual subscription for a Headspace app.

Aspire

The funding was made to facilitate Additional Needs Support Groups for families in the Aldershot and Tidworth areas and a stakeholder study day.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed assets £	Current assets £	Current liabilities £	Total net assets at 31 March 2023 £
Unrestricted funds	621,103	426,705	(111,520)	936,288
Designated funds	-	134,942	-	134,942
Restricted funds	-	29,700	-	29,700
Balance at 31 March 2023	<u>621,103</u>	<u>591,347</u>	<u>(111,520)</u>	<u>1,100,930</u>

Comparative information from the previous financial year as follows:

	Fixed assets £	Current assets £	Current liabilities £	Total net assets at 31 March 2022 £
Unrestricted funds	582,653	545,993	(36,311)	1,092,335
Designated funds	-	35,000	-	35,000
Restricted funds	100,000	135,645	-	235,645
Balance at 31 March 2021	682,653	716,638	(36,311)	1,362,980

THANKS TO OUR AFF FUNDERS

Army Central Fund
Grant in Aid
Army Benevolent Fund
Royal British Legion
LIBOR funds
Lloyd's Patriotic Fund





Army Families Federation is a charitable incorporated organisation registered in England and Wales.

**1176393 (England and Wales)
SC048282 (Scotland)**

**AFF
IDL 414, Floor 1, Zone 6
Ramillies Building, Marlborough Lines
Monxton Road, Andover SP11 8HJ
T: 01264 554004
E: contact@aff.org.uk
W: aff.org.uk**



ARMY FAMILIES FEDERATION

England & Wales - Charity number 1176393

Accounts



**AFF annual report
and accounts 2021/22**

CONTENTS

Report of the Trustees	2
Report of the independent auditors	8
Statement of financial activities	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13

TRUSTEE REPORT AND ACCOUNTS

2021-2022

The Trustees present their report with the financial statements of the Charitable Incorporated Organisation (CIO) for the year ended 31 March 2022.

OBJECTIVES AND ACTIVITIES

Vision

AFF will be a leading Armed Forces families organisation, representing and communicating to everyone with a soldier in their life.

Mission

The AFF mission statement is:

AFF communicates, questions and influences policy at all levels to improve the lives of the serving and resettling British Armed Forces community across the world. We offer support, information and guidance to individuals and Army communities on issues that impact on the quality of their lives.

Objectives

The objectives for 2021/22 were:

1. Listen to, respond to and support Army families;
2. Provide information and guidance that empowers Army families, recognises diversity and encourages resilience;
3. Gather robust evidence, using credible methods, to support and challenge change for Army families;
4. Engage effectively with command and the MOD in order to promote the interest of the diverse range of Army families;
5. Collaborate with public, private, and third sector to provide the support and service that Army families need;
6. Influence change to policy, products and services that disadvantage Army families;
7. Build a strong organisation in line with statutory guidelines and manage charitable funds effectively; and
8. Promote an organisational culture that values diversity and tolerates differences by facilitating the recruitment, retention and promotion of individuals irrelevant of background, gender or ethnicity.

Structure, governance and management

The charity is a Charitable Incorporated Organisation (CIO) governed according to the constitution dated 6 December 2017, (as amended on 11 May 2021). It was established to take forward the work of the Unincorporated registered charity number 291202.

Activities

Listening to, responding to and supporting Army families are at the heart of all of our work. Foreign & Commonwealth issues remained our top area of enquiry from families, making up over a third of the total. Housing was our second largest area of enquiry with families asking questions about repairs

and maintenance issues and allocation and entitlement to SFA, with growing queries regarding entitlement for families in long-term relationships.

Money made up our third largest area of enquiry, with families predominantly wanting a greater understanding of military allowances. We also saw increasing enquiries regarding housing for families with additional needs and families facing significant challenges accessing NHS dental care.

AFF has continued to see families contact us predominantly by email, with Regular spouses and Service personnel being our main source of enquirers. We've also seen families engage with us through our social media channels, helping AFF to establish robust evidence to liaise with the chain of command and decision makers on key issues facing Army families. With the introduction of the new Future Defence Infrastructure Services contract, we held a Facebook Live, with families able to ask our Housing Specialist and the Head of DIO Regional Delivery Accommodation questions about the impact of the new contract on families in SFA, and have used this model to increase our engagement with families throughout the year.

We have focussed on securing increased funding in 2021/22, to extend the support we can give to Army families in our identified high priority areas. Integrated alongside the core and project funding that we already receive, this has allowed us to provide targeted research to allow us to influence policy and process change, as well as increase our direct support to families.

We have been able to complete the recruitment of several new roles to meet increased demands in key growth areas, including Foreign & Commonwealth, money and allowances and the overseas space. We continue to allocate resources to facilitate growth as it is needed and invest in becoming an ever more professionally run organisation.

In 2021/22 the COVID-19 pandemic continued to have a significant impact on Army families. In mitigation, we were able to deliver a number of annual subscriptions to the Headspace app for Army spouses, partners and children with funding from the Annington Trust. The campaign was oversubscribed but 500 Army family members were able to benefit from the advice and guidance that the app offers.

Funding from NHS England and NHS Improvement enabled us to work with the Naval and RAF Families Federations to commission research from the Veterans and Families Institute for Military Social Research at Anglia Ruskin University to investigate disadvantage faced by military families in terms of healthcare and mobility. The aim was to support practitioners across Defence and the NHS in making practical changes for families.

The resulting report, Duty & Care: Armed Forces Family Mobility and Healthcare, provides nine recommendations

to inform and tackle disadvantage as well as improve health outcomes for mobile military families.

We were also able to invest in three professionally produced videos to showcase Forces Families Jobs, the tri-Service employment platform we launched with the other Families Federations in 2019. The success of the platform continues to grow year on year with more than 14,000 jobs advertised, and more than 11,400 candidates and 1,100 employers registered. The number of jobs viewed since the site launched in September 2019 stands at nearly 280,000.

In addition to our ongoing work, we ran an Overseas Survey in autumn 2021 to gather updated evidence about the benefits and challenges of an overseas assignment. There were 1,194 responses and we are working with the MOD and the chain of command to ensure they understand the evidence and views of Army families.

Work also continued in 2021/22 on the Defence Families' Strategy, which was published in January 2022. We were able to influence the direction of the strategy through evidence from our enquiries and surveys, as well as through our policy specialists participating in workshops and steering groups. This has ensured that this 10-year strategy, and supporting action plan, reflects the needs and voice of Army families.

ACHIEVEMENTS AND PERFORMANCE

Achievements

Within the organisation, there are four teams, who work together to meet our objectives.

The Policy & Research (P&R) team delivers specialist support in housing, education, childcare, health, additional needs, training, employment, allowances, money and Foreign & Commonwealth visa and immigration issues. As well as providing support to families, this team develops policy positions based on the evidence that families share with us, and uses these to inform and push for appropriate changes to government and Defence policies, and improvements in service delivery. Over the last year, they have supported the introduction of the new FDIS accommodation contracts and focused on areas such as, overseas assignments (following our Overseas Survey), support for Foreign & Commonwealth families, and healthcare provision across the UK.

The UK & Overseas team provides, through regionally-focussed roles and a central enquiries team, day-to-day support to Army families across the UK and overseas. This team works with local chain of command, service deliverers and local authorities, and the governments of the devolved nations to ensure families are supported. Longer hours were originally trialled for the central enquiries team but these were subsequently scaled back to deliver a contact point for families from 0800-1700 Monday-Thursday, and 0800-1500 Friday. Overall, due to a continued lack of effective face-to-face contact with families, AFF has focussed on providing online and telephone support, which has been welcomed as being more flexible and accessible for families.

The Communications team provides the expertise within AFF to ensure that information and guidance is available to

families across a range of digital and hard copy material and media. Providing information and guidance to Army families is one of AFF's key objectives, and this team leads that work with a focus on ensuring that information is accessible, appropriate and engaging. In 2021 we had more than 400,000 unique views on our website, reached more than 11,000 followers on Facebook, 9,500 on Twitter and 2,100 on Instagram. The regular quarterly editions of Army&You magazine were produced and delivered to an average of 35,000 families per edition.

The Operations team provided continuous administrative support across the finance, governance and HR functions to ensure that the organisation remained 'fit to deliver'. This team has focussed on: continual improvement of our data protection and cyber security processes, and internal IT support; on ensuring that all internal policies and processes follow best practice for our size of charity and that all statutory obligations are met in full; and that our workforce management is both professional and responsive to the needs of our team members. In addition, they extended their knowledge and expertise on the digital communications platforms now used by external stakeholders as COVID-19 restrictions continued.

Performance

We have reviewed our performance against the needs of Army families; these needs and how we've met them, are evident in our activities as described above.

FINANCIAL REVIEW

Income & allocated funding

AFF receives its main funding from MOD Grant in Aid (public money) and a charitable grant from the Army Central Fund. In addition to this core funding, AFF receives smaller, project specific funding from LIBOR funds, ABF The Soldiers' Charity, Annington Homes, Lloyd's Patriotic Fund and the Royal British Legion. Details of this funding are at Note 13 to the Financial Statement. AFF continued to spend funds received in earlier financial years from Aspire and NHS England.

Total funds

At the end of the financial year, AFF held funds of £1,362,980 with £648,199 being held in the Armed Forces Charities Growth and Income Fund (AFCGIF).

At 31 March 2022, AFF had unspent restricted funds (funds committed to a specific project or event) of £235,645.

Investment powers

The constitution permits the investment of monies not immediately required for the objects of the CIO.

Investment performance

AFF holds its reserves in units of the AFCGIF, a mixed asset class Charity Authorised Investment Fund (CAIF) managed by BlackRock Investment Managers. The fund has an advisory committee, which oversees the investment performance and governance of the AFCGIF. AFCGIF offers two types of

units to Armed Forces charities' investors – accumulation (reinvestment) units and distribution (income) units.

AFF currently holds only accumulation units (which reinvest income into the fund).

At 31 March 2022, the total value of investments was £648,199, and during the year, £17,003 (2021 £17,135) was reinvested.

AFF's holding in the Armed Forces Charities Growth and Income Fund reported a net unrealised gain, after taking into account the reinvested income, of £55,801. AFCGIF reported a 9.28% annualised return.

Reserves policy

AFF is run as a charitable incorporated organisation and is responsible for all internal functions including employment practices and payment of wages, employee insurance and liability, direct and indirect running costs and project capital.

The Trustees reviewed the reserves policy in February 2022 to ensure it was relevant, adequate and reflected current best practice across the sector. As a result of this review the policy was amended based on current risk.

The CIO's policy is to hold reserves for the following purposes:

- Flexibility of cash flow to support expenditure between deliveries of income.
- A minimum of six months' basic running costs in the eventuality of the CIO either losing its primary sources of income, or having to close down completely. A sum of around £650,000 would be optimal.

Reserves

In line with the above policy at 31 March 2022, the required reserves would be £650,000. At the year end, the CIO is holding unrestricted reserves of £1,127,335 of which £35,000 has been designated towards future projects.

In addition, the CIO is holding restricted reserves of £235,645, which are not available for the general purposes of the CIO.

The increase in reserve holdings continues to be as a direct result of the unexpected and prolonged reduction in activity levels due to COVID-19 restrictions, and the volatility of returns on investments. All travel was curtailed, and several posts were gapped as they became vacant when it was apparent that national restrictions would not allow them to function effectively. During 2022/23 the Trustees have approved the use of some of these reserves to fill posts that had previously been gapped, in response to the increasing levels of activity. In addition they are reviewing the reserves policy, with reference to the risk register, to determine the optimal level of reserves post-COVID and to look to the best use of the excess general reserves including the designation of some of these funds against future projects.

Investment risk management

The Trustees constantly review the investment and the investment risks to which AFF may be exposed. Their overall assessment of specific risk to the CIO is low.

The Trustees are confident that the AFCGIF overall widespread investment strategy, which encompasses many different asset classes, is sound. The Trustees feel that the investment of the CIO, namely its reserves which are currently held in AFCGIF accumulation units, are sufficiently well diversified and are likely to provide long-term capital growth.

The CAIF has an advisory committee which continues to oversee the investment performance and governance of AFCGIF.

The fund is managed by BlackRock Investment Management (UK) (BRIM) under a charity authorised investment fund (CAIF) managed by BlackRock Financial Management.

PLANS FOR FUTURE PERIOD

In 2022/23 we will ensure that AFF is structured to meet the requirements of the Army families coming to us. We will continue to focus on developing and making more accessible our communications to adapt to the needs of more dispersed Army families. We will develop our engagement strategy and capacity, to support both provision of information and evidence collection. Building resilience into our supporting technology and business processes remains a priority, including the acquisition of cyber liability insurance. And we will focus on growing our strong stakeholder networks at both regional and national level to ensure that the concerns of Army families are addressed during a period of post-COVID policy and service delivery adjustment. We will continue to commit to the continuing professional development of all staff with regular training events, both virtual and in person.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees

The AFF Board sets the strategic direction and is responsible for ensuring that AFF upholds its values and governance, and delivers its objectives. The Board offers guidance, advice and support to the Chief Executive.

The AFF Board has capacity for eight Trustees and four new trustees were in process of being recruited at 31 March 2022. The Board met five times during the reporting period and they communicated frequently between meetings.

The AFF Trustees' Code of Practice document and Trustee role responsibilities are reviewed annually.

Trustee appointments

The appointment of Trustees is governed by the Army Families Federation Constitution, which states that the Chair of the Board shall appoint Trustees, with the majority agreement of the rest of the Trustees. Appointments are for an initial period of three years. Following this first term, Trustees can be re-elected for a further term of three years. If required due to exceptional circumstances, Trustees may serve one additional and final year. Trustee positions will be reviewed based on the skills, experience and knowledge required, and advertised on the AFF website and other advertising

methods agreed by the Trustees, appropriate to the skills required by the position. The Chair, a Trustee and the Chief Executive interview candidates and a recommendation is made to the Board.

Trustee induction and training

On appointment, each Trustee undergoes an induction programme tailored to their knowledge and experience. The Trustees deploy a wide range of skills and experience essential to good governance. A register of Trustees' skills is held centrally and reviewed on an annual basis.

New Trustees are provided with the NCVO Good Trustee Guide, the Charity's Constitution, minutes of the last Trustees' meeting, latest copy of the annual report accounts, risk assessment and business plan, and copies of all recent AFF publications. The Chair of Trustees and Chief Executive of AFF both invite new Trustees to meet them. Trustees are encouraged to attend appropriate external training events.

Executive Management Board (EMB)

The day-to-day administration of the CIO is delegated to the Chief Executive and EMB. At the end of the reporting period, the EMB comprised of the Chief Executive and the Operations Director, Finance and Governance Director, and Director of Policy and Research.

The way that AFF is governed fully complies with the Charity Governance Code.

The EMB sets AFF policies as endorsed by the Trustees.

Committees

In 2021/22, the Remuneration Committee met in December 2021 and February 2022. The Governance Committee met in May 2021.

The aim of AFF's committees is to examine the recommendations of the Chief Executive and the Executive Management Board in order to take forward and ratify recommended actions.

The committees also carry out the detailed work, which is then recommended to the full Board of AFF Trustees for approval.

Employees

The employees are line managed by the Chief Executive and the directors, either as direct reports or indirectly through their line managers.

Remuneration to key management personnel

An annual review of all staff remuneration is carried out by the Remuneration Committee, which consists of a sub set of the Trustee Board, the Chief Executive, Finance and Governance Director and the HR Manager. Recommendations for this committee for any staff increases are put to the full Trustee Board for their approval. Remuneration of the Chief Executive is set by the Trustees.

Our charitable objectives

The Constitution of the CIO is laid down in the Army Families Federation Constitution adopted on 7 December 2017 (as amended on 11 May 2021).

The objects of the Federation are:

1. Promotion of social inclusion and military efficiency, for the public benefit, by assisting in the prevention of Army families being disadvantaged through military Service.
2. Such other charitable purposes for the general benefit of Army families as the Trustees from time-to-time think fit.

Interpretation clause

'Army families' means persons who have a family member in the Army. This could be a spouse, child or indeed a parent, grandparent or sibling. For children, their serving family member may be a step parent.

Public benefit statement

The Trustees have given due regard to the Charity Commission's guidance on reporting Public Benefit when planning the charity's activities.

The paragraphs on pages 2-3 set out the CIO's objectives, activities, achievements and performance during the year, which directly relate to the objects and purposes for which the CIO exists. The CIO achieves its objects and purposes through a series of projects and services to deliver employment, training, housing and welfare support to Army families. The benefits of this support are fully compliant with the Charity Commission principles on public benefit.

Risk management

The Trustees are satisfied that the risk management process has been reviewed and is now well established. The risk register and risk heat maps are reviewed at all Trustee Board meetings. The Chief Executive reports on key movement in risk, and mitigations are identified and actioned. The Executive Management Board reviews and assesses risks as they arise and routinely as part of the EMB meeting. An Opportunities template has recently been added to the business risk register.

In 2021/22, the highest risks were associated with data protection and cyber security, given the ever developing nature of these risks to organisations.

REFERENCE AND ADMINISTRATION DETAILS

REGISTERED CHARITY NUMBER

1176393 (England and Wales)
SC048282 (Scotland)

CHARITY OFFICES

Army HQ, Ramillies Building, Marlborough Lines,
Monxton Road, Andover, SP11 8HJ

PATRON

HRH The Duchess of Gloucester GCVO

TRUSTEES

Heather Key - (appointed as Chair 14 April 2021)
Julia Warren – Chair (resigned as Chair 14 April 2021)
Fiona Ellison
Pari Spencer Smith
Julie Vere-Whiting

SENIOR MANAGEMENT

Collette Musgrave – Chief Executive
Kate Finlayson – Finance and Governance Director
Michelle Alston – Director of Policy and Research
Paddy Bleakley MBE – Director of Operations and
Engagement (appointed 4 October 2021)

INVESTMENT MANAGERS

BlackRock Investment Management (UK) Ltd, 12
Throgmorton Avenue, London EC2N 2DL

AUDITORS

Azets Audit Services
Athenia House
10 – 14 Andover Road
Winchester
Hampshire
SO23 7BS

BANKERS

Barclays Bank Plc
Leicester
LE87 2BB

Signed by order of the Trustees:



Ms Heather Key
Chair of the Trustees

Approved by the Board of Trustees on 7 September 2022

ARMY FAMILIES FEDERATION

REPORT OF THE TRUSTEES for the year ended 31 March 2022

RESPONSIBILITIES OF THE TRUSTEES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, Charities and Trustee Investment (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Signed by order of the Trustees



Ms Heather Key

Chair of the Trustees

Army Families Federation

Approved by the Board of Trustees on 7 September 2022

ARMY FAMILIES FEDERATION

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ARMY FAMILIES FEDERATION

We have audited the financial statements of Army Families Federation (the 'Charity') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2022, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

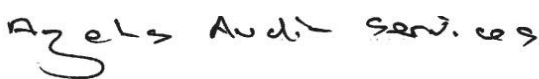
- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the charity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Azets Audit Services (Statutory Auditor)
Athenia House
10 – 14 Andover Road
Winchester SO23 7BS

Dated: 29 September 2022

Azets Audit Services is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

ARMY FAMILIES FEDERATION
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2022

	Notes	2022			2021
		£ Unrestricted	£ Restricted	£ Total	£ Total
INCOME AND EXPENDITURE					
INCOME FROM:					
Donations and grants	2	1,082,987	226,633	1,309,620	1,305,800
Other income		858	-	858	50
Investment income	3	17,055	-	17,055	17,221
Total income		1,100,900	226,633	1,327,533	1,323,071
EXPENDITURE FROM:					
Charitable activities	7	859,819	284,964	1,144,783	1,044,614
Total expenditure		859,819	284,964	1,144,783	1,044,614
NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES		241,081	(58,331)	182,750	278,457
Net gains on investments	11	38,798	0	38,798	106,530
NET INCOME FOR THE YEAR		279,879	(58,331)	221,548	384,987
Reconciliation of funds:					
Total funds brought forward at 1 April 2021		847,456	293,976	1,141,432	756,445
TOTAL FUNDS CARRIED FORWARD AT 31 MARCH 2022		1,127,335	235,645	1,362,980	1,141,432

The Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

The notes form part of these financial statements

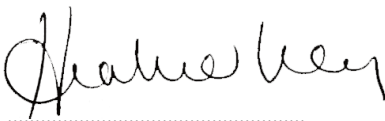
ARMY FAMILIES FEDERATION

BALANCE SHEET

31 March 2022

		2022		2021	
	NOTES	£	£	£	£
FIXED ASSETS:					
Tangible assets	8	34,454		3,774	
Investments	11	648,199		592,398	
			682,653		596,172
CURRENT ASSETS:					
Debtors	9	1,608		16,420	
Cash at bank and in hand		715,030		546,772	
		716,638		563,192	
CREDITORS: Amounts falling due within one year	10	(36,311)		(17,932)	
NET CURRENT ASSETS:			680,327		545,260
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,362,980		1,141,432
FUNDS:					
Unrestricted funds: general reserve	12		1,092,335		817,456
Unrestricted funds: designated funds	12		35,000		30,000
Restricted funds	13		235,645		293,976
			1,362,980		1,141,432

The financial statements were approved and authorised for issue by the members of the Board of Trustees on 7 September 2022 and signed on their behalf by Heather Key (Chair).



Ms Heather Key
Chair of the Trustees

Dated: 7 September 2022

The notes form part of these financial statements

ARMY FAMILIES FEDERATION
STATEMENT OF CASH FLOWS
31 March 2022

		2022	2021
	NOTES	£	£
		Total	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash provided by operating activities	a	208,278	289,611
Cash flows from investing activities:			
Interest from investments		52	86
Purchase of tangible fixed assets		(40,072)	(1,528)
Purchase of investment units		-	-
Proceeds from sale of investments		-	-
		168,258	288,169
CHANGE IN CASH AND CASH EQUIVALENTS FOR THE YEAR			
Cash and cash equivalents brought forward at 1 April 2021	b	546,772	258,603
CASH AND CASH EQUIVALENTS CARRIED FORWARD AT 31 MARCH 2022	b	715,030	546,772
a) Reconciliation of net income/(expenditure) to net cash flow from operating activities			
		2022	2021
		£	£
Net (expenditure)/income for the year as per the Statement of Financial Activities		221,548	384,987
Adjusted for:			
Depreciation		9,392	1,979
(Gains)/Losses on investments		(38,798)	(106,530)
Interest from investments		(17,055)	(17,221)
Decrease/(Increase) in debtors		14,812	27,108
Decrease in creditors		18,379	(712)
Net cash provided by operating activities		208,278	289,611
b) Analysis of cash and cash equivalents			
		2022	2021
		£	£
Cash at bank and in hand		715,030	546,772

ARMY FAMILIES FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the Charities Act 2011 on the historical cost convention, except investment assets that are carried at market value. The financial statements are prepared in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting and Reporting by Charities: Charities SORP FRS102.

The Trust constitutes a public benefit entity as defined by FRS102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

The following principal accounting policies have been consistently applied in preparing these financial statements which remain unchanged from the previous year.

Fund accounting

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

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

Incoming resources

All incoming resources are included in the statement of financial activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Such income is only deferred when the donor specifies that the grant or donation must only be used in future accounting periods or when the donor has imposed conditions which must be met before the charity has unconditional entitlement. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Resources expended

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

Tangible fixed assets

Expenditure on fixed assets over £1,000 is capitalised. Repair expenditure is written off as expenditure in the statement of financial activities. The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer and office equipment - 33% on cost

Income and funds policy

Voluntary income and donations are accounted for as received by the charity.

Investments and investment income

Investments are included at closing mid-market value at the balance sheet date. Any gain or loss on revaluation is taken to the statement of financial activities. Investment income is accounted for on an accruals basis.

Cash at bank and in hand

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

Value added tax

Value added tax is not recoverable by the charity, and as such is included in the relevant costs in the Statement of Financial Activities.

Governance costs

Governance costs include all expenditure which is not directly related to the charitable activity. This includes salaries for administrative staff, auditors' remuneration and Trustees' meeting expenses.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

2. DONATIONS AND GRANTS	2022	2021
	£	£
Grant in Aid (Public money funding)	588,967	587,624
Army Central Fund (non-public money)	500,853	491,042
NHS England	-	103,215
Annington Homes	10,080	50,000
Army Benevolent Fund	45,000	40,000
UKSC (Germany)	9,692	12,257
Lloyd's Patriotic Fund	-	10,000
British Forces Cyprus (Honorarium)	7,041	7,516
HMRC Furlough Grants (COVID-19)	-	2,671
Miscellaneous Donations	45	1,293
Andover Skills Fund	500	182
Royal Navy and Royal Marines Charity	5,000	-
Royal Air Forces Association	5,000	-
Royal British Legion	137,442	-
	<u>1,309,620</u>	<u>1,305,800</u>

The majority of AFF staff are part-time. This takes the actual number of employees to 38 (2021 - 39).

One employee received a salary between £60,000 and £70,000 in the year.

The total amount paid to key management personnel in the year was £163,467 (2021 £150,030)

No remuneration was paid to Trustees, or persons closely connected with them, in the period. No Trustees received travel expenses in the period (2021 – no remuneration paid).

3. INVESTMENT INCOME

The Charity's investment income arises from both interest bearing deposit accounts and dividends from the accumulation units held within the Armed Forces Charity Growth & Income Fund. Funds invested in the AFCGIF are in accumulation units where income is reinvested.

4. EXPENDITURE

Expenditure for the year is stated after charging:

	2022	2021
	£	£
Auditors' remuneration - for audit	<u>5,820</u>	<u>5,550</u>

5. PENSION COMMITMENTS

The Charity operates a defined contribution pension scheme in respect of certain employees. The assets of the scheme are administered by Trustees in a fund independent from those of the charity.

Contributions are charged in the Statement of Financial Activities as they fall due and amounted to £14,593 in the year (2021 - £13,008). At the balance sheet date there were outstanding contributions of Nil (2021 - Nil).

6. STAFF COSTS	2022	2021
	£	£
Wages and salaries	755,964	712,894
Employer's National Insurance	52,106	46,672
Employer's pension contributions	14,593	13,008
	<u>822,663</u>	<u>772,574</u>

The average number of employees during the year, calculated on a full-time equivalent basis, was as follows:

	2022	2021
	No.	No.
Core staffing	26	26
Governance	<u>1</u>	<u>1</u>
	<u>27</u>	<u>27</u>

7. ANALYSIS OF EXPENDITURE

	Staff salaries and costs £	Support costs £	2022 Total £	2021 Total £
Charitable activities				
Core staff	794,258	302,495	1,096,753	1,014,864
Governance costs	28,405	19,625	48,030	29,750
	<u>822,663</u>	<u>322,120</u>	<u>1,144,783</u>	<u>1,044,614</u>

The Federation occupies premises on MOD sites at no cost. Certain utility and premises costs are also provided free. It is not currently possible to quantify the value of these services so they have not been included in the accounts.

8. TANGIBLE FIXED ASSETS

	Computer and office equipment £
COST:	
At 1 April 2021	40,523
Additions	40,072
Disposals	<u>(19,630)</u>
At 31 March 2022	<u>60,965</u>
DEPRECIATION:	
At 1 April 2021	36,749
Charge for year	9,392
Eliminated on disposal	<u>(19,630)</u>
At 31 March 2022	<u>26,511</u>
NET BOOK VALUE:	
At 31 March 2022	34,454
At 31 March 2021	<u>3,774</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN

ONE YEAR	2022 £	2021 £
Trade debtors	580	15,783
Prepayments and accrued income	1,028	637
	<u>1,608</u>	<u>16,420</u>

10. CREDITORS: AMOUNTS FALLING DUE

WITHIN ONE YEAR	2022 £	2021 £
Trade creditors	28,937	7,965
Accruals and deferred income	7,374	9,967
	<u>36,311</u>	<u>17,932</u>

11. INVESTMENTS

	2022 £	2021 £
Balance as at 1 April 2021	592,398	468,733
Additions	-	-
Disposals	-	-
Reinvested income	17,003	17,135
Unrealised (Losses)/Gains	38,798	106,530
Listed investments as at 31 March 2022	<u>648,199</u>	<u>592,398</u>

Historic cost is £442,264 (2021 – £425,261).

The listed investment is held in the Armed Forces Charities Growth and Income Fund.

12. UNRESTRICTED FUNDS

	General reserve £	Designated funds £	Total £
Balance at 1 April 2021	817,456	30,000	847,456
Surplus for the year	279,879	-	279,879
Transfers between funds	-5,000	5,000	-
Balance at 31 March 2022	<u>1,092,335</u>	<u>35,000</u>	<u>1,127,335</u>

The designated funds represent an annual amount (£30,000) committed by the Trustees to enable the improvement of IT capabilities, both hardware and software, to ensure these adequately support the Charity's work. This follows a one-off grant in March 2017 from GIA to replace all staff laptops. A further £5,000 represents the Charity's contribution to Forces Family Jobs (FFJ). The Charity will be working with the Trustees to look at the designation of funds for future years.

13. RESTRICTED FUNDS

The income funds of the charity include restricted funds comprising the following balances of grants held on trust to be applied for specific purposes:

	Balance at 1 April 2021	Movement in funds		Balance at 31 March 2022
		Incoming resources	Resources expended/transfers	
The Army Benevolent Fund	40,000	45,000	40,000	45,000
GiA (additional funding)	26,532	24,000	50,029	503
Royal British Legion	-	137,442	5,140	132,302
LIBOR funding – 2018 (five-year)	105,485	-	60,629	44,856
Lloyd's Patriotic Fund	7,320	-	4,336	2,984
Forces Families Jobs funding	26,411	10,000	26,411	10,000
Andover Skills Fund	-	500	500	-
UKSC(G)/BFC funding	-	9,691	9,691	-
NHS England	62,714	-	62,714	-
Annington COVID-19	25,000	-	25,000	-
Aspire	514	-	514	-
	<u>293,976</u>	<u>226,633</u>	<u>284,964</u>	<u>235,645</u>

Comparative information from the previous financial year as follows:

	Balance at 1 April 2020	Movement in funds		Balance at 31 March 2021
		Incoming resources	Resources expended/transfers	
The Army Benevolent Fund	37,077	40,000	37,077	40,000
UKSC(G)/BFC funding	-	19,773	19,773	-
Army Central Fund (additional funding)	10,000	-	10,000	-
Lloyd's Patriotic Fund	3,271	10,000	5,951	7,320
LIBOR funding – 2018 (five-year)	151,888	-	46,403	105,485
GiA (additional funding)	-	48,268	21,736	26,532
Forces Families Jobs funding	41,965	-	15,554	26,411
Andover Skills Fund	-	182	182	-
NHS England	-	103,215	40,501	62,714
Annington COVID-19	-	50,000	25,000	25,000
Aspire	2,675	-	2,161	514
	<u>246,876</u>	<u>271,438</u>	<u>224,338</u>	<u>293,976</u>

The Army Benevolent Fund (ABF The Soldiers' Charity)

The grant was made to assist the charity with the employment of a Health & Additional Needs Specialist, an Employment & Training Specialist and Money & Allowances Specialist.

GiA (additional funding)

The funding received in the financial year 2021/22 was provided to support the purchase of new IT equipment and mobile phone handsets.

The funding carried forward into the financial year 2020/21 was provided to support the implementation of a bespoke database, social media support, and the purchase of new IT equipment and mobile phone handsets.

Royal British Legion

The funding was provided to increase the capacity of the Foreign and Commonwealth team who provide visa and immigration advice to non-British UK service personnel and their families, and push for change to government and defence policy and processes.

LIBOR funding

The 2018 funding carried forward was made to support additional costs associated with supporting the rebasing of Army families back to the UK and to support the employment of an additional Foreign and Commonwealth Assistant. This grant is to cover a five-year time period.

Lloyd's Patriotic Fund

The grant was made to assist the charity with continuing a project on domestic abuse in Foreign and Commonwealth families.

Forces Families Jobs funding

Funding was received to support the initial set-up, launch event and ongoing support costs of the FFJ website from the following funders: The Army Benevolent Fund, Army Central Fund, Annington, Defence Relationship Management, Royal Navy and Royal Marines Society, Royal Air Forces Association, and University of Wolverhampton.

Andover Skills Fund

The grant was made to assist the charity with the costs of training for the Business Support Manager.

UKSC(G) and BFC funding

The funding was made to assist the charity with the employment costs associated with the provision of services in Germany and Cyprus.

NHS England

The funding was provided to work with the tri-Service families federations and Anglia Ruskin University on a collaborative research project entitled Duty and Care: Armed Forces Family Mobility and Healthcare.

Annington COVID-19

The funding was provided to support military families during the COVID-19 lockdowns in two tranches. The first tranche provided dongles to support families with poor internet connections, and a 'Brighten your day' campaign provided activity boxes, entertainment gift cards and magazine subscriptions. The second tranche provided the opportunity for families to receive an annual subscription for a Headspace app.

Aspire

The funding was made to facilitate Additional Needs Support Groups for families in the Aldershot and Tidworth areas and a stakeholder study day.

Army Central Fund

The funding was made to support the commissioning of a bespoke database in the 2020/21 financial year.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed assets £	Current assets £	Current liabilities £	Total net assets at 31 March 2022 £
Unrestricted funds	582,653	545,993	(36,311)	1,092,335
Designated funds	-	35,000	-	35,000
Restricted funds	100,000	135,645	-	235,645
Balance at 31 March 2022	<u>682,653</u>	<u>716,638</u>	<u>(36,311)</u>	<u>1,362,980</u>

Comparative information from the previous financial year as follows:

	Fixed assets £	Current assets £	Current liabilities £	Total net assets at 31 March 2021 £
Unrestricted funds	496,172	339,216	(17,932)	817,456
Designated funds	-	30,000	-	30,000
Restricted funds	100,000	193,976	-	293,976
Balance at 31 March 2021	<u>596,172</u>	<u>563,192</u>	<u>(17,932)</u>	<u>1,141,432</u>

THANKS TO OUR AFF FUNDERS

Army Central Fund
Grant in Aid
ABF The Soldiers' Charity
Lloyd's Patriotic Fund
LIBOR funds
Annington Trust
Aspire
Royal British Legion

THANKS TO OUR FFJ FUNDERS AND PARTNERS

Defence Relationship Management
Manpower
Annington Trust





Army Families Federation is a charitable incorporated organisation registered in England and Wales.

**1176393 (England and Wales)
SC048282 (Scotland)**

**AFF
IDL 414, Floor 1, Zone 6
Ramillies Building, Marlborough Lines
Monxton Road, Andover SP11 8HJ
T: 01264 554004
E: contact@aff.org.uk
W: aff.org.uk**

Published September 2022



ARMY FAMILIES FEDERATION

England & Wales - Charity number 1176393

Accounts



**MAKING A DIFFERENCE
FOR ARMY FAMILIES**

*“Thank you for
all you do at
AFF, you are
an invaluable
support to
Service families”*

CONTENTS

Chair of Trustees' report	2
Chief Executive's summary	4
Our impact	6
Supporting Army families	6
Empowering Army families	10
Effective engagement	18
Gathering robust evidence	19
Collaboration	20
Influencing change	23
Building a strong organisation	24
AFF in Action	25
Objectives	26
Our core values	26
Our thanks to our funders and partners	27
AFF's worldwide footprint	28
Trustee report and accounts	30
Report of the Trustees	34
Report of the independent auditors	35
Statement of financial activities	37
Balance sheet	38
Statement of cash flows	39
Notes to the financial statements	40

CHAIR OF TRUSTEES' REPORT

The 2020/21 financial year marked a change in the AFF Chair of Trustees with a three-month handover period at the end of the year from Julia Warren to Heather Key.



Julia Warren

It has been a great honour for me to serve as the AFF Chair of Trustees for the past four years.

I have been impressed by the professionalism and dedication shown by the team and the positive impact their work has had on Army families over this time.

The number and range of enquiries that AFF has dealt with has grown steadily, as has the ability of the charity to effect change.

Going forward, I'm sure the charity will continue to provide the best possible advice and guidance to Army families.



Heather Key

Families remain at the forefront of all our decisions at AFF and in this year of unprecedented challenges due to the COVID-19 pandemic, we adopted an agile approach to support our families and respond to their unique needs.

Over 9,400 families were supported by AFF's Regional Leads, Managers and Specialists in 2020/21.

During the last year we:

- undertook a business change programme, focusing on changes to our geographic footprint in the UK;
- developed our reach to dispersed and working families and broadened our Specialists' capability in the areas of housing, education and health provision;
- welcomed a new Chief Executive, Collette Musgrave, in November 2020, who succeeded Sara Baade.

We are in now a good position to press ahead with a clear vision – to be the voice of all Army families, wherever they are based in the world.

Looking to the future, the Trustees will continue to ensure that the Executive Management Board of AFF is delivering a financially sound operational plan and that the charity has a robust and clear governance.

On behalf of the Board of Trustees, I would like to thank the AFF team for their unwavering support and care for Army families. I would also like to thank the Army, our funders and supporters for their ongoing commitment.

CHIEF EXECUTIVE'S SUMMARY

Collette Musgrave

The year 2020/21 was a period of change for AFF, with our greatly admired Chief Executive, Sara Baade, moving on to fresh challenges midway through the year. She left a strong legacy of commitment to always improving how AFF listens to and engages with Army families, so that we can be an effective voice for them, and respond to their needs.

This commitment to listening to families has never been so important as it was this year, during the continued challenges of the COVID-19 pandemic. We are always looking for ways to improve our service, but increasing our range of engagement really accelerated over the last year! AFF pivoted quickly to providing families with accurate and timely information through our website and social media platforms in early 2020.

However, as the year went on, it was increasingly important for us to better understand and respond to complex and specific needs, particularly from families based overseas.

We introduced a team to answer calls and email enquiries from a central enquiries point from 0800-1900, extending our availability to families before and after the working day.

We increased the capacity of our policy Specialists team, so we could better answer the increasingly complex questions that families faced and were asking for support with. We delivered presentations on all types of digital platforms, attended online families' discussions, and increased our capacity to engage directly through social media platforms.

We will be building on all of these areas in the future, as families increasingly want to engage and receive information in many different ways.

AFF also launched a new evidence database, with help from funding from Army Central Fund and Grant in Aid. We are now able to better capture the issues that families raise with us, increasing our ability to tailor our services to their needs. It also allows us to present even better evidence on their issues to the Army, Ministry of Defence and wider Government, to press for improvement to policies and processes that affect Army families.

In addition to our ongoing work, we ran a Big Survey in September with a focus on the Future Accommodation Model (FAM). Almost 2,600 families contributed their views on this subject, and we were able to use their voice to influence the development of this work. This year, we will be looking at extending the ways in which we can capture even more families' views.

It has been a challenging year, but I feel privileged to have been asked to step up and lead the amazing AFF team in their work to support Army families, and to continue to build on the foundations provided by Sara, and by many talented and committed AFF staff, over the years.



OUR IMPACT

Supporting Army families

Continued communication during COVID-19

As the coronavirus outbreak continued, we digested and interpreted information from the chain of command and explained the implications for all Army families, wherever in the world they are based.

We continued to add to the dedicated COVID-19 section on our website, which included relevant information for families on topics such as housing, assignments, and the impact on allowances and immigration. In total we had more than 34,000 unique hits to our COVID-19 pages this year.

We also highlighted relevant messages on our social media channels from outside sources, signposting families to help alleviate their concerns during a troubling time. The most popular AFF Facebook posts highlighted information about the return to routine assignments, Continuity of Education Allowance and R&R arrangements.

This year has seen rapid changes to allowances policy, with interim policies being quickly developed due to

COVID-19. Our Money & Allowances Specialist has been able to feedback families' views on allowances so that they are heard and considered by policymakers.

“During COVID in particular, the ability to stress-test some of those policies at pace with AFF led to meaningful change.”

Lt Col JM Hooper SO1 Allowances, Army

We were also able to highlight the impacts on families of issues specific to the pandemic, such as testing costs for families overseas.

COVID-19 collaborative work

AFF teamed up with Annington Trust to help families during the first lockdown with initiatives to make their lives easier, particularly with home schooling and home working.

Annington Trust funded 250 dongles to give away to UK-based families with a poor Wi-Fi connection. AFF managed the distribution of these on their behalf as we were able to reach military families via our social media channels.

Also in collaboration with Annington Trust, we offered UK-based Army families the chance to apply for free book and magazine subscriptions, entertainment gift cards and children's activity boxes as part of our Brighten Your Day initiative.

These two initiatives were our most popular Facebook posts in May and June, with a reach of nearly 13,500 and 17,500 respectively.

"We had just cancelled our broadband supplier due to posting, which was then postponed at short notice. Because of lockdown we were unable to speak to anyone to get it reinstated, so having the dongle allowed us to still work/study from home. Thank you AFF."

Family who received a dongle.



"Thank you to AFF for the 3 month subscription to Rainy Day Box for Georgiana! Absolutely loving the first box."



CASE STUDY

STEPHANIE'S STORY

I am a full-time wheelchair user and the camp isn't the most accessible of places but, with a bit of support from AFF's Health & Additional Needs Specialist late last year, we had funding agreed for eight dropped kerbs to go in.

Prior to that, I had been going out and about in my electric wheelchair but, because there were very few dropped kerbs to go onto the pavements, I've been having to use the roads for the whole time since I've been here, for a year.

If I'm going out with my four-year-old, I want to use the pavements, I want to be safer. I want him to learn good road safety, so those dropped kerbs were really important to me. It did take a bit of fighting for, but we got there. Now I'm able to use most of the pavements to get out and about round the camp.

Having a camp that I feel safe and secure to go around in my electric wheelchair on my own – it's hard to understand how amazing that feeling is.

Empowering Army families

Forces Families Jobs

Forces Families Jobs

Since its launch in 2019, Forces Families Jobs, the tri-Service employment and training platform, continues to go from strength to strength. FFJ was specifically designed to support Service families into meaningful employment and provide opportunities for training and development.

The site, developed and managed in collaboration with the other families federations, now boasts thousands of job seekers who have registered accounts, highlighting families' need for the site during these unprecedented times.

Webinars

We delivered two webinars in September 2020 to promote FFJ to families and prospective employers. We had a total reach of 147 registrations, 38 employers and 109 families, including some families from overseas locations. The following weekend saw a significant increase in hits to the FFJ site - there were more visits during that weekend than in the whole of July and August, which proved the events were very successful in increasing engagement.

During the year, FFJ also partnered with RFEA – The Forces Employment Charity to run a CV writing



masterclass and teamed up with Metro Bank, Norfolk County Council and SSAFA to run a webinar on what they can offer candidates as Forces-friendly organisations.

Jobs feed links

Through engagement with Tesco's Resourcing Manager, our Employment & Training Specialist was able to link our site with Tesco's own jobs board, so that as Tesco updates the roles on its website, they will automatically be updated on FFJ. This increased our total number of jobs on FFJ by 1,075 in the first day. Similar feeds are now also incorporated from other large employers such as NatWest, DHL, Serco, Lloyds Banking Group, EDF Energy, Santander, SSE plc, Thames Water Utilities, E.ON UK and Sky.

Increased functionality

After receiving feedback from employers, FFJ introduced an 'expiry date' option to its job posting functionality, making it even easier to manage job postings. The site has also introduced a 'featured job' ribbon on the home page.

Adding apprenticeships

The team at FFJ got in touch with the employers registered to find out how many of them run apprenticeship programmes - these have now been added to the website.

We are very grateful to our funders and partners, including the Annington Trust and Defence Relationship Management, for continuing to support us in providing this invaluable service to our military community.

Supportive FFJ employers



Military recruitment specialist Danielle Sandy, who has been successful in recruiting two candidates through the site, spoke at our webinar. She said: "The main benefits are it's free and it's easy to navigate. It's good to have notifications of when people apply for jobs. If there is a specific skillset you are after, you can set up job alerts for that.

"I can highly recommend joining the portal. I can certainly say it has worked for us. We've employed two individuals off it. It's important to have a strong digital footprint and this is another tool you can use to enhance your organisation's brand and promote employment opportunities."

"When my husband was serving, there was nothing to support me with my own career or job hunt. FFJ was so badly needed and is an amazing resource. Thank you for doing this for military families – it will be making such a huge difference."

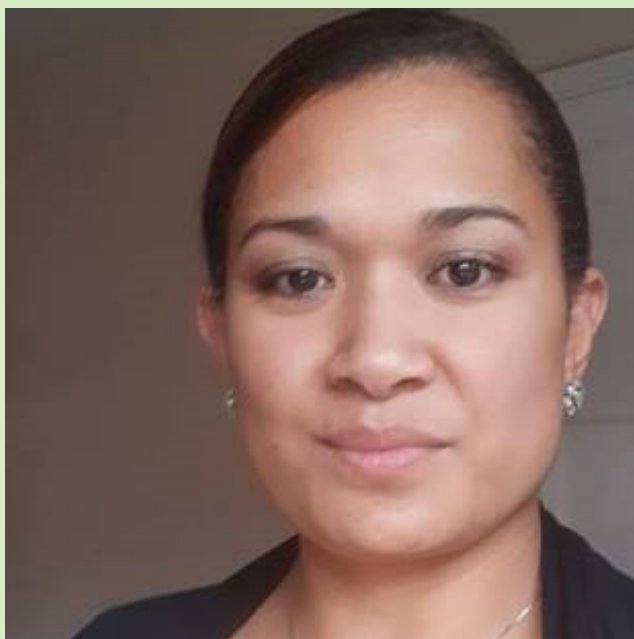
A spouse

"Great information on the website, especially about training courses. I'll definitely be looking into this."

A jobseeker

CASE STUDY

VASEMACA'S STORY



Work and family began to be a struggle with my husband being away more often. Having three kids and working every Saturday, it was becoming really difficult for me to manage. So I decided to look for new things that would accommodate our Army family.

Where did you hear about FFJ?

I saw an article on FFJ in Army&You magazine and I also saw a post on Facebook about it. The role I had applied for was to cover anywhere in the south, and even though I was not situated there, I knew my husband was due to be posted to Aldershot, so I thought I would give it a go.

How easy was FFJ to use?

I explored the site, and it was so easy. All the information that I needed as an Army wife and jobseeker was right there. I was able to select jobs that would work well for me. The vacant positions highlighted exactly what was required of the applicant. Particularly for this post with Valo, it was relevant to my work experience and personality.

How did Valo Ltd support you?

They were incredibly supportive. They believed in me during my initial telephone conversations with them. I received a further phone call advising me that I was invited to a face-to-face interview and that the company was willing to pay for my travel costs. I was upfront and explained my situation, the fact that I was due to move in the next couple of months and stated that I was willing to relocate with my husband to his next posting. I can definitely say that they understood Army life in every aspect and had the foresight to believe in the business opportunity that can be derived from such a partnership.

What was the interview process like?

I was made to feel very comfortable. The team was very welcoming and wanted to know everything about my background to gain an understanding of me and my family. I now work in a very flexible environment where I get to spend more time with my husband and kids and I don't have to work on weekends. The team is very close-knit and incredibly supportive of each other. If it were not for the article on FFJ and post on Facebook I would not be here being accommodated for my needs.

Helping Foreign & Commonwealth families

We dealt with more than 2,700 F&C enquiries in 2020, an increase of 9% on 2019. These enquiries from both families and the chain of command now make up almost a quarter of the total enquiries in 2020.

The team continues to deal with a wealth of issues, including a lack of guidance for non-UK families on applying for and renewing visas while on an overseas posting and we are continuing to seek clarification on this.

We are still receiving enquiries from new recruits about the Minimum Income Requirement rules and difficulties bringing their family to the UK. To help inform them, we have provided online unit briefings and an explanatory leaflet for new recruits.

The team has also produced a report containing 34 ongoing issues faced by F&C families, which was sent to senior command and the MOD. It covered issues faced by potential recruits during the assessment phase as well as those faced during service and on transition.

Thanks to ongoing support from the Lloyd's Patriotic Fund, AFF can continue to offer a bespoke immigration service for F&C spouses and partners who are leaving abusive relationships. We provide services such as completing immigration forms on their behalf, writing supporting documentation and liaising with support agencies and the Home Office.

Securing these spouses' and partners' immigration status is the 'first door' that needs to be unlocked to be able to ensure the relevant benefits and support are provided.

Virtual connections via social media

The F&C team has continued to support the Army community virtually in 2020/21. The F&C Specialist took part in immigration information sessions via Facebook Live in collaboration with Marama Alliance UK, a Fijian ladies' group, which aims to empower women by providing them with the information and support they need to change their lives. The aim is to deliver regular sessions to reach a large group of people who may not attend a session in person.

Suliana Tuiteci, of Marama Alliance UK, said: *"Thanks for all the great work AFF has done through our platform this past year. AFF's F&C specialist Katherine and her team have been a godsend in our bid to try and effectively inform the larger Fijian community on the immigration issues that affect them. To date we have had two live sessions with Katherine that were streamed onto our Facebook page.*

"Our first session garnered a reach of more than 20,000 and a real-time reach of up to 250 people. We are grateful that we are able to engage AFF as the information and the help they provide is second-to-none and has put so many individuals' and families' minds at ease."

AFF's Foreign & Commonwealth Assistants, Sarah Drapper and Amy Pearson, are now Level 1 Office of the Immigration Services Commissioner (OISC) qualified and can provide qualified immigration advice to Foreign & Commonwealth families, alongside our Foreign & Commonwealth Specialist, Katherine Houlston.

The F&C team at AFF provides a wealth of much needed and qualified support to F&C families on issues with immigration, and this qualification will strengthen our team and offer to those families.



CASE STUDY

DONOHUE'S STORY

In September 2017, my wife and son moved from Jamaica to join me in the UK and were both issued with Biometric Residence Permits (BRPs) due to expire in March 2020. We had paid for BRP renewals for my wife and son as well as the immigration health surcharge (IHS). The total amount was more than £4,000, with £2,000 of that being refundable due to me being a member of the Armed Forces.

I then sought the assistance of AFF to process the refund on the IHS. They immediately realised that the Home Office had issued my family with visas for two and a half years, when in fact they should have been given five-year visas due to me being a member of the Armed Forces. They immediately put me on to the BRP corrections centre in Sheffield who eventually gave us a full refund and extended my family's visa for a further two and half years without charge.

AFF fully explained to me what my family's visa entitlements were and provided me with all the relevant information, such as agencies I could contact. They also offered to assist me in the next stage of the immigration process for my family. The information they provided was not readily available and my family and I would have been left in a cycle of paying exorbitant visa fees without knowing any better.

I would implore every Commonwealth family within the Armed Forces to engage with AFF before, during and even after applying for any visas, Indefinite Leave to Remain or even naturalising, as there are different caveats that are beneficial to them and will make the process easier as opposed to going through the same route as a civilian.

They are extremely knowledgeable in their field, very helpful and caring, and most of all, they show a genuine interest in the assistance they provide.



CASE STUDY

BECKY'S STORY

I'm a mental health nurse working in Somerset and my military connection is via my husband, my sister and her partner, who are all serving in the British Army.

I had just returned to work from an overseas posting to find that I had been put at the bottom of my pay scale because I had been out of the NHS for more than 12 months.

It felt so unfair that I worked so hard for my career for years, only to be told that I had to start at the bottom of the pay scale again.

I contacted AFF's Employment & Training Specialist, who recommended that I got in touch with the NHS Trust's Armed Forces champion for help, with some suggestions of the key points to include in my email.

As a result of this, and speaking to the HR team, I was returned to my previous position on the pay scale and repaid the money I would have earned if I had been placed at the correct grade initially.

Without speaking to Jenna, I doubt I would have known the trust had an Armed Forces champion - I was so grateful that AFF was there to help me with my issue, even more so when we got such a great result!

It was very rewarding and uplifting having the Armed Forces champion agree that my situation was unjust and to have that backing made me feel really valued. Financially, it has benefited my whole family, and for me it has meant that my own career is supported and worthwhile.

If I were to give advice to another military spouse in this position, I would say go for it...you've nothing to lose! Even if you're not sure, just have a chat and see where it goes!

Helping spouses and partners

AFF has worked with NHS Trusts to help them understand the unique challenges that Army life poses, including using the Armed Forces Covenant to highlight when spouses and partners are facing disadvantage due to Army life.

In the case of the NHS mental health nurse on the previous page, through the NHS Trust's Armed Forces champion, we were able to convey to the HR manager the trust's commitment to the Armed Forces Covenant as a silver Employer Recognition Scheme holder, which resulted in a successful outcome.

Another success story involved a military spouse who was offered a fully funded Master's course but was told she needed to remain with her employer for two years post-qualification. AFF's Employment & Training Specialist was able to work with her and her employer to ensure that if she is forced to move due to a military posting, she will not be required to pay back the funding.

Effective engagement

Monthly themes

Following on from our monthly campaigns, which we started in 2018 to raise awareness of the offer to families, we have continued this with a targeted campaign across online platforms and social media. Our staff engaged with families virtually to encourage them to talk about their concerns in a structured way. We covered the following themes – health, employment and training, money and allowances, housing and Army families.

Our engagement with families and stakeholders across social media is continuing to follow an upward trend. Our Facebook page now has more than 10,000 followers and we've seen rises across all platforms, including an 8% increase in unique visitors to our website in the past year.

Our engagement ranges from information posts on the latest news and targeted information campaigns to keeping families informed of our wider work, who we are meeting and collaborating with, and allowing them to comment and give their feedback on issues that directly affect them.

Gathering robust evidence

Big Survey on the Future Accommodation Model

Our Big Survey 2020 on FAM: The future of housing for Army families had nearly 2,600 responses. The survey focused on the experiences of families living within the Aldershot FAM pilot area and, more broadly, all Army families' general views on the FAM programme.

Respondents felt that whilst FAM offered greater choice for some families, there remained concern about its compatibility with a mobile Army lifestyle.

The key findings were:

1. SFA remains an important housing source for Army families.
2. FAM should not offer greater choice to some cohorts at the expense of others.
3. Families do not feel communicated with about FAM.
4. Families are concerned about why FAM is being introduced.
5. There were mixed views on the basis for entitlement.
6. Living unaccompanied can negatively affect families.

AFF has fed back the responses and continues to work with the chain of command and the MOD to ensure that those involved in the FAM policy understand the evidence and views from Army families.



Collaboration

Additional needs collaboration

We have continued to provide support to families with a child or parent with additional needs and part of this was our collaboration with professionals and policy-makers through a Virtual Additional Needs and Disability Study Day, funded by Aspire.

Professionals and policy-makers had the opportunity to discuss how Army families with additional needs and disability could best be supported. We are very grateful for this funding which has allowed valuable events such as this and our additional needs support groups to continue.

Professionals and policy-makers were able to interact and gain information from AFF and Army Personnel Policy, Defence Children Services, SEND Information Advice and Support Services (SENDIASS), Defence Infrastructure Organisation (DIO), the Forces Additional Needs and Disability Forum (FANDF), the CanDID Network and Carer Support Wiltshire.

NHS England collaboration

Our Health & Additional Needs Specialist worked with NHS England to ensure families' key evidence was fed into the NHS England & NHS Improvement engagement project.

This project considered the unique issues faced by Service families, such as the impact of mobility on continuity of care, with the aspiration of developing an Armed Forces Families Health Support Network.

The project engaged with Service families about their lived experience via focus groups and a questionnaire and we were a key stakeholder in supporting this valuable opportunity for Armed Forces families to have their say.

Education collaboration

We have continued to work with local authority admissions teams to support families with applying for school places, including obtaining and passing on the relevant contact details so that families could progress their admissions query.

We were able to get a group of families approved to move overseas early after the unit move had been delayed due to COVID-19. They were able to move in time for their children, who were in critical year groups, to begin their courses at the start of the academic year. This involved working with the unit to ensure there was an understanding about which year groups were classed as critical.

AFF's Education & Childcare Specialist supported the families in exploring other options as well as helping them to complete the guidance they had been issued by the Children's Education Advisory Service. Once the families had it confirmed that they had been granted Early Mover Status, they were very extremely thankful for AFF's help and support during a stressful time.

"Thank you so much for all your help, you have been amazing! Both girls are now looking forward to starting their new school."

Parent

In October 2020, we presented at the annual SCiP Alliance Conference, which was well received and helped those attending the event understand more about the experience of a Service child. We have since worked collaboratively with the other families federations to create a slideshow which will be used as part of the teacher training materials on Glow, Scotland's digital learning platform.

Overseas collaboration

When big changes to how Sennelager families' housing charges were calculated took place early last year, Lindsay McCran, AFF's Regional Lead Germany, was contacted by many families, who would see significant increases to their monthly rent.

Lindsay looked at the JSPs in detail with AFF's Housing Specialist, Cat Calder, and contacted DIO housing manager Tanya Hickman and Commander British Army (Germany) Col Tim Hill to highlight families' concerns. The transition to CAAS (the Combined Accommodation Assessment System) was put on hold whilst further investigations took place.

In June 2020, a team led by Col Tim reviewed the location assessment. Tanya and her team at DIO



also conducted a review of the condition of military housing in Sennelager. The review concluded that the original assessment had contained incorrect data on access to key local services. Col Tim was later able to confirm that a revised location assessment had been authorised, so all CAAS bandings would be reduced and overpayments would be reimbursed.

Col Tim said: "I really value my relationship with Lindsay. I am delighted that we have a great partnership with AFF who are very much a part of our thriving community."

In 2020/21 AFF's overseas team continued to support evacuated and displaced Army families who found themselves restricted from returning overseas due to COVID-19 and host nation travel restrictions. Some required assistance to access medical, dental and personal support, and others needed immigration advice and temporary accommodation for welfare purposes. AFF was able to help facilitate much of this support working in partnership with other service providers.

Allowances and general supportability issues continued to be a focus of enquiries, in particular families with children attending UK boarding schools. AFF ensured that the needs of families in managing both new and enduring COVID-19 challenges were understood and addressed by both the Army and the Ministry of Defence.

AFF played a key role in disseminating family-friendly information on interim policy changes, particularly through maintaining constantly updated COVID-19 guidance on our website. Through engagement with families, we identified when policies were not working to provide the support and guidance they needed, and worked closely with the chain of command to adapt them to the constantly changing circumstances.

Following the EU transition period, AFF continued to identify and track emerging challenges affecting families living in Europe, but also those with EU citizenship now living in the UK or posted to other overseas locations. We were able to resolve a number of individual issues through building closer relationships with bodies such as the DVLA and British Forces Post Office, and are continuing to increase the understanding of Service families' needs.

AFF has continued to promote the needs of families on overseas postings, and ensure that these are addressed in any changes to overseas support. In particular, we have been giving a family voice to the review of the Global Support Organisation. A priority for the overseas team has been to reach out to those on Defence Engagement assignments where there may be limited welfare to ensure that isolated families feel supported, and their concerns are heard. This has been enabled by virtual community meetings in areas such as Oman and via overseas volunteers in Belize and Nepal.

CASE STUDY

PRATIK'S

STORY

I was buying a house in the UK and I had opened a Help to Buy ISA to save for this. I contacted the bank to close the account so that I could claim the Government bonus, but I was told that I needed to be physically present in the branch to do this.

It was impossible for me to go to the branch, as I was in Brunei, so I asked if my wife could close the account on my behalf. The bank said this was only possible if I gave my wife the power of attorney, which would take between eight to 10 weeks, but I was due to exchange contracts on the house before that. I was due to miss out on the bonus of £2,000 because of the bank's policy and my overseas posting.

I contacted AFF and the Money & Allowances Specialist managed to speak to the bank and resolve the issue, so

that I could close my Help to Buy ISA whilst overseas, meaning I could access the bonus and complete my house sale. If AFF wasn't involved, I wouldn't have been able to claim the bonus.

I would advise other families to get in touch with AFF if they have any financial issues. The AFF team will always try their best to resolve the issue. I had tried many times to convince the bank but all in vain until AFF stepped in. I am very pleased with their help.

All of the AFF team are very professional, empathetic and experts in their field. They are the best. I will always be grateful for AFF's help and support.



Influencing change

Easier access to social housing for separated spouses

In 2013 AFF wrote a brief on the issues faced by spouses and civil partners leaving Service Family Accommodation (SFA) after separation. At that time, separating partners were only accepted onto social housing registers if they had a local connection, even though no such local connection was required for Service personnel within five years of leaving the Services.

As a result of the AFF brief some local authorities changed their allocation policy to include this group. AFF pushed further, with the help of other agencies, and the Ministry of Housing, Communities and Local Government put out a consultation paper at the start of 2019 asking for views on this topic.

In June 2020 the outcome of the consultation was published, and the new statutory guidance stated: 'The Secretary of State strongly encourages local authorities to exempt from any local connection requirements divorced or separated spouses or civil partners of Service personnel who need to move out of accommodation provided by the Ministry of Defence.'

AFF is delighted that this vulnerable group is now expected to be given equal consideration without a need for a local connection and hopes that local authorities embrace this guidance.

Future Defence Infrastructure Services

AFF has been very involved in the FDIS accommodation contract and has had the opportunity to feed into it the potential impact that changes will have on families.

We are continuing to provide updates to families via our website, social media and Army&You magazine. We are keeping a close eye on the demobilisation of the National Housing Prime contract and the mobilisation of the new one to try to ensure minimal impact on families.

Defence Families' Strategy

Work in connection with the Families' Strategy started at AFF in the autumn of 2020, with the strategy due out in 2021. We were able to influence the strategy through evidence from our enquiries and surveys, as well as through workshops and steering groups, where we fed in the perspective from Army families.

Building a strong organisation

Business change programme

In 2020 AFF undertook a business change programme to put the organisation in a position to better respond to families' needs.

We have developed our Specialist capability by introducing assistants to help our Housing, Education & Childcare, and Health & Additional Needs Specialists. These teams are now able to provide enhanced support and guidance to families.

We wanted to provide a relevant and appropriate service to all Army families, so we created a team of Virtual Assistants to increase our capacity to provide support via telephone and email.

We were also able to invest in a new evidence database to better record and track enquiries. This will improve the evidence base that we use to effect positive policy change in our conversations with the MOD and Ministers.

Employer Recognition Scheme Gold Award

We were delighted to be awarded an Armed Forces Covenant Employer Recognition Scheme Gold Award in 2020. The awards are a public acknowledgement by the MOD of an organisation's efforts to pledge, demonstrate or advocate support to the Armed Forces community.

The award acknowledges the work that we have done to support the employment of military families, and particularly spousal employment, including our key role in developing and running FFJ.



ARMY&YOU MAGAZINE

Army&You magazine went to approx. 36,000 families in hard copy.



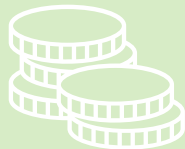
AFF IN ACTION



AFF's Employment and Training Specialist spoke to the Universities and Colleges Admissions Service (UCAS) about the difficulties that spouses face when applying for university places and explained how these challenges are different from Service children. As a result, UCAS updated its 'Students from a UK Armed Forces Background' web page to include both spouses/partners and veterans.

AFF's Employment & Training Specialist was able to support a student who should have applied to the Student Awards Agency Scotland (SAAS) for her funding as she qualified as a 'home' student, which would have meant she did not pay tuition fees. However, she was given incorrect advice and applied to the incorrect funding stream, so did not receive the correct funding.

AFF's Specialist was able to put her in touch with the Armed Forces champion at the University of Edinburgh who was keen to support and agreed to work with SAAS on her behalf. As a result, the student's funding was picked up by SAAS, which will now issue her maintenance payment, and she will not be charged tuition fees.



AFF's Money & Allowances Specialist worked with the Army allowance team to interpret policy and provide specialised advice for those in established long-term relationships.

Some families in long-term relationships contacted AFF as they were having difficulty trying to establish what allowances they could claim when moving on assignment.

We looked at the policy on behalf of families and liaised with the Army allowance team. They confirmed that, due to recent policy changes, Service personnel in the UK who are in a registered on JPA as in a long-term relationship qualify for the SFA rate of Disturbance Expense on a qualifying move (e.g. on assignment to a new duty station), when occupying surplus SFA in a non-FAM area.



Annington Trust funded 500 free subscriptions to Headspace – the meditation and mindfulness app - in this financial year, which we were able to distribute to families via our communications channels.

We worked with the MOD and the Children and Family Court Advisory and Support Service (Cafcass) to develop a leaflet for families about the custody court process, as well as a leaflet for the family courts to outline key information about Service life.



A family moved back from Brunei to Wales and their son needed to continue his orthodontic treatment. However, the orthodontic practice had informed the parents he would probably have to begin his treatment again, even though he had nearly finished the course of treatment. This would have been at considerable cost to the family. AFF's Health & Additional Needs Specialist contacted the Senior Dental Contracts Manager at the local Health Board and he liaised with the orthodontic practice. They agreed to continue and complete his treatment on the NHS.



School places were allocated to a number of children from military families in time for the start of term in September. Contact from AFF acted as a prompt to schools and admissions teams, which resulted in the local council being supportive of military families.

OBJECTIVES

The objectives for 2020/21 were:

- Listen to, respond to and support Army families
 - Provide information and guidance that empowers Army families, recognises diversity and encourages resilience
 - Gather robust evidence, using credible methods, to support and challenge change for Army families
 - Engage effectively with command and the MOD in order to promote the interest of the diverse range of Army families
 - Collaborate with public, private and third sector to provide the support and service that Army families need
 - Influence change to policy, products and services that disadvantage Army families
 - Build a strong organisation in line with statutory guidelines and manage charitable funds effectively
 - Promote an organisational culture that values diversity and tolerates differences by facilitating the recruitment, retention and promotion of individuals irrelevant of background, gender or ethnicity.
-

AFF'S CORE VALUES

AFF ALWAYS PUTS FAMILIES FIRST

We listen to families, and respond.
We make information accessible to families.
We tackle the issues that families face.

AFF CAN BE TRUSTED

We are confidential and independent.
We do what we say we'll do.
We know our stuff (and our boundaries).

AFF IS BOLD AND DETERMINED

We discuss, we challenge, we persevere.
We encourage people to speak up.
We take ownership of our actions (whatever the outcome).

AFF IS INCLUSIVE

We represent our unique community.
We work together, and share knowledge and achievements.
We treat everyone with dignity and respect.

THANKS TO OUR AFF FUNDERS

Army Central Fund
Grant in Aid
ABF The Soldiers' Charity
Lloyd's Patriotic Fund
LIBOR funds
Annington Trust
Aspire

THANKS TO OUR FFJ FUNDERS AND PARTNERS

Defence Relationship Management
Manpower
Annington Trust

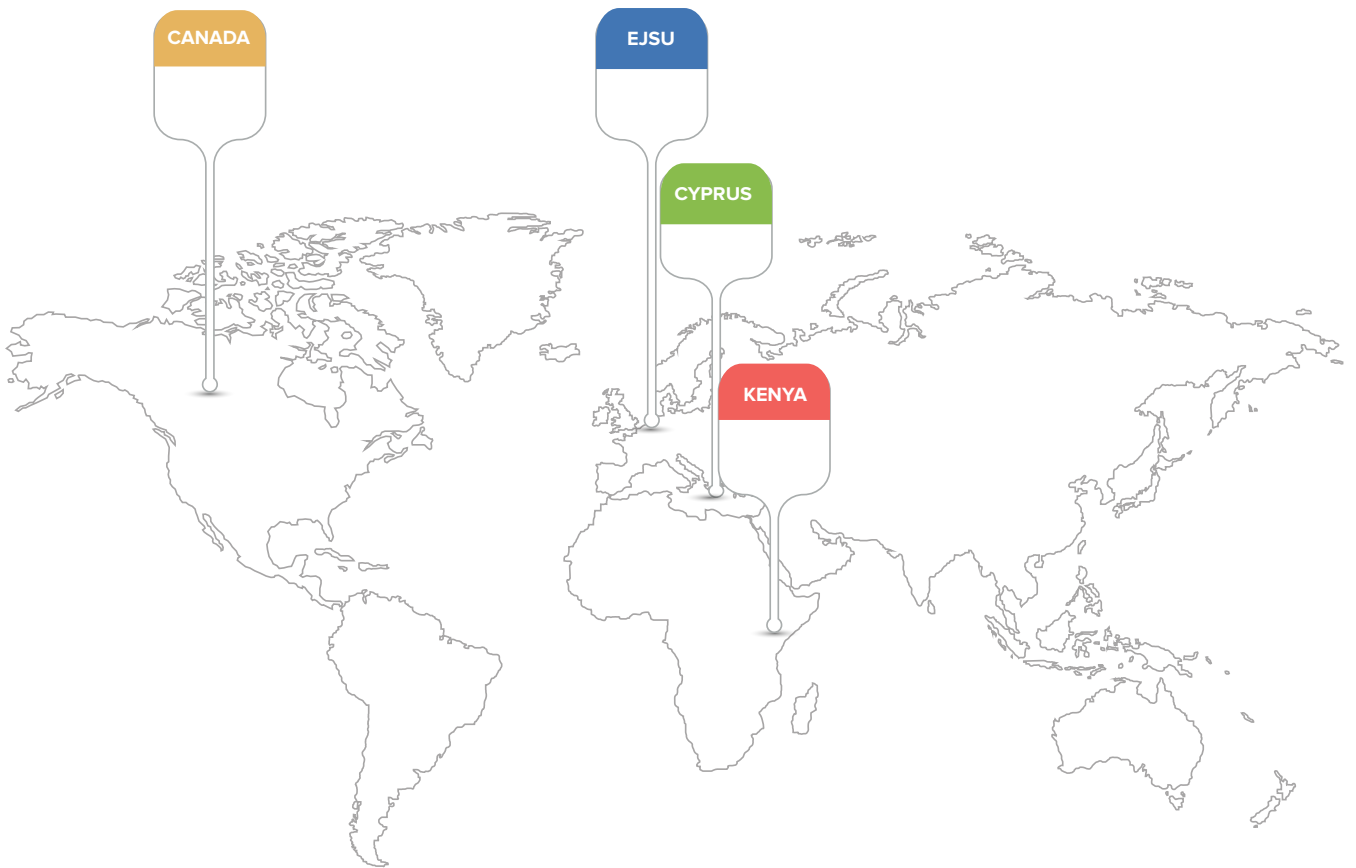


Defence Relationship Management (DRM)



AFF'S WORLDWIDE FOOTPRINT





TRUSTEE REPORT AND ACCOUNTS 2020-2021

The Trustees present their report with the financial statements of the Charitable Incorporated Organisation (CIO) for the year ended 31 March 2021.

OBJECTIVES AND ACTIVITIES

Vision

AFF will be the leading Armed Forces families organisation, representing and communicating to everyone with a soldier in their life.

Mission

The AFF mission statement is:

AFF communicates, questions and influences policy at all levels to improve the lives of the serving and resettling British Armed Forces community across the world. We offer support, information and guidance to individuals and Army communities on issues that impact on the quality of their lives.

Objectives

The objectives for 2020/21 were:

1. Listen to, respond to and support Army families;
2. Provide information and guidance that empowers Army families, recognises diversity and encourages resilience;
3. Gather robust evidence, using credible methods, to support and challenge change for Army families;
4. Engage effectively with command and the MOD in order to promote the interest of the diverse range of Army families;
5. Collaborate with public, private, and third sector to provide the support and service that Army families need;
6. Influence change to policy, products and services that disadvantage Army families;
7. Build a strong organisation in line with statutory guidelines and manage charitable funds effectively; and
8. Promote an organisational culture that values diversity and tolerates differences by facilitating the recruitment, retention and promotion of individuals irrelevant of background, gender or ethnicity.

Structure, governance and management

The charity is a Charitable Incorporated Organisation (CIO) governed according to the constitution dated 6 December 2017. It was established to take forward the work of the Unincorporated registered charity number 291202.

Activities

A summary of activities is provided by the Chair of Trustees on pages 2-3 and the Chief Executive's summary on page 4 provides further insight.

ACHIEVEMENTS AND PERFORMANCE

Achievements

Pages 6-25 show our achievements and performance in terms of our positive impact upon Army families, including case studies from some of the Army families we have supported.

Summary

This year there was a restructure of the organisation and the staffing now forms one wider team rather than branches as previously.

Within this, there are four teams, who work together to meet our objectives.

The Policy & Research (P&R) team delivers specialist support in housing, education, childcare, health, additional needs, training, employment, allowances, money and F&C visa and immigration issues. As well as providing support to families, this team develops policy positions based on the evidence that families share with us, and uses these to inform and push for appropriate changes to Government and defence policies, and improvements in service delivery. Over the last year, they have worked in areas such as improved support to those in long-term relationships, the Future Accommodation Model (following our 2020 Big Survey), support for F&C families, and healthcare provision across the UK.

The UK & Overseas team provides, through regionally based staff and a number of remotely-based roles, day-to-day support to Army families across the UK and overseas. The Regional Leads and Managers work closely with local chain of command, service deliverers and local authorities to ensure families are supported. Both they, and the team of Virtual Assistants (who deliver a contact point for families from 0800-1900 Monday-Thursday, and 0800-1700 Friday) work across all subject areas to provide effective signposting and guidance. Due to a lack of face-to-face contact, this team has drawn on previous experience of remote working, and pivoted to providing online and telephone support – whilst also coaching external colleagues in effective remote engagement with families.

The Communications team provides the expertise within AFF to ensure that information and guidance is available to families across a range of digital and hard copy material and media. Providing information and guidance to Army families is one of AFF's key objectives, and this team leads that work with a focus on ensuring that information is accessible, appropriate and engaging. In 2020 we had almost 400,000 unique views on our website, reached 10,000 Facebook followers, increased our Twitter followers by 5%, and Instagram by 18%. The regular quarterly editions of A&Y magazine were produced and delivered to an average of 36,000 families per edition.

The Operations team provided continuous administrative support across the finance, governance and HR functions to

ensure that the organisation remained 'fit to deliver'. It was also instrumental in the successful implementation of several infrastructure improvements including the introduction of the new database; an associated case management process and a call handling system. This team quickly brought themselves up to speed on the range of digital communications platforms used by external stakeholders after the introduction of COVID-19 restrictions. This ensured that all staff were able to seamlessly move into effective online engagement.

Performance

We have reviewed our performance against the needs of Army families; these needs and how we've met them, are evident throughout this report. Performance has been recorded using both qualitative and quantitative data.

FINANCIAL REVIEW

Income & allocated funding

AFF receives its main funding from MOD Grant in Aid (public money) and a charitable grant from the Army Central Fund. In addition to this core funding, AFF receives smaller, project specific funding from LIBOR funds, ABF The Soldiers' Charity, Annington Homes, Aspire, Lloyd's Patriotic Fund and NHS England.

Total funds

At the end of the financial year, AFF held funds of £1,141,432 with £592,398 being held in the Armed Forces Charities Growth and Income Fund (AFCGIF).

At 31 March 2021, AFF had unspent restricted funds (funds committed to a specific project or event) of £293,976.

Investment powers

The constitution permits the investment of monies not immediately required for the objects of the CIO.

Investment performance

AFF holds its reserves in units of the AFCGIF, a mixed asset class Charity Authorised Investment Fund (CAIF) managed by BlackRock Investment Managers. The fund has an advisory committee, which oversees the investment performance and governance of the AFCGIF. AFCGIF offers two types of units to Armed Forces charities' investors – accumulation (reinvestment) units and distribution (income) units.

AFF currently holds only accumulation units (which reinvest income into the fund).

At 31 March 2021, the total value of investments was £592,398, and during the year, £17,135 (2020 £18,194) was reinvested.

After the sudden decrease in investment returns at the end of the previous financial year due to the global COVID-19 pandemic, the market recovery provided an increase in investment returns throughout the current financial year.

AFF's holding in the Armed Forces Charities Growth and Income Fund reported a net unrealised gain, after taking into account the reinvested income, of £106,530.

AFCGIF reported a 25.24% annualised return.

Reserve policy

AFF is run as a charitable incorporated organisation and is responsible for all internal functions including employment

practices and payment of wages, employee insurance and liability, direct and indirect running costs and project capital.

The Trustees last reviewed the reserves policy in December 2019 to ensure it was relevant, adequate and reflected current best practice across the sector. As a result of this review the policy was amended based on current risk.

The CIO's policy is to hold reserves for the following purposes:

- Flexibility of cash flow to support expenditure between deliveries of income.
- Four to six months' basic running costs in the eventuality of the CIO either losing its primary sources of income, or having to close down completely.

A sum of around £500,000 would be optimal.

Reserves

In line with the above policy at 31 March 2021, the required reserves would be £500,000. At the year end, the CIO is holding unrestricted reserves of £847,456 of which £30,000 has been designated towards future capital projects.

In addition, the CIO is holding restricted reserves of £293,976, which are not available for the general purposes of the CIO.

The increase in reserve holdings is a direct result of the unexpected and prolonged reduction in activity levels due to COVID-19 restrictions, and the volatility of returns on investments. All travel was curtailed, and several posts were gapped as they became vacant when it was apparent that national restrictions would not allow them to function effectively. In-year stock market volatility has affected all charities with reserve holdings, and while the year-end position is positive, the events of 2020/21 have highlighted the importance of regularly reviewing reserve policy. The Trustees will review the policy in 2021/22.

Investment risk management

The Trustees constantly review the investment and the investment risks to which AFF may be exposed. Their overall assessment of specific risk to the CIO is low. The Trustees are confident that the AFCGIF overall widespread investment strategy, which encompasses many different asset classes, is sound. The Trustees feel that the investment of the CIO, namely its reserves which are currently held in AFCGIF accumulation units, are sufficiently well diversified and are likely to provide long-term capital growth.

The CAIF has an advisory committee which continues to oversee the investment performance and governance of AFCGIF.

The fund is managed by BlackRock Investment Management (UK) (BRIM) under a charity authorised investment fund (CAIF) managed by BlackRock Financial Management.

PLANS FOR FUTURE PERIOD

In 2021/22 we will ensure that AFF is structured to meet the requirements of the Army families coming to us. We will focus on developing our digital communications and engagement strategy and capacity, to support both provision of information and evidence collection. Building resilience into our supporting technology and business processes, and recruiting into gapped posts, are priorities. And we will

focus on growing our strong stakeholder networks at local, regional and national level to ensure that the concerns of Army families are addressed during a period of post-COVID policy and service delivery adjustment. Evidence collection will remain central to our work, including our 'Understanding Overseas' survey in autumn 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees

The AFF Board sets the strategic direction and is responsible for ensuring that AFF upholds its values and governance, and delivers its objectives. The Board offers guidance, advice and support to the Chief Executive.

The AFF Board is made up of five Trustees but has capacity for seven and as at 31 March 2021, had two vacancies. The Board met four times during the reporting period and they communicated frequently between meetings.

The AFF Trustees' Code of Practice document and Trustee role responsibilities are reviewed annually.

Trustee appointments

The appointment of Trustees is governed by the Army Families Federation Constitution, which states that the Chair of the Board shall appoint Trustees, with the majority agreement of the rest of the Trustees. Appointments are for an initial period of three years. Following this first term, Trustees are re-elected for a further term of three years or a term of one year. Trustee positions will be reviewed based on the skills, experience and knowledge required, and advertised on the AFF website and other advertising methods agreed by the Trustees, appropriate to the skills required by the position. The Chair, a Trustee and the Chief Executive interview candidates and a recommendation is made to the Board.

Trustee induction and training

On appointment, each Trustee undergoes an induction programme tailored to their knowledge and experience. The Trustees deploy a wide range of skills and experience essential to good governance. A register of Trustees' skills is held centrally and reviewed on an annual basis.

New Trustees are provided with the NCVO Good Trustee Guide, the Charity's Constitution, minutes of the last Trustees' meeting, latest copy of the annual report accounts, risk assessment and business plan, copies of all recent AFF publications and our annual Families' Concerns report. The Chair of Trustees and Chief Executive of AFF both invite new Trustees to meet them. Trustees are encouraged to attend appropriate external training events.

Executive Management Board (EMB)

The day-to-day administration of the CIO is delegated to the Chief Executive and EMB. At the beginning of the reporting period, the EMB comprised of the Chief Executive and the Operations Director, Finance and Governance Director, and Head of Policy and Research.

In September 2020, the Head of Policy and Research role became Policy and Research Director.

The way that AFF is governed fully complies with the Charity Governance Code.

The EMB sets AFF policies as endorsed by the Trustees.

Committees

In 2020/21, the Remuneration Committee met in July 2020. The Governance Committee met slightly outside the period, on 14 April 2021.

The aim of AFF's committees is to examine the recommendations of the Chief Executive and the Executive Management Board in order to take forward and ratify recommended actions.

The committees also carry out the detailed work, which is then recommended to the full Board of AFF Trustees for approval.

Employees

The employees are line managed by the Chief Executive and the directors, either as direct reports or indirectly through their line managers.

Remuneration to key management personnel

An annual review of all staff remuneration is carried out by the Remuneration Committee, which consists of a sub set of the Trustee Board, the Chief Executive, Finance and Governance Director and the HR Manager. Recommendations for this committee for any staff increases are put to the full Trustee Board for their approval. Remuneration of the Chief Executive is set by the Trustees.

During this period, the Trustees approved a 2% pay increase to most staff members in July 2020. There were additional increases to some specific posts. As part of an internal business change programme, there was a review of the staff structure in autumn 2020. This resulted in a restructure including the removal of some posts, and some posts being placed on a higher pay grade.

Our charitable objectives

The Constitution of the CIO is laid down in the Army Families Federation Constitution adopted on 6 December 2017.

The objects of the Federation are:

1. Promotion of social inclusion and military efficiency, for the public benefit, by assisting in the prevention of Army families being disadvantaged through military Service.
2. Such other charitable purposes for the general benefit of Army families as the Trustees from time-to-time think fit.

Interpretation clause

'Army families' means persons who have a family member in the Army. This could be a spouse, child or indeed a parent, grandparent or sibling. For children, their serving family member may be a step parent.

Public benefit statement

The Trustees have given due regard to the Charity Commission's guidance on reporting Public Benefit when planning the charity's activities.

The paragraphs on page 30 set out the CIO's objectives, activities, achievements and performance during the year, which directly relate to the objects and purposes for which the CIO exists. The CIO achieves its objects and purposes through a series of projects and services to deliver employment, training, housing and welfare support to Army families. The benefits of this support are fully compliant with the Charity Commission principles on public benefit.

Risk management

The Trustees are satisfied that the risk management process has been established. The risk register is reviewed at all Trustee Board meetings. The Chief Executive reports on key movement in risk, and mitigations are identified and actioned. The Executive Management Board assesses risks as they arise, and reviews at least monthly.

In 2020/21, the highest risks were associated with the loss of key personnel and along with them, their knowledge of the issues, policies and procedures. A new enquiry database was introduced during the second quarter of the year as part of the extant mitigation plan for this risk. In addition, a business change programme was put in place to: create greater depth of expertise in key areas; increase the level of knowledge and involvement of staff in all areas of AFF's work; and to support a culture of continuous improvement. A

workforce restructure has ensured greater resilience in key policy areas.

An additional risk was added to the register on the departure of the Chief Executive in September 2020. The reduction in senior leadership capacity was mitigated through the temporary appointment of the Operations Director to the role, and through a professionally run external recruitment process.

Continued COVID-19 restrictions presented a key risk throughout the year, as they prevented face-to-face engagement with families and stakeholders. Mitigation measures included the introduction of a greater range of means for families to contact AFF – including the introduction of a single contact number, and extended contact hours covered by remotely located staff – and re-focusing to digital engagement.

REFERENCE AND ADMINISTRATION DETAILS

REGISTERED CHARITY NUMBER

1176393 (England and Wales) / SC048282 (Scotland)

CHARITY OFFICES

Army HQ, Ramillies Building, Marlborough Lines,
Monxton Road, Andover, SP11 8HJ

PATRON

HRH The Duchess of Gloucester GCVO

TRUSTEES

Heather Key - appointed as Chair 14 April 2021

Julia Warren – resigned as Chair 14 April 2021

Fiona Ellison

Pari Spencer Smith

Julie Vere-Whiting

Robin Eccles – resigned July 2020

Catharine Moss – resigned July 2020

SENIOR MANAGEMENT

Collette Musgrave - Chief Executive (as of 1 November 2020. Formerly Operations Director)

Sara Baade - Chief Executive (resigned 31 August 2020)

Kate Finlayson - Finance and Governance Director

Michelle Alston - Director of Policy and Research (formerly Head of Policy and Research)

AUDITORS

Azets Audit Services
Athenia House
10 – 14 Andover Road
Winchester
Hampshire
SO23 7BS

INVESTMENT MANAGERS

BlackRock Investment Management (UK) Ltd, 12
Throgmorton Avenue, London EC2N 2DL

BANKERS

Lloyds Bank Plc
PO Box 22,
38 Blue Boar Row
Salisbury
SP1 1DB

Signed by order of the Trustees:



Ms Heather Key
Chair of the Trustees

Approved by the Board of Trustees on 23 July 2021

ARMY FAMILIES FEDERATION

REPORT OF THE TRUSTEES for the year ended 31 March 2021

RESPONSIBILITIES OF THE TRUSTEES

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

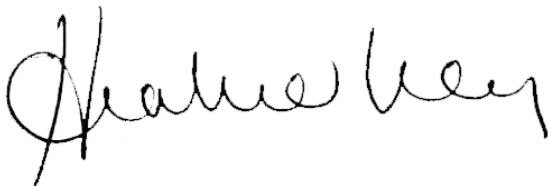
The law applicable to charities in England, Wales, and Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Signed by order of the Trustees



Ms Heather Key

Chair of the Trustees

Army Families Federation

Approved by the Board of Trustees on 23 July 2021

ARMY FAMILIES FEDERATION

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ARMY FAMILIES FEDERATION

We have audited the financial statements of Army Families Federation for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2021, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees

determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the charity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Azets Audit Services
Athenia House
10 – 14 Andover Road
Winchester SO23 7BS

Dated: *6 August 2021*

Azets is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

ARMY FAMILIES FEDERATION
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2021

	Notes	2021			2020
		£ Unrestricted	£ Restricted	£ Total	£ Total
INCOME AND EXPENDITURE					
INCOME FROM:					
Donations and grants	2	1,034,362	271,438	1,305,800	1,216,646
Other income		50	-	50	104
Investment income	3	17,221	-	17,221	18,322
Total income		1,051,633	271,438	1,323,071	1,235,072
EXPENDITURE FROM:					
Charitable activities	7	820,276	224,338	1,044,614	1,179,578
Total expenditure		820,276	224,338	1,044,614	1,179,578
NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES		231,357	47,100	278,457	55,494
Net gains/(losses) on investments	11	106,530	-	106,530	(43,565)
NET INCOME FOR THE YEAR		337,887	47,100	384,987	11,929
Reconciliation of funds:					
Total funds brought forward at 1 April 2020		509,569	246,876	756,445	744,516
TOTAL FUNDS CARRIED FORWARD AT 31 MARCH 2021		847,456	293,976	1,141,432	756,445

The Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

The notes form part of these financial statements

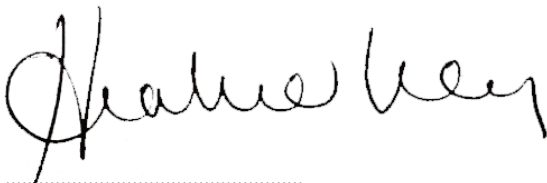
ARMY FAMILIES FEDERATION

BALANCE SHEET

31 March 2021

		2021		2020	
	NOTES	£	£	£	£
FIXED ASSETS:					
Tangible assets	8	3,774		4,225	
Investments	11	592,398		468,733	
			596,172		472,958
CURRENT ASSETS:					
Debtors	9	16,420		43,528	
Cash at bank and in hand		546,772		258,603	
		563,192		302,131	
CREDITORS: Amounts falling due within one year	10	(17,932)		(18,644)	
NET CURRENT ASSETS:			545,260		283,487
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,141,432		756,445
FUNDS:					
Unrestricted funds: general reserve	12		817,456		479,569
Unrestricted funds: designated funds	12		30,000		30,000
Restricted funds	13		293,976		246,876
			1,141,432		756,445

The financial statements were approved and authorised for issue by the members of the Board of Trustees on 23 July 2021 and signed on their behalf by Heather Key (Chair).



Ms Heather Key
Chair of the Trustees

Dated: 23 July 2021

The notes form part of these financial statements

ARMY FAMILIES FEDERATION
STATEMENT OF CASH FLOWS
31 March 2021

		2021	2020
	NOTES	£	£
		Total	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash provided by operating activities	a	289,611	17,575
Cash flows from investing activities:			
Interest from investments		86	128
Purchase of tangible fixed assets		(1,528)	(5,800)
Purchase of investment units		-	-
Proceeds from sale of investments		-	-
CHANGE IN CASH AND CASH EQUIVALENTS FOR THE YEAR		288,169	11,903
Cash and cash equivalents brought forward at 1 April 2020	b	258,603	246,700
CASH AND CASH EQUIVALENTS CARRIED FORWARD AT 31 MARCH 2021	b	546,772	258,603
a) Reconciliation of net income/(expenditure) to net cash flow from operating activities			
		2021	2020
		£	£
Net (expenditure)/income for the year as per the Statement of Financial Activities		384,987	11,929
Adjusted for:			
Depreciation		1,979	11,689
(Gains)/Losses on investments		(106,530)	43,565
Interest from investments		(17,221)	(18,322)
Decrease/(Increase) in debtors		27,108	(26,028)
Decrease in creditors		(712)	(5,258)
Net cash provided by operating activities		289,611	17,575
b) Analysis of cash and cash equivalents			
		2021	2020
		£	£
Cash at bank and in hand		546,772	258,603

ARMY FAMILIES FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the Charities Act 2011 on the historical cost convention, except investment assets that are carried at market value. The financial statements are prepared in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting and Reporting by Charities: Charities SORP FRS102.

The Trust constitutes a public benefit entity as defined by FRS102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

The following principal accounting policies have been consistently applied in preparing these financial statements which remain unchanged from the previous year.

Fund accounting

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

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

Incoming resources

All incoming resources are included in the statement of financial activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Such income is only deferred when the donor specifies that the grant or donation must only be used in future accounting periods or when the donor has imposed conditions which must be met before the charity has unconditional entitlement. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Resources expended

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

Tangible fixed assets

Expenditure on fixed assets over £1,000 is capitalised. Repair expenditure is written off as expenditure in the statement of financial activities. The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer and office equipment - 33% on cost

Income and funds policy

Voluntary income and donations are accounted for as received by the charity.

Investments and investment income

Investments are included at closing mid-market value at the balance sheet date. Any gain or loss on revaluation is taken to the statement of financial activities. Investment income is accounted for on an accruals basis.

Cash at bank and in hand

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

Value added tax

Value added tax is not recoverable by the charity, and as such is included in the relevant costs in the Statement of Financial Activities.

Governance costs

Governance costs include all expenditure which is not directly related to the charitable activity. This includes salaries for administrative staff, auditors' remuneration and Trustees' meeting expenses.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

2. DONATIONS AND GRANTS	2021	2020
	£	£
Grant in Aid (Public money funding)	587,624	541,935
Army Central Fund (non-public money)	491,042	511,300
NHS England	103,215	-
Annington Homes	50,000	45,000
Army Benevolent Fund	40,000	42,077
UKSC (Germany)	12,257	38,109
Lloyd's Patriotic Fund	10,000	-
British Forces Cyprus (Honorary)	7,516	7,300
HMRC Furlough Grants (COVID-19)	2,671	-
Miscellaneous Donations	1,293	180
Andover Skills Fund	182	-
Royal Navy and Royal Marines Charity	-	11,000
Royal Air Forces Association	-	8,500
Welsh Government	-	8,145
Aspire	-	3,100
	<u>1,305,800</u>	<u>1,216,646</u>

The majority of AFF staff are part-time. This takes the actual number of employees to 39 (2020 - 49).

No employee received a salary in excess of £60,000 in the year. (2020: one employee was paid between £70,000 and £80,000).

The total amount paid to key management personnel in the year was £150,030 (2020 £189,824)

Redundancy costs of £794 and ex-gratia payments of £1,494 were paid during the year due to organisational restructuring. These are included in wages and salaries.

No remuneration was paid to Trustees, or persons closely connected with them, in the period. No Trustees received travel expenses in the period (2020 – two £269).

3. INVESTMENT INCOME

The Charity's investment income arises from both interest bearing deposit accounts and dividends from the accumulation units held within the Armed Forces Charity Growth & Income Fund. Funds invested in the AFCGIF are in accumulation units where income is reinvested.

4. EXPENDITURE

Expenditure for the year is stated after charging:

	2021	2020
	£	£
Auditors' remuneration - for audit	<u>5,550</u>	<u>5,460</u>

5. PENSION COMMITMENTS

The Charity operates a defined contribution pension scheme in respect of certain employees. The assets of the scheme are administered by Trustees in a fund independent from those of the charity.

Contributions are charged in the Statement of Financial Activities as they fall due and amounted to £13,008 in the year (2020 - £14,661). At the balance sheet date there were outstanding contributions of Nil (2020 - Nil).

6. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	712,894	845,347
Employers' National Insurance	46,672	46,031
Employers' pension contributions	<u>13,008</u>	<u>14,661</u>
	<u>772,574</u>	<u>906,039</u>

The average number of employees during the year, calculated on a full-time equivalent basis, was as follows:

	2021	2020
	No.	No.
Core staffing	26	31
Governance	<u>1</u>	<u>1</u>
	<u>27</u>	<u>32</u>

7. ANALYSIS OF EXPENDITURE

	Staff salaries and costs £	Support costs £	2021 Total £	2020 Total £
Charitable activities				
Core staff	748,774	266,090	1,014,864	1,150,727
Governance costs	23,800	5,950	29,750	28,851
	<u>772,574</u>	<u>272,040</u>	<u>1,044,614</u>	<u>1,179,578</u>

This year there was a restructure of the organisation and the staffing now forms one wider team.

The Federation occupies premises on MOD sites at no cost. Certain utility and premises costs are also provided free. It is not currently possible to quantify the value of these services so they have not been included in the accounts.

8. TANGIBLE FIXED ASSETS

	Computer and office equipment £
COST:	
At 1 April 2020	38,995
Additions	1,528
Disposals	-
At 31 March 2021	<u>40,523</u>
DEPRECIATION:	
At 1 April 2020	34,770
Charge for year	1,979
Eliminated on disposal	-
At 31 March 2021	<u>36,749</u>
NET BOOK VALUE:	
At 31 March 2021	3,774
At 31 March 2020	<u>4,225</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN

ONE YEAR	2021 £	2020 £
Trade debtors	15,783	39,945
Prepayments and accrued income	637	3,583
	<u>16,420</u>	<u>43,528</u>

10. CREDITORS: AMOUNTS FALLING DUE

WITHIN ONE YEAR	2021 £	2020 £
Trade creditors	7,965	18,644
Accruals and deferred income	9,967	-
	<u>17,932</u>	<u>18,644</u>

11. INVESTMENTS

	2021 £	2020 £
Balance as at 1 April 2020	468,733	494,104
Additions	-	-
Disposals	-	-
Reinvested income	17,135	18,194
Unrealised (Losses)/Gains	106,530	(43,565)
Listed investments as at 31 March 2021	<u>592,398</u>	<u>468,733</u>

Historic cost is £425,261 (2020 – £408,127).

The listed investment is held in the Armed Forces Charities Growth and Income Fund.

12. UNRESTRICTED FUNDS

	General reserve £	Designated funds £	Total £
Balance at 1 April 2020	479,569	30,000	509,569
Surplus for the year	337,887	-	337,887
Transfers between funds			
Balance at 31 March 2021	<u>817,456</u>	<u>30,000</u>	<u>847,456</u>

The designated funds represent an annual amount committed by the Trustees to provide for a three-year computer replacement programme, following a one-off grant in March 2017 from GIA to replace all staff laptops.

13. RESTRICTED FUNDS

The income funds of the charity include restricted funds comprising the following balances of grants held on trust to be applied for specific purposes:

	Balance at 1 April 2020	Movement in funds		Balance at 31 March 2021
		Incoming resources	Resources expended/transfers	
The Army Benevolent Fund	37,077	40,000	37,077	40,000
UKSC(G)/BFC funding	-	19,773	19,773	-
Army Central Fund (additional funding)	10,000	-	10,000	-
Lloyd's Patriotic Fund	3,271	10,000	5,951	7,320
LIBOR funding – 2018 (five-year)	151,888	-	46,403	105,485
GiA (additional funding)	-	48,268	21,736	26,532
Forces Families Jobs funding	41,965	-	15,554	26,411
Andover Skills Fund	-	182	182	-
NHS England	-	103,215	40,501	62,714
Annington COVID-19	-	50,000	25,000	25,000
Aspire	2,675	-	2,161	514
	<u>246,876</u>	<u>271,438</u>	<u>224,338</u>	<u>293,976</u>

Comparative information from the previous financial year as follows:

	Balance at 1 April 2019	Movement in funds		Balance at 31 March 2020
		Incoming resources	Resources expended/transfers	
The Army Benevolent Fund	37,077	37,077	37,077	37,077
UKSC(G)/BFC funding	-	40,197	40,197	-
Army Central Fund (additional funding)	-	10,000	-	10,000
Aspire	-	3,100	425	2,675
Forces Families Jobs funding	34,939	89,400	82,374	41,965
GiA (additional funding)	2,578	7,500	10,078	-
LIBOR funding – 2017	4,373	-	4,373	-
LIBOR funding – 2018 (5 year)	187,155	-	35,267	151,888
Lloyd's Patriotic Fund	9,767	-	6,496	3,271
Welsh Government	-	8,145	8,145	-
	<u>275,889</u>	<u>195,419</u>	<u>224,432</u>	<u>246,876</u>

The Army Benevolent Fund (ABF The Soldiers' Charity)

The grant was made to assist the charity with the employment of a Health & Additional Needs Specialist, an Employment & Training Specialist and Money & Allowances Specialist.

UKSC(G) and BFC funding

The funding was made to assist the charity with the employment costs associated with the provision of services in Germany and Cyprus.

Army Central Fund

The funding was made to support the commissioning of a bespoke database.

Aspire

The funding was made to facilitate Additional Needs Support Groups for families in the Aldershot and Tidworth areas and a stakeholder study day.

Forces Families Jobs funding

Funding was received to support the initial set-up, launch event and ongoing support costs of the FFJ website from the following funders: The Army Benevolent Fund, Army Central Fund, Annington Homes, Defence Relationship Management, Royal Navy and Royal Marines Society, Royal Air Forces Association, and University of Wolverhampton.

GiA (additional funding)

The funding received in the financial year 2020/21 was provided to support the implementation of a bespoke database, social media support, and the purchase of new IT equipment and mobile phone handsets.

The funding carried forward into the financial year 2019/20 was provided to support one-off costs of updating marketing materials, family engagement materials and professional photography for stock images. The additional funding of £7,500 in-year was provided to purchase replacement mobile phone handsets.

LIBOR funding

The 2017 funding carried forward was made to commission research to consider how Army families posted overseas are being supported by the Armed Forces Covenant.

The 2018 funding carried forward was made to support additional costs associated with supporting the rebasing of Army families back to the UK and to support the employment of an additional Foreign and Commonwealth Assistant. This grant is to cover a five-year time period.

Lloyd's Patriotic Fund

The grant was made to assist the charity with continuing a project on domestic abuse in Foreign and Commonwealth families.

Welsh Government

The grant was made to deliver a 10-week project to provide targeted support to Army families in Wales and develop a stronger evidence base on the particular issues faced by Army families in Wales.

Andover Skills Fund

The grant was made to assist the charity with the costs of training for the Business Support Manager.

Annington COVID-19

The funding was provided to support military families during the COVID-19 lockdown in two tranches. The first tranche provided dongles to support families with poor internet connections, and a 'Brighten your day' campaign provided activity boxes, entertainment gift cards and magazine subscriptions.

The second tranche provided the opportunity for families to receive an annual subscription for a Headspace app.

NHS England

The support was provided to work with the tri-Service families federations and Anglia Ruskin University on a collaborative research project entitled Duty and Care: Armed Forces Family Mobility and Healthcare.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed assets £	Current assets £	Current liabilities £	Total net assets at 31 March 2021 £
Unrestricted funds	496,172	339,216	(17,932)	817,456
Designated funds	-	30,000	-	30,000
Restricted funds	100,000	193,976	-	293,976
Balance at 31 March 2021	<u>596,172</u>	<u>563,192</u>	<u>(17,932)</u>	<u>1,141,432</u>

Comparative information from the previous financial year as follows:

	Fixed assets £	Current assets £	Current liabilities £	Total net assets at 31 March 2020 £
Unrestricted funds	372,958	125,255	(18,644)	479,569
Designated funds	-	30,000	-	30,000
Restricted funds	100,000	146,876	-	246,876
Balance at 31 March 2020	<u>472,958</u>	<u>302,131</u>	<u>(18,644)</u>	<u>756,445</u>

CONTACTS

CENTRAL OFFICE

Chief Executive

chiefexec@aff.org.uk

Operations & Engagement Director

oedirector@aff.org.uk

Finance & Governance Director

fingov@aff.org.uk

Business Support Manager

businessmgr@aff.org.uk

Finance Administrator

adminfin@aff.org.uk

HR Administrator

adminhr@aff.org.uk

UK & OVERSEAS TEAM

Manager Devolved Nations

devolvedmgr@aff.org.uk

Manager England

englandmgr@aff.org.uk

Manager Overseas

rmoverseas@aff.org.uk

Regional Lead Wales & Borders

wales@aff.org.uk

Regional Lead Scotland

scotland@aff.org.uk

Regional Lead Northern Ireland

ni@aff.org.uk

Regional Lead North

north@aff.org.uk

Regional Lead Central

central@aff.org.uk

Regional Lead South

south@aff.org.uk

Regional Lead South West

southwest@aff.org.uk

Regional Lead Canada

canada@aff.org.uk

Regional Lead Cyprus

cyprus@aff.org.uk

Regional Lead EJSU

ejsu@aff.org.uk

Regional Lead Kenya

kenya@aff.org.uk

Virtual Assistants

contact@aff.org.uk

POLICY & RESEARCH TEAM

Director Policy & Research

policydirector@aff.org.uk

Policy & Research Officer

policyresearchofficer@aff.org.uk

Housing Specialist

housingsupport@aff.org.uk

Housing Assistant

housingsupport@aff.org.uk

Education & Childcare Specialist

educationsupport@aff.org.uk

Education & Childcare Assistant

educationsupport@aff.org.uk

Health & Additional Needs Specialist

healthsupport@aff.org.uk

Health & Additional Needs Assistant

healthsupport@aff.org.uk

Employment & Training Specialist

employment@aff.org.uk

Forces Families Jobs Administrator

ffjadmin@aff.org.uk

Money & Allowances Specialist

money@aff.org.uk

Foreign & Commonwealth Specialist

fcsupport@aff.org.uk

Foreign & Commonwealth Assistants

fcsupport@aff.org.uk

COMMUNICATIONS TEAM

Communications & Marketing Editor

cmeditor@aff.org.uk

Web & Design

website@aff.org.uk

Social Media Assistant

socialmedia@aff.org.uk

Army&You Editor

editor@aff.org.uk

Army Families Federation is a charitable incorporated organisation registered in England and Wales.

1176393 (England and Wales)

SC048282 (Scotland)

AFF

IDL 414, Floor 1, Zone 6

Ramillies Building, Marlborough Lines

Monxton Road, Andover SP11 8HJ

T: 01264 554004

E: contact@aff.org.uk

W: aff.org.uk

Published November 2021

