



---

# **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.

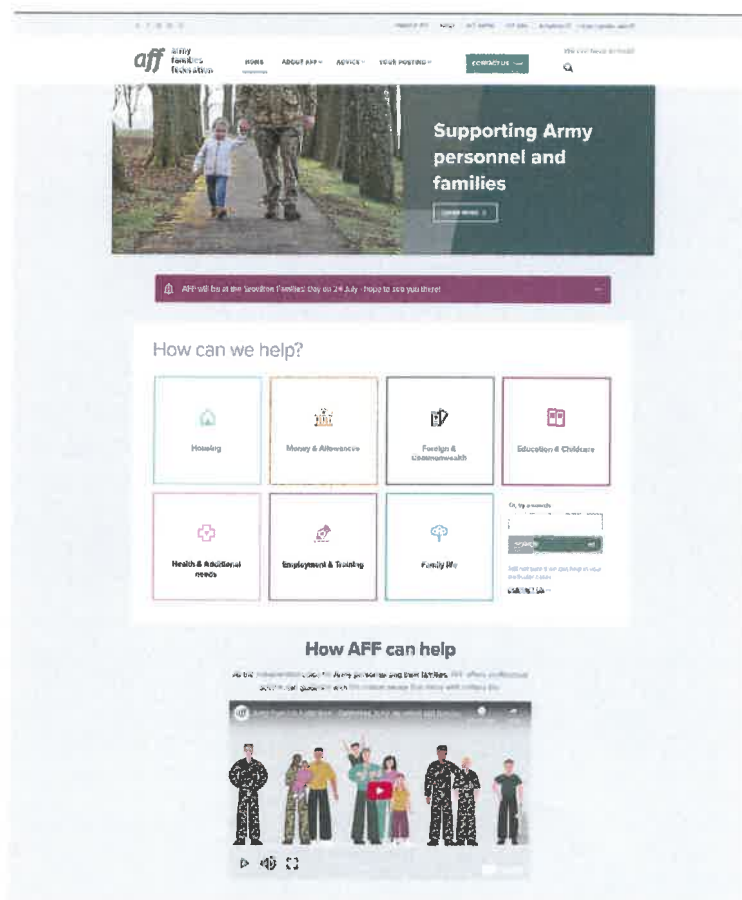
### 3. The Communications team

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.

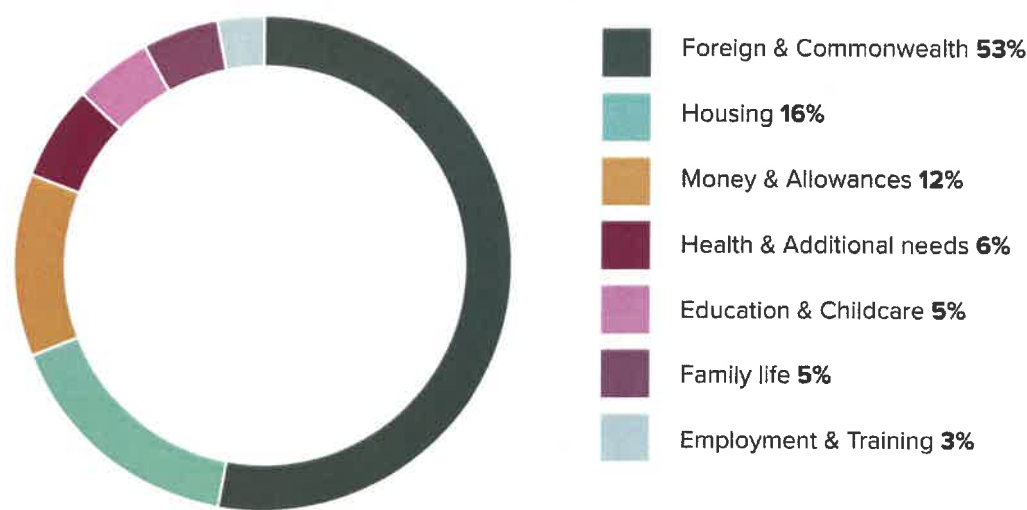
The Operations team has focused on risk mitigation and business continuity planning in 2024.

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](http://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
		£	£	£	£
INCOME AND EXPENDITURE		Unrestricted	Restricted	Total	Total
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
<b>Total income</b>		<b>1,130,847</b>	<b>266,345</b>	<b>1,397,192</b>	<b>1,142,815</b>
EXPENDITURE FROM:					
Charitable activities	7	1,073,528	278,655	1,352,183	1,400,050
<b>Total expenditure</b>		<b>1,073,528</b>	<b>278,655</b>	<b>1,352,183</b>	<b>1,400,050</b>
<b>NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES</b>		<b>57,319</b>	<b>(12,310)</b>	<b>45,009</b>	<b>12,765</b>
Net gains/(losses) on investments	11	(23,456)	-	(23,456)	11,232
<b>NET INCOME FOR THE YEAR</b>		<b>33,863</b>	<b>(12,310)</b>	<b>21,553</b>	<b>23,997</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward at 1 April 2024		1,077,166	47,763	1,124,929	1,100,932
<b>TOTAL FUNDS CARRIED FORWARD AT 31 March 2025</b>		<b>1,111,029</b>	<b>35,453</b>	<b>1,146,482</b>	<b>1,124,929</b>

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	£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	8	10,691		6,407	
Investments	11	<u>634,080</u>		<u>637,076</u>	
			644,771		643,483
<b>CURRENT ASSETS:</b>					
Debtors	9	9,203		208,933	
Cash at bank and in hand		<u>598,086</u>		<u>367,112</u>	
		607,289		576,045	
<b>CREDITORS:</b> Amounts falling due within one year	10	<u>(105,578)</u>		<u>(94,599)</u>	
<b>NET CURRENT ASSETS:</b>			<u>501,711</u>		<u>481,446</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			<u>1,146,482</u>		<u>1,124,929</u>
<b>FUNDS:</b>					
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>1,146,482</u>		<u>1,124,929</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
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
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		-	-
<b>CHANGE IN CASH AND CASH EQUIVALENTS FOR THE YEAR</b>		<b>230,974</b>	<b>(213,202)</b>
Cash and cash equivalents brought forward at 1 April 2024	b	367,112	580,314
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD AT 31 March 2025</b>	b	<b>598,086</b>	<b>367,112</b>
<b>a) Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>			
		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)
<b>Net cash provided by operating activities</b>		<b>239,052</b>	<b>(217,287)</b>
<b>b) Analysis of cash and cash equivalents</b>			
		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 (Honorarium)	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	18,278	16,305
	<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 £
<b>Charitable activities</b>				
Core staff	1,039,559	273,058	1,312,616	1,359,548
Governance costs	29,450	10,116	39,567	40,502
	<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

	<u>Computer and office equipment</u> £
<b>COST:</b>	
At 1 April 2024	50,189
Additions	11,300
Disposals	-
At 31 March 2025	<u>61,489</u>
<b>DEPRECIATION:</b>	
At 1 April 2024	43,782
Charge for year	7,016
Eliminated on disposal	-
At 31 March 2025	<u>50,798</u>
<b>NET BOOK VALUE:</b>	
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	643,483	576,045	(94,599)	1,124,929

## 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](mailto:contact@aff.org.uk)  
W: [aff.org.uk](http://aff.org.uk)**

**Published xxxxxx 2025**

