

ARMED FORCES COVENANT FUND

England & Wales · Charity number 1177627

Details

Status Registered

Legal form Trust

Registered 2018-03-20

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

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Activities

Objects: 4.1 TO ADVANCE SUCH GENERAL CHARITABLE PURPOSES FOR THE PUBLIC BENEFIT AS THE TRUSTEE MAY AT ITS ABSOLUTE DISCRETION DETERMINE, SUCH PURPOSES TO BE FURTHERED IN ACCORDANCE WITH THE SPIRIT OF THE ARMED FORCES COVENANT AND/OR TO SUPPORT THOSE WHO HAVE SERVED ALONGSIDE THE ARMED FORCES AND RELOCATED TO THE UK, IN PARTICULAR (BUT NOT EXCLUSIVELY) BY PROVIDING CHARITABLE ASSISTANCE AND SUPPORT TO THOSE WHO SERVE OR HAVE SERVED IN OR ALONGSIDE THE ARMED FORCES, WHETHER REGULAR OR RESERVE, THOSE WHO HAVE SERVED IN THE PAST, AND IN ALL CASES THEIR FAMILIES, DEPENDANTS AND CARERS, INCLUDING (BUT NOT LIMITED TO) BY FUNDING PROJECTS WHICH

4.1.1 ADVANCE COMMUNITY DEVELOPMENT BY HELPING TO INTEGRATE MILITARY AND CIVILIAN COMMUNITIES AND ALLOW THE ARMED FORCES COMMUNITY TO PARTICIPATE FULLY AS CIVILIANS, INCLUDING PROVIDING INFORMATION, ADVICE, HELP AND EXPERTISE TO THOSE WHO SERVE OR HAVE SERVED, DURING AND AFTER THEIR TRANSITION INTO CIVILIAN LIFE, INCLUDING SUPPORTING THEIR RESETTLEMENT AND, IF NEEDED, HELPING THEM GAIN EMPLOYMENT;

4.1.2 PREVENT OR RELIEVE POVERTY, FINANCIAL HARDSHIP OR OTHER CHARITABLE NEED;

4.1.3 RELIEVE UNEMPLOYMENT;

4.1.4 ADVANCE HEALTH, INCLUDING BUT NOT LIMITED TO THE PROMOTION OF GOOD MENTAL AND PHYSICAL HEALTH AND PREVENTION OF SUBSTANCE ABUSE OR MISUSE;

4.1.5 PROVIDE (OR ASSIST IN THE PROVISION) OF FACILITIES IN THE INTERESTS OF SOCIAL WELFARE FOR RECREATION OR OTHER LEISURE TIME OCCUPATION OF INDIVIDUALS WHO HAVE NEED OF SUCH FACILITIES BY REASON OF THEIR YOUTH, AGE INFIRMITY OR DISABILITY, FINANCIAL HARDSHIP OR SOCIAL CIRCUMSTANCES WITH THE OBJECT OF IMPROVING THEIR CONDITIONS OF LIFE;

4.1.6 EDUCATING THE PUBLIC WITH A VIEW TO PROMOTING A NATIONAL UNDERSTANDING OF THE ARMED FORCES AND THEIR CONTRIBUTION TO SOCIETY, INCLUDING BUT NOT LIMITED TO SUPPORTING REGIMENTAL MUSEUMS, HERITAGE PROJECTS AND GARDENS OF REMEMBRANCE;

4.1.7 PROMOTE THE EFFICIENCY OF THE ARMED FORCES BY THE PROVISION AND SUPPORT OF FACILITIES AND ACTIVITIES FOR THE EFFICIENCY AND WELL-BEING OF SERVICE PERSONNEL.

4.1.8 PROMOTE THE EFFICIENCY AND EFFECTIVENESS OF CHARITIES, THE EFFECTIVE USE OF CHARITABLE RESOURCES AND THE VOLUNTARY SECTOR.

4.2 VOLUNTARY SECTOR MEANS CHARITIES AND VOLUNTARY ORGANISATIONS; AND, FOR THE PURPOSE OF THIS DEFINITION:

4.2.1 CHARITIES ARE ORGANISATIONS WHICH ARE ESTABLISHED FOR EXCLUSIVELY CHARITABLE PURPOSES IN ACCORDANCE WITH THE LAW OF ENGLAND AND WALES; AND

4.2.2 VOLUNTARY ORGANISATIONS ARE INDEPENDENT ORGANISATIONS, WHICH ARE ESTABLISHED FOR PURPOSES THAT ADD VALUE TO THE COMMUNITY AS A WHOLE, OR A SIGNIFICANT SECTION OF THE COMMUNITY, AND WHICH ARE NOT PERMITTED BY THEIR CONSTITUTION TO MAKE A PROFIT FOR PRIVATE DISTRIBUTION. VOLUNTARY ORGANISATIONS DO NOT INCLUDE LOCAL GOVERNMENT OR OTHER STATUTORY AUTHORITIES.

Activities: The Armed Forces Covenant Fund Trust makes grants to support the Armed Forces Community. The Covenant Fund is delivered by the Armed Forces Covenant Fund Trust. It has £10M a year to fund projects that support the Armed Forces Community.

Classification

- **How:** Makes Grants To Organisations
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Economic/community Development/employment, Armed Forces/emergency Service Efficiency, Recreation
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£30,874,242	£30,029,388	£3,780,448	26
2024-03-31	£35,748,238	£34,458,210	£2,935,595	23
2023-03-31	£15,601,542	£15,864,713	£1,645,567	20
2022-03-31	£28,152,874	£27,573,958	£1,908,738	16
2021-03-31	£26,751,955	£26,456,418	£1,329,822	12

Trustees

Name	Role	Appointed
THE ARMED FORCES COVENANT FUND TRUSTEE		2018-02-07

ARMED FORCES COVENANT FUND

England & Wales - Charity number 1177627

Accounts

**THE ARMED FORCES
COVENANT FUND TRUST**
Funded by HM Government

The Armed Forces Covenant Fund Trust

Annual Report
and Accounts

www.covenantfund.org.uk





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Chair's introduction



Life in the armed forces community is full of transitions, and this has been a year of transitions for us, too – as we launched our new strategic framework, to maximise the impact of the national Covenant Fund to 2027.

In this report you can follow the golden threads which link the experiences of those our funding serves and what we heard in our research and consultation work last year; the funding programmes we've developed as a result; and the grants we've begun to make.

But in this year of transitions for the Covenant Fund Trust, there's one thing which never changes: our work is about empowering people. Those in the armed forces community who are experiencing disadvantage in a myriad of different ways, or who need special consideration because of their unique service journey. And those who support them, designing and delivering projects through which that magic of community can happen.

~ Hans Pung

A word from our Chief Executive



I've been reflecting on the input we had from so many people, organisations and groups within the armed forces community - and beyond – to help us shape the priorities, themes and goals of the strategic framework we launched this year.

Here are just a few of the thoughts you gave us on how we should deliver:

- "Talking with the wider community and concentrating on themes that regularly occur or where a specific need is often not met or well-funded."
- "Providing longer term project funding."
- "Focusing on prevention."
- "Encouraging skills and knowledge sharing."

With those as our benchmarks, this has been a hugely successful year. **We've deployed Covenant Funding to 114 projects through twelve brand new programmes**, all focused on the outcomes you told us would make the greatest difference to the lives of those in the armed forces community. We've sought to find the projects which are tackling hidden needs; we've encouraged collaboration to spread knowledge far and wide; and


we've sought to fund projects on a longer-term basis. We've grown the evidence base on some of the most complex issues you highlighted, to inform grantmaking to help the wider charity sector better serve the armed forces community.

In doing so, **the projects we've funded this year have the potential to help more than 180,000 people in our community.** Enabling that movement feels like a great start to our new way of working, and it's only just begun!

~ Anna Wright



Who we are; what we do

Armed Forces Covenant 

The Armed Forces Covenant is...

a **promise by the nation** ensuring that those who serve, or who have served, in the armed forces, and their families, **are treated fairly**

It has **2** core principles now and in the future

Those who serve in the armed forces, whether regular or reserve, those who have served in the past, and their families, **should face no disadvantage** compared to other citizens in the provision of public and commercial services.

Special consideration is appropriate in some cases, especially for those who have given most such as the injured and the bereaved.

THE ARMED FORCES COVENANT FUND TRUST

The Armed Forces Covenant Fund Trust...

supports the Armed Forces Covenant by delivering funding programmes that **create real change** to armed forces communities in the UK

OUR MISSION



To fund projects that support the delivery of the nation's Covenant promise to our armed forces, veterans and their families

OUR VISION



A thriving armed forces community that is valued and supported within our society

OUR VALUES

FAIR

We ensure our funding is transparent and evidenced based. Organisations who apply for a grant, or have a grant through us, are treated fairly.

COLLABORATIVE

We work with others to ensure our grants have the biggest possible impact; and we encourage organisations we fund to do this too.

INCLUSIVE

We want to make a difference to all armed forces communities that are experiencing needs; and we recognise that there can be barriers to accessing support.

THE ARMED FORCES COVENANT FUND TRUST
Funded by HM Government

Armed Forces Covenant Fund

The Armed Forces Covenant Fund has 4 broad themes, now and in the future

Non-core healthcare services for veterans

Removing barriers to family life

Extra support, both in and after Service, for those that need help

Measures to **integrate military and civilian communities** and allow the armed forces community to participate as citizens

All of our work contributes to these themes





Our fund delivery in 2024/25

Plus targeted awards supporting...

- Young veterans' mental health
- Research into the impact of service life on service children
- Support for the submariner community in Clyde
- Support for families posted overseas
- Veterans in the justice system

114 awards
£9,480,325

THE ARMED FORCES COVENANT FUND TRUST
Funded by HM Government

Plus targeted awards supporting...

- Female veterans
- Veterans' emotional support helpline
- Veteran homelessness

24 awards
£7,393,892

Office for Veterans' Affairs

Plus targeted awards supporting...

- LGBT veterans applying to the financial recognition scheme

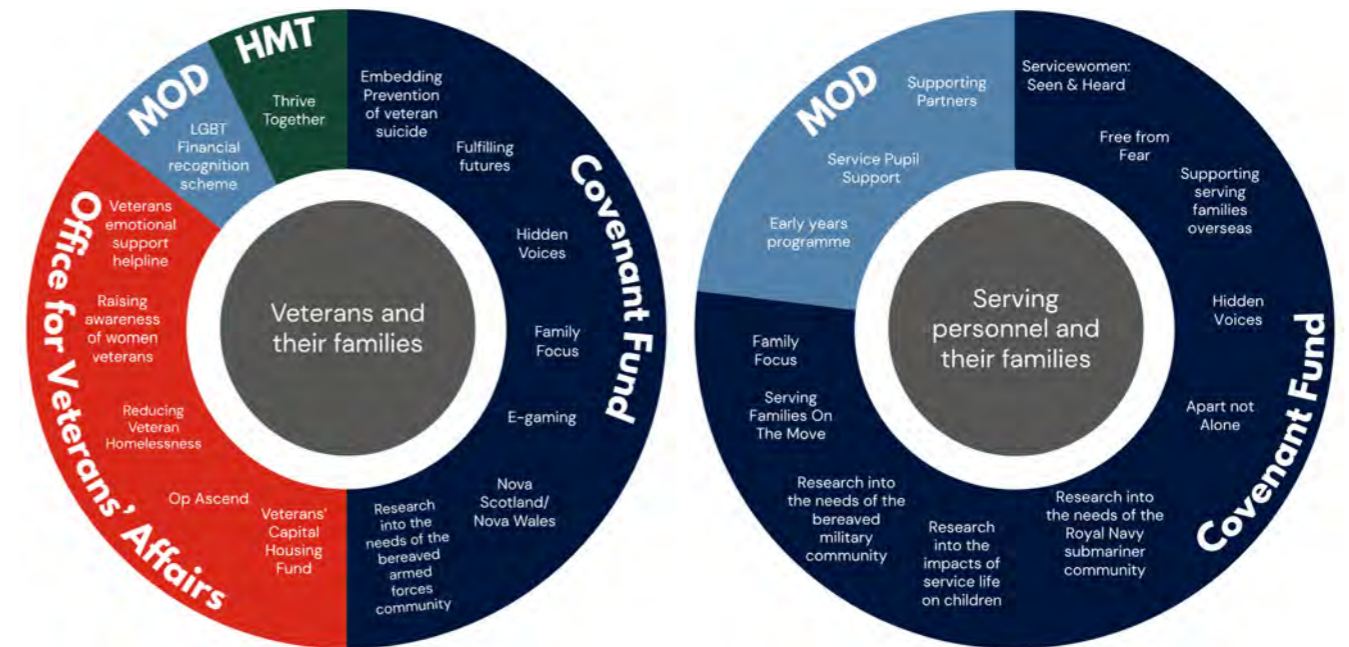
60 awards
£2,954,680

Ministry of Defence

awards to 10 portfolios worth
£7,849,983

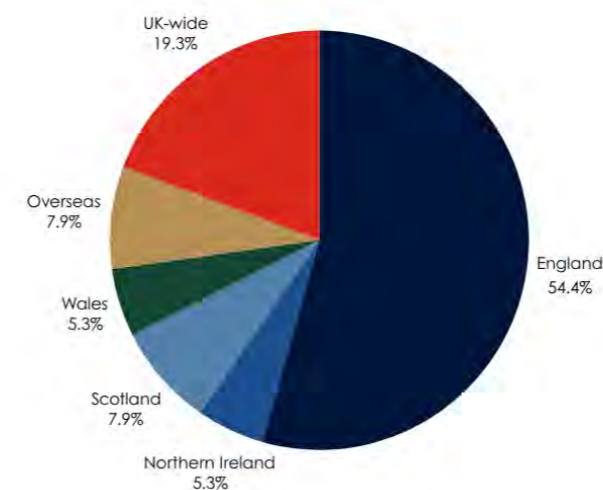
HM Treasury

Target beneficiaries of the programmes we delivered

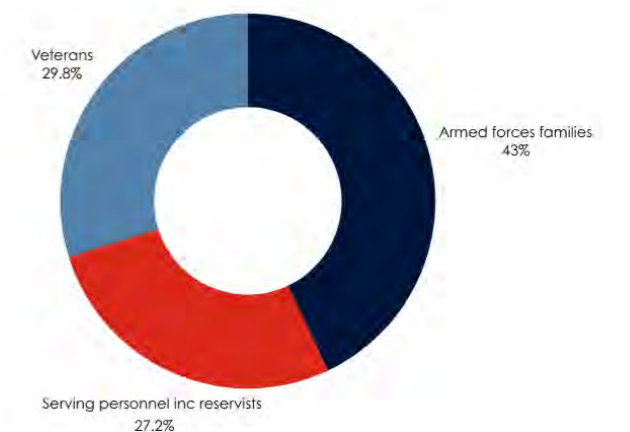


A closer look at the Covenant Fund...

Where did we award grants?



Who did projects benefit?



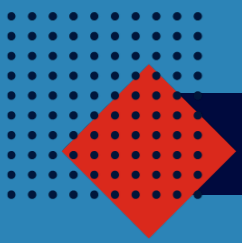
Estimated direct beneficiaries

39,194

Estimated indirect beneficiaries

140,952





The Armed Forces Covenant Fund



The Armed Forces Covenant Fund

A new strategic framework

2024 saw a new government, the 80th anniversary of D-Day, the 1,000th day of the Ukrainian war, the launch of a strategic defence review and work in parliament on a proposed expansion of the Armed Forces Covenant legal duty.

For the charity sector, the pressures of funding and demand were ever-present. With inequality and disadvantage at the forefront of nearly every issue the sector responds to, the need for truly transformational change has perhaps never been more stark.

All of this was the backdrop to the first year of our new, three-year Covenant Fund framework. A framework driven by the fact that annual grantmaking can only ever look so far ahead – when we know that many of the issues the Covenant Fund seeks to respond to are long-term and complex. We recognised that charities need time and space to plan, pilot and reflect on their work, and to design solutions with those who are living the issue.

This was the rationale for our new, three-year framework, led by the community we serve and informed by a review of our grantmaking to date, the research we've commissioned and completed, studies by others across the sector, more than 500 responses to an open survey and some fantastic focus group conversations.

With the Covenant Fund's principles as our North Star - that no-one is disadvantaged as a result of service, and that special consideration is made for those who've given the most – that work led us to three areas of focus:

- **Helping veterans with significant mental health needs.**
- **Reducing loneliness and isolation for armed forces communities.**
- **Reducing stress and challenges for armed forces families.**

As for the way we would deliver that funding, the armed forces community wanted to see grants which focused on preventing issues from arising in the first place; long-term thinking; and collaboration between support and services.

It was also clear that some problems being experienced by members of the armed forces community are particularly complex. Many are not well understood, and solutions can be difficult to develop and implement. For this reason, an important part of our framework was to understand those complex issues.

The work we've done in this first year of the framework has reflected all of those foundation stones: we've powered partnerships and collaboration between the community sector and statutory services; we've helped charities to incubate new ideas and to innovate; we've invested to help projects scale over a longer time; and we've supported projects to build sustainability for the outcomes they're delivering.

The armed forces community moves at pace and with intent, as have we – launching twelve new programmes across our three core themes. We've learned a lot, and we're still learning. Feedback and insights from our grant applicants, partners, evaluators and stakeholders are generously shared and gratefully received to further inform year two of this work and beyond.



Improved access to support and advice

Whether it's for specific women's health concerns such as miscarriage or menopause; or support with wider issues such as sexual trauma, domestic abuse or bullying and harassment, serving women and female veterans can face significant challenges in accessing the help they need.

Awards through our **Service Women: Seen & Heard** programme opened doors to this support, connecting peers and prioritising wellbeing through the lens of military women. Projects are both preventative and tackling issues the community has raised in consultation. Their needs, their experiences, their voice. These are new and innovative projects which are extending the informal support networks women have sought when they have nowhere else to turn.



8 projects worth £729,582



"You may have mates, but do you really have a friend? Someone you can share your challenges with?"

Spotlight on: RAF Association

The RAF might have the highest proportion of serving female personnel, but those personnel typically have a smaller network to turn to. With women in the forces more likely to experience mental health-related problems than serving men, it was no surprise that when the RAF Association reached out to women in 2024 to understand the challenges they're facing, there was one topic which came out in almost every response.

"Loneliness and isolation was just huge. Simply the fact that you may be the only woman among 50 or 100 men but also it was about the ranks as well; women can't always open up to their teams, they wanted to reflect being a strong leader for their superiors. It didn't matter if they were serving in tech, support or flying – it was all the same among all the women," says Carola Becker, Head of Wellbeing for RAFA.

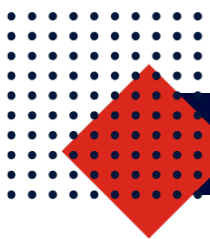


Nearly half (47%) of respondents to RAFA's survey said they felt lonely often, always or some of the time, compared to just under 1 in 3 (29%) civilian women (ONS, August 2024). That's when RAFA sought funding from our Serving Women Seen & Heard programme to design a series of online workshops led by women, for women – to develop spaces for that community and those connections.

Sessions for 2025 and 2026 are filling up, covering everything from menopause and women's health to career networking, finances, loneliness in command and the art and science of positivity. Everybody who signs up is invited to join the project's online Teams group to connect with each other and discuss their challenges, but also celebrate wins!

"As women, we always think that everything needs to be perfect: do our jobs well, look after our family, have the active social life and it just doesn't always work like that. One of the topics we're going to cover is about balance, with the first female Typhoon pilot Helen Seymour. It resonates so strongly with one of the women I interviewed who told me: 'I've found myself often caught in the impossible pursuit of perfection – being an exemplary RAF member, a great mum, a helpful friend. What I've come to realise is that balancing commitments is not so much about perfection, it's more about authenticity and making myself a priority.'"





Armed Forces Covenant Fund

Clear routes to support also underpinned our **Free from Fear** programme. These major projects will address domestic abuse through preventative measures or the provision of support routes for survivors in armed forces communities. Working alongside military welfare services, these projects use their knowledge and expertise to bring about positive change, while empowering victims/survivors to speak out, deal with their trauma, and form connections that ultimately enable them to continue with their lives.

This year, we looked to extend the reach of proven interventions. Following the success of Op Nova - which offers tailored support to veterans in the justice system - we made awards to The Forces Employment Charity to extend this work in Wales and Scotland. Many Op Nova clients are vulnerable adults with mental health challenges and a history of drug or alcohol misuse. Some are at risk of homelessness. Op Nova brings early intervention support to veterans in police custody and supports them to seek independence through employment.



7 projects
worth
£1,002,110

Spotlight on: West Mercia Women's Aid

"I have been a military wife for a number of years, during that time I have been subjected to emotional and physical domestic abuse. I tried to leave the relationship for almost 2 years – it was so unbelievably hard to do this because as a military wife I felt trapped. I gave up my independence to support my partner's career."

Leoni Bryan, Project Co-ordinator at West Mercia Women's Aid's (WMWA) in Herefordshire, commits her time to ensuring partners, female serving soldiers and others within the military community have somewhere safe to turn if they're experiencing domestic abuse.

"There's a lot of barriers to accessing support. What we're so excited about with this project is the ability to break down those barriers and, if we haven't already found a pathway, we've got the absolute support of so many local agencies to work through those issues."

With the help of funding through our Free from Fear programme, WMWA's Penelope Project is expanding into Shropshire, creating a network of ambassadors – women who can provide advice and signposting to anyone with a concern.

Developing good relationships with the garrison has been vital and has taken time. The welfare teams play an important role, as do other agencies.

Leoni explains: "We've got such a fantastic link with [Herefordshire Housing] where they'll take a supporting letter from West Mercia Women's Aid or the Unit Welfare Officer, to replace the need to show a utility bill, council tax or a landlord reference to set up social housing. Three years ago, they wouldn't have accepted that."

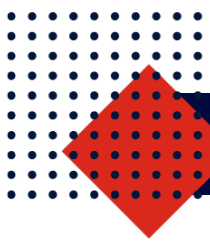
There is a sizeable Foreign & Commonwealth community in the area which brings with it additional pressures for those suffering domestic abuse. Control is a major issue, and when visas and immigration challenges are placed in the mix, it can be even more difficult for women trying to leave an abusive situation.

Helen Richardson, head of client services at WMWA, tells us: "We've supported quite a lot of clients who have come over on a spousal visa, related to their partner, and that's such an additional tool or tactic that can be used [against them]; they don't know what their rights are."

"Your visa situation shouldn't be used as a tactic by a perpetrator."

In fact, around 50% of the women they support are from ethnic minorities. One woman reached out to the Unit Welfare Officer who redirected her to the WMWA drop-in clinic. Leoni has worked with her on and off for three years, and she's now got Indefinite Leave to Remain. "It was such a team effort to get all of this in place and now she's happy, healthy with her three children."





Armed Forces Covenant Fund

Stronger families

Frequent relocation, changing job roles, managing childcare, being apart from family members: serving families face many challenges. Ensuring they feel confident, fully informed and supported is vital in ensuring the needs of military service feel fair and manageable.

This year, two of our Covenant Fund programmes focused on the issues of separation and mobility – with the two often going hand in hand. Both can lead to isolation; both can mean upheaval for the whole family. But both can also bring opportunities, with the right support.

These programmes focus on building resilience in families, providing opportunities to engage and feel confident in handling feelings of disconnection when families are separated. Modern military families come in all shapes and sizes, and it is important that support within the community reflects that. Not everyone can or wants to attend a coffee morning when their partner is deployed. Not everyone has children to take to a playgroup. Not everyone can make a social afternoon, due to work commitments. Support needs to modernise, to keep up with those who need it.

Consultation and research with the submariner community in Helensburgh, conducted in collaboration with Greenwich Hospital and the Royal Navy and Royal Marines Charity (RNRMC), saw us fund a ground-breaking place-based project there this year. This project responds to experiences of separation on another level: extended absences with little-to-no communication and limited support. We awarded a grant of £368,500 to RNRMC to support these families by improving community engagement, mental health support, and social connectivity. A dedicated team will coordinate partnerships to deliver tailored services and strengthen long-term resilience for families in the region.

Apart, not alone
Support for service families and their families in the UK
6 projects worth
£440,465

Similarly, our **Serving Families On The Move** programme has supported early intervention as families relocate in the UK; helping them integrate into their new communities and build lasting friendships. This work focuses on improving information and its availability and recognises the importance of support networks when moving to a new area.

Projects focused on whole-family services, as well as more specific and practical assistance such as welfare matters including housing, debt and benefits advice. The effects of mobility can be profound on service children, and some projects are working to mitigate this with emotional support for families with young children, and early intervention for newly-relocated families, creating a welcoming space they can immediately access to build connections.

Serving Families: On The Move 2024/25
14 projects worth
£1,342,081

The challenges of mobility can be exacerbated when families are posted overseas. Our **Serving Families Overseas** programme has prioritised this cohort, supporting projects that will work with families in Spain, Belgium, Italy, Cyprus and beyond on everything from language integration and workshops to improve relationships under strain, to work which fosters a sense of community to help build resilience.

To further support these families, we awarded a grant of £500,000 to the Army Families Federation (AFF) to work with the Naval Families Federation and RAF Families Federation, to conduct in-depth research to identify and address hidden needs within the overseas community. They will focus on early engagement with families, ensuring clearer information is available prior to and on return from an overseas posting; and they will oversee the creation of an employment hub.

Supporting Service Families Overseas
9 projects worth
£121,642



Spotlight on: RAF Coningsby

“One dad’s missed four of his daughter’s last six birthdays due to deployment – he’s serving his country, but she just wants her dad there.”

“This is a frontline operational base, and we have 2,200 service personnel here as well as their families. There are a lot of deployments, all around the world – and they have a big impact for those left behind. Whether you’ve got children or not, when the person you’re sharing your life with goes away for three, four or maybe even six months, you’re potentially feeling isolated and lonely. Your friends, your family support network might be far away. If you have kids, you’ve gone from two people to one juggling all the childcare, the school runs, the finances, the impact it has on children and young people – it requires a lot of resilience, and it’s hard. And on return, the other parent has missed three to four months of life on the base. All of a sudden you’ve got to relearn the rules of being together as a family – which can be really difficult.”

That’s why a grant from our Apart, Not Alone programme is funding a new role in the station’s community development team – enabling them to run more events for partners and families while their loved ones are away.

What may look like a fun day or a meal out with other families during a deployment is actually a vital signalling post for the team: helping them spot when someone may need a listening ear or more support. And being with others going through similar experiences builds those crucial reserves of resilience, as Ben Rossi, Community Development Manager, told us: “You might just rock up to an attraction and you know it seems all fun. But we’ve done that because all of a sudden you might meet somebody who’s isolated as well. There’s a support network of people from your station and before you know it, you’ve made a friend.”

“It doesn’t make the situation necessarily any better, but you have somebody you can talk to, someone you can do things with. So you’re not alone anymore. For us, it’s not actually about the event: it’s that interaction before and during it. It’s that I can get you to talk to me. You think you’re getting a free meal, but I’m checking you’re OK. I’m making sure that you know that we’re here for you.”

The project will also enable the team to make weekly school visits. “These children are sacrificing, you know, like that girl whose dad missed those birthdays. She’s had to give that up, you know? I can’t fill that gap. But what I can do is come into school with a takeaway pizza for the group of military children whose parents are deployed and say ‘How are you all doing?’

“We’ve got books, we’ve got toys and games and colouring, all sorts to distract them just for a moment from something they might be feeling. There might be loads of children who don’t need that help and support, but if we get even one, it’s all worth it.”





Armed Forces Covenant Fund

Spotlight on: Homestart Norfolk

“That first step is going to feel impossible until you take it. But you’re stepping towards someone who gets it and once you do, everything looks different.”

Moving to a new area can be tough, but when that area is rural or isolated, things can be even tougher.

Caroline New, Funding Manager at Homestart Norfolk explains why the services they are providing with funding from our Serving Families: On The Move programme, can make such a difference.

“I’m so pleased that we are getting to do this really crucial piece of work there, especially if you’ve come from a busier base, or a less rural base.

“We will be part of the welcome pack, to make sure new families are aware of us from day one. We’ve recruited an amazing family services co-ordinator that is specific to [RAF]Marham, so they will be present at the Hive as new families come in.

“It’s often easier to pop into a group than it is to welcome a stranger into your home. Our co-ordinators are very good at spotting someone who’s arriving to a group for the first time.”

Local groups and sessions become even more vital when posted to a rural location. At RAF Marham, there are around 3,900 personnel with around 25% having at least one child under five. Yet, there are limited local resources and poor transport links.

This funding will enable Homestart to deliver a range of holistic sessions such as infant massage and music groups, as well as more one-to-one support for those most in need, to help those finding their feet to settle quicker and better.

Family involvement is crucial to this model of support and plans to hold a ‘round-table’ event this year will ensure they hear directly from families about their challenges and experiences. And family involvement doesn’t stop there, with the team often looking to parents with experience of what it’s like to be the ‘new kid on the block’ with little ones in tow, to help support others.

“One of our newest volunteers in Norfolk had support from Homestart a year ago, her child is now at school, and she’s like, absolutely, I want to do this!”

Buy-in to the difference this early support can make is crucial. The Homestart team has crafted excellent relationships with both welfare staff on base as well as the HIVE team. Together, they have a greater awareness of the issues families face within these first early weeks and months; sometimes without their serving partner, who can be sent away at short notice within weeks of arrival meaning the family can be left to unpack those moving boxes and set up their new daily routine, alone.



Piloting new solutions

The experience of military service is unique for every individual – and some groups within the armed forces community need more specific support. In 2024/25 we have sought to highlight this reality, awarding funding to projects that will improve the quality of life for these cohorts.

Our Fulfilling Futures projects include support for female veterans living with the effects of Military Sexual Trauma (MST); access to integrated and targeted support for LGBT+ veterans; recovery work for veterans with physical injuries and much more.



7 projects worth
£1,139,687



Spotlight on: The Bridge for Heroes

With a focus on LGBT+ veterans, families and carers in the East of England, The Bridge for Heroes' LGBT+ Veterans Voice sets out to improve awareness, provide targeted services, and build connections with existing organisations - it's all about long-term integration of support within veteran services.

Following a successful pilot, project partner Fighting with Pride will recruit a full time Veterans Community Worker to support LGBT+ veterans in the East of England over the next 18 months. Collaboration with the Midlands Thrive Together team, who already have experience in successfully establishing a similar role, is helping to ensure that the Veteran Community Worker's role is as efficient and impactful as possible.

Once in post, the Veterans Community Worker will identify and address gaps in provision, helping ensure LGBT+ veterans and other minority groups across the East of England can access inclusive services, feel recognised and understood, connect to a supportive network, and positively integrate with the wider armed forces community.


Helen Taylor MBE, CEO at The Bridge for Heroes, said: “We’re delighted to receive this grant, which will enable us to build upon our valued partnership with Fighting with Pride, providing enhanced support to LGBT+ veterans and other minority groups across the East of England over the next 18 months.”





Hull 4 Heroes' Family Resilience and Wellness Circles project provide the families of wounded, injured or sick veterans (WIS) with a comprehensive support system that nurtures their mental, emotional, and practical well-being, recognising the significant role they play in the recovery and adjustment of veterans.

Some groups within the armed forces community need specific support. This includes Wounded, Injured or Sick (WIS) service personnel and veterans, and their families, who often face a challenging transition to a new way of life. Our Family Focus projects will be heavily informed by their beneficiaries, co-designing activities where relevant. We're excited that this work is exploratory – it will pilot new solutions to tackling the issues families face and build upon proven work. It's vital for us that this funding leads to improved access to support, and that families feel their needs are being recognised and feel more resilient in a caring role.



16 projects
worth
£1,388,876



Spotlight on: Scotty's Little Soldiers

Working across the UK, Scotty's Little Soldiers will extend their existing bereavement support to military families where the veteran or serving parent has a terminal diagnosis, helping them develop the skills needed to prepare for their bereavement and navigate their grief.

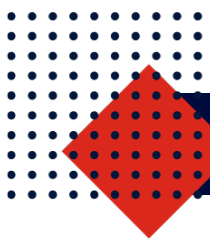
Nikki Scott, founder of Scotty's told us: "Last year, 29% of the children who came to us had already endured the devastating loss of a parent to a terminal illness. This statistic highlights just how vital pre-bereavement support truly is."

By supporting children from the point of diagnosis, Scotty's can help families build resilience, strengthen communication, and prepare for the challenging road ahead.

"For too long, we've carried the weight of not being able to support these brave children through the initial diagnosis, the uncertainty of hospital stays, and the heartbreaking decline of a loved one. This award changes that.

"We can now reach families sooner, stand beside them earlier in their journey, and provide the compassionate, timely support they need."

This support, tailored to the needs of each child and their family, will be available from diagnosis up until the child's 25th birthday. This will complement existing NHS and hospice care support, providing a wraparound service which can offer continuity and stability with an understanding of the unique military space.



Armed Forces Covenant Fund

Improved mental health and wellbeing

Veterans' mental health and wellbeing continues to be a priority for the Covenant Fund and this year, our Embedding Prevention of Veteran Suicide programme, continued to build on previous efforts, awarding projects across the UK a share of support. This not only included supporting the mental health of vulnerable veterans but addressing the stigma surrounding this issue. We were also keen that projects support staff working with vulnerable veterans. Funded work ranged from peer mentoring, suicide prevention training and targeted support; to work which creates a culture of understanding, building effective support networks and connecting with local organisations.



18 projects
worth
£1,559,198

Spotlight on: Tom Harrison House



"I went to Afghanistan in 2011 when I'd been in the army for three years. The things I saw and did there didn't really bother me when I came back; I'd think about it daily, but it'd be a fleeting thought: 'That happened.' Boom – I'd crack on with my day. Until about 2019, when PTSD just hit me out of the blue. I started wetting the bed at night, having terrible nightmares and panic attacks. A clear blue sky like today would set me off thinking things would be coming out of the sky. I became a bit of a mess, probably within a month," Ash tells us. He's a graduate of, and volunteer at, Tom Harrison House: the country's only veteran-specific addiction treatment programme.

"I was diagnosed with PTSD and as bipolar, signed off sick and pumped full of bipolar meds. My mental health was terrible. My marriage was in trouble, I fell off a cliff on a family holiday in Spain and broke my spine in seven places. I was all over the place. And this was when I made my first suicide attempt. I was sectioned. Being in Afghanistan was scary, but being on a psych ward was something else.

"I'd gone from being a commander in the army to living in a box room at my nan's house, and that was when my addiction kicked in. Because whilst I was trying to make a fresh start, I still didn't want to be alive. Cocaine became my best friend very, very quickly – I became a day user within about two weeks.

"My body was starting to shut down from cocaine bingeing. I made the pact to myself that if I kept sniffing coke, I would eventually die, and it would be over."

Ash's story highlights the importance of our grant to Tom Harrison House under our Embedding and Preventing Suicide programme. For a veteran who's ready to stop drinking or using, the risk of suicide ideation can be at its height while they wait for funds to be found for a place on the programme. This grant means THH can step in straight away - using online outreach with those on the waiting list, starting that crucial work to build connections and engagement with clients while they wait: the key to reducing suicide risk is to help them start feeling like part of the community.

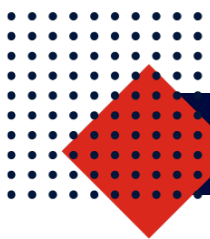
"I'm 19 months clean now. I've graduated. I started doing some work with my children with the family therapist here and I've built on that now I'm out of treatment, and I've just had my children for a week which is going really well now.

"I'm working on reception here – on the front line, speaking to people ringing up in desperation and reassuring family members before they're moved to the admissions team. You really feel like you're giving back. I'm now the volunteer coordinator and helping to manage events – I'm using those skills that I built in the army. I've got people around me to hold my hand if I'm struggling. Life is good.

"This community is so big: you could pick anyone in it to come in and give you their story. None of them are the same, but they're all very similar. But I don't know anywhere else where they can do this in the country."

"I'd gone from being a commander in the army to living in a box room at my nan's house."





Armed Forces Covenant Fund

Also supporting mental health and wellbeing, our Hidden Voices projects are focused on delivering specific, accessible mental health and wellbeing support for those with seldom-heard needs. This includes work with Foreign & Commonwealth personnel in the North East, creating a safe space for dads and male carers - in the South East, a UK-wide project for parents experiencing child-to-parent violence and abuse, and a female veterans' group in the West Midlands.



24 projects worth
£450,785



Spotlight on: The Parenting Network

The Parenting Network (TPN) is providing a dedicated space and support programme for dads and male carers from armed forces families in the Portsmouth area. Dadzchat sessions, funded through our Hidden Voices programme, enable military dads to share their experiences and develop tools in response to trauma and the challenges of parenthood which may be affecting their mental health or that of their family.

TPN were seeing large numbers of military dads attending their existing groups and this highlighted the need for a bespoke military programme. CEO and Founder, Matt Foster, explains: "We listen, and we evolve organically depending on the conversations that we're having with the community. In this instance it was the military community, so we've combined all the skills that we have, and we've created a bespoke military Dadzchat service."

There will be weekly sessions run by newly recruited TPN Dadzclub Coordinator Neil Campbell and delivered with partner organisation support from 'Save a Warrior' and NHS Talking Therapies, who offer dedicated referral pathways for dads accessing TPN's services.

Matt told us: "Neil is a military veteran who spent 24 years in the Navy as an aircraft engineer. He's also a dad. He's already making all sorts of connections with welfare officers and other communities. We're hitting the ground running."

TPN's new bespoke centre in Portsmouth, The Forge, is due to open mid-May 2025 and Matt hopes it will become a 'safe space' for those seeking support: "What's really important is that we have this safe, welcoming space where they know that they can go and seek that support, not just in the weekly Dadzchat sessions, but also knowing they've got this community around them and a safe place where they can go at any time."



The Forge will be a comfortable and inviting space to help reduce barriers and the stigma of accessing mental health support. While the project is targeted at military dads, Matt adds: "Should a military mum turn up, we're still going to open that space because we're never going to turn anyone in need away. We want it to be as inclusive as we possibly can for the military community."



"We listen, and we evolve organically depending on the conversations that we're having with the community."



Understanding complex problems and identifying solutions

Unlike the other themes in our framework, this theme is about taking the pulse of the armed forces community to understand emerging or particularly complex challenges, and to find what works.

In 2024/25, we commissioned two projects. The first explores the impacts of service life on children, aside from educational attainment. We awarded Northumbria University £124,899 for their year-long 'Military Children – promote, protect, prevent' project, which seeks to understand the Social Determinants of Health (Health Care and access, Social Community, Neighbourhood and Environment, Education and Economic Stability) of military connected children and young people (MCCYP).

The project looks at the 'lived' experience of the Social Determinants of Health (SDH) which surround MCCYP, from the perspectives of the young people, and develops an understanding of what 'good' looks like within the context of military service provision. Overall, this project looks to help reduce inequalities within the MCCYP population.



"The project is built on the three pillars of public health - promote, protect and prevent - this means that if we can understand the lived experience of MCCYP, and truly understand their needs, then we can promote early service intervention and protect their overall health and wellbeing - in the hope of preventing poor outcomes for them, be that spiritually, socially, emotionally, physically or educationally."

~ Dr Paul Watson, Lead Researcher



Northumbria University
NEWCASTLE

Innovation through gaming

The second targeted application explores the long-term growth and sustainability of gaming as an innovative and modern pathway to support for younger veterans.

We awarded Company of Makers CIC £200,000 for a three-year project offering activities for younger veterans across the UK.

Get in the Game (GITG) includes online content and face-to-face events designed to prevent social isolation and loneliness in younger tri-service veterans. It builds on the successes and lessons learned from the organisation's 'eGaming with veterans of Recent Conflicts' project, which ran from May 2023. All participants receive ONS4 wellbeing surveys and the programme also provides one-to-one support to address wellbeing, mental health, and welfare issues.



"Get in the Game is proving to be a fantastic way of engaging with younger veterans which is particularly important because younger veterans are less likely to seek help. With hundreds now participating in everything from Warhammer to F1, Get in the Game is going from strength-to-strength."

~ Co-founder, Rachel Owen





Programmes delivered on behalf of the Office for Veterans' Affairs





Programmes delivered on behalf of the OVA

Programmes delivered on behalf of the Office for Veterans' Affairs



Our work for the Office for Veterans' Affairs continued this year, enabling grant-making on the department's behalf to support veterans experiencing homelessness, unemployment and mobility challenges.

The Veterans' Capital Housing Fund

In 2024/25, the Trust awarded grants on behalf of the Office for Veterans' Affairs (OVA) towards projects that contribute to the aims of the Government's ambition to reduce veteran homelessness and end rough sleeping.



20 awards made in 2024/25
worth **£6,764,718**



- increase the number of new builds, homes/housing units available to veterans at affordable rents
- increase affordable homes/housing units available by refurbishing existing housing stock that has fallen out of use
- meet the decent homes standard and energy efficiency requirements.

Focus on - Major Capital Grants programme

The Major Capital Grants programme has enabled registered charities and registered social housing providers working with veterans to access a significant cash injection to support the creation of affordable new build housing, significant refurbishment or extension of accommodation for veterans. These properties will meet decent homes and energy efficiency standards.

This year the programme awarded 11 projects, worth a total of £6.2 million.



"Ten years' service and two operational tours began to take its toll on my mental health and around the start of 2021 I began to think that something was wrong."

John Tonner is a Visiting Officer with Veteran Housing Scotland (VHS), which is delivering a programme of significant refurbishment to improve and extend affordable housing options for veterans with disabilities. He shares his own story of how the charity helped him when he was most in need.

"My cry for help came in the summer of 2021. I felt that I had no one to turn to.

"After months of reviews and treatment I was diagnosed with PTSD and told that I was being recommended for a medical board review. All I had ever wanted to do was be in in the armed forces.

"On the day of my medical board I learned that I was being medically discharged. I didn't know what I was going to do or where I was going to live."

This major cash injection will allow VHS to deliver a significant refurbishment programme to improve and extend 52 properties within their portfolio. The organisation estimates 59 veterans and 65 family members will benefit, not just from the housing itself but also the wraparound support that comes alongside.



Some veterans use VHS housing as a short-term measure post transition or later in their journey, while they improve their circumstances and go into mainstream housing. Others stay for longer periods, including end of life.

RAF veteran Alex Bell moved into his VHS home in 1996. "I love my home, I love where it is and I am grateful for the opportunity the charity has given me and my family."

Kevin Grey, Chief Executive at VHS explains: "It is one of the founding principles of the charity that rents were to be kept as low as possible to allow veterans to devote more of their money to securing employment to help secure a better and brighter future. John's story highlights all areas of the work of VHS and how in many respects we remain committed to our founding principles.

"The fantastic support we've received has allowed us to carry out significant repairs and refurbishments to properties in seven locations. Just one example of that is [in the] picturesque town of Pitlochry. Now we are carrying out significant repairs to the roof."





Programmes delivered on behalf of the OVA

Reducing veteran homelessness

In 2024/25 we opened a second funding round of the Reducing Veteran Homelessness (RVH) programme, inviting applications from charities, local authorities and registered social housing providers. Grants of up to £300,000 were available to deliver nine-month projects to improve the capacity of services in supported housing to better help veterans with a range of different needs.



The Veterans' Housing Referral Pathway was funded for a further 12 months in 2024/25.

An interim evaluation of both programme elements published by Alma Economics states: "The programme's funding significantly enhanced staff support, allowing for more meaningful engagement with beneficiaries, particularly those with complex needs. Improved partnership working with local services and networks was also highlighted as a success, as it strengthened overall support and service delivery. Moreover, increased access to therapeutic interventions was identified as a critical factor in achieving positive, life-changing outcomes."

Reducing Veteran Homelessness Programme

What else we delivered on behalf of OVA this year:

Veterans' Mobility Fund

£2.52M to Help for Heroes in partnership with Blesma to manage and distribute the fund

150 veterans supported with specialised equipment so far

PLUS 350 veterans indirectly supported with a warm handover to further support services

“ We've seen an incredible response, with a significant number of applications from veterans seeking support to improve their mobility, independence and quality of life. We are truly grateful for the interest and engagement from our veteran community and supporters, which highlights the vital role this fund plays in enhancing lives. ~ Help For Heroes ”

Veterans' Career Development Fund

£700K

awarded to projects enabling veterans and their families to enter stable, long-term employment, by delivering qualifications and training.

“ As the world changes so rapidly then so do the needs of our force. We're seeing unprecedented demand for career coaching and the recent funding to support female veterans who are also spouses will make a tremendous difference to support our serving armed forces and families.~ Heledd Kendrick, CEO/Founder at Recruit for Spouses ”

Op Ascend & Veteran Industry Engagement Programme

£1.3M programme creating career pathways and industry engagement opportunities for veterans

Programme evaluation partnership awarded to Alma Economics

“ This was an excellent event and the best one I have been to as a veteran, having left the military seven years ago. ~ Op Ascend event attendee ”



The Veterans' Mental Health and Wellbeing Fund



Veterans' Mental Health and Wellbeing Fund

Veterans' Mental Health and Wellbeing Fund

This year we also continued our grant making on behalf of HM Treasury's Veterans' Mental Health and Wellbeing Fund. We awarded portfolio grants in all regions of the UK as part of the Thrive Together programme, which builds on the enormous success of the earlier Veterans' Places, Pathways and People programme work.



Between April and September 2024, Thrive together leads ran comprehensive regional consultations as part of their Phase 1 programming covering the whole of the UK. Each was fully evaluated and the findings used to develop cohesive strategic plans in order to lead the development and delivery of Phases 2 and 3.

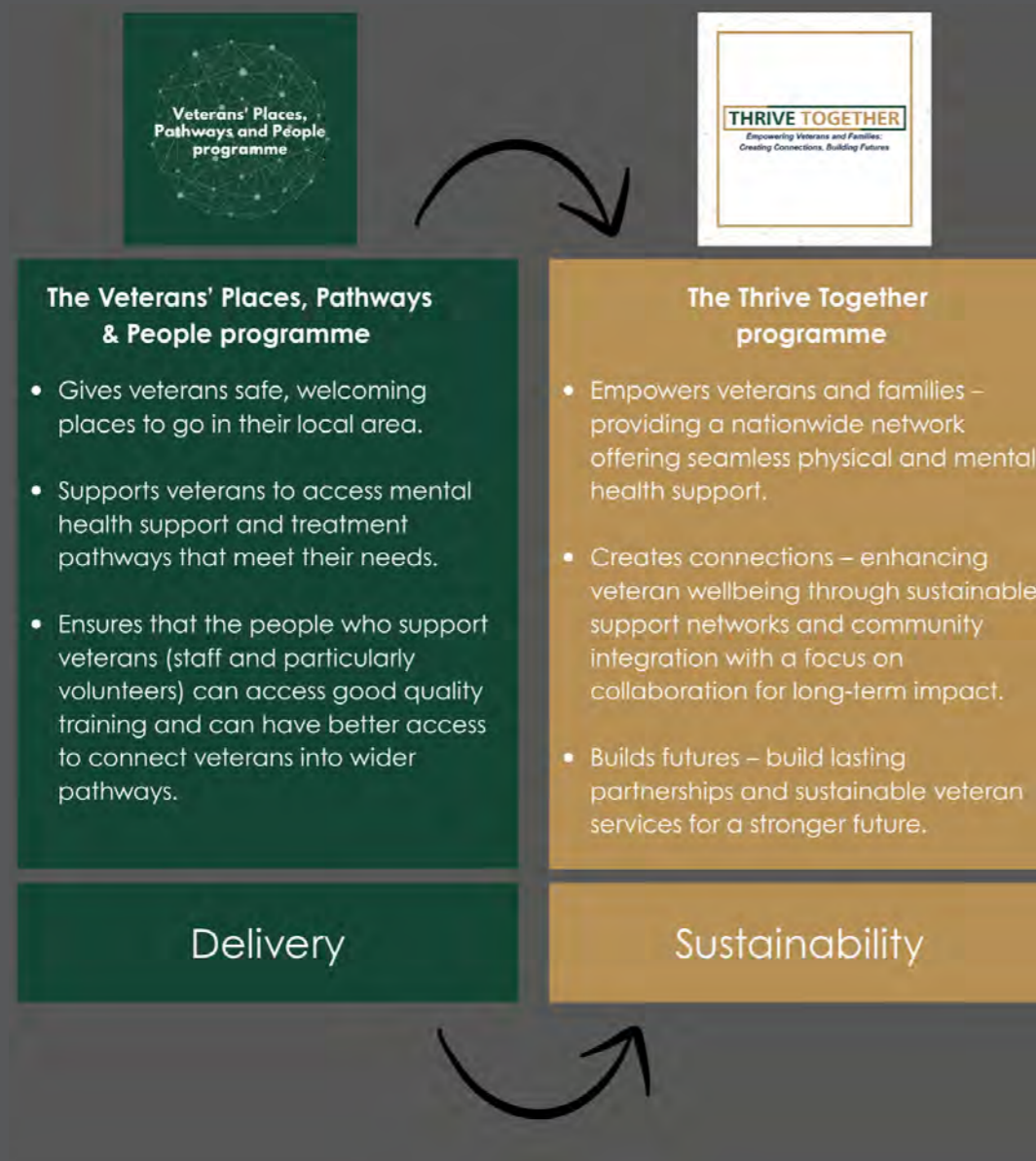
Consultations saw over 1,000 veterans interviewed, alongside a range of focus groups and a mix of online and face to face interactions.

Key findings included:

- A significant lack of awareness amongst veterans and their families as to the services available in their region.
- A desire to be actively involved in shaping local services and decision making.
- A need for more accessible safe spaces in local areas
- Despite positive strides forward there are still great challenges in breaking down the stigma which can form a barrier to a veteran accessing services

THRIVE TOGETHER

**Empowering Veterans and Families:
Creating Connections, Building Futures**



"20 years ago, when I got out of the forces, if there had been a pack of information that said 'Thank you for your service: here are your pathways to support if you need them', that would have made a massive difference. If that can be achieved through Thrive Together, that would be amazing. Thrive is the embodiment of all the steps you need to take to get there."

~ Debs, veteran and Armed Forces HQ team member



Programmes delivered on behalf of the MOD



Programmes delivered on behalf of the MOD

The Armed Forces Families Fund



The Armed Forces Families Fund (AF3) was launched by the MOD in 2022 to provide targeted support to the families of serving personnel, reflecting the aims of the UK Armed Forces Families Strategy (2022–2032).

AF3 is made up of three dedicated programmes:

- Access to childcare and early years support
- Education for service children
- Employment and wellbeing for partners.

We administer the Fund on MOD's behalf and in 2024/25, **awarded over £2.8 million** supporting Armed Forces families across the UK and overseas.

Supporting Partners Programme

£ 799K

awarded to 15 projects

Supporting the and partners of serving personnel, including those based overseas. Funded projects aim to remove barriers to participation and promote inclusion; improve wellbeing, build confidence, explore career pathways, and access training and employment opportunities. Many also work to raise awareness among employers and service providers of the challenges service partners can face.

Service Pupil Support Programme

£1.3M awarded to 21 projects

Supporting school-aged children from currently serving families. It funds projects that help schools' close attainment gaps, support transitions, and build emotional resilience—particularly where service life brings additional pressures such as mobility and deployment.

Early Years Programme

£ 697K awarded to 22 projects

Helping armed forces families access high-quality early childhood education and childcare. Funding supports projects that increase capacity, improve learning environments, and enhance staff training—ensuring young service children are supported to grow, play and learn, wherever their families are based.

A new theme introduced for 2024/25 focused on encouraging providers to work together in clusters, helping to strengthen networks and share expertise.

Spotlight on: Naval Under 5s

As military families brace for another six-month deployment, juggling work, running a household, and raising children alone, all while living miles away from family and friends, they may be wondering how they will find reliable support.

What would ease the burden is access to nursery spaces and wrap around care, ensuring children are in a safe, happy environment while parents work with peace of mind.

“We have families that have said they would be interested in extended hours if we could offer them. More parents are looking to return to work and the current offering makes this difficult to manage.”

That's why the grant awarded to Naval Under Fives nursery is a lifeline for many armed forces families. By expanding hours and providing wraparound care, they are helping to relieve some of the pressure military parents face every day.

“The grant has helped us to create enabling environments where we can support the individual needs and interests of the children fostering progression and achievement in all areas of development.”

With the increase in capacity in full swing, further funding allows for age-appropriate resources for the additional provision, such as gardening equipment, so the children can explore and deepen their understanding of the natural world. Outdoor activities provide sensory experiences and support for physical, mental and emotional wellbeing - especially during times of deployment when children need extra reassurance and stability.

“Some of our children don't have gardens of their own, so it's a perfect opportunity for them to be able to get outside every day, and for the children to experience growing and eating different foods.

“The grant will have lifelong impact on the children in our care now and in the future.”





Spotlight on: RAF Valley

During a review, RAF Valley gathered consistent data about the difficulties and frustrations experienced by many non-serving partners in gaining and maintaining work and the barriers they face when trying to build their own career.

The Spouses and Partners Support Project offers a diverse range of support and peer-based activities for non-serving partners at RAF Valley, designed to reduce isolation, build resilience and gain new skills.

But there's an issue: "Many of the spouses and partners have the skills to write CVs and job search - as many have degrees and have attended college or university. What's needed are job opportunities for them to apply for."

Recognising this gap, the project has provided a series of roadshows, bringing local employers and partners together under one roof. These events create valuable face to face connections, opening doors to opportunities that had previously felt out of reach.

Sports and fitness classes, first aid training, and creative arts workshops have become other highlights of the programme, enabling support networks to begin to form organically.

Many partners speak of how the sessions help ease the feelings of isolation and loneliness that often occur in remote locations.

"Yoga has done me the world of good; it's an hour for myself of relaxation and mindfulness in a world full of stress. Debra is a wonderful teacher and it's a total pleasure to attend, it's a great way to meet likeminded people too!"

While Anglesey is a beautiful place, its isolated unit status and remote location can present real challenges. Research from the Annual Community Needs Analysis, supported by direct feedback from beneficiaries, has highlighted a reoccurring theme: many experience feelings of loneliness and isolation.

"Spending time with the other crafters has helped me make new friends. This has helped me feel more comfortable here in this beautiful – but, at times, lonely - place."

RAF Valley has secured further funding from July 2025 to expand its range of activities and place even greater focus on supporting the mental health and wellbeing of partners.

Looking ahead, the successful model will continue to grow, strengthening informal social networks that help new arrivals settle in, feel less alone, and become an active, welcomed part of the RAF Valley community.



Spotlight on: Targeted interventions supporting older service children

Across Greater Manchester and Lancashire, service children are growing up as part of the one of the largest armed forces communities in the country.

The GMC Student Support Project (GMCSS) delivered by Wigan and Leigh College, and the Achieve Your Potential (AYP) Project delivered by Blackpool and Fylde College, are working together to provide targeted interventions that address the unique challenges faced by service children.

Young people from service families often find themselves navigating a unique set of challenges. The constant moving, the long periods of separation from parents, and the uncertain nature of military life can leave emotional and behavioural challenges.

These young people, more so than their peers, can struggle with a sense of agency, confidence, and ambition. As a result, they may find it harder to engage in school life, and their academic performance and future opportunities can suffer, leading to reduced participation and lower levels of attainment and progression.

These initiatives, supported by a range of partners including the University of Lancashire, The Lancashire Colleges Group, Careers Ideas Limited and the Armed Forces Community HQ, aim to create a stronger and more inclusive learning environment where service pupils can thrive in further education.

The goal of these projects is to ensure that the needs of the service children are recognised and actively supported. The projects bridge a gap by working closely with colleges, ensuring staff have the tools and knowledge they need to provide the right kind of support. A core aim of both is to increase the number of further education colleges that are signatories to the Armed Forces Covenant, ensuring military- affiliated students are treated fairly and have equal access to education and career opportunities.

Emma Goodlet, Great Manchester Colleges Project Lead, and Royal Navy veteran said: "By working together across Greater Manchester and Lancashire, we can better understand and address the challenges faced by armed forces young people in further education. This initiative will help shape future policy and practices across the sector.

Rosie Fearn, Director of The Lancashire Colleges group, stated "We are thrilled to be part of this initiative, ensuring service children in Lancashire and beyond have the support they need to succeed. These projects are about recognising their unique experiences and ensuring they can achieve their full potential."



Supporting LGBT+ veterans

With the launch of the redress scheme for those affected by the ban on LGBT+ armed forces personnel between 1967 and 2000, we provided grant support on behalf of the MOD, to the Royal British Legion and Fighting With Pride, to bolster the work they're doing to help veterans applying to the scheme.





Impact and sustainability

During the year we administered 16 grant programmes, assessed 736 applications, and awarded over £27 million in grants. Projects funded during the year supported over 230,000 beneficiaries in a wide variety of ways.



16 grant programmes delivered on behalf of



736 applications for funding assessed



£27M+ awarded in grants

Supporting around **273,000** beneficiaries

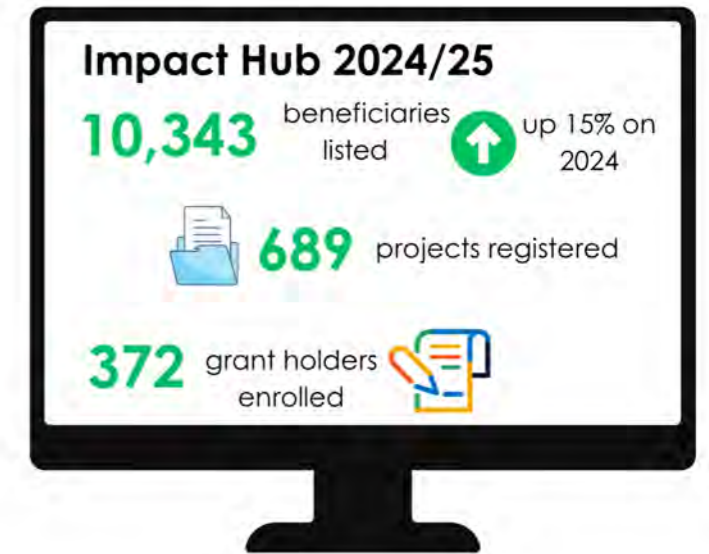
Achieving...

Opening up choices for serving women	Reduced isolation and the impact of loneliness	Appropriate training and development of staff to support Service children	Better learning environments for service children	Identify and address known and unknown gaps in service provision	Veterans' isolation reduced and quality of life improved
Addressing mental health wellbeing , help-seeking, and stigma within the armed forces community	New forms of personalised and targeted support		Improved access to support	Collaborative partnerships between armed forces organisations and specialist non-armed forces organisations.	Effective, preventative and educational measures regarding domestic abuse within armed forces communities

The Impact Hub

We ask grant holders to use our Impact Hub – a tool which enables the collection of impact data directly from project beneficiaries. It helps us to measure impact consistently across all our programmes. In 2024/25 we've focused on improving the user journey, as well as the accessibility and usefulness of the data collected, for grant holders and the Trust.

We're delighted that use of the Impact Hub continues to grow and we're committed to working with all grant partners to continue to improve the user experience. Our dedicated impact team provides guidance and training through one-to-one and group support. The more projects use the Hub, the richer the data - and the more we can all spread what works.



Supporting sustainability of services in the armed forces sector

As a fixed term funder, facilitating and encouraging sustainable projects and professional networks is vital. Many of the issues facing the armed forces community are inter-related and long-term, so doing what we can to enable projects to sustain their work beyond the initial funding period ensures that veterans and their families get ongoing access to support.

We look at three broad areas: financial sustainability; operational sustainability; and sustainability of impact. For the projects we fund, we encourage them to focus on how their achievements and progress will sustain beyond the life of the grant or specific programme.

Recent programme evaluations have highlighted this. The Veterans' Places, Pathways and People (VPPP) programme found that building trust with veterans, between organisations and with the wider community, was instrumental in improving awareness of mental health and wellbeing services; reaching new beneficiaries; establishing new connections; and increasing referrals through improving systems, processes and communication.

Other programmes have allowed grant holders to participate in training, equipping them with skills that they can continue to use beyond the funding period. Funding to Thorney Island Community Primary School, for example, under the Service Pupil Support programme (SPSP) allowed staff members to become 'Drawing and Talking' practitioners, aiming to provide further support to service children with emotional needs around attachment. While in the short-term, these skills will positively impact children within the programme, these skills will continue to be put to good use well beyond the life of the grant. This ensures the sustainability of support offered to service children in schools, so they do not feel alone in their emotional needs.

Similarly, Llantwit Major School, also funded under the SPSP programme, has reported substantial growth in leadership skills, self-esteem, and collaborative abilities among service pupils - leaving a legacy for these young people which will have impact far beyond the grant.

Examples of collaborative working have been reported across Thrive Together portfolios with professional relationships being fostered, not only with other portfolio regions or veteran charities but with wider statutory providers such as DWP, the NHS, and HMPPS.

In developing these connections, portfolios have hosted webinars and in-person events to spread awareness of their work, connect with key contacts, and encourage organisational change. For example, the Armed Forces Community HQ in the Northwest region has shown a clear commitment to collaborative working through the development of the Forces Wellbeing Collective, 'a network of professionals, volunteers, and cross-sector organisations working together to improve the wellbeing of the armed forces community in the Northwest'.





Sustaining support beyond the life of a grant



Ongoing partnerships and collaborations that have been established through our funding – some projects might seek to build a long-term legacy through better or new collaboration between organisations to improve how people from armed force communities access support now and in the future. For projects like these, we would expect to see evidence of changes in practice and collaboration that extend beyond the life of the grant.

Accessing additional funding for ongoing delivery – some grant holders may be funded by the Trust to carry out a pilot project or to try a new intervention to demonstrate what works. They could use this project and its successes to make the case for further funding from other sources.



Ongoing improvements for project beneficiaries – some projects may focus on the legacy value for people who engage with their projects, looking to address complex issues or engage in effective preventative work targeted at those that might be at risk of crisis. At the end of the grant, people who have taken part in these projects would be in a far stronger position than they were at the beginning of the project. Beneficiaries continue to experience the benefits of the project and can live happier and more fulfilled lives.

Improved knowledge and evidence – projects can look at the evidence they have developed about the needs of a specific group of people in the armed forces community and effective ways to support them, which can be used by others in the future. Systems and processes can be improved throughout a funded project, which can benefit the organisation and others in the future.



Aspire, Achieve, Sustain

Our 'Aspire, Achieve, Sustain' conference, held in London in October 2024, helped to further facilitate long-term professional networks by providing a space for individuals to meet and connect with one another.

The diverse nature of individuals and organisations represented at the conference provided an excellent platform for delegates to engage with a wide-array of cross-sector organisations, offering further opportunities for collaboration and the exchange of best practice. Delegates also attended workshops on sustainability.

Development of these networks not only aids project sustainability by improving internal practice, but it has also created the scope for future joint funding bids to other sources.

Other projects are leaving a sustainable legacy as a result of the evidence-base they will create. Funded research by Northumbria University into the impact of service life on children and young people will shed light on previously unseen needs, contributing to future approaches in education and wider support for young people.

Other funded research is already leaving a sustainable legacy and paving the way for more tailored care, such as that completed by the National Centre for Social Research. This work underpins an innovative programme designed to alleviate some of the issues facing the Royal Navy submariner community and the effects of separation on family life.

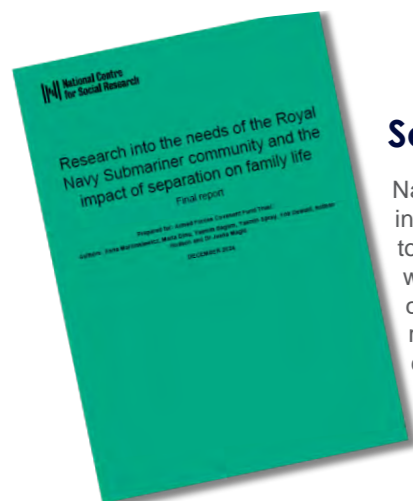


Research and evaluation

Our research activities moved into an exciting new phase this year, as we worked to grow the evidence base on the voluntary sector's role – and potential - in responding to some of the most complex issues facing the armed forces community. It's work which informs the programmes we design and enables us to share learning on what works - far beyond the armed forces sector.

Learning on loss

Led by Alma Economics, this landmark study shaped the goals of a major portfolio grant programme to be awarded in 2025 - aiming to transform the landscape of bereavement support for loved ones in the armed forces community. Working with focus groups, charities, consultation submissions and reviewing existing research, the research team took a deep dive into current gaps, challenges and opportunities to improve help to grieving spouses and partners, children, wider family and friends. There were some familiar themes: the need to map the help which is available; the importance of building partnerships between those providing it; the need to expand support to both children and adults; and the need to broaden the range of help available. The findings make clear the scope for this programme to make a difference to those whose lives have been shattered by bereavement.



Seascapes

NatGen worked with us to complete this first-of-its-kind study into the unique experiences of those in the submariner community, when it comes to coping with separation and isolation. Designed to inform a unique pilot programme focused on place – working with the Navy, charities and wider community in Helensburgh, Scotland – the research highlighted the opportunities for collaborative working to offer more tailored mental health and peer support, specific help with reintegration and the complexities of long deployments, and work to help partners enhance their careers.

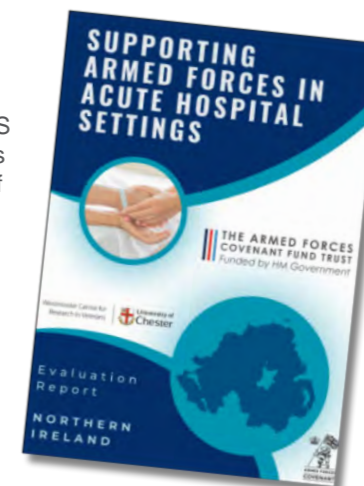


Through the doorway

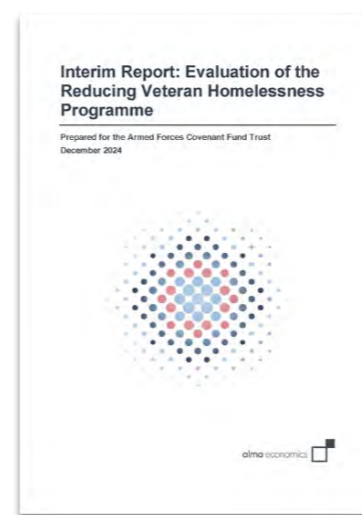
This year, our in-house research team analysed final data from the Veterans Places, Pathways and People programme to better understand its overall impact for improving the coordination of mental health support to veterans from the voluntary and community sector. Its successor programme, Thrive Together, began the task of embedding that coordination even further, and setting up its sustainability for the future. The evaluation highlights the impact of the 'no wrong door' approach – which allowed veterans to access mental health support through a huge and diverse range of activities and organisations, improving their wellbeing and connections with peers. Partners reported increasing referral numbers and overwhelmingly positive impacts of collaboration between statutory organisations, the NHS, armed forces organisations and civilian charities. Some reported a distinct cultural shift to regular communication and meetings with other organisations, to continually improve the quality and content of support to veterans. For others, the programme was the conduit to improving their data capture and use of reporting to inform their work.

Hospital headlines

The University of Chester published its evaluation of our £2m programme with NHS England which based an Armed Forces Advocate for veterans in acute hospitals across 16 NHS Trusts. It found that the roles raised awareness of the needs of veterans among hospital teams, and improved their experiences in hospital. The programme's success has subsequently seen roles embedded permanently and exploration of the model by other Trusts, while recommendations on best practice are being traded and applied: among them, ways to identify veterans easily within the hospital setting; ensuring the role's remit extends into the community and the potential impacts of an AFA role for timely discharge of patients home.



This year also saw publication of the university's evaluation of the Veterans Adviceline for Statutory Professionals, the Northern Ireland-based element of this programme. The helpline aimed to signpost organisations and welfare services to the best point of contact to support veterans and their families and was used by veterans, statutory and non-statutory organisations alike – with all evaluation respondents stating they were happy with the support they received, and 79% that the line had a positive impact on their wellbeing.



The home front

Alma Economics launched interim evaluation findings looking at the impact of the first nine months of the Reducing Veterans Homelessness programme. Their analysis explored the benefits of the grant programmes and Op Fortitude pathway for veterans' access to employment, skills, retaining housing, reducing substance misuse, healthy relationships, financial management and probability of reoffending. It also delivered an early economic analysis, estimating the value created by the impact of the programme through counterfactual assessment. This estimated that - assuming that outcomes would improve for some veterans even without the Reducing Veteran Homelessness programme - investing around £1.5 million in the programme could generate approximately £2.5 million in economic and social benefits over a 15-year period; for every £1 spent on the programme, the socio-economic benefits would generate £2.70 over 15 years.

School report

On behalf of MOD, we commissioned Alma Economics to begin work on an independent evaluation of the Service Pupil Support programme, to understand whether it has met its aims, delivered value for money, and whether it should be continued, adapted or discontinued by the department. This year, the team completed work to design evaluation methodologies, working with schools taking part in the programme and parents of pupils being supported to design processes for tracking progress against each of the programme's planned outcomes.



In the pipeline...

On behalf of OVA, we teamed up with new research partners to evaluate the impact of the Op Ascend and Career Development Fund programmes, and to support the department in exploring the economic impact of veterans in the labour market. They will report in 2027 and 2026, respectively.

On behalf of MOD, we contracted with The Charity Spark to lead an independent evaluation of the Military Co-Working Network Hubs programme (part of the AF3 group of programmes). Work is underway and is due to complete in 2026.





A look ahead to 2025/26...

2025-26 promises to be another busy year, and we're delighted to be continuing to support both our sponsor department MOD, and CVA, as their grant-making partners on programmes improving outcomes for veterans and families in the armed forces community both here in the UK and abroad.



Covenant Fund programmes are already open for the second year of our framework.



We're diving into the research phases for the next complex issues we hope to respond to.



We'll begin evaluating the impact of the framework so far, using the emerging learning to help us start planning for our grantmaking beyond 2027.



Work is underway to improve the user journey through our website, as a key information point for grant partners and those seeking to learn from our research.

We're recruiting two new independent trustees to bring new experiences and skills to our board.



Given that climate change has cross-cutting impacts for all charities and all funders – we're doing some exploratory thinking about what this might look like for our ways of working, and the role which funders like us might need to play.



We'll be marking ten years of the Covenant Fund!



Financial review

Our income

During 2024/25, the trust's income comprised £30.9m for specified purposes of supporting the Armed Forces community, as follows:

- Office for Veterans Affairs (Various programmes) £16.1m
- Covenant Fund £10.9m
- MOD Families Fund £2.9m
- Other £1m

Our expenditure

In 2024/25, we spent £30m on grants and direct expenditure on programme evaluation and research to assist us in understanding the impact of both individual projects and programmes. Awards from each of the Funds were made throughout the financial year. Some grants are for multi-year projects, where organisations draw down their grants over two or three years. Staff costs in 2024/25 were £1.4m, an increase of £0.2m from 2023/24. The increase is a direct result of taking on additional staff as our funding programmes have grown in number, with particular emphasis around the new OVA programmes. This enables us to continue to be an efficient and effective grant making body.

Our other costs rose slightly. This driven by an ongoing IT refresh programme and improved IT support and increased travel requirements and costs. In addition, one off costs were incurred for the launch of the MOD Headfit project.

Reserves policy and going concern

The Trust holds limited reserves, which comprises both refunded grants and interest earned. Trustees have continued to engage with the Cabinet Office and the Ministry of Defence during 2024/25, to ensure that prudent planning and compliance with the Charities SORP can be achieved.

Our working reserves policy has been to ensure that we hold sufficient funds to maintain liquidity and to increase our robustness in the event of a sudden contraction of grant funding. Our unrestricted reserves at 31 March 2025 were £664,027 and covers approximately six months of staff costs.

The Trustees have presented the accounts on a going concern basis. This assumes that the Trust can meet its liabilities as they fall due for the foreseeable future and that current and future funding will be adequate for the Trust's needs. We have considered a period of twelve months from the date of approval of the financial statements in accordance with accounting conventions.

In coming to their conclusion, the Trustees have considered monthly forecast levels of income and expenditure and underlying assumptions. In line with our Financial Framework, our expectation is that the Covenant Fund funding of £10 million from the Ministry of Defence continues for the foreseeable future. Having carefully considered the forecasts and assumptions, the Trustees are content to present the accounts on a going concern basis.

Fundraising

Unlike other funders within the sector, the Trust does not fundraise to produce a grants income. The Trust will not normally accept unsolicited donations. The trust may consider donated income for the establishment of grant making schemes that are aligned to the charitable objectives of the Trust. Under its policy, Trustees can turn down a donation where accepting the donation would be detrimental to the achievement of the purposes of the organisation, as set out in its constitution.

Auditor

Moore Kingston Smith have provided our financial audit services since 2021/22.

So far as I, as Accounting Officer of the Trust, and as we, as its Trustees, are aware:

- a. There is no relevant information of which the Trust's auditors are unaware
- b. We have taken all steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

The Trustee's annual report has been approved by the Trustee Board in their 12/09/2025 meeting and signed on their behalf by:



Anna Wright
Chief Executive Officer
13 October 2025



Hans Pung
Chair of Trustees
13 October 2025

Governance statement

Scope of responsibility

As Accounting Officer and Trustees of the Armed Forces Covenant Fund Trust, we have responsibility for putting in place and maintaining proper arrangements for the governance of the Trust's affairs together with a sound system of internal control that supports the achievement of the Trust's policies, aims and objectives, whilst safeguarding the public funds and assets for which the Accounting Officer is personally responsible, in accordance with the responsibilities assigned in Managing Public Money and ensuring compliance with the requirements of the Management Statement and Financial Memorandum.

The purpose of the governance framework

The governance framework comprises the systems and processes by which the Trust is directed and controlled. It enables the Board to monitor achievement of its strategic objectives. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place throughout the year ended 31 March 2025.

The governance framework

The Trust is an unincorporated charity and non-departmental public body (NDPB). The Armed Forces Covenant Fund Trustee Limited is a company and was registered at Companies House on 2 February 2018 to act as the Trustee of the Armed Forces Covenant Fund, which was registered with the Charity Commission on 7 February 2018.

The individuals referred to as Trustees are directors of the limited company under company law.

The limited company was established under a memorandum of association, which established the objects and powers of the Trust and is governed under its articles of association.

All Trustees give their time voluntarily and receive no benefits from the Trust. Any expenses reclaimed from the Trust are disclosed with our Remuneration Report and note 6 to the accounts.

There is a Financial Framework document in place which defines the arrangements between the Trust and its sponsor department, the Ministry of Defence, relating to the receipt of the £10m Covenant Fund and the conditions for its expenditure. The current Financial Framework was issued in the year ended 31 March 2022.

For other funding streams, Memorandums of Understanding are in place with the funding sources, such as the Office of Veterans Affairs.

The Trustees and the committee structure

The Armed Forces Covenant Fund Trust is governed by a Board of Trustees chaired by Hans Pung. The Charities Act 2011 requires the Trustees to exercise proper stewardship over the Trust.

The Chief Executive Officer of the Trust is the Accounting Officer responsible to Parliament for the day-to-day management of the Trust as set out in Chapter 3 of Managing Public Money. Our current Chief Executive, Anna Wright has been in post since January 2022.

The majority of the founding Trustees of the Trust had previously served as members of the National Panel for the Covenant Fund when it was operating within the MOD, and new members were brought in to ensure that the range of skills required to manage an independent trust were available to the Board.

There have been three new appointments in 24/25. The new Trustees are Zoe Bishop, Jonathan Bell and Sarah Clewes. The Trust also re-appointed Peter Kellam.

Who appoints the Trustees?

Up to eight Trustees are recruited as independent Trustees; six are appointed by the Secretary of State for Defence in accordance with the provisions of the public appointments process set out in the Office of the Commissioner of Public Appointments Code of Practice; one is nominated by the chair of the Confederation of Service Charities and appointed by the Board and one is nominated by any one of the Family Federations in turn and appointed by the Board. There are seven Trustees from His Majesties Government or Devolved Administrations who are nominated by their departments/administrations and appointed by the Board of Trustees by

majority approval. They are appointed for a term of two years initially, and then may be appointed for a further two terms of three years, apart from the Families Federation Trustee who rotates every two years. Other individuals may serve on specific sub-committees to supplement the experience of Board members.

The Trustees receive a governance manual on appointment, and attend induction training with the Chief Executive Officer and Senior Management Team (SMT). They are also encouraged to familiarise themselves with the Trust's priorities through work in sub-committees.

The Board of Trustees sub committees

The Board of Trustees have established four sub-committees for specific purposes and to ensure that effective conduct of business. The Board of Trustees is responsible for appointing to the sub-committees from within its membership and all sub-committee actions are taken on behalf of the Trustees as a whole, with recommendations made to the Board as appropriate.

These sub-committees comprise:

- Audit and Risk Committee- to consider the annual audit and publication of annual Trust accounts, risk management, finance and internal controls.
- Remuneration and Nominations- to consider all staff terms and conditions including performance management and pay, as well as future appointments to the Board and to senior posts.
- Ethics Advisory Panel- to support the team in maintaining high ethical standards
- Grants Committee- Makes decisions on the awarding of grants in respect of specified grant programmes. For 2024/25 these were
 - Covenant Fund: Family Separation; Serving Overseas Local Support; Serving Overseas Support from the UK; Serving Women; Hidden Needs
 - Armed Forces Families Fund: all grants programmes

The terms of reference of each of these sub-committees have been approved by the full Board. The table below shows the number of meetings and attendance. Minutes of all Board and sub-committee meetings are maintained.

	Board	Audit	Remuneration Committee	Ethics Advisory Panel	Grants Committee
Hans Pung	7/7		3/3		3/4
Helen Helliwell ¹	1/1				
Rear Admiral Vice Commodore Rex Cox ²	1/1				
Wendy Cartwright	7/7	4/4	3/3		
John Mooney	4/7		2/3		
Lt Gen Sir Nick Pope	7/7	1/4	2/3		3/4
Collette Musgrave ³	6/6		1/2		3/4
Peter Kellam ⁴	7/7			4/4	
Victoria Wilson	6/7	4/4			
Frances Nash	6/7		1/1	4/4	
Sue Davies ⁵	2/4				3/3
Captain Caroline Dix	4/7	1/4			
Anisha Worbs	5/7				
Major General James Senior	5/7				3/4
Zoe Bishop ⁶	3/6		2/2		
Sarah Clewes ⁷	2/2				0/1
Jonathan Bell ⁸	3/3	0/1			

1 Resigned 10 May 2024
 2 Resigned 12 July 2024
 3 Resigned 14 February 2025
 4 Reappointed 14 February 2025
 5 Resigned 10 February 2025
 6 Appointed 12 July 2024
 7 Appointed 15 February 2025
 8 Appointed 13 December 2024. Previously an independent ARC member.

Trustee attendance is shown as the number of meetings attended in relation to the number of meetings held whilst each individual was a member of the relevant committee.

Register of interests

The Trust's funding plans are developed in close dialogue with the Covenant Team at the MOD, to ensure its programmes are informed by and complementary to, the MOD's support for serving personnel, veterans and their families.

All funding decisions are made by the Trustees, with Trustees acting independently of their other professional roles. Declarations of interest are requested and recorded at each of the Board meetings, in relation to applications for funding being requested, contracts being considered or funded project updates, with relevant Trustees withdrawing from discussions and decision making as appropriate. Related Parties are disclosed in Note 8 of the Financial Statements

The Board of Trustees' performance

The Board has supported the Trust to successfully award grants in line with its four broad funding themes as outlined above.

At the meetings of the Full Board the sub-committee chairs highlight any matters of particular interest or concern for the attention of the full Board. There is a wide range of information and data routinely available to the Board, in particular in relation of grant applicants, but also including management accounts quarterly to Audit and Risk Committee and summary management accounts to the full Board when relevant, which the Board considers to be adequate management information.

Personal data loss

The Trust has not identified any personal data related incidents during 2024-25 or in the previous years since its establishment. An incident is defined as a loss, unauthorised disclosure or insecure disposal. Protected personal data is information that links an identifiable living person with information about them which, if related, would put the individual at significant risk of harm or distress; the definition includes sources of information that because of the nature of the individuals or the nature, source or extent of the information, is treated as protected personal data by the Trust.

Internal audit

BDO have continued to provide our internal audit services for 2024/25. The Trust's Audit and Risk Committee approved the 2024/25 internal audit plan, and BDO carried out audits on Major Capital Grants, Equality, Diversity and Inclusion, and Recruitment, alongside a follow up of previous years' internal audit recommendations.

Internal audit reports and recommendations were agreed with the Senior Management Team, and progress on implementing audit recommendations is monitored by both Senior Management Team and the Audit and Risk Committee.

For 2024/25, the opinion provided by our internal auditors on the Trust's governance was a Level 2. This is moderate assurance, meaning that there is some risk that management's objectives may not be fully achieved, and that improvements are required in those areas to enhance the adequacy and/or effectiveness of governance, risk management and internal control.

While this is a step down from Level 1 last year, the Trust is pleased to receive moderate assurance. In particular, the audits carried out this year around HR processes were focused on areas where we acknowledge that some work is required to fully document the processes that we have in place.

We will continue to work with BDO to support their internal audit programme and show how we are implementing the recommendations already made.

External audit

The external auditor of the Trust is Moore Kingston Smith, who were appointed in 2021/22.

Risk management

The Trust's internal control system is designed to manage risk to a reasonable level, rather than eradicate all risk of failure. Therefore, it can only provide reasonable and not absolute assurance of effectiveness. In managing risk, we identify the opportunities and risks in achieving our strategic objectives, evaluate the likelihood of those risks being realised, the impact should they be realised and the controls in place to manage them efficiently and effectively. The Trust's approach to risk management and the process for implementation are documented in a Risk Management Framework, which was introduced in 2023/24.

The Framework is supported by our strategic risk register, which groups our highest priority risk areas into key strategic risks which is reviewed regularly by the senior leadership team. The Audit and Risk Committee review strategic risks at each meeting and the Board review the risk register twice annually.

Risk management overall is viewed as a dynamic process which actively seeks to incorporate good practice. It is responsive and current and is managed through regular review of both internal developments and external factors – the political, social, economic, demographic, technological, environmental and legal developments that may influence our exposure to risks or opportunities.

As an NDPB the Trust has a low-risk appetite in relation to compliance, regulation and to our key strategic risks. In areas where we aim to be relevant and influential, we are prepared to take calculated risks. Risk appetite has been set by the Trustees and is reviewed annually for appropriateness by the senior leadership team and the Audit and Risk Committee. The senior leadership team monitor whether our overall risk profile is commensurate with our risk appetite on an ongoing basis.

Principle risks for the Trust relate to the importance of the Trust maintaining a strong relationship with Government, the armed forces charity sector and core stakeholders and the challenges of delivering an intelligent grantmaking approach while maximising the operational budget for grantmaking and business continuity.

Controls to mitigate these risks include the development and delivery of a communications strategy based on transparency, as well as a commitment to support grant applicants and grant holders. The Trust's governance and executive structures, and its internal controls, have been developed, tested and reviewed to keep best use of resources in focus within all decision making. Support costs percentages for each of the Funds that the Trust is administering are set according to the complexity of the programme.

Managing information security risk, cyber security and data protection

All staff handling Trust information or using Trust information systems are responsible for ensuring that they comply with the Trust's Information Security Policy.

The Data Protection Policy is published to all staff annually and is available in our HR software. All staff are required to complete a data protection training module on appointment.

The Trust is delighted to have renewed our Cyber Essentials Plus accreditation in January 2025, demonstrating our commitment to high standards across our information security.

Assurance statement by the Audit and Risk Committee

The Audit and Risk Committee are reasonably confident that the reliability, integrity, quality and comprehensiveness of the assurances provided by management over the Trust's internal processes and by external auditors, are presently sufficient to support the Board and Accounting Officer in their decision making and in the fulfilment of their accountability obligations. Internal controls are monitored during the year by the Trust's senior management team and independent audit review and findings reported to the Audit Committee. The Audit and Risk Committee will continue to draw to the Board's and Accounting Officer's attention any matters of concern.

Statement of the responsibilities of the Trustees

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the Trust's financial activities during the period and of its financial position at the end of the period. In preparing financial statements to give a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards and statements of recommended practice 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 Trust 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 Trust and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Trust 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 corporate and financial information included on the Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Remuneration and staff report

In accordance with the HM Treasury Financial Reporting Manual the Armed Forces Covenant Fund Trust has prepared this report containing certain information about directors' remuneration. 'Directors' is interpreted to mean persons in senior positions having authority or responsibility for directing or controlling the major activities of the Trust. The figures in the remuneration and staff report are subject to audit.

The total number of employees whose emoluments for the year exceeded £60,000 is given in Notes 6 and 7, together with information on staff numbers and costs.

One of the directors is a member of the PCSPS, for which further details are provided below. The Trust made employer's contributions to three pensions under the auto-enrolment scheme (NEST), at the rate of 8% of salary. The directors received no other benefits. Performance bonuses paid to directors are non-contractual. The directors have contracts of employment carrying a period of notice of one month's notice.

	Salary 2024-25 (2023-24) £'000	Performance Related pay and bonuses 2024-25 (2023-24) £'000	Benefits in kind (to nearest £100) 2024-25 (2023-24) £'000	Pensions Benefits 2024-25 (2023-24) £'000	Total 2024-25 £'000	Total 2023-24 £'000
Anna Wright, Chief Executive	95-100 (85-90)	0-5 (0-5)	-	-	95-100	85-90
Carol Stone, Director of Grants	75-80 (70-75)	0-5 (0-5)	-	35 (24)	110-115	95-100
Sonia Howe, Director of Policy and Communications ¹	55-60 (70-75)	0-5 (0-5)	-	48 (36)	100-110	110-115
Liz Rankin, Director of Finance and Operations	75-80 (65-70)	0-5 (0-5)	-	-	75-80	65-70
Claire Rick, Director of Strategy ²	25-30 (N/A)	0-5 (N/A)	-	-	25-30	N/A

¹ Resigned 31 December 2024

² Appointed 4 November 2024

	Accrued pension at pension age as at 31 Mar 2025 and related lump sum £'000	Real increase in pension and lump sum at pension age £'000	CETV at 31 Mar 2025 £'000	CETV at 31 Mar 2024 £'000	Real increase in CETV £'000	Employer contribution to Nest pension Nearest £100
Anna Wright, Chief Executive	-	-	-	-	-	£7,600
Carol Stone, Director of Grants	15-20	0-2.5	254	204	29	-
Sonia Howe, Director of Policy and Communications	20-25	2.5-5	407	356	34	-
Liz Rankin, Director of Finance and Operations	-	-	-	-	-	£6,200
Claire Rick, Director of Strategy	-	-	-	-	-	£2,400

Fair pay disclosures

In 2024-25, 0 (2023-24: 0) employees received remuneration in excess of the highest paid director. Remuneration ranged from £25-£30k to £75-80k, excluding the highest paid director.

Year	25th percentile ratio	50th percentile ratio	75th percentile ratio
Total remuneration	£31,050	£37,656	£52,169
Salary component of above	100%	100%	100%
24/25	3.07	2.53	1.83
23/24	3.06	2.54	1.74
22/23	2.80	2.39	1.75

Percentile total remuneration is calculated by excluding the remuneration of the highest paid director on an annualised basis and by including full time equivalent remuneration for all staff. Total remuneration does not include employer pension contributions.

The average salary within the Trust is £47,865.19 (2023-24: £46,470). This is calculated as the total for all employees on an annualised basis, excluding the highest paid director, divided by the FTE number of employees (also excluding the highest paid director).

The Trust believes that the median pay ratio for 2024-25 is consistent with the pay, reward and progression policies for the Trust's employees taken as a whole.

Any performance awards are made under the Trust appraisal linked system which applied to all staff. The directors are all employed on standard terms and conditions.

The Board of Trustees comprised fourteen members at 31 March 2025, none of whom were full time employees of the Trust and they were reimbursed with £253.89 in expenses (2024: £126). The Trust also incurred £256.50 in accommodation costs for Trustees attending Board in person.

Sickness absence

The Armed Forces Covenant Fund Trust employed 28 members of staff as at 31 March 2025. Periods of sickness absence are recorded in half days. The average number of days of sickness absence was 5.5 days per person. (2024: 1.4) There were two long term absences in this financial year. This paragraph is not subject to audit.

Pension costs and benefits

The Trust's accounting policy in relation to Pensions is provided at Note 1 to the Financial Statements. From October 2018 the Trust has automatically enrolled all employees into a National Employment Savings Trust (NEST) pension scheme unless the employees choose to opt out. The NEST pension scheme is a defined contribution pension scheme that was created as part of government's workplace pensions reform under the Pensions Act 2008. The assets of the scheme are held separately from those of the Trust and the Trust is unable to identify our share of the liability, employer's contributions are charged to the Statement of Financial Activities as they occur.

Pension benefits for a small number of longer serving staff are provided through the Civil Service pension arrangements. The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but the Trust is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2020. Details can be found in the resource account of the Cabinet Office Civil Superannuation (www.civilservice.gov.uk/pensions).

For 2024-25 employer's contributions of £37,900 were payable (2024: £43,627) through the PCSPS. The applicable rates for the PCSPS are shown below:

Gross Salary	Rate %
77,001 and over	30.3%
45,501-77,000	27.9%
23,001-45,500	27.1%
Up to 23,000	26.6%

The contribution rates reflect benefits are they are accrued, not when costs are actually incurred, and reflect past experience of the scheme, Pension benefits are provided through the Civil Service pension arrangements in place prior to 30 July 2007,

with the unfunded cost of benefits met by monies voted by Parliament each year. Further details about the Civil Service pension arrangements can be found at the website www.civilservice.gov.uk/pensions

The real increase in Cash Equivalent Transfer Value (CETV) reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tac which may be due when pension benefits are taken.

Reporting of civil service and other compensation schemes/exit packages

No redundancy or other departure costs were incurred in the 2024-25 financial year (2024: 0)

Staff report

Further details relating to the Trust's staff numbers and staff costs can be found in Notes 6 and 7 to the financial statements.

Trade union facility time

No employees are union officials, and no time was spent on union activity.

Parliamentary accountability and audit report

All expenditure has been applied as intended by the Trust's sponsor body. There are no contingent liabilities, gifts, fees, charges or losses and special payments requiring further disclosures that have not been reported elsewhere in these financial statements. This paragraph is subject to audit.



Anna Wright
Chief Executive Officer and Accounting Officer
13 October 2025



Hans Pung
Chair of Trustees
13 October 2025

Independent auditor's report to the trustees of armed forces covenant fund trust

Opinion

We have audited the financial statements of the Armed Forces Covenant Fund Trust (the 'Trust') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice). We have also audited the information in the Remuneration and staff report and Parliamentary accountability report that are described as having been audited.

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.

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 twelve 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 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 there is 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.

Opinion on other matters

In our opinion, the parts of the Remuneration and staff report and Parliamentary accountability report, which have been identified as subject to audit, have been properly prepared in accordance with Chapter 6 of the Government Financial Reporting Manual 2024-25.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 54, 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, the HM Treasury Financial Reporting Manual and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. 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 any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

Moore Kingston Smith LLP, Statutory auditor

Date: 11/11/2025
6th Floor
9 Appold Street
London
EC2A 2AP

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

Statement of financial activities for the year ended 31 March 2025

	Note	Unrestricted	Restricted	2025	Unrestricted	Restricted	2024
		£	£	Total	£	£	Total
				£			£
Income from:							
Charitable activities	2	-	30,318,510	30,318,510	-	35,553,231	35,553,231
Investments		555,732	-	555,732	195,007	-	195,007
Other		-	-	-	-	-	-
Total Income		555,732	30,318,510	30,874,242	195,007	35,553,231	35,748,238
Expenditure on:							
Charitable activities	3	-	30,029,388	30,029,388	-	34,458,210	34,458,210
Total Expenditure		-	30,029,388	30,029,388	-	34,458,210	34,458,210
Net income/(expenditure) for the year	5	555,732	289,122	844,854	195,007	1,095,021	1,290,028
Transfers between funds				-			-
Net movement in funds		555,732	289,122	844,854	195,007	1,095,021	1,290,028
Reconciliation of funds:							
Total funds brought forward		282,007	2,653,588	2,935,595	87,000	1,558,567	1,645,567
Total funds carried forward		837,739	2,942,710	3,780,449	282,007	2,653,588	2,935,595

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15 to the financial statements.

Balance sheet as at 31 March 2025

	Note	2025		2024	
		£	£	£	£
Current assets:					
Debtors	10	15,895,987		7,731,925	
Cash at bank and in hand		28,055,550		28,774,940	
		43,951,537		36,506,865	
Liabilities:					
Creditors: amounts falling due within one year	11	(24,458,197)		(19,817,122)	
Net current assets		19,493,341		16,689,743	
Total assets less current liabilities					
		19,493,341		16,689,743	
Creditors: amounts falling due after one year	12	(15,712,893)		(13,754,148)	
Total net assets		3,780,448		2,935,595	
The funds of the charity:					
Restricted income funds	15		3,116,421		2,653,588
Unrestricted income funds					
Designated funds		0			
General funds		664,027		282,007	
Total unrestricted funds		664,027		282,007	
Total charity funds		3,780,448		2,935,595	

Approved by the Trustees on 12 September 2025 and signed on their behalf by



Anna Wright
Chief Executive Officer and Accounting Officer
13 October 2025



Hans Pung
Chair of Trustees
13 October 2025

Statement of cash flows for the year ended 31 March 2025

	Note	2025		2024	
		£	£	£	£
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	16		(1,275,121)		6,477,525
Cash flows from investing activities:					
Dividends, interest and rents from investments		555,732		195,007	
Net cash provided by/(used in) equivalents in the year		555,732		195,007	
Change in cash and cash equivalents in the year		(719,389)		6,672,532	
Cash and cash equivalents at the beginning of the year			28,774,940		22,102,408
Cash and cash equivalents at the end of the year		28,055,551		28,774,940	

Notes to the financial statements for the year ended 31 March 2025

1 Accounting Policies

a) Statutory information

Armed Forces Covenant Fund is a charitable Trust located in England, with charity number 1177627. The registered office address (and principal place of business) is 3rd Floor, 3 Wellington Place, Leeds LS1 4AP.

b) Basis of preparation

The Trust was established by a trust deed dated 7 February 2018 and commenced its activities on this date. The Trust was established by a trust deed dated 7 February 2018 and commenced its activities on this date.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), charity regulations and the Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the Trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The Trust meets the definition of a public benefit entity under FRS 102.

d) Going concern

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

Key judgements that the charitable company has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the Trust has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Trust has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the Trust in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of grantmaking, research & evaluation and other grant related activities undertaken to further the purposes of the Trust and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Grants payable

Grants payable are made to third parties in furtherance of the Trust's objectives. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the recipient.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Where information about the aims, objectives and projects of the Trust is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Fixed support and governance costs are re-allocated to the Covenant Fund, and variable costs are re-allocated to each of the activities on the basis of an estimate, based on staff time, of the amount attributable to each activity.

Governance costs are the costs associated with the governance arrangements of the Trust. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the Trust's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £5,000.

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

o) Cash at bank and in hand

Cash at bank and cash 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.

p) Creditors and provisions

Creditors and provisions are recognised where the Trust has a present obligation resulting from a past event that will

probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

q) Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

r) Pensions

Employees of the Trust are eligible to receive contributions to their selected pension scheme - either their personal pension account or if they wish to join the Trust's selected pension provider NEST. Two employees are members of the Civil Service Pension Scheme, which is a defined benefit scheme. However, the Trust is only responsible for paying contributions so it is accounted for as a defined contribution scheme. Further information about this scheme is provided in note 13.

From December 31st 2024 the number of staff in the Civil Service Pension scheme was reduced to one member.

2 Income from charitable activities

	2025		2024	2024		2024
	Unrestricted	Restricted		Unrestricted	Restricted	
	£	£	£	£	£	£
MOD - £10M Covenant Fund	-	10,856,190	10,856,190	-	10,630,640	10,630,640
MOD Families Fund	-	2,920,979	2,920,979	-	4,715,000	4,715,000
OVA Homelessness Fund	-	649,339	649,339	-	8,050,486	8,050,486
OVA Mobility Funding	-	-	-	-	3,000,000	3,000,000
OVA Veteran Employment Enhancement Fund	-	10,000	10,000	-	2,300,000	2,300,000
OVA Capital Homelessness Funding	-	8,021,574	8,021,574	-	2,000,000	2,000,000
OVA VPPP - formally HMT - £10M Veterans' Mental Health and Wellbeing Fund	-	7,259,115	7,259,115	-	1,240,885	1,240,885
National Spitfire Project	-	-	-	-	3,000,000	3,000,000
MOD Invictus	-	-	-	-	215,000	215,000
LGBT Veterans Community	-	90,000	90,000	-	231,818	231,818
OVA Female Veterans	-	49,835	49,835	-	-	-
Headfit	-	110,660	110,660	-	169,394	169,394
Veterans' Emotional Support Helpline	-	200,000	200,000	-	-	-
OVA Research projects	-	123,467	123,467	-	-	-
Other	-	27,352	27,352	-	-	-
Total income from charitable activities	-	30,318,510	30,318,510	-	35,553,231	35,553,231

Government grants received were for specific purposes. Please refer to Note 15 for more detailed explanations around these funding streams.

3a Charitable activities

	Direct			2025	
	Charitable				Total
	Activity	Staff Costs	Other Costs		
£	£	£	£		
MOD - £10M Covenant Fund	9,632,966	552,057	203,533.67	10,388,557	
MOD Families Fund	2,916,592.70	141,756	8,700	3,067,049	
OVA Homelessness Fund	639,579	92,412	1,158.60	733,150	
OVA Mobility Funding	-	86,847	-	86,847	
OVA Veteran Employment Enhancement Fund	199,200	46,511	0	245,711	
OVA Capital Homelessness Funding	6,761,825	205,122	4,900	6,971,848	
OVA VPPP - formally HMT £10M Veterans' Mental Health and Wellbeing Fund	7,894,206	125,801	6,481.95	8,026,489	
National Spitfire Project	-	-	186	186	
LGBT Veterans Community	86,400	-	0	86,400	
Veterans Emotional Support Helpline (VESH)	192,000	80,438	0	272,438	
HeadFit	-	13,078	12,872.40	25,950	
Other funds	-	14,417.15	35,827	50,244	
Veterans Trauma Network	-	23,400.59	-	23,401	
£30M Evaluation	-	-	1,784	1,784	
OVA Female Veterans	49,335	-	-	49,335	
Total	28,372,104	1,381,841	275,444	30,029,388	

In both 2024-25, and 2023-2024, all expenditure was restricted.

Other Funds includes support expenditure on smaller funds the Trust is managing to completion, including the Afghanistan Veterans Fund, Veterans Trauma Network and the Impact Hub

3b Support costs

	Covenant Fund	MOD Families Fund	OVA Homelessness Fund	OVA Mobility Funding	OVA Veteran Employment Enhancement Fund	OVA Capital Homelessness Funding	National Spitfire Project	OVA VPPP - formally HMT £10M Veterans' Mental Health and Wellbeing Fund	Veterans Emotional Support Helpline	HeadFit	Veterans Trauma Network	£30M Evaluation	Other Funds	2025
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Staff remuneration	497,500	140,425	92,412	86,847	46,511	205,122	0	125,801	80,438	13,078	23,401	0	14,417	1,325,952
Other staff costs	54,557	-	-	-	-	204.75	186	6,481.95	-	-	-	1,784	-	63,214
Professional fees	2,211	8,700	1,158.60	-	-	4,695.640	-	-	-	-	-	-	-	16,765
Premises and office costs	3,110	-	-	-	-	-	-	-	-	-	-	-	43.47	3,153
Other	28,392	-	-	-	-	-	-	-	-	-	-	-	-	28,392
Audit	48,096	-	-	-	-	-	-	-	-	-	-	-	-	48,096
Governance costs	21,566.22	-	-	-	-	-	-	-	-	-	-	-	8,095.96	29,662
Communications & Marketing	23,852	-	-	-	-	-	-	-	-	-	-	-	27,687.80	51,540
IT	77,638	-	-	-	-	-	-	-	-	12,782.40	-	-	-	90,510
Total	756,922	149,125	93,571	86,847	46,511	210,023	186	132,283	80,438	25,950	23,401	1,784	50,244	1,657,284

3c Charitable activities

	Direct Charitable			2024
	Activity			Total
	Staff Costs	Other Costs	Expenditure	
	£	£	£	£
MOD - £10M Covenant Fund	9,984,296	533,370	154,002	10,671,668
MOD Families Fund	4,245,394	130,795	4,326	4,380,515
OVA Homelessness Fund	7,411,185	66,759	287	7,478,231
OVA Mobility Funding	2,520,000	50,906	127	2,571,033
OVA Veteran Employment Enhancement Fund	2,002,700	0	0	2,002,700
OVA Capital Homelessness Funding	1,553,367	78,456	4,010	1,635,833
HMT £10M Veterans' Mental Health and Wellbeing Fund	1,240,885	0	592	1,241,477
National Spitfire Project	2,995,000	46,209	0	3,001,209
MOD Invictus	213,793	0	0	213,793
LGBT Veterans Community	217,218	0	0	217,218
NAAFI Fund	51,228	28,793	0	80,021
HeadFit	198,000	29,987	2,184	230,171
Programme Evaluation & Research	476,704	0	6,554	483,258
Refunds from previous years	(55,267)	0		(55,267)
£30M Evaluation		76,488		76,488
Other funds		161,762	68,100	229,862
Total	33,014,503	1,203,525	240,182	34,458,210

3d Support costs

	Covenant Fund	MOD Families Fund	OVA Homelessness Fund	OVA Mobility Funding	OVA Veteran Employment Enhancement Fund	OVA Capital Homelessness Funding	National Spitfire Project	MOD Invictus	NAAFI Fund	HeadFit	£30M Evaluation	Other Funds	2024 Total Expenditure
	£	£	£	£	£	£	£	£	£	£	£	£	£
Staff remuneration	493,466	129,776	66,498	50,732		78,291	46,209	0	28,793	29,987	75,521	161,762	1,161,035
Other staff costs	39,904	1,019	261	174		165					966		42,489
Professional fees	4,298												4,298
Premises and office costs	10,730	7										12	10,749
Other costs	17,170	299	54			585	462				617	15,567	34,754
Audit	26,535												26,535
Governance costs	25,527	3,471				2,471	130					558	32,157
Communications & Marketing	21,231									504	4,644	51,755	78,134
IT	48,511	549	233	127		954				1,680	1,293	209	53,556
Total	687,372	135,121	67,046	51,033	0	82,466	46,801	0	28,793	32,171	83,041	229,863	1,443,707

4 Grant expenditure

	2025	2024
	£	£
MOD - £10M Covenant Fund	8,979,358	9,895,759
MOD Families Fund	2,769,418	4,236,244
OVA Homelessness Fund	519,339	7,408,485
OVA Mobility Funding	0	2,520,000
OVA Veteran Employment Enhancement Fund	0	2,000,000
OVA Capital Homelessness Funding	6,761,825	1,553,367
OVA VPPP - formally HMT £10M Veterans' Mental Health and Wellbeing Fund	7,693,604	1,240,885
National Spitfire Project	0	2,995,000
MOD Invictus	0	213,793
LGBT Veterans Community	86,400	217,218
NAAFI Fund	0	51,228
HeadFit	0	198,000
Portfolio Grants	0	0
Veterans Emotional Support Helpline	192,000	0
Refunds and underspends		(55,267)
OVA Female Veterans	49,335	-
Total grants awarded during the year	27,051,279	32,434,712
Total grant expenditure	27,051,279	32,434,712

All grants were made to institutions. For details please see the website at <https://covenantfund.org.uk/projects-weve-supported/>

All grant expenditure was restricted.

5 Net (expenditure) / income for the year

This is stated after charging / (crediting):

	2025	2024
	£	£
Operating lease rentals payable:		
Property	681	5,923
Auditors' remuneration (excluding VAT):		
Current year audit fee	16,535	15,750

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2025	2024
		£
Salaries and wages	1,101,594	964,478
Social security costs	106,488	91,277
Employer's contribution to defined contribution pension schemes	76,272	61,227
Civil Service Pension Scheme	37,900	43,627
Other forms of employee benefits	59,587	42,916
	1,381,841	1,203,525

Other forms of staff benefits include an employee assistance programme, medical cash plan, death in service cover and staff training.

The following number of employees received employee benefits of over £60,000 (excluding employer pension costs and employer's national insurance) during the year between:

	2025	2024
	No.	No.
£60,000 - £69,999	1	2
£70,000 - £79,999	3	2
£80,000 - £89,000	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £434,971 (2024: £388,759).

Staff disclosed in the bands above received employer pension contributions of £54,105 (2024: £81,943)

The Trustees were neither paid nor received any other benefits from employment with the Trust in the year (2025: £Nil). No Trustee received payment for professional or other services supplied to the Trust (2024: £Nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs relating to attendance at meetings of the Trustees. There were £858 of Trustee expenses incurred (2024: £126) by 9 Trustees.

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 25.8 (2024: 23.3).

Staff are split across the activities of the Trust as follows:

	2025	2024
	No.	No.
Grant making	20.6	18.6
Support	4.5	4.1
Governance	0.7	0.6
	25.8	23.3

At 31 March 2025, 28 staff were in post (19: 2023-24). Of these staff, 23 are female and 5 male (5: 2023-24). 1 staff member is employed on a fixed term contract with all other staff employed on permanent contracts. The above includes an average of 6.1 (2024-25: 7) part time staff members for the year.

8 Related party transactions

The Armed Forces Covenant Fund Trustee Limited (company number 11185188) is the Trustee of the Armed Forces Covenant Fund Trust. It holds a number of contracts on behalf of the Trust, as a separate legal entity. There have been no transactions between the parties. The corporate Trustee implements the decisions of the directors of the Armed Forces Covenant Fund Trustee Limited.

Related party transactions for the year are summarised below:

Trustee/ Committee member name	Related party	Transaction type	No.	Total of grants received
Collette Musgrave/ trustee	Collette is CEO of Army Families Federation	Grant/s	1	£500,000
Kirsty Bushell/Co-opted member of Grants Committee	Kirsty is Vice Chair of SSAFA	Grant/s	2	£113,766
Prof Alan Finnegan/Co-opted member of the Ethics Advisory Panel	Prof Alan Finnegan is trustee of Walking with the Wounded	Grant/s	2	£119,505
Major General James Senior CBE/MOD trustee	Commanding officer of the Army Welfare Service	Grant/s	1	£15,000
Hans Pung/trustee	Hans is president of Rand Europe	Evaluations	1	£112,800

Balances outstanding on previous year/s party related transactions at 31 March 2025

Trustee/ Committee member name	Related party	Transaction type	No.	Total of grant/ evaluation balances
Collette Musgrave/trustee	Collette is CEO of the Army Families Federation	Grant/s	1	£26,620
Kirsty Bushell/co-opted member of the grants committee	Kirsty is vice chair of SSAFA	Grant/s	3	£264,263
Prof Alan Finnegan/Co-opted member of the Ethics Advisory Panel	Trustee of Walking with the Wounded	Grant/s	2	£46,027.65
Prof Alan Finnegan/Co-opted member of the Ethics Advisory Panel	Principal Investigator at University of Chester	Grant/s	2	£47,429.40
Prof Alan Finnegan/Co-opted member of the Ethics Advisory Panel	Principal Investigator at University of Chester	Evaluations	3	£86,052.23

No trustee or committee member was directly involved in the decision making process of a related party decision/award.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

9 Taxation

The Trust is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10 Debtors

	2025	2024
	£	£
Grants receivable	15,824,436	7,666,690
Accrued income	0	0
Prepayments and other debtors	71,551.58	65,235
	15,895,987	7,731,925

11 Creditors: amounts falling due within one year

	2025	2024
	£	£
Trade creditors	179,355	142,300
Evaluation creditors	391,688	398,983
Grants payable	23,165,545	19,193,626
PAYE	4,693	4,693
Accruals	702,225	60,658
Other creditors	14,690	16,862
Deferred income		
	24,458,197	19,817,122

12 Creditors: amounts falling due after one year

	2025	2024
	£	£
Trade creditors	26,179	63,138
Evaluation creditors	464,093	306,590
Grants payable	15,222,620	13,384,421
	15,712,893	13,754,148

13 Pension scheme

The Trust contributes to employees' pensions in three different ways. i) some staff are members of a defined benefit scheme which is the Civil Service Pension Scheme; ii) others can join a defined contribution pension scheme with NEST; iii) or the Trust will make contributions to the employee's choice of provider. Contributions to each pension scheme are shown in note 6.

Civil Service Pension Scheme

As part of their transfer arrangements from the MOD, some of the staff members of the Trust remained as members of the Civil Service Pension Scheme under the New Fair Deal Policy. This is a non-statutory policy that sets out how pensions issues are dealt with when staff are compulsorily transferred from the public sector to independent providers delivering public services.

The Civil Service Pension Scheme (CSPS) is an unfunded multi-employer defined benefit scheme and therefore as long as the required employer (and employee) contributions are paid over each month there is no further liability on the employer in respect of pension benefits for members. Under its Admission Agreement, the Trust has no share of the underlying assets and liabilities.

The scheme actuary valued the CSPS as at 31st March 2020. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation at <http://www.civilservicepensionscheme.org.uk/about-us/resource-accounts/>

For 2024/25, employers' contributions of £37,900 (2024: £44,627) were payable to the CSPS at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands.

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2023/24 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Other pensions

Staff members who joined the Trust after 1 April 2018 have the choice of joining NEST, or having employer and employee contributions made to their own existing private pension. Either way, the Trust will make a contribution of 8% of pensionable earnings if the employee contributes 5%. Employers' contributions of £76,272 (2024: £61,227) were paid to other pension providers.

Contributions due to the pension providers at the balance sheet date were £5,980 (2024: £3,414). Contributions prepaid at that date were £nil (2024: £nil).

14a Analysis of net assets between funds (current year)

	General	Designated	Restricted	Total funds
	£	£	£	£
Net current assets	664,027	-	18,829,314	19,493,341
Long term liabilities	-	-	(15,712,893)	(15,712,893)
Net assets at 31 March 2025	664,027	-	3,116,421	3,780,448

14b Analysis of net assets between funds (prior year)

	General	Designated	Restricted	Total funds
	£	£	£	£
Net current assets	282,007	-	16,407,736	16,689,743
Long term liabilities	-	-	(13,754,148)	(13,754,148)
Net assets at 31 March 2024	282,007	-	2,653,588	2,935,595

15a Movement of funds (current year)

	at 1 April 2024 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2025 £
Restricted funds:					
MOD - £10M Covenant Fund					
MOD - £10M Covenant Fund Central Fund	462,891	10,856,190	(10,279,824)	(529,637)	509,620
Research to support Service Women Seen & Heard	0			60,000	60,000
Alma Economics Ltd - Research into the needs of the bereaved armed forces community			(49,200)	49,200	0
Evaluation of The Empowering Bereaved Military Families Programme	0	-		150,000	150,000
National Centre for Social Research - Research into the impact of separation on the submariner community			(59,533.80)	59,533.80	0
Veterans Trauma Network	94,790	-	(23,400)		71,390
Evaluation of Covenant Fund Programmes	47,627	-	-	254,495	302,122
Small grant research	4,495	-	-	(4,495)	0
HMT - £10M Veterans' Mental Health and Wellbeing Fund	0	-			0
HMT - £10M Veterans' Mental Health and Wellbeing Fund Central Fund					
HMT - £10M Veterans' Mental Health and Wellbeing Fund Central Fund	310,512	-		6,048	316,560
Social Prescribing for the Armed Forces community	6,048	-		(6,048)	0
Evaluation of Veterans' Mental Health and Wellbeing Fund programming	207,434		(1,784)		205,650
OVA Femal Veterans		49,835	(49,335)		500
Afghanistan Veterans' Fund	95,046	200,000	(272,438)		22,608
Headfit		110,660	(25,950)		84,710
OVA Homelessness Fund	273,335	649,339	(612,910)	(120,240)	189,524
Alma Economics Ltd - Evaluation of the Reducing Veteran Homelessness Programme			(120,240)	120,240	0
PO-0006- Extension					
OVE Mobility Funding	208,083	-	(86,847)		121,236
OVA Veteran Employment Enhancement Fund	87,300	10,000	(46,511)	10,800	61,589
Evaluation of the Fund in 24/25 OVA Career Development Fund	210,000		(199,200)	(10,800)	0
OVA Capital Homelessness Funding	78,156	8,021,574	(6,672,928)	(12,909)	1,413,893
Evaluation and Learning activities OVA Capital Refurbishment Fund	286,011		(298,920)	12,909	0
OVA VPP - formally HMT £10M Veterans' Mental Health and Wellbeing Fund		7,259,115	(7,825,887)	(200,602)	(767,374)
Alma Economics Ltd - Evaluation of Op Prosper and the Career Development programme			(200,602)	200,602	0
PO-0014					
National Spitfire Project	1,207		(186)		1,021
LGBT Veterans Community		90,000	(86,400)		3,600
MOD Families Fund	225,672	2,920,979	(2,919,874)	3,358	230,135
Evaluation of the Service Pupil Support Programme	100,533		(99,600)	(933)	0
Evaluation of the MCN Hubs (Supporting Partners)	50,000		(47,575.20)	(2,425)	0
Refunds from previous years	55,267			(39,097)	16,170
Other funds	(150,819)	27,251.50	(50,244)	173,712	0
OVA research projects		123,467		(112,800)	10,667
Economic Analysis of the impact of UK Armed Forces Reservists and Veterans on the Labour Market					
				112,800	112,800
Total restricted funding	2,653,588	30,318,510	(30,029,388)	-	2,942,709
Unrestricted funds					
Designated funds:					
Total designated funds	0	0	0	0	0
General funds	282,007	555,732		(173,712)	664,027
Total unrestricted funds	282,007	555,732	-	(173,712)	3,606,736
Total funds	2,935,595	39,874,242	(30,029,388)	(173,712)	3,606,736

15b Movements in funds (prior year)

	at 1 April 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2024 £
Restricted funds:					
MOD - £10M Covenant Fund					
MOD - £10M Covenant Fund Central Fund	316,551	10,630,648	(10,671,668)	187,360	462,891
LGBT+ Community Programme	200,000	231,818	(217,218)	(214,600)	0
Impact Hub (formerly Outcomes Measurement Framework)	16,416	-		(16,416)	0
Veterans Trauma Network	94,790	-	0		94,790
Evaluation of Covenant Fund programmes	47,627	-	-	-	47,627
Small grants research	4,495	-	-		4,495
HMT - £10M Veterans' Mental Health and Wellbeing Fund		3,000,000	(3,001,209)	1,209	0
HMT - £10M Veterans' Mental Health and Wellbeing Fund Central Fund					
HMT - £10M Veterans' Mental Health and Wellbeing Fund Central Fund	319,161	-		(8,649)	310,512
Social Prescribing for the Armed Forces community	7,257	-		(1,209)	6,048
Evaluation of Veterans' Mental Health and Wellbeing Fund programming	283,922		(76,488)		207,434
NAAFI Fund	77,498		(80,021)	2,523	0
Afghanistan Veterans' Fund	134,392	-		(39,346)	95,046
Headfit	14,738	169,394	(230,171)	46,039	0
OVA Homelessness Fund		8,050,486	(7,478,231)	(298,920)	273,335
OVA Mobility Funding		3,000,000	(2,571,033)	(220,884)	208,083
OVA Veteran Employment Enhancement Fund		2,300,000	(2,002,700)	(210,000)	78,156
Evaluation of the Fund in 24/25 OVA Career Development Fund				210,000	210,000
OVA Capital Homelessness Funding		2,000,000	(1,635,833)	(286,011)	78,156
Evaluation and Learning activities OVA Capital Refurbishment Fund				286,011	286,011
		1,240,885	(1,241,477)	592	0
National Spitfire Project					0
MOD Invictus		215,000	(213,793)		1,207
MOD Families Fund	41,720	4,715,000	(4,380,515)	(150,533)	225,672
Evaluation of the Service Pupil Support Programme				100,533	100,533
Evaluation of the MCN Hubs (Supporting Partners)				50,000	50,000
Refunds from previous years			55,267		55,267
Other funds			(229,862)	79,043	(150,819)
Programme evaluation & research			(483,258)	483,258	0
Total restricted funding	1,558,567	35,553,231	(34,458,210)	(0)	2,653,588
Unrestricted funds					
Designated funds:					
Total designated funds	0	0	0	0	0
General funds	87,000	195,007		0	282,007
Total unrestricted funds	87,000	195,007	0	0	282,007
Total funds	1,645,567	35,748,238	(34,458,210)	(0)	2,935,595

15 Movement in funds (continued)

Purposes of restricted funds

Covenant Fund: The Covenant Fund is delivered by the Armed Forces Covenant Fund Trust. It has £10M a year to fund Covenant Fund: The £10m annual Covenant Fund supports projects aligned with four core themes of: Removing barriers to family life; Extra support after service for those that need help; Measures to integrate military and civilian communities and allow the Armed Forces community to participate as citizens; and Non-core healthcare services for veterans.

LGBT+ Veteran Community Capacity Building

As permitted under the terms of Covenant Fund agreement, the Trust set aside this fund to support transformational approaches to developing support and capacity within the LGBT+ veteran community.

Veterans' Mental Health and Wellbeing Fund: In the Autumn Budget 2018, the Chancellor of the Exchequer announced £10M to support Veterans' Mental Health and Wellbeing needs, which went on to enable the Positive Pathways and Strategic Pathways programmes.

The NAAFI Fund makes grants to UK Armed Forces bases, located in the UK or overseas, for projects that improve the quality of life for serving personnel and serving families living on or near a Forces base or station. The NAAFI Fund comes from funding made available by the Navy, Army and Air Force Institutes (NAAFI). The Armed Forces Covenant Fund Trust is administering the NAAFI Fund on behalf of NAAFI.

Afghanistan Veterans Fund: £5M fund which supports projects for veterans affected by recent conflicts, on behalf of the Office for Veterans' Affairs.

Supporting Armed Forces in Acute Hospitals: This programme supports a small number of pilot projects that will explore better ways of supporting veterans and their families when they are in a hospital setting. The programme is jointly funded by the Covenant Fund (through the Armed Forces Covenant Fund Trust) and NHS England and NHS Improvement.

Evaluation of Covenant Fund Programmes are funds committed for this purpose but not yet spent.

Social Prescribing For The Armed Forces Community: Funded from the Positive Pathways programme, the Trust has seconded an employee to Northumbria University to develop and deliver resources to support social prescribing for the armed forces and veteran community.

Outcomes Measurement Framework: The Trust works with grantholders to gather impact data using the Outcomes Measurement Framework (also known as the Impact Hub).

Armed Forces Families Fund

Annual funds distributed on behalf on the MOD, as part of delivery of the department's UK Armed Forces Families Strategy in January 2022.

Evaluation of the Service Pupil Support Programme

External evaluation commissioned in 2024/5 to evaluate the impact of the Service Pupil Support Programme, part of the Armed Forces Families Fund.

Evaluation of the Military Co-Worker Hubs

A commissioned evaluation - on behalf of MOD, under the Armed Forces Families Fund - of the impact of the Military Coworking Network; of its administration, design and implementation; and of its value for money, cost benefits and cost savings, potential future financing and governance modelling.

OVA Homelessness Programme

The Trust is delivering funding on behalf of the Office for Veterans' Affairs towards projects that contribute to the aims of the government's ambition to reduce veteran homelessness and end rough sleeping.

OVA Mobility Fund

Announced in 2023, this funding from the OVA supports veterans with physical disabilities resulting from illness or injury sustained during service with life-changing grants or equipment not usually available on the NHS.

OVA Veteran Employment Enhancement Fund

Additional funds from the OVA awarded in 2023/4, to support programmes of work which contribute to the Veterans' Strategy Action Plan ambition on employment.

OVA Capital Homelessness Funding

Capital funds from the OVA to support programmes of work to reduce veteran homelessness through providing more homes for veterans.

OVA Capital Homelessness Fund Evaluation and Learning activities

A designated budget to deliver evaluative activities relating to the capital funding programmes that will increase homes for veterans.

National Spitfire Project

Management of funding on behalf of HM Government to support the construction of a memorial to the Spitfire on the Southampton waterfront, in recognition of the individuals who built and flew the aircraft in the Second World War; awarded through grants.

MOD Invictus

Management of funding on behalf of HM Government to activities to further the development of the proposals for the UK to host the 2027 Invictus Games, awarded through grants.

HeadFit

Management of funding on behalf of HM Government to host, maintain and develop the HeadFit website.

OVA Female Veterans

Additional funds by OVA - under their 'Raising Awareness of Women Veterans' project - focused on dedicated and targeted communications activity to raise awareness of the unique needs and valuable contributions of women who've served.

Veterans Emotional Support Helpline - VESH

Funding - by OVA - to further the work of the Samaritans' dedicated phone support for veterans.

OVA Research Projects

The only research projects for OVA are those noted above. To note Op Prosper is now known as Op Ascend (renamed by government).

Research to support Service Women Seen & Heard

Research to inform potential grant programme design - highlighting areas of unmet need for serving women.

Alma Economics Ltd - Research into the needs of the bereaved armed force community

Research to explore the needs, experiences, and priorities of the bereaved in the armed forces community, and to map the scope of support currently available. The findings have informed a grant programme to improve and expand support.

Evaluation of The Empowering Bereaved Military Families Programme

Funds allocated to evaluate the impact of the subsequent grant programme to improve support to bereaved communities.

National Centre for Social Research - Research into the impact of separation on the submariner community

Research to explore the experiences and priorities of those in the Royal Navy submariner community and the impact of separation on family life. The findings have informed a grant programme to improve and expand support.

Alma Economics Ltd - Evaluation of Op Prosper and the Career Development Programme- PO-0014

Commissioned research - on behalf of the Office of Veterans' Affairs - to evaluate two programmes which are delivering qualifications, skills, training, employment pathways and engagement for veterans

LGBT Veterans Community

Additional MOD funds 'to provide support for veterans impacted by the LGBT ban who are applying to the MOD for financial reparations'

Economic Analysis of the impact of UK Armed Forces Reservists and Veterans on the Labour Market

Commissioned research - on behalf of the Office of Veterans' Affairs - to understand the economic impact of reservists and veterans, identify any trends in their employment over time, and examine how previous economic cycles have affected their job prospects..

Transfer Narrative

The Covenant Fund

A total of £529,627 was transferred from the Covenant Fund to the following designated funds:

£250,000 towards the evaluation of Covenant Fund programmes

£199,200 towards research into the needs of the bereaved Armed Forces community

£60,000 to support the Service Women: Seen and Heard initiative

£59,534 towards research into the impact of separation on the submariner community

HMT £10M Veterans' Mental Health and Wellbeing Central Fund

A transfer of £6,048 was made back to the Central Fund following the conclusion of the Social Prescribing for the Armed Forces Community project.

OVA Homelessness Fund

Included a transfer of £120,240 towards the evaluation of the Reducing Veteran Homelessness Programme Extension.

OVA Veterans' Employment Enhanced Fund

Included a transfer receipt of £10,800 following the conclusion of the fund's evaluation activities.

OVA Capital Homelessness Fund

Included a transfer of £12,909 towards designated evaluation and learning activities.

Thrive Together (formerly VPPP)

Included a transfer of £200,602 towards the evaluation of Op Prosper and the Career Development Programme.

Refunds from Previous Years

Included a transfer of £39,097 in returned grant funding, which has been reallocated to their originating funds.

OVA Research Projects

Included a transfer of £112,800 to support a research project identified at year-end.

General Funds

A total of £173,712 was transferred from General Funds to cover expenditure committed across the remaining designated funds.

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

	2025	2024
	£	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	844,854	1,290,028
Dividends, interest and rent from investments	(555,732)	(195,007)
Increase/(decrease) in debtors	-8,164,062	-7,187,394
(Decrease)/increase in creditors	6,599,820	12,569,898
Net cash provided by operating activities	(1,275,121)	6,477,525

17 Legal status of the Trust

The Armed Forces Covenant Fund Trust is an unincorporated Trust governed by its trust deed dated 7th February 2018. The Trust has a sole corporate Trustee, Armed Forces Covenant Fund Trustee Limited, company number 11185188. In 2019 the Trust commenced discussions with MOD and Cabinet Office in relation to the Trust becoming a Non Departmental Public Body, this status was confirmed with effect from 1st April 2019.

On behalf of The Armed Forces Covenant Fund Trust we would like to thank all the projects for contributing to this publication.

www.covenantfund.org.uk

Awarding grants that support the armed forces community

Armed Forces Covenant Fund Trust | Chair: Hans Pung Chief Executive: Anna Wright

The Armed Forces Covenant Fund Trust Limited (CRN11185188) acting as the trustee of the Armed Forces Covenant Fund (CC1177627)

Registered Address 3rd Floor, 3 Wellington Place, Leeds, LS1 4AP | info@covenantfund.org.uk

ARMED FORCES COVENANT FUND

England & Wales - Charity number 1177627

Accounts



The Armed Forces Covenant Fund Trust
Annual Report and Accounts
2023/24



On behalf of The Armed Forces Covenant Trust Fund we would like to thank all the projects for contributing to this publication.

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Chairs' introductions

A word from our outgoing Chair, Helen Helliwell...



This year, we have effectively provided over £31 million through various targeted programmes, each designed to enhance the lives and futures of our Armed Forces families, Veterans and Service members. We launched impactful initiatives, such as the Veterans' Career Development Fund OP PROSPER, to smooth the transition to civilian careers with tailored training and employment support.

We've demonstrated our commitment to inclusivity and addressing diverse needs through the LGBT Veterans Fund. This initiative supports projects like the groundbreaking 'Voices of Valor', which provides mental health services tailored specifically to LGBT Veterans, ensuring they receive the support they deserve in an affirming and respectful manner.

We also intensified our efforts to combat Veteran homelessness with the Reducing Veteran Homelessness Programme, allocating £7.2 million, on behalf of the Office for Veterans' Affairs, to robust support networks that do more than offer housing—they rebuild lives by providing holistic support and pathways to employment.

The Transformational Grants Programme continued to drive systemic change, committing nearly £3 million to initiatives that enhance mental health, education and family support across the Armed Forces community. These projects are not just temporary fixes but building blocks for long-term, sustainable impact.

It has been an incredible privilege to serve as the inaugural Chair of the Armed Forces Covenant Fund Trust since 2015. I am so very proud of the work that the Trust executive has undertaken, with the support of our dedicated Trustees, and the huge impact that it has had in delivering the Covenant promise to the Armed Forces community. Since the Trust was established, we have considered nearly 8,000 applications and made over 4,000 awards totalling more than £128 million – all in support of our Armed Forces community.

...an introduction from our incoming Chair, Hans Pung

As I step into the role of Chair of the Armed Forces Covenant Fund Trust, I am deeply honoured and excited to contribute to our vital mission of supporting the Armed Forces community. This past year has been one of significant growth and a testament to the hard work and innovative spirit of our team, our partners, and the wider community we serve.

As we bid a heartfelt farewell to Helen Helliwell, I want to express my profound gratitude for her visionary leadership. Helen steered the Trust from its early days to the established and effective organisation it is today, setting a high standard of excellence and compassion. Her unwavering dedication has been pivotal to our success and leaves a legacy.

Looking forward, we are well positioned to build on these successes. Our recent major consultation will shape our strategic direction for the 2024-2027 funding cycle, ensuring that we continue to meet the evolving needs of our community with innovative and impactful solutions.

I am thrilled to lead the Trust into its next chapter. Together with our Chief Executive Anna Wright, our dedicated Trustees and passionate staff, we are committed to enhancing the support for the Armed Forces community, ensuring they receive the recognition and support they deserve.



"I am proud to be part of a respected and honest organisation doing meaningful work. It's great to work with a supportive team of like-minded people who all genuinely care."



"The Trust tackles such a wide variety of important issues such as Veterans' mental health, loneliness, support for serving families and educational supports and I am proud every day to be a small part of the positive difference we are able to make in people's lives."



"Having transitioned from Service to becoming a Veteran and spouse of a fellow Veteran, my roles have shaped my perspective. I now strive for better experiences, improved services and enhanced support for those in the Armed Forces community."



"As the spouse of a Royal Engineer, I've experienced firsthand the unique challenges of the patch life with our two children. I'm proud to be part of this community and to be contributing alongside this fantastic team."



"During my husband's most recent patrol, the support and flexibility of the Trust as an employer was invaluable and knowing my work directly supports the Armed Forces community kept me motivated through a challenging few months."

Who we are and what we do

The Armed Forces Covenant Fund Trust is a grant making organisation that funds projects which support the delivery of the Nation's Covenant promise to our Armed Forces, their families, and Veterans.

Our Vision is a thriving Armed Forces community that is valued and supported within our society. We are a charity and are classified as a Non-Departmental Public Body, or NDPB.

We look after the Armed Forces Covenant Fund, worth £10 million each year, and we work with HM Government to run other funding programmes that have a positive impact on Armed Forces communities.

Our Mission, Vision and Values guide us in all we do.



We're Fair

Integrity and fairness guide our grant making process. We provide clear and transparent guidelines for each of our funding programmes, which detail the assessment criteria for applications, ensuring all applicants understand what constitutes a strong proposal. Our experienced Grants Team evaluates each application with consistency, using standardised procedures to maintain fairness throughout the process.

"The Trust has made remarkable progress and has been open to new ideas, non-specialist AFC / veteran organisations. Well done and thank you."

- Consultation responsee

We're Collaborative

"Your funding is key and changed the lives of so many of the AF Community. Keep it up."

- Consultation responsee

We partner with government agencies and charity organisations to co-create grant programmes that empower organisations to address significant challenges effectively. By funding projects that deliver clear and sustained benefits to Armed Forces communities, we not only meet immediate needs but also build capacity for lasting impact. Additionally, we are committed to sharing insights and learning from our funded projects through our Knowledge Network, regular reporting and open webinars, fostering a community of practice that enriches all participants.

We're Inclusive

Our commitment to inclusivity shapes how we allocate resources. Through targeted funding programmes, each designed with a clear objective, we address pressing challenges faced by the Armed Forces community. We build these programmes upon robust evidence and aim to deliver transformative impacts, where they are most needed. To enhance these efforts, we offer comprehensive support to our awardees, including access to our Impact Hub for improved data collection, mentorship opportunities and digital platforms that facilitate knowledge sharing, problem-solving and collaborative learning.

"I have worked for two Armed Forces charities and the money received from the AFCF has been vital to the work of BOTH. Thank you."

- Consultation responsee

Our Fund Delivery 2023/24

We awarded £31,717,321 in 2023/24, through 311 grants.

In 2023/24, the Trust awarded grant funding in support of the Armed Forces community under seven distinct Funds.

- The Armed Forces Covenant Fund
- The Veterans' Mobility Fund
- The Veterans' Career Development Fund
- The Veterans' Capital Housing Fund
- Reducing Veteran Homelessness Programme
- The LGBT Veterans' Support Fund
- The Armed Forces Families Fund

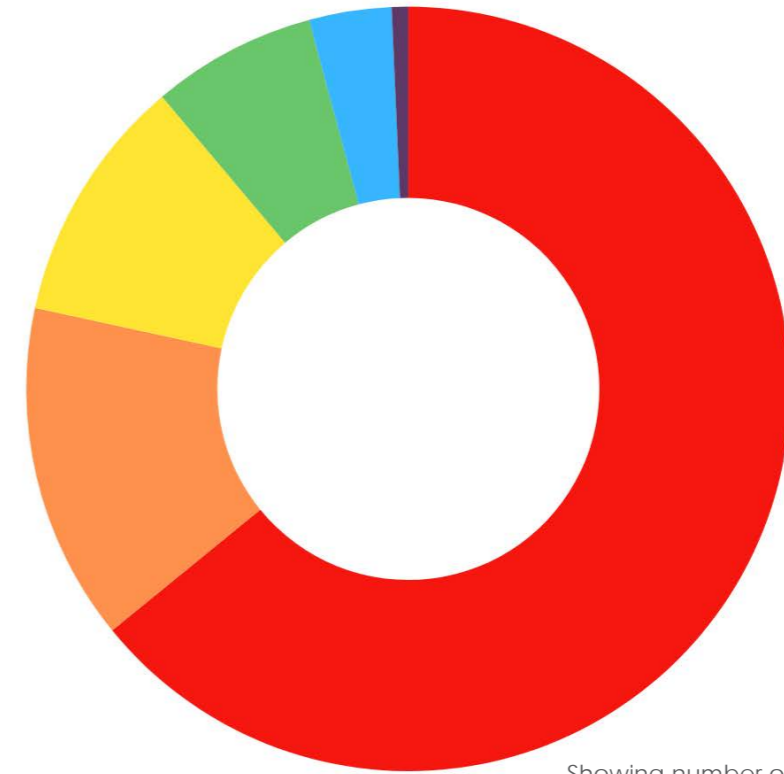
In addition to making new grants under these Funds, we continued to manage between 700 and 900 live grants in grant management at any point in the year, under programmes including the Veterans' Places, Pathways and People programme, the Supporting Armed Forces in Acute Hospital programme, the Afghanistan Veterans' Fund and the One Is Too Many programme.

How we made grants in 2023/24



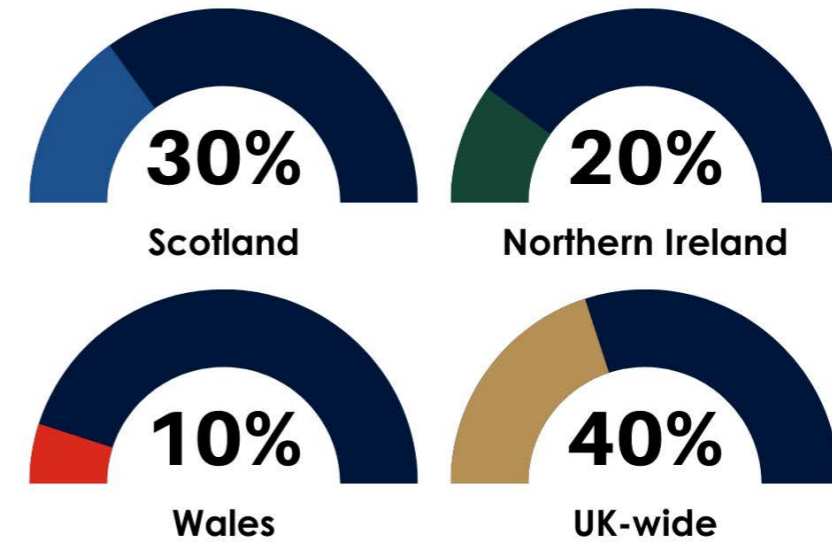
Shown in order of Grant budget allocation

Where we made grants in 2023/24



Showing number of grants allocated

Of the grants we made in the Devolved Nations...



The Armed Forces Covenant Fund



In 2023/24, the Trust continued to run three core funding programmes under the Armed Forces Covenant Fund. Each of these programmes have previously demonstrated positive impact, and the high numbers of applications received continued to highlight the need for this provision within the Armed Forces community.

This year, we increased the award amount under the Force for Change programme to up to £15,000 to reflect cost of living pressures. To further our learning about what is most important to the community, we undertook a consultation in summer 2023, to help design a Funding Framework for the next three years of the Covenant Fund. There is more on our consultation later in this report.

The Force for Change Programme



Our dynamic Force for Change programme has successfully awarded **76 grants** this year, providing **over £1 million** to impactful initiatives supporting the Armed Forces community. This programme is dedicated to fostering innovation and addressing previously unmet needs, at community level.

In response to the cost-of-living crisis, we have prioritised projects that support the most vulnerable. These projects aim to tackle pressing issues such as isolation, complex needs and economic hardship. For example, the Royal Navy and Royal Marines Charity's initiative, Bringing The Submarine Family Together, received a £15,000 grant to focus on reducing isolation and enhancing peer support, by organising events for partners of deployed Royal Navy submariners - particularly those without children or with grown children.

Aware of the ongoing challenges brought on by rising living costs, we remain unwavering in our commitment to support those most affected. We are dedicated to continuing our support through targeted funding that addresses ongoing economic pressures, ensuring our Armed Forces communities receive the necessary support to thrive.



Care After Combat

Care after Combat were awarded £10,000 under the Force for Change programme in August 2022, to support Armed Forces Veterans that encounter the justice system. The award directly supported the production and provision of monthly Wellbeing Activity Packs – titled 'Stand-Easy' – to all Veterans in prison who were signed up to Care after Combat's Project Phoenix support.

Stand-Easy was initially developed as part of Care after Combat's response to the COVID-19 pandemic. This multi-faceted pack helped replace the face-to-face contact between the organisation and Veterans in prison, which was lost due to prisons closing their gates to support organisations, and prisoners being locked in their cells for 23 hours per day. The packs proved extremely popular and highly effective. They maintained supportive connections, helped to combat loneliness and isolation, and fostered a sense of military community.

As the pandemic restrictions eased, the Veterans who had received the packs were asked if they wished to continue receiving them – 100% said yes! Therefore, Stand-Easy became a core offering of Project Phoenix. The Force for Change grant has helped Care after Combat continue to deliver this highly effective intervention and support mechanism.

The person-centred packs offer educational support in psychological topics and promote both physical and mental wellbeing. The content maintains a positive and uplifting tone, infused with military-style humour, to encourage motivation, positivity and a sense of hope, even in the face of very challenging conditions. An interactive 'virtual forum' topic is included each month, along with a stamped addressed envelope for returning completed forum topics and quizzes, and a blank sheet of writing paper.

Care after Combat initially estimated that around 210 Veterans would sign up to the weekly wellbeing packs. However, by word of mouth, this rapidly increased to over double the original figure.

Adrian Kirk, Chief Executive Officer for Care after Combat told us: "The Wellbeing Activity packs have been a huge success, both in terms of popularity with those we support and in delivering highly effective interventions and outcomes. The Veterans themselves have very much been part of the development and refinement of 'Stand Easy', and their desire to continue receiving the packs remains as strong as ever. Thank you to the AFCFT for this kind grant that has enabled more Veterans to receive the packs."



Voluntary Impact Northamptonshire

Voluntary Impact Northamptonshire received £9,623 under the Force for Change programme for their 'Happy at Home' befriending project. The project supports older Veterans experiencing loneliness or isolation living in the Northampton area.

The mission of 'Happy at Home' is to make a meaningful impact by addressing the issues of loneliness and isolation among older individuals. The project seeks to reach a wide audience, offering valuable information on local services that facilitate reconnection with their communities.

Veterans helping Veterans

The project enlisted ex-Service personnel as befrienders, with a focus on providing companionship and support to elderly Veterans, ensuring they have a friend to engage in meaningful conversations with.

'Happy at Home' reached out to several Veteran organisations to advertise and promote the befriending service. Development Manager, Becky Thornton, explained: "The volunteers are a diverse group of individuals who bring valuable skills and knowledge, along with life experiences, to their volunteering roles. To ensure volunteers are suitably equipped for their roles, they undergo the appropriate induction and training before commencing their volunteering."

Boosting interaction

In addition to the befriending service, the organisation wanted to establish a support group for clients who are both able and eager to expand their social connections and integrate further into the community. To achieve this, they introduced engaging initiatives such as coffee mornings in collaboration with local organisations. They organised special events such as Christmas parties and jubilee celebrations, providing Veterans with opportunities for meaningful social interactions and community integration.

Support at home

While some ex-Service individuals enjoy the opportunity to socialise and reconnect with fellow Veterans, 'Happy at Home' recognises that this option may not be accessible to everyone. Health, mobility and frailty can constrain many Veterans, compelling them to stay at home. This highlights the importance of the home befriending service, ensuring those facing physical limitations still receive vital companionship and support.



The feedback from one service user simply said: "it makes me feel part of the world again", showing the impact that social interaction through conversation has on the elderly Veteran community.

Combating loneliness

Volunteer Helen organised a community support group. She visits RAF Veteran John, who is unable to go out and socialise without the help of someone to support him. Helen said: "I look forward to seeing John, and love hearing his stories - he's done so much in his life, and yet is so humble. It gives me a sense of purpose, something I don't get from work. Plus, he has such a sense of fun, we have a good laugh together!"

Future sustainability

Speaking with the future of the project in mind, Becky Thornton explained: "We have set up a group which has now become self-sustainable (Duston Lunch Club) where these Veterans chat, play chess and enjoy each other's company over a light lunch. Our Duston lunch club is still going strong and solid friendships have been made.

"Throughout this project, we have been fortunate to witness the beginnings of new friendships. We've observed the unique bond shared by volunteer Veterans and resident Veterans as they've exchanged their experiences and memories of serving in the Armed Forces. The immediate sense of camaraderie was evident when introducing strangers for the first time. This was quite special to behold and made the introductions so much easier!"



Outfit Moray

In October 2023, Outfit Moray were awarded £14,960 to implement an innovative outdoor learning and adventure programme. This initiative is designed to cater to mixed groups of Service families and young people, aiming to build resilience and promote community integration.

The project provides Service families from Kinloss Barracks and local youngsters from Kinloss Primary School with opportunities to step outside of their comfort zone through engaging in adventurous activities. The project facilitates the development of friendships and mutual support, aiding their transition to High School.

Team building benefits

The programme offers a diverse range of adventure activities, including climbing, paddle sports, mountain biking, coastering, gorge walking and white-water rafting. These activities are carefully selected not only for their team building benefits, which arise from shared challenges, but also for positive impact on participants physical health and wellbeing.

The project creates a dynamic and inclusive learning environment where participants can grow, learn and form lasting connections while experiencing the beauty and thrill of outdoor adventure.

The great outdoors

The project organised a skiing residential trip for families, with the base located in Cromdale and skiing activities held at Glenshee ski resort. While such opportunities are often hindered by unpredictable snow conditions in Scottish ski resorts, favourable conditions this year, in collaboration with the Army Welfare Service, enabled the project to coordinate a ski weekend for two groups.

The group is also planning a structured two-day trip for participants to engage in a canoeing activity down the river Spey, preceded by a day of canoe training at Loch An Dorb. These activities are complimented by summer holiday activity days for Service families.

The first Service-only programme witnessed the participation of 16 beneficiaries from Service families, who successfully completed a learn-to-ski residential programme in the Cairngorm National Park.

Feedback from the activity sessions has been overwhelmingly positive with 93% of young participants confirming they enjoyed the sessions, and 85% indicating they felt a sense of belonging within a group:

Chief Executive Officer of Outfit Moray concluded: "Young participants are really enjoying the experience, learning new skills, and bonding with each other over shared endeavour. The feedback has been overwhelmingly positive, and they are looking forward to the planned camping trips."





Blues and Royals Association

In November 2022, the Blues and Royals Association secured a grant for £10,000 under the Force for Change programme, to expand their popular 'Walk+Talk' initiative in the Northeast of England.

In-person peer support

The project focuses on establishing a local network to amplify the presence of regular walking and social groups for Veterans and their families. It promotes regular interaction and support, all while eliminating travel and financial obstacles in conjunction with discreetly addressing mental health stigma.

The initiative harnesses the power of an existing database while also extending the outreach to involve members from other regiments, creating a broader and more inclusive engagement.

The Military App

A crucial aspect of the grant allocation was dedicated to facilitating a regimental app and a technical support service. This innovation aimed to streamline the connection process among members and enhance event management. The app can serve as a valuable resource hub, providing signposting links to connect the local community.

Chris Elliot, serving as Honorary Secretary, Trustee, and Project Manager, explained: "We now have a support suite in the app that contains over 650 carefully selected support videos, a library of over 260 support organisations and charities along with links to the Veterans' Gateway."

All the groups in the app now contain an emergency mental health call line. We have also created a 'What's On' events noticeboard page - this means that not only have we been able to advertise Walk+Talk events but also a much larger number of public Veteran activities such as Hubs and Breakfast Clubs.

These technical improvements now make the process of organising and advertising an event far easier and there are far more local activities available for members to easily engage with."

Building community connections

Throughout the project's duration, the activity groups, including the Walk+Talk club and the coffee club, have witnessed substantial growth. Impressively, the registered participants for these activities on the app have surged from 27 to 138. Membership has flourished across all activity groups, with a notable highlight being in the Blyth Walk+Talk group, which has seen a great increase from 4 to 24 members.

Chris Elliot adds: "We have seen huge success in branching out activities across more than one regiment and have worked successfully with the Royal Regiment of Fusiliers, who traditionally recruit from the Northeast, to build app membership in the region. Over the duration of the project, we have seen Northeast membership increase from 37 to 366."

Feedback from walk leaders estimates 60% of members before this project were not in regular contact with members of their regimental community.

Positive mental and physical health

Feedback from participants in Blyth, where some members are medically unable to walk, prompted the creation of a similar social activity to 'Walk+Talk' that is more accessible in terms of mobility and physical capability. In February, a new series of activities called 'Coffee Club' was launched in two new locations within the region. These have been a great success and have seen attendance rates as high as 20.

Participants engaged in physical and social activities, as well as app users, can now connect locally and access a diverse array of support resources.

Out of 366 direct beneficiaries, 138 members have joined physical and social groups through the app. The initiative predominately benefits male Veterans, with additional positive outcomes observed among females, serving families and serving individuals.

Future sustainability

The grant has made a significant impact on the ability for the Blues and Royals Association to continue to better connect and support Veterans and be able to demonstrate in the Northeast what can be rolled across a wider footprint and across multiple regiments.

On talking about the future of the project, Chris explains: "All existing activities and groups are now in a sustainable position to continue their activity and we are looking forward to growing Walk+Talk and Coffee Clubs further."



Reaching and Supporting Armed Forces Communities

Following on from the success of the Reaching and Supporting Armed Forces Communities programme last year, we awarded a further **63 grants totalling £5.7 million** this year, to address hidden or complex needs and where evidence has highlighted gaps in support and provision.

This included an award of £100,000 to Combat Stress for their pioneering Suicide Prevention initiative. This crucial funding supports the development of specialist suicide prevention toolkits, available 24/7, designed to upskill those living with, working with, or caring for high-risk Veterans. By sharing their expertise with national networks and learning communities, Combat Stress is setting new standards in preventing suicide among Veterans facing the highest risks.

Since the programme first launched in April 2022, we have awarded £11.8 million under what has proven to be an extremely popular funding programme that has been consistently oversubscribed.



those individuals and their families that become vulnerable through hardship and crisis. The project will work closely with Station Welfare services to ensure that vulnerable families and individuals have access to the support they need. The service understands the unique challenges that serving personnel and their families face and aims to give people the knowledge and the confidence they need to find their way forward, whatever the problem.



Chief Officer of Citizens Advice West Oxfordshire, Teresa Archer said: "We have been providing advice and casework services to personnel at RAF Brize Norton and their families for 20 years, and we have seen much change over that time. We work with people experiencing financial difficulty, either through debt advice, maximising income, helping to access charitable grants or signposting to other services such as gambling support. We help people who are caring for a child or partner with disabilities or ill health, and we advise families going through the trauma of family breakdown. Housing, benefits, employment, discrimination and consumer issues are just some of the main topics our clients come to us for, and we advocate and campaign on issues and policies that have adverse effects on those we support.

"This funding has ensured that the largest RAF Base in the UK has continued access to good quality, holistic advice from an experienced caseworker that understands what it means to be part of the military family. We are very grateful to the Armed Forces Covenant Fund for this essential support, and to RAF Brize Norton for continuing to work closely with us and supporting this vital service for their personnel."

Specialist RAF Brize Norton Caseworker, Julie Rogers, has over 20 years' experience advising and supporting military personnel and their families. "As an adviser my role is to discuss the issues a client presents with and to make sure that the person is clear what options are available to them. In addition to the knowledge I have accumulated due to working in this role for a long time, I have access to huge amounts of information and have supervisors and 'second tier' advice consultants to turn to if I am presented with an issue that is complicated or complex. As a caseworker, I can take action on my client's behalf, if necessary, and if the client wants me to."

The impact of the service on people's lives is considerable as illustrated below:

"I have recently had a very significant personal issue that the Citizens Advice caseworker has helped me with. I do not say this lightly but with my work schedule and family commitments I honestly did not know where to turn. I was extremely worried when I found myself at the RAF Brize Norton Citizens Advice outreach service. With the caseworker I found someone who not only showed great compassion and concern but someone who is evidently very skilful at her job.

Without her help I would most likely have had to pay for legal advice or more likely have had to try to work it out all by myself. Without her knowledge and dedication, I cannot imagine I would have had the success I had". Current serving personnel.



Citizens Advice West Oxfordshire run a local Citizens Advice service dedicated to serving the advice needs of RAF Brize Norton personnel and their families. The service, which was awarded £66,100 in February 2024, provides holistic advice to help navigate family breakdown, housing issues, money and debt issues.

Citizens Advice West Oxfordshire has been running advice surgeries at RAF Brize Norton for over 20 years and they have worked with the Station to develop a comprehensive advice and casework service that supports



Who Dares Cares received an award of £66,000 in September 2023 for their project About Turn which supports Veterans within the Criminal Justice System who are subject to a Community Payback Order with an unpaid work or other activity requirement.

A Community Payback Order is a sentence served in the community rather than prison and is designed to ensure that those who commit offences pay their dues to the communities they have harmed.

Who Dares Cares have worked in partnership with South Lanarkshire Council to support individuals subject to Community Payback Orders to undertake their Other Activity hours through discussion and activity sessions with Who Dares Cares. Feedback from these individuals has been positive, highlighting the benefits of being able to share experiences with others with a similar background. Many participants have then gone on to volunteer with the charity.

By January 2024, About Turn had engaged with 24 Veterans who are currently within the Criminal Justice system in South Lanarkshire and whose length of Service varies from 12 months to 22 years. Participants have learned new skills and have engaged with other agencies they didn't know about before joining the project. All participants have seen improvements in mental and physical health.

"The About Turn experience is immediately and comfortably familiar as it is overseen and operated by a Veteran, Calum Macleod, with many years' experience. The boss walks our walk and talks our talk. Without descending into too much flowery language, we are a band of brothers and sisters, with similar pasts, skills, experiences, problems and health complaints. Personally, from a landscape

devoid of family, friends and support, I have found an empathetic, supportive team of friends and comrades through About Turn. It was, and is, precisely what I needed." Quote from service user.

Who Dares Cares have received feedback from participants that this Service was much needed. Participants felt the lack of a support network and not knowing where to seek assistance meant their needs were often neglected in the past. This often led to self-medication with drugs and alcohol, which in turn led to a risk of re-offending. About Turn has given them hope and a chance to break this cycle.

"I can't thank Cammy and the guys enough, since leaving the Army I have been in and out of jail, served several non-custodial orders and thought that this was my life. Since attending About Turn I now have hope, looking to gain employment and prove my worth." Quote from service user.

"[About Turn is] one of the best decisions I've made in a very long time as I am feeling more focused and positive with my outlook in life than I have in a very very long time... I firmly put all this recent progress in my life down to engaging with the "About Turn" course and "Who Dares Cares". None of this would have been made possible without going onto the "About Turn" course...and I am a far better person for it now and I'm extremely grateful to Calum and his colleagues for giving me this opportunity." Quote from service user.



The Royal Regiment of Fusiliers Aid Society were awarded £98,000 in October 2023. A collaboration between six regimental associations, their project 'Infantry Connect' will leverage a digital community platform to transform the way vulnerable Veterans can connect and access the help they need. The project connects struggling infantry Veterans to a large peer support network alongside a range of support services.

In 2022, the Fusiliers Aid Society (FAS) developed a digital community platform, 'Fusiliers Connect' which proved a huge success, with over 1,400 Fusilier members registered, more in-person activity, and higher overall engagement and peer support than was previously seen.

This project builds on the success of the community platform, focusing on developing innovative functionality that changes the way FAS can raise awareness across the community, and transforms how vulnerable infantry Veterans and their families can reach support. The aim was to enable a unified and improved approach to delivering welfare across all regiments.

'Infantry Connect' draws members into its digital community because of the combination of social engagement and connectivity opportunities of the platform, which provides access to over 100 regular activity groups promoting exercise and social integration.

The platform will streamline and simplify the signposting pathway to a wide range of welfare support using support module functionality designed to help vulnerable members quickly identify support resources and reach in-person support.

In November 2023 FAS recruited a Digital Community Manager and Welfare Liaison to support the project, bringing a wealth of experience into the team. Between November and January, the design of the Support Module was completed, including developing a number of welfare pathways. The team are now working on populating the content across all support categories.

Fusilier membership growth has increased by 300+ on the app and localised activity in the Northeast has been excellent. FAS have agreement from the Coldstream Guards and Royal Anglian Regiment to join the project, as well as Op Belonging.

Andrew Harris, Assistant Regimental Secretary, The Fusiliers, told us: "Fusiliers Connect has been hugely beneficial to the Fusilier family, including the wider aspects, including spouses, parents and friends. Since launch in April 2023, we have been able to extend the reach and breadth of our communications, and now reach many more of our family with newsletters, notice of events with the ability to enrol through the app, and other relevant information. We continue to enhance the welfare and benevolence aspect of Fusiliers Connect with a set of self-help tools and other advice and guidance all in one place.

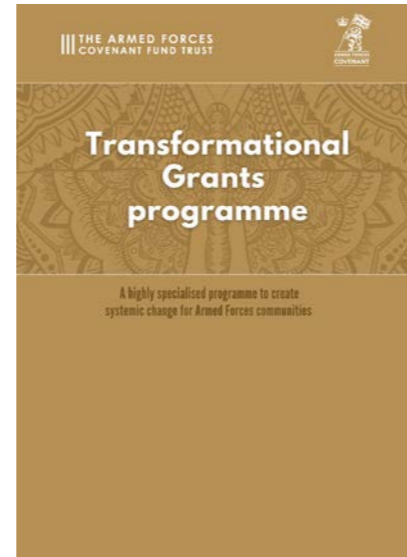
The ability for members to communicate within the app has proved popular, as this has none of the addictive and harmful algorithms of many social media platforms. It is also secure. Our membership continues to increase, and we are pleased that a number of other Regiments and Corps have also embarked on their own platforms – this will increase the offering to all participants and can drive economies of scale and efficiencies in the future."



Transformational Grants Programme

Following a consultation with the Armed Forces community, The Trust developed the Transformational Grants programme to deliver systemic change, through long-term transformation. This year, we committed **nearly £3 million to 9 innovative projects**. These projects range from enhancing mental health and wellbeing through sports and e-learning to developing inclusive activities and transforming service delivery.

For example, we awarded the Scar Free Foundation, in partnership with the CASEVAC Club, £300,000 to address the often-overlooked issue of conflict-related genital injuries. Their pioneering research aims to develop interventions that reduce the stigma and improve intimate relationships for Veterans, enhancing both mental and emotional health.



Organisation	Amount Awarded	Project
Age Cymru Dyfed	£299,849	To develop and implement a systemic national model, <i>transforming identification and support for older-Veterans aged 50-100+yrs</i> within both Statutory and third Sectors.
Burnley FC in the Community	£300,000	Expand their <i>Armed Forces Sports Club Champion programme</i> to share best practice, level up existing provision, mentor and guide the sports charity sector in delivering quality projects for the Armed Forces community throughout the UK.
Combat Stress	£600,000	A combined project to be delivered between Combat Stress and ASDIC <i>delivering better support to Veterans, their families and the organisations that support them</i> , through offering enhanced access to training and raising awareness among key groups.
Edinburgh Napier University Centre for Military Research, Education and Public Engagement (CMREPE-ENU)	£299,674	<i>To work with unplanned Public Sector services across Scotland</i> - including A&E departments, the fire service and the police - to improve understanding of the Veteran community.
The REME Charity	£300,000	<i>To deliver the Service Charities Equality Insights Programme (SCEIP)</i> , in collaboration with the Eleanor Glanville Institute, using inclusive and intersectional lived-data to reduce inequalities and diversify the outreach and impact of Service Charity programmes.
Scottish Action for Mental Health	£273,125	Along with SeeMe and Combat Stress, to work with female Veterans to take forward a project that <i>tackles stigma and supports more ex-Service women to get the support they need</i> .
The Scar Free Foundation	£300,000	In partnership with the CASEVAC Club of wounded Veterans, <i>to understand and alleviate the impact of conflict-related genital scarring and loss-of-function</i> .
The Soldiers, Sailors, Airmen and Families Association – Forces Help	£300,000	To deliver a pilot evaluation model in the East Midlands to <i>transform the casework support provided to Veterans and their families</i> with mental health/wellbeing needs.
Defence Medical Welfare Service	£293,829	<i>To improve equality, diversity and inclusion for underrepresented Armed Forces communities across the UK</i> , incorporating ethnicity, gender, sexual orientation and more.





Swansea University

Swansea University were awarded £299,971 to develop new and better ways of identifying and supporting Veterans whose lives are impacted by harmful gambling.

Their research has shown that UK Armed Forces Veterans are up to ten times more likely to experience gambling harm than members of the general population, with experience of gambling often beginning during their Service.

Little is known about what can trigger harmful gambling, including whether there are any triggers specific to military Service. The Look Back to Move Forward project has been developed to help adapt a new timeline assessment of gambling, alcohol use and mental health challenges in Veterans who have recently left Service. This includes looking at when challenges began and charting their progress through treatment.

The project is co-produced with Veterans, and it is hoped this will lead to new protocols, research evaluations and a system-wide change in the help and support available for those with complex addiction needs. The University is also working with partners including Adferiad Recovery, NHS Veterans' Wales and others to recruit suitable Veterans to the project – those who have left the Services in the last two years and identify as having faced challenges around gambling, alcohol or mental health related harm.

Adferiad Recovery will provide an emotional and social support package for all participating Veterans, ensuring they are not adversely harmed by their participation.

The University knows that more awareness is needed of the complexity of these issues. They say that those who are aware of gambling-related help criticise it for merely focusing on financial management rather than including issues around guilt, depression, self-harm, and relationship problems. This all feeds into the new timeline assessment they wish to establish.

Currently the project has three systematic reviews underway. A review into current assessment methods for harmful gambling among military Veterans is looking to establish how gambling behaviour and related harms are assessed among Veterans and serving populations.

A second review is looking into how prevalent Timeline Follow Back (TLFB), a structured questionnaire and clinical research tool, is in measuring gambling behaviour, and how it is most used.

Finally, a third review is looking at the validity and reliability of Gambling Timeline Follow Back (G-TLFB) and how applicable this is to Veterans and their experiences.

In addition to these reviews of the literature several focus groups have been completed with Veterans to ascertain their thoughts and experiences in relation to first-line assessment processes. During these groups Veterans shared their previous experiences of assessment processes and content, as well as detailing how they think future assessment tools should be created, including content, delivery methods and routes of service provision.

The University plans to create a validated Veteran-specific assessment measure, informed by the findings from the three reviews and the lived experiences of Veterans within the focus group study. Alongside this will be a treatment monitoring tool, which can be used within Veteran populations to promote help-seeking behaviour, early identification, and intervention for gambling related harms.

Early findings show the need for a Veteran-specific gambling timeline assessment and the potential impact such a tool might have.



The Royal Navy and Royal Marines Charity (RNRMC)

The Royal Navy and Royal Marines Charity (RNRMC) was awarded £300,000 in February 2023 to deliver their Strengthening Families: Neurodiversity project, working with RN and RM families with neurodiverse children. Their goal is to develop a 'community of experience', highlighting the often-hidden needs and inconsistent support received by such families.

The organisation has worked with various partners to address fundamental issues such as reducing isolation, increasing awareness and improving knowledge. These partners include the Naval Families Federation, Cambridge University Autism Research Centre and Forces Additional Needs & Disability Forum.

They have set up the 'Strengthening Support for Neurodiversity Advisory Group' – a diverse selection of families who have adults or children with neurodiversity. This group is allowing them to 'road test' ideas and solutions.

RNRMC has also established a 'Strengthening Support for Neurodiversity Alliance' - a collaboration of both public and third sector organisations who are in conversations, collaborations and willing to co-produce. This collaborative approach means they are more easily able to develop informed pathways and strengthen current provision.

Mandy Harding, Head of Commissioned Grants at RNRMC said: "Families are continuing to contact us and have indicated they are ready to engage and take up offers of support. We are confident this project will enable greater understanding of the needs of families by the RN, facilitate informed compassion and better solutions. To the families, even small changes can have a huge impact and give them a voice."

While the project is primarily aimed at naval families based in the UK, by using virtual resources and delivery, some elements of this work are available to families overseas too.

Funding has allowed for the creation of a Neurodiversity Navigator (NDN) role. Now up and running, the NDN Bobbie Branson (pictured above) has carefully researched and built a directory of each support organisation - including contact details and what they offer. This is due to be released. Additionally, a resource booklet written by parents for parents is also in production.

With the military now actively recruiting from the neurodiverse community, the charity found that, in every family discovery session they ran there was a RN parent who had got or were getting a diagnosis themselves due to their child being diagnosed. The main issues families felt needed addressing included: a reduced sense of isolation and loneliness through peer-to-peer support; an accessible point of contact for naval families to get help and advice; a low awareness of charities and the range of support organisations available; and worry about parents own mental health and wellbeing and the impact of their stress and anxiety on their children.

So far, progress on the project has exceeded expectations. The RNRMC is working closely with the National Autistic Society, lining up opportunities for service agreements with the RAF and Army should they wish them, plus other benevolent funds.

They have also worked with the RAF Association and have agreed to arrange a tri-Service meeting.

Neurodiversity is a very topical issue, which the RNRMC sees time and time again in much of their work with families. In September 2023, they convened a meeting with all their Home-Start projects, discussing how many families they were seeing present with neurodiversity. In Scotland, one Home-Start reported this figure as 70% of their families.



Continued Delivery of Armed Forces Covenant Fund Programmes

Supporting Armed Forces in Acute Hospital Settings

The 'Supporting Armed Forces in Acute Hospital Settings' programme has made huge strides in improving the hospital experience for the most vulnerable Veterans across the UK.

A collaborative effort between the Trust, NHS England and NHS Improvement launched 17 pilot projects in 2021, creating Armed Forces Advocate (AFA) roles to ensure that Veterans receive proper recognition from admission through to discharge.

This programme benefited 850 Veterans, with a significant majority having served in the Army. These Veterans, typically around 74 years old, have seen enhanced service delivery tailored to their unique needs. Initiatives by AFAs have led to NHS savings of over £202,000 by reducing hospital stays and preventing admissions through timely community support.

The University of Chester will publish a comprehensive report later in 2024, which evaluates the data and effectiveness of these projects. The Trust's collaboration with the university has also produced an educational Moodle course, further enhancing the training of healthcare staff on the unique needs of the Armed Forces community.

With five AFA positions set to continue post-programme, the initiative underscores a legacy of improved Veteran care in acute hospital settings.

17
Projects
awarded

850
Veteran
beneficiaries

£200K+
In savings to the NHS
thanks to the Armed
Forces Advocate roles

The Veterans' Adviceline for Statutory Professionals (VASP) Service - a Northern Ireland signposting service, which offers assistance and advice with issues such as State Benefits, War Pensions, physical, mental and emotional health and suitable referral to Veteran organisations - has embedded itself into the framework of many Statutory bodies such as Police and Mental Health Services.

Project Manager Mark Ewing explains: "It has literally been transformative and life changing for some of the clients, by lifting them from severe financial hardship and destitution; assisting them to obtain State Benefits, War Pensions, Troubles Related Pensions, and various grants."

The VASP Service has also been able to provide emergency accommodation in crisis cases where homeless and intimidated Veterans had nowhere else to go, thereby giving them time to register with the appropriate statutory bodies.

The VASP Service has dealt with crisis calls including suicide. It has directed about 36% of the enquirers to appropriate Veteran mental and physical health organisations to address the needs of the client.

Mark concluded to say: "The Armed Forces Covenant Fund Trust has, by their generosity and kindness, delivered a valuable and much needed service which has helped over 1,200 Veterans in Northern Ireland."



In February 2024, the Trust hosted a Scotland Roadshow focusing on the Supporting Armed Forces in Acute Hospital Settings programme.

This event focused on the excellent work that had taken place in the Devolved Nations. We were thrilled to be joined by grant holders, Armed Forces Advocates and other stakeholders too.

We were joined by our evaluators for the programme, the University of Chester – who continue to undertake a live evaluation as the funded work progresses.

Their data collection to 9 October 2023 has shown:

- there are now over 2,000 entries onto the Armed Forces Advocates portal, which records data about the service users they work with
- they have received over 1,800 feedback surveys from staff, family members and service users
- of the service users supported by the Armed Forces Advocates, 96.6% are male and their average age is 75 years. 45.2% had served National Service
- 31.6% of service users said they had experienced a traumatic event during their time in the Armed Forces
- majority of service users were in hospital due to illness with 4% saying their illness was Service attributable.



Delivering programmes that support Veterans, their families and carers

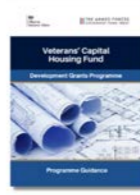


Office for Veterans' Affairs

In 2023/24, we have worked closely with the Office for Veterans' Affairs (OVA) to deliver several funding programmes on their behalf. These programmes are Veteran focused and each link to the Government's Veterans' Strategy Action Plan 2022-2024.



Supporting mobility needs of Veterans, such as specialist wheelchairs and mobility scooters, which are not typically available through the NHS.



Addressing the immediate housing needs of Veterans and contributing to their long-term stability.



Helping Veterans and their families enter stable, long-term employment



A targeted programme to tackle the issue of Veterans experiencing homelessness.

Programmes delivered on behalf of the OVA

The Veterans' Mobility Fund

Introduced in July 2023, this fund supports mobility needs of Veterans, such as specialist wheelchairs and mobility scooters, which are not typically available through the NHS.

Following an open application process, we awarded a significant grant of **£2.52 million** to Help for Heroes, in partnership with BLESMA, to administer this programme over the next five years.

This strategic support underscores a deep commitment to recognising and addressing the unique needs of Veterans who have sustained serious injuries, ensuring they continue to lead fulfilling lives post-Service.



"We have made great strides in supporting Veteran healthcare and recovery. The opening of the OVA-backed Veterans' Mobility Fund is an important step in improving the lives of Veterans across the UK."

Veterans' Affairs Minister, Johnny Mercer



On 12 March 2024, Help for Heroes announced the opening of the Veterans' Mobility Fund, supporting Veterans in need of high-quality mobility equipment to improve their quality of life. The fund is designed to support Veterans with physical disabilities resulting from illness or injury sustained during Service.

In September 2023, The Office for Veterans' Affairs (OVA) and the Armed Forces Covenant Fund Trust awarded administration of the life-changing £2.52m Fund to Help for Heroes, who are working in partnership with Blesma, as part of a highly specialised open grant programme that will help Veterans with physical disabilities via an externally delegated grant scheme. The Fund will remain open and support Veterans across five years.

As always with the Trust's programmes, collaboration is a core element of this funding. In this case, integration with Veterans' services such as the Veterans Trauma Network is vital, offering an integrated support system that incorporates wider needs such as mental wellbeing, housing issues and overcoming isolation and loneliness. In the run up to launch, Help for Heroes established a working group, including BLESMA representatives, to ensure all teams involved understood the processes around this important programme. From this group, they have created a useful web page on the Help for Heroes website to keep applicants updated at each stage of development. As well as this application-centred support, applicants can also expect a warm handover to wider support services, should any needs become evident during the Veteran's journey through the process. A simple but robust two-stage application system for applicants includes questions about the Veteran's aspirations and goals after receiving the equipment, and this informs a clinical recommendation which support decisions made against applications.

Help for Heroes received 170 expressions of interest in the first four days following launch – within a month this had already risen to 300.

James Needham, Help for Heroes' CEO, shares an insight: "[The application process] does take time, but we support the Veterans through this and ensure the right equipment for them and the right outcomes, including reaching their goals. We are also diligent in ensuring the equipment is not available on the NHS. We check if there is a contribution available, and we ensure a 'good deal' for the equipment, including servicing and maintenance. As well as supporting the Veteran we want to make sure we achieve value for money and effective spend of the funds."

Early grant awards so far have included:

- a lightweight wheelchair which will improve the quality of life for a severely injured Veteran
- E-motion Duo drive electric wheels which will ease chronic pain and allow a Veteran access to family and friends
- a folding electric tricycle to allow a Veteran to be more active with his family
- a wheelchair car hoist to allow a Veteran to be more independent and access his community.

The organisation plans to hold regular decision-making panels driven by the number of applications received. Two Veterans with lived experience have been recruited to advise on the Veterans' Mobility Fund processes and will sit on the grants panel.

For those who are successful, the Veterans will be supported with measurements and fitting where relevant to ensure they can use the new equipment safely.

Finally, follow-ups with the Veterans receiving support will take place at 6, 12 and 24 months and this will feed into an ongoing collection of data on numbers supported, personal goals achieved, equipment requested, regions and spend.

A comprehensive, ongoing evaluation of this programme is taking place.



The Veterans' Career Development Fund

Launched in November 2023, the Veterans' Career Development Fund aims to help Veterans and their families enter stable, long-term employment by providing grants of up to £70,000 over two years for training and qualifications. This program focuses on supporting Veterans facing barriers to employment, including women, LGBT Veterans, early Service leavers, and those from ethnic minority backgrounds.

This innovative Fund marks a pivotal advancement in supporting the transition of Service personnel into rewarding civilian careers and is designed to bridge the gap between military Service and civilian employment.

With a robust focus on career development, the fund provides grants to organisations that offer training, qualifications and employment support tailored specifically for Veterans. This initiative recognises the unique skills and experiences of Veterans, while addressing the challenges they may face in the job market.

The Veterans' Career Development Fund is more than just a financial resource; it's a commitment to empowering Veterans as they embark on new career paths. By investing in the future of Veterans, the fund not only enhances individual lives but also contributes to the broader economy by harnessing the potential of this highly skilled workforce.

As this fund unfolds, it promises to transform the landscape of Veteran employment, making a significant, lasting impact on the lives of those who have served their country.

In March 2024, the Trust awarded grants to **11 inspiring projects**. These projects included everything from bespoke training and career development to employability pathways and career coaching. While some projects focus on general training and employability skills, others present an opportunity to retrain in a specific field such as HGV driver training or teaching. For some, the focus is on developing skills gained from military Service, while others offer tailored support in transitioning to civilian roles.

In addition to these awards, we granted two larger awards in October 2023 to both Mission Community and the Forces Employment Charity. Both organisations will provide integral support to the Career Development Fund grant holders. Mission Community will provide sector initiative – helping to make the commercial case for employers to hire Veterans and harness their skills. The Forces Employment Charity will take an employment pathway approach – working directly with Veterans and their families, as well as employers, to identify and create clear routes to employment.

Together, these initiatives form part of OP PROSPER – a government backed scheme supporting Veterans into jobs where they can hone the skills that they developed in the military in key sectors that are helping to boost the economy. This includes areas like cyber and digital, manufacturing, energy and financial and professional services.



Veterans into Logistics provide life-skills and training which leads into stable, long-term employment in the logistics sector. They offer funded HGV driver training which links to employment opportunities with a network of logistics partners including Asda and Muller. The Holistic HGV Pathway into Employment project is open to all Veterans in need; particularly Early Service Leavers and Veterans struggling through underutilisation or convictions.

Major John Harker MBE Retired, Veterans Into Logistics' General Manager, told us: "Veterans into Logistics is honoured to have been awarded a grant under the Veterans' Career Development Fund to provide twenty-two Veterans with funded HGV driver training, followed by securing them interviews into secure and well-paid jobs with our logistics partners.

"As Veterans ourselves, we understand the challenges some Veterans experience on return to civilian life - our lived experience coupled with ongoing dialogue with our Veteran learners, logistics partners and the wider Armed Forces community ensures we strive to provide optimum bespoke pastoral support to make each Veterans' journey into their HGV driving career successful. This fund is a fantastic initiative that will transform the lives of vulnerable Veterans and their families."



Recruit for Spouses Academy C.I.C will empower and support female Veterans in their transition to civilian careers by providing a bespoke leadership career coaching programme, leveraging RFS Careers Academy's extensive network across industries, whilst enabling them to attain a formal qualification.

Heledd Kendrick, CEO/Founder at Recruit for Spouses told us: "As the World changes so rapidly then so do the needs of our Forces, we are seeing unprecedented demand for career coaching and the recent funding to support female Veterans who are also spouses will make a tremendous difference to support our serving Armed Forces and families."



The full list of awards made under the Career Development Fund:

Organisation	Main Beneficiaries	Amount Awarded	Project
Wings For Warriors	WIS Veterans	£70,000	Flight School for WIS Veterans will fund a chief flying instructor who will train wounded, injured and sick (WIS) Veterans as professional pilots in collaboration with supportive airline employers, creating more employment, volunteer, rehabilitation, and skills development opportunities in the process.
University of Hull	Armed Forces Families and Veterans	£70,000	The ten-week Career Transition Accelerator training programme equips Veterans and their families to realise and advance their skills, supporting them in identifying suitable opportunities for fulfilling careers . It also provides a foundation in preparation for entering the workforce outside of the Armed Forces.
Burnley FC in the Community	Armed Forces Families and Veterans	£69,800	Beyond the Barracks offers targeted employability support to Veterans and their families in the Burnley and Pendle area. A bespoke programme will deliver employability support, volunteering training and additional qualifications to help enhance beneficiaries' personal profiles and job opportunities in environments including sport.
Highground Projects Ltd	Female Veterans	£70,000	The Ladies into land-based project will introduce female Veterans to the land-based sector, guiding them towards a recognised qualification Level 3 Award in Education and Training (AET) . This will enable them to secure stable, long-term employment where their military skills and experience are used and appreciated.
Hull FC Community Foundation	Armed Forces Families and Veterans 50+	£62,688	Set of Six is a progressive employability pathway focused on empowering older Veterans (aged 50+) and families with the skills, confidence and knowledge to re-enter the workforce. Providing accredited qualifications, bespoke life skill support, work placements and targeted one-to-one support.
Veterans into Logistics	Veterans and Early Service Leavers	£67,122	A pathway into stable, long-term employment through funded HGV driver training with a network of logistics partners. Support is available for all Veterans in need; particularly Early Service Leavers and Veterans struggling through underutilisation or convictions.
RBLI	Armed Forces Families and Veterans	£60,000	Lifeworks Families will support spouses, partners and families of service leavers and Veterans to gain work via employability training . Support will be offered to: identify potential future employment sectors, improve confidence and gain skills through mock interviews, and gain relevant Continuous Professional Development qualifications.
The Royal Marines Association	Veterans and Early Service Leavers	£48,000	Early Service Leavers Support will offer bespoke support to Veterans, particularly Early Service Leavers, those who have been medically discharged or are from challenging and disadvantaged backgrounds . The project will ensure the best possible outcomes from transition, whilst identifying and supporting training to secure meaningful and successful future career prospects; and work collaboratively with wider transition support.
Recruit for Spouses Academy C.I.C	Female Veterans	£42,390	A bespoke leadership career coaching programme to empower and support female Veterans in their transition to civilian careers leveraging RFS Careers Academy's extensive network across industries, whilst enabling them to attain a formal qualification.
Bridgend College	Armed Forces Families and Veterans	£70,000	The T.E.A.C.H Programme is a bespoke Career Development and Health Wellbeing Education programme for Veterans and their immediate families in Wales offering a pathway into Education, Training and Assessing roles. The programme will focus on transferring the skills and experience gained whilst serving in the Armed Forces.
BRAVEHOUND	Veterans	£70,000	A Veteran Dog Trainer Project in Scotland providing Veterans with the opportunity to gain experience, confidence and accreditation. Transferring valuable skills gained during military service and developing new dog trainer skills, including City and Guilds qualifications.

The Veterans' Capital Housing Fund

This funding was broken down into three separate grant programmes, each with multiple open grant application rounds.

Together, the three programmes not only address the immediate housing needs of Veterans but also contribute to their long-term stability. By focusing on both the creation of new facilities and the refurbishment of existing ones, the Capital Housing programmes ensure that Veterans have access to high quality, sustainable housing solutions.

As these programmes continue to roll out, their impact is expected to grow, reaching more Veterans and providing them with the foundations for a stable and secure future.

We launched the Major Capital Grants Programme this year, offering grants between £75,000 and £500,000 for significant refurbishment, extensions and new builds of rental accommodation for Veterans. This programme will support projects that create safe, effective, and modern living spaces, ensuring Veterans and their families can thrive in supportive communities.

These awards will be made as part of a two-stage process, with the first round of awards due in May 2024. The programme supports projects that contribute to the goal of ending Veterans' homelessness and provides Veterans with high-quality support housing.

The Development Grants programme provided grants up to £25,000 for early-stage development costs of housing projects for Veterans. We supported **six projects worth £147,356** to help cover professional support costs like architects and surveyors needed to develop detailed building plans and cost assessments.

The Refurbishment Grants programme awarded grants up to £75,000. This year we supported **seven projects worth a total of £408,464**.

Dedicated to upgrading existing Veteran housing facilities, this programme awards grants for projects that refurbish and improve current accommodations. By providing more comfortable and suitable living conditions, these grants help maintain dignity and improve the quality of life for Veterans, allowing them to live independently in environments that support their wellbeing.



6 projects worth
£147,356
awarded



7 projects worth
£408,464
awarded



Programme launched with first awards to come in May 2024



Royal British Legion Industries were awarded a grant for 73,750 under the Refurbishment Grant Programme in December 2023. The project's aim was to focus on family homes on London Road East as part of a wider programme of repairs and renovations, to keep them habitable by making the roof watertight. Additionally, the funding will improve accessibility in one property by replacing the bath with a shower, installing handrails and ramps, adding suitable flooring and an outside storage space for mobility vehicles.

The refurbishments would extend the usable life of the accommodation. The single property renovation will create an accessible home suitable for people with mobility adaptation needs.

The planned works were developed with participants of the existing welfare support project, which focuses on enabling better relationships, health and mobility and employment opportunities. The project works with street homeless Veterans, older Veterans, and Veterans who are moving due to a health crisis. This refurbishment work will maintain twelve properties to support transitions into more positive life chances.

Enhancing Residential Living

Capital Grants Manager, Sian Butler and Communications Officer, Gemma Calvert had the opportunity to see the improvements the grant has made to the homes.

The team were able to meet veteran residents and their families and told us how the improvements have made a positive impact.

A resident mentioned that installing a waterproof roof has resolved the family's damp issues. The continuous dripping from the old fascia during and after heavy rain has also ceased since the upgrade.

Another resident, while tending to his garden, thanked the Armed Forces Covenant Fund Trust for the improved condition of the homes. He noted that the enhancements have made the houses on the street look tidier and that the new soffits will boost energy efficiency.

Extensive Support Provided

The village, which has been active since 1919, has been providing housing and welfare support to over three hundred members of the Armed Forces Community.

It offers a unique welfare model with a dedicated team providing structured, holistic support tailored to the individual needs of Veterans and their families. This support includes housing, addressing drug and alcohol dependency, financial issues, and relationship breakdowns, as well as offering specialist nursing care homes for dementia support.

With a variety of housing options including small apartments, two- and three-bedroom family homes, and purpose-built Move-On accommodations, Veterans can move within the Village as their situation stabilises. They also can move away from the Village when they are ready to pursue new opportunities or return to their hometown.

During the tour, the team were taken to see the RBLI social enterprise factory.

The insightful visit showcased the factory's production of road and rail signs, wooden products, and fulfilment services. Remarkably, most of the workforce consists of individuals who are either disabled, military Veterans, or both.

The charity supports those in need by offering employment and upskilling opportunities to people from the Armed Forces community with disabilities and to those facing employment challenges and barriers in traditional workplaces.

The team had the pleasure of meeting one of the Veteran residents who reside in the village who spoke about her story and how RBLI have been instrumental to her recovery after service life.

A lifeline of support

Retired Sergeant, Vicky, who was attached to the Royal Army Medical Corp (RAMC) as a combat medic for 19 years served on the front line during several conflicts, including Iraq and Afghanistan.

Due to a diagnosis of post-traumatic stress disorder (PTSD) Vicky, was compelled to leave military service and reluctantly end her career in 2019.

Reflecting on her experience, Vicky explained "I felt lost. After being cared for and provided for in Service, I suddenly had to navigate a completely new life, all while grappling with PTSD."

"I felt supported, surrounded by people who understood me, who shared similar experiences."

During this challenging period, Vicky was residing with her partner and their family when she noticed a local organisation marked with a poppy symbol, signifying its military connections. Mustering her courage, she entered and asked for help.

"A few weeks later, RBLI offered me a place to stay – a lifeline," Vicky recounted. "I felt supported, surrounded by people who understood me, who shared similar experiences."

Despite ongoing recovery and difficult days, Vicky has found strength in organising a weekly coffee morning for the community.

"Meeting others who also need support helps us all," she shared. "We can lean on each other... during tough times."

The support from RBLI has been invaluable in helping Vicky and her family move forward. "I'm immensely grateful for the support I've received" she concluded.



The Reducing Veteran Homelessness Programme

In 2023/24, we awarded £7.2 million to nine projects under the Reducing Veteran Homelessness Programme – a targeted programme to tackle the issue of Veterans experiencing homelessness.



These projects not only offer housing, but also facilitate access to specialist medical care, community integration and employment tools, ensuring Veterans receive a holistic support system.

Under this programme, the Trust awarded grants on behalf of the Office for Veterans' Affairs (OVA), towards projects that contribute to the aims of the government's ambition to reduce Veteran homelessness and end rough sleeping.

A standout initiative - Op FORTITUDE - provides a £500,000 hotline operated by the Riverside Group, offering a single point of contact for homeless Veterans to access a network of support services, including housing, charity support and local authorities.

All nine projects are now equipped to handle referrals from Op FORTITUDE, expanding the network of housing providers and ensuring comprehensive support across the UK, including 650 homes in Scotland and a new consortium of housing in the northwest of England through Wigan Council.

Riverside Housing

Receiving a grant of £830,790 in May 2023, Riverside's project Ending Veteran Homelessness Together provides supported housing at The Beacon in Catterick and Mike Jackson House in Aldershot, specifically for Veterans with high and complex needs, aiding a successful transition to civilian life. Along with Hardwick House in Middlesbrough, Riverside provide 75% of the high needs provision available through the Op FORTITUDE pathway. This can include mental health, physical health, active substance misuse, offending/anti-social behaviour, or often multiple needs concurrently.

Using psychologically informed approaches, the team works with Veterans to understand the underlying drivers of the Veteran experiencing homelessness, and together they devise a programme of support to address these drivers so that the Veteran can go on to live independently and positively contribute to their community.

Since the launch of Op FORTITUDE on 3 July 2023, 23 Veterans who had received support from either The Beacon or Mike Jackson House have moved on to greater independence.

Lee Buss-Blair, Riverside's Director of Operations and Group Veteran Lead, said: "Unlike most of the supported housing sector, Veteran supported housing was previously, predominantly, not in receipt of any government funding for support. Without support funding, both Mike Jackson House and The Beacon were only able to accept Veterans with very low support needs.

"With the funding from the Reducing Veteran Homelessness Programme we have been able to employ the support staff we need to effectively support Veterans with high and complex needs, meaning that the service available to this cohort of Veterans has tripled when you include our RBLI colleagues at Mountbatten Pavilion in Kent."



Alabaré

Alabaré were awarded £1,380,214 under the Reducing Veterans Homelessness programme in June 2023 for their project Homes for Veterans. This project provides supported accommodation, across southwest England and Wales, dedicated to Veterans with medium to high support needs in a responsive and safe environment. The support provided by Alabaré enables Veterans to make life changes, overcome the immediate crisis of homelessness, and take increased responsibility for their future.

Homes for Veterans provide ex-Armed Forces personnel with a stable home in a community of comradeship, where they co-produce personalised support pathways, helping them achieve independence. Each home holds monthly resident meetings to discuss events within the home and a Veterans' Forum ensures the Veterans' voice is included. Alabaré supports Veterans through a bespoke package of advice, mentoring and a befriending, focusing on stabilising sometimes complex lives, with the aim to provide emotional and physical stability.

This programme will transition 300 Veterans to move from the streets and rough sleeping into housing where they live and work together in community, undertake communal chores and prepare and eat a meal together at least once a month, helping prevent isolation and building social skills. The key is in providing successful transitioning from their Military experiences into 'Civvie Street'.

The homes provide on-site staff during the working week, with telephone or on-site support from an on-call manager throughout evenings and weekends, who can undertake crisis intervention. Each Veteran receives a key support worker, immediately they enter the home, who provides a person-centred approach to individual needs assessment. Veterans complete Tenancy Support plans so they leave with the knowledge and skills to successfully maintain tenancy when transitioned to independent living or lower support. When the Veteran is ready, staff identify the most suitable secure, long-term accommodation, including local authority housing, social housing, or private rents.

Key to the success of Alabaré continues to be the person-centred approach creating a safe and trusted environment where they can address the barriers each Veteran faces to living a fulfilled life. Through this grant, Veterans supported by Alabaré are given the opportunity to address these issues, make positive choices and gain the skills and tools to live a fulfilled life.

"This funding is vital to enable Veterans to move from a place of homelessness and without hope, to somewhere they feel safe and valued" explains Kirsty Scullion, Partnership and Income Generation Manager at Alabaré.

"The need is huge, having received 316 referrals to date, Alabaré has been able to house 69, 57 of whom came straight from rough sleeping, giving them a hope, a place where they can call home for now and begin to work with specialist staff to address the challenges they face. During the first 8 months of the Operation Fortitude funding Alabaré has positively moved 43 people into their own accommodation or reconciled them with estranged family members, each with resilience, tools to manage mental health and feel stable and able to move into employment. More needs to be done; ongoing stability of funding to be able to make the future of provision sustainable in the long term, creation of more bedspaces specifically for those who are facing complex challenging circumstances and high need, as well as long term 'forever' affordable housing. This is the first and exciting step towards ending homelessness in our Veteran population".



Veterans Housing Scotland

Veterans Housing Scotland received £907,071 in June 2023 under the Reducing Veterans Homelessness Fund for their project Reducing Homelessness for Scottish Veterans. A partnership between Veterans Housing Scotland (VHS) and the Defence Medical Welfare Service (DMWS), this project provides comprehensive and co-ordinated support services to the Veteran community in Scotland to address homelessness, tenancy sustainment and welfare needs. This collaborative approach delivers improved wellbeing, reduced homelessness through increased housing stability, and better overall outcomes for Veterans in Scotland.

The project provides comprehensive support to disabled Veterans in Scotland to sustain their tenancies, reduce the risk of homelessness, and improve their quality of life. VHS provide 650 homes and support services to Veterans and their families throughout Scotland. A dedicated VHS Visiting Officer and DMWS Welfare Officer work together to identify and support Veterans who are finding it challenging to sustain their tenancies and progress successfully through the housing journey to independent living. For more complex and longer-term cases, a referral is made to DMWS for a full holistic assessment of need and direct support.

The project has progressed well with the combination of VHS and DMWS' skills, expertise and service bringing enhanced value to the Veterans they support. The combined approach has also enabled the project to have greater reach through both VHS and DMWS's shared networks.

By February 2024, the project had supported 199 beneficiaries and their families from across Scotland, spanning a range of age groups. Some are struggling with mental and physical health issues that make trying to secure a home difficult, some are struggling to engage in the civilian housing system, some have become homeless through substance misuse and financial issues.

The project continues to experience high levels of interest in housing places and the cases they support are varied and often complex with a variety of issues and concerns affecting the main beneficiary as well as their families. Beneficiaries have needed support for mental health issues, PTSD, alcohol misuse, support with financial concerns, help attending hospital appointments and support with the stress and anxiety of healthcare treatment. Overall, VHS have found that providing a safe home and enhanced welfare support is incredibly important for wellbeing and can help a wide range of beneficiaries rebuild their lives.

Kevin Gray MM, CEO of Veterans Housing Scotland, said: "I'm extremely proud of our partnership with the Defence Medical Welfare Service. The combined expertise and commitment of our teams is nothing short of outstanding. The partnership provides solutions; we've extended our reach to make a positive difference to people's lives so they can enjoy better, brighter, and more secure futures. In short, our partnership is necessary, and it works.

"The scale of the challenges we have faced in a relatively short period has enforced the need for focused tenancy sustainment combined with a wrap-around wellbeing service through our partnership."



£7.2M
awarded to
9
Projects



Beyond the Battlefield

Beyond the Battlefield were awarded £100,000 in March 2024 to provide wrap-around services for Veterans in Northern Ireland who are homeless or at risk of homelessness.

Services offered will include benefit entitlement checks, health checks, employment engagement support, mental health support and referral onwards to other support such as offered through the VPPP programme and other Veterans organisations. Based at the Veterans Centre at Harbour House, Portavogie, project workers will engage with Veterans and organisations across Northern Ireland.

Robert McCartney, Chairperson of Beyond the Battlefield, told us: "The legacy of being involved in Operation Fortitude will echo in each life transformed - a testament to their valour and compassion.

"The project mission is twofold: Firstly, to provide immediate, targeted support to homeless Veterans and those at risk. Through counselling, health engagement, and financial management, we nurture their homes, preventing homelessness. Secondly, we aim to reshape the support landscape creating a robust, sustainable pathway across Northern Ireland. By collaborating and streamlining processes, we endeavour to ensure timely, improved outcomes for Veterans within the voluntary and statutory sectors."



LGBT Veterans' Support Fund

In January 2022, the government published the 'Veterans' Strategy Action Plan: 2022 to 2024', which committed to "... deliver an independent review into the impact of pre-2000 practices on LGBT Veterans". To deliver this, Defence and the Office for Veterans' Affairs co-commissioned the LGBT Veterans Independent Review, chaired by Lord Etherton, in 2022. The final report was published in July 2023.

Lord Etherton's review examined the experience of LGBT Veterans affected by the pre-2000 ban on homosexuality in the Armed Forces. LGBT Veterans responded to the review and there was evidence of emerging and complex need within a vulnerable community.

The Trust responded rapidly to this emerging need, providing funding to organisations for capacity uplift within the sector to support those affected by this issue. We stipulated that support must be provided in a person-centred manner, including mental health and wellbeing support, loneliness and isolation and connecting Veterans to the right services to help with wider needs they may be experiencing.

We awarded a share of **£137,000** to four organisations currently providing support to LGBT and other impacted Veterans. This funding was to enable them to rapidly upscale the support they were offering to provide additional short-term support in the wake of the report.

With guidance from the Office for Veterans' Affairs, the Trust awarded funding to the following organisations.

- SSAFA
- Forward Assist
- LGBT Foundation
- Fighting with Pride

The core focus of these grants was to ensure immediate access to support for Veterans, particularly for those who may not have previously reached out, and those with complex needs.

Reaching Veterans in their community

In addition to these solicited bids, the Trust also invited the current Veterans' Places, Pathways and People programme portfolio lead organisations to apply for a grant of up to £10,000 to increase their capacity to support Veterans from LGBT communities in the areas they operate. We stipulated that this work should build on the existing work already taking place within the VPPP portfolio but that this extra funding should enable extra resources, delivery or services which complement their usual delivery. Nine of the portfolio lead organisations received a share of £89,818.

This fund highlights the commitment to diversity and inclusion within the Veteran community by providing targeted support and ensuring all Veterans receive the respect and support, they deserve.

Fighting With Pride adopted an assertive outreach strategy to disseminate information about the LGBT Veterans' Independent Review and the 'Call For Evidence' window via its seven regional Veteran Community Workers (VCWs) that covered England, Scotland, Wales and Northern Ireland.

The VCWs reached out to 233 partner and support organisations providing presentations and demonstrations about how to provide evidence.

As a result of this phenomenal outreach effort, the VCWs directly assisted 273 LGBT Veterans to provide testimony. In many cases, this included the additional provision of emotional and pastoral care when Veterans found difficulty revisiting the trauma of past interrogations and for some, imprisonment. This outreach support was further enhanced by over 950 individual interactions to support Veterans via telephone, email and video calls in helping submit evidence.

The substantial collaborative effort made by FWP enabled Lord Etherton to reach and exceed his target of achieving 1000 testimonials, which formed the basis of his report.



Forward Assist

Forward Assist were awarded £25,000 for their project The Safe Zone, an initiative run in partnership with Salute Her UK. This has provided resource for a trauma-informed 'safe haven', empowering LGBT Veterans with the skills needed to have a positive quality of life.

Many of the Veterans who are part of this community and are accessing Forward Assist struggle to access services that do not understand the complexities of their trauma and related mental, physical and psychological difficulties.

Since the project began there have been several positive outcomes including promotion of social justice and addressing the inequalities faced by LGBT Veterans. Furthermore, they have worked towards breaking the cycle of discrimination against this population and empowered them to become positive role models for others. This in turn has helped the Veterans involved to grow their self-esteem and develop their resilience, allowing them to pursue their life goals. Veterans involved are encouraged to reflect on their inner experience and patterns of thinking. They learn to develop an awareness of risk as well as coping strategies for dealing with self-harming impulses and discover how to anticipate stressful or triggering events.

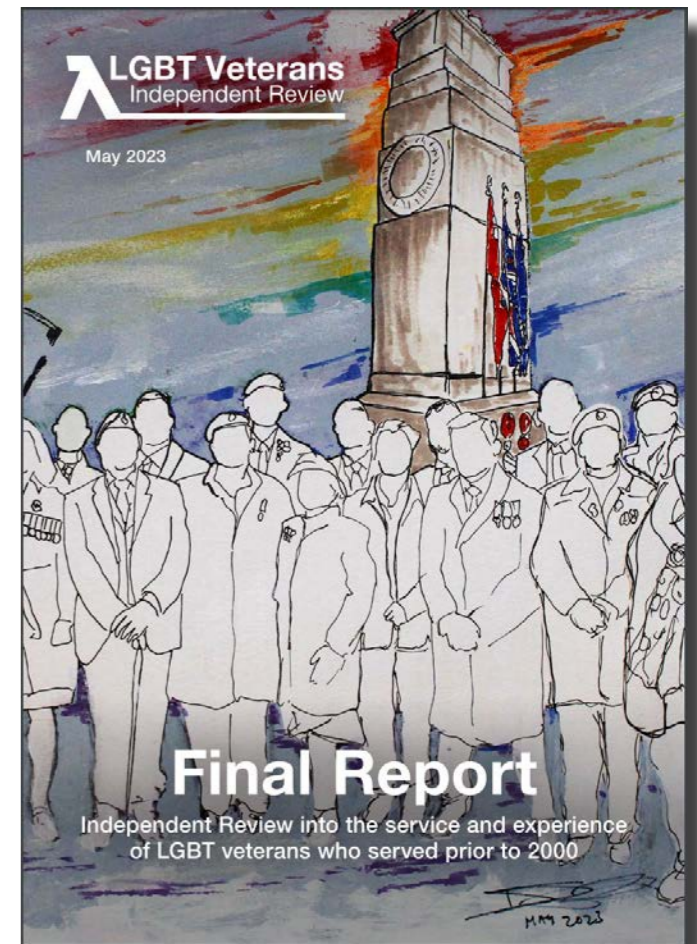
One Veteran said: "I don't feel so alone now, I understand why I have isolated myself so much. I am putting all the skills I have learned into practice and my life is better because of it."

The Veterans who have accessed the Safe Zone course have been given effective strategies for emotion regulation, crisis management and mindfulness practices. The course equips them with the tools needed to navigate life's challenges successfully. Its evidence-based approach and long-term effectiveness make the course an essential therapeutic intervention that can significantly improve individuals' lives and empower them to lead healthier and more fulfilling lives.

A Veteran who has accessed the project explains: "I was a young recruit in the Army, I always wanted to travel the world and take part in sport, a career as a personal training instructor really appealed to me. I wish that I had never joined the military. My life was destroyed after two years when I was kicked out for being gay. I have never felt like I belonged anywhere, nor do I trust others easily. Taking part in the project is helping me to build my confidence and slowly learn that not everyone is out to get me, some people are kind and want to help me."

To measure impact the charity has developed a unique Psycho - Trauma Screen (GPS) which screens for a range of trauma-related psychological problems, as well as for risk and protective factors. The tool is used before, during, and after the intervention allowing the organisation to track positive outcomes and a reduction in symptoms as well as tweak the program if needed.

So far, the organisation has worked with 60 Veterans across the three Services - over half of the Veterans were discharged due to their sexuality, with many having hidden their sexuality still to this day.





LGBT Foundation

The LGBT Foundation were awarded £25,000 for their project Operation Equality: Expanding our Support. The grant has enabled the LGBT Foundation's Wellbeing Services to expand across the LGBT+ Armed Forces community, building wider peer networks and providing affirming spaces for service users.

In practice, this has meant additional hours on their national helpline, which is open to all individuals who identify as LGBT+, as well as their families and friends. The helpline provides emotional support, brief interventions, advice and signposting to local support to meet the needs identified on the call. This includes referral into the Operation Equality project.

The helpline service provides lifesaving support to thousands of people each year. The additional hours have enabled more than 2,000 calls to be handled. Between August and October 2023, the helpline received 61 safeguarding concerns and 23 safeguarding incidents.

A core part in the service is helping Veterans to understand options and support available to them. This is in relation to prior convictions being disregarded and pardoned, financial recompense for discrimination based upon gender reassignment, community safety and financial recompense for loss of earnings and subsequent pension after being forced to sign off early due to the ban.

Thuy-Vi Huynh, Operation Equality Co-ordinator/Helpline & Intake Officer at LGBT Foundation adds: "I have a friend who was dismissed from the Army for being gay. Herself and eight others were dismissed on the same day in 1967/1966.

She is now 76 - How would I support her with restorative justice and possible compensation?

She suffered as a result of the dismissal.' - We receive requests for support like this from Veterans, serving personnel, and their friends and family, who reach out to us to seek support for the complex and unique challenges that not only comes from Service life, but also the lasting impacts that were as a result of the 'Gay Ban.'

"The funding that we have received from the Armed Forces Covenant Trust has allowed us to support Veterans, serving personnel, and those impacted by the ban through emotional support, signposting and onward referrals, holding social events and group support spaces, and providing information on restorative justice measures for those impacted.

"Our service users have felt safe and grateful for the ways we have been able to hold space for them thanks to the funding, allowing them to share their stories openly and vulnerably with us, with one service user saying "[thank] you so much for understanding my situation and the care you offered to me, I will never forget [the] space you [gave] me to speak."

Delivering continued support for Veterans' mental health and wellbeing

One Is Too Many

Part of the Veterans' Mental Health and Wellbeing Fund, in 2021 the One is Too Many programme awarded grants of up to £300,000 to two-year projects that sought to reduce suicide risks amongst vulnerable Veterans in a co-ordinated and targeted way.

Our 'One Is Too Many' Suicide Prevention Conference took place in October 2023, bringing together experts and stakeholders to address a critical issue: Veteran suicide prevention. The conference highlighted the significant strides made through the innovative funding programme backed by HM Treasury, which has been instrumental in reducing suicide risks among vulnerable Veterans.

Attendees heard firsthand from the One Is Too Many grant holders, who shared compelling updates on their projects across the UK. These initiatives have been pivotal in implementing coordinated and targeted strategies to mitigate suicide risks within the Veteran community.

The conference featured a detailed presentation by Professor Alan Finnegan and his team from Chester University, who shared the findings from an external evaluation of the programme. This research has provided valuable data, shaping future directions in Veteran mental health interventions. The illustration on the right shows the recommendations that came from the programme evaluation.

A further webinar, held on 20 March 2024, successfully unveiled leading research from The Baton and Northumbria University, focusing on bereaved military families and their crucial role in preventing Veteran suicide. This event showcased the compelling outcomes of a project funded with £299,000 from the One Is Too Many programme, emphasising co-production with families to create a safer environment for vulnerable Veterans.

The webinar not only facilitated a significant exchange of knowledge and experiences but also set the stage for ongoing improvements in the support systems for our Veterans, aiming to reduce suicide risks and enhance mental health understanding.

RECOMMENDATIONS

Grantholder Engagement

Larger AFCFT grants should utilise the project evaluators' experience to actively engage with the programme and have a role in supporting grant holders.

Caring for the carer

A standardised training package for those delivering care combined with mandatory governance structures. Research can also help ensure the safety of those delivering the care as well as those receiving it.

Help-seeking and stigma

Assessments should capture details surrounding the factors that negatively impact on help-seeking behaviour. Novel support with peer mentors who provide individually personalised support, drop-in centres, Community Hubs together with engagement with the Police and Emergency Services may prove helpful in addressing stigma. Entry into programmes should continue to be through multiple routes including self-referrals, statutory bodies or Charities.

Under represented and minority groups

Programmes to include a strategy for reaching under-represented and minority groups or design specific programmes for these groups.

Assessment

The situational stressors contributing to the client's distress should be identified in the assessment process to ensure appropriate treatment and promote successful outcomes.

Employment and Accommodation

Programmes that improve employment and accommodation and gain a better understanding of veterans' life trajectory will have a positive impact.

Interventions

Future programmes include a mixture of interventions that suit particular beneficiaries including social prescribing activities.

Evaluation

Utilise a consistent data set in programme evaluations to determine effectiveness over time. Data collection performance indicators aligned to financial remuneration would improve the number and quality of survey returns. Large grants would benefit from a specific economic evaluation.



The Veterans' Places Pathways and People (VPPP) Programme

As the year drew to a close, so did the first phase of the Trust's Veterans' Places, Pathways and People programme, with this two-year programme and numerous projects concluding at the end of 2023 and early 2024.

This programme delivered significant improvements to how Veterans with mental health and wellbeing needs are supported, in a co-ordinated and joined-up way. Funding was given for the sustainable provision of places of safety and pathways of support across the UK, and to help ensure that the people who support Veterans can themselves access good quality training and support.

"VPPP provided an opportunity to bring together a range of different providers within the region to work towards a common goal." (Portfolio partner)

"Sarah" (beneficiary anonymised), a 39-year-old female Army veteran with a 17-month-old child, was initially referred to Veterans HQ Liverpool following resettlement from HMP Styal. Veterans HQ had worked with Tom Harrison House to support Sarah through her recovery and integration into the community, when sadly she became a victim of domestic abuse.

Suffering with anxiety, depression and concern for the welfare of herself and her child whilst residing in the property where the abuse occurred, a multi-disciplinary team was established to support Sarah, who wished to relocate. Veterans HQ made a referral to Armed Forces Community HQ (AFCHQ) as part of the Homes at Ease service funded by the Reducing Veteran Homelessness programme. This case is highly complex and involves multiple agencies; working together, we identified a private rented property in a suitable location for a fresh start, which was affordable for the client. The deposit and first month's rent for the new accommodation was secured with support from the Local Authority, white and brown goods have been sourced and a detailed support plan has been established including a safety network with the police and local domestic abuse service.

All organisations supported the move and seeing this created trust in our offer and the client is now housed with ongoing emotional support.

"I really appreciate all the help you are giving, I feel like crying in a good way though, I just cannot wait to be away from here and be happy and keep my child safe, it's such a relief knowing it's actually happening, so thank you."

The Forces Wellbeing Collective in the North West have been instrumental in supporting organisations to work together in a more collaborative way, building trust, sharing information and believing in each other's abilities while really understanding the various other programmes that are funded in the locality to add value to the service user journey by the most appropriate organisation. Becoming colleagues and not competitors has changed the way we work for the long term.

The VPPP programme was delivered in 10 regional portfolios across the UK. Across the ten portfolios, there were 88 individual organisations funded by the programme, with 14 of these organisations involved in work in multiple regions, and each region having between seven and 19 funded partners.

Four Strategic Leads (ASDIC, Cobseo, Combat Stress and SSAFA) focused on specific themes and supported the programme at a national level.

An important feature of the VPPP programme and what it aimed to achieve for Veterans is the broad definition of 'mental health support', and over £9 million was invested in a wide range of services and activities offered by grant holders and projects. These cover the full spectrum, from 'banter and brew' sessions to social prescribing, psychotherapy and suicide prevention.

"Through VPPP, it is proved that collaboration between different organisations makes a difference to the beneficiaries. Through the collaboration work, beneficiaries have been able to find help quicker." (Survey respondent - portfolio partner)

The interim evaluation report, published in September 2023, revealed the challenges the programme aimed to address: from loneliness and isolation to complex PTSD; from dealing with day-to-day issues to affecting cultural and behavioural changes. The report primarily looked at the activities and achievements through the first year of the programme and into year two. It explored improvements to mental health support and services, greater connection with Veterans, improved cross-sector support for Veterans, how partnerships and collaborations have grown and developed, and how projects are embedding what they have learned into their ways of working.

"It is probably fair to say that the biggest achievement of the VPPP programme to date across the South-East has been the establishment of some very exciting and, in the longer term, important relationships and pathways – in partnership – that quite simply did not exist one year ago. Most importantly, we have seen the emergence of an understanding and a passionately held belief that partnerships are the way forward to creating a better support system for Veterans from all strands of the Armed Forces." (Veterans' Outreach Service, VPPP Southeast)

Beyond the period covered by the interim report, the evidence shows that the programme has continued to develop, and the projects within it have built on their successes in the first year – the final evaluation report on the programme is due to be published in Summer 2024.

More recent reporting by VPPP regional leads and grant holders, from year two of the programme, highlighted ongoing collaborations, cross-sector partnerships and improved referral processes.

Training courses and learning activities for the people supporting Veterans directly continued through the second year of the programme, upskilling case workers and others involved in delivering services.

Veterans and their families have continued to experience improvements in their circumstances.

"[A portfolio member] has recently seen success with a hard-to-reach Veteran. It took time to build up a level of trust with him, but now he and his wife are regular visitors to [the centre] and take part in our social inclusion activities. One of the major issues was that they needed to move into a social housing bungalow for health reasons, which we assisted with by liaising with the housing association. They have now moved into their new bungalow and are very happy to have finally made the move, improving the quality of both their lives. Now that the housing issues are settled, they are feeling a lot more secure with their life, and we have encouraged the Veteran to access help for his mental health which has not been addressed for over thirty years."

Thankfully, much of the great work and impact from the two years of the VPPP programme can continue!

In November 2023, the Trust was delighted to be awarded an additional £10 million for the VPPP programme, so portfolios can continue their impactful and collaborative projects, and build on the achievements of the first two years of the programme. This additional funding is to increase support to a significant community of vulnerable Veterans throughout the UK and enable that support to become self-sustaining.

To continue the momentum of the first phase of the programme, in March 2024, regional portfolio leads received interim funding to work with their wider portfolios and networks to deliver consultations and develop strategic plans to inform how the additional funding should be spent in each area.

We were keen to ensure that everyone who has an interest in this work could take part in the consultation process, and details of how to get involved were shared on the Trust's website.

Feedback from these consultations is shaping the delivery of the next phase of the VPPP programme, which will be staged over three years, from 2024 to 2027. Also shaping the programme are the findings from the final evaluation of phase one of the programme.

"Long-term impact is the collaborative working with those organisations linked through the programme, ensuring sustainable support is available to those in need." (Portfolio partner)

Early findings from the VPPP evaluation show that the programme and the projects within it directly supported over 15,500 Veterans, with a further 37,000 indirect beneficiaries in the wider Armed Forces community receiving support, typically families and carers of Veterans.

62.6% of the respondents to a survey sent to all stakeholders in the VPPP programme said that the programme was either very effective or extremely effective – a further 15.9% agreed that the programme was quite effective.



Combat2Coffee

Part of the East of England Veterans' Places, Pathways & People (VPPP) partnership, Combat2Coffee is a Community Interest Company (CIC) working with Veterans in custody and within the community.

Alongside producing, selling and serving their own coffee, Combat2Coffee are dedicated to improving the mental health and wellbeing for Veterans and their families. They are one of 11 funded partners in the East of England supported through the VPPP programme, who all work together to support Veterans in need in the region.

Formed in 2018, the organisation offers a barista training programme and assists with finding work placements or further support. They also roast their own coffee blend, supplying several local businesses including Ipswich Town Football Club.

Coffee is common ground

Founder Nigel Seaman served with the Army for 12 years. After being medically retired from his subsequent career as a prison officer, Nigel began suffering from depression, anxiety and flashbacks

linked to his time with the Armed Forces. He was formally diagnosed with Post Traumatic Stress Disorder (PTSD) and received support from Combat Stress and Help for Heroes. This support inspired him to set up Combat2Coffee and contribute to the support network which has been pivotal in his own recovery.

During his recovery, Nigel noticed that people often felt more comfortable talking about difficult things over a cup of coffee. He explains: "when someone's struggling, you can make a coffee and actually chill out. It takes your mind off it... It's a conversation piece. If you sit opposite someone with a cup of coffee, you have common ground."

Nigel realised he could use coffee to help others; and Combat2Coffee was born.

Positive outcomes through training

Roasting, grinding and preparing coffee can take time and the process can be an exercise in mindfulness. The barista training offered by Combat2Coffee not only upskills Veterans increasing employability, but it can also help improve their self-confidence and wellbeing. Their fully equipped barista training space in Ipswich is a calm, welcoming environment where supporting mental health and wellbeing sit alongside the training qualification.

Since 2020, Combat2Coffee have worked collaboratively with HM Prison Service to deliver a Level 2 Accredited Barista Qualification in dedicated prison cafes, providing Veterans in custody with training and employability skills. Participants can perfect their skills with hands-on customer service experience in prison cafes. These cafes also create a calm space for prisoners to discuss any issues they have over a cup of coffee.



Inclusive outreach

One of the outreach services offered are breakfast clubs, often held at Ipswich Town Football Club, with a family-focused approach. "We encourage that you bring your children and your wife because they're part of it," Nigel explains.

"The point of it is, there's a lot of inclusion there. When you've got someone like a big football club involved, people will go there because they feel safe. We get younger, late twenty-year-old Veterans come with their kids. In our area we're quite unique."

Medals2Matches

Through VPPP, Combat 2Coffee have run a Medals2Matches initiative with Ipswich Town Football Club which encourages Veterans to wear their medals to football matches.



"The idea with Medals2Matches is, most people wear their medals at funerals and Remembrance Sunday when you're out with the military. This is an opportunity to wear your medals in a different environment and it breaks down barriers and opens conversation. The difference this year was, there were loads of people who weren't part of our group wearing their medals. If people struggle it gives them an opportunity to speak out.... sitting in the stand with all these Veterans, watching football. The response was phenomenal."

Nigel explains that opposition teams who have seen the initiative in action are now taking it on too, encouraging Veterans to do the same at their home matches. Next year, Nigel hopes to expand the initiative to more sporting venues.

Working together to improve support

A key success in the VPPP programme has been the growth of collaborative cross-sector working among organisations that support Veterans, providing a more seamless pathway to support services.

Darren Hickie portfolio lead for East of England VPPP partnership and programme manager at The Bridge for Heroes, said: "Combat2Coffee has been an integral part of the VPPP East Region programme for the past two years. Not only have they provided direct assistance to Veterans in need, but they have also played a crucial role in fostering collaboration within the broader community. By encouraging cooperation across our region, we've been able to pool resources and establish a more cohesive support network, ensuring that Veterans receive the assistance they deserve without being shuffled from one agency to another. Nigel's unwavering passion is evident in his dedication to generating innovative ideas for better serving our Veterans."

Changing lives one sip at a time

It's not just about the coffee, but what the coffee can enable. Starting conversations, gaining practical help, training and a sense of achievement.

"I speak to Veterans and I'm honest that I struggle. And when you're honest with a Veteran, being a Veteran yourself, they're more open" Nigel explains.

"We go out there and we meet that individual. And we will support that individual. We will make sure that they get the help and the support they need.

"The old saying 'you can lead a horse to water, but you can't make it drink', but sometimes if you take the water to them, they will drink. I think that's what we do. We give them the water to drink. Or give them the coffee to drink".

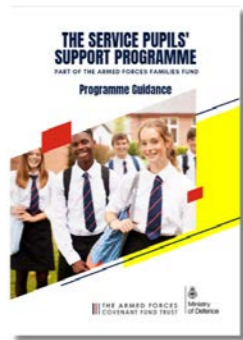
The Armed Forces Families Fund (AF3)



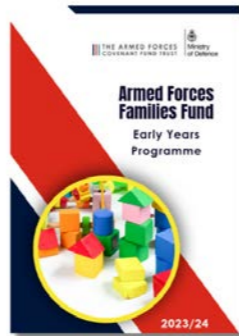
Ministry of Defence

In alignment with the MOD's Armed Forces Families Strategy, we've launched targeted grant programmes on behalf of the MOD to elevate the quality of life and opportunities for Armed Forces families. These initiatives focus on critical areas of need such as education, childcare and spousal support, ensuring comprehensive backing that aligns with the unique needs of military families.

Programmes delivered on behalf of the MOD's Armed Forces Families Fund



£1.8M
awarded to
48
Projects



£1.2M
awarded to
31
Projects



Almost
£1M
awarded to
14
Projects



£169K
awarded to
3
Projects



St Gerardine School

St Gerardine School were awarded £77,400 for their project, Additional Support Needs Targeted Intervention. It enables additional support to be delivered across a cluster of schools, resulting in early, targeted and child-centred interventions and support for Service children with additional support needs.

Across the cluster of schools there are 433 Service children on the roll, of which 30% have been identified as having additional support needs. This is 5% higher than those of non-Service children.

Due to higher levels of movement between schools for Service children, it is fundamental that assessments are used quickly and regularly to assess gaps in attainment for those Service children with additional support needs. Early intervention can then be issued to help close this gap.

The project aims to, over the course of the year, work with 100% of Service children identified as having additional support needs, across the cluster of schools. Accurate assessments of pupil's education levels and how their needs can be met will be carried out upon their arrival at the school, allowing for flexibility to meet the emerging needs of Service children. Timely interventions will then be offered by pupil support assistants to target gaps in learning.

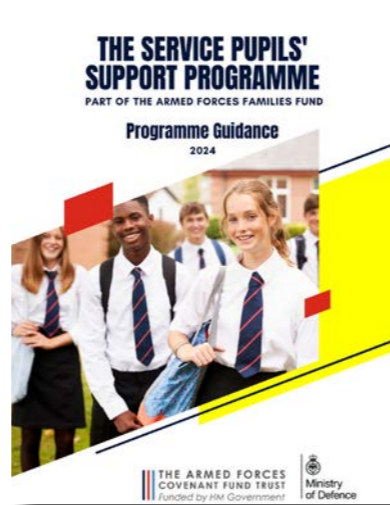
Children will be assessed during and after completion of these interventions to show the improvements they have made and to help form plans to alter classroom settings to fulfil learning needs. The progress of children accessing the project will also be regularly monitored throughout. Both the cluster Literacy, Numeracy and Health and Wellbeing groups and the school's wider inclusion team, will be able to see the progress of individual children and access the ongoing impact of each intervention. This will allow for reflection and redirection of interventions if necessary.

Over the course of the year, through comprehensive data monitoring, the project should give a clear indication of interventions that have the most impact on closing attainment gaps' leading to long term impact for the cluster Service children with improved understanding of the attainment and emotional needs of Service children.

Chief Education Officer, Vivienne Cross, said: "We are delighted that the programme application has been successful and work to provide early and targeted interventions to support Service children with additional support needs can be carried out. This programme will impact the education and lives of these children, and we look forward to seeing the full effect of this work throughout these 12 months."

The Service Pupil Support Programme

In 2023/24, we awarded over £1.8 million to 48 projects aimed at enhancing educational outcomes for Service children. These projects are dedicated to closing educational gaps and providing targeted support to pupils with additional needs, enhancing resilience and academic performance across the UK.





Le Cateau Community Primary School

The Garrison ASSIST project (GAP) PLUS was awarded £80,000 to build on the highly successful Garrison ASSIST project, (Assessment, Support & School Inclusivity in SEND Teaching), which is now established and generating interest from policymakers and strategic leaders alike.

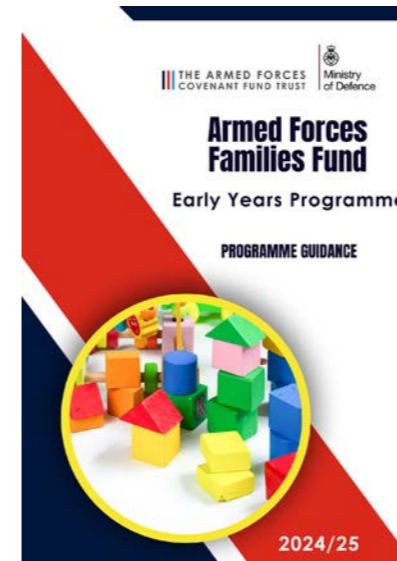
GAP PLUS extends the model developed through GAP, by utilising the learning gathered by building on the project and adding highlighted key elements to maximise both the impact and sustainability of the project in three key ways.

- 1) Refining understanding of the GAP model, so that it can be translated into an easily accessible programme for other schools.
- 2) Enhancing the model by formalising parental-engagement element identified through the project.
- 3) Adding a leadership stream to the model that learning from the Garrison ASSIST project identified as key to embedding the new approach within school improvement over the long-term and, therefore, to the sustainability of the work in the project schools and schools nationally.

GAP Plus will not only transform the quality and impact of SEND provision and outcomes for Service children nationally, but it will also encourage Service family engagement and help schools to self-assess their current provision using a solution-based approach, in collaboration with local authorities and external agencies.

Ian Mottram, Head Teacher at Le Cateau, CP School said: "GAP PLUS has enabled us to build on the success of the original GAP project in 22/23 with an enhanced offer. At the heart of this is collaborative working to support the many Service Pupils in and around Catterick Garrison especially those with SEND. Staff professional development and training are at the heart of this along with the networks across the Garrison schools with specialisms being developed in each setting. This is a supportive model that will allow our networks to work at a much quicker pace and utilise the wealth of expertise that we have.

We are also excited by the research strand which has the potential to really shape policy makers decisions and ensure Service Pupils with SEND are not disadvantaged due to the transient lifestyle they lead."



The Early Years Programme

This year we awarded more than £1.2 million to 31 projects that improve early childhood education and care for Service children aged 0-5 years. This funding boosts the capacity and quality of early years settings, making high-quality childcare more accessible to Service families.



Sandling's Playgroup

Sandling's Playgroup in Woodbridge were awarded £36,125 under the Armed Forces Families Fund: Early Years programme to support the development and revamp of the playgroup's outdoor space.

The provision is located on a military base, with Service children comprising over 98% of attendees. Despite having extensive outdoor spaces, time constraints and existing budgets posed a challenge in transforming the neglected outdoor classroom into something that could enhance the overall experience of the Service children attending.

Project Outdoor Classroom has transformed the outdoor area into a safe, stimulating space for children to explore and engage with nature independently. A key priority was to replace the existing fence to ensure the children's safety while adopting an environment that encourages exploration, creativity and independent learning.

This new, welcoming space has been completely revamped thanks to this funding, with new and diverse resources, including climbing frames, water walls, a creative station, music areas and a sensory garden.

Staff at Sandling's will receive professional development through training, emphasising the significance of seasonal outdoor learning. They'll also implement action plans to ensure that outdoor classrooms positively impact children's care, learning and development, supporting both current and future families at Rock Barracks.

Sandling's manager, Hannah Hall said: "The main impact and learning to come from the project has been around the staff and child interactions and engagements in the outdoors. Due to the safety factor of having the new fence, staff are now able to have more meaningful interactions with the children. We have found the children are happier with the freedom of exploration in the new outdoor areas, improving mental health."

Hannah adds: "Providing new allotment beds has allowed children the opportunity to grow and eat the food we produce. From observing how much this has been enjoyed, we have created a weekly gardening club for children to learn all about planting, growing and outdoor maintenance."

The garden further enriches their outdoor experience, allowing exploration of nature through smell, taste and sounds, developing confidence, independence and self-esteem.

Sandling's are now looking ahead at promoting outdoor sleeping among the children, supported by scientific evidence highlighting its positive effects on cognitive development.

Hannah concludes: "We are exceptionally grateful for the grant and without this grant we wouldn't have been able to make such a difference to the outdoor spaces in the time we have had. We know that the impact with the children we currently have is only the beginning of what we have observed and are excited for more MOD families and children to have the opportunities in the outdoor spaces that are now on offer at Sandling's Playgroup."



Catterick Garrison Pre-school

Catterick Garrison Preschool, Yellow Ribbon, were awarded £12,700 through the Early Years programme to create new learning spaces for children and babies with additional needs.

The Early Years Joyful and Engaging project aimed to create enriching learning environments, enabling children to realise their full learning potential. This involved acquiring suitable furniture to enhance physical development and establishing purpose-built play areas tailored to each age group, nurturing imaginative play with additional plans of a new preschool room to be established for the older children.

The setting acquired appropriate furniture to enable babies to confidently take their first steps, providing a safe space free from obstacles. A sleep room has enhanced routine, encouraging children to sleep in dedicated areas, and a physical and sensory room supports the needs of children with SEND, development of gross motor skills and core development, bringing enjoyment to all the children.

Early Years Coordinator and Manager, Claire Marshall, said: "This has shown amazing results with the team overwhelmed of the abilities the babies have achieved by being supported to feel safe to take risks."

The immediate wider impact has been increased availability for military families, with an average number of babies attending rapidly increasing. An additional six spaces to military families have now been offered with 28 children registered at the provision.

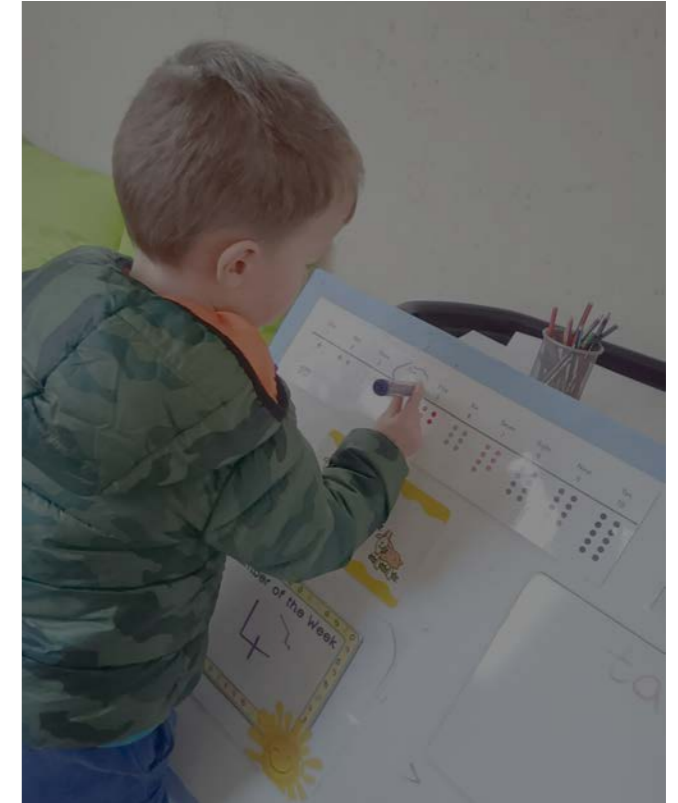
Claire adds: "We quickly reached more families than we were expecting, we have not had numbers this high for over 10 years."

By February 2024, the playgroup recruited two additional staff members to join the expanding team.

Claire continues: "With the transitional life of military families being high, and an increase of neurodiversity in early years, the grant has given me the time to write an Early Years curriculum that is inclusive to our provision."

The curriculum highlights the importance of a repetitive learning environment for our youngest children and the impact of this is already visible with no neurotypical children being identified as needing additional support in learning due to this repetitive learning environment."

The Early Years programme enabled the playgroup to create an inclusive physical and sensory room for children to explore. The room includes resources that support climbing, bouncing, balancing, spinning and mats that provide different sensory experiences. The room also has calming sensory areas with sensory lamps, galaxy lights, bubbles and dens which can help with the needs of the SEND children, providing a calm and safe space to explore.



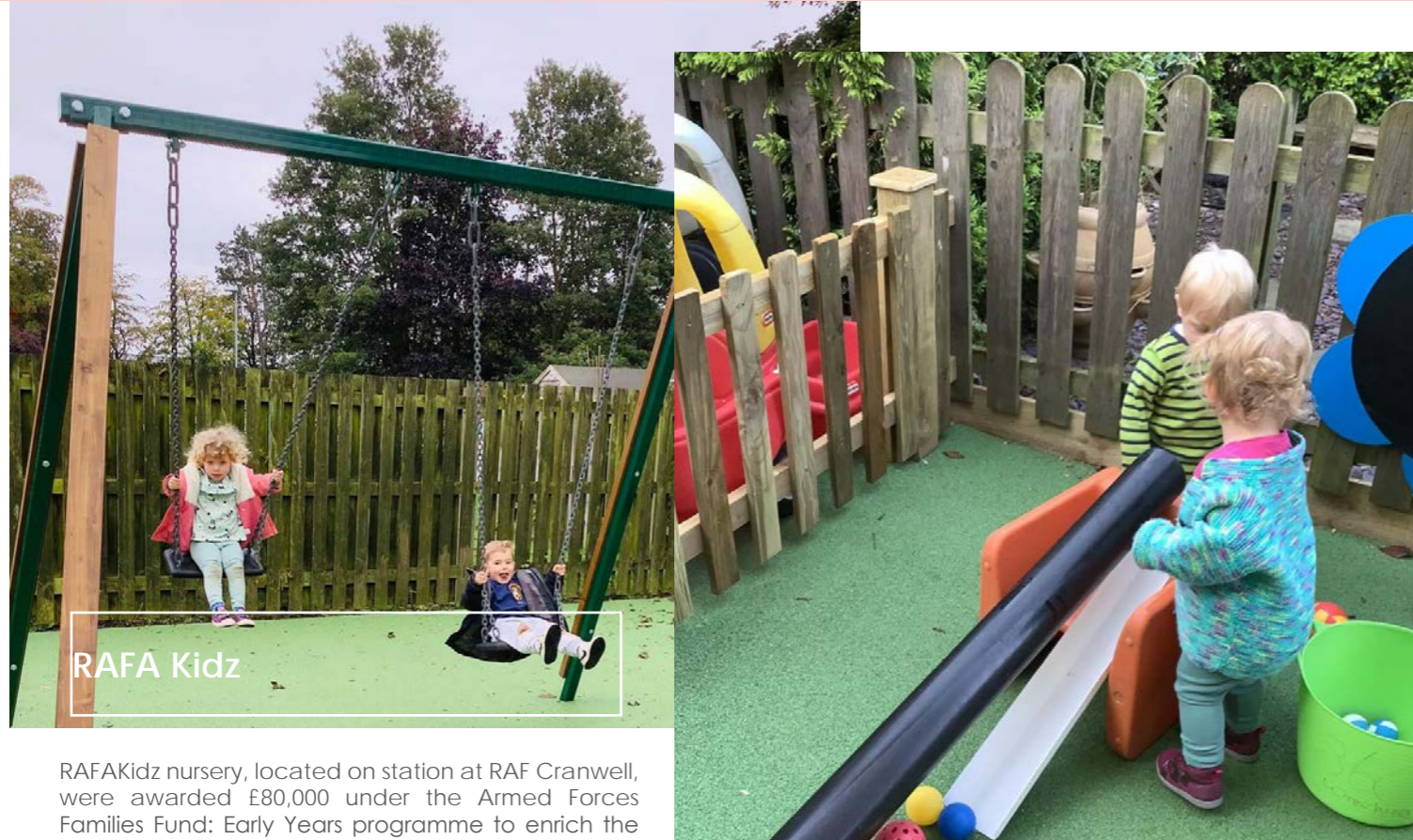
Claire said: "The impact at Yellow Ribbon has been wonderful and the difference we have witnessed in the children's abilities in such a short period of time has been very positive."

The introduction of the new curriculum has made an impact on all the children and the team. The grant enabled Claire, who had recently trained to be an Early Years Teacher, to build a curriculum that flows throughout the provision, reducing planning and paperwork for the team, leaving more time to support play and learning.

She adds: "The curriculum creates pathways for each child's development and adults can easily identify what stage a child is, simply by observing and listening to keyworkers language and activities. The whole curriculum leads to children eventually being school ready."

"With several Service children joining Early Years from the age of three years - and English as an additional language impacting some children's development - the curriculum helps keyworkers revisit activities in audiology and language development and shared attention activities, so that gaps in development can be rapidly closed."





RAFAKidz nursery, located on station at RAF Cranwell, were awarded £80,000 under the Armed Forces Families Fund: Early Years programme to enrich the learning and development of Service children by refurbishing their outdoor space to promote and encourage healthy and active lifestyles.

The charity, who support the RAF community, was created to address the requirements of families by offering affordable and high-quality childcare services for Service children.

With 80 percent of the children having experience of a deployed parent, the nursery team are well acquainted with the challenges faced during deployments. Their understanding comes from the valuable feedback they receive from the military families they assist, including the positive effects of outdoor play and learning to mitigate some of the challenges.

The flooring and canopy shelters in the nursery's outdoor area were installed more than 18 years ago and had reached the end of their useful lifespan. This had resulted in water seepage and holes in the flooring becoming more prevalent, with some areas posing a trip hazard, limiting children's access to fully enjoy the outdoor space. The funding received from the Early Years programme enabled the nursery to carry out improvements to the outdoor space, including the safe removal and disposal of the old flooring and shelter. These were replaced with new timber shelters and wet pour flooring, transforming the space into a safe and enjoyable area for the children throughout the year.

The Director of Operations for RAFAKidz Nicky Davis said: "Spending time outdoors is vital for children's development as it allows them to explore and experiment, as well as offering them opportunities to practise essential skills such as balance and spatial awareness. The new outdoor space at RAFAKidz Cranwell is wonderful as it means our children have a place they can enjoy in all weathers, providing more opportunities for them to learn and flourish, whilst having fun. Watching the children being active outside, running around, squealing with joy, and enjoying themselves is delightful!"

With the children now enjoying unrestricted access to the outdoor space, significantly expanding the area for them to engage in activities such as biking, scooting, using parachutes and playing ball games. The outdoor play area is crucial to the development of their physical health, including muscular and bone development, and boosting their immune system. It also benefits their mental health and overall wellbeing, encouraging social interaction helping to facilitate new friendships and contributing to improved sleep cycles.

The nursery staff adds: "On behalf of the children and staff at RAFAKidz Cranwell, thank you so much! The support will have a legacy on the learning and development of hundreds of Service children for many years to come".



The Supporting Partners Programme

We allocated nearly £1,000,000 to 14 projects that improve employment support for Service partners and spouses, helping them leverage their skills and experiences effectively in the workforce.



Milspo Network CIC received £33,000 to deliver a launch accelerator business course.



RAF Association - Military Co-Working Network

In 2020, the RAF Association was awarded £337,000 under the Removing Barriers to Family Life programme to formally establish the Military Coworking Network (MCN) - a network of coworking hubs on or near to military bases, enabling members to access a strong, professional network. These hubs have since provided a portal between military and civilian communities, offering workspace and a networking community.

This year, following the fantastic success of the MCN so far, it has been awarded a further £199,930 via the Supporting Partners programme to extend the work they have begun; increasing the numbers using the hubs, and providing evidence of how the network can support operational effectiveness through partner support. The primary objectives of the MCN include creating well-equipped coworking spaces, fostering a network of peers, and offering an online community for additional support. They have an ambitious extension plan and a good understanding of what works, thanks to the initial pilot project.

This includes embedding and driving relationships with a range of Service and Civil Service personnel at all Hub locations, ensuring they understand the flexibility of the Hub as an asset to the Unit, and asking them to promote the Hub and work with the MCN Delivery Team.

In addition, the MCN will conduct an evaluation of their initiatives to ensure that the hubs remain valuable and effective for the military partner community. Independent evaluations of the impact of using a Hub, conducted in 2020/21 showed that:

- 61% reported having an improved career
- 93% of hub users said they feel recognised by the MOD
- 67% reported feeling less lonely

Prior to 2020, the project was run by volunteers. The two-year pilot funded by the Removing Barriers to Family Life programme solidified the need for this resource and provided a way of demonstrating the positive impact access to a Hub could have on its users.

Now, with further funding, the Delivery Team hopes to plan for long-term sustainability. They will open three further Hubs and partner with local private coworking spaces in locations without Hubs and ensure the MCN provides a place for community cohesion, enabling partners to have access to a supporting and nurturing environment that allows them to make useful connections within their community.

From their ongoing work, the MCN knows this provision leads to enhanced opportunities to find and sustain employment; it can lead to increased financial independence and can offer an improved network and expanded opportunities.

Maria Lyle, Director, RAF Families Federation, said: "It was really heartening to see the positive impact the pilot project of the Military Co-Working Network has had. The partners involved in this project - including the Royal Air Forces Association (RAFA) and all three Family Federations - can see the potential for this kind of model to become an important part of the support offered to military families. Most partners want (and need) to work, but maintaining a career when mobile can be both isolating and challenging. We very much hope that this continued funding will allow us to refine the model to further prove 'what works', and we will work with MOD to capture that for the future."



Partner Employment Working Group (PEWG) CIC

When a military family accepts a relocation to an overseas posting, it involves more than packing and moving. Employment factors, especially for the non-serving partner must be considered. Including obtaining the right to work in the new country, understanding local law regulations and navigating potential language barriers.

Whenever a military family contemplates relocating overseas, they must consider whether a partner or spouse can bring their own business abroad or continue with their current employer in the UK, if feasible. Navigating the complexities of overseas work regulations can be challenging. Given that military families frequently relocate to various locations, including overseas, there was a source of concern within the military community of no current access to information available when considering an overseas assignment.

The Overseas Employment Guide (The guide) was awarded £46,500 under the Supporting Partners Programme to help simplify these complexities by empowering families to make more informed decisions by establishing workable action plans. The guide covers working for a Host Nation company, working for a UK Company whilst overseas, and running a company, either as a Sole Trader or as a Limited Company whilst overseas.

It concentrates on significant overseas assignment destinations for the three UK military Services and offers crucial information for partners to support them in maintaining their professional endeavours while living abroad.

Covering Cyprus, the Netherlands, Belgium, Italy, and Germany, it serves as a roadmap for working overseas.

The feedback from beneficiaries regarding the guide has been positive, with families articulating the guides invaluable assistance in navigating their individual circumstances:

"The guide is a really useful starting place for working out whether I will be able to work at my new posting."

"I hadn't realised how complicated it might be to move my business to Cyprus when we are posted later this year, this guide has really opened my eyes."

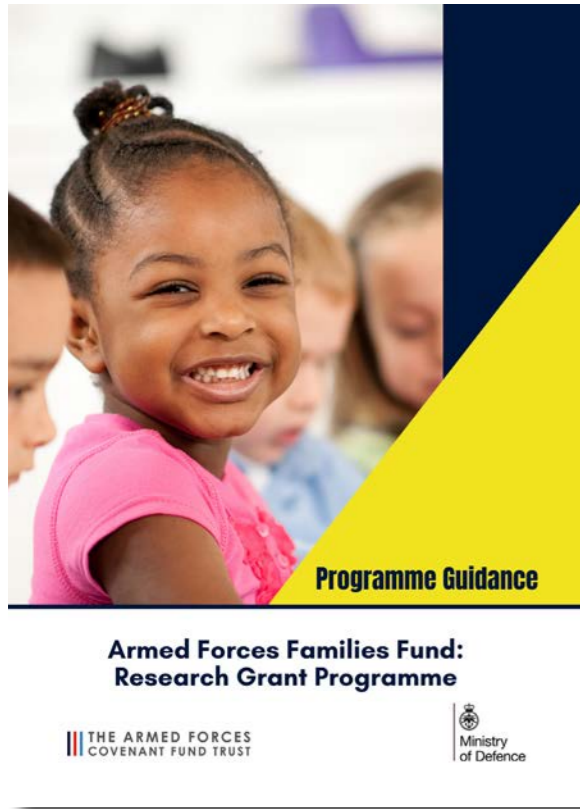
"Thank you for putting this guide together, I am glad we had this information before my partner accepted the posting."

Sarah Walker, Director chair of The Partner Employment Working Group CIC explains: "The Partner Employment Working Group CIC in partnership with the British Chambers of Commerce and with funding from the Armed Forces Covenant Fund Trust have put together 'The European Overseas Employment Guide.' The guide is aimed at Armed Forces families who are either considering a European posting or have been advised that they will be moving to Europe in due course.

"Post Brexit employment of any sort in Europe has become a minefield for Armed Forces families, and this guide aims to explain (not solve) the process of being able to work in the countries where the most common European postings are.

"We appreciate that the information in this guide is complicated, but it allows families to make informed decisions and ask the right questions rather than being surprised when they arrive at their posting."





Research Grants Programme

With an investment of over £169,000, we supported three research projects aimed at unpacking the complex educational and welfare challenges faced by Armed Forces families, proposing actionable solutions to these pressing issues.

Each funded initiative is designed to respond to the evolving needs of military families, ensuring that our interventions are both impactful and sustainable.



Bath Spa University were awarded £49,729 for their project exploring the deployment-related wellbeing of three-to-four-year-old Service children in their pre-school year. Beginning in February 2024, the project will work alongside children, parents and Early Years practitioners to understand the lived experience of parental deployment in young children across the Naval, Army and Air Force contexts.

Dr Georgina Normile, principal investigator and Senior Lecturer in Education, said: "I am delighted to be leading on this project, which explores the experiences of some of our most under researched Service children; those in the pre-school year.

"As a researcher, a Service spouse and a mother of two Service children, I am passionate about advocating for younger Service children in the years before they start school. This age group makes up a significant proportion of our overall numbers of Service children yet are often overlooked in terms of policy and research. Better understanding their experiences will help to shape developments in policies and practices for this group. We know that there is some really great practice already happening out there in many Early Years' settings, so we look forward to learning more about this as well as highlighting where wider developments for this age group are needed."

Oxford Brookes University were awarded £60,000 in November 2023 for their project Supporting ALL to thrive, a study to develop understanding of how the unique and often complex challenges associated with Service life can affect the educational opportunities, experiences and outcomes of children with Special Educational Needs and Disabilities (SEND).

The project will take a comprehensive and holistic approach, working collaboratively with key organisations that support and advocate for Service children and families, to explore the detail of children's and families' educational journeys and everyday experiences, alongside statistical analysis of national attainment data.

Philip Dent, Director, SCIP Alliance, said of the project: "The research is clear that being part of a military family and having additional needs affecting learning can cause considerable extra challenges. I am delighted to see this project coming to fruition, especially working with long-term partners in the Alliance with a track record turning evidence into action.



Looking ahead, the evidence and recommendations from this project will translate into more targeted resources, a better-informed and more confident workforce, and strengthened policies and provision, with the aim to foster an environment in which all Service children and families thrive.

The project has been welcomed by stakeholders including the RAF Families Federation, who said they are pleased to see further research being undertaken to better understand the experiences and educational outcomes of Service children with Special Educational Needs and Disabilities. We hope that recommendations from this research will help to strengthen policies and provision and support all children from an Armed Forces background to thrive."

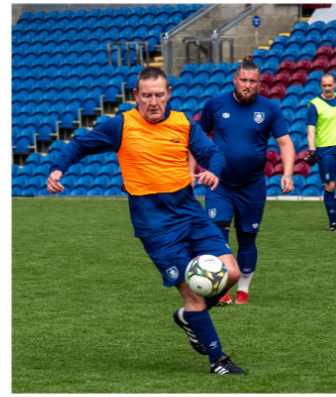
The University of Chester received £59,894 for their project, 'Service children's transitions in education'. The project will investigate the educational risks and benefits associated with Service children's transitions. It will explore the lived experience of Service parents and children in conjunction with investigating the challenges associated with transitions, to determine in what ways educational risks can be mitigated.

The study will be completed by Service family academic staff working at the University of Chester's Westminster Centre for Research in Veterans. Their experiences of regular moves and the educational impact on children will help provide a deep personal insight into the issues and will assist in reaching and engaging with fellow parents and their children.



Professor Alan Finnegan, the Principal Investigator, said: "Due to my military Service, my youngest daughter went to her fifth school when aged just 9 years old, and the impact of these constant moves is a story that needs to be explored further.

"As an Armed Forces Community research team, we are extremely grateful to the Armed Forces Covenant Fund Trust for funding this incredibly important study. Most importantly, the research will provide a vehicle to clearly show to Service families that the best education for their children is of paramount importance. This study provides an opportunity for Service parents and children to shape and inform future policy, in both the short and long term, to help Service children reach their full potential."



Impact and Sustainability

The Impact Hub

The Impact Hub is an easy-to-use internet-based tool which enables the collection of impact data directly from project beneficiaries. Projects are asked to use the Impact Hub to help the Trust measure impact across all its programmes in a consistent way. Over the last 12 months, the focus of the Trust has been the user journey, so we have continued to develop the Hub in such a way that aims to ensure as many grant holders as possible can use it easily and effectively.

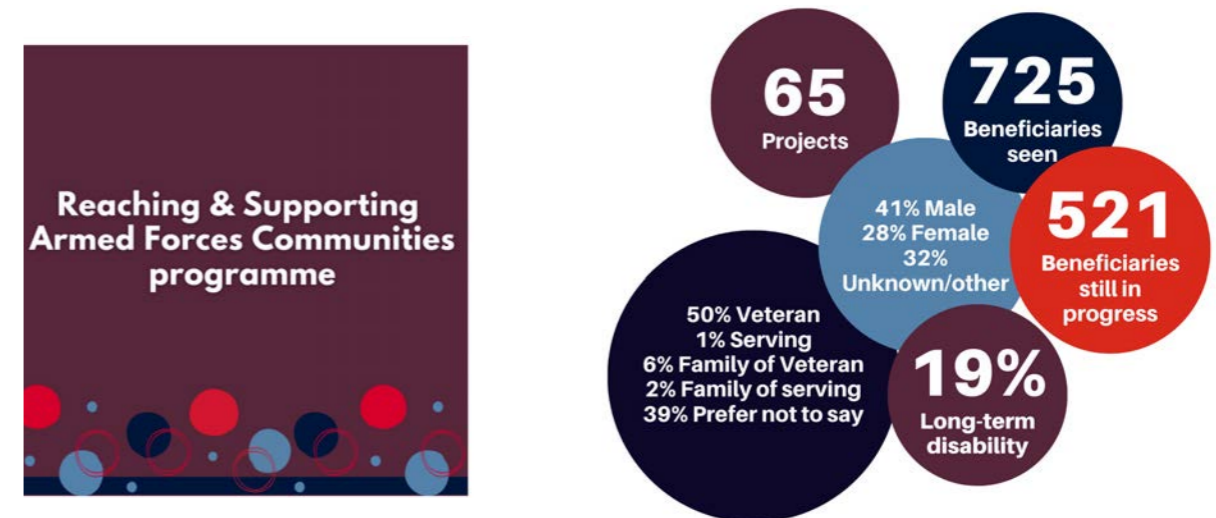
The Trust funds a wide range of projects which support members of our Armed Forces community with very different needs. The Trust knows its grant holders are very much subject matter experts in their own areas when it comes to evaluating the impact of their projects, and the measures that each project uses to show that their interventions are working are not necessarily the same. Therefore, we ask our grant holders to use the Impact Hub in addition to their own evaluation activities to collect data against the wellbeing and demographic measures that the Trust has identified.

We have listened to feedback and continue to develop the Hub in a way that aims to ensure it is an intuitive, easy-to-use resource for our grant holders. We utilise a simple demographic survey asking about the beneficiary and their military service/connection, and additionally use the ONS4 Wellbeing Survey. This is a simple 4-question survey which measures wellbeing by asking respondents "how they are feeling" at that moment in time. We ask that grant holders deploy the survey at the beginning, and at the end of the beneficiary's interaction with them to show the change in score.

We are delighted that use of the Impact Hub continues to grow across our programmes. The Trust has a dedicated impact team to support grant holders in their use of the Impact Hub, and to provide appropriate guidance and training. As of 31 March 2024, we had 8,703 active beneficiaries across 550 projects registered on the Impact Hub:

giving reassurance about the safety and security of their data. We have received very positive feedback so far, and grant holders have told us it is an invaluable resource to enable them to help engage beneficiaries in impact and evaluation activities.

As of 31 March 2024, we had successfully onboarded two rounds of the Reaching and Supporting Armed Forces Communities programme onto the Impact Hub, and already have 725 beneficiaries in the system over 65 projects. Our third round of Reaching and Supporting Armed Forces Communities and second round of Transformational grants will be onboarded in early financial year 24/25.



Overall Impact Hub Figures

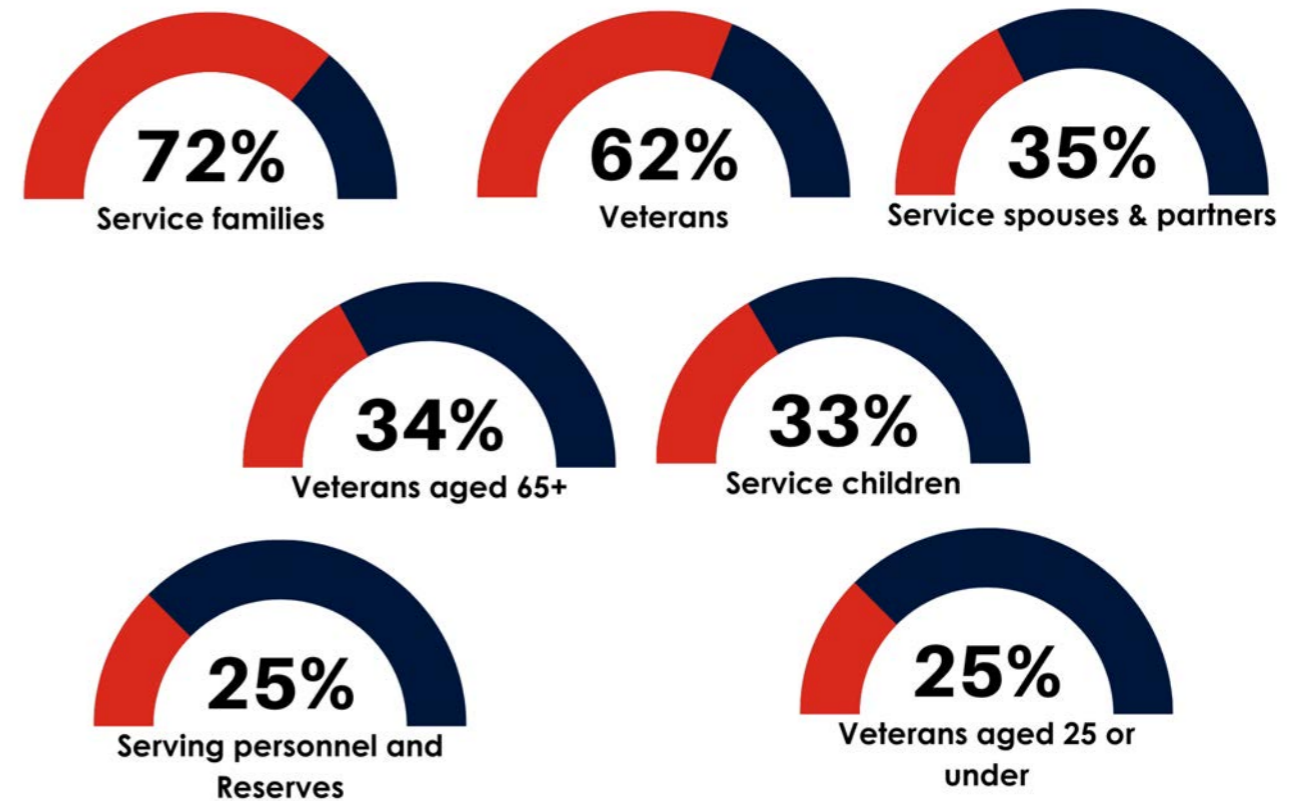


Figures as of March 2024

Over the last year the Trust have held a number of very successful impact and evaluation webinars for new grant awardees for both our Reaching and Supporting Armed Forces Communities and Transformational Grants programmes. The objective of these webinars was to introduce grant holders to our impact and evaluation activities, give information on why it is important to collect monitoring and evaluation data, and to give a high-level overview of the Impact Hub. Grant holders who hadn't used the Hub before were also provided with a live on-line demonstration of the Hub and introduced to the resources available to support their use of it.

In addition, the Trust have provided grant holders with additional tools to enable them to encourage beneficiaries to use the Hub, such as a letter to beneficiaries explaining why we are asking them to complete our surveys and

Who did grants awarded by the Trust benefit in 2023/24?



Research and Evaluations

In June 2023, we held a joint webinar with the Directory of Social Change (DSC) to launch the report, *Small Grants, Big Changes*. Commissioned by the Trust the previous year and produced by DSC, the report provides the evidence to support what most people involved in delivering and funding charitable activities believed to be the case – small grants and small grants programmes have a vital role to play in enabling and sustaining critical support for charities and their beneficiaries.

The report examines small grants and small grants programmes via a literature review and a survey of organisations that had received or applied for small grants. For the purposes of this research, a small grant is considered to be a grant of £20,000 or less.

DSC'S Good Practice Framework, developed out of a review of the literature on small grants, small grants programmes and their evaluations, gives useful examples of good practice, the considerations needed when implementing these ideas, and the potential outcomes.

Key findings and recommendations of this report include:

- if it's a small grants programme, call it that
- make sure any evaluations are proportionate, but also published and accessible
- have multiple funding rounds, so applicants can apply when they are ready for the funding
- have a simple expression of interest to potentially save unnecessary time on full applications
- pay small grants as quickly as possible.

We were pleased to see that many of our policies, procedures and practices align with those recommended in *Small Grants, Big Changes*, but there is always more to be done.

The report includes the experiences and opinions of representatives from organisations who have applied for, and received, small grants. It provides a valuable resource for charities, government and policy makers alike, to improve understanding of small grants and small grant programmes.

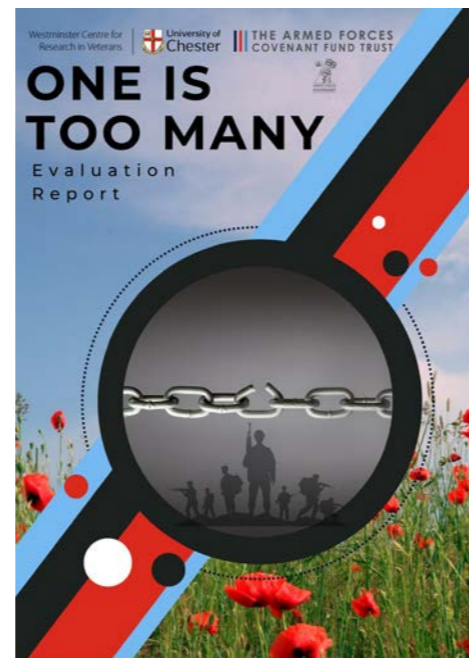
During the year, the Trust commissioned external evaluations of two of our grant programmes. These evaluations aim to assess the value and impact of these programmes over the short, medium and long term so we can learn what works and why.

One Is Too Many

In late 2023, the University of Chester published the evaluation of the One Is Too Many (OITM) programme, with the launch of the report taking place at a full day conference, which also included a number of key organisations involved in delivering the programme and helping to prevent Veteran suicide.

The OITM programme evaluation was carried out by the team at the University of Chester's Westminster Centre for Research in Veterans.

In 2021, as part of the Veterans Mental Health and Wellbeing Fund, and in recognition that more could be offered to reduce Veteran suicide, the Trust allocated over £2 million to eight UK projects which ran over two years. These projects were to be delivered in a co-ordinated and targeted way and concentrated on the quality of the interventions in reducing suicide rather than the number of participants. They were designed to significantly reduce Veteran suicide by gaining a better understanding of the issues, providing timely intervention including education and peer support to improve the wellbeing of Veterans and engage where appropriate with their families and friends. There was a clear objective to address the possible barriers to accessing healthcare.



The evaluation of the OITM programme delivered a number of conclusions and recommendations, some of which have already been incorporated into the development of future grant programmes. These included highlighting the importance of early engagement with and between all stakeholders involved in the delivering interventions, ensuring that those delivering care to vulnerable Veterans were also cared for themselves, and that future programmes and projects should have a strategy for reaching under-represented and minority groups of Veterans. The need to reduce stigma and improve help-seeking behaviour was crucial, and the evaluation also concluded that the programme and the treatments and interventions it funded had undoubtedly saved lives.

Reducing Veteran Homelessness Programme

In November 2023, we commissioned Alma Economics, following an open tender process, to evaluate the Reducing Veteran Homelessness Programme (RVHP), which the Trust is delivering on behalf of the Office for Veterans' Affairs (OVA). The programme has awarded major grants to tackle the issue of Veterans experiencing homelessness and has funded organisations and projects that will contribute to the OVA's ambition of ending Veteran homelessness and rough sleeping.

We launched the RVHP in April 2023. Grants were awarded in June 2023 to nine projects totalling £7.2 million. These nine projects will provide support to 1,300 vulnerable Veterans over two years across almost 60 housing complexes, ranging from apartment blocks to family homes. Homeless Veterans across the UK will be able to access specialist medical care, connections with local communities and the tools they need to gain employment.

Alma Economics are working on their mixed-methods evaluation over the next two years to understand how the RVHP has been implemented and the impact it has had on homelessness and other related outcomes. An economic evaluation will look at the social return on investment of the programme.

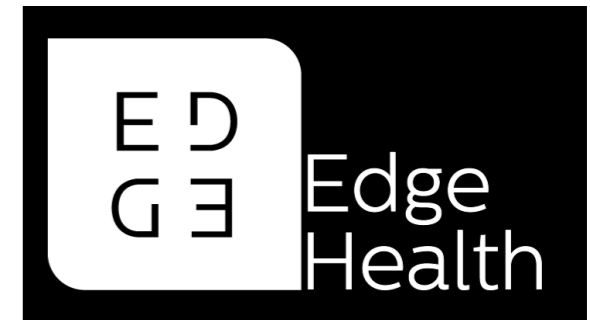


Veterans' Mobility Fund

In December 2023, Edge Health began their evaluation of the Veterans' Mobility Fund (VMF), which the Trust is also delivering on behalf of the OVA. The VMF awarded a single grant of £2.52 million to Help for Heroes to deliver high quality support to Veterans with physical disabilities. This funding will enable Help for Heroes, in partnership with Blesma, The Limbless Veterans, to deliver in-kind grants and equipment to Veterans across the UK, to help with their mobility needs. Help for Heroes launched the mobility equipment support scheme in March 2024.

Over the 5-year evaluation project, Edge Health will assess to what extent the mobility support scheme has met the overall aims of the VMF to enable Veterans to access high quality support, ensuring that that proposed mobility equipment solution for the Veteran meets their needs, and enables them to engage in activities that are important to them and improve their quality of life.

The evaluation will examine how the scheme has been implemented, including the participation of Veterans and the wider Armed Forces community in co-designing the scheme. The research will also investigate value for money, including defining and calculating the social return on investment in the scheme, consider the cost and supply of mobility equipment, and the benefits provided by the equipment over those that would have been provided through the NHS.



Look Ahead

The Armed Forces Covenant Fund

The Covenant Fund has moved to a three-year funding cycle guided by our new Funding Framework. The Trust's three-year Framework will build on the past themes and learning from Covenant programmes, the findings of the Consultation and broader research, including an in-depth literature review, to create programmes that support the delivery of the Nation's Covenant promise to our Armed Forces, Veterans, and their families.

This has been a significant area of work for the Trust. Moving to a three-year cycle of funding delivery helps us to design and implement strategic funding programmes which will enable us to support effective outcomes for Armed Forces Communities, while also providing a clearer focus on where we will be investing our Funds. Making these changes will also enable the Covenant Fund to work more closely with our stakeholders when we develop our strategic themes into programmes, to help us ascertain and help define the need, explore how to achieve the greatest impact and ensuring there is no duplication.

In developing our first strategic funding Framework, we ran a wide-ranging stakeholder consultation, having first considered themes under a literature review. In our literature review, we looked at published academic research on areas of need; published government strategies and we also looked at the learning that has come through evaluations of programmes which we have run in the past.

The Trust ran an open consultation in June and July 2023, to gather views from a wide range of stakeholders regarding the development of the Covenant Fund 3-year Framework, the shape of new programmes and to gather views on grants generally.

We devised the consultation to reach a broad cross-section of people and organisations from across the Armed Forces community.

540 respondents took part in the main consultation, which is the highest number of participants ever achieved by the Trust in a consultation exercise.

The consultation was vital in informing the direction of the three-year funding Framework.

Drawing on the findings of the Trust's consultation, the top three issues overall for people from Armed Forces communities were:

- support with family life
- reducing isolation/loneliness
- being able to access support/advice when needed.

The resulting Framework sets out the themes for delivery of the Covenant Fund between April 2024 to March 2027. These themes will be developed into comprehensive, outcome-focused programmes in each of the three years that this Framework will be delivered.

The Covenant Fund Funding Framework 2024-27

Over the next three years we'll address the challenges and disadvantage faced by our serving and Veteran community and their families, while extending crucial support to those who've made sacrifices.

Our Framework has a strong focus on the principles within the Covenant of no disadvantage due to service and extra support for those who have given the most.

The Armed Forces Covenant is a promise by the nation that together we acknowledge and understand that those who serve or have served in the Armed Forces, and their families, should be treated with fairness and respect in the communities, economy, and society they serve with their lives.

Its two principles are that, recognising the unique obligations of, and sacrifices made by, the Armed Forces:

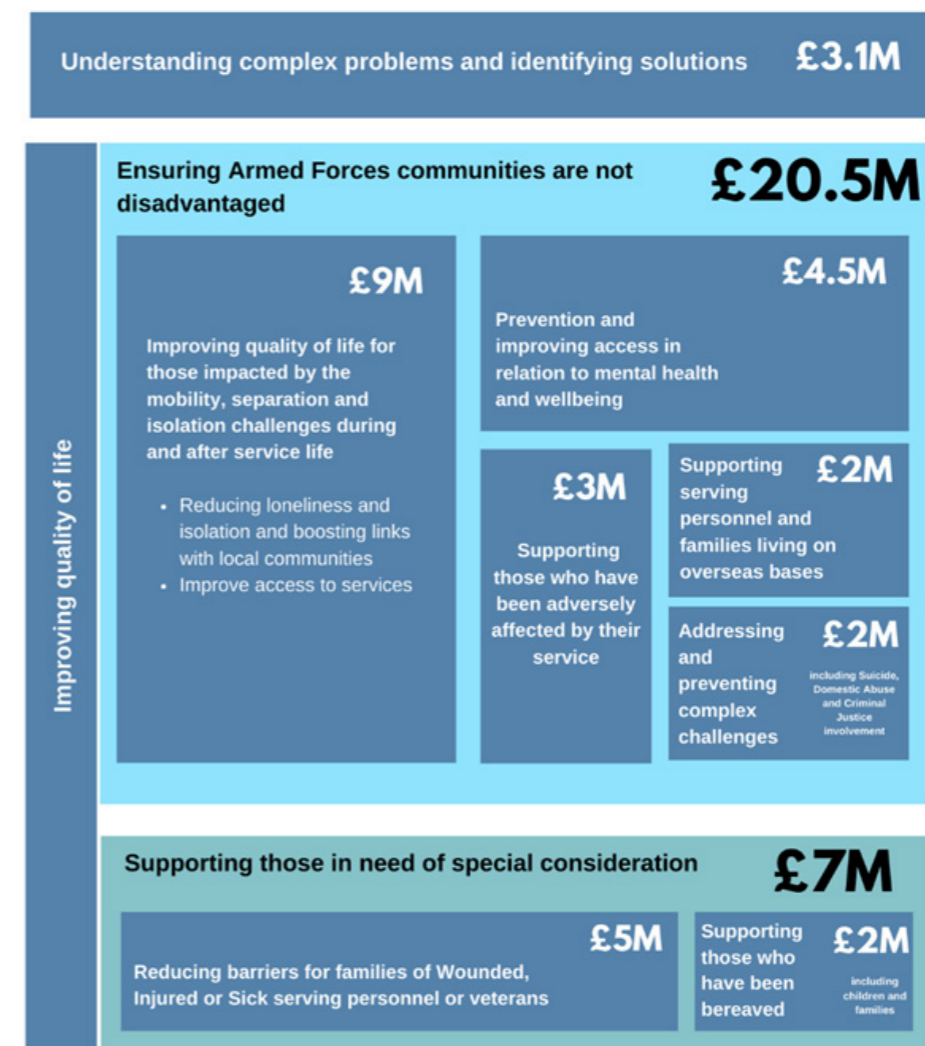
- Those who serve in the Armed Forces, whether Regular or Reserve, those who have served in the past, and their families, should face no disadvantage compared to other citizens in the provision of public and commercial services.

- Special consideration is appropriate in some cases, especially for those who have given the most such as the injured and the bereaved.

Our Funding Framework is ambitious and will be delivered over a three-year period with £10 million committed each year to projects and activities that support these themes, through funding programmes that specifically address each theme. We'll collaborate with a range of stakeholders, potential beneficiaries and experts in the development of these programmes.

We will publish information every year on how we are delivering against our Framework.

Covenant Fund: 2024-27



The Armed Forces Families Fund

We will continue our detailed work with the MOD Children and Families team to deliver the Armed Forces Families Fund (AF3). The AF3 support projects that meet the aims of the Armed Forces Families Strategy.

In 2024/5 we will run programmes that:

- help Armed Forces families access good quality early childhood education and childcare provision that is located close to where they are living or serving; supporting projects that directly address problems that Armed Forces families are currently having in accessing good quality childcare for their children
- support projects that reach Service children who are experiencing challenges in schools, ensuring the needs of Service pupils are met. We will support projects that:
 - close the gap in attainment between Service and non-Service pupils, using data led evidence
 - addressing the needs of Service pupils with additional needs through early identification and intervention using a collaborative and coordinated approach
 - identifying and addressing the needs of small cohorts of Service pupils within educational settings
- support projects that enable partners and spouses of serving personnel to access employment and career opportunities.

Funding from the Office for Veterans' Affairs

We will deliver funding programmes to develop and refurbish more housing for Veterans. A particular area of focus will be a programme that will award grants of between £75,000 and £500,000 towards projects that support significant refurbishment, including extensions and new builds of rental accommodation that will offer high quality support for Veterans with a housing need.

We will manage a complex portfolio of grants awarded in the 2023/24 financial year to deliver effective outcomes for Veterans with physical disabilities, homeless Veterans and Veterans needing support with employment.

Veterans' Places, Pathways and People Programme

We will award significant grants to portfolios of projects, which will work regionally to develop better, more joined up lasting support for local Veterans with mental health needs, through the 2024-7 continuation programme.

Financial Review

Our Income

During 2023/24, the trust's income comprised £35.6m for specified purposes of supporting the Armed Forces community, as follows:

- Office for Veterans Affairs (Various programmes) £15.3m
- Covenant Fund £10.6m
- MoD Families Fund £4.7m
- National Spitfire Project £3m
- Other £2m

Our Expenditure

In 2023/24, we spent £33m on grants and direct expenditure on programme evaluation and research to assist us in understanding the impact of both individual projects and programmes. Awards from each of the Funds were made throughout the financial year. Some grants are for multi-year projects, where organisations draw down their grants over two or three years. Staff costs in 2023/24 were £1.2m, an increase of £0.2m from 2022/23. The increase is a direct result of taking on additional staff as our funding programmes have grown in number, with particular emphasis around the new OVA programmes. This enables us to continue to be an efficient and effective grant making body.

Our other costs fell slightly. This is primarily the result of a Board decision to class our grant management system and the costs of grant application assessments as directly attributable costs of grantmaking. For 2023-24 and going forwards, these costs now appear under 'Direct Charitable Activity' in Note 3a to the accounts.

Reserves policy and going concern

The Trust holds limited reserves, which comprises both refunded grants and interest earned. Trustees have continued to engage with the Cabinet Office and the Ministry of Defence during 2023/24, to ensure that prudent planning and compliance with the Charities SORP can be achieved.

Our working reserves policy has been to ensure that we hold sufficient funds to maintain liquidity and to increase our robustness in the event of a sudden contraction of grant funding. Our unrestricted reserves at 31 March 2024 were £282,007 and covers approximately 2.5 months of staff costs.

The Trustees have presented the accounts on a going concern basis. This assumes that the Trust can meet its liabilities as they fall due for the foreseeable future and that current and future funding will be adequate for the Trust's needs. We have considered a period of twelve months from the date of approval of the financial statements in accordance with accounting conventions.

In coming to their conclusion, the Trustees have considered monthly forecast levels of income and expenditure and underlying assumptions. In line with our Financial Framework, our expectation is that the Covenant Fund funding of £10 million from the Ministry of Defence continues for the foreseeable future. Having carefully considered the forecasts and assumptions, the Trustees are content to present the accounts on a going concern basis.

Fundraising

Unlike other funders within the sector, the Trust does not fundraise to produce a grants income. The Trust will not normally accept unsolicited donations. The trust may consider donated income for the establishment of grant making schemes that are aligned to the charitable objectives of the Trust. Under its policy, Trustees can turn down a donation where accepting the donation would be detrimental to the achievement of the purposes of the organisation, as set out in its constitution.

Auditor

Moore Kingston Smith have provided our financial audit services since 2021/22. So far as I, as Accounting Officer of the Trust, and as we, as its Trustees, are aware:

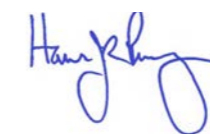
- a) There is no relevant information of which the Trust's auditors are unaware
- b) We have taken all steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

The Trustee's annual report has been approved by the Trustee Board in their xx/xx/xx meeting and signed on their behalf by



Anna Wright
Chief Executive Officer

13 September 2024



Hans Pung
Chair of Trustees

13 September 2024

Governance Statement 2024

Scope of responsibility

As Accounting Officer and Trustees of the Armed Forces Covenant Fund Trust, we have responsibility for putting in place and maintaining proper arrangements for the governance of the Trust's affairs together with a sound system of internal control that supports the achievement of the Trust's policies, aims and objectives, whilst safeguarding the public funds and assets for which the Accounting Officer is personally responsible, in accordance with the responsibilities assigned in Managing Public Money and ensuring compliance with the requirements of the Management Statement and Financial Memorandum.

The purpose of the governance framework

The governance framework comprises the systems and processes by which the Trust is directed and controlled. It enables the Board to monitor achievement of its strategic objectives. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place throughout the year ended 31 March 2024.

The governance framework

The Trust is an unincorporated charity and non-departmental public body (NDPB). The Armed Forces Covenant Fund Trustee Limited is a company and was registered at Companies House on 2 February 2018 to act as the Trustee of the Armed Forces Covenant Fund, which was registered with the Charity Commission on 7 February 2018.

The individuals referred to as Trustees are directors of the limited company under company law.

The limited company was established under a memorandum of association, which established the objects and powers of the Trust and is governed under its articles of association.

All Trustees give their time voluntarily and receive no benefits from the Trust. Any expenses reclaimed from the Trust are set out in note 6 to the accounts.

There is a Financial Framework document in place which defines the arrangements between the Trust and its sponsor department, the Ministry of Defence, relating to the receipt of the £10m Covenant Fund and the conditions for its expenditure. The current Financial Framework was issued in the year ended 31 March 2022.

For other funding streams, Memorandums of Understanding are in place with the funding sources, such as the Office of Veterans Affairs.

The Trustees and the Committee Structure

The Armed Forces Covenant Fund Trust is governed by a Board of Trustees chaired by Hans Pung. The Charities Act 2011 requires the Trustees to exercise proper stewardship over the Trust.

The Chief Executive Officer of the Trust is the Accounting Officer responsible to Parliament for the day-to-day management of the Trust as set out in Chapter 3 of Managing Public Money. Our current Chief Executive, Anna Wright has been in post since January 2022.

The majority of the founding Trustees of the Trust had previously served as members of the National Panel for the Covenant Fund when it was operating within the MOD, and new members were brought in to ensure that the range of skills required to manage an independent trust were available to the Board.

There have been seven new appointments in 23/24, as some of our original Trustees came to an end of their tenure. The new Trustees are Hans Pung, Victoria Wilson, Sue Davies, Frances Nash, Anisha Worbs, Maj Gen James Senior and Captain Caroline Dix.

Who appoints the Trustees?

Trustees are appointed by the Secretary of State for Defence in accordance with the provisions of the public appointments process set out in the Office of the Commissioner of Public Appointments Code of Practice. They are appointed for a term of two years initially, and then may be appointed for a further two terms of three years. The Board of Trustees may appoint up to three additional co-opted Trustees by majority approval to serve on the Board and both co-opted Trustees and other individuals may serve on specific sub-committees to supplement the experience of Board members.

The Trustees receive a governance manual on appointment, and attend induction training with the Chief Executive Officer and Senior Leadership Team (SLT). They are also encouraged to familiarise themselves with the Trust's priorities through work in sub-committees.

The Board of Trustees Sub Committees

The Board of Trustees have established four sub-committees for specific purposes and to ensure that effective conduct of business. The Board of Trustees is responsible for appointing to the sub-committees from within its membership and all sub-committee actions are taken on behalf of the Trustees as a whole, with recommendations made to the Board as appropriate.

These sub-committees comprise:

- **Audit and Risk Committee**- to consider the annual audit and publication of annual Trust accounts, risk management, finance and internal controls.
- **Remuneration and Nominations**- to consider all staff terms and conditions including performance management and pay, as well as future appointments to the Board and to senior posts.
- **Ethics Advisory Panel**- to support the team in maintaining high ethical standards
- **Grants Committee**- Makes decisions on the awarding of grants in respect of specified grant programmes. For 2023/24 these were
 - Covenant Fund: Force for Change
 - Armed Forces Families Fund: all grants programmes

The terms of reference of each of these sub-committees have been approved by the Full Board.

The following table shows the number of meetings and attendance. Minutes of all Board and sub-committee meetings are maintained.

	Board	Audit	Remuneration Committee	Ethics Advisory Panel	Grants Committee
Helen Helliwell	6/6		3/3		
Hans Pung	1/2		0/1		1/2
Rear Admiral Vice Commodore Rex Cox	5/6	3/4			4/5
Gerald Oppenheim	1/1				
John Pitt-Brooke	1/1				
Wendy Cartwright	3/6	4/4	3/3		
Professor David Rose	5/5		2/2	4/4	
John Mooney	5/6		3/3		
Jessie Owen	3/6				
Stephen Squire-Law	1/5				
Lieutenant General Sir Nick Pope KCB CBE	5/6	2/4	2/3		4/5
Collette Musgrave	5/6		1/3		4/5
Major General Jon Swift	1/2				1/1
Peter Kellam	6/6			4/4	
Victoria Wilson	5/5	3/3			
Frances Nash	4/5			2/2	
Sue Davies	3/5				5/5
Captain Caroline Dix	6/6	1/4			
Anisha Worbs	2/2				
Major General James Senior	1/4				0/4

Trustee attendance is shown as the number of meetings attended in relation to the number of meetings held whilst each individual was a member of the relevant committee.

Register of Interests

The Trust's funding plans are developed in close dialogue with the Covenant Team at the MOD, to ensure its programmes are informed by and complementary to, the MOD's support for serving personnel, veterans and their families.

All funding decisions are made by the Trustees, with Trustees acting independently of their other professional roles. Declarations of interest are requested and recorded at each of the Board meetings, in relation to applications for funding being requested, contracts being considered or funded project updates, with relevant Trustees withdrawing from discussions and decision making as appropriate. Related Parties are disclosed in Note 8 of the Financial Statements

The Board of Trustees' Performance

The Board has supported the Trust to successfully award grants in line with its four broad funding themes as outlined above.

Sub Committee minutes are circulated to all Trustees with routine papers for the quarterly meetings of the Full Board, and sub committee chairs highlight any matters of particular interest or concern for the attention of the full Board. There is a wide range of information and data routinely available to the Board, in particular in relation of grant applicants, but also including management accounts quarterly to Audit and Risk Committee and summary management accounts to the full Board when relevant, which the Board considers to be adequate management information.

Personal Data Loss

The Trust has not identified any personal data related incidents during 2023-24 or in the previous years since its establishment. An incident is defined as a loss, unauthorised disclosure or insecure disposal. Protected personal data is information that links an identifiable living person with information about them which, if related, would put the individual at significant risk of harm or distress; the definition includes sources of information that because of the nature of the individuals or the nature, source or extent of the information, is treated as protected personal data by the Trust.

Internal Audit

BDO have continued to provide our internal audit services for 2023/24, and have been reappointed for a further period of three years. The Trust's Audit and Risk Committee approved the 2023/24 internal audit plan, and BDO carried out audits on GDPR, Communications Strategy, Key Financial Controls, and Risk Management, alongside a follow up of previous years' internal audit recommendations.

Internal audit reports and recommendations were agreed with the Senior Management Team, and progress on implementing audit recommendations is monitored by both the Senior Management Team and the Audit and Risk Committee.

For 2023/24, the opinion provided by our internal auditors on the Trust's governance was a Level 1, meaning that there is an adequate and effective system of governance, risk management and internal control to address the risk that management's objectives are not fully achieved.

The Trust is delighted to receive a Level 1 opinion and feel that this reflects the significant efforts of our team to match the maturity of our internal controls system to our growth in recent years. We will continue to work with BDO to support their internal audit programme and show how we are implementing the recommendations already made.

External Audit

The external auditor of the Trust is Moore Kingston Smith, who were appointed in 2021/22.

Risk Management

The Trust's internal control system is designed to manage risk to a reasonable level, rather than eradicate all risk of failure. Therefore, it can only provide reasonable and not absolute assurance of effectiveness. In managing risk, we identify the opportunities and risks in achieving our strategic objectives, evaluate the likelihood of those risks being realised, the impact should they be realised and the controls in place to manage them efficiently and effectively. The Trust's approach to risk management and the process for implementation are documented in a Risk Management Framework, which has been revised and introduced in 2023/24.

The Framework is supported by our strategic risk register, which groups our highest priority risk areas into key strategic risks which is reviewed regularly by the senior leadership team. The Audit and Risk Committee review strategic risks at each meeting and the Board review the risk register twice annually.

Risk management overall is viewed as a dynamic process which actively seeks to incorporate good practice. It is responsive and current and is managed through regular review of both internal developments and external factors – the political, social, economic, demographic, technological, environmental and legal developments that may influence our exposure to risks or opportunities.

As an NDPB the Trust has a low risk appetite in relation to compliance, regulation and to our key strategic risks. In areas where we aim to be relevant and influential, we are prepared to take calculated risks. Risk appetite has been set by the Trustees and is reviewed annually for appropriateness by the senior leadership team and the Audit and Risk Committee. The senior leadership team monitor whether our overall risk profile is commensurate with our risk appetite on an ongoing basis.

Principle risks for the Trust relate to the importance of the Trust maintaining a strong relationship with Government, the Armed Forces charity sector and core stakeholders and the challenges of delivering an intelligent grantmaking approach while maximising the operational budget for grantmaking and business continuity.

Controls to mitigate these risks include the development and delivery of a communications strategy based on transparency, as well as a commitment to support grant applicants and grant holders. The Trust's governance and executive structures, and its internal controls, have been developed, tested and reviewed to keep best use of resources in focus within all decision making. Support costs percentages for each of the Funds that the Trust is administering are set according to the complexity of the programme.

Managing Information Security Risk, Cyber Security and Data Protection

All staff handling Trust information or using Trust information systems are responsible for ensuring that they comply with the Trust's Information Security Policy.

The Data Protection Policy is published to all staff annually and is available on our HR software. All staff are required to complete a data protection training module on appointment.

The Trust was awarded a Cyber Essentials Plus accreditation in February 2023 and we are currently in the process of renewing this accreditation.

We were also subject to an internal audit review of our Cyber Security in March 2023, which gave the Trust moderate assurance and some low level recommendations which we have since implemented fully.

Assurance Statement by the Audit and Risk Committee

The Audit and Risk Committee are reasonably confident that the reliability, integrity, quality and comprehensiveness of the assurances provided by management over the Trust's internal processes and by external auditors, are presently sufficient to support the Board and Accounting Officer in their decision making and in the fulfilment of their accountability obligations. Internal controls are monitored during the year by the Trust's senior management team and independent audit review and findings reported to the Audit Committee. The Audit and Risk Committee will continue to draw to the Board's and Accounting Officer's attention any matters of concern.

Statement of responsibilities of the Trustees

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the Trust's financial activities during the period and of its financial position at the end of the period. In preparing financial statements to give a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards and statements of recommended practice 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 Trust 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 Trust and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Trust 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 corporate and financial information included on the Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Remuneration and staff report

In accordance with the HM Treasury Financial Reporting Manual the Armed Forces Covenant Fund Trust has prepared this report containing certain information about directors' remuneration. 'Directors' is interpreted to mean persons in senior positions having authority or responsibility for directing or controlling the major activities of the Trust. The figures in the remuneration and staff report are subject to audit.

The total number of employees whose emoluments for the year exceeded £60,000 is given in Notes 6 and 7, together with information on staff numbers and costs.

Two of the directors are members of the PCSPS, for which further details are provided below. The Trust made employer's contributions to one pension under the auto-enrolment scheme (NEST), at the rate of 8% of salary. The directors received no other benefits. Performance bonuses paid to directors are non-contractual. The directors have contracts of employment carrying a period of notice of one month's notice.

	Salary 2023-24 (2022-23) £'000	Performance Related pay and bonuses 2023-24 (2022-23) £'000	Benefits in kind (to nearest £100) 2023- 24 (2022-23) £'000	Pensions Benefits 2023-24 (2022-23) £'000	Total 2023-24 £'000	Total 2022-23 £'000
Anna Wright, Chief Executive	85-90 (70-75)	0-5 (0-5)	-	-	85-90	70-75
Carol Stone, Director of Grants	70-75 (65-70)	0-5 (0-5)	-	24 (24)	95-100	90-95
Sonia Howe, Director of Policy and Communications	70-75 (65-70)	0-5 (0-5)	-	36 (11)	110-115	80-85
Liz Rankin, Director of Finance and Operations	65-70 (50-55)	0-5 (0-5)	-	-	65-70	50-55

	Accrued pension at pension age as at 31 March 2024 and related lump sum £'000	Real increase in pension and lump sum at pension age £'000	CETV at 31/03/24 £'000	CETV at 31/03/23 £'000	Real increase in CETV £'000	Employer contribution to Nest pension Nearest £100
Anna Wright, Chief Executive	-	-	-	-	-	£7,100
Carol Stone, Director of Grants	10-15	0-2.5	204	160	20	-
Sonia Howe, Director of Policy and Communications	20-25	0-2.5	356	303	23	-
Liz Rankin, Director of Finance and Operations	-	-	-	-	-	£5,300

Fair Pay disclosures

In 2023-24, 0 (2021-22: 0) employees received remuneration in excess of the highest paid director. Remuneration ranged from £25-£30k to £75-80k, excluding the highest paid director.

Year	25th Percentile Ratio	50th percentile Ratio	75th Percentile Ratio
Total Remuneration	£30,225	£36,383	£53,1224
Salary Component of Above	100%	100%	100%
23/24	3.06	2.54	1.74
22/23	2.80	2.39	1.75

Percentile total remuneration is calculated by excluding the remuneration of the highest paid director on an annualised basis and by including full time equivalent remuneration for all staff.

The average salary within the Trust is £46,470 (2022-23: £45,361). This is calculated as the total for all employees on an annualised basis, excluding the highest paid director, divided by the FTE number of employees (also excluding the highest paid director).

The Trust believes that the median pay ratio for 2023-24 is consistent with the pay, reward and progression policies for the Trust's employees taken as a whole.

Any performance awards are made under the Trust appraisal linked system which applied to all staff. The directors are all employed on standard terms and conditions.

The Board of Trustees comprised fourteen members at 31 March 2024, none of whom were full time employees of the Trust and they were reimbursed with £126 in expenses (2022: £246).

Sickness Absence

The Armed Forces Covenant Fund Trust employed 24 members of staff as at 31 March 2023. Periods of sickness absence are recorded in half days. The average number of days of sickness absence was 1.40 days per person. (2023: 3.75) There were no long term absences in this financial year. This paragraph is not subject to audit.

Pension Costs and Benefits

The Trust's accounting policy in relation to Pensions is provided at Note 1 to the Financial Statements. From October 2018 the Trust has automatically enrolled all employees into a National Employment Savings Trust (NEST) pension scheme unless the employees choose to opt out. The NEST pension scheme is a defined contribution pension scheme that was created as part of government's workplace pensions reform under the Pensions Act 2008. The assets of the scheme are held separately from those of the Trust and the Trust is unable to identify our share of the liability, employer's contributions are charged to the Statement of Financial Activities as they occur.

Pension benefits for a small number of longer serving staff are provided through the Civil Service pension arrangements. The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but the Trust is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2020. Details can be found in the resource account of the Cabinet Office Civil Superannuation (www.civilservice.gov.uk/pensions).

For 2023-24 employer's contributions of £43,627 were payable (2023: £47,651) through the PCSPS. The applicable rates for the PCSPS are shown below:

Gross Salary	Rate %
77,001 and over	30.3%
45,501-77,000	27.9%
23,001-45,500	27.1%
Up to 23,000	26.6%

The contribution rates reflect benefits are they are accrued, not when costs are actually incurred, and reflect past experience of the scheme. Pension benefits are provided through the Civil Service pension arrangements in place prior to 30 July 2007, with the unfunded cost of benefits met by monies voted by Parliament each year. Further details about the Civil Service pension arrangements can be found at the website www.civilservice.gov.uk/pensions

The real increase in Cash Equivalent Transfer Value (CETV) reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Reporting of civil service and other compensation schemes- exit packages

No redundancy or other departure costs were incurred in the 2023-24 financial year (2023: 0)

Staff Report

Further details relating to the Trust's staff numbers and staff costs can be found in Notes 6 and 7 to the financial statements.

Trade Union Facility Time

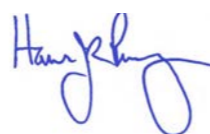
No employees are union officials and no time was spent on union activity.

Parliamentary accountability and audit report

All expenditure has been applied as intended by the Trust's sponsor body. There are no contingent liabilities, gifts, fees, charges or losses and special payments requiring further disclosures that have not been reported elsewhere in these financial statements. This paragraph is subject to audit.



Anna Wright
Chief Executive Officer and Accounting Officer
13 September 2024



Hans Pung
Chair of Trustees
13 September 2024

Audit Certificate

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ARMED FORCES COVENANT FUND TRUST

Opinion

We have audited the financial statements of the Armed Forces Covenant Fund Trust (the 'Trust') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice). We have also audited the information in the Remuneration and staff report and Parliamentary accountability report that are described as having been audited.

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.

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 twelve 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 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 there is 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.

Opinion on other matters

In our opinion, the parts of the Remuneration and staff report and Parliamentary accountability report, which have been identified as subject to audit, have been properly prepared in accordance with Chapter 6 of the Government Financial Reporting Manual 2023-24.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 69, 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed

risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, the HM Treasury Financial Reporting Manual and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state 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 any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

Moore Kingston Smith LLP, Statutory auditor

Date: 23 September 2024
6th Floor
9 Appold Street
London
EC2A 2AP

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

Financial Statements

Statement of financial activities for the year ended 31 March 2024

	Note	Unrestricted	Restricted	2024	Unrestricted	Restricted	2023
		£	£	Total	£	£	Total
				£			£
Income from:							
Charitable activities	2	-	35,553,231	35,553,231	-	15,600,234	15,600,234
Investments		195,007	-	195,007	1,308	-	1,308
Other		-	-	-	-	-	-
Total Income		195,007	35,553,231	35,748,238	1,308	15,600,234	15,601,542
Expenditure on:							
Charitable activities	3	-	34,458,210	34,458,210	19,000	15,845,713	15,864,713
Total Expenditure		-	34,458,210	34,458,210	19,000	15,845,713	15,864,713
Net income/(expenditure) for the year	5	195,007	1,095,021	1,290,028	(17,692)	(245,479)	(263,171)
Transfers between funds				-			-
Net movement in funds		195,007	1,095,021	1,290,028	(17,692)	(245,479)	(263,171)
Reconciliation of funds:							
Total funds brought forward		87,000	1,558,567	1,645,567	104,692	1,804,046	1,908,738
Total funds carried forward		282,007	2,653,588	2,935,595	87,000	1,558,567	1,645,567

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15 to the financial statements.

Balance sheet as at 31 March 2024

	Note	2024	2023
		£	£
Current assets:			
Debtors	10	7,731,925	544,531
Cash at bank and in hand		28,774,940	22,102,408
		36,506,865	22,646,939
Liabilities:			
Creditors: amounts falling due within one year	11	(19,817,122)	(13,936,762)
Net current assets		16,689,743	8,710,177
Total assets less current liabilities		16,689,743	8,710,177
Creditors: amounts falling due after one year	12	(13,754,148)	(7,064,610)
Total net assets		2,935,595	1,645,567
The funds of the charity:	15		
Restricted income funds		2,653,588	1,558,567
Unrestricted income funds			
Designated funds		0	(19,000)
General funds		282,007	106,000
Total unrestricted funds		282,007	87,000
Total charity funds		2,935,595	1,645,567

Approved by the Trustees on 13 September 2024 and signed on their behalf by



Anna Wright
Chief Executive Officer and Accounting Officer
13 September 2024



Hans Pung
Chair of Trustees
13 September 2024

Statement of cash flows for the year ended 31 March 2024

	Note	2024	2023
		£	£
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	16	6,477,525	(2,897,531)
Cash flows from investing activities:			
Dividends, interest and rents from investments		195,007	1,308
Net cash provided by/(used in) equivalents in the year		195,007	1,308
Change in cash and cash equivalents in the year		6,672,532	(2,896,223)
Cash and cash equivalents at the beginning of the year		22,102,408	24,998,631
Cash and cash equivalents at the end of the year		28,774,940	22,102,408

Notes to the financial statements for the year ended 31 March 2024

1 Accounting Policies

a) Statutory information

Armed Forces Covenant Fund is a charitable trust located in England, with charity number 1177627. The registered office address (and principal place of business) is 3rd Floor, 3 Wellington Place, Leeds LS1 4AP.

b) Basis of preparation

The Trust was established by a trust deed dated 7 February 2018 and commenced its activities on this date.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), charity regulations and the Charities Act 2011. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the Trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

Key judgements that the Trust has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

c) Public benefit entity

The Trust meets the definition of a public benefit entity under FRS 102.

d) Going concern

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

Key judgements that the charitable company has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the Trust has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Trust has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1 Accounting Policies (continued)

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of grantmaking, research & evaluation and other grant related activities undertaken to further the purposes of the Trust and their associated support costs
- Other expenditure represents those items not falling into any other heading
- Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Grants payable

Grants payable are made to third parties in furtherance of the Trust's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the recipient.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Where information about the aims, objectives and projects of the Trust is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure. Fixed support and governance costs are re-allocated to the Covenant Fund, and variable costs are re-allocated to each of the activities on the basis of an estimate, based on staff time, of the amount attributable to each activity.

Governance costs are the costs associated with the governance arrangements of the Trust. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the Trust's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £5,000.

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1 Accounting Policies (continued)

n) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

o) Cash at bank and in hand

Cash at bank and cash 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.

p) Creditors and provisions

Creditors and provisions are recognised where the Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

q) Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

r) Pensions

Employees of the Trust are eligible to receive contributions to their selected pension scheme - either their personal pension account or if they wish to join the Trust's selected pension provider NEST. Two employees are members of the Civil Service Pension Scheme, which is a defined benefit scheme. However, the Trust is only responsible for paying contributions so it is accounted for as a defined contribution scheme. Further information about this scheme is provided in note 13.

2 Income from charitable activities

	2024		2023
	Unrestricted	Restricted	
	£	£	£
MOD - £10M Covenant Fund	-	10,630,648	10,416,450
MOD Families Fund	-	4,715,000	3,752,000
OVA Homelessness Fund	-	8,050,486	-
OVA Mobility Funding	-	3,000,000	-
OVA Veteran Employment Enhancement Fund	-	2,300,000	-
OVA Capital Homelessness Funding	-	2,000,000	499,471
HMT - £10M Veterans' Mental Health and Wellbeing Fund	-	1,240,885	-
National Spitfire Project	-	3,000,000	-
MOD Invictus	-	215,000	-
LGBT Veterans Community	-	231,818	-
NAAFI Fund	-	-	917,183
HeadFit	-	169,394	15,130
Total income from charitable activities	-	35,553,231	15,600,234

Government grants received were for specific purposes. Please refer to Note 15 for more detailed explanations around these funding streams.

3a Charitable activities

	Direct Charitable			2024
	Activity	Staff Costs	Other Costs	Total
	£	£	£	Expenditure £
MOD - £10M Covenant Fund	9,984,296	533,370	154,002	10,671,668
MOD Families Fund	4,245,394	130,795	4,326	4,380,515
OVA Homelessness Fund	7,411,185	66,759	287	7,478,231
OVA Mobility Funding	2,520,000	50,906	127	2,571,033
OVA Veteran Employment Enhancement Fund	2,002,700	0	-	2,002,700
OVA Capital Homelessness Funding	1,553,367	78,456	4,010	1,635,833
HMT £10M Veterans' Mental Health and Wellbeing Fund	1,240,885	0	592	1,241,477
National Spitfire Project	2,995,000	46,209	-	3,001,209
MOD Invictus	213,793	0	-	213,793
LGBT Veterans Community	217,218	0	-	217,218
NAAFI Fund	51,228	28,793	-	80,021
HeadFit	198,000	29,987	2,184	230,171
Programme Evaluation & Research	476,704	0	6,554	483,258
Refunds from previous years	(55,267)	0	-	(55,267)
£30M Evaluation	-	76,488	-	76,488
Other funds	-	161,762	68,100	229,862
Total	33,014,503	1,203,525	240,182	34,458,210

In 2023-24, all expenditure was restricted. In 2022-2023 expenditure of £19,000 was unrestricted and £16,120,602 was restricted.

Other Funds includes support expenditure on smaller funds the Trust is managing to completion, including the Afghanistan Veterans Fund, Veterans Trauma Network and the Impact Hub.

3b Support costs

	Covenant	MOD	OVA	OVA	Employment	OVA Capital	National	MOD	NAAFI	HeadFit	£30M	Other	2024
	Fund	Families	Homelessness	Mobility	Enhancement	Homelessness	Spitfire	Invictus	Fund		Evaluation	Funds	Total
	£10m	Fund	Fund	Funding	Fund	Funding	Project	£	£	£	£	£	Expenditure
	£	£	£	£	£	£	£	£	£	£	£	£	£
Staff remuneration	493,466	129,776	66,498	50,732	0	78,291	46,209	0	28,793	29,987	75,521	161,762	1,161,035
Other staff costs	39,904	1,019	261	174	0	165	0	0	0	0	966	0	42,489
Professional fees	4,298	0	0	0	0	0	0	0	0	0	0	0	4,298
Premises and office costs	10,730	7	0	0	0	0	0	0	0	0	0	12	10,749
Other costs	17,170	299	54	0	0	585	462	0	0	0	617	15,567	34,754
Audit	26,535	0	0	0	0	0	0	0	0	0	0	0	26,535
Governance costs	25,527	3,471	0	0	0	2,471	130	0	0	0	0	558	32,157
Communications & Marketing	21,231	0	0	0	0	0	0	0	0	504	4,644	51,755	78,134
IT	48,511	549	233	127	0	954	0	0	0	1,680	1,293	209	53,556
Total	687,372	135,121	67,046	51,033	0	82,466	46,801	0	28,793	32,171	83,041	229,863	1,443,707

3c Charitable activities

	Direct Charitable			2023
	Activity	Staff Costs	Other Costs	Total
	£	£	£	Expenditure £
MOD - £10M Covenant Fund	9,619,179	193,593	332,178	10,144,950
HMT - £10M Veterans' Mental Health and Wellbeing Fund	(14,056)	523,446	-	509,390
HMT - £3M Veterans' Community Centres Fund	-	33,246	-	22,246
Aged Veterans' Fund	-	-	-	0
Programme Evaluation & Research	125,505	-	-	125,505
MOD Families Fund	3,551,930	158,350	-	3,710,280
Afghanistan Veterans Fund	-	57,804	-	57,804
OVA Homelessness Fund	499,471	-	-	499,471
NAAFI Fund	822,863	38,030	-	860,893
Refunds from previous years	(76,821)	-	-	(76,821)
Total	14,528,071	1,004,469	332,178	15,864,718

3d Support costs

	Covenant	HMT Veterans'	HMT	NAAFI	MOD	OVA	Afghanistan	2023
	Fund £10M	Mental Health and Wellbeing £10M	Veterans' Community Centres £3M	Fund	Families Fund	Homelessness Fund	Veterans Fund	Total
	£	£	£	£	£	£	£	Expenditure £
Staff remuneration	193,593	523,446	33,246	38,030	158,350	-	57,804	1,004,469
Other staff costs	-	-	-	-	-	-	-	-
Professional fees	38,115	-	-	-	-	-	-	38,115
Premises and office costs	11,658	-	-	-	-	-	-	11,658
Other costs	29,852	-	-	-	-	-	-	29,852
Audit	55,776	-	-	-	-	-	-	55,776
Governance costs	24,917	-	-	-	-	-	-	24,917
Communications & Marketing	47,738	-	-	-	-	-	-	47,738
GMS and IT	124,122	-	-	-	-	-	-	124,122
Total	525,771	523,446	33,246	38,030	158,350	-	57,804	1,336,647

4 Grant expenditure

	2024	2023
	£	£
MOD - £10M Covenant Fund	9,895,759	9,619,179
MOD Families Fund	4,236,244	(3,551,930)
OVA Homelessness Fund	7,408,485	499,471
OVA Mobility Funding	2,520,000	-
OVA Veteran Employment Enhancement Fund	2,000,000	-
OVA Capital Homelessness Funding	1,553,367	-
HMT £10M Veterans' Mental Health and Wellbeing Fund	1,240,885	-
National Spitfire Project	2,995,000	-
MOD Invictus	213,793	-
LGBT Veterans Community	217,218	-
NAAFI Fund	51,228	822,863
HeadFit	198,000	-
Portfolio Grants	0	-
Refunds and underspends	(55,267)	(76,821)
HMT Veterans Mental Health £10M	-	(14,056)
Total grants awarded during the year	32,434,712	7,298,706
Total grant expenditure	32,434,712	7,298,706

All grants were made to institutions. For details please see the website at <https://covenantfund.org.uk/projects-weve-supported/>

All grant expenditure was restricted.

5 Net (expenditure) / income for the year

This is stated after charging / (crediting):

	2024	2023
	£	£
Operating lease rentals payable:		
Property	5,923	6,481
Auditors' remuneration (excluding VAT):		
Current year audit fee	15,750	14,700

6 Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2024	2023
	£	£
Salaries and wages	964,478	812,018
Social security costs	91,277	80,513
Employer's contribution to defined contribution pension schemes	61,227	44,873
Civil Service Pension Scheme	43,627	47,651
Other forms of employee benefits	42,916	19,414
	1,203,525	1,004,469

Other forms of staff benefits include an employee assistance programme, medical cash plan, death in service cover and staff training.

The following number of employees received employee benefits of over £60,000 (excluding employer pension costs and employer's national insurance) during the year between:

	2024	2023
	No.	No.
£60,000 - £69,999	2	4
£70,000 - £79,999	2	0
£80,000 - £89,000	1	0

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £388,759 (2023: £365,615).

Staff disclosed in the bands above received employer pension contributions of £81,943 (2023: £72,324)

The Trustees were neither paid nor received any other benefits from employment with the Trust in the year (2024: £Nil). No Trustee received payment for professional or other services supplied to the Trust (2023: £Nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs relating to attendance at meetings of the Trustees. There were £126 of Trustee expenses incurred (2023: £246) by 1 Trustee.

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 23.3 (2023: 19.3).

Staff are split across the activities of the Trust as follows:

	2024	2023
	No.	No.
Grant making	18.6	13.5
Support	4.1	4.83
Governance	0.6	1
	23.3	19.3

At 31 March 2024, 24 staff were in post. 19 (18: 2022-23) of these staff are female and 5 male (5: 2022-23) 1 staff member is employed on a fixed term contract with all other staff employed on permanent contracts. The above includes an average of 6.1 (2021-22: 7) part time staff members for the year.

8 Related party transactions

The Armed Forces Covenant Fund Trustee Limited (company number 11185188) is the Trustee of the Armed Forces Covenant Fund Trust. It holds a number of contracts on behalf of the Trust, as a separate legal entity. There have been no transactions between the parties. The corporate Trustee implements the decisions of the directors of the Armed Forces Covenant Fund Trustee Limited.

Related party transactions for the year are summarised below:

Trustee/ Committee member name	Related party	Transaction type	No.	Total of grants received
Collette Musgrave/ Trustee	Collette is CEO of Army Families Federation	Grant/s	1	£72,600
Kirsty Bushell/Co-opted member of Grants Committee	Kirsty is Vice Chair of SSAFA	Grant/s	4	£445,715
Prof Alan Finnegan/Co-opted member of the Ethics Advisory Panel	Trustee of Walking with the Wounded	Grant/s	2	£114,517
Prof Alan Finnegan/Co-opted member of the Ethics Advisory Panel	Principal Investigator at University of Chester	Grant/s	1	£59,864

Balances outstanding on previous year/s party related transactions

Trustee/ Committee member name	Related party	Transaction type	No.	Total of grant/ evaluation balances
Lt Gen Sir Nicholas Pope/Trustee	Sir Nick is chair of Cobseo	Grant/s	2	£7,000
Prof Alan Finnegan/Co-opted member of the Ethics Advisory Panel	Principal Investigator at University of Chester	Grant/s	1	£25,725
Prof Alan Finnegan/Co-opted member of the Ethics Advisory Panel	Principal Investigator at University of Chester	Evaluations	2	£180,176

No trustee or committee member was directly involved in the decision making process of a related party decision/award.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

9 Taxation

The Trust is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10 Debtors

	2024	2023
	£	£
Grants receivable	7,666,690	0
Accrued income	0	499,471
Prepayments and other debtors	65,235	45,060
	7,731,925	544,531

11 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	142,300	54,923
Evaluation creditors	398,983	418,048
Grants payable	19,193,626	12,930,956
PAYE	4,693	22,972
Accruals	60,658	72,063
Other creditors	16,862	12,484
Deferred income		425,316
	19,817,122	13,936,762

12 Creditors: amounts falling due after one year

	2024	2023
	£	£
Trade creditors	63,138	-
Evaluation creditors	306,590	101,003
Grants payable	13,384,421	6,963,607
	13,754,148	7,064,610

13 Pension scheme

The Trust contributes to employees' pensions in three different ways. i) some staff are members of a defined benefit scheme which is the Civil Service Pension Scheme; ii) others can join a defined contribution pension scheme with NEST; iii) or the Trust will make contributions to the employee's choice of provider. Contributions to each pension scheme are shown in note 6.

Civil Service Pension Scheme

As part of their transfer arrangements from the MOD, some of the staff members of the Trust remained as members of the Civil Service Pension Scheme under the New Fair Deal Policy. This is a non-statutory policy that sets out how pensions issues are dealt with when staff are compulsorily transferred from the public sector to independent providers delivering public services.

The Civil Service Pension Scheme (CSPS) is an unfunded multi-employer defined benefit scheme and therefore as long as the required employer (and employee) contributions are paid over each month there is no further liability on the employer in respect of pension benefits for members. Under its Admission Agreement, the Trust has no share of the underlying assets and liabilities.

The scheme actuary valued the CSPS as at 31st March 2020. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation at <http://www.civilservicepensionscheme.org.uk/about-us/resource-accounts/>

For 2023/24, employers' contributions of £43,627 (2023: £47,651) were payable to the CSPS at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands.

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2023/24 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Other pensions

Staff members who joined the Trust after 1 April 2018 have the choice of joining NEST, or having employer and employee contributions made to their own existing private pension. Either way, the Trust will make a contribution of 8% of pensionable earnings if the employee contributes 5%. Employers' contributions of £61,227 (2023: £44,873) were paid to other pension providers.

Contributions due to the pension providers at the balance sheet date were £3,414 (2023: £8,150). Contributions prepaid at that date were £nil (2023: £nil).

14a Analysis of net assets between funds (current year)

	General	Designated	Restricted	Total funds
	£	£	£	£
Net current assets	282,007	-	16,407,736	16,689,743
Long term liabilities	-	-	(13,754,148)	(13,754,148)
Net assets at 31 March 2024	282,007	-	2,653,588	2,935,595

14b Analysis of net assets between funds (prior year)

	General	Designated	Restricted	Total funds
	£	£	£	£
Net current assets	87,000	(19,000)	8,623,177	8,710,177
Long term liabilities	-	-	(7,064,610)	(7,064,610)
Net assets at 31 March 2023	87,000	(19,000)	1,558,567	1,645,567

15a Movement in funds (current year)

	at 1 April 2023	Income & gains	Expenditure & losses	Transfers	At 31 March 2024
	£	£	£	£	£
Restricted funds:					
MOD - £10M Covenant Fund					
MOD - £10M Covenant Fund Central Fund	316,551	10,630,648	(10,671,668)	187,360	462,891
LGBT+ Community Programme	200,000	231,818	(217,218)	(214,600)	0
Impact Hub (formerly Outcomes Measurement Framework)	16,416	-	-	(16,416)	0
Veterans Trauma Network	94,790	-	0	-	94,790
Evaluation of Covenant Fund programmes	47,627	-	-	-	47,627
Small grants research	4,495	-	-	-	4,495
HMT - £10M Veterans' Mental Health and Wellbeing Fund		3,000,000	(3,001,209)	1,209	0
HMT - £10M Veterans' Mental Health and Wellbeing Fund Central Fund	319,161	-	-	(8,649)	310,512
Social Prescribing for the Armed Forces community	7,257	-	-	(1,209)	6,048
Evaluation of Veterans' Mental Health and Wellbeing Fund programming	283,922	-	(76,488)	-	207,434
NAAFI Fund	77,498	-	(80,021)	2,523	0
Afghanistan Veterans' Fund	134,392	-	-	(39,346)	95,046
Headfit	14,738	169,394	(230,171)	46,039	0
OVA Homelessness Fund		8,050,486	(7,478,231)	(298,920)	273,335
OVE Mobility Funding		3,000,000	(2,571,033)	(220,884)	208,083
OVA Veteran Employment Enhancement Fund		2,300,000	(2,002,700)	(210,000)	78,156
Evaluation of the Fund in 24/25 OVA Career Development Fund				210,000	210,000
OVA Capital Homelessness Funding		2,000,000	(1,635,833)	(286,011)	78,156
Evaluation and Learning activities OVA Capital Refurbishment Fund				286,011	286,011
National Spitfire Project					0
MOD Invictus		215,000	(213,793)		1,207
MOD Families Fund	41,720	4,715,000	(4,380,515)	(150,533)	225,672
Evaluation of the Service Pupil Support Programme				100,533	100,533
Evaluation of the MCN Hubs (Supporting Partners)				50,000	50,000
Refunds from previous years			55,267		55,267
Other funds			(229,862)	79,043	(150,819)
Programme evaluation & research			(483,258)	483,258	0
Total restricted funding	1,558,567	35,553,231	(34,458,210)	(0)	2,653,588
Unrestricted funds					
Designated funds:	0	0	0	0	0
Total designated funds	0	0	0	0	0
General funds	87,000	195,007		0	282,007
Total unrestricted funds	87,000	195,007	0	0	282,007
Total funds	1,645,567	35,748,238	(34,458,210)	(0)	2,935,595

15b Movement in funds (prior year)

	at 1 April 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2023 £
Restricted funds:					
MOD - £10M Covenant Fund					
MOD - £10M Covenant Fund Central Fund	(17,983)	10,416,450	(9,893,916)	(188,000)	316,551
LGBT+ Community Programme				200,000	200,000
Outcomes Measurement Framework	55,818	-	(39,402)	-	16,416
Veterans Trauma Network	161,518	-	(6,728)	(60,000)	94,790
Evaluation of Covenant Fund programmes	47,627	-	-	-	47,627
Small grants research	70,000	-	-	(65,505)	4,495
Programme evaluation and research	-	-	(125,505)	125,505	0
HMT - £10M Veterans' Mental Health and Wellbeing Fund					
HMT - £10M Veterans' Mental Health and Wellbeing Fund Central Fund	828,551	-	(509,390)	-	319,161
Social Prescribing for the Armed Forces community	42,532	-	(35,275)	-	7,257
One Is To Many evaluation	-	-	-	-	-
Evaluation of Veterans' Mental Health and Wellbeing Fund programming	368,730	-	(72,808)	(12,000)	283,922
HMT - £3M Veterans' Community Centres Fund					
Programme evaluation & research	33,246	-	(33,246)	-	0
NAAFI Fund					
OVA Homelessness Fund	21,208	917,183	(860,893)	-	77,498
Afghanistan Veterans' Fund	-	499,471	(499,471)	-	0
Headfit	192,196	-	(57,804)	-	134,392
MOD Families Fund	603	15,130	(995)	-	14,738
Total restricted funds	1,804,046	15,600,234	(15,845,713)	-	1,558,567
Unrestricted funds:					
Designated funds					
Total designated funds	-	-	-	-	0
General funds					
Total unrestricted funds	104,692	1,308	(19,000)	-	87,000
Total funds	1,908,738	15,601,542	(15,864,713)	-	1,645,567

15 Movements in funds (continued)

Purposes of restricted funds

Covenant Fund: The Covenant Fund is delivered by the Armed Forces Covenant Fund Trust. It has £10M a year to fund projects that support the Armed Forces community and delivers programmes that align to four core themes of: Removing barriers to family life; Extra support after service for those that need help; Measures to integrate military and civilian communities and allow the Armed Forces community to participate as citizens; and Non-core healthcare services for Veterans.

LGBT+ Veteran Community Capacity Building

As permitted under the terms of Covenant Fund agreement, the Trust set aside this fund to support transformational approaches to developing support and capacity within the LGBT+ Veteran community.

Veterans' Mental Health and Wellbeing Fund: In the Autumn Budget 2018, the Chancellor of the Exchequer announced £10M to support Veterans' Mental Health and Wellbeing needs. The Veterans' Mental Health and Wellbeing Fund has two programmes: the Positive Pathways programme, and the Strategic Pathways programme. Grants were awarded during 2019/20 to projects which will be monitored over three subsequent years.

The NAAFI Fund makes grants to UK Armed Forces bases, located in the UK or overseas, for projects that improve the quality of life for serving personnel and serving families living on or near a Forces base or station. The NAAFI Fund comes from funding made available by the Navy, Army and Air Force Institutes (NAAFI). The Armed Forces Covenant Fund Trust is administering the NAAFI Fund on behalf of NAAFI.

Afghanistan Veterans Fund: The Trust delivered the £5M Afghanistan Veterans Fund which supports projects for Veterans affected by recent conflicts on behalf of the Office for Veterans' Affairs.

Supporting Armed Forces in Acute Hospitals: This programme supports a small number of pilot projects that will try better ways of supporting Veterans and their families when they are in a hospital setting. The programme is jointly funded by the Covenant Fund (through the Armed Forces Covenant Fund Trust) and NHS England and NHS Improvement.

Evaluation of Covenant Fund Programmes are funds committed for this purpose but not yet spent.

Social Prescribing For The Armed Forces Community: Funded from Positive Pathways, the Trust has seconded an employee to Northumbria University to develop and deliver resources to support social prescribing for the Armed Forces and Veteran community.

Outcomes Measurement Framework: The Trust works with grantholders to gather impact data using the Outcomes Measurement Framework (also known as the Impact Hub).

OVA Families Fund

The Trust distributes the Armed Forces Families Fund (AF3) on behalf on the MOD. This fund was created following the launch of the Families Strategy in January 2022.

Evaluation of the Service Pupil Support Programme

An external evaluation will be commissioned in 2024/5 to evaluate the impact of the Service Pupil Support Programme; which is part of the MOD Families Fund.

Evaluation of the Military Co-Worker Hubs

An external evaluation will be commissioned in 2024/5 to evaluate the impact of the Military Co-Worker Hubs. This evaluation will be conducted with funding from the MOD Families Fund.

OVA Homelessness Programme

The Trust is delivering funding on behalf of the Office for Veterans Affairs towards projects that contribute to the aims of the government's ambition to reduce Veteran homelessness and end rough sleeping.

OVA Mobility Fund

Following an announcement in the Spring Budget 23, the Government announced an additional fund to increase the service provided to Veterans. Using funding from the OVA, grants were awarded in 2023/4 to support programmes of work which will contribute to the Government Veterans' Strategy Action Plan ambition to reduce Veteran homelessness.

OVA Veteran Employment Enhancement Fund

Following an announcement in the Spring Budget 23, the Government announced an additional fund to increase the service provided to Veterans. Using funding from the OVA, grants were awarded in 2023/4 to support programmes of work which will contribute to the Government Veterans' Strategy Action Plan ambition regarding Veteran employment.

OVA Capital Homelessness Funding

Following an announcement in the Spring Budget 23, the Government announced an additional fund to increase the service provided to Veterans. Using funding from the OVA, grants were awarded in 2023/4 to support programmes of work to reduce Veteran homelessness through providing more homes for Veterans.

OVA Capital Homelessness Fund Evaluation and Learning activities

A designated budget to deliver evaluative activities relating to the capital funding programmes that will increase homes for Veterans.

National Spitfire Project

Management of funding on behalf of HM Government to support the construction of a memorial to the Spitfire on the Southampton waterfront, in recognition of the individuals who built and flew the aircraft in the Second World War; awarded through grants.

MOD Invictus

Management of funding on behalf of HM Government to activities to further the development of the proposals for the UK to host the 2027 Invictus Games, awarded through grants.

HeadFit

Management of funding on behalf of HM Government to host, maintain and develop the HeadFit website.

Transfer Narrative

£2,523 was transferred from Naafi to the Armed Forces Covenant Fund in final adjustment of support costs prior to the fund being returned to NAAFI. Additionally, £592 was transferred from VPPP to the Armed Forces Covenant Fund due to support cost amendments. A transfer of £1,209 was made from NSFP to the Armed Forces Covenant Fund for the same reason.

A transfer of £46,039 was made from Headfit to the Armed Forces Covenant Fund, relating to the allocation of support costs for the former. Moreover, £36,346 was moved out of other support costs to the Afghan Programme to reflect costs associated with that fund.

There was also an expenditure of £31,048 from (now Impact Hub) , split between OMF designated and the Armed Forces Covenant Fund according to each fund's contribution, with £16,419 allocated to OMF and £14,632 to the Armed Forces Covenant Fund respectively.

Transfers were also made from Programme Evaluation and Research, including £150,533 from the Families Fund into Evaluations. These reflect the evaluation committed by the March 2024 grants committee. Another £210,000 was allocated towards OVA Mobility Fund as per the same committee's decision in March 2024. At the same meeting, trustees agreed on Evaluation and Learning activities for the OVA Capital Refurbishment Fund. This is reflected in the transfer of £286,011 from the OVA Capital Homelessness Fund to Evaluation and Learning activities for the OVA Capital Refurbishment Fund.

The Homelessness Fund saw a transfer of £298,920 for the Alama Evaluation and £220,884 for the Edge Evaluation. A designated balance of £214,600 was returned to the Covenant Fund from the LGBT+ Community Programme designation as the intended programme was eventually funded by OVA. The final balance of £36,546 on Programme Evaluations & Research was returned to the Armed Forces Covenant Fund to close.

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

	2024	2023
	£	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	1,290,028	(263,171)
Dividends, interest and rent from investments	(195,007)	(1,308)
Increase/(decrease) in debtors	(7,187,394)	1,198,080
(Decrease)/increase in creditors	12,569,898	(3,831,742)
Net cash provided by operating activities	6,477,525	(2,898,141)

17 Legal status of the Trust

The Armed Forces Covenant Fund Trust is an unincorporated Trust governed by its trust deed dated 7th February 2018. The Trust has a sole corporate Trustee, Armed Forces Covenant Fund Trustee Limited, company number 11185188. In 2019 the Trust commenced discussions with MOD and Cabinet Office in relation to the Trust becoming a Non Departmental Public Body, this status was confirmed with effect from 1st April 2019.

On behalf of The Armed Forces Covenant Fund Trust we would like to thank all the projects for contributing to this publication.

www.covenantfund.org.uk

Awarding grants that support the Armed Forces community

Armed Forces Covenant Fund Trust | Chair: Hans Pung Chief Executive: Anna Wright

The Armed Forces Covenant Fund Trust Limited (CRN11185188) acting as the trustee of the Armed Forces Covenant Fund (CC1177627)

Registered Address 3rd Floor, 3 Wellington Place, Leeds, LS1 4AP | info@covenantfund.org.uk

ARMED FORCES COVENANT FUND

England & Wales - Charity number 1177627

Accounts



||| THE ARMED FORCES
COVENANT FUND TRUST

Annual Report and Accounts 2022/23





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An introduction from our Chair of Trustees, Helen Helliwell



This has been another busy year across the Trust, where we have delivered significant programmes through five distinct Funds that are driving change and improvement to the lives of people within our Armed Forces communities. Working in collaboration with government, our grant holders and the wider Armed Forces charitable sector, we have supported sustainable, long-term change.

Working for the first time with the Children's and Families' team within the MOD, we have delivered over £3.5 million to projects that meet the aims of their Families' Strategy. This includes grants supporting Service children in education, grants towards developing high quality outdoor learning environments for the youngest children, and grants towards finding new ways to offer better support to the partners of our serving personnel.

We have continued to work with the Office for Veterans' Affairs, managing the 51 grants awarded in 2021/22 under the Afghanistan Veterans' Fund. The Afghanistan Veterans' Fund sought to increase capacity in services and initiatives that offer supportive comradeship, engagement and wellbeing efforts for those in the Armed Forces community impacted by events in Afghanistan, and the wider veterans' community. These grants are delivering projects designed to improve wellbeing, resilience and promote good mental health. They respond to increased needs in veterans who have served in Afghanistan and other recent conflicts, and the wider veterans' community, and are reaching a significant number of veterans and importantly their families and carers too.

Over the past three years we have worked with Royal NAAFI to establish the NAAFI Fund, funding projects supporting our Armed Forces personnel located across the globe. We are delighted to have helped to develop the NAAFI Fund, which from April 2023 will be delivered directly by our colleagues at Royal NAAFI. Between March 2021 and August 2022, we made 250 awards worth more than £2.7 million. This year the NAAFI Fund has awarded 80 grants, with 30 awarded to overseas projects, which have had a focus on being healthier and active off duty and during time with families. More than ever, there is an increased desire for sociable outside spaces with Armed Forces bases and units wanting to create, refurbish and improve.

Collaboration is at the core of what we do. Nowhere has this been more evident than in the delivery this year of projects under the Veterans' Mental Health and Wellbeing fund, where major projects which were awarded grants in the previous financial year have been delivering innovative and much needed work. Ten portfolio projects throughout the UK have been expanding the reach of support to veterans and their families, offering safe places in their local area where they can access help and treatment that supports their mental health needs. They have ensured that the people supporting veterans through these projects, both paid staff and volunteers, can access good quality training and are equipped to better connect veterans into appropriate pathways and wider support networks. There is evidence of strong collaboration among the portfolios, with a 20% growth in the numbers of organisations engaging in partnership activity and delivery.

The work achieved through the One Is Too Many grants that seek to reduce suicide risks in veterans is continuing to deliver strong outcomes. We will publish the external evaluation in Autumn 2023 and it will provide recommendations to help improve health outcomes and reduce determinants of poor mental health for military veterans.

At the heart of our work is the Covenant Fund. With the twin challenges of emerging from the Covid pandemic and cost-of-living pressures impacting on Armed Forces communities, the Armed Forces Covenant Fund Trust engaged with the wider community to help shape our funding programmes for the year. We offered flexible small and medium grants to projects aiming to reach vulnerable Armed Forces communities and help to respond to cost of living challenges being faced within the Armed Forces charity sector and the communities they support.

“At the heart of our work is the Covenant Fund. With the twin challenges of emerging from the Covid pandemic and cost-of-living pressures impacting on Armed Forces communities, the Armed Forces Covenant Fund Trust engaged with the wider community to help shape our funding programmes for the year.”

Our Transformational Grants programme awarded 10 grants of around £300,000 each to address specific and pressing challenges within the Armed Forces community. Each of the projects supported targets specific groups within the Armed Forces community to deliver systemic change long-beyond the initial work funded under this programme. The funded projects were able to demonstrate the added value that joined up working will bring and how this will shape their work and the positive outcomes for their beneficiaries.

The projects supported in the Transformational programme varied widely, from reducing barriers faced by female veterans, to supporting veterans with addiction and mental health problems. Some projects targeted Service children and young people, seeking to improve educational outcomes, while others support and empower young carers within the Armed Forces community. We look forward to reporting on the progress of these ambitious and important projects.

As we look to the year ahead, we will continue to deliver impact. We will keep learning from the grants we have awarded and will keep listening, with the launch of a major consultation in summer of 2023 to shape how we spend the Covenant Fund from 2024-2027.

I hope that you enjoy reading this report, and of course you can find much more about our projects and their evaluation on our website. Once again, a huge thank you to our Chief Executive, Anna Wright, our three Directors, Sonia, Carol and Liz, and the teams with which they lead who work tirelessly on our behalf to celebrate, nurture and support the lives in our Armed Forces community.



What we do

The Armed Forces Covenant Fund Trust (the Trust) is a grant making organisation that funds projects that support the delivery of the Nation's Covenant promise to our Armed Forces, their families, and veterans.

Our Vision is a thriving Armed Forces community that is valued and supported within our society.

We are a charity and are classified as a Non-Departmental Public Body, or NDPB. We look after the Armed Forces Covenant Fund, worth £10 million each year; and we work with HM Government to run other funding programmes that have a positive impact on Armed Forces communities.



"Belonging to the AFC for the last 25 years has really opened my eyes to the needs people, just like me, are facing daily. When I read the reports that come in from successful grant holders and they share case studies, it genuinely warms my heart to see the difference a project has made to the lives of those in my community."

Kerry Newham, Grants Officer

We're inclusive

All our grants are awarded through specific funding programmes. Each programme has an aim, which describes the change or impact that we would like the funded projects to achieve. We develop our funding programmes based on evidence of challenges that people within the Armed Forces community face, and where we think that funding from us would be able to make a significant difference to the problem.

We offer support depending on the types of outcomes that we are trying to achieve through the programme. This might include access to our Impact Hub to help organisations gather better data on the impact that their work is having. We can also offer access to mentors, or support grant holders to engage with each other via digital platforms, to help them share ideas, solve problems and learn from each other's work.

We're fair

We make grants carefully and fairly, publishing open and transparent programme guidance, which sets out how we will assess the applications we receive and what we are looking for from a 'good' application. Applications are assessed by our experienced Grants Team using standardised forms and processes to ensure equity amongst our applicants and an inclusive grant making process.

We're collaborative

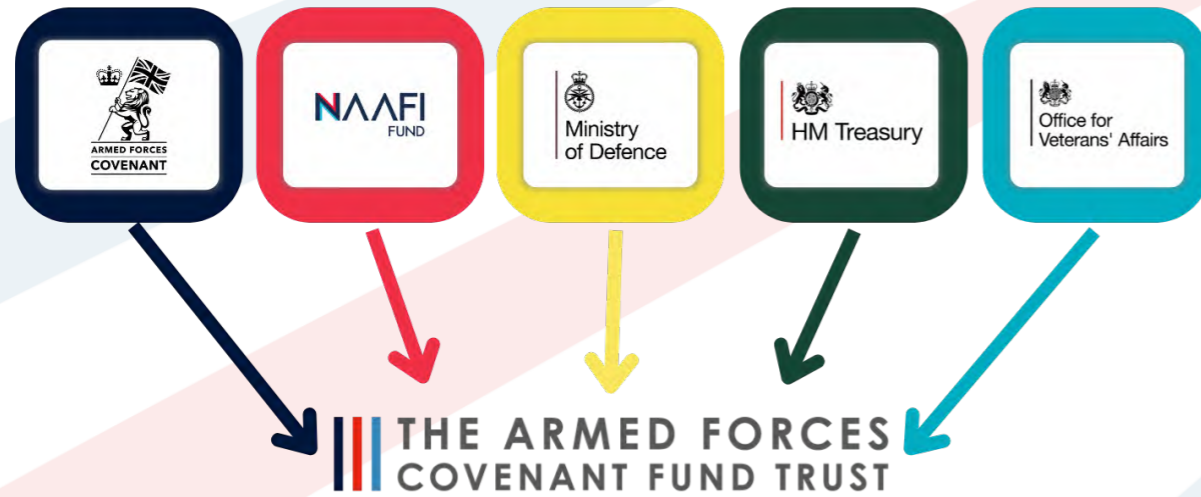
We work with partners in Government and in the charity sector to develop our programmes. We collaborate with others to design grant making programmes that organisations can apply to; enabling them to run projects that bring solutions to significant challenges.

We care about the impact of the grants that we fund and ensure that the grants we make do give clear and sustained benefits to Armed Forces communities. We also share the learning from grants that we've made, particularly through our Knowledge Network, reporting and via open webinars.



The Funds 2022/23

Our funders:



£14M+
awarded
in 2022/23

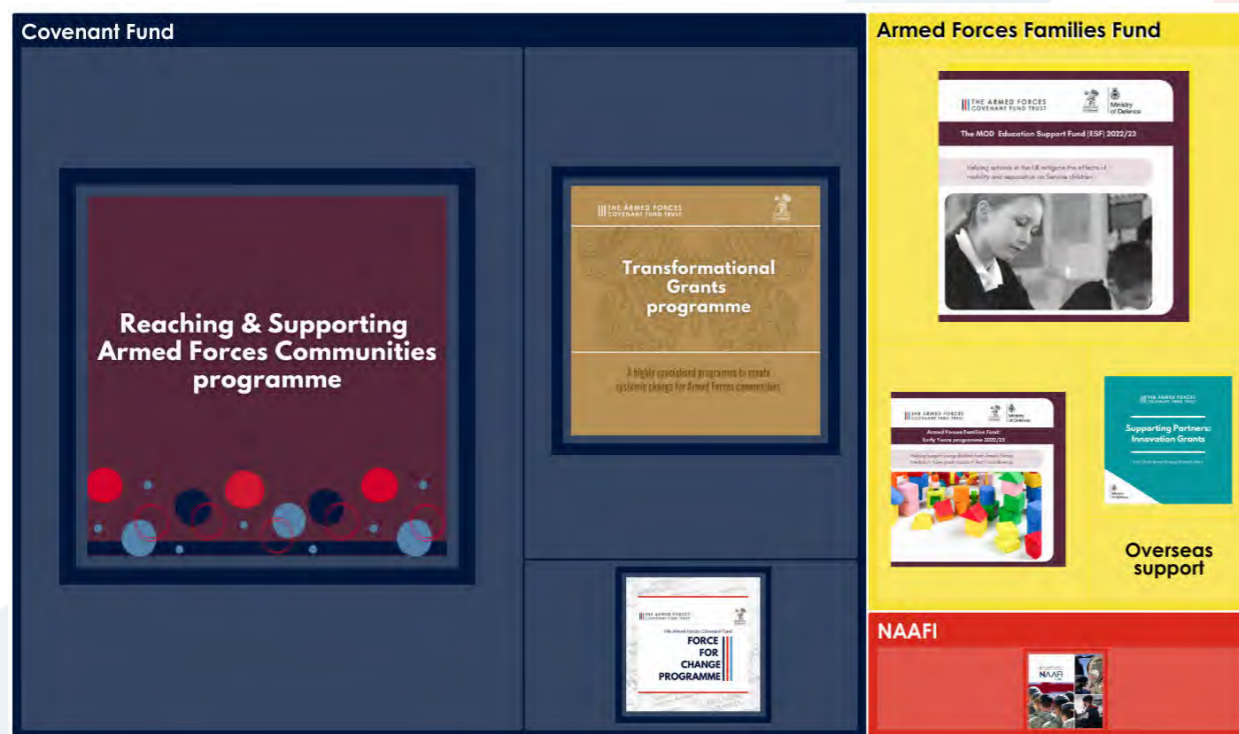
342
awards
made

900+
awards in grant
management



Continued delivery of programmes featured in this report:

New funding awarded in 2022/23:



The Armed Forces Covenant Fund

With the twin challenges of emerging from the Covid pandemic and cost-of-living pressures impacting on Armed Forces communities; the Armed Forces Covenant Fund Trust engaged with the wider community to help shape our funding programmes for the year.

In January 2022, we launched an online survey to gather views from the Forces community, relating to funding our programmes. We explored the themes of grant size, grant length, impact and sustainability. The findings from this consultation helped to shape our Reaching and Supporting Armed Forces Communities and Force for Change programmes, which launched in April 2022.

The survey resulted in the highest ever response to a survey or consultation run by the Trust, with 465 responses. Responses were evenly split between people taking part as individuals (49%) and organisations (51%). Veterans and local charities had strong representation in the data.

Our survey showed overall support for grants in all size categories, particularly for small and, at the other end of the scale, very large grants. There was a very slight preference overall for smaller grants to enable more awards to be made.

Our respondents showed the strongest support for grants over a two-year period, and distinct views that the Trust should not fund projects less than a year in length. We listened to this feedback and under our Reaching and Supporting Armed Forces Communities programme, we've made grants of up to three years. Under our Transformational Grants programme, we offered five-year grants.

We undertook further consultation activity in May 2022, with a series of round table discussions to inform the development of our Transformational Grants programme. We launched this programme in July 2022.

These discussions highlighted that it was important for grants of up to five years to be offered; that projects should be highly specific; should work collaboratively across sectors; and that enabling projects to be transformational requires higher levels of resource.



Covenant Fund programmes delivered this year

The Force for Change programme

Under this programme we supported 101 projects with grants of up to £10,000 to support ideas that need small amounts of funding to deliver changes or improvements for Armed Forces communities. We awarded a total of £950,000.

We supported projects across the UK, ranging from gardening and woodworking projects, to sporting projects and community wellbeing projects; offering opportunities for members of the Armed Forces community to come together and connect with others.

A common theme we were keen to address through this funding was the continuing cost-of-living crisis. We've ensured that our funding programmes for next year will continue to address these challenges.

The Rhondda Hub for Veterans

"In finding stable accommodation for veterans who are ex-offenders, we are achieving two objectives — helping this often-neglected group of veterans turn their life around and helping the community by reducing re-offending."

-Annys Darkwa CEO/Founder of Rhondda Hub for Veterans CIO

The Rhondda Hub for Veterans were awarded £10,000 in October 2022 for their Housing as the Pathway Back project. This project supports veterans within the criminal justice system by promoting healthier lifestyles and providing suitable accommodation, to bring about a successful return to civilian life in the community; a reduction in re-offending; sustainable employment opportunities; continuity and an improved quality of life.

On release from prison, it's important for prisoners to have somewhere to live, otherwise they may be left to fend for themselves, which can be a recipe for re-offending. Housing as the Pathway Back assesses veteran prisoners prior to release and arranges a tenancy for them on the day of release.

They also refer the veteran to other local organisations to ensure any other needs they are facing are met and ensure they get the support they need. They offer veterans support with completing forms for benefits or other financial assistance; for driving licences, rail cards and replacement medals. The project deals with any problems that may arise with their tenancy or their benefits and encourages them to go on training courses and to take part in sport and local activities. This support continues throughout the veteran's tenancy.

"We are halfway through the project and are well on the way to meeting the target for finding tenancies that we set ourselves", said Annys Darkwa, who is in charge of the project.



Reaching and Supporting Armed Forces Communities

Under this programme, we awarded £6 million to 65 projects that address hidden or complex needs within Armed Forces communities, and where evidence has highlighted gaps in support and provision. Grants of up to £100,000 over a period of up to three years were made.

For exceptional projects, we made larger grants available, and we awarded an additional grant to two projects to help them achieve even more with their work.



Bulldog Veterans

Based at the Bulldogs Boxing & Community Development Centre Port Talbot, Bulldogs Veterans supports veterans to integrate into civilian life by supporting them to make positive relationships within the community. The project was awarded £90,000 in February 2023 to facilitate physical and mental health support, delivered through a multi-agency approach with NHS Veterans Wales, ChangeStep, Adferiad Recovery, SSAFA and DWP.

Project Manager Sam Fox said: "The Bulldogs has been referred to by several Armed Forces veterans as their 'Safe Place'. The funding received from the Armed Forces Covenant Fund Trust has and will continue to allow us to grow and to help Armed Forces veterans with their mental and physical wellbeing.

Our onsite First Point of Contact will be able to work with individuals to help them integrate back into civvy life and signpost them, and if needed, their family members to a network of close partnership organisations to help meet their needs as well as enabling us to provide a variety of wellbeing services and social activities to the Armed Forces Community."

Transformational Grants Programme

The Trust developed this programme to deliver systemic change, through long-term transformation, following consultation work we undertook with the Armed Forces charity sector.

This programme was heavily oversubscribed, and not all good ideas could be supported. We awarded 10 grants of up to five years in length, to address complex challenges and deliver sustainable change.

The Women's Royal Army Corps Association



The Women's Royal Army Corps Association were awarded £300,000 to deliver long-term systemic change for female veterans by working collaboratively across the Armed Forces charity sector. Long term, this project aims is to increase the uptake of veteran-focused services by female veterans, and significantly improve outcomes for women in areas including mental/physical health, employment, housing and financial stability.

The project will be delivered over three years and will focus on a number of outcomes to achieve enduring change. One of these will be the design and delivery of a Female Veterans Toolkit, which will be tri-Service and implemented across the UK.

Paula Rogers, Chief Executive at the Association, told us: "This funding allows us, in partnership with the Cobseo Female Veterans' Cluster Group, to take forward this much needed work designing and sustaining the provision of support services for all female veterans.

We will translate our strong understanding of the female veteran cohort to develop a toolkit tackling the key themes of mental and physical healthcare, pensions and financial advice, care provision, housing provision, employment services, self-identification as a veteran and combatting loneliness.

Working to deliver long term systematic change, we will ensure that the particular needs of female veterans are firmly embedded in the design and delivery of support services, thus diluting and, in time, removing the many barriers to access now identified through published research."

The funding awarded by the Trust has enabled the Women's Royal Army Corps and the Cobseo Female Veterans Cluster to work together to translate the Cluster's developed thematic plan into action and sustainable change is now possible. This work will ensure that female veterans will be visible across the charitable sector and their issues and needs will be better understood with support services designed to meet those needs.

The Transformational Grants projects

Brooke House £276,663: Transformational Nature-based Prescriptions

Brooke House will work with the Defence Gardens Scheme to deliver the Transformational Natural Prescriptions (TNP); with activities for veterans underway in all four nations of the UK.

The project will trial and evaluate new ways of providing evidence-based Nature Based Therapy (NBT) programmes for military veterans. The project aims to develop new future pathways to nature-based support for veterans, where this may make a significant difference to their recovery. Through this project they seek to better understand the impact and cost effectiveness for NBT programmes for veterans, and the role that NBT can play within future Social Prescribing Policy.

FearLess £297,750: The Military DVPP programme

This project provides transformational behavioural change support and skills for the perpetrators of domestic abuse (DA).

The project will work with Army Welfare and specialist children's and mental health organisations. They will develop a pilot approach in a community with a significant military population, which will enable perpetrators to address and stop their abusive behaviours and rebuild their lives and that of their family. The findings from this pilot project, which will be evaluated, will be shared more widely with the aim of developing better pathways of care in future for Armed Forces families.

The Children's Society £300,000: Young Carers Champions for Change

This project will work with young carers from the Armed Forces community to make significant long-term changes to how young carers within serving families can access support. The project will work directly with a group of young carers over the life of the project, who will bring their lived experience to build a deeper understanding of the specific challenges faced by young carers with Service families. They will develop resources that could lead to better future support for young people who provide care to others in their family. The project will disseminate the tools and learning from this project widely. This work will complement related provision for families already in place and bridge gaps between Forces families, Armed Forces Welfare Services, local authority and voluntary sector support and local young carers services.

Supporting Wounded Veterans Ltd £288,299: Transforming Negative Transition

SWV, working with HighGround, will develop new forms of support for veterans under 30 who have left the Armed Forces within the last five years and are experiencing additional challenges that could lead to long term negative outcomes.

They will look to develop mentoring, with an outdoor-focused approach that will lead them into land-based employment, which complements other forms of support on offer - particularly in the transition and post transition space. The first part of the delivery of this complex project will include detailed scoping and engagement work. Veterans will help to shape aspects of the project using their lived experiences.

Swansea University £299,971: Look Back to Move Forward

This project seeks to develop new and better ways of identifying and supporting veterans whose lives are impacted by harmful gambling.

The project will work with veterans to develop a new timeline-based assessment of harmful gambling, alcohol use and mental health. It will identify when in a veteran's Service journey their addictive and mental health challenges arose and help chart progress through treatment and support. This work aims to develop an assessment toolkit, which can be used in non-clinical settings to help veterans to identify when gambling has become harmful; and to support veterans to receive the right help.

Women's Royal Army Corps Association (WRACA) £300,000: Female Veterans Transformation Programme

This project aims to deliver long-term systemic change for female veterans by working collaboratively across the Armed Forces charity sector. It will develop good practice through a toolkit to reduce barriers for female veterans accessing services and ensure that specific needs of female veterans are considered in future service design. This project aims, in the longer term, to increase uptake of veteran-focused services by female veterans, and significantly improve outcomes for women in areas including mental/physical health, employment, housing and financial stability. Their work will encompass both newly transitioned and older female veterans.

RMA - The Royal Marines Charity £300,000: Building Collaboration and Consensus

Building on their earlier 'Lifting the Lid' project, this new work seeks to work collaboratively across the Armed Forces charity sector, to develop a Common Assessment Framework that helps identify the holistic needs of the beneficiary and their family.

This project will build on their findings from the One Is Too Many project and will also encapsulate the Northumbria University findings and recommendations from their narrative study. An agreed Common Assessment Framework will enable earlier interventions as well as identify those at risk of suicidal thoughts or feelings; and ensure that veterans can get the right help when they need it.

The project will build collaborative partnerships across organisations supporting the veteran community. Through sharing data, current best practice and evidence-based findings with partners, they intend to develop a consensus and a template that can be used to fully understand the complexity of need and support veterans through earlier intervention, enhancing positive outcomes and promoting recovery, belonging and purpose

Naval Children's Charity £299,569: Thriving through childhood and beyond

This project, delivered in partnership with The Service Children's Progression (SCiP) Alliance will deliver tri-Service benefits for all Armed Forces families with children in Early Years education or higher education.

It builds on the Alliance's earlier work, which developed the Thriving Lives Toolkit - widely used to support improved educational outcomes for Service pupils in primary and secondary education. It will develop and share further toolkits for younger and older age groups and ensure wide reach throughout the UK. They will develop a coherent quality standard for the entire sector and create a rigorous evidence base for policy and practice development.

RNRMC £300,000: Strengthening Families: Neuro-diversity

This project will work with Armed Forces families who have neuro-diverse children, where their needs may be hidden and the support that they receive can be experienced as inconsistent.

It will transform the way Royal Navy and Royal Marine families are supported, by developing a 'community of experience', peer-to-peer support, navigation, practical support backed by a collaborative partnership using knowledge, evidence and the lived experience to drive ongoing, enduring improvement. They will work with others to share the learning of their work, especially where this can help to improve outcomes for neuro-diverse children within the wider Service community.

Tom Harrison House £300,000: Female Veterans Project

The grant will support a pilot project designed to lead to better treatment and care for female veterans with addictions. This project will test new models for engagement and support and will inform the development of new health services for female veterans. In the longer term, this project aims to make a significant contribution to the understanding of specific issues that affect female veterans' recovery from addiction; and will develop good practice that will be shared more widely.



The Naval Children's Charity

The Naval Children's Charity were awarded £299,568 for their 'Thriving through childhood and beyond' project, which will be delivered in partnership with The Service Children's Progression (SCiP) Alliance to bring tri-Service benefits for all Armed Forces families with children in early years education or higher education.

This project builds on the Alliance's earlier work, which developed the Thriving Lives Toolkit - widely used to support improved educational outcomes for Service Pupils in primary and secondary education. It will develop and share further toolkits for younger and older age groups and ensure wide reach throughout the UK. It will also develop a coherent quality standard for the entire sector and create a rigorous evidence-base for policy and practice development.

Clare Scherer, Chief Executive of the charity, said: "We are deeply grateful to the AFCFT for their support of this important work. For children whose parents have made the choice to serve in the Armed Forces there can be a number of challenges. It is vitally important that we find ways to support them and extending the SCiP Alliances Thriving Lives Toolkit to those all-important early years and into further and higher education will strengthen that support significantly."

Clare added: "The development of the Thriving Lives project to Early Years and Further/Higher education will greatly enhance the support that schools, nurseries and educational establishments can offer to children and young people. As an organisation dedicated to providing support to Naval children and young people in times of crisis and throughout their lives as they deal with the impact and potential disadvantages that can come with their parent's life in Service, we will find it invaluable to support this toolkit for professionals. By providing the toolkit, the children and young people will receive enhanced support through their schools and establishments, identify any issues early and help them to find the support they need proactively, thus preventing issues and problems from escalating."



Continued Support of Covenant Fund Awards in Grant Management

Tackling Serious Stress in Veterans, Their Families and Carers

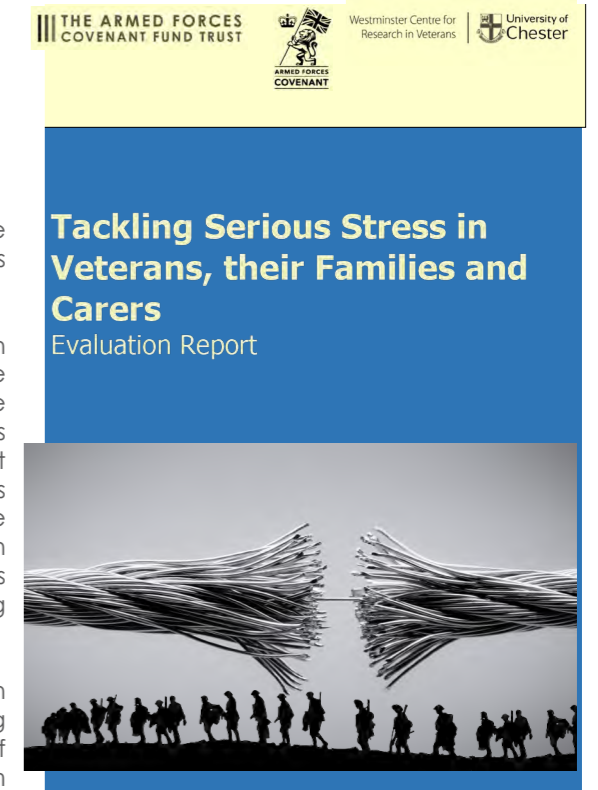
In 2019, the Trust designed and delivered an innovative programme with £4 million in funding aimed at tackling serious stress in veterans, their families and carers.

The programme launch started with an open consultation and in total seven key organisations were funded. These organisations offered coverage of the whole UK and were required to bring together a portfolio of delivery organisations experienced in supporting the veteran community. Throughout the life of the grant there were regular collaborative webinars aimed at sharing learning and best practice so as to capture impact and create true value for investment. Collaboration was key amongst all grant holders in the programme, as was the commitment to question, learn and share findings along the way.

The University of Chester evaluated the programme in real time, working with grant holders to develop a strong collaborative process. The programme offered new ways of working, incorporating a mix of interventions ranging from psychotherapeutic actions such as Cognitive Behavioural Therapy, group activities, social prescribing events such as Equine Therapy, mentoring and educational courses, as well as practical support with a range of issues such as housing, addiction and employment.

Our independent evaluation of this programme has shown that the projects delivered significant benefits for veterans while offering good value for money.

The mixture of different intervention options including psychotherapeutic, social prescribing and practical support produced significantly positive results. The evaluation has shown that veterans who took part in the projects funded by the programme were effective in reducing reported depression, anxiety and alcohol misuse. Veterans also benefited from improved health and wellbeing. Through addressing complex needs, veterans and their families were supported back into employment and could make improvements to their lifestyles and quality of life, physical, mental health and wellbeing.



"It's a privilege to read the case studies of those impacted by the funding, and to be a part of making a difference to the Armed Forces Community that I too belong to."

Rachael Storr, Grants Officer

Supporting Armed Forces in Acute Hospital Settings

Jointly funded by the Covenant Fund (through the Armed Forces Covenant Fund Trust) and NHS England and NHS Improvement, the Supporting Armed Forces in Acute Hospital Settings programme supports a small number of pilot projects trying better ways of supporting veterans and their families when they are in a hospital setting.

Applications were open to hospitals that could show they had already worked with others to improve support for veterans who access their services. Almost £2 million was awarded to 17 projects across the UK - 12 NHS Trusts in England, two in Wales, two health boards in Scotland and one organisation in Northern Ireland - with hospitals creating a role of Armed Forces Advocate to provide additional support and co-ordinate services and organisations' involvement.

From the pilot programme, it has emerged that the different projects around the UK focus on the needs specific to their regional areas, resulting in several different models being delivered.

During 2022/23, we held a well-received webinar focusing on the key progress made through the Acute Hospitals programme. The webinar provided an update on some of the latest emerging data and trends from the programme, as well an opportunity to hear from four of the funded projects. You can access the webinar recording on our website: www.covenantfund.org.uk

"Coming from the Armed Forces community myself, being a part of a project such as the Acute Hospitals Programme is so rewarding seeing the difference the support on offer is having on our Armed Forces community within the hospital setting. To be able to support our Veterans at a time in their lives where they need us the most is the biggest 'thank you' for their service that we could possibly give and that is something I'm incredibly proud of within my line of work".

Gemma Calvert, Project Officer

The Somme Nursing Home

A different approach was taken to support veterans living in Northern Ireland.

The Somme Nursing Home were awarded £120,000 to establish an out-of-hours help and advice line manned by a suitably qualified and experienced person, who can advise on holistic support services available throughout NI to the veterans' community.



The Veterans' Advice Line for Statutory Professionals (VASP) went live in June 2022 and continues to grow, with continuous promotion to organisations such as the police, dentistry and criminal justice system. As of March 2023, VASP has received 363 calls raising 521 queries. This has led to 655 signposts to further information and pathways.

Top issues so far have included mental health, physical injury and information about what services are available. In many cases, the VASP Project Manager, funded through the Acute Hospitals programme, advocates for the individual callers to the relevant service or organisation as, due to poor mental or emotional health, the callers are unable to complete referrals for themselves.

Mark Ewing, Project Manager, tells us: "The VASP Service has enabled veterans to obtain Service-related pensions, grants and state benefit entitlements, which they were otherwise unaware of, as well as signposting veterans to a range of other support services."

So far, Mark has delivered 37 outreach events which lead to a further 151 individuals being signposted to further support.

James Paget University Hospitals NHS Foundation Trust

The James Paget University Hospitals (JPUH) NHS Foundation Trust were one of the recipients of this funding and recruited Chris Blyth as their dedicated Armed Forces Advocate. The project focus was to support inpatients who are members of the Armed Service community, offering and sourcing additional support to those who need it on discharge. However, during development, they soon found the service could offer a lot more.

JPUH now identifies veterans as part of the inpatient booking in process to ensure they receive appropriate care. Admission reports are generated daily and shared with the Armed Forces Advocate. In addition, posters encouraging patients to self-identify are displayed around the hospital and every ward has a copy of the Armed Forces Advocate's contact details.

More than 225 Armed Forces community patients have been identified so far and over 60 referrals have been made for further support to 20 different support organisations. More than 20 patients and family have been supported by Armed Forces Advocate, including follow up appointments after discharge.

The support the project offers has been wide ranging, from hosting coffee mornings to combat loneliness, to securing emergency funding on patients' behalf and helping with housing problems. The project has reached out beyond the hospital patients into Armed Forces communities, with the hospital as the centre point. JPUH have developed a website which forms a 'one stop shop' providing information about the support available. They hand out information and welfare packs and have trained over 750 staff members in supporting the Armed Forces community.

The programme has highlighted that support for veterans in a hospital setting is much needed. The assumption is that people know where to go to access services, often this isn't the case. A lot of support organisations now operate online only, many veterans are elderly and struggle to access online only services.

Isolation is one of the biggest issues they have identified. Many veterans feel isolated and want opportunities to talk to like-minded people. The Armed Forces Advocate hosts regular coffee mornings at



the hospital which help bring people together and combat loneliness. They also signpost to other local organisations who run befriending programmes.

The Armed Forces Advocate has developed good links with partner organisations and is able to signpost patients to the most useful services available to them, often advocating on the patients' behalf and ensuring they receive the support they need quickly. Chris is a member of all Royal British Legion branches in their area and has a direct line of contact with all their welfare officers. He can put patients in touch with the relevant welfare officer who can then provide much needed support. Chris also works closely with Walking With The Wounded, Red Cross and many local/community support organisations.

Following successful funding from the Trust, Betsi Cadwaladr University Health Board (BCUHB) has established the North Wales Veteran Healthcare Collaborative (NWWHC) to improve NHS care for the Armed Forces community across North Wales; trying out new and innovative approaches.

The project has achieved several successes since the appointment of their dedicated Armed Forces Advocate, Zoe Roberts in April 2022.

BCUHB has established a dedicated information hub for all staff members outlining available support for the Armed Forces community to ensure they are not disadvantaged in terms of access to healthcare. They have also communicated a wealth of information to the patient population of North Wales about accessing appropriate veteran healthcare services.

Ahead of Remembrance day, BCUHB implemented a new process to identify patients from the Armed Forces community on admission. The Poppy Programme ensures that all patients are asked whether they have served in HM Forces and their Armed Forces status is recorded on the hospital's electronic Patient Administration System. Those Armed Forces community patients who are admitted into hospital will have a palm-sized poppy magnet placed at their bedside to ensure

they receive appropriate onward referral to external veteran support services before they are discharged. Having started with a pilot on the Surgical Assessment Unit (SAU), the Poppy programme is now set to be implemented across all acute admission areas across the health board.

The health board's three acute hospitals: Wrexham Maelor, Ysbyty Glan Clwyd and Ysbyty Gwynedd, recently received accreditation as 'Veteran Aware' hospitals from the Veteran Covenant Healthcare Alliance (VCHA). This accreditation recognises that they are raising veteran awareness, identifying veterans being referred for treatment, and striving to improve the recruitment and retention of veterans across the health board's workforce.

The health board's Armed Forces Lead, Zoe Roberts, said: "I am delighted to be the VCHA pathfinder for Wales. Leading the health board through the VCHA accreditation process and achieving 'Veteran Aware' status for our hospitals, makes me so proud.



"Knowing that the work we are doing within BCUHB and across North Wales is positively impacting the lives of the AFC members makes me truly happy. Becoming Veteran Aware accredited will ensure that those who serve, or who have served within our Armed Forces, including their families, will feel appropriately supported and allow us as a health board, to offer some much-deserved recognition for their Service to our country."

In February 2021, we awarded 60 grants through the Tackling Loneliness programme. These were fixed grants of £70,000 for a two-year period, that sought to reduce social isolation in Armed Forces communities. The projects were all working with traditionally 'harder to reach' groups of beneficiaries, to encourage more people to engage in their community, access services and provision and build stronger networks with peers, support organisations and service providers.

We commissioned an external evaluation of this programme with Neighbourly Lab, the Campaign to End Loneliness and the King's Centre for Military Health Research, and this showed that the programme has been successful in meeting its aims.

Tackling Loneliness projects have just completed their third progress report and are on track to have completed spending their two-year funding by the end of April 2023. Reporting shows how socio-economic, cultural and mental barriers are being addressed through this diverse range of projects across the UK and providing effective support to those most vulnerable veterans.

Across the total number of projects, 47% have put plans in place to continue popular activities beyond

the life of the award. One example of this is Help for Heroes, who are developing a standalone 'Buddy Scheme' following a pilot they conducted during the original award in Wales - with the aim of rolling out a sustainable service across the UK beyond the life of the continuation project.

The Trust ran an experimental programme, offering additional tapered grants to eligible grant holders, to support longer term impact. We offered a small grant towards an additional year of activity, with a requirement for match funding. 19 continuation grants were awarded.

Kent Coast Volunteering committed to working alongside the Folkestone Nepalese/Ghurka community. Their positive outcomes include beneficiaries openly celebrating their customs and practices within the wider Folkestone community, by wearing traditional attire - something they did not feel comfortable doing before engaging with the project.

They are looking at future income generation to sustain the project further and have recruited a qualified English teacher to support beneficiaries in learning English (language was identified as a barrier to integration).



Hull FC Community Foundation

Hull FC Community Foundation's project, 'Part of the Team', utilised personal development, social, and wellbeing activities for members of the Armed Forces and their families to reduce isolation and loneliness. The project involved a three-dimensional, community-based approach aimed at helping those veterans who were struggling with loneliness and isolation as well as other comorbid issues to receive bespoke support to help reduce isolation and loneliness.

To help illustrate the impact of this project, James Price, Head of Hull FC, Community Foundation shared this story with us:

Barry *, an 83-year-old veteran, found out about the programme 'Part of the Team', through the Foundation's work with the Armed Forces Community Hub in Hull. He attended the weekly coffee morning and cook house sessions, as well as volunteering.

Upon meeting Brian, the Foundation learnt that he had been extremely affected by the Covid pandemic. Like a lot of people, he found himself isolated during the pandemic and sadly lost his wife to Covid-19 after a short stay in hospital.

Barry* said of the project: "My whole world changed when I lost my wife, so I started attending the veteran's coffee mornings every Wednesday which has really helped me with my mental health. I guess it fills a gap in my life. Without the veteran's coffee mornings, I'd be sat about at home doing nothing. It's good to speak to other veterans and hear their stories, I've made new friends at the coffee morning and its now one of the highlights of my week. Cook house has been great, and I can't thank the Foundation enough for the support they have given me to be involved. I love cooking, and updating my qualifications has been good too. I even cooked for some of the players which was great. I love being able to plan menus, teach other veterans to cook and feel great seeing some people take food away from the sessions and knowing they will be having a good meal that night. I'm so happy the Hull FC can continue this programme".

Feedback from beneficiaries like *Barry have helped to inform the continuation of the 'Part of the Team' project, through the Tackling Loneliness Continuation programme which aims to provide bespoke interventions, to empower Forces and veteran personnel at high-risk of loneliness and other inequalities with greater emotional resilience and improved physical wellbeing. Forces families, young people, and older veterans will access physical activity, group learning, and other holistic activities that instil social connections.

The Tackling Loneliness Continuation Programme will help sustain current, and develop new, approaches that secure better long-term health and social outcomes for beneficiaries and will include activities for Armed Forces families, young people, and older veterans to help them build physical and mental resilience.

James Price said this of the project, "As Head of Hull FC Community Foundation, I am immensely proud of every colleague, volunteer, partner, and veteran who has contributed to the success of the 'Part of the Team' project over the last two years.

Established during the pandemic period, the approach was simple; to use the power of rugby league to connect with veterans facing challenges with loneliness and social isolation and offer personalised support that instilled them with the skills, confidence, and knowledge to reconnect with their peers and community. It has been great to hear the stories of success, and in-particular how 'Part of the Team' has inspired veterans to overcome both personal and shared challenges to create new, sustainable activities for all to enjoy.

For us an organisation, having the opportunity to collaborate with colleagues at the Armed Forces Covenant Fund through the Impact Fund has been very useful. It has enabled us to reflect on our approach, understand what we are good at and, most importantly, where we can improve. I'm looking forward to taking these learnings forward into future activities focused on improving the lives of our armed forces and veteran community".

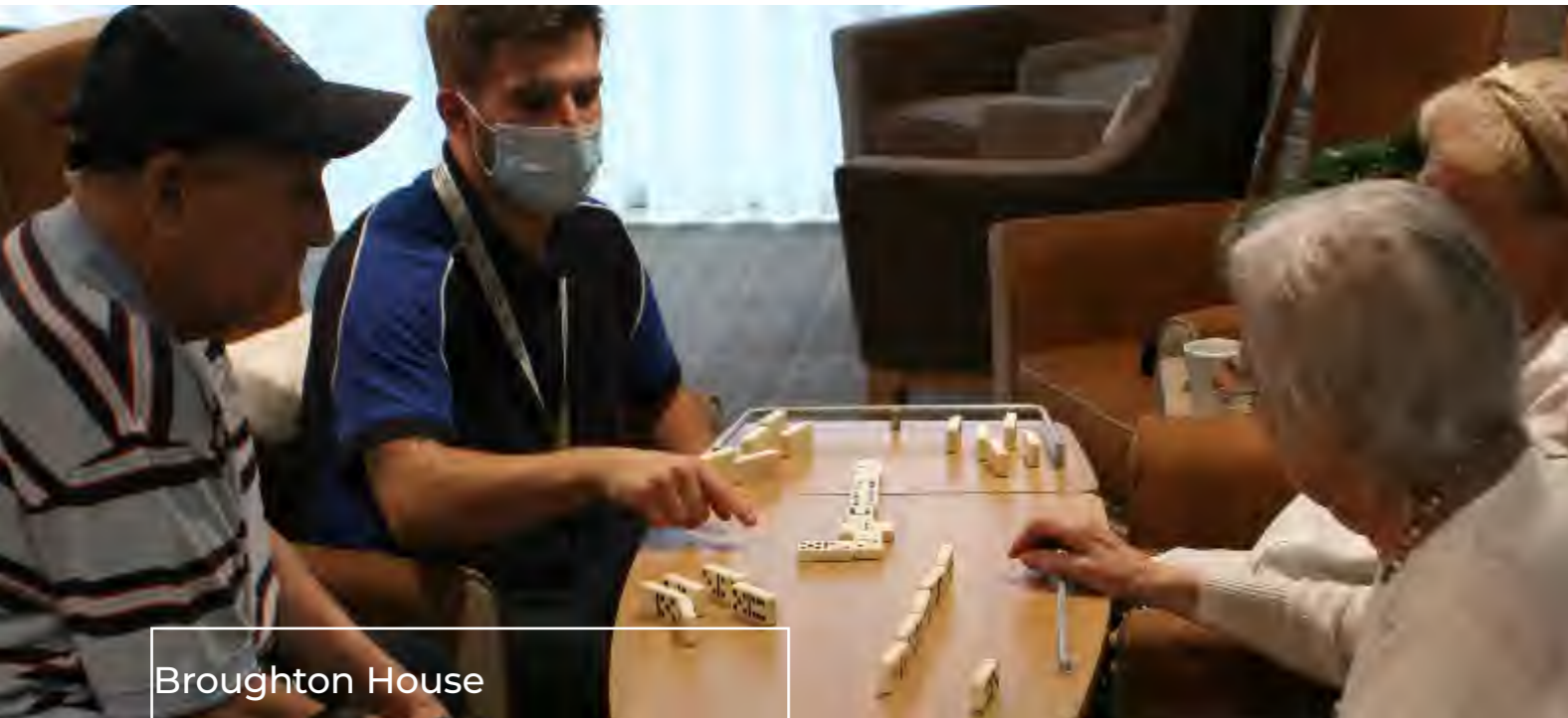


Sustaining Support for Armed Forces Communities

The Trust awarded grants of up to £100,000 under the Sustaining Support for Armed Forces Communities programme, for existing charitable projects to help charities to sustain activities and services that people from Armed Forces communities use and value – particularly where there have been additional difficulties as a result of the Covid pandemic.

The programme had two funding tracks. The first was project based, designed to support the costs of existing, well-used activities. The second track, for Armed Forces charities only, supported core costs, enabling these organisations to keep delivering their vital services.

Erskine were awarded £99,959 from the project funding track, for their 'social support for vulnerable veterans' project which allowed them to continue running their Activities Centre, which provides support and social engagement to over 120 vulnerable veterans.



Broughton House

Broughton House received an award of £100,000 under the core costs funding track. As the only veteran care home in North-West England, Broughton House serves the Forces community who wish to spend their final days in the company of veterans with shared experiences and appreciation of the importance of military Service. They faced a significant income loss due to the Covid-19 pandemic and, without support, faced closure or substantial cuts to their services. Care homes receive income based on the number of residents they care for. Unfortunately, the restrictions placed on care homes during Covid-19 meant that, for long periods, they were unable to welcome new veterans to Broughton House and income from local authority-funded care home fees fell significantly.

Their Sustaining Support grant allowed them to implement a transformation plan to secure their long-term future, ensuring they can continue to support veterans for years to come. This plan included completing redevelopment of Broughton House, securing emergency support from Greater Manchester Combined Authority and developing fundraising applications to close the gap between income

and expenditure. The funding was instrumental in ensuring Broughton House could continue to provide veterans with a high standard of care and, where possible, provide additional support to reduce the isolation veterans have suffered from being unable to see family/visitors for extended periods during the pandemic.

The Covid-19 crisis hit in the middle of a project to transform Broughton House from a traditional 32-bed care home, to a completely rebuilt, state-of-the-art Veteran Care Village, with a 64-bed care home including a specialist dementia unit, six independent living apartments, and an Armed Forces Support Hub providing mental health support to younger veterans. The funding enabled them to complete this redevelopment, which went on to win the Community Benefit honour award from the Royal Institution of Chartered Surveyors in the North West.

Broughton House is now going from strength to strength. Following the extreme difficulty of the pandemic, they now have 48 residents and are looking forward to welcoming four more in the very near future.

The Veterans' Mental Health and Wellbeing Fund

In 2022/23, we have continued to deliver major projects under the Veterans' Mental Health and Wellbeing Fund.

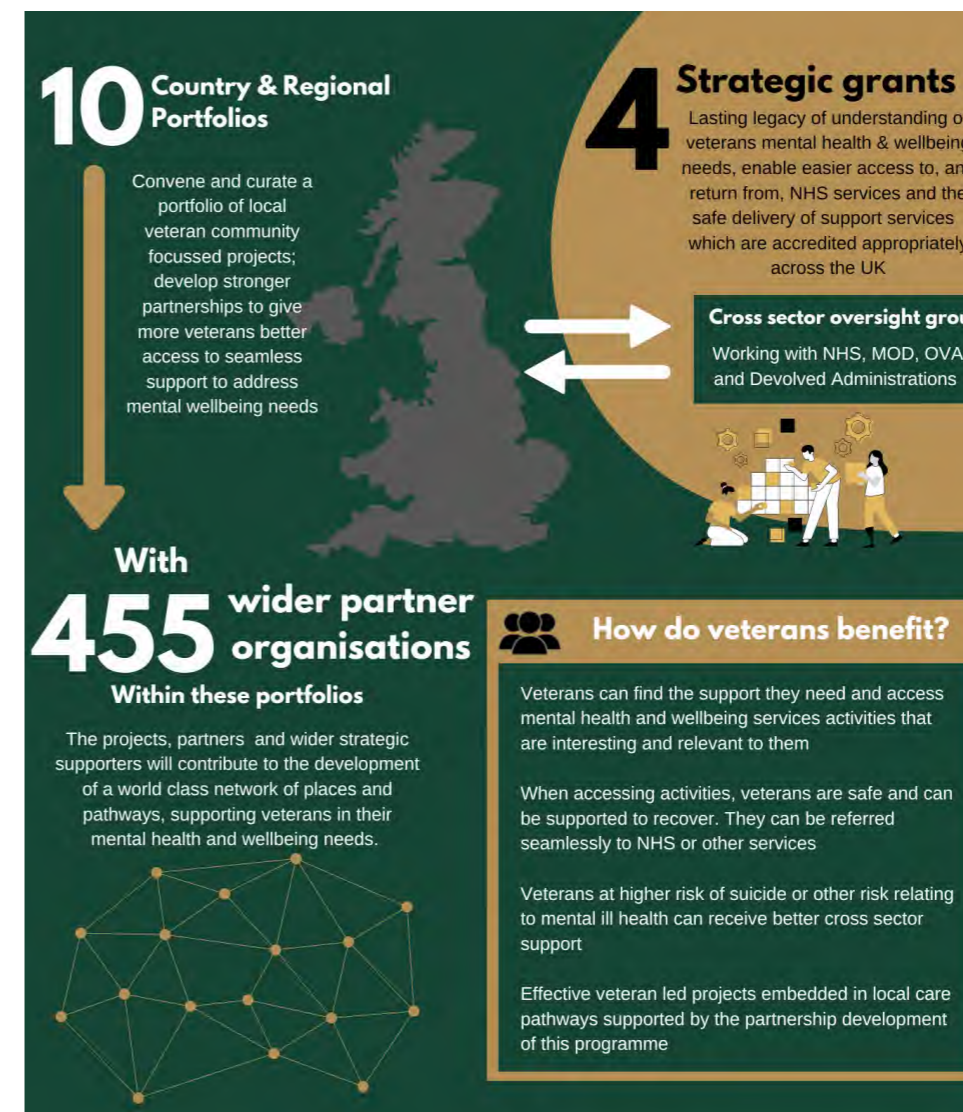
Veterans' Places, Pathways & People (VPPP) Programme

Our learning from running successful programmes to address the needs of older veterans through collaborative partnership working; combined with our learning from programmes that support veterans with mental health needs, lead to the innovative and collaborative Veterans' Places, People and Pathways programme (VPPP).

The VPPP programme aims to give veterans safe places in their local area where they can access help and treatment that supports their mental health needs.

It also aims to ensure that the people supporting veterans through these projects, both paid staff and volunteers, can access good quality training and are equipped to better connect veterans into appropriate pathways and wider support networks.

Ten portfolio projects throughout the UK received a share of almost £8 million, with around 88 individual funded organisations and projects delivering work within those portfolios to achieve the programme aims - many of whom are working across multiple regions.



We also awarded grants totalling £1 million to four Strategic Lead organisations, which work with a cross-sector oversight group.

Each member organisation within the portfolios brings their own expertise and specialisms, with some organisations being involved in several portfolios. This further enhances the joined-up approach that is at the heart of the programme and what it seeks to achieve.

The projects within these portfolios will contribute to the development of a world class network of places and pathways, supporting veterans in their mental health and wellbeing needs.

VPPP in focus

“We have seen new cohorts of veterans accessing services for the first time, such as the LGBT+ community, by increasing the partners’ awareness of the needs of these individuals. The funding has been key to enable a community worker to actively seek out LGBT+ veterans, supporting and encouraging them in accessing services.”

(Poppy Factory, VPPP London)

The Trust awarded one portfolio grant each in Scotland, Wales and Northern Ireland, and seven grants across regions in England (as designated by Op Courage) as part of the VPPP programme. Portfolio lead and funded partner organisations are working with statutory and voluntary organisations within that country or region that supports veterans. Portfolio lead organisations already had a strong presence within their country or region.

As well as the 88 core funded delivery partners within the programme, there are approximately 251 additional organisations and agencies which receive no direct funding from the programme and help to support veterans and their families in a range of ways.

These ‘non-funded partners’ or ‘associate members’ are diverse entities from the public, private and voluntary and community sectors, including registered charities; CICs; companies; government departments such as DWP and the MOD; local authorities; NHS; educational institutions; and the police and other emergency services.

This means that at the end of the first year, there are about 339 organisations and agencies collaborating and working in partnership to deliver support and services for the veteran community through the VPPP programme. Around 53% of these are specifically focused on supporting the Armed Forces community, and 47% bring their specialist knowledge and expertise to veteran-specific projects and services. The number of organisations involved is likely to increase in year two, with some regions planning further active recruitment into their portfolios.

An important feature of the VPPP programme and what it aims to achieve for veterans is the broad definition of ‘mental health support’, and the wide range of services and activities offered by grant holders, non-funded partners and projects within it. These cover the full spectrum, from ‘banter and brew’ sessions to social prescribing, psychotherapy, and suicide prevention. Needs addressed range from loneliness and isolation to severe PTSD.

“Support and access to mental health services has seen a steady increase since the start of the VPPP programme here in the South West. The key is collaboration and information sharing.”
(Invictus Games Foundation, VPPP South West)

Each member organisation within the portfolios brings their own expertise and specialisms, with some organisations being involved in several portfolios. This further enhances the joined-up approach that is at the heart of the programme and what it seeks to achieve.

Many veterans in need have benefited so far from the projects and services funded through the programme and have enjoyed significant and sustainable improvements to their mental health and quality of life.

“At a time when I didn’t know who to turn to, Mission Motorsport welcomed me with open arms, helped and supported me in my darkest moments. Without the support they gave me, I would never have been able to pick myself up, much less complete a qualification which allows me to do a job that I love. The opportunities they have provided have been life changing and for that I will be forever grateful. I also have peace of mind that should I need help in the future, they will always be there.”
(Veteran)

Year two of the programme promises to build and capitalise on the achievements and developments so far. Regional portfolios are becoming more interconnected; services and referral pathways are more joined up; communication has been strengthened; new safe places delivering services for veterans have been established and existing places have received vital funding. Accessing and engaging with previously hard to reach veterans has become that bit easier and will become more so. Lives have been saved.



Tanvally & Anaghlonge Project (VPPP Northern Ireland)

As part of the Northern Ireland Veterans' Places, Pathways and People Programme (NI VPPP) the Northern Ireland Veterans' Support Office manages the delivery of a comprehensive veteran support programme across the region.

Known as the Northern Ireland Vital Veterans' Network, the programme ensures that the existing veteran support network is utilised to maximum effect by further empowering delivery organisations, veterans and volunteers to thrive through new and innovative schemes.

As well as high level mental health support, activity-based programmes and volunteer training, the role of the peer support and mental health navigators have been sustained through this programme. These navigators help guide veterans from complex mental health support into and between peer support pathways.

NIVSO has been working collaboratively with eight project partners through the NI VPPP programme, including local and national delivery organisations such as Brooke House, Combat Stress and Inspire Wellbeing. As part of this portfolio of support, NIVSO is delighted to welcome Fighting With Pride to deliver their work in Northern Ireland for the first time.

Veteran X had been discharged from hospital, having been treated for suicidal ideation due to a chronic health condition. He was supported by his parents, albeit very isolated and anxious. In-depth assessment by Brooke House identified a rare medical condition causing chronic pain that hadn't been properly diagnosed by the statutory sector, but which had led to him being made medically redundant from work, despite his young age. Chronic pain led to drug addiction to manage his condition, leading to a very significant impact on his mental health last year. Following assessment by Brooke House, counselling and psychological support was provided, together with support from their clinical psychologist and associate pharmacist to agree a pain management plan with his GP. The veteran went on to join Defence Gardens Scheme horticultural therapy sessions to improve his self-esteem, confidence, and socialisation. He discussed how he could work with his GP to safely manage his pain in the future. After six months at Brooke House, the veteran is now self-sufficient and living in his own home, regularly taking part in other activities, and organising his own fishing trips.

He gave the following feedback: "Thanks very much for putting the time into getting that letter made up by the different people who helped me, means a lot to not be faced with hostility for a change and get genuine effort towards help."



Links Combined Forces Project (VPPP Wales)

Veteran X has been coming to Links for several years now but had not been in for a couple of months. He kept in touch by phone calls. He is always encouraged to come in by staff, even just for a coffee and a catch up.

Veteran X started to engage more this year, but staff noticed a change in his conversation, repeating stories, mumbling, forgetfulness. This was monitored and staff would sit and have a chat with him whenever he came in, but as he attended sporadically this was hard to take note of. A face-to-face referral was made to the Help for Heroes clinical nurse with the veteran's permission for them to re-engage. Then in February, he came into Links in quite some distress. The veteran project coordinator sat with him and listened as he broke down explaining he was having increased flashbacks, his PTSD was at an all-time high, he was constantly thinking of those in his regiment that were lost in the Falklands/Northern Ireland when he served there during the conflicts, and how he was having relationship problems and he couldn't sleep, waking up hiding under the bedroom window.

The staff member reassured the veteran, allowed him to talk and gave the options that were available to support the veteran to get professional help. He did not want to go to A&E or the GP but was willing to speak to Combat Stress or Veterans NHS with the support of the project coordinator. The phone call to both was made, and Combat Stress took on the referral and would contact the veteran within a couple of days for an appointment.

The veteran went home and was encouraged by the project coordinator to talk to his family and explain how he was feeling. Two days later he came back to Links saying he had spoken to his family and all the support organisations and felt that a huge weight had been lifted. He explained that he was constantly forgetting that he had appointments and support already in place and then getting confused about what was going on and getting into a panic. It was discussed with the veteran if there should be a plan in place that Links staff could follow on these panic days, and the veteran agreed this would be a good idea. He thanks Links staff, explaining that Links was "his safe place" and that he would engage more as he knew there was staff here to talk to.

Veteran X continues to be supported by Links – he began coming in most days and sitting in sessions and socialising. A change in his mood has been seen but he is fully supported now. The support network around him is strong and has been very successful in reducing his poor mental health. He appears happier and less stressed, and if he calls or comes in and is in distress, there are plans in place to support him.



"It's great to see the amazing work done by so many grant holders in the VPPP programme, and brilliant people who support veterans and the armed forces community, and I'm proud to be able to play a part in telling the story of the impact they are having on people's lives!"

Tom Traynor, Head of Impact

Continued Support of Veterans' Mental Health and Wellbeing Fund Awards in Grant Management

One Is Too Many Programme

In 2021, the Trust awarded £2.1 million under the One is Too Many programme, to projects providing specialist and co-ordinated services that reduce suicide risk in veterans. We awarded two additional grants this year to help reduce suicide risks for veterans in Scotland.

In all, we have made nine awards of up to £300,000 to organisations across the UK who have experience in working with individuals who are at an increased risk of suicide.

The approaches taken by the organisations all differ. Some are undertaking a partnership approach with another specialist organisation that has experience in suicide prevention.

The One Is Too Many programme external evaluation, delivered by the University of Chester, will provide insights into social isolation and help-seeking behaviour and provide indicators of the situational factors causing distress and potential self-harm/suicide. The evaluation intends to provide recommendations to help improve health outcomes and reduce determinants of poor health for military veterans. The results of the evaluation may help inform recommendations for policy changes and practice in health, local authorities, the MOD and charities. It is due to be published in 2023. The Trust held a webinar exploring the reach and impact of the projects, which drew our highest ever webinar audience with 300 participants.



Lifting the Lid - Suicide Prevention Pathways

The Royal Marines Association's (RMA) project 'Lifting the Lid - Suicide Prevention Pathways' has created improved access to support for both vulnerable veterans and their families through various modes of media and communication; in conjunction with improved access to training opportunities for those supporting vulnerable veterans.

Nearly 400 veterans, with often complex needs, have directly benefitted from the holistic, wrap-around support offered through this project. Furthermore, a high impact social media campaign, coupled with support for indirect beneficiaries, including family members, have further added to the reach and impact achieved through One is Too Many - Lifting the Lid.

The initial aims of the project focused on three key objectives.

- To promote positive mental health and advocate help-seeking at an early juncture. Detect those most at risk through holistic assessment and enabling them to seek support.
- Prevent those that might be at risk of suicide by helping them with employment advice, financial and benevolence support.
- Provide assistance with mental health management or substance misuse challenges.

This was achieved through the provision of training and the development of clear pathways into recognised and approved support. As this project progressed, vital learning was achieved regarding the identification of possible help seeking behaviours, for hidden mental health issues, and stressors were identified, including:

- Loss of job/identity
- Financial challenges
- Future employment struggles
- Relationship challenges
- Substance misuse
- Enduring mental health problems
- Adverse childhood experiences

Through One is Too Many and Lifting the Lid, help seeking behaviours, for hidden mental health issues and access to mainstream support, were developed. True collaboration and forged partnerships are the principal legacy of this project. With strong working relationships formed across, not only other projects involved within the One is Too Many programme, but also with suicide prevention charities and the NHS.

The learning, resources, training and support established through 'Lifting the Lid' will help to not only create a sustainable, lasting impact on the mental health, wellbeing and support available to vulnerable veterans with complex needs; but will continue through our Transformational Grants programme.

The RMA's project: 'Building Collaboration and Consensus', was built on the back of the One is Too Many, 'Lifting the Lid' project by building collaborative partnerships across organisations supporting the Veteran community. Through sharing data, best practice, and evidence-based findings with partners a consensus and a template will be developed that can be used to identify, detect, promote, treat, and support Veterans' needs through earlier intervention, enhancing positive outcomes.

Positive Pathways Programme

Under the Positive Pathways programme, the Trust awarded fixed grants for projects developed by and for veterans that focused on improving veterans' mental health and wellbeing by getting veterans out and active.

The Trust initially approached this programme in a slightly different way to our other programmes, in that applicants were able to apply for one of two fixed amounts, thereby helping to build an understanding from the very start.

In all, we funded a total of 230 projects, across five rounds of funding, totalling over £11.5 million.

In 2020/21, the programme funded one-year projects which, in conjunction with the financial support a grant award brings, offered all awardees, and some applicants, further support thanks to our Strategic Partners, a group of valued organisations awarded funding to specifically support this programme with their wealth of knowledge and experience of the sector.

As of March 2023, majority of the Positive Pathways funding is coming to an end. We are delighted to see the positive outcomes from this innovative programme, and we continue to use the successful mentor model in our other programmes, including our Tackling Loneliness and Veterans' Places, Pathways and People programmes.

Northern Ireland Veterans' Sports and Outdoors Navigation

AA Veterans' Support were awarded £70,000 under the Positive Pathways programme for their Northern Ireland Veterans' Sports and Outdoors Navigation (NIVSO) project. The project identifies, locates, promotes and supports social prescription and wellbeing activities for Positive Pathways veterans, specifically sports and outdoor-related activities, across Northern Ireland.

The overarching aim of the navigator post is to ensure that a greater number of veterans in NI have knowledge of, and access to, a wider range of sports and outdoor activities in their local area and that opportunities are offered across NI. The role focuses on hard-to-reach veterans, thereby tackling social isolation in a safe, welcoming and trusted environment.

The navigator works in collaboration with the NIVSO in ensuring that the activities on offer are demand led, highly accessible to veterans and particularly that trust is built between Positive Pathways delivery partners and veteran groups.



The Sports and Outdoor navigator took up the post on 1 April 2020 during a period of uncertainty with COVID-19. While the navigator's ability to 'get out' and meet with organisations, groups and veterans was impacted, the time was used to introduce the role, using virtual means to the many veterans' support organisations and veterans across the province. The navigator quickly identified gaps in the Veteran's Gateway, which he worked collaboratively with the NIVSO to ensure the information was updated and accurate for the veteran's community in Northern Ireland.

During this period, the navigator contacted a vast number of groups and organisations, whom he was able to meet up with once restrictions permitted. A database of over 180 organisations, clubs and groups has since been created, who are veteran friendly. He has also been able to actively signpost many veterans to these opportunities across the province, which includes fishing, walking, archery, indoor skiing, football and much more.

Strong links have been established with Northern Ireland Cross Community Anglers, Ballymacash Rangers Football Club, Be Well, Be Safe Men's Sheds, Belfast Exposed Photography, The Irish Football Association, Lisburn Cricket Club and the Armagh, Banbridge and Craigavon Council among others to deliver and promote sports and outdoor opportunities for veterans.

The navigator has supported several organisations with their projects which include let's do veterans' support, project life and was instrumental in bringing together the Armed Forces Ahead of the Game project in partnership with the Irish Football Association.

They have actively engaged veterans through a sports and outdoor survey to identify the opportunities they wish to engage with – using this information the navigator has been able to signpost veterans to opportunities, which are already available in their area or work with organisations to develop opportunities. 115 veterans have engaged with the survey to date.

The Trust is delighted to be working with the MOD to deliver the Armed Forces Families Fund (AF3).

In January 2022, the MOD published the Armed Forces Families Strategy 2022-2032; its 10-year strategy for improving support to Armed Forces families. Following the launch of the strategy, the MOD created the AF3, a dedicated fund to deliver against the eight themes of the strategy:

- Family Life
- Service Life
- Family Home
- Education
- Health and Wellbeing
- Childcare
- Support to Partners and Spouses
- Non-UK families.

MOD launched the Fund in September 2022 and amalgamated existing education-focused funds under one umbrella, broadening their scope in support of the delivery of the Strategy in its entirety, through the AF3 programmes.

The MOD partnered with the Trust to administer the MOD Education Support Fund (ESF) within the AF3 programme; along with two new programmes to support Armed Forces families. These were the Early Years programme for pre-school aged Service children; and specialist grants to support partners of Forces personnel.

In 2022/23, we awarded the following grants under the AF3.

- £2 million awarded to 54 projects specifically for Service pupils across the UK to deliver real change for Armed Forces communities.
- £900K for 18 projects enhancing Early Years learning for Service children aged 0-5 years.
- £500K for 12 projects that will make a difference for the partners of our serving personnel, addressing their particular needs and challenges.
- An additional grant of £119,647 for a project supporting Armed Forces families based overseas to have access to better electronic child health records.

**Supporting Partners: Innovation Fund
RAF Valley**

'Spouses and Partners Support' project will provide needs-led support activities targeted at spouses and partners of Service personnel at RAF Valley.

The project will reduce isolation, develop key employability skills, increase confidence and create opportunities for self and personnel development skills, whilst fostering positive peer support networks.

A staff member, who is also a Service partner, told us:
"This funding and delivery of these support activities will make such a difference in this isolated location. Being posted and losing your support network overnight makes it hard to settle in and activities like these will make a big difference."



Early Years Programme
White Rabbit Pre-School

The 'Achieving Really Magical Military Years' project, run by White Rabbit Pre-School in Catterick, will improve the lives of Service children by facilitating the growth of the holistic child.

Service children will be provided with opportunities to make sense of the world around them, learning about the important seasonal changes as they explore the areas throughout the year, especially with the introduction of the new resources, with sheltered nooks ideal for DIG In's! (Dinner in the Garden).

Children will learn to respect the environment, with tools and equipment that offer them the chance to independently make their choices and select resources from the well supplied units and learning to take responsibility by returning them when they are finished using them. The ability to self-select may be crucial in the early days, as Service children transition into a new nursery, as they may not have the confidence to ask to get things out. They can build this by getting support from their peers and begin to settle and gain much needed stability.

Cathy Roberts, the Manager of White Rabbit Pre-School said: "The long-term effect for the children of serving soldiers is that they learn to become resilient. Learning the key skill of bouncing back from adversity in a positive manner will come to good use throughout their whole lives."

Overseas Employment Resource
**Partner Employment Working Group
CIC**

'The Overseas Employment Guide' run by the Partner Employment Working Group CIC (PEWG) will help Armed Forces families posted overseas, gain access to, and develop an understanding of, the requirements of being able to work in their new location.

This could include working for themselves, their current UK employer, or for a host nation company.

Sarah Walker, PEWG CICs Director, says:

"We are really excited about this project and being able to provide information to families to help to continue to work whilst posted overseas. Work whilst overseas has been difficult for families and we want to help start to breakdown some of those barriers for our guide."



Oxfordshire County Council's Learning & School Improvement Service seeks to increase Service pupils' attainment, by the end of Key Stage 2, and to support the county's schools in strengthening their provision for their Armed Forces children.

They were awarded £50,000 for their 'Maximising outcomes for Service Pupils' project, which contains four key outcomes aimed at having a significant impact on improving both academic and wider outcomes for Service pupils and builds on a track record of success in this area.

Kim James MBE, Head of Service, Learning & School Improvement, Children, Education & Families (CEF) at Oxfordshire County Council described the project's outcomes:

"The first outcome will involve providing quality assurance for up to ten schools, drawing on evidence-based materials developed by the national Service Children's Progression (SCiP) Alliance. As well as providing clear steps for improvement for each of the schools involved. Examples of good practice will be gathered and shared across the wider network of schools.

Outcome two will focus specifically on commissioning additional support in the teaching of writing to Service children who have been identified as being below National Curriculum 'age-related expectations' in Years 2 and 6 from targeted schools.

The third outcome will involve undertaking a school-to-school transition assessment project, which it is hoped will be supported by researchers within Higher Education. This will support the challenging issue facing so many of the nation's Service children, namely the risk of learning loss and educational disruption because of regularly moving schools due to military postings.

Finally, outcome number four will involve training for, and sharing good practice with, school leaders (including Governors) through:

- the production of termly newsletters for all Oxfordshire schools
- developing an up-to-date toolkit of support materials
- providing website guidance for schools and parents
- hosting two conferences."



In Scotland, Kinloss Primary School (The Moray Council) will utilise an evidence base of research, experience and data, to embed previous learning and employ five pupil support workers to target the specific needs of Service children.

They will provide targeted, responsive one-to-one, emotional and social support to increase Service pupils' learning, and to help ensure attainment is raised. Targeted group work with a clear focus on providing nurture, social interactions, developing emotional regulation, self-esteem and resilience will further enable Service pupils to cope with the additional challenges that Service children can face.

Parents and families will also benefit from the project with increased opportunities to celebrate dedicated events, whilst also enabling positive communications with the deployed parent. Families will also receive additional support through monthly drop-in sessions which will further enhance school and parent partnerships. Further support will be provided to the families for the transition to the Curriculum for Excellence, the Scottish Curriculum, which not all families are familiar with, to ensure that all children continue to attain and achieve whilst living in Scotland.

This project will raise awareness of the unique needs of Service pupils across the school via training and resources, for pupils and staff, which will have a lasting impact. One Service parent said:

"As you can appreciate, leaving a young kid to go away for weeks/months is very hard, but I felt I needed to raise what an amazing job the school are doing to support the kids of serving parents locally. While this may be a normal thing for Garrison towns, I haven't come across this type of extra support in small 'standalone' military bases and the experience/support Kinloss Primary provide is phenomenal!

I really hope other families can benefit from this for a long time as I can truthfully say it's been a lifesaver for me! Deploying knowing my daughter is happy and supported in school with these extra initiatives makes my time away more enjoyable."



The Afghanistan Veterans' Fund



This year, the Trust has continued to manage the 51 grants awarded in 2021/22 under the Afghanistan Veterans' Fund.

The Afghanistan Veterans' Fund sought to increase capacity in services and initiatives that offer supportive comradeship, engagement and wellbeing efforts for those in the Armed Forces community impacted by events in Afghanistan, and the wider veterans' community.

The Office for Veterans' Affairs asked the Trust to run programmes that would award grants to improve wellbeing, resilience and promote good mental health, responding to increased needs in veterans who have served in Afghanistan and other recent conflicts and the wider veterans community.

The Afghanistan Veterans' Fund also awarded grants to eight Armed Forces charities to enable them to increase their capacity to meet the additional needs in terms of both increased ask for help, and the increased complexity of those already receiving support in a timely manner. These organisations evidenced collaboration and membership within the contact group, who are working alongside the Royal College of Psychiatrists to develop the first sector-specific quality network and accreditation programme for military mental healthcare providers; thus, ensuring clinical governance and risk management structures are in place with appropriate governance oversight.

Grant holders are reporting that they are reaching a significant number of veterans and their families and carers. Quantitative and qualitative data is being collected from beneficiaries and indicates an increase in wellbeing and mental health, with projects looking towards sustainability and increased resilience.



King's Centre for Military Health Research, King's College London and Imperial War Museums

King's Centre for Military Health Research (KCMHR at King's College London) and Imperial War Museums (IWM) were awarded £280,731 in 2022 to interview approximately 100 UK Armed Forces personnel and family members who deployed to Afghanistan during the 2001-2021 conflict and the subsequent withdrawal, to record and recognise their experiences, increase public awareness of their Service and make recommendations for support needs.

Afghanistan: Voices of Service began in August 2022. During the first six months, IWM have set up a designated recording space at IWM London to record the oral history interviews for this project.

IWM and KCMHR collaborated to develop a structure for the oral history interviews and identified suitable prompts to ask interviewees to draw out their experiences for the recordings. They also worked together to produce an information sheet to give to interviewees prior to their interview, which provides further details about the project in addition to the potential research outcomes.

IWM has used their existing network and links to recruit potential participants as well as setting up a webpage allowing visitors to find out more about the project and get involved. Around 100 individuals have been contacted about the project in addition to various organisations such as regimental associations.

IWM has started to arrange interviews with interviewees and in November 2022 began the first phase of interviews. In the period of November 2022-January 2023, IWM staff have recorded nine oral history interviews with Service personnel (currently serving and ex-Service personnel), with further interviews arranged.

Participants have valued the experience of visiting IWM London and recording their experiences for the museum's collection, with many individuals taking time off work to get involved. Whilst anecdotal, participants have told IWM staff that they have enjoyed talking about their experiences in Afghanistan, with some individuals stating that they have not discussed their experiences in detail with their family or civilian friends.

Participants have been particularly keen to not only visit IWM to record their oral history but also to have their recording used as part of KCL's wider research on the impact of deploying to Afghanistan and the subsequent withdrawal.

Professor Nicola Fear, Co-Director of KCMHR said: "One of the best ways to learn more about the support needs of those who have fought in conflicts is to speak directly to them and their families. This project, which we are proud to conduct alongside IWM, will collect a series of testimonies which will be hugely valuable in helping to shape the future support provided to those who have been deployed."

For more information about the project, or to sign up, visit: www.iwm.org.uk/voices

Veterans' Outreach Support: Strand 1 project

Veterans' Outreach Support were awarded £100,000 to enable them to meet the increased demand for, and complexity of, mental health support for veterans and families.

Their project 'reinforcing success in mind' is now half-way through and they have started to develop a more sustainable long term plan for their clinical output. Overall, this has been more successful in some areas than others, with notable success in engaging with stakeholders.

VOS has engaged in a varied and rigorous recruitment drive to fulfil the roles of Psychiatrist, Clinical Psychologist and Clinical Administrator to assist in the delivery of the project, however, with the employee market post-COVID becoming increasingly more competitive in an already limited pool of talent it has been challenging to find suitable candidates. In October 2022, they successfully recruited an experienced Clinical Administrator with 17 years NHS experience, who has already demonstrated improved capability in delivering the clinical services within VOS.

The organisation has continued with therapies on a weekly basis, working as an integrated team to match requests for support to a more holistic model of wellbeing, welfare and clinical support. They continue to welcome over 70 veterans monthly to their drop-in events in Portsmouth and the Isle of Wight and currently offer 1:1 therapy to service users when referral onwards to Operation Courage or other providers is not suitable.

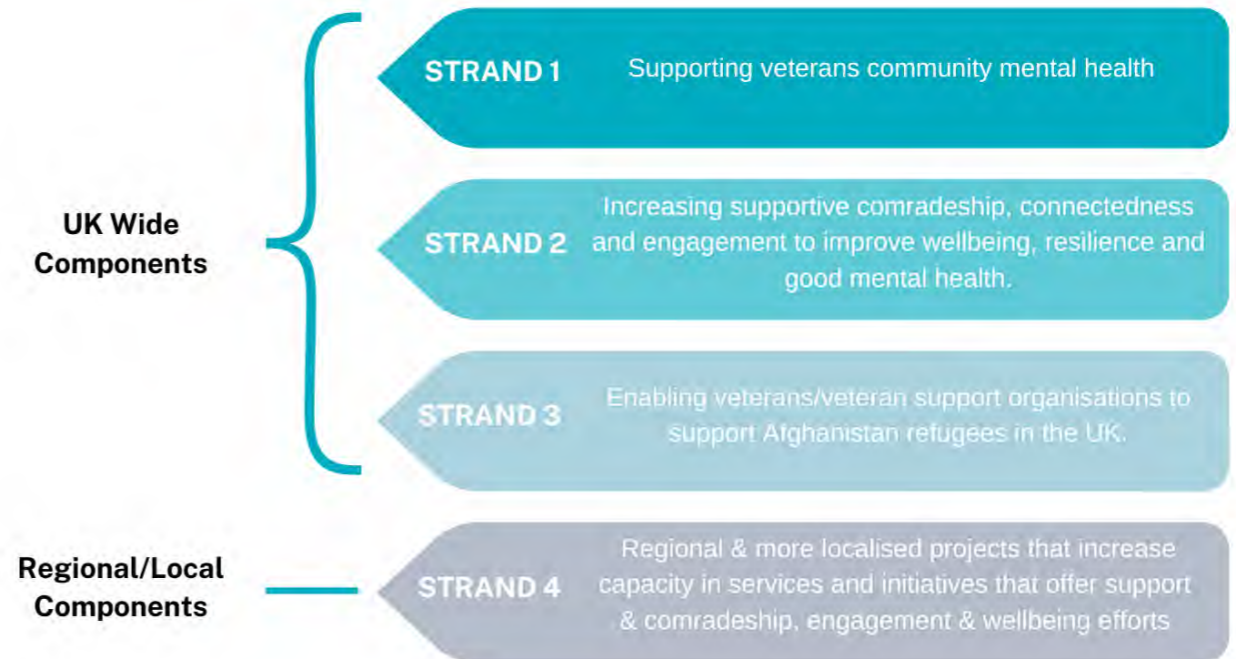
Their project beneficiaries cover all three Services, including the merchant navy, and including some partners and spouses. A recent partner who has come forward to seek triage and potential therapy needs personal support to best support her Service veteran partner who is suffering from dementia. On completion of therapy to support substance misuse, another service user emailed the following during this reporting period:

'Just a quick note, to let you know I am now fully fit for work, just need a few blood tests. I just want to thank you for all your help in my case, as I know at times it must of been hard, as I did not follow the advice all of the time. I feel the only reason I am still here, is because of all the work you, and the alcohol team at QA [Hospital] gave me. Many thanks, and keep up the good work, it works.'



Afghanistan Veteran Fund

Grants to improve wellbeing, resilience and promote good mental health, responding to increased needs in veterans who have served in Afghanistan and other recent conflicts and the wider veterans community



51
awards
made in
2021/22

"We are forever grateful to those who served in Afghanistan and members of the Afghan community who worked with them. Their courage and commitment to this country will never be forgotten."

"This targeted funding for charities across the country will ensure that, regardless of location, those who have served and their families can access services easily."

- Minister for Defence People and Veterans Leo Docherty

The Armed Forces Covenant Fund Trust worked with Royal NAAFI for the first three years of the NAAFI Fund, establishing the grant programme and funding projects supporting our Armed Forces personnel located across the globe.

Between March 2021 and August 2022, we made 250 awards worth more than £2.7 million.

The Trust has been delighted to help develop the NAAFI Fund, which from April 2023 will be delivered directly by our colleagues at Royal NAAFI.

This year the NAAFI Fund has awarded 80 grants to projects all over the world. These awards support the British Armed Forces and Armed Forces communities.

Grants this year have had a focus on being healthier and active. More than ever, there is an increased need for sociable outside spaces with projects wanting to create, refurbish and improve. The NAAFI Fund has met project requests for fun and enjoyable sporting equipment, such as mountain bikes and stand-up paddle boards. These will improve mental health through exercise and activity.

Over thirty of the eighty grants have been awarded to overseas projects.

27 Reg RLC Try a Tri project

27 Regt RLC were awarded £9,000 to purchase bikes, wetsuits, triathlon team race suits and numerous smaller items for the benefit of all 751 soldiers and officers within the regiment.

The team have since conducted many training sessions and attended two Army Triathlon Races so far this season. Many Service personnel of all ranks have already benefited and there is rapidly building interest by many others with the success of the team.

Sgt Marc Callaway added: "Additionally, I as the unit Triathlon Officer In Command, have just been awarded the Regimental Sports Colours award due to the success of the Tri Team. Much of this has been aided by the AFCFT Grant, which has taken away the main barrier of stopping Service Personnel from taking part in the sport- the equipment! So again, thank you NAAFI/AFCFT!"



Where in the world...?



Prince William of Gloucester Barracks Station

Prince William of Gloucester Barracks Station, sought funding to provide a recreational area for their Service personnel and Armed Forces families.

The project 'Station Welfare Area Refurbishment' aims to cultivate an indoor and outdoor space that is safe, inclusive and modern, hoping that this will encourage socialising, whilst enhancing morale and team cohesion. The NAAFI Fund awarded the project

'Station Welfare Area Refurbishment' £20,000 to support the purchase of a new sound system and much more.

Major Guy Page explained how the money will help improve family and forces life on base.

"The Army Training Regiment (Grantham) is delighted to receive a grant from the Armed Forces Covenant Trust Fund this year. The funding will have an exponential impact on the lives of all service personnel and their families by refurbishing the Station Welfare Facility. We're very grateful to the NAAFI Trust for their continued support and look forward to working with them to deliver this amazing facility." Maj Guy Page AGC(SPS).



Impact and Sustainability

The Impact Hub

The Trust is committed to evaluating its programmes in a consistent manner to ensure that the funding we distribute provides maximum benefit for project beneficiaries, but at the same time provides demonstrable value for money for the public purse.

In this way, we were keen to invest in a GDPR-compliant impact and evaluation measuring tool that was simple to use and could be used across its programmes to provide comparable data to demonstrate the impact of our funding programmes.

Originally developed in conjunction with Anglia Ruskin University via a grant award, and now owned and developed by the Trust, the Impact Hub (formerly known as the Outcomes Measurement Framework or OMF), is a browser-based portal that provides data directly from beneficiaries. Its simplicity means that it can be used on any device that can connect to the internet, including tablets and smartphones. Grant holders register beneficiaries (with verbal consent), and beneficiaries are then sent a link to complete registration (which includes full consent as required by UK GDPR). Grant holders can also register beneficiaries manually if they do not wish to, or do not have confidence in using IT (this has been particularly relevant for older beneficiaries).

When a person accessing a project uses the Impact Hub, they first complete a registration which includes demographic questions including details of military Service. Once registered, the system asks the beneficiary to complete a short wellbeing survey. The Trust uses the ONS4 as its primary survey set, which comprises of four questions about how a person is feeling at that moment in time. The survey is asked at the beginning and at the end of the beneficiary's interaction with the project, and the change in score is used to calculate the impact the project has had on the beneficiary's life. The ONS4 is used widely by the research community and its datasets are comparable with others, so the aggregated anonymous data that we will gather over time may also be valuable to academics, researchers and other interested stakeholders.

The first of our programmes to use The Impact Hub as part of its terms and conditions of grant was the Positive Pathways programme. Working with the Strategic Partners, we collected impact data from 231 different projects, working with over 7,000 individual beneficiaries. Below are headline figures taken directly from the Hub on 31 March 2023.



The Positive Pathways programme utilised the Veterans Wellbeing Index, an interlinked series of four surveys which measured veterans' wellbeing in four areas:

- finance
- interpersonal relationships
- health
- employment.

Many grant holders told us that this survey set enabled them to look at a veterans' life holistically, and maybe signpost to different areas of support as a result.

The Trusts' Tackling Loneliness programme also used The Impact Hub as a mandatory part of its impact and evaluation gathering activities. Utilising the UCLA Loneliness Scale (on the recommendation of the programmes' external evaluation team), we were particularly interested in the effects that these unique projects had in relieving loneliness in the most isolated and hard to reach individuals.

The project reached 1,300 beneficiaries over 60 projects, and below are headline figures taken directly from the Hub on 31 March 2023.

Current statistics show the Impact Hub is very much 'work in progress' in collecting valuable impact data from our beneficiaries.

We continue to work with grant holders to provide tailored training and support, either via our online training on our website, or via direct support from the Trust team on a group or 1:1 basis.



Overall Impact Hub Figures



Publications and evaluations

During the year, the Trust has published two key evaluation publications. Our evaluations are published with the aim of highlighting our programmes' long-term impact on Armed Forces communities, leading us towards our vision of a thriving Armed Forces community that is valued and supported within our society.

Tackling Loneliness Programme evaluation

The Tackling Loneliness Programme was designed following a consultation run by the Trust in early 2020, whereby we sought to understand how important it was to reduce social isolation and improve integration and engagement with provision from within the Armed Forces community. 90% of respondents told us that we should focus on social isolation in our future grant making.

The Tackling Loneliness programme awards focused on at least one of the following key themes:

- Building stronger social networks and friendships.
- Improving access to local activities and provision.
- Building emotional resilience to overcome the causes of loneliness.
- Empowering Armed Forces communities to become more independent.

The Trust commissioned an evaluation of the 60 funded projects with Neighbourly Lab, Campaign to End Loneliness and The King's Centre for Military Health Research (KCMHR), King's College London. This focused on 'Reach' and 'Service Design' in the creation of services to support Armed Forces individuals experiencing loneliness.

The in-depth evaluation looked at the success of the programme, including identification of best practices while also exploring loneliness and its effect of the Armed Forces community.

The evaluation report identified key themes and good practice, throughout the Tackling Loneliness projects that helped to tackle loneliness in Armed Forces communities.

Sustainability

Following the launch of the evaluation report, the Trust conducted a webinar showcasing not only the evaluation report, in conjunction with some of the successful projects, but also to highlight the resulting 'Tackling Loneliness Toolkit'. The webinar was held in November 2022 and proved to be very popular, with positive feedback received from the audience. You can access the webinar recording on our website at: www.covenantfund.org.uk

The toolkit for Tackling Loneliness can be found on our Knowledge Network on our website www.covenantfund.org.uk/resources

It contains an exploration of Armed Forces loneliness as well as a snapshot of what works to reach Armed Forces individuals experiencing loneliness and a snapshot of the service design that works to support Armed Forces individuals experiencing loneliness. It serves as a framework for projects to implement to tackle loneliness most effectively, whilst acknowledging that loneliness is a subjective feeling and is not experienced in the same way for everyone.

Robin Hewings of the Campaign to End Loneliness said of the Tackling Loneliness programme: "The work done to tackle loneliness in Armed Forces communities has been impressive. We've seen great examples of services reaching out to under-represented groups, targeting specific problems such as the transition to civilian life and building networks through the strong sense of identity that people have through their connection to the Armed Forces. This is vital work helping people in sometimes very challenging situations."



Loneliness and Armed Forces Communities:

Some aspects of being in the Armed Forces community make people more likely to be lonely

Depression and anxiety disorders, alcohol misuse and post-traumatic stress disorder are more common in Forces communities

LGBT+ communities, women, and UK Commonwealth soldiers, particularly Gurkhas, have faced different forms of discrimination

Forces communities also have protective factors including a strong sense of camaraderie, which can last for decades after Service and includes family members, which can provide people with strong networks after their Service

On top of this, being in the Armed Forces gives people increased access to support from both charities and the public sector

Reaching Out:

Tackling loneliness is best done through services that help bring people together around shared interests rather than loneliness itself.

The projects provided multiple ways of reaching out, supporting people, and creating engaging activities that are meaningful and interesting.

Organisations worked best when they had clarity about who they were targeting and were creative in their outreach and service delivery, including the development of trusting, collaborative relationships with local partners.

Improving Social Connections:

The services that made the biggest difference in people's loneliness had several common characteristics.

They were knowledgeable about how loneliness feels, when it can strike and what can make it better in conjunction with a deep appreciation and knowledge of military culture.

They also had ways of measuring need and collecting evidence about how to improve and adapt their work.

Tackling Serious Stress in Veterans, their families and carers

In 2018, the Trust awarded £4 million in grant funding to seven portfolio projects to address the problems caused by serious stress in veterans, their carers, and families.

The seven organisations awarded grant funding worked with 69 regional delivery partners. Through these, nearly 1,000 participants accepted entry into the Tackling Serious Stress (TSS) programmes. Referral partners included charities and statutory bodies; however, it was found that many of the beneficiaries self-referred to services. TSS projects started between May and October 2019 and concluded in September 2021.

The Trust commissioned the University of Chester's (UoC) Westminster Centre for Research in Veterans to conduct an independent evaluation report of the TSS programme. Findings have revealed innovative and cost-effective ways to reduce depression, anxiety and alcohol misuse in UK military veterans and their families. The evaluation report findings were unveiled at the Centre's Veterans and their Families Research Symposium, which was held at Chester University on 13 October 2022.

Professor Alan Finnegan stated: "This evaluation provided a reservoir of information; the combination of all data sets provided the AFCT with a resource to demonstrate success. We are delighted to have been able to demonstrate via a cost benefits analysis how the projects delivered significant benefits for veterans but also provided value for money. The evaluation demonstrates that these projects had a significantly positive impact on those engaged."

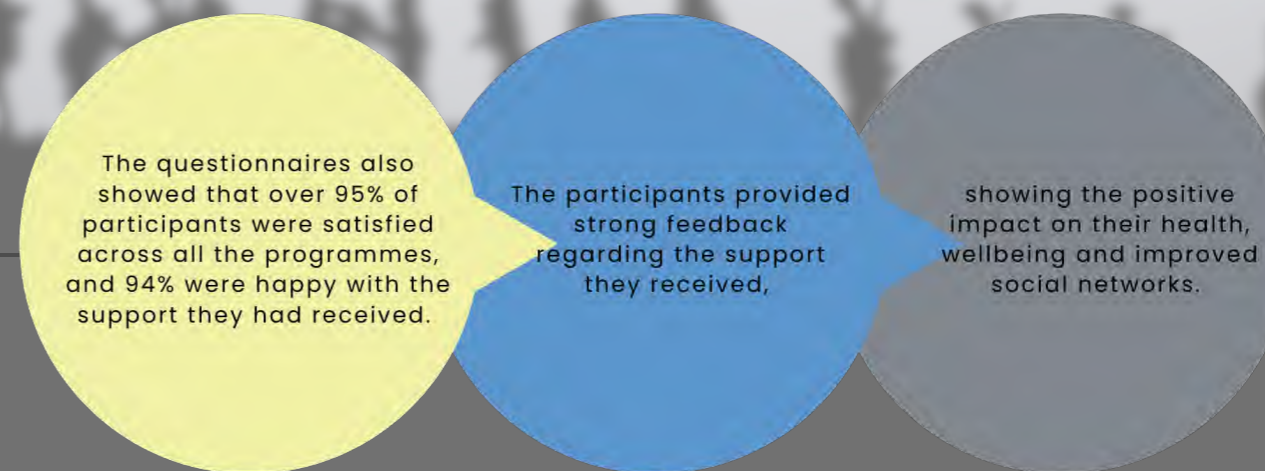
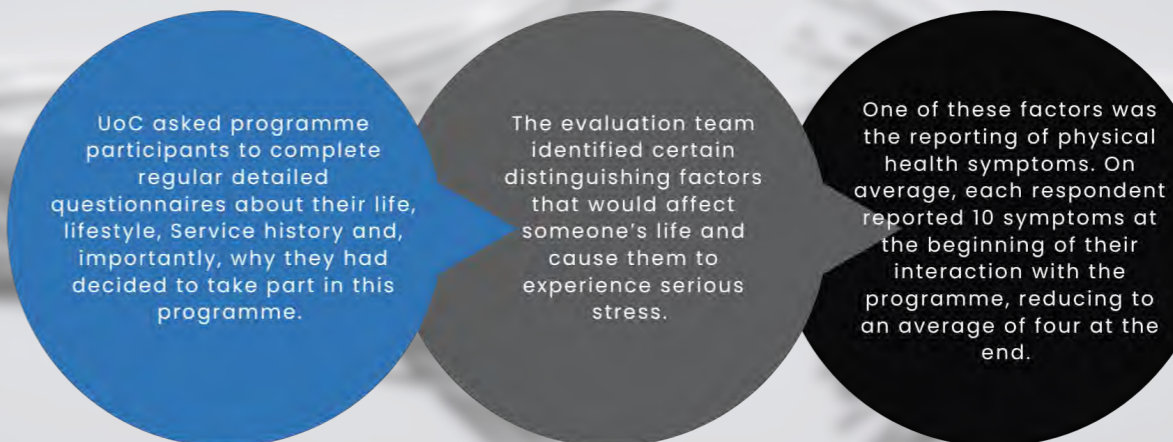
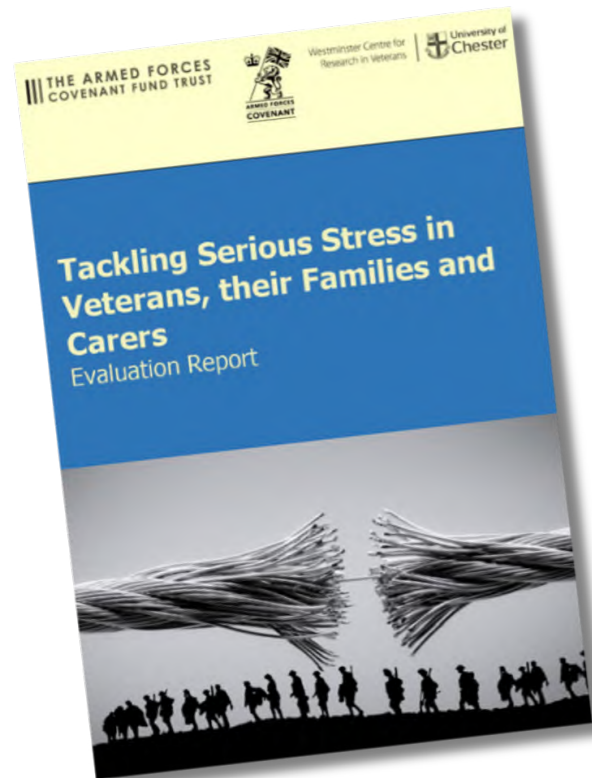
Key Findings from the evaluation

The study showed that participants self-reported high levels of mental health problems including anxiety (67%), depression (67%), PTSD (62%) and physical problems, with the most common being musculoskeletal / back injuries (47%).

The evaluation data provides much valuable evidence to demonstrate success, and some insight into projects where improvements were required and how these issues were going to be tackled. The full report is available on our website www.covenantfund.org.uk

Anna Wright CEO, Armed Forces Covenant Fund Trust:

"The University of Chester's Westminster Centre for Research in Veterans' analysis of the projects funded by the Trust offers significant learning opportunities and points to the TSS protocol providing a platform for lasting partnerships with governmental agencies, professional bodies, charities, businesses and appropriate networks."



A Look Ahead

Throughout the year, the Trust has continued to grow and develop. As part of this work, we have developed a new Mission, Vision and Values to guide us. They are being integrated into all areas of the Trust's work.



The Trust continues to be an ethical grant maker - encouraging our grant holders to align their work with our ethical Code of Conduct. To behave ethically, we need to consider what is the 'right' way to behave towards others – how we can do no harm, and how we can achieve good outcomes through the work we support. There are two broad and overlapping ethical principles which govern our work: 'Do Good' and 'Do No Harm'.

Our people...

The Trust also undertook its first ever culture audit, with the key finding that, overall, the experience of working for the Trust is positive, it is easy to get work done, and people enjoy the work they do for the Trust and the Armed Forces community; there is a sense of fulfilment in working for the Trust.

Our programmes...

We have received high levels of applications to our funding programmes this year; and have noticed particular themes relating to cost-of-living challenges being raised by applicants and grant holders. Our Covenant Fund programmes for 2023/24 will repeat the popular and oversubscribed Force for Change, Reaching and Supporting Armed Forces Communities and Transformational Grants programmes, ensuring funding is accessible and available for those who need it in our ever-changing economic climate and the current cost-of living challenges.

Our Force for Change programme will now offer grants up to £15,000 for one-year projects. This is in recognition of the increased cost of living, and we will focus funding on vulnerable Armed Forces communities that are being most impacted.

In 2023/24 we will also undertake a consultation to shape the delivery of the Covenant Fund from 2024 to 2027. This will be a wide-ranging consultation and represents a move from Annual Priority setting to a three-year strategic delivery plan; giving more certainty to our stakeholders about the funding programmes on offer and ensuring that we can deliver high impact across our work.

Small Grants Research

The Trust has run small grants programmes since its inception, making grants of £20,000 or less to a wide range of organisations supporting the Armed Forces community. We originally made small grants through the Local Grants programme, then through Forces Communities Together, and most recently through the Force for Change programme.

In early 2022, we opened the first of three new rounds of Force for Change, with subsequent rounds later in 2022. We made grants of up to £10,000 over one year for community projects that reduce social isolation and promote integration, supporting post-Covid recovery in local Armed Forces communities. Through these latest rounds of funding, we've made 100 grants to the value of just over £950,500.

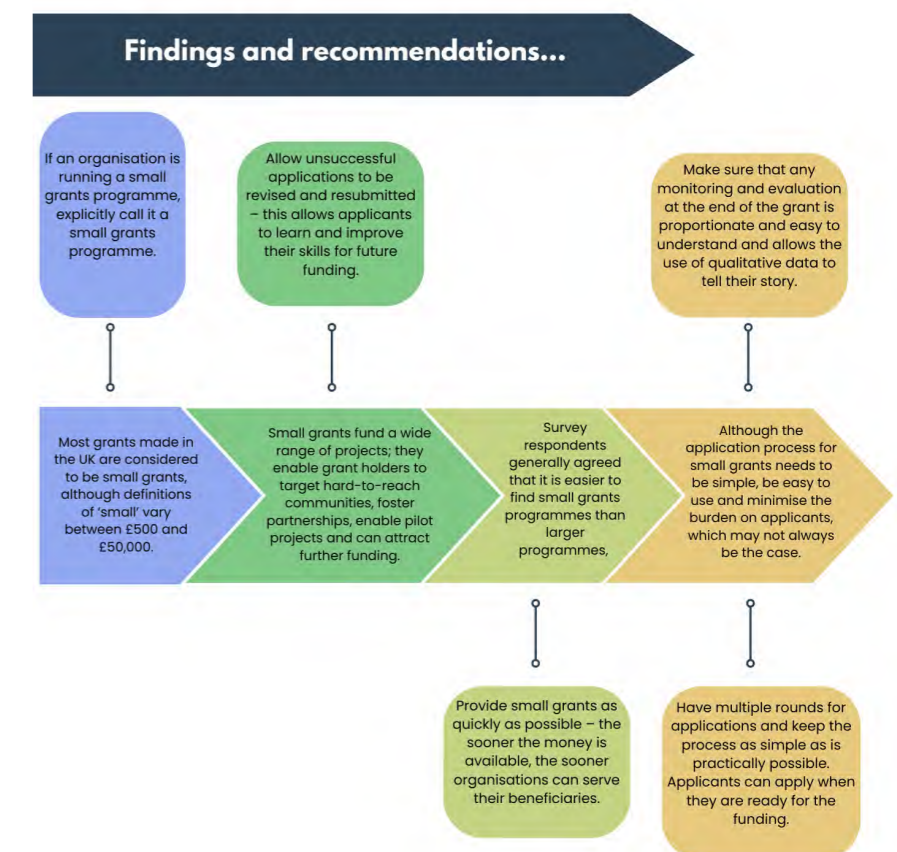
By early 2023, the Trust has awarded over 1,100 small grants totalling more than £17.5 million.

Through monitoring and evaluation, we recognise and have shown that small grants are important to a wide range of organisations supporting a wide variety of beneficiaries, in the Armed Forces community and beyond. To learn and understand more about the role and impact of small grants and small grants programmes in the wider voluntary and community sector, and more specifically in the context of supporting the Armed Forces community, we sought independent evidence to further inform policy and practice.

Following an open tender process, in July 2022 the Trust commissioned the Directory of Social Change (DSC) to conduct an in-depth investigation into small grants and small grants programmes.

The aims and objectives of this research include revealing the breadth and depth of the small grants landscape in the UK, learning from other grant makers' best practice, insights and recommendations, and comparing and contrasting the Trust's practices and small grants programmes to enable the Trust to continue to strive for excellence in supporting the Armed Forces community in the UK and abroad.

The subsequent report, Small Grants, Big Changes: An Overview and Analysis, sets out a number of key findings and recommendations which provide insight and evidence to further inform our practices, and which are also made available to the wider sector on our Knowledge Network.



Financial review

Our income

During 2022/23, the trust's income comprised £15.6 million for the specified purposes of supporting the Armed Forces community, as follows.

- Covenant Fund: £10.4 million.
- MOD Families Fund: £3.75 million.
- NAAFI Fund: £975,000.
- Office for Veterans' Affairs Homelessness Fund: £499,000.

We also received a small amount of income for administering the Headfit website on behalf of MOD.

Our expenditure

In 2022/23, we spent £14.5m on grants and direct expenditure on programme evaluation and research, to assist us in understanding the impact of both individual projects and programmes. Awards from each of the four Funds were made throughout the financial year. Some grants are for multi year projects, where organisations draw down their grants over two or three years. Staff costs in 2022/23 were £999k, an increase of £253k from 2021/22. The increase is a direct consequence of taking on additional staff as our funding programmes have grown in number, to enable the Trust to remain an efficient and effective grant making body. Our other costs also grew slightly, reflecting upgrading of IT and increased staff travel.

Reserves policy and going concern

The Trust holds limited reserves, which comprises both refunded grants and interest earned before it had access to a non-interest bearing government bank account, which was a requirement of NDPB status. Trustees have continued to engage with the Cabinet Office and the Ministry of Defence during 2022/23, to ensure that prudent planning and compliance with the Charities SORP can be achieved. Our working reserves policy has been to ensure that we hold sufficient funds to maintain liquidity, to cover unforeseen short term cash requirements and to cover planned future expenditure. Our unrestricted reserves at 31 March 2023 were £105k. The Trustees have presented the accounts on a going concern basis. This assumes that the Trust can meet its liabilities as they fall due for the foreseeable future and that current and future funding will be adequate for the Trust's needs. We have considered a period of twelve months from the date of approval of the financial statements in accordance with accounting conventions. In coming to their conclusion, the Trustees have considered monthly forecast levels of income and expenditure and underlying assumptions. The overriding assumption is that the Covenant Fund funding of £10 million from the Ministry of Defence continues for the foreseeable future. Having carefully considered the forecasts and assumptions, the Trustees are content to present the accounts on a going concern basis.

Fundraising

Unlike other funders, the Trust does not fundraise to produce a grants income. The Trust will not normally accept unsolicited donations. The trust may consider donated income for the establishment of grant making schemes that are aligned to the charitable objectives of the Trust. Under its policy, Trustees can turn down a donation where accepting the donation would be detrimental to the achievement of the purposes of the organisation, as set out in its constitution.

Auditor

Moor Kingston Smith have provided our financial audit services since 2021/22.

So far as I, as Accounting Officer of the trust, and as we, as its Trustees, are aware:

- a) There is no relevant information of which the Trust's auditors are unaware
- b) We have taken all steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information

The Trustee's annual report has been approved by the Trustee Board in their September 2023 meeting and signed on their behalf by



Anna Wright

Chief Executive Officer and Accounting Officer

22 September 2023



Helen Helliwell

Chair of Trustees

22 September 2023

Governance statement 2022/23

Scope of responsibility

As Accounting Officer and Trustees of the Armed Forces Covenant Fund Trust, we have responsibility for putting in place and maintaining proper arrangements for the governance of the Trust's affairs together with a sound system of internal control that supports the achievement of the Trust's policies, aims and objectives, whilst safeguarding the public funds and assets for which the Accounting Officer is personally responsible, in accordance with the responsibilities assigned in Managing Public Money and ensuring compliance with the requirements of the Management Statement and Financial Memorandum.

The purpose of the governance framework

The governance framework comprises the systems and processes by which the Trust is directed and controlled. It enables the Board to monitor achievement of its strategic objectives. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place throughout the year ended 31 March 2023.

The governance framework

The Trust is an unincorporated charity and non-departmental public body (NDPB). The Armed Forces Covenant Fund Trustee Limited is a company and was registered at Companies House on 2 February 2018 to act as the Trustee of the Armed Forces Covenant Fund, which was registered with the Charity Commission on 7 February 2018.

The individuals referred to as Trustees are directors of the limited company under company law.

The limited company was established under a memorandum of association, which established the objects and powers of the Trust and is governed under its articles of association.

All Trustees give their time voluntarily and receive no benefits from the Trust. Any expenses reclaimed from the Trust are set out in note 6 to the accounts.

There is a Financial Framework document in place which defines the arrangements between the Trust and its sponsor department, the Ministry of Defence, relating to the receipt of the £10m Covenant Fund and the conditions for its expenditure. The current Financial Framework was issued in the year ended 31 March 2022. For other funding streams, Memorandums of Understanding are in place with the funding sources, such as the Office of Veterans Affairs.

The Trustees and the committee structure

The Armed Forces Covenant Fund Trust is governed by a Board of Trustees chaired by Helen Helliwell. The Charities Act 2011 requires the Trustees to exercise proper stewardship over the Trust.

The Chief Executive Officer of the Trust is the Accounting Officer responsible to Parliament for the day-to-day management of the Trust as set out in Chapter 3 of Managing Public Money. Our current Chief Executive, Anna Wright has been in post since January 2022.

The majority of the founding Trustees of the Trust had previously served as members of the National Panel for the Covenant Fund when it was operating within the MOD, and new members were brought in to ensure that the range of skills required to manage an independent trust were available to the Board.

There have been three new appointments in 22/23- Peter Kellam, Collette Musgrave and Major General Jon Swift.

Who appoints the Trustees?

Trustees are appointed by the Secretary of State for Defence in accordance with the provisions of the public appointments process set out in the Office of the Commissioner of Public Appointments Code of Practice. They are appointed for a term of five years and can be appointed for a second term of equivalent length. The Board of Trustees may appoint up to three additional co-opted Trustees by majority approval to serve on the Board and both co-opted Trustees and other individuals may serve on specific sub-committees to supplement the experience of Board members.

The Trustees receive a governance manual on appointment, and attend induction training with the Chief Executive Officer and Senior Leadership Team (SLT). They are also encouraged to familiarise themselves with the Trust's priorities through work in sub-committees.

The Board of Trustees sub-committees

The Board of Trustees have established three sub-committees for specific purposes and to ensure that effective conduct of business. The Board of Trustees is responsible for appointing to the sub-committees from within its membership and all sub-committee actions are taken on behalf of the Trustees as a whole, with recommendations made to the Board as appropriate.

These sub-committees comprise:

- Audit and Risk Committee- to consider the annual audit and publication of annual Trust accounts. In 2022-23 this committee has expanded its remit to include risk and finance.
- Remuneration and Nominations- to consider all staff terms and conditions including performance management and pay, as well as future appointments to the Board and to senior posts.
- Ethics Advisory Panel- to support the team in maintaining high ethical standards
- Grants Committee- On 12 August 2022 the Trustees delegated to the Grants Sub-Committee the authority to make decisions on the awarding of grants in respect of specified grant programmes. For 2022/23 these were
 - o Covenant Fund: Force for Change
 - o NAAFI Fund: all grants programmes
 - o Armed Forces Families Fund: all grants programmes

The terms of reference of each of these sub-committees have been approved by the Full Board. The table below shows the number of meetings and attendance. Minutes of all Board and sub-committee meetings are maintained.

Trustee attendance is shown as the number of meetings attended in relation to the number of meetings held whilst each individual was a member of the relevant committee.

	Board	Audit	Remuneration Committee	Ethics Advisory Panel	Grants Committee
Helen Helliwell	5/5		3/3		
Rear Admiral Vice Commodore Rex Cox	4/5	2/4			2/3
Major General David Eastman (resigned May 22)	0/1				
Gerald Oppenheim	5/5			2/2	3/3
John Pitt-Brooke	5/5	4/4			
Wendy Cartwright	5/5	4/4	3/3		
Professor David Rose	4/5		3/3	4/4	
John Mooney	5/5		2/3		
Jessie Owen	4/5				
Captain Chris Shepherd	2/4	4/4			
Maria Lyle (resigned February 23)	4/4		2/2		1/2
Stephen Squire-Law	3/5				
Lieutenant General Sir Nick Pope KCB CBE	4/5	3/3	3/3		2/3
Collette Musgrave (appointed February 23)	1/1		1/1		1/1
Major General Jon Swift (appointed June 22)	3/5				1/3
Peter Kellam (appointed August 22)	4/4			4/4	

* Gerald Oppenheim resigned EAP to chair Grants Committee

Register of interests

The Trust's funding plans are developed in close dialogue with the Covenant Team at the MOD, to ensure its programmes are informed by and complementary to, the MOD's support for serving personnel, veterans and their families.

All funding decisions are made by the Trustees, with Trustees acting independently of their other professional roles. Declarations of interest are requested and recorded at each of the Board meetings, in relation to applications for funding being requested, contracts being considered or funded project updates, with relevant Trustees withdrawing from discussions and decision making as appropriate. Related Parties are disclosed in Note 8 of the Financial Statements.

The Board of Trustees' performance

The Board has supported the Trust to successfully award grants in line with its four broad funding themes as outlined above.

Sub Committee minutes are circulated to all Trustees with routine papers for the quarterly meetings of the Full Board, and sub-committee chairs highlight any matters of particular interest or concern for the attention of the full Board. There is a wide range of information and data routinely available to the Board, in particular in relation of grant applicants, but also including management accounts monthly to EMB and summary management accounts to the full Board when relevant, which the Board considers to be adequate management information.

Personal data loss

The Trust has not identified any personal data related incidents during 2022-23 or in the previous years since its establishment. An incident is defined as a loss, unauthorised disclosure or insecure disposal. Protected personal data is information that links an identifiable living person with information about them which, if related, would put the individual at significant risk of harm or distress; the definition includes sources of information that because of the nature of the individuals or the nature, source or extent of the information, is treated as protected personal data by the Trust.

Internal audit

BDO have continued to provide our internal audit services for 2022/23.

The Trust's Audit and Risk Committee approved the 2022/23 internal audit plan, and BDO carried out audits on our cyber security, our organisational culture and counter fraud and whistleblowing.

Internal audit reports and recommendations were agreed with the Senior Management Team, and progress on implementing audit recommendations is monitored by both Senior Management Team and the Audit and Risk Committee.

For 2022/23, the opinion provided by our internal auditors on the Trust's governance is Tier 2 (of four potential tiers). This states that "There is some risk that management's objectives may not be fully achieved. Improvements are required in those areas to enhance the adequacy and / or effectiveness of governance, risk management and internal control."

This means that some recommendations have been made to us, but that we have moderate assurance over our internal controls. This is an improvement on last year and recognises the work the Trust has done to address the recommendations previously raised, and the opinions provided in the reports this year. It means that while some recommendations have been made, we have experienced a period of enormous growth in the last few years and recognises that some of our structures need to be brought up to date to support our current operations and the maturity level of our organisation. We will continue to work with BDO to support their internal audit programme and show how we are implementing the recommendations already made.

External audit

The external auditor of the Trust is Moore Kingston Smith, who were appointed in 2021/22.

Risk management

The Trust's internal control system is designed to manage risk to a reasonable level, rather than eradicate all risk of failure. Therefore, it can only provide reasonable and not absolute assurance of effectiveness. In managing risk, we identify the opportunities and risks in achieving our strategic objectives, evaluate the likelihood of those risks being realised, the impact should they be realised and the controls in place to manage them efficiently and effectively. The Trust's approach to risk management and the process for implementation are documented in a Risk Management Strategy.

The strategy is supported by our strategic risk register, which groups our highest priority risk areas into key strategic risks which is reviewed regularly by the senior leadership team. The Executive Management Board review strategic risks at each meeting and the Board review annually.

Risk management overall is viewed as a dynamic process which actively seeks to incorporate good practice. It is responsive and current and is managed through regular review of both internal developments and external factors – the political, social, economic, demographic, technological, environmental and legal developments that may influence our exposure to risks or opportunities.

As an NDPB the Trust has a low risk appetite in relation to compliance, regulation and to our key strategic risks. In areas where we aim to be relevant and influential, we are prepared to take calculated risks. Risk appetite has been set by the Trustees and is reviewed annually for appropriateness by the senior leadership team and the Audit and Risk Committee. The senior leadership team monitor whether our overall risk profile is commensurate with our risk appetite on an ongoing basis.

Principle risks for the Trust relate to the importance of the Trust maintaining a strong relationship with Government, the Armed Forces charity sector and core stakeholders and the challenges of delivering an intelligent grantmaking approach while maximising the operational budget for grantmaking and business continuity.

Controls to mitigate these risks include the development and delivery of a communications strategy based on transparency, as well as a commitment to support grant applicants and grant holders. The Trust's governance and executive structures, and its internal controls, have been developed, tested and reviewed to keep best use of resources in focus within all decision making. On transfer of the responsibilities from the MOD to the Trust, a 'cap' on expenditure of support costs of no more than 5% of funds was agreed. In 2023-24 this will increase to 8%. Support costs percentages for each of the additional Funds that the Trust is administering are set according to the complexity of the programme.

Assurance statement by the audit committee

The Audit and Risk Committee are reasonably confident that the reliability, integrity, quality and comprehensiveness of the assurances provided by management over the Trust's internal processes and by external auditors, are presently sufficient to support the Board and Accounting Officer in their decision making and in the fulfilment of their accountability obligations. Internal controls are monitored during the year by the Trust's senior management team and independent audit review and findings reported to the Audit Committee. The Audit Committee will continue to draw to the Board's and Accounting Officer's attention any matters of concern.

Statement of responsibilities of the Trustees

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the Trust's financial activities during the period and of its financial position at the end of the period. In preparing financial statements to give a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards and statements of recommended practice 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 Trust 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 Trust and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Trust 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 corporate and financial information included on the Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Remuneration and staff report

In accordance with the HM Treasury Financial Reporting Manual the Armed Forces Covenant Fund Trust has prepared this report containing certain information about directors' remuneration. 'Directors' is interpreted to mean persons in senior positions having authority or responsibility for directing or controlling the major activities of the Trust. The figures in the remuneration and staff report are subject to audit.

The total number of employees whose emoluments for the year exceeded £60,000 is given in Notes 6 and 7, together with information on staff numbers and costs.

Two of the directors are members of the PCSPS, for which further details are provided below. The Trust made employer's contributions to one pension under the auto-enrolment scheme (NEST), at the rate of 8% of salary. The directors received no other benefits. Performance bonuses paid to directors are non-contractual. The directors have contracts of employment carrying a period of notice of one months notice.

	Salary 2022-23 (2021-22) £'000	Performance Related pay and bonuses 2022-23 (2021-22) £'000	Benefits in kind (to nearest £100) 2022- 23 (2021-22) £'000	Pensions Benefits 2022-23 (2021-22) £'000	Total 2022-23 £'000	Total 2021-22 £'000
Melloney Poole MBE, Chief Executive	- (30-35)	- (0-5)	-	-	0	30-35
Anna Wright, Chief Executive	70-75 (15-20)	0-5 (0-5)	-	-	70-75	15-20
Carol Stone, Director of Grants	65-70 (60-65)	0-5 (0-5)	-	24 (24)	90-95	85-90
Sonia Howe, Director of Policy and Communications	65-70 (60-65)	0-5 (0-5)	-	11 (16)	80-85	80-85
Liz Rankin, Director of Finance and Operations	50-55 (35-40)	0-5 (0-5)	-	-	50-55	35-40

	Accrued pension at pension age as at 31 March 2023 and related lump sum £'000	Real increase in pension and lump sum at pension age £'000	CETV at 31/03/23 £'000	CETV at 31/03/22 £'000	Real increase in CETV £'000	Employer contribution to Nest pension Nearest £100
Melloney Poole MBE, Chief Executive	-	-	-	-	-	-
Anna Wright, Chief Executive	-	-	-	-	-	9,700
Carol Stone, Director of Grants	5-10	0-2.5	145	117	17	-
Sonia Howe, Director of Policy and Comms	15-20	0-2.5	242	217	0	-
Liz Rankin, Director of Finance and Operations	-	-	-	-	-	8,300

Fair Pay Disclosures

In 2022-23, 0 (2021-22: 0) employees received remuneration in excess of the highest paid director. Remuneration ranged from £25-£30k to £65-70k, excluding the highest paid director.

Year	25th Percentile Ratio	50th Percentile Ratio	75th Percentile Ratio
Total Remuneration	£29,869	£34,650	£53,427
Salary Component of above	100%	100%	100%
22/23	2.76	2.38	1.54
21/22	2.77	2.34	1.46

Percentile total remuneration is calculated by excluding the remuneration of the highest paid director on an annualised basis and by including full time equivalent remuneration for all staff.

The average salary within the Trust is £47,051 (2021-22: £43,914). This is calculated as the total for all employees on an annualised basis, excluding the highest paid director, divided by the FTE number of employees (also excluding the highest paid director).

The Trust believes that the median pay ratio for 2022-23 is consistent with the pay, reward and progression policies for the Trust's employees taken as a whole.

Any performance awards are made under the Trust appraisal linked system which applied to all staff. The directors are all employed on standard terms and conditions.

The Board of Trustees comprised 11 members at 31 March 2023, none of whom were full time employees of the Trust and they were reimbursed with £245.50 in expenses (2022: £93).

Sickness Absence

The Armed Forces Covenant Fund Trust employed 23 members of staff as at 31 March 2023. Periods of sickness absence are recorded in half days. The average number of days of sickness absence was 3.75 days per person. (2022: 2.26) There were two long term absences in this financial year. This paragraph is not subject to audit.

Pension Costs and Benefits

The Trust's accounting policy in relation to Pensions is provided at Note 1 to the Financial Statements. From October 2018 the Trust has automatically enrolled all employees into a National Employment Savings Trust (NEST) pension scheme unless the employees choose to opt out. The NEST pension scheme is a defined contribution pension scheme that was created as part of government's workplace pensions reform under the Pensions Act 2008. The assets of the scheme are held separately from those of the Trust and the Trust is unable to identify our share of the liability, employer's contributions are charged to the Statement of Financial Activities as they occur.

Pension benefits for a small number of longer serving staff are provided through the Civil Service pension arrangements. The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but the Trust is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2016. Details can be found in the resource account of the Cabinet Office Civil Superannuation (www.civilservice.gov.uk/pensions).

For 2022-23 employer's contributions of £47,651 were payable (2022: £45,203) through the PCSPS. The applicable rates for the PCSPS are shown below:

Gross Salary	Rate %
77,001 and over	30.3%
45,501-77,000	27.9%
23,001-45,500	27.1%
Up to 23,000	26.6%

The contribution rates reflect benefits are they are accrued, not when costs are actually incurred, and reflect past experience of the scheme. Pension benefits are provided through the Civil Service pension arrangements in place prior to 30 July 2007, with the unfunded cost of benefits met by monies voted by Parliament each year. Further details about the Civil Service pension arrangements can be found at the website www.civilservice.gov.uk/pensions

The real increase in Cash Equivalent Transfer Value (CETV) reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Reporting of civil service and other compensation schemes- exit packages

No redundancy or other departure costs were incurred in the 2022-23 financial year (2022: 0).

Staff Report

Further details relating to the Trust's staff numbers and staff costs can be found in Notes 6 and 7 to the financial statements.

Trade Union Facility Time

No employees are union officials and no time was spent on union activity.

Parliamentary accountability and audit report

All expenditure has been applied as intended by the Trust's sponsor body. There are no contingent liabilities, gifts, fees, charges or losses and special payments requiring further disclosures that have not been reported elsewhere in these financial statements. This paragraph is subject to audit.



Anna Wright

Chief Executive Officer and Accounting Officer
22 September 2023



Helen Helliwell

Chair of Trustees
22 September 2023

Audit Certificate

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ARMED FORCES COVENANT FUND TRUST

Opinion

We have audited the financial statements of the Armed Forces Covenant Fund Trust (the 'Trust') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice). We have also audited the information in the Remuneration and staff report and Parliamentary accountability report that are described as having been audited.

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.

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 twelve 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 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 there is 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.

Opinion on other matters

In our opinion, the parts of the Remuneration and staff report and Parliamentary accountability report, which have been identified as subject to audit, have been properly prepared in accordance with Chapter 6 of the Government Financial Reporting Manual 2022-23.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 56, 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, the HM Treasury Financial Reporting Manual and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. 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 any party other than the charity and charity's Trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

Moore Kingston Smith LLP, Statutory auditor

4 October 2023

Date:
6th Floor
9 Appold Street
London
EC2A 2AP

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

Statement of financial activities for the year ended 31 March 2023

	Note	Unrestricted	Restricted	2023	Unrestricted	Restricted	2022
		£	£	Total	£	£	Total
				£			£
Income from:							
Charitable activities	2	-	15,600,234	15,600,234	-	27,959,788	27,959,788
Investments		1,308	-	1,308	76	-	76
Other		-	-	-	193,010	-	193,010
Total Income		1,308	15,600,234	15,601,542	193,086	27,959,788	28,152,874
Expenditure on:							
Charitable activities	3	19,000	15,845,713	15,864,713	28,894	27,545,064	27,573,958
Total Expenditure		-	15,845,713	15,864,713	28,894	27,545,064	27,573,958
Net income/(expenditure) for the year	5	-	(245,479)	(263,171)	164,192	414,724	578,916
Transfers between funds		-	-	-	(208,192)	208,192	-
Net movement in funds		-	(245,479)	(263,171)	(44,000)	622,916	578,916
Reconciliation of funds:							
Total funds brought forward		104,692	1,804,046	1,908,738	148,692	1,181,130	1,329,822
Total funds carried forward		104,692	1,558,567	1,645,567	104,692	1,804,046	1,908,738

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15 to the financial statements.

Balance sheet as at 31 March 2023

	Note	2023	2022
		£	£
Current assets:			
Debtors	10	544,531	1,742,611
Cash at bank and in hand		22,102,408	24,998,631
		22,646,939	26,741,242
Liabilities:			
Creditors: amounts falling due within one year	11	(13,936,762)	(18,700,376)
Net current assets		8,710,177	8,040,866
Total assets less current liabilities		8,710,177	8,040,866
Creditors: amounts falling due after one year	12	(7,064,610)	(6,132,738)
Total net assets		1,645,567	1,908,738
The funds of the charity:	15		
Restricted income funds		1,558,567	1,804,046
Unrestricted income funds:			
Designated funds		0	-
General funds		87,000	104,692
Total unrestricted funds		87,000	104,692
Total charity funds		1,645,567	1,908,738

Approved by the Trustees on 22 September 2023 and signed on their behalf by



Helen Helliwell
Chair of Trustees



Anna Wright
Chief Executive

Cash flow statement for the year ended 31 March 2023

	Note	2023		2022	
		£	£	£	£
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	16		(2,897,531)		4,006,516
Cash flows from investing activities:					
Dividends, interest and rents from investments		1,308		76	
Net cash provided by/(used in) equivalents in the year			1,308		76
Change in cash and cash equivalents in the year			(2,896,223)		4,006,592
Cash and cash equivalents at the beginning of the year			24,998,631		20,992,039
Cash and cash equivalents at the end of the year			22,102,408		24,998,631

Notes to the financial statements

Armed Forces Covenant Fund Trust Notes to the financial statements For the year ended 31 March 2023

1 Accounting Policies

a) Statutory information

Armed Forces Covenant Fund is a charitable trust located in England, with charity number 1177627. The registered office address (and principal place of business) is 95 Horseferry Road, London, SW1P 2DX.

b) Basis of preparation

The Trust was established by a trust deed dated 7 February 2018 and commenced its activities on this date.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), charity regulations and the Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the Trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

Key judgements that the Trust has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

c) Public benefit entity

The Trust meets the definition of a public benefit entity under FRS 102.

d) Going concern

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

Key judgements that the charitable company has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

- e) **Income**
Income is recognised when the Trust has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.
- Income from government and other grants, whether ‘capital’ grants or ‘revenue’ grants, is recognised when the Trust has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.
- Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.
- f) **Interest receivable**
Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the bank.
- g) **Fund accounting**
Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.
- Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.
- Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.
- h) **Expenditure and irrecoverable VAT**
Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:
- Expenditure on charitable activities includes the costs of grantmaking, research & evaluation and other grant related activities undertaken to further the purposes of the Trust and their associated support costs
 - Other expenditure represents those items not falling into any other heading
 - Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.
- i) **Grants payable**
Grants payable are made to third parties in furtherance of the Trust’s objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the recipient.
- Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.
- j) **Allocation of support costs**
Resources expended are allocated to the particular activity where the cost relates directly to that activity.
- Where information about the aims, objectives and projects of the Trust is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure. Fixed support and governance costs are re-allocated to the Covenant Fund, and variable costs are re-allocated to each of the activities on the basis of an estimate, based on staff time, of the amount attributable to each activity.

- Governance costs are the costs associated with the governance arrangements of the Trust. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the Trust’s activities.
- k) **Operating leases**
Rental charges are charged on a straight line basis over the term of the lease.
- l) **Tangible fixed assets**
Items of equipment are capitalised where the purchase price exceeds £5,000.
- m) **Debtors**
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.
- n) **Short term deposits**
Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.
- o) **Cash at bank and in hand**
Cash at bank and cash 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.
- p) **Creditors and provisions**
Creditors and provisions are recognised where the Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.
- q) **Financial instruments**
The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.
- r) **Pensions**
Employees of the Trust are eligible to receive contributions to their selected pension scheme - either their personal pension account or if they wish to join the Trust’s selected pension provider NEST. Three employees are members of the Civil Service Pension Scheme, which is a defined benefit scheme. However, the Trust is only responsible for paying contributions so it is accounted for as a defined contribution scheme. Further information about this scheme is provided in note 13.

2 Income from charitable activities

	2023			2022		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
MOD - £10M Covenant Fund	-	10,416,450	10,416,450	-	10,200,000	10,200,000
MOD Families Fund	-	3,752,000	3,752,000	-	-	-
HMT - £10M Veterans' Mental Health and Wellbeing Fund	-	-	-	-	10,000,000	10,000,000
NAAFI Fund	-	917,183	917,183	-	1,251,308	1,251,308
Headfit	-	15,130	15,130	-	8,480	8,480
Supporting Armed Forces in Acute Hospitals	-	-	-	-	1,500,000	1,500,000
OVA Homelessness Fund	-	499,471	499,471	-	-	-
Afghanistan Veterans' Fund	-	-	-	-	5,000,000	5,000,000
Donations	-	-	-	-	-	-
Total income from charitable activities	-	15,600,234	15,600,234	-	27,959,788	27,959,788

Government grants received were for specific purposes. The Covenant Fund comprises £10M per year to fund projects that support the Armed Forces community.

Armed Forces Families Fund: The Trust distributes the Armed Forces Families Fund (AF3) on behalf on the MOD. This fund was created following the launch of the Families Strategy in January 2022.

Reducing Homelessness Programme: The Trust is delivering funding on behalf of the Office for Veterans Affairs towards projects that contribute to the aims of the government's ambition to reduce veteran homelessness and end rough sleeping.

3a Charitable activities

	Direct Charitable			2023
	Activity	Staff Costs	Other Costs	Total
	£	£	£	Expenditure £
MOD - £10M Covenant Fund	9,619,179	193,593	332,178	10,144,950
HMT - £10M Veterans' Mental Health and Wellbeing Fund	-14,056	523,446		509,390
HMT - £3M Veterans' Community Centres Fund		33,246		33,246
Aged Veterans' Fund				0
Programme evaluation and research	125,505			125,505
MOD Families Fund	3,551,930	158,350		3,710,280
Afghanistan Veterans' Fund		57,804		57,804
OVA Homelessness Fund	499,471			499,471
NAAFI Fund	822,863	38,030		860,893
Refunds from previous years	-76,821			-76,821
Total	14,528,071	1,004,469	332,178	15,864,718

In 2022-2023 expenditure of £19,000 was unrestricted and £16,120,602 was restricted. All expenditure was restricted in 2021 -2022 .

3b Support costs

	HMT Vets'	HMT Vets'	NAAFI	MOD	OVA	Afghanistan	2023	
	Covenant	Mental	Community	Families	Homelessness	Veterans'	Total	
	Fund £10m	Health £10m	Centre £3m	Fund	Fund	Fund	Expenditure	
	£	£	£	£	£	£	£	
Staff remuneration	193,593	523,446	33,246	38,030	158,350	-	57,804	1,004,469
Other staff costs								-
Professional fees	38,115							38,115
Premises and office costs	11,658							11,658
Other	29,852							29,852
Audit (could be included in other but excluded from apportionment)	55,776							55,776
Communications and marketing	47,738							47,738
GMS and IT	124,122							124,122
Total	525,771	523,446	33,246	38,030	158,359	0	57,804	1,336,647

3c Charitable activities

	Direct Charitable			2022
	Activity	Staff Costs	Other Costs	Total
	£	£	£	Expenditure £
MOD - £10M Covenant Fund	9,477,922	242,882	259,148	9,979,952
HMT - £10M Veterans' Mental Health and Wellbeing Fund	9,083,456	368,001		9,451,457
HMT - £3M Veterans' Community Centres Fund		35,334		35,334
Aged Veterans' Fund				0
Programme evaluation and research	607,186			607,186
Supporting Armed Forces in Acute Hospitals	1,414,779			1,414,779
Afghanistan Veterans' Fund	4,750,000	57,806		4,807,804
NAAFI Fund	1,199,047	41,962		1,241,009
OVA/MOD Covid Impact Fund	36,437			36,437
Total	26,568,827	745,983	259,148	27,573,958

All expenditure was restricted in 2021-2022. In 2020-2021 expenditure of £334,710 was unrestricted and £26,121,708 was restricted.

3d Support costs

	HMT Vets' Covenant Fund £10m	HMT Vets' Mental Health £10m	HMT Vets' Community Centre £3m	NAAFI Fund	OVA/MOD Covid Impact Fund	Afghanistan Veterans' Fund	2022 Total Expenditure
	£	£	£	£	£	£	£
Staff remuneration	242,882	368,001	35,334	41,962	-	57,805	582,872
Other staff costs	857						857
Professional fees	68,091						68,091
Premises and office costs	45,831						45,831
Other	5,650						5,650
Audit	14,410						14,410
Governance costs	32,912						32,912
Communications and marketing	29,235						29,235
GMS and IT	62,162						62,162
Total	502,030	368,001	35,334	41,962	-	57,804	1,005,131

4 Grant expenditure

	2023	2022
	£	£
MOD - £10M Covenant Fund	9,619,179	9,477,922
HMT - £10M Veterans' Mental Health and Wellbeing Fund	-14,056	9,083,456
OVA/MOD Covid Impact Fund	0	36,437
NAAFI Fund	822,863	1,199,047
Returns/withdrawals	-76,821	-
Afghanistan Veterans' Fund		4,750,000
Supporting Armed Forces in Acute Hospitals		1,414,779
MOD Families Fund	-3,551,930	
OVA Homelessness Fund	499,471	
Total grants awarded during the year	7,298,706	25,961,641
Total grant expenditure	7,298,706	25,961,641

All grants were made to institutions. For details, please see the website at www.covenantfund.org.uk/grants-weve-funded/
All grant expenditure was restricted.

5 Net (expenditure)/income for the year

This is stated after charging/(crediting):

	2023	2022
	£	£
Operating lease rentals payable:		
Property	6,481	34,543
Auditors' remuneration (excluding VAT):		
Current year audit fee	14,700	12,000
Under accrual for prior year audit fee	-	
Non-audit fee	-	

6 Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023	2022
		£
Salaries and wages	812,018	597,009
Social security costs	80,513	60,954
Employer's contribution to defined contribution pension schemes	44,873	30,792
Civil Service Pension Scheme	47,651	45,203
Other forms of employee benefits	19,414	12,025
Total	1,004,469	745,983

Other forms of staff benefits include an employee assistance programme, medical cash plan, death in service cover and staff training.

6 Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel (continued)

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2023	2022
	No.	No.
£60,000 - £69,999	4	2

The total employee benefits (including pension contributions and employer's National Insurance) of the key management personnel were £365,615 (2022: £301,493).

Excluding the Chief Executive and Directors, 1 employee received remuneration for 2022-23 excluding pension contributions, greater than £60,000 (2021-22: no employees).

The Trustees were neither paid nor received any other benefits from employment with the Trust in the year (2023 £Nil). No Trustee received payment for professional or other services supplied to the Trust (2022: £Nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs relating to attendance at meetings of the Trustees. There were £245.50 of Trustee expenses incurred (2022: £93) by one Trustee.

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 20.1 (2022: 15.9).

Staff are split across the activities of the Trust as follows:

	2023	2022
	No.	No.
Grant making	13.5	13.5
Support	4.83	1.9
Governance	1	0.5
Total	19.33	15.9

At 31 March 2023, 24 staff were in post. 18 (2021-22) 18 of these staff are female and 5 male (2021-22) 13 staff were female and 5 male. (2022-23: 7) staff member are employed on fixed term contracts with all other staff employed on permanent contracts. The above includes an average of 7 (2021-22: 4) part time staff members for the year.

8 Related party transactions

The Armed Forces Covenant Fund Trustee Limited (company number 11185188) is the Trustee of the Armed Forces Covenant Fund Trust. It holds a number of contracts on behalf of the Trust, as a separate legal entity. There have been no transactions between the parties. The corporate Trustee implements the decisions of the directors of the Armed Forces Covenant Fund Trustee Limited.

Lieutenant General Sir Nicholas Pope is a Trustee of the Trust and is Chair of Cobseo. Details of grants awarded to Cobseo are as follows:

- During 2021/22, £285,000 was paid to Cobseo in respect of two grants awarded in 2021/22 under the Veterans Mental Health Strategic Leads & Strategic Leads continuation programmes. The outstanding balance at year end was £68,500.
- During the course of 2021/22, £60,000 was paid to Cobseo in respect of a grant awarded in 2017/18 to Build Capacity in Northern Ireland. The outstanding balance of £30,000 was paid in July 2022.
- During 2020/2021 Cobseo was also the beneficiary of a further £45,000 grant under the Strategic Pathways Programme. The outstanding balance of £5,000 was paid in January 2023.
- In addition, the Trust was responsible for managing HMT LIBOR Fund grants of which Cobseo was a recipient. Payments in respect of LIBOR grants were made from the MOD, on recommendation from the Trust and fully drawn down during the year.
- In line with the Trusts policy, Lieutenant General Sir Nicholas was not involved in the decision making process of the awards made to Cobseo.

9 Taxation

The Trust is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10 Debtors

	2023	2022
	£	£
Accrued income	499,471	1,701,766
Other debtors	45,060	40,845
	<u>544,531</u>	<u>1,742,611</u>

11 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	54,923	4,686
Evaluation creditors	418,048	598,181
Grants payable	12,930,956	17,743,216
Returns to donors	0	30,000
PAYE	22,972	11,069
Accruals	72,063	45,378
Other creditors	12,484	7,747
Deferred income	425,316	260,100
	<u>13,936,762</u>	<u>18,700,376</u>

12 Creditors: amounts falling due after one year

	2023	2022
	£	£
Trade creditors	-	-
Evaluation creditors	101,003	224,304
Grants payable	6,963,607	5,907,824
	<u>7,064,610</u>	<u>6,132,128</u>

13 Pension scheme

The Trust contributes to employees' pensions in three different ways. i) some staff are members of a defined benefit scheme which is the Civil Service Pension Scheme; ii) others can join a defined contribution pension scheme with NEST; iii) or the Trust will make contributions to the employee's choice of provider. Contributions to each pension scheme are shown in note 6.

Civil Service Pension Scheme

As part of their transfer arrangements from the MOD, some of the staff members of the Trust remained as members of the Civil Service Pension Scheme under the New Fair Deal Policy. This is a non-statutory policy that sets out how pensions issues are dealt with when staff are compulsorily transferred from the public sector to independent providers delivering public services.

The CSPS is an unfunded multi-employer defined benefit scheme and therefore as long as the required employer (and employee) contributions are paid over each month there is no further liability on the employer in respect of pension benefits for members. Under its Admission Agreement, the Trust has no share of the underlying assets and liabilities.

The scheme actuary valued the CSPS as at 31st March 2016. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation at <http://www.civilservicepensionscheme.org.uk/about-us/resource-accounts/>

For 2022/23, employers' contributions of £47,651 (2022: £45,203) were payable to the CSPS at one of four rates in the range 20.0% to 24.5% of pensionable earnings, based on salary bands.

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2020/21 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Other pensions

Staff members who joined the Trust after 1 April 2018 have the choice of joining NEST, or having employer and employee contributions made to their own existing private pension. Either way, the Trust will make a contribution of 8% of pensionable earnings if the employee contributes 5%. Employers' contributions of £44,873 (2022: £30,792) were paid to other pension providers.

Contributions due to the pension providers at the balance sheet date were £8,150 (2022: £13,808). Contributions prepaid at that date were £nil (2022: £nil).

14a Analysis of net assets between funds (current year)

	General	Designated	Restricted	Total funds
	£	£	£	£
Net current assets	87,000	-	8,623,177	8,710,177
Long term liabilities	-	-	(7,064,610)	(7,064,610)
Net assets at 31 March 2023	87,000	-	1,558,567	1,645,567

14b Analysis of net assets between funds (prior year)

	General	Designated	Restricted	Total funds
	£	£	£	£
Net current assets	104,692	0	7,936,174	8,040,866
Long term liabilities	-	-	(6,132,128)	(6,132,128)
Net assets at 31 March 2022	104,692	0	1,804,046	1,908,738

15a Movements in funds (current year)

	at 1 April 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2023 £
Restricted funds:					
MOD - £10M Covenant Fund					
MOD - £10M Covenant Fund Central Fund	-17,983	10,416,450	(9,893,916)	(188,000)	316,551
LGBT+ Community Programme				200,000	200,000
Outcomes Measurement Framework	55,818	-	(39,402)	-	16,416
Veterans Trauma Network	161,518	-	-6,728	-60,000	94,790
Evaluation of Covenant Fund programmes	47,627	-	-	-	47,627
Small grants research	70,000	-	-	(65,505)	4,495
Programme evaluation and research	-	-	-125,505	125,505	0
HMT - £10M Veterans' Mental Health and Wellbeing Fund					
HMT - £10M Veterans' Mental Health and Wellbeing Fund Central Fund	828,551	-	(509,390)	-	319,161
Social Prescribing for the Armed Forces community	42,532	-	(35,275)	-	7,257
One Is To Many evaluation	-	-	-	-	-
Evaluation of Veterans' Mental Health and Wellbeing Fund programming	368,730	-	(72,808)	(12,000)	283,922
HMT - £3M Veterans' Community Centres Fund	33,246	-	(33,246)	-	0
Programme evaluation & research					0
NAAFI Fund	21,208	917,183	(860,893)	-	77,498
OVA Homelessness Fund	-	499,471	(499,471)	-	0
Afghanistan Veterans' Fund	192,196	-	-57,804	-	134,392
Headfit	603	15,130	(995)	-	14,738
MOD Families Fund	-	3,752,000	(3,710,280)	-	41,720
Total restricted funds	1,804,046	15,600,234	(15,845,713)	-	1,558,567
Unrestricted funds:					
Designated funds					
Total designated funds	-	-	-	-	0
General funds					
General funds	104,692	1,308	(19,000)	-	87,000
Total unrestricted funds	104,692	1,308	(19,000)	-	87,000
Total funds	1,908,738	15,601,542	(15,864,713)	-	1,645,567

15b Movements in funds (prior year)

	at 1 April 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2022 £
Restricted funds:					
MOD - £10M Covenant Fund					
MOD - £10M Covenant Fund Central Fund	13,742	10,200,000	(10,238,113)	6,388	-17,983
Tackling Loneliness evaluation	106,000	-	(106,000)	-	0
Outcomes Measurement Framework	10,000	-	(4,182)	50,000	55,818
Veterans Trauma Network	-	-	-	161,518	161,518
Evaluation of Covenant Fund programmes	47,627	-	-	-	47,627
Small Grant Research	-	-	-	70,000	70,000
Acute Hospital Settings Data Collection and Evaluation Services	-	-	348,079	-348,079	0
HMT - £10M Veterans' Mental Health and Wellbeing Fund					
HMT - £10M Veterans' Mental Health and Wellbeing Fund Central Fund	655,008	10,000,000	(9,451,457)	(375,000)	828,551
Social Prescribing for the Armed Forces community	70,000	-	(27,468)	-	42,532
One Is To Many evaluation	147,600	-	(147,600)	-	-
Evaluation of Veterans' Mental Health and Wellbeing Fund Programming	-	-	(6,270)	375,000	368,730
HMT - £3M Veterans' Community Centres Fund	68,580	-	(35,334)	-	33,246
Programme Evaluation and Research	-	-	(353,586)	353,586	0
NAAFI Fund	10,909	1,251,308	(1,241,009)	-	21,208
OVA/MOD Covid-19 Impact Fund	36,437	-	-36,437	-	0
Afghanistan Veterans' Fund	-	5,000,000	(4,807,804)	-	192,196
Supporting Armed Forces in Acute Hospitals	-	1,500,000	(1,414,779)	(85,221)	0
Headfit	-	8,480	(7,877)	-	603
Aged Veterans' Fund	15,227	-	(15,227)	-	-
Total restricted funds	1,181,130	27,959,788	(27,545,064)	208,192	1,804,046
Unrestricted funds:					
Designated funds					
Tackling Serious Stress engagement event	5,000	-	(5,000)	-	0
Local Government Delivery of the Covenant Digital Resources - now Strengthening and empowering delivery of the Covenant evaluation and support services	15,290	-	-	(15,290)	0
LIBOR Fund evaluation	23,894	-	(23,894)	-	0
Total designated funds	44,184	-	(28,894)	(15,290)	0
General funds	104,508	193,086	-	(192,902)	104,692
Total unrestricted funds	148,692	193,086	(28,894)	(208,192)	104,692
Total funds	1,329,822	28,152,874	27,573,958	-	1,908,738

15 Movements in funds (continued)

Purposes of restricted funds

Covenant Fund: The Covenant Fund is delivered by the Armed Forces Covenant Fund Trust. It has £10M a year to fund projects that support the Armed Forces community and delivers programmes that align to four core themes of: Removing barriers to family life; Extra support after service for those that need help; Measures to integrate military and civilian communities and allow the Armed Forces community to participate as citizens; and Non-core healthcare services for veterans.

LGBT+ Veteran Community Capacity Building: Designated budget to support transformational approaches to developing support and capacity within the LGBT+ veteran community.

Veterans' Mental Health and Wellbeing Fund: In the Autumn Budget 2018, the Chancellor of the Exchequer announced £10M to support Veterans' Mental Health and Wellbeing needs. The Veterans' Mental Health and Wellbeing Fund has two programmes: the Positive Pathways programme, and the Strategic Pathways programme. Grants were awarded during 2019/20 to projects which will be monitored over three subsequent years.

Veterans' Community Centres Fund: In the October 2018 Budget, the Chancellor of the Exchequer awarded £3M to the MOD to support the repair and refurbishment of community centres run by Armed Forces organisations which continue to provide a focus for veterans and support improvements to health and social outcomes. The MOD asked the Trust to run this programme on their behalf. Grants were awarded during 2019/20 to projects which will be monitored over two subsequent years.

The NAAFI Fund makes grants to UK Armed Forces bases, located in the UK or overseas, for projects that improve the quality of life for serving personnel and serving families living on or near a Forces base or station. The NAAFI Fund comes from funding made available by the Navy, Army and Air Force Institutes (NAAFI). The Armed Forces Covenant Fund Trust is administering the NAAFI Fund on behalf of NAAFI.

OVA/MOD COVID Impact Fund: The Trust administered a £6M funding programme to enable access to services for people from Armed Forces communities through the Covid Pandemic. A panel comprising MOD, the Cabinet Office and Cobseo representatives made decisions on applications.

Afghanistan Veterans Fund: The Trust delivered the £5M Afghanistan Veterans Fund which supports projects for veterans affected by recent conflicts on behalf of the Office for Veterans' Affairs.

Supporting Armed Forces in Acute Hospitals: This programme supports a small number of pilot projects that will try better ways of supporting veterans and their families when they are in a hospital setting. The programme is jointly funded by the Covenant Fund (through the Armed Forces Covenant Fund Trust) and NHS England and NHS Improvement.

Evaluation of Covenant Fund Programmes are funds committed for this purpose but not yet spent.

Social Prescribing For The Armed Forces Community: Funded from Positive Pathways, the Trust has seconded an employee to Northumbria University to develop and deliver resources to support social prescribing for the armed forces and veteran community.

Tackling Loneliness Evaluation: Neighbourly Lab are evaluating the impact of the £4M Tackling Loneliness Programme which funded 60 projects across the UK.

Outcomes Measurement Framework: The Trust works with grantholders to gather impact data using the Outcomes Measurement Framework (also known as the Impact Hub). A further 50k was awarded during 2021/2022.

OVA Families Fund The Trust distributes the Armed Forces Families Fund (AF3) on behalf on the MOD. This fund was created following the launch of the Families Strategy in January 2022.

15 Movements in funds (prior year)

Purposes of designated funds

Covenant Fund: LIBOR Fund evaluation for the continuing work to evaluate the impact of this Fund.

Covenant Fund: Local Government Delivery of the Covenant digital resources. Project delayed until 2020/21.

Covenant Fund: Phase two development of the Trust's website to enable interactivity and hosting of additional resources, postponed to 2020/21.

Covenant Fund: Tackling Serious Stress Engagement Event for grant holders was a key element of the grant monitoring and evaluation programme but was postponed due to the impact of Covid-19 and has now been fully drawn down.

Transfer of funds

The transfer of funds from the Covenant Fund to be used for the purposes of programme evaluation and related programme spend.

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

	2023	2022
	£	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	-263,171	578,916
Dividends, interest and rent from investments	(1,308)	(76)
Increase/(decrease) in debtors	1,198,080	-1,357,790
(Decrease)/increase in creditors	(3,831,742)	4,785,465
Net cash provided by operating activities	<u>(2,898,141)</u>	<u>4,006,516</u>

17 Legal status of the Trust

The Armed Forces Covenant Fund Trust is an unincorporated Trust governed by its trust deed dated 7th February 2018. The Trust has a sole corporate Trustee, Armed Forces Covenant Fund Trustee Limited, company number 11185188. In 2019 the Trust commenced discussions with MOD and Cabinet Office in relation to the Trust becoming a Non Departmental Public Body, this status was confirmed with effect from 1 April 2019.

On behalf of The Armed Forces Covenant Fund Trust we would like to thank all the projects for contributing to this publication.

www.covenantfund.org.uk

Awarding grants that support the Armed Forces community

Armed Forces Covenant Fund Trust | Chair: Helen Helliwell Chief Executive: Anna Wright

The Armed Forces Covenant Fund Trust Limited (CRN11185188) acting as the trustee of the Armed Forces Covenant Fund (CC1177627)

Registered Address 3rd Floor, 3 Wellington Place, Leeds, LS1 4AP | info@covenantfund.org.uk

ARMED FORCES COVENANT FUND

England & Wales - Charity number 1177627

Accounts



Armed Forces Covenant Fund Trust

Annual Report & Accounts 2021/22





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*On behalf of The Armed Forces Covenant Trust Fund we would like to thank all the projects for contributing to this publication.
A special thanks to Jane Williams for her contribution to the written articles*



An introduction from our Chair of Trustees, Helen Helliwell

It has been another busy year at the Trust with some innovative and exciting grants that will have significant impacts on our Armed Forces communities.

Our work supports the Armed Forces Covenant through funding projects that deliver real change to Armed Forces communities. We have made some significant grants through the Covenant Fund, particularly through the Sustaining Support programme which supported 66 projects. These grants will help charities to sustain activities and services that people from Armed Forces communities use and value, particularly where there were additional difficulties as a result of the Covid pandemic.

We were able to be highly responsive to the emerging challenges that arose through the withdrawal of UK Forces from Afghanistan. Projects that we had funded through the Positive Pathways programme were telling us about increased levels of need among some of the veterans that they were supporting, more interest from veterans wanting to access their services; and wider impacts on Armed Forces families, particularly for partners supporting veterans.

We were able to quickly target support through the Sustaining Support programme awarding £975,000 to 30 existing projects to upscale quickly to be able to support more veterans and their families.

With funding from HM Treasury, the Veterans' Mental Health and Wellbeing Fund awarded £9M to 14 major projects through the Veterans' Places, Pathways and People programme. This ambitious programme is creating better, more connected and sustainable support for veterans in the communities where they live. It is supporting major projects to enable veterans to access support that meets their needs. The 14 major projects we supported are encouraging the development of safe, welcoming places for veterans to go in their local area, support for the people (staff and volunteers in organisations that support veterans) to be able to have access to good quality training and will connect veterans into wider pathways including for mental health support and treatment. I was delighted to be able to hear recently from some of the Portfolios about the work that they are doing and the reach that this is already having.

We have also been pleased to continue working with NAAFI to deliver the NAAFI Fund which has made grants to projects that improve the lives of our serving personnel and their families on Armed Forces bases both in the UK and overseas. In the first two years of delivery, the NAAFI Fund has already distributed over £1.9 million to the British Armed Forces units to fund projects that improve the quality of life for British Armed communities all over the world.

Across all of our funding programmes, the projects we support need to be carried out to the highest possible ethical standards. We've continued to refine and develop our work on Ethics and Impact; launching our Ethical Code of Conduct and free online training for the projects we support. We've also developed our Knowledge Network to share learning and good practice ideas from projects that have made a big difference.

During the year we said goodbye to Melloney Poole, who had been the Chief Executive of the Trust since its inception. Under Melloney's tremendous leadership, the Trust grew and delivered at pace, managing complex programmes to support veterans, Armed Forces families and serving personnel that have delivered tangible and long-lasting impact. We were delighted to welcome Anna Wright as our new Chief Executive, with her extensive experience of Armed Forces life, and the impact that it has on families.

I would like to congratulate Anna and her team on all their hard work, commitment and professionalism; the Trust continues to learn and adapt and shares this learning for the benefit of our community on its extensive and growing Knowledge Network. I would also like to thank my fellow Trustees for volunteering their time to help us execute our functions as a Non-Departmental Public Body of the Ministry of Defence and as a registered charity, I have been really proud of the achievements this year and hope that you enjoy reading our Annual Report.



What we do

We make grants that have an impact on the lives of Armed Forces communities, including serving personnel, Armed Forces families, veterans, and their families.

We do this through collaborating with others to design grant making programmes that organisations can apply to; enabling them to run projects that bring solutions to significant challenges; and are complementary to other types of support that are available rather than duplicating provision.

We make grants carefully, publishing open and transparent programme guidance which sets out how we will assess the projects that we receive. Projects are assessed by experienced grants staff. When we award a grant, we work with the organisation we fund to set up milestones for reporting, and, for larger grants, staged payments. We then work with the organisations that we have funded, to ensure that their work can keep progressing well, and to give additional support in some areas.

There are different types of support available depending on the types of outcomes that we are trying to achieve through the programme. Support can include access to our Impact Hub to help organisations gather better data on the impact that their work is having. We can also offer access to mentors or support grant holders to engage with each other via digital platforms to help them share ideas, solve problems and learn from each other's work. We care about the impact of the grants that we fund and ensure that the grants we make do give clear and sustained benefits to Armed Forces communities.

As more of our earlier grant programmes mature we share the learning from grants that we've made, particularly through our Knowledge Network.



The Funds

Covenant Fund **page 7**

Veterans' Mental Health & Wellbeing Fund **page 14**

NAAFI Fund **page 18**

Afghanistan Veterans' Fund **page 20**

Covenant Fund

The Covenant Fund is at the heart of the Trust, and the values of the Covenant Fund run through all the wider work that we do. It is an annual Fund, worth £10.2 million in 2021/22, and has four core themes that shape the funding programmes that we run.



Veterans' Mental Health & Wellbeing Fund

With funding from HM Treasury, the Veterans' Mental Health and Wellbeing Fund has awarded 14 major projects through the Veterans' Places, Pathways and People programme. 10 grants have been awarded in the countries and regions of the UK.

Veterans' Places,
Pathways and People
programme

NAAFI Fund

The NAAFI Fund has now operated for two years and has already distributed over £1.9 million to the British Armed Forces units around the world.



Afghanistan Veterans' Fund

The Afghanistan Veterans' Fund was announced by the Prime Minister last year, following the withdrawal from Afghanistan to support projects that improve wellbeing, resilience and promote good mental health in veterans.



COVENANT FUND



The Covenant Fund is at the heart of the Trust and the values of the Covenant Fund run through all the wider work that we do. It is an annual Fund, worth £10.2 million in 2021/22, and has four core themes that shape the funding programmes that we run.

Covenant Fund programmes delivered this year...

1. Sustaining Support to Armed Forces Communities **page 8**
2. Sustaining Support: Extra Support for Veterans & Armed Forces Families Impacted by the Afghanistan Conflict **page 9**
3. Force for Change **page 10**
4. Sustaining Delivery of the Armed Forces Covenant **page 11**
5. Supporting Armed Forces in Acute Hospitals **page 12**
6. Tackling Serious Stress **page 13**

The Four Covenant Fund Themes

1. Non-core healthcare services for veterans
2. Removing barriers to family life
3. Extra support, both in and after Service, for those that need help
4. Measures to integrate military and civilian communities and allow the Armed Forces community to participate as citizens



Sustaining Support to Armed Forces Communities

These grants will help charities to sustain activities and services that people from Armed Forces communities use and value, particularly where there have been additional difficulties or demands as a result of the Covid pandemic.

Grants of up to £100,000 were available. Armed Forces charities were able to apply for elements of core funding, which was the first time that the Trust had offered this funding option. Project funding was also available to either Armed Forces charities or wider charities undertaking significant work at the time with experience in working with Armed Forces communities.

Funding was only able to support existing areas of work that were at risk due to short-term financial pressures relating to the Covid pandemic.

The grants have enabled important work to continue, which if lost, would have had a negative impact on Armed Forces communities. It also helped to reduce the risk of loss of capacity within existing service provision, which may have been challenging to restart.

- **£2,392,717 was awarded to 36 organisations under the Core Funding programme**
- **£2,527,695 was awarded to 43 organisations under the Project Funding programme**

Erskine is delighted to have received a generous grant from the **Sustaining Support programme**. This grant of £99,959 will play a vital role in the continuation of Erskine's Activities Centre which provides support and social engagement for over 120 veterans of all ages.

Our Centre will safely deliver its extensive activities programme in line with all COVID-19 guidance and continue to help veterans access our partner organisations when they need additional support. Our project helps vulnerable veterans to benefit from greater confidence and self-esteem, increased social interaction and development of new skills. Our Centre is entirely funded by generous donations.



Sustaining Support: Extra Support for Veterans & Armed Forces Families Impacted by the Afghanistan Conflict

The Sustaining Support: Supporting veterans and families impacted by the Afghanistan conflict programme provided support to Armed Forces communities with needs following the withdrawal of UK armed forces from Afghanistan in 2021 was delivered at pace to enable funding to get swiftly to projects to expand their activities.

The funding was targeted to organisations where the type of work they are doing through their projects would be most likely to be able to be scaled up quickly. It was based on evidence from existing grant holders that they were facing a rise in demand to support veterans and Armed Forces families, who, because of their previous experiences were impacted by these new events.

This was an emergency funding programme for some existing grant holders to quickly scale up or expand their activities to meet this need, with applications invited from current grant holders under the Positive Pathways or Removing Barriers to Family Life programmes.

£975,000 was awarded to 30 projects under this programme. The Trust was delighted to work in partnership with the Office for Veterans' Affairs, which enabled an additional £595,000 to be awarded to 17 projects with funding from the Afghanistan Veterans' Fund.



Safeguarding Communities – Reducing Offending (SACRO) is a Scottish community justice organisation which works to deliver life-changing services that empower people, gives hope and protection, and helps to build safe communities. Since the events in Afghanistan, they have witnessed a rise in mental health concerns and substance use amongst the veterans whom they were currently supporting. SACRO were awarded £35,000 for their project 'Forces of Nature' and had this to say about the funding...

“This funding enables us to continue to provide intensive support to the veterans and their families with whom we have forged positive, trusting relationships including those adversely affected by events in Afghanistan. We will continue to offer access to a tranquil, nurturing environment where veterans feel welcomed and encouraged. We will also intensify practical and emotional support required to address and reduce negative behaviours such as increased use of alcohol and drugs because of events in Afghanistan by increasing staffing levels.” Mary Thomson – Manager, SACRO

Force for Change

The popular and oversubscribed Covenant Fund small grants programme Force for Change awarded £1,637,509 to 175 projects over three rounds of funding. In 2021/22, this programme had a focus on supporting projects that reduce isolation and promote integration, aiding the post-Covid recovery of our Armed Forces communities.

Abberton Rural Training were awarded £9,976 for their 'Quick Start' rustic recovery project, including horticulture and other land-based skills, for isolated veterans and wounded, injured and sick (WIS) Service personnel.

Their Chief Executive, Jacqui Stone, explains: "The Force for Change grant will mean that we can support veterans and wounded and injured service personnel from the Colchester Garrison Personnel Recovery Centre. Covid-19 has created a waiting list for our Rustic Recovery Programme, this funding will allow us to catch-up and support as many individuals as possible before they are medically discharged, which will make a big difference to the participants who find being out in nature a great way to help their recovery and rehabilitation."

Age UK Mid Mersey received £10,000 to tackle isolation, loneliness and the adverse impacts of the Covid-19 pandemic on older veterans, by providing person-centred wellbeing support and activities that encourage and enable them to 'love later life'.

A grant was awarded for a project focusing on empowering older veterans living in the most deprived areas of North Manchester. The project 'Active Sharks' awarded £9,950 to help those veterans come together and participate in a weekly two-hour session of positive activities that will improve physical health and promote social togetherness between peers.

£10,000 went to Reading Force for their project 'Making connections... Reading Force Book-clubs'. This new project has been designed as a continuation of the Reading Force's pilot project which developed relationships between socially isolated and lonely Armed Forces Communities. Through the project 'Making connections... Reading Force Book clubs' they will continue to promote social integration through the enjoyment of reading.

Professor Alison Baverstock, Founder and Director of Reading Force said about the funding

"We are so grateful for the financial contribution and general encouragement we receive from AFCT. Within military families, reading together can offset the impact of the many changes we live through, and help keep families safe and well-connected. The book groups you are helping to support have been very much appreciated and helped encourage a return to reading, which is widely recognised as a source of both positive mental health and general wellbeing."

A £10,000 grant was awarded to the Somme Nursing Home in Northern Ireland, who are working with the Defence Garden Scheme to design a new Gardening Project to encourage veterans to become engaged with the gardens around the Home.

The project involves and engages veterans, both independent and residents of the home including families, neighbouring reserve and regular units and their families. Participants will create flower and vegetable planter boxes; and get to enjoy spending time together, reducing loneliness and isolation.

"The Force for Change grant will mean that we can support veterans & wounded & injured Service personnel"



Sustaining Delivery of the Armed Forces Covenant

Under the Strengthening Delivery of the Armed Forces Covenant Programme, the Covenant Fund previously awarded £6.6 million through two rounds of funding to clusters of Local Authorities (LAs).

They used the funding to work with other LAs in their areas enabling them to deliver projects linked to needs identified by their Local Covenant Partnerships and find ways to ensure that Armed Forces communities could access the right types of services and support locally.

Projects typically sought to build local capacity and improve awareness of the Armed Forces Covenant. In the second round, funding was also made available to establish drop-in centres in places where these did not exist.

The evaluation of this earlier programme showed that these projects had a significant positive impact on delivery of the Covenant. The Sustaining Delivery programme provided funding to enable LA clusters previously funded under the Strengthening Delivery of the Covenant programme to conclude their work, delivering longer term changes that enable people from Armed Forces communities to be able to better access services and support in their local areas.

Learning and good practice resources that were developed by grant holders under this programme are now freely available to other organisations via the Trust's Knowledge Network.

£500,000 was awarded in 2021/22 to 20 clusters of LAs for projects that will improve wider understanding of the needs of local Armed Forces communities, and help ensure that veterans, Armed Forces families and serving personnel can access local services easily.

The Covenant Fund has also supported two additional projects that enable local government to be able to access support that will enable a significant difference to be made to the lives of Armed Forces communities.

A strategic grant of £199,218 was awarded to Northumbria University to enable local authorities to access training and support to engage with the data and insight available through the Map of Need reports, avoiding the barriers, costs and duplication that would be faced if LAs undertook their own data research locally, particularly as robust data drawn from publicly available sources and Armed Forces charities is available. The project builds on an earlier pilot project between Northumbria University and the Armed Forces Covenant Team based within the MOD, to deliver workshops to local authority staff to increase their skill and confidence in being able to access and use reports from the Map of Need and apply this to their work.

A strategic grant of £200,000 was awarded to a consortium of charities in Northern Ireland led by Tanvally and Anaghlonge in a Project partnering with the Northern Ireland Veteran Support Office to new initiatives including facilitating work with Veterans Champions at local authorities across Northern Ireland.

The Strengthening Delivery Programme (SDP) was evaluated by RAND Europe. The report found that the funding had a significant positive impact on delivery of the Covenant.

This was particularly through

- improving coordination and the sharing of best practice between relevant local stakeholders
- providing tailored support to the Armed Forces community
- raising awareness among public authorities about the support available to the Armed Forces community.

Some grant holders felt the work they did was only achievable through their grants. In many cases, the funding enabled the employment of a dedicated resource, which grant holders described as essential to increasing capacity and driving forward the implementation of the Covenant.

Many grant-holders said that new signposting resources had been developed as a result of the SDP funding, highlighting the value of signposting in increasing awareness among the Armed Forces community about the support available to them.

Where funding was used to support the use of veterans' hubs, grant holders reported that these were instrumental in providing a one-stop-shop and tailored approach to accessing various local services.

Supporting Armed Forces in Acute Hospitals

This programme supports a small number of pilot projects that will try better ways of supporting veterans and their families when they are in a hospital setting.

The programme is jointly funded by the Covenant Fund and NHS England and NHS Improvement. The Trust was delighted to work with NHS England and NHS Improvement to deliver this strategic programme, which may lead to improvements in the care of veterans when accessing support in a hospital setting.

Hospitals which could show that they had already worked with others to improve support for veterans who access their services could apply for a grant to try new and additional ways of providing better support to veterans when they are in a hospital setting. Projects are exploring better ways of encouraging veterans to feel confident about sharing their veteran status; improving information sharing, and looking at better ways of co-ordinating care and support both in and out of hospital settings, and how hospitals can work with Armed Forces charities to benefit Armed Forces communities. A further element of the programme will see veteran awareness and training modules delivered to all staff and volunteers across participating hospital Trusts with anticipated engagement in all hospital departments.

This is a complex and strategic programme, which is being evaluated by the University of Chester with DMWS undertaking a comprehensive piece of underlying data collection.

- **£596,450 was awarded to 5 projects in Wales, Scotland and Northern Ireland by the Covenant Fund.**
- **£1,423,279 was awarded to 12 projects in England by NHS England.**

Funding from the Covenant Fund is additionally being used to for the evaluation; and to enable connectivity and joint working between the 17 projects that have been funded. It is also building connectivity between these projects, the NHS's Veterans' Trauma Network and wider health related projects funded by the Armed Forces Covenant Fund Trust.



Tackling Serious Stress

In 2019, the Covenant Fund Trust designed and delivered an innovative programme aimed at tackling serious stress in veterans, their families and carers. Following a sector-wide consultation, an innovative process was designed to identify and develop grass roots collaborations across the UK.

A two-stage application process, supported by expertise from The Contact Group, saw six grant holders (Veteran's 1st Point, Inspire Wellbeing, The Ely Centre/Brooke House, Wigan Council, Walking With The Wounded and Solent NHS Trust) funded to develop portfolios, which incorporated 69 delivery organisations, and which went on to support 970 seriously unwell veterans.

The programme was evaluated in real time by the University of Chester who worked with grant holders to develop a strong collaborative process.

The programme offered new ways of working with an informed, integrated commissioning approach incorporating a mix of interventions ranging from psychotherapeutic actions such as Cognitive Behavioural Therapy, group activities, social prescribing events such as Equine Therapy, mentoring and educational courses as well as practical supports with a range of issues such as housing, addiction and employment.

Throughout the programme, Chester University identified that the programme reduced depression, anxiety and alcohol misuse. Also, by including a health economics model, it was further concluded that programmes were cost effective according to the NICE willingness to pay threshold, from year 1, and cost savings were reported from year 2.

The final evaluation report is due for release in 2022 and makes several key observations including the importance of sector consultation and the value of beneficiaries having a voice in future programme design; both being areas the Covenant Fund Trust works hard to facilitate.

Amongst the outputs has also been a significant amount of learning around the growth in isolation and loneliness felt by many veterans. This has led to other work being developed by the Trust and including the One Is Too Many programme, which has been funded by HM Treasury under the Veterans' Mental Health and Wellbeing Fund.

Looking ahead

Covenant Fund programmes in 2022/23 will make significant grants to address compelling and hidden needs within Armed Forces communities. All three programmes have a focus on providing targeted support for veterans, Armed Forces families and serving personnel. This can be for new and additional support or could build on work that organisations have already done. Programmes have a strong focus on supporting projects that will offer sustainable impacts for Armed Forces communities.

The Covenant Fund will also offer tapered continuation grants to organisations that received grants under the Tackling Loneliness programme to enable them to extend their activities into a third year, if they can provide secured matched funding.

The evaluations for the Tackling Loneliness and Tackling Serious Stress programmes will be published and the Trust will share the learning and impact from these programmes.



VETERANS' MENTAL HEALTH & WELLBEING FUND

With funding from HM Treasury, the Veterans' Mental Health and Wellbeing Fund has awarded £8,898,456 to 14 major projects through the Veterans' Places, Pathways and People programme. 10 grants have been awarded in the countries and regions of the UK, to develop better, more joined-up lasting support for local veterans with mental health needs. Four grants have been awarded for national strategic projects.

Veterans' Places, People & Pathways

The Veterans' Places People and Pathways programme seeks to make improvements to enable veterans to access support that meets their needs. Funding will encourage the development of safe, welcoming places for veterans to go to in their local area, support for the people (staff and volunteers in organisations that support veterans) to be able to have access to good quality training and will connect veterans into wider pathways including for mental health support and treatment.

Portfolio grants leading coordinated approaches

10 Portfolio grants have been awarded, with one each in Scotland, Wales and Northern Ireland, and with seven regional grants awarded in England. Across all of the portfolios 170 individual projects will be supported. The seven Portfolios within England align with the NHS Op COURAGE areas. Op COURAGE is an NHS mental health specialist service designed to help serving personnel due to leave the military, reservists, armed forces veterans and their families.

Each grant has been made to a lead organisation that will co-ordinate a dynamic portfolio of projects that will take an informed approach across their country or region. They will ensure there are connected pathways which work well for veterans, that there are safe places for veterans to go which connect into these pathways and that volunteers and staff who support veterans have access to training and work closely with other organisations within veterans' mental health pathways.

Strategic grants to support lasting impact

Grants have been awarded to the Association of Service Drop-In Centres (ASDIC); Cobseo (the Confederation of Service Charities); Combat Stress and SSAFA. These Strategic Leads will work within the wider Veterans' Places, Pathways and People programme, and with a cross-sector Oversight Group to bring a national perspective, encourage the integration of existing clinical mental health provision with the broader non-clinical services for veterans needing general wellbeing support as well as those on the mental health recovery pathway across the sector, and to progress the sector's development of quality standards.

These specialist organisations will work with the 10 Country and Regional portfolios that will be supported through the wider programme with the wider Armed Forces charitable sector and with organisations that support veterans.

Poppy Factory received a grant of £799,062 that will enable them to lead a Portfolio of 10 projects in the London region

Deirdre Mills, Chief Executive of The Poppy Factory, said:

"Veterans living in London will know that our capital can offer many unique opportunities. And yet without an effective support network, life here can be difficult and challenging. Our new partnership seeks to address that by joining forces to ensure veterans have access to the places, pathways and people that will enable them to flourish after Service."

Sporting Force received a grant of £779,777 that will enable them to lead a portfolio of 10 projects in the North East and Yorkshire region.

Jacqui Nicolson, Operations Executive at Sporting Force said:

"This is such an exciting programme, one that can change the face of veteran support in the future. We are honoured to be awarded this grant for our portfolio in the North East and Yorkshire. There is so much brilliant support across our region. However, there are areas that are not covered, and the grant will help us address that issue. Some veterans are underserved so our portfolio focuses on equality and supporting those veterans who feel invisible. Our aims are to join all the members of the portfolio and the regional organisations to create a web that no veteran in need falls through."



Northern Ireland Veterans Network

‘Veterans communicate better ‘shoulder to shoulder’, not face to face’. This insightful observation evokes a powerful image of the bond that is synonymous with so many in the veteran community.

For the veteran community living in Northern Ireland the ability to tap into a network of charitable or statutory services is different compared to those living elsewhere in the UK due to a result of the unique circumstances of the Devolved Administration. Statistics collated show that the need for mental health support is high and gaining trust amongst the veteran community is vital.

All that said, where there is a will, there is a way. Some years ago, the Reserve Forces and Cadets Association in Northern Ireland established the Veterans’ Support Office within its structure in order to support the application of the Armed Forces Covenant in the Province.

Liz Brown, the Head of Veteran’s Support Office said, ‘**Funding from The Armed Forces Covenant Fund Trust has been the single biggest enabler for us to deliver and directly support programmes here**’. With a successful grant award of £800,000 from the Veterans’ Places, Pathways & People (VPPP) budget fund Liz adds, ‘**We have got big plans.**’ Careful consideration has been given to the geographical dispersal of project funding to make sure that there is a good spread across the local authority areas.

An associated project will deliver a helpline to guide and inform both statutory professionals and staff working in acute hospital settings, with some in most need of assistance in the veteran community. Liz commented that, ‘**Veterans need more than an information poster - a warm hand-over and boots on the ground build relationships. Navigators and care co-ordinators ensure services are connected, they work on building trust with beneficiaries to make accessing advice and guidance straightforward**’.

The range of projects being delivered sets out to bridge gaps and offer support from peer-to-peer activities all the way through to higher level clinical services. Taking part in shared ventures such as model making, all the way through to participating in a veteran pipes and drums band - there is something for all abilities and interests. Liz added, ‘**There is a close network across Northern Ireland, we are very proud of the work going on here. We have programmes involving horticulture, fishing, beekeeping and even equine therapy**’. Our veteran community really does communicate better ‘shoulder to shoulder’.



10 Country & Regional Portfolios

Convene and curate a portfolio of local veteran community focused projects; develop stronger partnerships to give more veterans better access to seamless support to address mental wellbeing needs

4 Strategic grants

Lasting legacy of understanding of veterans' mental health & wellbeing needs, enable easier access to, and return from, NHS services and the safe delivery of support services which are accredited appropriately across the UK

Cross sector oversight group

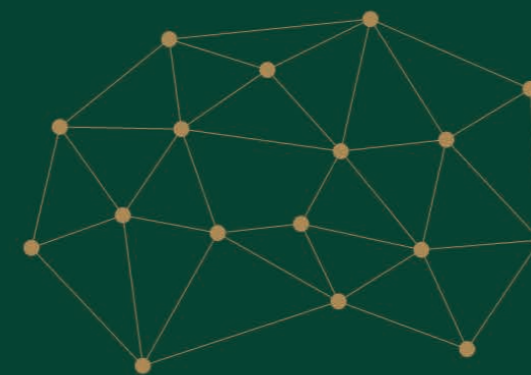
Working with NHS, MOD, OVA and Devolved Administrations



With 170 Projects

Within these portfolios

The projects will contribute to the development of a world class network of places and pathways, supporting veterans in their mental health and wellbeing needs.



How will veterans benefit?

SUPPORT & ACCESS

Veterans will be enabled to identify safe places in their community to access peer support and mental health & wellbeing services.

NHS REFERRAL

Through a national network of partners, veterans can be referred seamlessly into and out of NHS and other statutory services.

MENTAL HEALTH CARE & SUICIDE RISK

Veterans at higher risk of suicide or poor mental health will receive better and more joined-up cross-sector support.

LOCAL CARE PATHWAYS

Veteran-led projects will be embedded in local care pathways and social prescription, with access to the national network of VPPP.





4 The four strategic leads



Will work with a cross-sector oversight group; OP COURAGE, wider NHS and Devolved Administration health boards

Sector Specialist: Collaboration



Sector Specialist: Drop-in centres



Volunteering Specialist



Mental Health Specialist



Will work with the 10 portfolios and with the wider Armed Forces charitable sector and organisations that support veterans



The end vision

The Strategic Leads will work with the wider programme and Oversight Group, to encourage the integration of existing clinical mental health provision and the broader non-clinical support services for veterans on the mental health recovery pathway across the sector.

Veterans' Places, People & Pathways has funded 10 Portfolio projects throughout the UK



Scotland

NHS Lothian
The Scottish Veterans Wellbeing Alliance



Northern Ireland

Tanvalley & Anaghone Project
Northern Ireland's Vital Veterans Network



North East

Sporting Force
VPPP North East & Yorkshire



North west

Broughton House
NW Armed Forces Wellbeing Network



Midlands

DMWS
'Joining the Dots' Midlands Veterans Wellbeing Alliance



Wales

Adferiad Recovery
V4P Wales



East of England

The Bridge for Heroes
Project Sunrise



London

Poppy Factory
Better Together: London Veterans' Partnership



South East

Veterans Outreach Support
Partnership in Mind



South West

Invictus Games Foundation
Brighter Future for Veterans

NAAFI FUND

The NAAFI Fund has now operated for 2 years and has already distributed over £1.9 million to the British Armed Forces units around the world. The NAAFI Fund supports projects that improve the quality of life for serving personnel and serving families living on or near a Forces base or station.

The Trust is delighted to work with NAAFI to deliver this important programme and looks forward to supporting some more excellent projects in 2022/23 and beyond that make a real difference to the lives of our serving personnel and their families.

Improving the quality of life for serving personnel & their families

The NAAFI Fund has awarded grants between £5,000 and £50,000 to British Armed Forces in the UK or overseas for projects that improve the quality of life for serving personnel and their families. Grants this year had a particular focus on reducing isolation and creating community togetherness, with much of the funding being used to improve leisure facilities or to support activities that can be enjoyed during down time.



The NAAFI Fund considered that some projects may have bigger ambitions and responded with making a small number of grants above £20,000. One such award went to the 1st Infantry Training Battalion, and they have been awarded £28,543 for the project 'Beharry VC Centre – Facelift'.

The Commanding Officer shared their thoughts on the importance of this grant.

“On behalf of The Infantry Training Centre and 1st Infantry Training Battalion, I wish to convey our thanks for the ongoing support of NAAFI and express how delighted we are to receive this very generous grant from the Armed Forces Covenant Fund Trust and NAAFI Fund.

We deliver world class Infantry training to in excess of 1,000 Line Infantry soldiers per year. It is a demanding course, delivered over a 28 week period, which tests recruits to their limits both physically and mentally. Providing welfare and support to their time here is essential, and this exceptionally generous grant will have a huge impact in this domain – enhancing welfare facilities which include; cinema, social and gaming spaces, supporting recruit mindfulness and time out and reinforcing an overall positive initial experience at the start of their careers in the Army.”



Episkopi soft play area

For many military establishments, being handily located next to a town centre is simply not an option especially when factoring in all the comings and goings of Service requirements. So, communities can often find themselves living away from amenities and the convenience of an urban setting. The busy station at Episkopi in Cyprus has over 2,000 serving personnel, families, civil servants and MOD staff within its boundaries at work, rest or play.

The station has a hub for families and staff to use, however, when the thermometer rises and the temperature ramps up or when the rain is determined to make its presence felt, the need for indoor space for children to cool down and parents to take cover is a prime consideration. The hub had some tempting space available, what it needed was some financial support to be able to turn the space into a play area for younger children. The NAAFI Fund 2021/2022 awarded £20,000 for a soft play area to be created.

One mum said: **“My two-and-a-half-year-old is very keen to be independent and being able to let him explore and play in a safe environment is wonderful”.**

“One of the reasons that the play area is proving so popular is because we are at a remote location, other military establishments in Cyprus have access to the facilities here, and with no immediate family living close by, friends take on the role of baby-sitting to give each other the chance to attend a doctor’s appointment or to have a break, it has become a focal point to keep the children entertained.

It is also proving very popular for birthday parties and is close to the swimming pool. During the summer months families can get out of the heat, rehydrate and keep younger members of the family amused.”



NATO Community Snekke

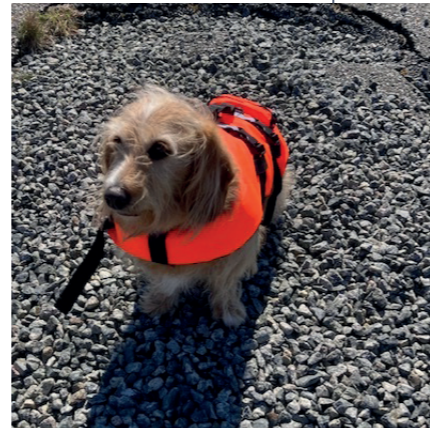
Being based in Norway is a wonderful experience. But with friends and family in the UK being so hard to get to – either a flight or a 1,500-mile drive and a ferry crossing away – they are sorely missed. This is before even factoring in the travel restrictions of the last two years and the additional aspects of Brexit. When so far away from home, your community plays a truly significant and important part of serving life overseas.

The outdoor lifestyle that is immediately associated with Norwegians comes with a pretty extreme backdrop – get fully insulated clothes-wise plus spikes on boots in winter, or brave some ‘fresh’ swimming conditions in summer. One of the glorious natural phenomena of the Norwegian landscape is the abundance of water, however, getting onto it can be a prohibitively expensive business, especially if you don’t want to practice your ‘Wim Hof’ mindset.

For families living in Norway, the chance to use a small vessel – or ‘snekke’ as it is known locally – to explore the surroundings as a group or a family gives some really boosting benefits, relaxing a busy mind, learning boat-handling skills, wild-life spotting or enjoying a change of surroundings for a couple of hours.

One family noted: “It’s so restorative getting out on the water, because the Norwegian lifestyle is so different from the UK. Things like going out for a Sunday roast is something that doesn’t exist, so being able to hire the snekke for an afternoon is an absolute tonic.”

Thanks to a £9,500 grant from the 2021/2022 NAAFI Fund, the bid team at NATO have been able to purchase a pre-loved snekke complete with safety equipment for the community to use. It has a dedicated booking system and even families from an Army or RAF background are finding their inner mariner and enjoying time on the wobbly stuff – something their Royal Navy and Royal Marines counterparts could have predicted but are very happy about!



Launched in 2020, the NAAFI Fund awards grants to improve quality of life for serving Armed Forces personnel & their families



Armed Forces Units can apply for grants through the Trust to support projects that improve the quality of life for Forces communities.



Creating togetherness & reducing isolation
Enhancing community spaces
Boosting quality of life



“This grant is amazing news for the long established British community in Nicosia. Already there is a brilliant vibe buzzing around the estate and the kids can’t wait to see the new ‘Multi Use Games Area’. This will pull the community closer together and provide a much needed facility for many years to come.”

“On behalf of The Infantry Training Centre and 1st Infantry Training Battalion, I wish to convey our thanks for the ongoing support of NAAFI and express how delighted we are to receive this very generous grant from the Armed Forces Covenant Fund Trust and NAAFI Fund.

“On behalf of The Infantry Training Centre. We have been awarded the NAAFI Grant for a children’s play area, it will enhance the ‘lived experience’ of many of our military and civilian staff and their families. This project will enhance our continued ambition to support our whole force and visiting personnel, whilst providing a focal point for family events.”

“We were absolutely delighted to learn of our recent success in the latest NAAFI Welfare Funding round.

With three projects approved we can now expect to deliver a comfortable lounge facility, bar and café area and place a sunshade over what will become a children’s play area. These together offer a significant and much needed improvement upon our current, rather limited, welfare facility offer. Thank You from the ‘Brits’ in Naples.”

We deliver world class Infantry training to in excess of 1,000 Line Infantry soldiers per year. It is a demanding course, delivered over a 28 week period, which tests recruits to their limits both physically and mentally.

Providing welfare and support to their time here is essential, and this exceptionally generous grant will have a huge impact in this domain – enhancing welfare facilities which include; cinema, social and gaming spaces, supporting recruit mindfulness and time out and reinforcing an overall positive initial experience at the start of their careers in the Army.”

“As welfare staff, our Personal Support people are engaging with Service personnel and their families when things have gone awry. Going through these incidents as an individual is very traumatic and this creates an emotionally charged environment.

For staff carrying a caseload, this emotional tension and mental pressure runs almost all day, every day, and compassion fatigue is real concern. Through the provision of this funding, we will be able to create an environment where staff and service users can take some time out, calm their minds, reset and start afresh.”

AFGHANISTAN VETERANS' FUND

The Armed Forces Covenant Fund Trust was delighted to work with the Office for Veterans' Affairs to deliver a dedicated programme of funding. The Afghanistan Veterans' Fund was announced by the Prime Minister last year, following the withdrawal from Afghanistan to support projects that improve wellbeing, resilience and promote good mental health, responding to increased needs in veterans who have served in Afghanistan and other recent conflicts and the wider veterans community



Office for Veterans' Affairs

The projects that have been supported through the Fund include increased dedicated support mechanisms for younger veterans and their families. The £5 million boost will also help increase the user friendliness and accessibility of services, better signposting veterans to the range of state and charitable services available to them.

RFEA received a grant of £150,000 to deliver a project that will improve the wellbeing of UK veterans, who will volunteer their time working alongside and helping Afghan people who have defence connections, and who supported the UK Armed Forces during the 20-year Afghanistan conflict.

Funding was awarded to a range of projects including:

- providing veterans in Scotland with opportunities to engage with mindfulness and recovery in nature, through the charity Mindfulness Scotland
- encouraging veterans to connect with one another through sports such as rugby, golf, climbing and horse riding
- increasing access to assistance dogs for veterans struggling with their mental health in England to help alleviate symptoms and triggers of PTSD
- funding will also enable improvements to be made to the Veterans Gateway.

Funding through the Afghanistan Veterans' Fund was delivered in two tranches. 17 Grants, totalling £595,000, were awarded to projects designed to upscale support to veterans who had been impacted by the Afghanistan conflict and withdrawal.



The Samaritans received a grant of £600,000 for a project that will see volunteers from the military community trained to provide peer-to-peer support by the charity, to encourage improved mental resilience and wellbeing in the Armed Forces community.

Chief Executive Officer of Samaritans Julie Bentley said:

“Sadly, we know from calls to our helpline that veterans consistently make up over 70% of the calls from the military community, and that they are almost twice as likely to report suicidal thoughts compared with the general population.

That’s why it’s so important that veterans facing a crisis can easily access support and contact a trained veteran volunteer to help improve their wellbeing.”



Sustaining Support Afghanistan grant holders, Welsh Veterans Partnership, collaborated with Woodys Lodge to provide horticultural therapy and peer mentoring to support veterans with varied needs, including homelessness, employability issues, PTSD and substance misuse.



Collaboration, Learning & Ethics

The Trust has developed and implemented innovative grant making programmes that encourage organisations to work together to produce stronger and long-lasting outcomes. Mechanisms to encourage collaboration are integrated into all grant making programmes, with some programmes, (such as the Veterans’ Places, Pathways and People programme) requiring partnership working within wider programme delivery.

Our work supports the Armed Forces Covenant through funding projects that deliver real change to Armed Forces communities. We want the projects that we support to be delivered to the highest possible standards and so have developed a Code of Ethical Behaviour which is being rolled out on current and future grant making programmes.

To behave ethically, we need to consider what is the ‘right’ way to behave towards others – how we can do no harm, and how we can achieve good outcomes through the work we support. There are two broad and overlapping ethical principles which govern our work: ‘Do Good’ and ‘Do No Harm’. We offer free online training to explore our three ethical principles of respect, competence, and integrity, in more depth, along with how we can strive to ‘do good’.

The Trust’s Knowledge Network is an open access data repository created by the Armed Forces Covenant Fund Trust. It features impact and outcome-based content from both the programmes the Trust delivers and the projects we support.

The Knowledge Network is a growing collection of curated content for those working with and supporting the Armed Forces community and features research, reports, evaluations, case studies and e-learning to help showcase the best practice and positive outcomes achieved.

This year, we have added a major collection of 85 good practice resources produced by local authorities as part of the work that they undertook with grant funding from the Trust to enable stronger implementation of the Armed Forces Covenant locally. The resources and materials, which have been collated in the Knowledge Network were funded in part or in full by these grants, and they have been published here so that they can be used by others in their own Covenant delivery work.

The End of Life Military Compassion project, St Luke’s Hospice Plymouth

With grant funding from the Armed Forces Covenant Fund: Local Grants programme, the initiative has evolved from St Luke’s collaboration with Plymouth City Council and other local organisations which established Plymouth as England’s first Compassionate City for people at end of life and those who care for them.

Recognising that patients from military backgrounds tend to feel better understood, and more at ease, when the care and support they receive acknowledges the Service they have given their country, and the language and routines with which they are familiar, the charity is dedicating some of its own resources to help better identify those patients who would benefit.

Understanding, too, that receiving a terminal diagnosis can lead to feelings of isolation and loneliness, St Luke’s is using the grant to recruit volunteers from military backgrounds, providing them with bespoke training so that they are equipped to give befriending support to terminally ill current and former servicemen and women and their families.



Impact & Sustainability

Why do we evaluate the impact of our work?



It ensures that our funding programmes make a **real difference** to veterans, Armed Forces families and the wider Armed Forces community.



By **using learning** from existing funding programmes, it helps us to **run stronger and more effective programmes** in future.



Understanding the impact of their work can **help the projects** that we support to **become more sustainable**



We can **share learning and good practice ideas** from projects that have made a big difference.

Evaluation enables us to understand the impact of our work; but crucially, enables our projects to understand the impact they have had with Armed Forces communities and help them to sustain their work in the future. We work with the projects we fund to measure their impact in three key ways:

- Information through grant management
- The Impact Hub
- Evaluations

The Outcomes Measurement Framework (known as the Impact Hub) is the Armed Forces Covenant Fund Trust’s own internal impact measurement tool, developed in conjunction with Anglia Ruskin University.

The Hub was developed as a GDPR-compliant way to measure the impact of a Trust funding programme, allowing comparable data to be drawn from each grant holder within a funding programme. Impact measurement is via a series of surveys, which are sent to the project user, and these are normally completed at the entry point to the project, and at the exit.

Use of the Hub was rolled out in 2019, with Positive Pathways programme grant holders using the Hub to measure impact, as one of their terms and conditions of grant. The Impact Hub has now been rolled out to other grant programmes and now has nearly 6,000 beneficiaries enrolled as of March 2022.

We have identified four key ways that the projects we support have ongoing legacy beyond the life of our funding and will be working with the projects we support in 2021/22 and beyond to develop more effective ways of measuring these longer term impacts.

Types of Sustainability: How a Project Sustains Beyond the Life of a Grant





Evaluations

Under the Strengthening Delivery of the Armed Forces Covenant programme, the Covenant Fund awarded £6.6 million through two rounds of funding to clusters of Local Authorities (LAs). They used the funding to work with other LAs in their areas, enabling them to deliver projects linked to needs identified by their Local Covenant Partnerships and find ways to ensure that Armed Forces communities locally could access the right types of services and support.

Projects typically sought to build local capacity and improve awareness of the Armed Forces Covenant. In the second round, funding was also made available to establish drop-in centres in places where these did not exist. The Strengthening Delivery Programme (SDP) was evaluated by RAND Europe. The report found that the funding had a significant positive impact on delivery of the Covenant.

This was particularly through:

- improving co-ordination and the sharing of best practice between relevant local stakeholders
- providing tailored support to the Armed Forces community
- raising awareness among public authorities about the support available to the Armed Forces community
- Some grant holders felt the work they did was only achievable through their grants. In many cases, the funding enabled the employment of a dedicated resource, which grant holders described as essential to increasing capacity and driving forward the implementation of the Covenant.

Many grant holders said that new signposting resources had been developed as a result of the SDP funding, highlighting the value of signposting in increasing awareness among the Armed Forces community about the support available to them.

Where funding was used to support the use of veterans' hubs, grant holders reported that these were instrumental in providing a one-stop-shop and tailored approach to accessing various local services.

Veterans Should Not Be Forgotten

In the March 2020 Budget, the Chancellor of the Exchequer awarded £10 million to the Veterans' Mental Health and Wellbeing Fund.

Part of this funding was to be an emergency funding programme, available immediately, to help alleviate suffering and loneliness in veterans caused by Covid-19 pandemic.

In April 2020, the Trust launched the Veterans Should Not Be Forgotten programme; working hard to ensure the funding was delivered in a very short time frame, to provide immediate support to vulnerable veterans most likely to be adversely impacted by the restrictions imposed on us all during Covid-19.

In May 2020, we made 120 awards, worth £2,394,698, to local Age UK branches, eligible Cobseo members and ASDIC members. By the middle of June, at least half of these projects had already received their first payment and were supporting vulnerable veterans.

Through an evaluation of the programme, the Trust explored the impact of this funding, talking with grant holders to find out more about their experiences and exploring the key themes that emerged from the programme, which were:

- veterans staying connected
- veterans learning new skills
- veterans supporting veterans
- veterans in partnership.

The evaluation showed there were almost 30,000 direct beneficiaries from this funding, with 47% of the funding benefiting those veterans aged 65 and over.



Exploring how the Armed Forces Covenant Fund Trust supported vulnerable Armed Forces communities during the Covid pandemic

The Covid-19 pandemic caused various challenges for many organisations supporting the Forces community and the Trust was determined to do all we could to keep supporting our grant holders and their beneficiaries.

As organisations decided how best to respond to the needs of those they support, so the Trust sought to be as flexible and responsive as we could in delivering our grants to support the military community.

Our main aims were to:

- support our existing grant holders to make any changes needed to their grant
- deliver new funding programmes at pace, which would help reduce the impact of the Covid pandemic on Armed Forces communities and the organisations that support them
- ensure the Trust's grant holders did not receive any delays to payments as a result of the Trust moving to remote working.

By the end of August 2020, we had awarded nearly £9 million through three dedicated funding programmes, all specifically addressing the challenges faced by vulnerable members of our Forces communities. These grants had significant impacts for Armed Forces communities.

We published a report that explores how the Trust supported Armed Forces communities that were particularly affected by Covid, and the organisations that supported them.





Financial Review

Our income

During 2021/22, the Trust's income comprised £28.1 million, made up of five funds granted to it for the specified purpose of supporting the Armed Forces community.

- **Covenant Fund: £10.2 million.**
- **HM Treasury's Veterans' Mental Health and Wellbeing Fund: £10 million.**
- **NAAFI Fund: £1.25 million**
- **Afghanistan Veterans Fund: £5 million**
- **Supporting Armed Forces in Acute Hospitals: £1.5m million**

We also received a small amount of income for administering the Headfit website on behalf of MoD.

Our expenditure

In 2021/22, we spent £26.6 million on grants and direct expenditure on programme evaluation and research, to assist us in understanding the impact of both individual projects and programmes. Awards from each of the four Funds were made throughout the financial year. Some grants are for multi-year projects, where organisations will draw down their grants over two or three years. Staff costs in 2021/22 were £0.75 million, an increase of £0.15 million from 2020/21. This increase is a direct consequence of taking on additional staff members as our funding programmes have grown in number, to enable the Trust to remain an efficient and effective grant making body. Our other costs also grew slightly in 2021/22, primarily as a result of our staff beginning to undertake more travel than in the previous year, because of Covid restrictions.

Reserves policy and going concern

The Trust holds limited reserves, which comprises both refunded grants and interest earned before it had access to a non-interest-bearing government bank account, which was a requirement of its NDPB classification. Trustees have continued to engage with the Cabinet Office and the MOD during 2021/22, to ensure that prudent planning and compliance with Charity SORP accounting can be achieved and to discuss establishing an appropriate reserves policy. Our working reserves policy has been to ensure that we hold sufficient funds to maintain liquidity, to cover unforeseen short-term cash requirements and to cover planned future expenditure. Our unrestricted reserves at 31 March 2022 were £104k. The Trustees have presented the accounts on a going concern basis. This assumes that the Trust can meet its liabilities as they fall due for the foreseeable future and that current and future funding will be adequate for the Trust's needs. We have considered a period of twelve months from the date of approval of the financial statements in accordance with accounting conventions. In coming to their conclusion, the Trustees have considered monthly forecast levels of income and expenditure and underlying assumption, including any impact of the Covid-19 pandemic. The over-riding assumptions is that the Covenant Fund funding of £10 million from the MOD continues for the foreseeable future. Having carefully considered the forecasts and assumptions, the Trustees are content to present the accounts on a going concern basis.

Fundraising

Unlike other funders, the Trust does not fundraise to produce a grants income. The Trust will not normally accept unsolicited donations. The Trust may consider donated income for the establishment of grant making schemes that are aligned to the charitable objectives of the Trust. Under its policy, Trustees can turn down a donation where accepting the donation would be detrimental to the achievement of the purposes of the organisation, as set out in its constitution.



Auditor

In 2021-22, Moore Kingston Smith took over our financial audit services from Sayer Vincent LLP. Moore Kingston Smith were appointing following a re-tendering process and have acted as the Trust's auditor for the 2021/22 financial year.

So far as I, as Accounting Officer of the Trust, and as we, as its Trustees, are aware: a. There is no relevant audit information of which the Trust's auditors are unaware; and b. We have taken all the steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

The Trustees' annual report has been approved by the Trustee Board on 12 August 2022 and signed on their behalf by

Anna Wright
Chief Executive Officer and Accounting Officer

12 August 2022

Helen Helliwell
Chair of Trustees

12 August 2022



Governance statement 2022/23

Scope of responsibility

As Accounting Officer and Trustees of the Armed Forces Covenant Fund Trust, we have responsibility for putting in place and maintaining proper arrangements for the governance of the Trust's affairs together with a sound system of internal control that supports the achievement of the Trust's policies, aims and objectives, whilst safeguarding the public funds and assets for which the Accounting Officer is personally responsible, in accordance with the responsibilities assigned in Managing Public Money and ensuring compliance with the requirements of the Management Statement and Financial Memorandum.

The purpose of the governance framework

The governance framework comprises the systems and processes by which the Trust is directed and controlled. It enables the Board to monitor achievement of its strategic objectives. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place throughout the year ended 31 March 2022.

The governance framework

The Trust is an unincorporated charity and non-departmental public body (NDPB). The Armed Forces Covenant Fund Trustee Limited is a company and was registered at Companies House on 2 February 2018 to act as the Trustee of the Armed Forces Covenant Fund, which was registered with the Charity Commission on 7 February 2018.

The individuals referred to as Trustees are directors of the limited company under company law.

The limited company was established under a memorandum of association, which established the objects and powers of the Trust and is governed under its articles of association.

All Trustees give their time voluntarily and receive no benefits from the Trust. Any expenses reclaimed from the Trust are set out in note 6 to the accounts.

There is a Financial Framework document in place which defines the arrangements between the Trust and its sponsor department, the Ministry of Defence, relating to the receipt of the £10m Covenant Fund and the conditions for its expenditure. The current Financial Framework was issued in the year ended 31 March 2022. For other funding streams, Memorandums of Understanding are in place with the funding sources, such as the Office of Veterans Affairs.

The Trustees and the committee structure

The Armed Forces Covenant Fund Trust is governed by a Board of Trustees chaired by Helen Helliwell. The Charities Act 2011 requires the Trustees to exercise proper stewardship over the Trust.

The Chief Executive Officer of the Trust is the Accounting Officer responsible to Parliament for the day-to-day management of the Trust as set out in Chapter 3 of Managing Public Money. Our current Chief Executive, Anna Wright has been in post since January 2022.

The majority of the founding Trustees of the Trust had previously served as members of the National Panel for the Covenant Fund when it was operating within the MOD, and new members were brought in to ensure that the range of skills required to manage an independent trust were available to the Board.

There have been four new appointments in 21/22- two in October 2021 and two in February 2022.

Who appoints the Trustees?

Trustees are appointed by the Secretary of State for Defence in accordance with the provisions of the public appointments process set out in the Office of the Commissioner of Public Appointments Code of Practice. They are appointed for a term of five years and can be appointed for a second term of equivalent length. The Board of Trustees may appoint up to three additional co-opted Trustees by majority approval to serve on the Board and both co-opted Trustees and other individuals may serve on specific sub-committees to supplement the experience of Board members.

The Trustees receive a governance manual on appointment, and attend induction training with the Chief Executive Officer and Senior Leadership Team (SLT). They are also encouraged to familiarise themselves with the Trust's priorities through work in sub-committees.



The Board of Trustees sub-committees

The Board of Trustees have established three sub-committees for specific purposes and to ensure effective conduct of business. The Board of Trustees is responsible for appointing to the sub-committees from within its membership and all sub-committee actions are taken on behalf of the Trustees as a whole, with recommendations made to the Board as appropriate.

These sub-committees comprise:

- **Audit Committee** - to consider the annual audit and publication of annual Trust accounts. This group was renamed when the consideration of risk became a regular agenda item of the monthly Executive Management Board meetings.
- **Remuneration and Nominations**- to consider all staff terms and conditions including performance management and pay, as well as future appointments to the Board and to senior posts.
- **Ethics Advisory Panel** - to support the team in maintaining high ethical standards

The terms of reference of each of these sub-committees have been approved by the full Board. The table below shows the number of meetings and attendance. Minutes of all Board and sub-committee meetings are maintained.

The Trust also operates an Executive Management Board (EMB). This comprises the senior management team and two Trustees. Monthly meetings have a regular agenda to review risk, finance, staffing and operational issues, The Actions Log from this meeting is presented to Trustees on a quarterly basis.

	Board	Audit	Remuneration Committee	Ethics Advisory Panel
Helen Helliwell	5/5		2/2	
General Sir John McColl KCB CBE DSO	3/3		1/1	
Rear Admiral Vice Commodore Rex Cox	4/5			
Major General David Eastman	3/5			
Gerald Oppenheim	4/5			3/4
John Pitt-Brooke	3/5	3/3		
Wendy Cartwright 2	4/5	2/2	2/2	
Cerys Gage	4/5	2/3		
Professor David Rose	5/5		2/2	4/4
John Mooney	5/5		1/1	
Lesley O'Rourke3	1/2	1/1	0/1	
Jessie Owen 4	3/3			
Captain Chris Shepherd RN 5	1/3	1/2		
Maria Lyle	4/5		2/2	
Stephen Squire-Law 6	1/2	0/2		
Lieutenant General Sir Nick Pope KCB CBE 7	2/2		0/1	

Trustee attendance is shown as the number of meetings attended in relation to the number of meetings held whilst each individual was a member of the relevant committee.

Register of interests

The Trust's funding plans are developed in close dialogue with the Covenant Team at the MOD, to ensure its programmes are informed by and complementary to, the MOD's support for serving personnel, veterans and their families.

All funding decisions are made by the Trustees, with Trustees acting independently of their other professional roles. Declarations of interest are requested and recorded at each of the Board meetings, in relation to applications for funding being requested, contracts being considered or funded project updates, with relevant Trustees withdrawing from discussions and decision making as appropriate. Related parties are disclosed in Note 8 of the Financial Statements.

The Board of Trustees' performance

The Board has supported the Trust to successfully award grants in line with its four broad funding themes as outlined above.

Sub-committee minutes are circulated to all Trustees with routine papers for the quarterly meetings of the full Board, and sub-committee chairs highlight any matters of particular interest or concern for the attention of the full Board. There is a wide range of information and data routinely available to the Board, in particular in relation of grant applicants, but also including management accounts monthly to EMB and summary management accounts to the full Board when relevant, which the Board considers to be adequate management information.

Personal data loss

The Trust has not identified any personal data related incidents during 2020-21 or in the previous years since its establishment. An incident is defined as a loss, unauthorised disclosure or insecure disposal. Protected personal data is information that links an identifiable living person with information about them which, if related, would put the individual at significant risk of harm or distress; the definition includes sources of information that because of the nature of the individuals or the nature, source or extent of the information, is treated as protected personal data by the Trust.

Internal audit

In 2021/22, for the first time, the Trust appointed internal auditors - BDO. The Trust were keen to take this step to provide extra and independent reassurance about the policies and procedures which have grown up, often quickly, in the Trust's short life. The Trust is absolutely determined to impose the very highest standards on all of its work and to be constantly challenged by the very highest standards. Only in this way can there be the kind of continuous drive for improvement that the Board of Trustees demands.

This was the first year of our relationship with BDO, and we received three reports, all of which identify areas where processes and procedures are up to the very highest standards but also where there is more that can be done. The board was particularly pleased to note BDO's conclusion in their report on grants management, which is of course the Trust's main business. BDO found that there were a number of areas of notable good practice with controls operating effectively and with a strong link between each application and the aims of individual grant programmes.

At the same time, BDO also propose a number of areas where processes might be improved, in particular through dealing with the Covenant Reference Group in the MOD to set priorities for the longer term - work in this area is already underway.

The report on Business Continuity Planning sets out what more needs to be done to update and formalise this plan to reflect the Trust's new working from home arrangements.

And the report on Governance proposes a readjustment of Trust committee structure, beneath the Trustee Board, to better support the direction of travel of the Trust.

BDO provided an overall opinion of limited assurance for 2021/22. This is due in part to the fact that in their first year of involvement, BDO were not able to take a full view of the work of the Trust as a whole. The Board is very confident that the areas of improvement identified, many of which are detailed and inevitable in an organisation which is new and still growing, can now be dealt with. This will be a high priority for the staff in the year ahead.

External audit

The external auditor of the Trust is Moore Kingston Smith, who have been newly appointed for the 21/22 financial year.

Risk management

The Trust's internal control system is designed to manage risk to a reasonable level, rather than eradicate all risk of failure. Therefore, it can only provide reasonable and not absolute assurance of effectiveness. In managing risk, we identify the opportunities and risks in achieving our strategic objectives, evaluate the likelihood of those risks being realised, the impact should they be realised and the controls in place to manage them efficiently and effectively. The Trust's approach to risk management and the process for implementation are documented in a Risk Management Strategy.

The strategy is supported by our strategic risk register, which groups our highest priority risk areas into key strategic risks which is reviewed regularly by the senior leadership team. The Executive Management Board review strategic risks at each meeting and the Board review annually.

Risk management overall is viewed as a dynamic process which actively seeks to incorporate good practice. It is responsive and current and is managed through regular review of both internal developments and external factors – the political, social, economic, demographic, technological, environmental and legal developments that may influence our exposure to risks or opportunities.

As an NDPB, the Trust has a low risk appetite in relation to compliance, regulation and to our key strategic risks. In areas where we aim to be relevant and influential, we are prepared to take calculated risks. Risk appetite has been set by the Trustees and is reviewed annually for appropriateness by the senior leadership team and Executive Management Board. The senior leadership team monitor whether our overall risk profile is commensurate with our risk appetite on an ongoing basis.

Principal risks for the Trust relate to the importance of the Trust maintaining a strong relationship with Government, the Armed Forces charity sector and core stakeholders and the challenges of delivering an intelligent grantmaking approach while maximising the operational budget for grantmaking and business continuity.

Controls to mitigate these risks include the development and delivery of a communications strategy based on transparency, as well as a commitment to support grant applicants and grant holders. The Trust's governance and executive structures, and its internal controls, have been developed, tested and reviewed to keep best use of resources in focus within all decision making. On transfer of the responsibilities from the MOD to the Trust, a 'cap' on expenditure of support costs of no more than 5% of funds was agreed. This is maintained across each of the additional Funds that the Trust is administering. Trustees consider managing within this to be a key risk as costs increase, needs change and inflation has an impact.

Assurance statement by the audit committee

The Audit Committee are reasonably confident that the reliability, integrity, quality and comprehensiveness of the assurances provided by management over the Trust's internal processes and by external auditors, are presently sufficient to support the Board and Accounting Officer in their decision making and in the fulfilment of their accountability obligations. Internal controls are monitored during the year by the Trust's senior management team and independent audit review and findings reported to the Audit Committee. The Audit Committee will continue to draw to the Board's and Accounting Officer's attention any matters of concern.

Remuneration and staff report

In accordance with the HM Treasury Financial Reporting Manual the Armed Forces Covenant Fund Trust has prepared this report containing certain information about directors' remuneration. 'Directors' is interpreted to mean persons in senior positions having authority or responsibility for directing or controlling the major activities of the Trust. The figures in the remuneration and staff report are subject to audit.

The total number of employees whose emoluments for the year exceeded £60,000 is given in Notes 6 and 7, together with information on staff numbers and costs.

Two of the directors are members of the PCSPS, for which further details are provided below. The Trust made employer's contributions to two pensions under the auto-enrolment scheme (NEST), at the rate of 8% of salary. The directors received no other benefits. Performance bonuses paid to directors are non-contractual. The directors have contracts of employment carrying a period of notice of one months notice.

	Salary 2021-22 (2020-21) £'000	Performance Related pay and bonuses 2021-22 (2020-21) £'000	Benefits in kind (to nearest £100) 2021- 22 (2020-21) £'000	Pensions Benefits 2021-22 (2020-21) £'000	Total 2021-22 £'000	Total 2020-21 £'000
Melloney Poole MBE 1, Chief Executive	30-35 (45-50)	0-5 (0-5)	-	-	30-35	45-50
Anna Wright 3, Chief Executive	15-20 (n/a)	0-5 (n/a)	-	-	15-20	n/a
Carol Stone, Director of Grants	60-65 (60-65)	0-5 (0-5)	-	24 (24)	65-70	65-70
Sonia Howe, Director of Policy and Communications	60-65 60-65)	0-5 (0-5)	-	18 (27)	65-70	65-70
Liz Rankin, Director of Finance and Operations 4	35-40 (0-5)	0-5 (0-5)	-	-	35-40	0-5

	Accrued pension at pension age as at 31 March 2022 and related lump sum £'000	Real increase in pension and lump sum at pension age £'000	CETV at 31/03/22 £'000	CETV at 31/03/21 £'000	Real increase in CETV £'000	Employer contribution to Nest pension Nearest £100
Melloney Poole MBE, Chief Executive	-	-	-	-	-	-
Anna Wright, Chief Executive	-	-	-	-	-	1300
Carol Stone, Director of Grants	5-10	0-2.5	117	94	17	-
Sonia Howe, Director of Policy and Comms	15-20	0-2.5	217	198	5	-
Liz Rankin, Director of Finance and Operations	-	-	-	-	-	3100

Fair pay disclosures

In 2021-22, 0 (2020-21: 0) employees received remuneration in excess of the highest paid director. Remuneration ranged from £25-30k to £60-£65k, excluding the highest paid director.

Year	25th Percentile Ratio	50th Percentile Ratio	75th Percentile Ratio
Total Remuneration	£29,750	£35,319	£56,426
Salary Component of above	100%	100%	100%
21/22	2.77	2.34	1.46
20/21	n/a	2.28	n/a

Percentile total remuneration is calculated by excluding the remuneration of the highest paid director on an annualised basis and by including full time equivalent remuneration for all staff. In 2021-22, the 50th percentile ratio has increased slightly as a result of the recruitment of a new CEO.

The average salary within the Trust is £43,914 (2020:21: £44,454). This is calculated as the total for all employees on an annualised basis, excluding the highest paid director, divided by the FTE number of employees (also excluding the highest paid director).

The Trust believes that the median pay ratio for 2021-22 is consistent with the pay, reward and progression policies for the Trust's employees taken as a whole.

Any performance awards are made under the Trust appraisal linked system which applied to all staff. The directors are all employed on standard terms and conditions.

The Board of Trustees comprised 14 members at 31 March 2022, none of whom were full time employees of the Trust and they were reimbursed with £93 in expenses (2021: £nil). No Trustees claimed expenses (2021: £nil)

Sickness absence

The Armed Forces Covenant Fund Trust employed 17 members of staff as at 31 March 2021. Periods of sickness absence are recorded in half days. The average number of days of sickness absence was 2.26 days per person. (2021: 0) There were no long term absences in this financial year. This paragraph is not subject to audit.

Pension costs and benefits

The Trust's accounting policy in relation to pensions is provided at Note 1 to the Financial Statements. From October 2018 the Trust has automatically enrolled all employees into a National Employment Savings Trust (NEST) pension scheme unless the employees choose to opt out. The NEST pension scheme is a defined contribution pension scheme that was created as part of government's workplace pensions reform under the Pensions Act 2008. The assets of the scheme are held separately from those of the Trust and the Trust is unable to identify our share of the liability, employer's contributions are charged to the Statement of Financial Activities as they occur.

Pension benefits for a small number of longer serving staff are provided through the Civil Service pension arrangements. The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but the Trust is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2012. Details can be found in the resource account of the Cabinet Office Civil Superannuation (www.civilservice.gov.uk/pensions).

For 2021-22 employer's contributions of £45,203 were payable (2021: £45,203) through the PCSPS. The applicable rates for the PCSPS are shown:

Gross Salary	Rate %
77,001 and over	30.3%
45,501-77,000	27.9%
23,001-45,500	27.1%
Up to 23,000	26.6%

The contribution rates reflect benefits as they are accrued, not when costs are actually incurred, and reflect past experience of the scheme. Pension benefits are provided through the Civil Service pension arrangements in place prior to 30 July 2007, with the unfunded cost of benefits met by monies voted by Parliament each year. Further details about the Civil Service pension arrangements can be found at the website www.civilservice.gov.uk/pensions

The real increase in Cash Equivalent Transfer Value (CETV) reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tac which may be due when pension benefits are taken.

Reporting of civil service and other compensation schemes-exit packages

No redundancy or other departure costs were incurred in the 2021-22 financial year (2020: 0)

Staff report

Further details relating to the Trust's staff numbers and staff costs can be found in Notes 6 and 7 to the financial statements.

Trade union facility time

No employees are union officials and no time was spent on union activity.

Parliamentary accountability and audit report

All expenditure has been applied as intended by the Trust's sponsor body. There are no contingent liabilities, gifts, fees, charges or losses and special payments requiring further disclosures that have not been reported elsewhere in these financial statements. This paragraph is subject to audit.

Anna Wright
Chief Executive Officer and Accounting Officer
12 August 2022

Helen Helliwell
Chair of Trustees
12 August 2022

Audit Certificate 2021-22

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ARMED FORCES COVENANT FUND TRUST

Opinion

We have audited the financial statements of the Armed Forces Covenant Fund Trust (the 'Trust') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice). We have also audited the information in the Remuneration and staff report and Parliamentary accountability report that are described as having been audited.

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.

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 twelve 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 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 there is 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.

Opinion on other matters

In our opinion, the parts of the Remuneration and staff report and Parliamentary accountability report, which have been identified as subject to audit, have been properly prepared in accordance with Chapter 6 of the Government Financial Reporting Manual 2021-22.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page [x], 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, the HM Treasury Financial Reporting Manual and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. 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 any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

.....
Moore Kingston Smith LLP, Statutory auditor

Date:
6th Floor
9 Appold Street
London
EC2A 2AP

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

Statement of financial activities for the year ended 31 March 2022

	Note	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Income from:							
Charitable activities	2	-	27,959,788	27,959,788	-	26,750,006	26,750,006
Investments		76	-	76	1,598	-	1,598
Other		193,010	-	193,010	351	-	351
Total Income		193,086	27,959,788	28,152,874	1,949	26,750,006	26,751,955
Expenditure on:							
Charitable activities	3	-	27,573,958	27,573,958	334,710	26,121,708	26,456,418
Total Expenditure		-	27,573,958	27,573,958	334,710	26,121,708	26,456,418
Net income/(expenditure) for the year	5	193,086	385,830	578,916	(332,761)	628,298	295,537
Transfers between funds		(208,192)	208,192	-	253,820	(253,820)	-
Net movement in funds		(15,106)	594,022	578,916	(78,941)	374,478	295,537
Reconciliation of funds:							
Total funds brought forward		148,695	1,181,130	1,329,822	227,633	806,652	1,034,285
Total funds carried forward		133,586	1,775,152	1,908,738	148,692	1,181,130	1,329,822

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15 to the financial statements.

Balance sheet as at 31 March 2022

	Note	2022 £	2021 £
Current assets:			
Debtors	10	1,742,611	384,821
Cash at bank and in hand		24,998,631	20,992,039
		<u>26,741,242</u>	<u>21,376,860</u>
Liabilities:			
Creditors: amounts falling due within one year	11	(18,700,376)	(17,274,048)
Net current assets		8,040,866	4,102,812
Total assets less current liabilities		8,040,866	4,102,812
Creditors: amounts falling due after one year	12	(6,132,738)	(2,772,990)
Total net assets		<u>1,908,738</u>	<u>1,329,822</u>
The funds of the charity:	15		
Restricted income funds		1,804,046	1,181,130
Unrestricted income funds			
Designated funds		0	44,184
General funds		104,692	104,508
Total unrestricted funds		<u>104,692</u>	<u>148,692</u>
Total charity funds		<u>1,908,738</u>	<u>1,329,822</u>

Approved by the Trustees on 12 August 2022 and signed on their behalf by

Helen Helliwell
Chair of Trustees

Anna Wright
Chief Executive

Cash flow statement for the year ended 31 March 2022

	Note	2022		2021	
		£	£	£	£
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	16		4,006,516		(1,157,687)
Cash flows from investing activities:					
Dividends, interest and rents from investments		76		1,598	
Net cash provided by/(used in) equivalents in the year			76		1,598
Change in cash and cash equivalents in the year			4,006,592		(1,156,089)
Cash and cash equivalents at the beginning of the year			20,992,039		22,148,128
Cash and cash equivalents at the end of the year			<u>24,998,631</u>		<u>20,992,039</u>

Armed Forces Covenant Fund Trust Notes to the financial statements For the year ended 31 March 2022

1. Accounting Policies

a) Statutory information

Armed Forces Covenant Fund is a charitable trust located in England, with charity number 1177627. The registered office address (and principal place of business) is 95 Horseferry Road, London, SW1P 2DX.

b) Basis of preparation

The Trust was established by a trust deed dated 7 February 2018 and commenced its activities on this date.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), charity regulations and the Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the Trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

Key judgements that the Trust has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

c) Public benefit entity

The Trust meets the definition of a public benefit entity under FRS 102.

d) Going concern

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

Key judgements that the charitable company has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

- e) **Income**
Income is recognised when the Trust has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.
- Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Trust has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.
- Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.
- f) **Interest receivable**
Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the bank.
- g) **Fund accounting**
Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.
Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.
- Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.
- h) **Expenditure and irrecoverable VAT**
Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:
- Costs of raising funds relate to the costs incurred by the Trust in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
 - Expenditure on charitable activities includes the costs of grantmaking, research & evaluation and other grant related activities undertaken to further the purposes of the Trust and their associated support costs
 - Other expenditure represents those items not falling into any other heading
 - Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.
- i) **Grants payable**
Grants payable are made to third parties in furtherance of the Trust's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the recipient.
- Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

- j) **Allocation of support costs**
Resources expended are allocated to the particular activity where the cost relates directly to that activity.
- Where information about the aims, objectives and projects of the Trust is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure. Fixed support and governance costs are re-allocated to the Covenant
- Fund, and variable costs are re-allocated to each of the activities on the basis of an estimate, based on staff time, of the amount attributable to each activity.
- Governance costs are the costs associated with the governance arrangements of the Trust. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the Trust's activities.
- k) **Operating leases**
Rental charges are charged on a straight line basis over the term of the lease.
- l) **Tangible fixed assets**
Items of equipment are capitalised where the purchase price exceeds £5,000.
- m) **Debtors**
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.
- n) **Short term deposits**
Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.
- o) **Cash at bank and in hand**
Cash at bank and cash 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.
- p) **Creditors and provisions**
Creditors and provisions are recognised where the Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.
- q) **Financial instruments**
The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.
- r) **Pensions**
Employees of the Trust are eligible to receive contributions to their selected pension scheme - either their personal pension account or if they wish to join the Trust's selected pension provider NEST. Three employees are members of the Civil Service Pension Scheme, which is a defined benefit scheme. However, the Trust is only responsible for paying contributions so it is accounted for as a defined contribution scheme. Further information about this scheme is provided in note 13.

2. Income from Charitable Activities

	2022		2021 Total	2021		2021 Total
	Unrestricted	Restricted		Unrestricted	Restricted	
	£	£		£	£	
MOD - £10M Covenant Fund	-	10,200,000	10,200,000	-	10,000,006	10,000,006
HMT - £10M Veterans' Mental Health and Wellbeing Fund	-	10,000,000	10,000,000	-	10,000,000	10,000,000
Health and Wellbeing Fund						
NAAFI Fund	-	1,251,308	1,251,308	-	750,000	750,000
Headfit		8,480	8,480			
Supporting Armed Forces in Acute Hospitals		1,500,000	1,500,000			
Afghanistan Veterans' Fund	-	5,000,000	5,000,000	-	6,000,000	6,000,000
Total income from charitable activities	-	27,959,788	27,959,788	-	26,750,006	26,750,006

Government grants received were for specific purposes. The Covenant Fund comprises £10M per year to fund projects that support the Armed Forces community.

The £10M Veterans' Mental Health and Wellbeing Fund, was first announced in the October 2018 Budget Statement.

In 2020 the Trust began to administer the NAAFI Fund on behalf of NAAFI. The £5M OVA/MOD Fund was announced in the April 2021 Budget Statement.

Afghanistan Veterans' Fund: the Trust delivered the £5M Afghanistan Veterans' Fund which supports projects for veterans affected by recent conflicts on behalf of the Office for Veterans' Affairs.

3a. Charitable activities

	Direct			2022 Total Expenditure
	Charitable	Staff Costs	Other Costs	
	Activity	£	£	
MOD - £10M Covenant Fund	9,477,922	242,882	259,148	9,979,952
HMT - £10M Veterans' Mental Health and Wellbeing Fund	9,083,456	368,001		9,451,457
HMT - £3M Veterans' Community Centres Fund		35,334		35,334
Aged Veterans' Fund				0
Programme evaluation and research	607,186			607,186
Supporting Armed Forces in Acute Hospitals	1,414,779			1,414,779
Afghanistan Veterans' Fund	4,750,000	57,804		4,807,804
NAAFI Fund	1,199,047	41,962		1,241,009
OVA/MOD Covid-19 Impact Fund	36,437			36,437
Total	26,568,827	745,983	259,148	27,573,958

All expenditure was restricted in 2021-2022. In 2020-2021 expenditure of £334,710 was unrestricted and £26,121,708 was restricted.

3b. Support Costs

	HMT Vets'		HMT Vets'		OVA/MOD	Afghanistan	2022 Total Expenditure
	Covenant	Mental	Community	NAAFI Fund	Covid-19	Veterans'	
	Fund £10m	Health £10m	Centre £3m	£	Impact Fund	Fund	
Staff remuneration	242,882	368,001	35,334	41,962	0	57,804	745,983
Professional fees	68,091						68,091
Premises and office costs	45,831						45,831
Other	6,507						6,507
Audit	14,410						14,410
Governance costs	32,912						32,912
Communications and marketing	29,235						29,235
GMS and IT	62,162						62,162
Total	502,030	368,001	35,334	41,962	0	57,804	1,005,131

3c. Charitable activities

	Direct			2021 Total Expenditure
	Charitable	Staff Costs	Other Costs	
	Activity	£	£	
MOD - £10M Covenant Fund	9,085,306	290,550	226,138	9,601,994
HMT - £10M Veterans' Mental Health and Wellbeing Fund	9,305,152	262,551	23,287	9,590,990
HMT - £3M Veterans' Community Centres Fund		26,196	13,200	39,396
Aged Veterans' Fund				0
Programme evaluation and research	521,384			521,384
NAAFI Fund	711,707	22,884	4,500	739,091
OVA/MOD Covid-19 Impact Fund	5,925,463	27,000	11,100	5,963,563
Total	25,549,012	629,181	278,225	26,456,418

Expenditure of £334,710 (2020 - £120,706) was unrestricted and £26,121,708 (2020 - £22,074,994) was restricted.

3d. Support costs

	Covenant Fund £10m £	HMT Vets' Mental Health £10m £	HMT Vets' Community Centre £3m £	NAAFI Fund £	OVA/ MOD Covid Impact Fund £	2021 Total Expenditure £
Staff remuneration	285,596	248,439	25,953	22,884		582,872
Other staff costs	4,955	14,112	242	-	27,000	46,309
Professional fees	78,464			4,500	11,100	94,064
Premises and office costs	46,426	2,715				49,141
Other	3,122					3,122
Audit	14,640					14,640
Governance costs	12,966		13,200			26,166
Communications and marketing	14,359					14,359
GMS and IT	56,161	20,572				76,733
Total	516,689	285,838	39,395	27,384	38,100	907,406

4. Grant expenditure

	2022 £	2021 £
MOD - £10M Covenant Fund	9,477,922	9,085,306
HMT - £10M Veterans' Mental Health and Wellbeing Fund	9,083,456	9,305,152
HMT - £3M Veterans' Community Centres Fund	0	0
NAAFI Fund	1,199,047	711,707
Afghanistan Veterans' Fund	36,437	5,925,463
Supporting Armed Forces in Acute Hospitals	1,414,779	
Afghanistan Veterans' Fund	4,750,000	
Total grants awarded during the year	25,961,641	25,027,628
Total grant expenditure	25,961,641	25,027,628

All grants were made to institutions. For details, please see the website at www.covenantfund.org.uk/grants-weve-funded/. All grant expenditure was restricted.

5. Net (expenditure)/income for the year

This is stated after charging/(crediting):

	2022 £	2021 £
Operating lease rentals payable:		
Property	34,543	35,778
Auditors' remuneration (excluding VAT):		
Current year audit fee	12,000	12,200

6. Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	597,009	465,653
Social security costs	60,954	52,601
Employer's contribution to defined contribution pension schemes	30,792	19,415
Civil Service Pension Scheme	45,203	45,203
Other forms of employee benefits	12,025	45,528
Total	745,983	628,400

Other forms of staff benefits include a one-off staff bonus related to additional workloads during Covid, medical and death in service cover and staff training.

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2022 No.	2021 No.
£60,000 - £69,999	2	2

The total employee benefits (including pension contributions and employer's National Insurance) of the key management personnel were £301,493 (2021: £251,985).

Excluding the Chief Executive and Directors, no employees received remuneration for 2021-22 excluding pension contributions, greater than £60,000 (2020-21: no employees).

The Trustees were neither paid nor received any other benefits from employment with the Trust in the year (2021 £Nil). No Trustee received payment for professional or other services supplied to the Trust (2021: £Nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs relating to attendance at meetings of the Trustees. There were £93 of Trustee expenses incurred (2021: £0) by one Trustee.

7. Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 15.83 (2021: 11.92).

Staff are split across the activities of the Trust as follows:

	2022 No.	2021 No.
Grant making	13.5	9.72
Support	1.9	2
Governance	0.5	0.2
Total	15.9	11.92

At 31 March 2022, 18 staff were in post (2020-21:14). 13 of these staff are female and 5 are male (2020-21: 10 staff were female and 4 were male). 1 (2019-20: 1) staff member is employed on a fixed-term contract with all other staff employed on a permanent contract. The above includes an average of 3 (2019- 20: 2) part time staff members for the year.

8. Related party transactions

The Armed Forces Covenant Fund Trustee Limited (company number 11185188) is the Trustee of the Armed Forces Covenant Fund Trust. It holds a number of contracts on behalf of the Trust, as a separate legal entity. There have been no transactions between the parties. The corporate Trustee implements the decisions of the directors of the Armed Forces Covenant Fund Trustee Limited.

Lieutenant General Sir Nicholas is a Trustee of the Trust and is Chair of Cobseo he succeeded Sir John McColl who resigned in February 2022. Details of grants awarded to Cobseo are as follows:

During the course of the year, £285,000 was paid to Cobseo in respect of two grants awarded in 2021/22 under the Veterans Mental Health Strategic Leads & Strategic Leads continuation programmes.

During the course of the year £60,000 was paid to Cobseo in respect of a grant awarded in 2017/18 to Build Capacity in Northern Ireland. The outstanding balance at year end was £30,000.

During 2020/2021 Cobseo was also the beneficiary of a further £45,000 grant under the Strategic Pathways Programme. At year end the outstanding balance on this grant was £5,000.

In addition, the Trust is responsible for managing HMT LIBOR Fund grants of which Cobseo is a recipient. Payments in respect of LIBOR grants are made from the MOD, on recommendation from the Trust.

In line with the Trusts policy, Lieutenant General Sir Nicholas was not involved in the decision making process of the awards made to Cobseo.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

9. Taxation

The Trust is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10. Debtors

	2022	2021
	£	£
Accrued income	1,701,766	328,430
Other debtors	40,845	56,391
	<u>1,742,611</u>	<u>384,821</u>

11. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	4,686	22,603
Evaluation creditors	598,181	586,339
Grants payable	17,743,216	16,225,381
Returns to donors	30,000	122,558
PAYE	11,069	19,568
Accruals	45,378	25,160
Other creditors	7,747	13,959
Deferred income	260,100	258,480
	<u>18,700,376</u>	<u>17,274,048</u>

12. Creditors: amounts falling due after one year

	2022	2021
	£	£
Trade creditors	-	-
Evaluation creditors	224,304	-
Grants payable	5,907,824	2,772,990
	<u>6,132,128</u>	<u>2,772,990</u>

13. Pension scheme

The Trust contributes to employees' pensions in three different ways. i) some staff are members of a defined benefit scheme which is the Civil Service Pension Scheme; ii) others can join a defined contribution pension scheme with NEST; iii) or the Trust will make contributions to the employee's choice of provider. Contributions to each pension scheme are shown in note 6.

Civil Service Pension Scheme

As part of their transfer arrangements from the MOD, some of the staff members of the Trust remained as members of the Civil Service Pension Scheme (CSPS) under the New Fair Deal Policy. This is a non-statutory policy that sets out how pensions issues are dealt with when staff are compulsorily transferred from the public sector to independent providers delivering public services.

The CSPS is an unfunded multi-employer defined benefit scheme and therefore as long as the required employer (and employee) contributions are paid over each month there is no further liability on the employer in respect of pension benefits for members. Under its Admission Agreement, the Trust has no share of the underlying assets and liabilities.

The scheme actuary valued the CSPS as at 31st March 2016. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation at <http://www.civilservicepensionscheme.org.uk/about-us/resource-accounts/>

For 2021/22, employers' contributions of £45,203 (2021: £45,203) were payable to the CSPS at one of four rates in the range 20.0% to 24.5% of pensionable earnings, based on salary bands.

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2020/21 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Other Pensions

Staff members who joined the Trust after 1 April 2018 have the choice of joining NEST, or having employer and employee contributions made to their own existing private pension. Either way, the Trust will make a contribution of 8% of pensionable earnings if the employee contributes 5%. Employers' contributions of £30,792 (2021: £19,415) were paid to other pension providers.

Contributions due to the pension providers at the balance sheet date were £13,808 (2021: £5,815). Contributions prepaid at that date were £nil (2021: £nil).

14a. Analysis of net assets between funds (current year)

	General	Designated	Restricted	Total funds
	£	£	£	£
Net current assets	104,692	-	7,936,174	8,040,866
Long term liabilities	-	-	(6,132,128)	(6,132,128)
Net assets at 31 March 2022	104,692	-	1,804,046	1,908,738

14b. Analysis of net assets between funds (prior year)

	General	Designated	Restricted	Total funds
	£	£	£	£
Net current assets	104,692	44,184	3,954,120	4,102,996
Long term liabilities	-	-	(2,772,990)	(2,772,990)
Net assets at 31 March 2021	104,692	44,184	1,181,130	1,330,006

15a. Movements in funds (current year)

	at 1 April 2021	Income & gains	Expenditure & losses	Transfers	At 31 March 2022
	£	£	£	£	£
Restricted funds:					
MOD - £10M Covenant Fund					
<i>MOD - £10M Covenant Fund Central Fund</i>	13,742	10,200,000	(10,238,113)	6,368	-17,983
<i>Tackling Loneliness evaluation</i>	106,000		(106,000)		0
<i>Outcomes Measurement Framework</i>	10,000		(4,182)	50,000	55,818
<i>Veterans Trauma Network - funding to facilitate engagement and shared learning between the Supporting Armed Forces in Acute Hospitals grant holders and wider NHS veterans healthcare to build sustainable partnerships</i>				161,518	161,518
Evaluation of Covenant Fund programmes applied to the Trust's small grants programmes. To be procured as an external evaluation in 2022/23 FY	47,627	0			47,627
Acute Hospital Settings data collection and evaluation services			348,079	-348,079	0
HMT - £10M Veterans' Mental Health and Wellbeing Fund					
<i>HMT - £10M Veterans' Mental Health and Wellbeing Fund Central Fund</i>	655,008	10,000,000	(9,451,457)	(375,000)	828,551
<i>Social Prescribing for the Armed Forces community</i>	70,000		(27,466)		42,532
<i>One Is To Many evaluation</i>	147,600		(147,600)		0
Evaluation of Veterans' Mental Health and Wellbeing Fund programming	0		(6,270)	375,000	368,730

15a. Movements in funds (current year) continued

	at 1 April 2021	Income & gains	Expenditure & losses	Transfers	At 31 March 2022
	£	£	£	£	£
HMT - £3M Veterans' Community Centres Fund	68,580	0	(35,334)		33,246
Programme evaluation & research			(353,586)	353,586	0
NAAFI Fund	10,909	1,251,308	(1,241,009)		21,208
OVA/MOD Covid-19 Impact Fund	36,437		-36,437		0
Afghanistan Veterans' Fund	0	5,000,000	(4,807,804)		192,196
Supporting Armed Forces in Acute Hospitals	0	1,500,000	(1,414,779)	(85,221)	0
Headfit		8,480	(7,877)		603
Aged Veterans' Fund	15,227	0	(15,227)		0
Total restricted funds	1,181,130	27,959,788	(27,545,064)	208,192	1,804,046
Unrestricted funds:					
Designated funds					
<i>Tackling Serious Stress engagement event</i>	5,000	0	(5,000)		0
<i>Local Government Delivery of the Covenant digital resources - now Strengthening and Empowering Delivery of the Covenant evaluation and support services</i>	15,290	0		(15,290)	0
<i>LIBOR Fund evaluation</i>	23,894	0	(23,894)		0
Total designated funds	44,184	0	(28,894)	(15,290)	0
General funds	104,508	193,086		(192,902)	104,692
Total unrestricted funds	148,692	193,086	(28,894)	(208,192)	104,692
Total funds	1,329,822	28,152,874	(27,573,956)		1,908,723

Material transfers between funds were made as follows:

Veterans Trauma Network- £161k transfer from programme evaluation and research to fund an evaluation around work on Veterans Trauma network within our Acute Hospital Settings programme.

HMT- £10M Veterans' Mental Health and Wellbeing Fund: A transfer of £375k was made to fund an evaluation post for this grant programme in line with Trustees' wishes.

Programme Evaluation and Research: Transfers in of £354k were made to fund evaluations on Acute Hospital Settings programme.

General Funds: A returned legacy grant of £192k was received in 21/22. In accordance with the wishes of Trustees, this was transferred to the Covenant Fund and distributed as grants.

15b. Movements in funds (prior year)

		at 1 April 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2021 £
Restricted funds:						
MOD - £10M Covenant Fund	MOD - £10M Covenant Fund Central Fund	21,445	10,000,006	(9,602,775)	(404,934)	13,742
	Tackling Loneliness evaluation				106,000	106,000
	Outcomes Measurement Framework				10,000	10,000
	Evaluation of Covenant Fund programmes	199,187		(151,560)		47,627
	Tackling Serious Stress evaluation extension			(35,114)	35,114	
HMT - £10M Veterans' Mental Health and Wellbeing Fund	HMT - £10M Veterans' Mental Health and Wellbeing Fund Central Fund	462,817	10,000,000	(9,590,209)	(217,600)	655,008
	Social Prescribing for the Armed Forces community				70,000	70,000
	One Is To Many evaluation				147,600	147,600
HMT - £3M Veterans' Community Centres Fund		107,976	-	(39,396)	-	68,580
NAAFI Fund		-	750,000	(739,091)	-	10,909
OVA/MOD Covid-19 Impact Fund			6,000,000	(5,963,563)		36,437
Aged Veterans' Fund		15,227	-	-		15,227
Total restricted funds		806,652	26,750,006	(26,121,708)	(253,820)	1,181,130
Unrestricted funds:						
Designated funds						
	Website	21,180	-		(21,180)	-
	Tackling Serious Stress engagement event	5,000	-	-	-	5,000
	Local Government Delivery of the Covenant Digital Resources - now Strengthening and empowering delivery of the Covenant evaluation and support services	75,000	-	(334,710)	275,000	15,290
	LIBOR Fund evaluation	23,894	-	-	-	23,894
Total designated funds		125,074	-	(334,710)	253,820	44,184
General funds		102,559	1,949	-	-	104,508
Total unrestricted funds		227,633	1,949	(334,710)	253,820	148,692
Total funds		1,034,285	26,751,955	(26,456,418)	-	1,329,822

15 Movements in funds (continued)

Purposes of restricted funds

Covenant Fund: The Covenant Fund is delivered by the Armed Forces Covenant Fund Trust. It has £10M a year to fund projects that support the Armed Forces community and delivers programmes that align to four core themes of: Removing barriers to family life; Extra support after service for those that need help; Measures to integrate military and civilian communities and allow the Armed Forces community to participate as citizens; and Non-core healthcare services for veterans.

Veterans' Mental Health and Wellbeing Fund: In the Autumn Budget 2018, the Chancellor of the Exchequer announced £10M to support Veterans' Mental Health and Wellbeing needs. The Veterans' Mental Health and Wellbeing Fund has two programmes: the Positive Pathways programme and the Strategic Pathways programme. Grants were awarded during 2019/20 to projects which will be monitored over three subsequent years.

Veterans' Community Centres Fund: In the October 2018 Budget, the Chancellor of the Exchequer awarded £3M to the MOD to support the repair and refurbishment of community centres run by Armed Forces organisations which continue to provide a focus for veterans and support improvements to health and social outcomes. The MOD asked the Trust to run this programme on their behalf. Grants were awarded during 2019/20 to projects which will be monitored over two subsequent years.

The NAAFI Fund makes grants to UK Armed Forces bases, located in the UK or overseas, for projects that improve the quality of life for serving personnel and serving families living on or near a Forces base or station. The NAAFI Fund comes from funding made available by the Navy, Army and Air Force Institutes (NAAFI). The Armed Forces Covenant Fund Trust is administering the NAAFI Fund on behalf of NAAFI.

OVA/MOD COVID Impact Fund: The Trust administered a £6M funding programme to enable access to services for people from Armed Forces communities through the Covid pandemic. A panel comprising MOD, the Cabinet Office and Cobseo representatives made decisions on applications.

Aged Veterans' Fund: The Aged Veterans' Fund had £30M of funding for projects that support non-core health, wellbeing and social care needs for older veterans (born before 1 January 1950), including surviving World War 2 veterans, those who undertook National Service and other voluntary enlisted veterans who may need some focused support in relation to their health and social care needs. All funding has been allocated by the MOD, the fund balance represents funding for costs which the Trust will incur to manage the grants awarded under this programme.

Afghanistan Veterans' Fund: The Trust delivered the £5M Afghanistan Veterans' Fund which supports projects for veterans affected by recent conflicts on behalf of the Office for Veterans' Affairs.

Supporting Armed Forces in Acute Hospitals: This programme supports a small number of pilot projects that will try better ways of supporting veterans and their families when they are in a hospital setting. The programme is jointly funded by the Covenant Fund (through the Armed Forces Covenant Fund Trust) and NHS England and NHS Improvement.

Evaluation of Covenant Fund programmes are funds committed for this purpose but not yet spent.

Social Prescribing For The Armed Forces Community: Funded from Positive Pathways, the Trust has seconded an employee to Northumbria University to develop and deliver resources to support social prescribing for the armed forces and veteran community.

Tackling Loneliness Evaluation: Neighbourly Lab are evaluating the impact of the £4M Tackling Loneliness Programme which funded 60 projects across the UK.

Outcomes Measurement Framework: The Trust works with grant holders to gather impact data using the Outcomes Measurement Framework (also known as the Impact Hub). A further 50k was awarded during 2021/2022.

Acute Hospital Settings Data Collection and Evaluation Services: DMWS (data collection) and the University of Chester (data analysis) are evaluating the Armed Forces in Acute Hospitals programme; a complex strategic programme that is piloting new approaches of supporting veterans integrated healthcare.

15. Movements in funds (prior year)

Purposes of designated funds

Covenant Fund: LIBOR Fund evaluation for the continuing work to evaluate the impact of this Fund.

Covenant Fund: Local Government Delivery of the Covenant digital resources. Project delayed until 2020/21.

Covenant Fund: Phase two development of the Trust's website to enable interactivity and hosting of additional resources, postponed to 2020/21.

Covenant Fund: Tackling Serious Stress engagement event for grant holders is a key element of grant monitoring and evaluation programme but was postponed from 2019/20 to 2020/21 due to the impact of Covid-19 on the ability to hold events.

Transfer of funds

The transfer of funds from the Covenant Fund to be used for the purposes of programme evaluation.

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

	2022	2021
	£	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	578,916	295,537
Dividends, interest and rent from investments	(76)	(1,598)
Increase/(decrease) in debtors	-1,357,790	1,113,017
(Decrease)/increase in creditors	4,785,465	-2,564,643
Net cash provided by operating activities	<u>4,006,516</u>	<u>-1,157,687</u>

17. Legal status of the Trust

The Armed Forces Covenant Fund Trust is an unincorporated Trust governed by its trust deed dated 7 February 2018. The Trust has a sole corporate Trustee, Armed Forces Covenant Fund Trustee Limited, company number 11185188. In 2019 the Trust commenced discussions with MOD and Cabinet Office in relation to the Trust becoming a Non Departmental Public Body, this status was confirmed with effect from 1 April 2019.



“ This group has really helped, especially since lockdown – getting us out of the house, being a part of a community and making friends. Having the support from others through tough times has been really helpful for my own mental well being ”



“ This award is fantastic news for the **veterans** that we support in Scotland. ”

It will provide them with the opportunity to engage in activities that are proven to improve mental health and wellbeing as well as prompting physical health & creativity ”



“ This April we would love to focus on the simple joy of sharing and bonding over a book, and to get many more books into the hands of all the amazing **military children** there are in the UK and living overseas. ”



“ I found being warmly accepted by a bunch of strangers overwhelming. I have proof that I am not alone in my feeling ”



“ I'm now sleeping again because he's beside me and when I start developing a sweat he wakens me before it becomes a night terror. ”

If I have my head in my hands he'll slide under my arms to get to me. He's transformed my life ”



“ Thanks to funding from Trust programmes, Kent Coast Volunteering will play a key role, working alongside FNC to develop and establish a thriving community centre, helping to combat loneliness and through our Digital Champions programme, better connect Nepalese Elders & veterans to services and activities in their community ”



“ It can be such a positive experience by listening to these shows because it shows they, **veterans**, are not alone... ”



“ I can't thank Surf Action enough, not only for the time on the family sessions, but the time afforded to me individually. ”

The sessions have impacted me greatly and helped me with my mental health more than anything else. ”



“ Through the power of creativity, **service children** were able to mobilise their imagination and find new ways to talk about aspects of their lived experience ”



On behalf of The Armed Forces Covenant Trust Fund we would like to thank all the projects for contributing to this publication.

covenantfund.org.uk

Supporting the Armed Forces Covenant through funding real change

Armed Forces Covenant Fund Trust | Chair: Helen Helliwell Chief Executive: Anna Wright

The Armed Forces Covenant Fund Trust Limited (CRN11185188) acting as the trustee of the Armed Forces Covenant Fund (CC1177627)

Registered Address 95 Horseferry Road, London, SW1P 2DX | info@covenantfund.org.uk

ARMED FORCES COVENANT FUND

England & Wales - Charity number 1177627

Accounts



The Armed Forces Covenant Fund Trust

Report And Financial
Statements
2020/21

*Supporting the Armed Forces Covenant
through funding real change...*



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An introduction from our Chair of Trustees, Helen Helliwell

This Annual Report gives the opportunity to reflect on a year of challenges.

The Covid-19 pandemic has had a significant impact on every individual in this country. At the Armed Forces Covenant Fund Trust, we responded to the challenges of Covid by focusing on what we could do to support the Armed Forces charity sector, and the people it supports.

We supported our existing grant holders to make any changes needed to their grants, making over 500 changes to enable our projects to have more time to complete their work; or change the activities they were doing so that they could keep delivering their support to Armed Forces communities in a Covid compliant way.

We delivered new funding programmes at pace, which would help reduce the impact of the Covid-19 pandemic on Armed Forces communities and the organisations that support them. We were delighted to work with the MOD and Cabinet Office to deliver an additional £6 million to support Armed Forces charitable organisations and the veterans and Armed Forces community members who use their services.

In total, we awarded £9.1 million in projects and grants

to reduce the impact of the Covid-19 pandemic, across three funding programmes. Staff within the Trust moved at speed to deliver these funding programmes. Organisations awarded grants under the third of these programmes, Forces Communities Together, were able to start delivering their projects in September 2020. Organisations receiving grants through the Veterans Should Not be Forgotten programme received their funding from mid-June 2020 onwards. The speed and dedication with which the team worked, helped to support vulnerable members of the Armed Forces community, and the organisations that support them, at a particularly challenging time.

This year, the Trust also had a focus on reducing loneliness, awarding over £4 million to 60 projects under the Tackling Loneliness programme; and addressing local isolation of Armed Forces communities through the Force for Change programme, which funds local projects.

With funding from HM Treasury, the Trust awarded 116 grants for projects to help veterans gain better mental health through the Positive Pathways programme, and eight grants totalling £2.1 million under the One is Too Many programme in March 2021. These projects provide specialist and co-ordinated services to reduce suicide risk in veterans and provide specialist support to families.

The Trust also continued to work with others, to maximise our impact. Data from the Map of Need, a complex project mapping the needs of the Armed Forces community, was made freely available on our website. Grant holders have continued to work with us to improve how we gather data directly on the impact that our work has, through the Outcomes Measurement Framework. People from Armed Forces communities can find out about projects that we've funded their local area through our app.

We began an innovative new partnership with NAAFI to deliver grants that have projects that improve the quality of life for serving personnel and serving families living on or near a Forces base or station. In the first year of the NAAFI Fund, 65 grants, worth more than £700,000 were awarded, with many of these grants being used to develop better outdoor and indoor spaces for serving personnel and families to come together.

We've completed more evaluations of our existing work; publishing findings on our funding for Armed

Forces families, our programmes supporting former serving personnel who have entered the Criminal Justice system, how the £30 million Aged Veterans' Fund impacted on the wellbeing of older veterans, and the impact of five years of funding smaller community projects to address local needs of Armed Forces communities.

I am incredibly grateful to my fellow Board members for giving up their time, and to those who serve on our sub-committees. I have deep admiration for our grant holders and the work they achieve. One of the greatest aspects of being Chair is when I get to meet veterans, Armed Forces families and serving personnel who have been supported by projects that we've funded; and hearing about the difference that this makes.

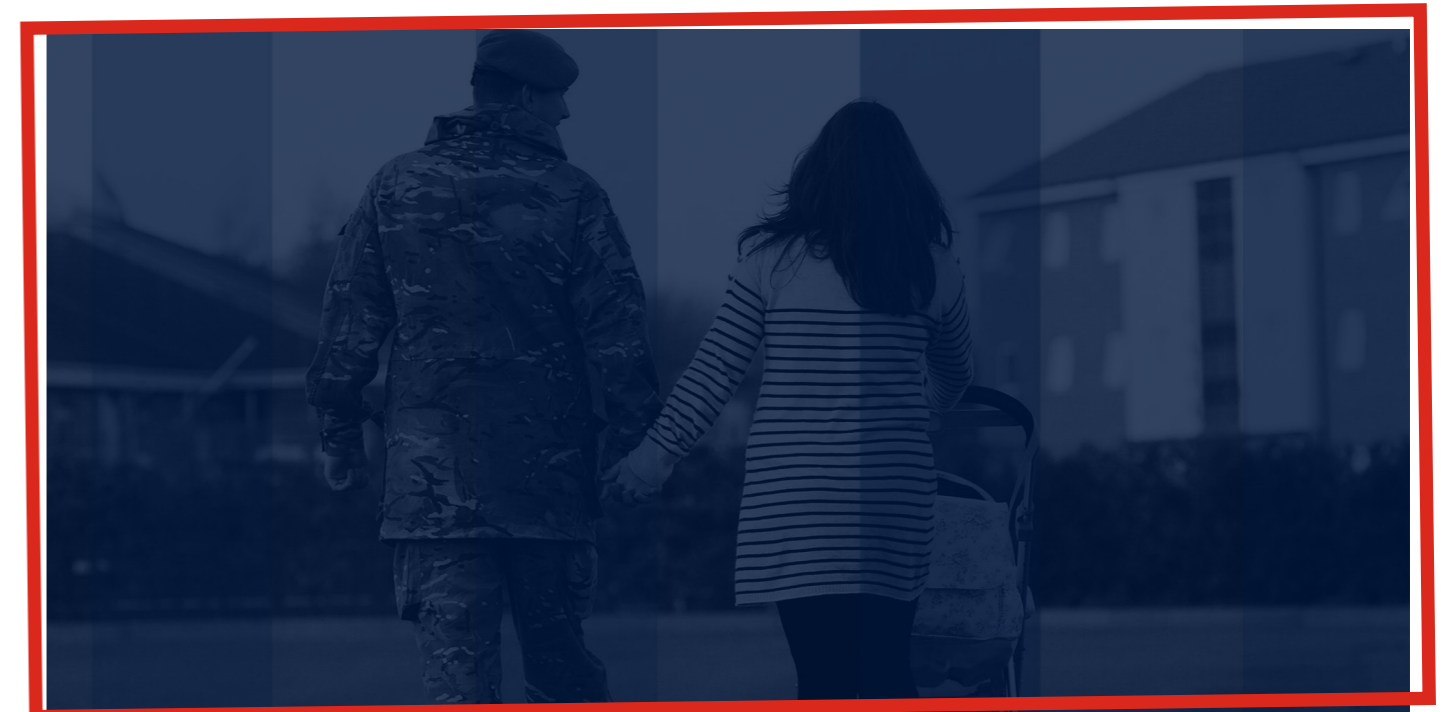
Moving forward into 2021/22, we are going to do more to support existing work that is valued by Armed Forces communities to ensure that they can sustain into the future, explore ways of better supporting veterans (and their families) who are in hospitals and deliver an additional £10 million through the Veterans' Mental Health and Wellbeing Fund to ensure that veterans can access support that meets their needs

alongside NHS provision such as OpCourage. I am particularly proud that we are a learning organisation and we continue to innovate; particularly through our Knowledge Network, which is an open access data repository that holds impact and outcome based content from both the programmes the Trust delivers and the projects we support, to help showcase the best practice and positive outcomes achieved.

Our mission is to support the Armed Forces Covenant through funding real change. We'll continue to work with the Armed Forces charitable sector, our grant holders, the wider community and government departments, to keep funding change that delivers real impact to people's lives.

Finally, as Chair, I and the Board of Trustees are truly indebted to the work of the Chief Executive, Melloney Poole, her very capable deputies Sonia Howe and Carol Stone, and the teams with which they lead so professionally. The Trust simply goes from strength to strength under their leadership, drive and determination, in order to deliver benefit for the Armed Forces community in what has been a most extraordinary year.

AT THE ARMED FORCES COVENANT FUND TRUST, WE RESPONDED TO THE CHALLENGES OF COVID BY FOCUSING ON WHAT WE COULD DO TO SUPPORT THE ARMED FORCES CHARITY SECTOR, AND THE PEOPLE IT SUPPORTS.



About us

The Armed Forces Covenant Fund Trust (the Trust) is a grant making organisation that supports the Armed Forces Covenant by delivering funding programmes that create real change to Armed Forces communities across the UK.

We are a charity and are classified as a Non-Departmental Public Body, or NDPB.

We look after the Armed Forces Covenant Fund, worth £10 million each year. We also work with HM Government to run other funding programmes that have a positive impact on Armed Forces communities, and we work with NAAFI to deliver the NAAFI Welfare Fund grant programme.

All our grants are awarded through specific funding

programmes. Each programme has an aim, which describes the change that we would like the funded projects to achieve.

We develop our funding programmes based on evidence of challenges that people within the Armed Forces community face, and where we think that funding from us would be able to make a significant difference to the problem. We work with partners in government and in the charity sector to develop our programmes.

Our Annual Report for this year looks at how we responded to the Covid-19 pandemic; our focus on addressing loneliness and isolation; complex grants; how we worked with others and research that we've published.

£25m+

awarded in support of the Armed Forces community in 2020/21

559

changes made to Trust projects to support organisations during the Covid-19 pandemic

700+

Forces projects supported in 2020/21 across nine funding programmes



SUPPORTING REAL CHANGE IN 2020/21



What programmes did we run in 2020/21?

Grant amounts referenced within the Trustees' report relate to figures publicly announced and do not take into account subsequent returns/grants not taken up. Therefore, figures may not read across exactly to the audited Financial Statements.

-  Covenant Fund
-  Covid specific
-  Reducing isolation and loneliness
-  Working with partners

Force for Change

- Supporting the whole Forces community.
- Focus on reducing social isolation.
- Developed through community consultation as a successor to the Armed Forces Covenant: Local Grants programme.
- Volunteer focus in 2020.
- Local authority support.

Over £2.4M awarded



Forces Communities Together

- Activity based to take place in keeping with Covid restrictions.
- Focus on reducing isolation in Service communities

£0.8M awarded



Positive Pathways

- Funding provided by HM Treasury.
- Veteran's mental health focused programme.
- Activity based projects.
- Awardees supported by Strategic Partners, further funded in 2020/21.

£5M awarded
Including £900,067 under the Strategic Pathways programme



Covid-19 Impact Fund

- Funding provided by MOD.
- Emergency funding delivered at pace.
- The Trust acted as administrator of this programme, collaborating with MOD, the Cabinet Office and Cobseo.
- Larger, one-off sustainability grants awarded.

Almost £6M awarded



Tackling Loneliness & Isolation

- Reducing social isolation through strategic, two-year grant awards.
- Supported by Tackling Social Isolation grant holders in a mentor role, similar to the Strategic Partner support offered to Positive Pathways awardees.

£5.8M awarded
Including £930,823 under the Tackling Social Isolation programme



Veterans Should Not Be Forgotten

- Funding provided by HM Treasury.
- Veteran focused - particularly those isolated due to Covid-19.
- Working in partnership with ASDIC, Age UK and Cobseo.
- Emergency funding delivered at pace.

£2.4M awarded



NAAFI Fund

- Funding provided by NAAFI.
- Service personnel and serving families main focus.
- Grants to Armed Forces bases and units in the UK and overseas.

£0.7M awarded



One is Too Many

- Funding provided by HM Treasury.
- Specialist funding for strategic work in preventing suicide amongst the Armed Forces community.

£2.1M awarded



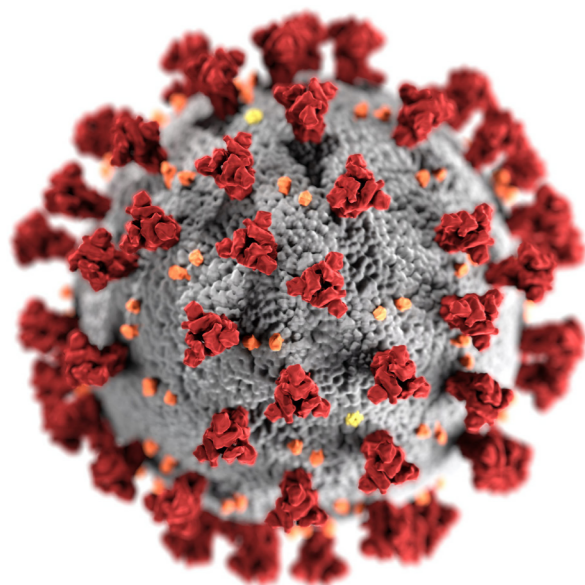
Responding to the Covid-19 pandemic

WE ENSURED THAT GRANT HOLDERS COULD ACCESS FLEXIBLE, DEDICATED SUPPORT, DURING THE PANDEMIC...

In March 2020, the UK entered a national lockdown as a result of the Covid-19 pandemic. The year that followed brought significant challenges and uncertainty.

The Trust's work throughout the pandemic had three core objectives.

1. To support our existing grant holders to make any changes needed to their funded project.
2. To deliver new funding programmes at pace, which would help reduce the impact of the Covid pandemic on Armed Forces communities and the organisations that support them.
3. To ensure the Trust's grant holders did not receive any delays to payments as a result of the Trust moving to remote working.



The Trust was successful in meeting all these objectives.

We awarded nearly £9 million by the end of August 2020, through three dedicated funding programmes, to specifically address challenges to vulnerable members of the Armed Forces community.

In addition, we awarded further funding to address isolation and mental health in November 2020 and February 2021.

We ensured that grant holders could access flexible, dedicated support, to make major or minor changes to their funded projects, as a result of the pandemic. 559 of these changes were made, sometimes with several changes made to individual grants as the Covid lockdown situation became clearer.

The Trust's operational processes were able to continue throughout the pandemic, and supported the swift delivery of both new grants, and changes to existing grants. The Trust was able to do this in a seamless way, with the core technology we use, including the grant making database, operating remotely and allowing staff to work from home.

The Trust adjusted its systems and supported applicants and grant holders to send us any documentation relating to their projects securely, and gave organisations help and guidance to do this.

Responding to the challenges of the Covid-19 pandemic

£9.1M

DISTRIBUTED IN FUNDING



Programmes to reduce the impact on Armed Forces communities

**Veterans
Should Not Be
Forgotten**

**£2.4M
TO 120 PROJECTS**

**Forces
Communities
Together**

**£0.8M
TO 100 PROJECTS**

**Covid-19
Impact Fund**

**£5.9M
TO 102 ORGANISATIONS**

559

CHANGES MADE TO EXISTING GRANTS TO SUPPORT GRANT HOLDERS TO KEEP DELIVERING THEIR WORK THROUGH THE PANDEMIC

The Veterans Should Not Be Forgotten programme

In the March 2020 budget, the Chancellor of the Exchequer awarded additional funding of £10 million for veterans' mental health.

Some of this funding was made available to provide immediate support for vulnerable veterans with reduced social contact, via grants to members of ASDIC, local Age UKs and eligible and invited Cobseo members.

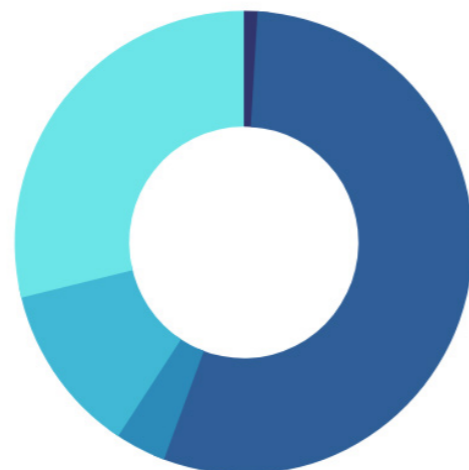
The Trust launched the Veterans Should Not Be Forgotten programme in April 2020 and made funding decisions in May 2020. By June 2020, the first projects were up and running.

The programme awarded 120 grants worth £2.4 million.

Organisations could apply for up to £20,000 for a six-month project focused on supporting isolated veterans, unable to access services or who had limited social contact during the period of self-isolation and restrictions relating to the pandemic.



This chart shows how organisations used their grants to support vulnerable veterans



- Garden and maintenance service 1%
- Home deliveries of essential items 54.7%
- Home deliveries of items to improve wellbeing (e.g. books, newspapers, etc.) 3.6%
- Offering assistance, information and signposting 11.9%
- Social contact through telephone or digital platforms 28.8%

Case study: Launchpad - Covid-19 support for homeless veterans

Launchpad received a grant of £16,521 from the Veterans Should Not Be Forgotten programme to support 97 homeless and unemployed veterans through the Covid-19 pandemic.

The organisation provides supported living accommodation and associated additional support for veterans to help them rebuild their lives after military Service. Many of these veterans require specialist support due to homelessness, mental health issues or addictions.

Lockdown proved a very challenging time for the organisation, as much of that assistance was based on face-to-face interaction with staff and professional health/employment professionals who work in partnership with Launchpad, and of course social activities.

Consequently, the veterans were feeling lonely and isolated and were at risk.

As the pandemic hit, external professional support swiftly moved to virtual means, such as video calling or telephone, or was non-existent. This disadvantaged many veterans at Launchpad. As a result, mental health deterioration and reliance on addictive substances increased for several residents.

It was vitally important for Launchpad's residents that there were members of staff on site to maintain a physical presence during the day and to be able to support the veterans at all times, through lockdown. The Veterans Should Not Be Forgotten grant funded this important staff time, as well as the purchase of 20 tablet computers to be able to lend to residents. The residents were provided with IT training by the staff, and this meant they were able to keep in touch with family and friends during lockdown, as well as being able to access that vital professional help.

The staff found that the nature of social activities arranged for residents was completely re-shaped due to Covid. Formation of virtual social clubs and interest groups was very much veteran-led but supported by the Launchpad staff. A virtual model-making and a chess club was formed, which involved a huge deal of planning and communication between residents to

make it a success. Virtual 'cooking to classical music' was also arranged, for those residents who were shielding, which was a huge success.

Once lockdown was lifted and residents were able to socialise outside, angling, football, cycling and walking clubs were quickly formed. These enabled residents to be outdoors and socialise with each other, to get exercise and boost their mental and physical wellbeing.

Phil Thompson, Manager at Avondale House in Newcastle-upon-Tyne, summed up the importance of the grant funding Launchpad received: "Unfortunately, lockdown took its toll on our residents and sadly one veteran tried to take his own life. However, the passion and determination shown by our staff during the pandemic meant that he turned a corner, and he has now been able to move on confidently from Launchpad and is employed and living in his own accommodation."

Launchpad has had some huge successes. One resident felt so grateful for the excellent support given to him by Launchpad, that he has now been able to move on and is in the process of establishing his own business. Another has rekindled a very positive relationship with his family.



The Forces Communities Together programme

The Trust launched the Forces Communities Together programme on 20 May 2020 and awarded grants of up to £10,000 for six-month projects.

Activities focused on creative and engaging projects for Armed Forces communities, that could take place during social restrictions and bring some joy to those unable to access services or with limited contact during periods of isolation due to the pandemic.

Like other programmes run by the Trust to support Armed Forces communities, we delivered the programme in an expedited way. Decisions were made in August 2020, and the first projects were up and running by September 2020.

One hundred projects were awarded a grant. One project was ultimately not able to run their project

and this grant was returned. In all, 99 projects were delivered.

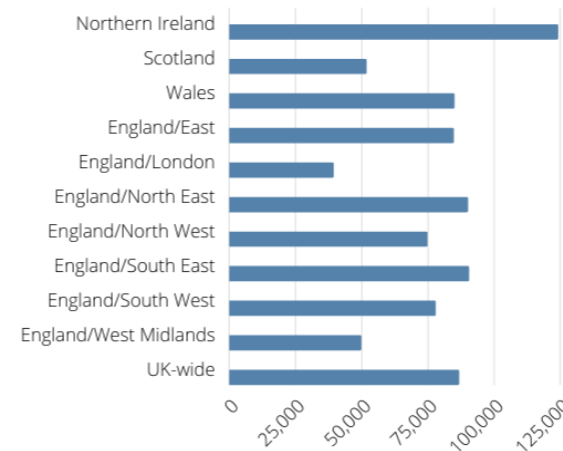
The programme funded engaging and enjoyable projects that sought to overcome the current challenges and deliver activities that bring people together in a safe way.

Each of the projects supported had to show their activities could take place safely during any ongoing social restrictions. This led to a great mix of distance learning, digital comms and finding new ways to come together when people needed to stay apart.

Projects were funded across the UK. Some took place digitally and could reach veterans or families across a large geographic area. Others were more focused on local geographic communities and included the delivery of Covid-secure activities.



RAF Wyton Community Support received £10,000 for their 'Bringing Wyton Community Together' project – a mix of activities designed to reduce isolation and encourage community spirit amongst Forces families.



Case study: Age UK Lincoln & South Lincolnshire - visits for veterans



Age UK Lincoln & South Lincolnshire received £10,000 through the Forces Communities Together programme, which they used for a Visits for Veterans programme between October 2020 and March 2021.

The programme offered befriending to veterans and their families across the towns and rural districts within Lincoln & South Lincolnshire. The project helped them expand their support through the pandemic.

The programme was based around their existing telephone befriending service, where older people who are lonely or isolated can be introduced to a telephone befriender who will call for a social chat each week.

To specifically support veterans, the Visits for Veterans programme was designed to initially identify and

subsequently introduce veterans to each other. This would then enable them, as like-minded individuals with a history of military Service, to share telephone contact and develop a friendship.

They established a virtual veterans' coffee morning and a veterans' coffee afternoon. Some of the veterans also joined in with other online groups including quizzes, musical bingo, French & German classes and coffee and chat. They organised an online Christmas get together and complementary afternoon teas to be delivered to some veterans living alone and feeling isolated.

As the impact of the 2021 lockdown continued, they offered further afternoon teas to veterans taking part in the virtual sessions at the end of March. These were gratefully received with veterans saying it was nice to know someone was thinking of them. It also allowed a little doorstep social interaction as the afternoon teas were delivered.

One veteran that benefited has since joined the organisation as a volunteer and taken over responsibility for running one of these groups as he would like to keep in touch with the friends he has made.



Case study:
The Not Forgotten - activities for isolated veterans

The Not Forgotten received £10,000 from the Forces Communities Together programme towards the cost of producing and delivering jigsaws and 'Boredom Buster' booklets to isolated and lonely veterans.

Ian Brand from The Not Forgotten said: "The idea was to help these individuals pass the time and to keep their grey cells active!

In total we sent out around 2,000 jigsaws and 'Boredom Buster' booklets to a cohort that, due to shielding and social distancing restrictions, had endured a longer period of isolation and loneliness than most.

The feedback we received was phenomenal and we were pleased that with the valued support of the

Covenant Fund, we were able to deliver this project at a time when our vulnerable beneficiaries were in most need of a boost."

One beneficiary, WW2 veteran Robert Allen, told the group how grateful he was for the jigsaw, and that his wife had commandeered it too!

Beneficiary, Paul, said: "Thank you all so much for the wonderful jigsaw that I received yesterday. I have been struggling with my physical and mental health both before and during lockdown and gestures such as this really mean the world. Thank you all so much for everything you do for our military family."



The puzzle, sent to 2,000 older veterans, based on a painting by Sherree Valentine-Daines'

The Covid-19 Impact Fund

As a response to the Covid-19 pandemic, the Department for Digital, Culture, Media and Sport (DCMS) sought bids from government departments for an allocation from the £160 million funding, which was "to support organisations which are providing priority services specific to the Covid-19 response, or which are providing critical frontline services to vulnerable groups affected by Covid-19 and the associated measures".

The Ministry of Defence (MOD) and the Cabinet Office submitted a joint bid to DCMS and, following the assessment process, DCMS and HM Treasury offered to the MOD and the Cabinet Office a sum of £4.8 million to support Armed Forces charities, with a requirement that MOD match this funding with £1.2 million.

The Armed Forces Covenant Fund Trust was appointed to manage the distribution of this funding, on behalf of the MOD and Cabinet Office. The Trust managed the application process, carried out assessments, made grant payments, monitored the grants awarded and collated the end of grant reporting.

The Trust launched the Covid-19 Impact Fund in May 2020, and organisations that delivered support to Armed Forces communities could apply for funding to deliver work in one of nine main areas of benefit to the Armed Forces community, where these had been severely and adversely affected by Covid-19.

Only registered charities and CICs that supported the Armed Forces community were eligible to apply for funding; and at least one of the following criteria needed to be met, for an application to be eligible.

- The organisation is a full member of Cobseo.
- The organisation states in its constitution or articles of association that it provides support to people from Armed Forces communities.
- The organisation has previously worked extensively with people from Armed Forces communities.

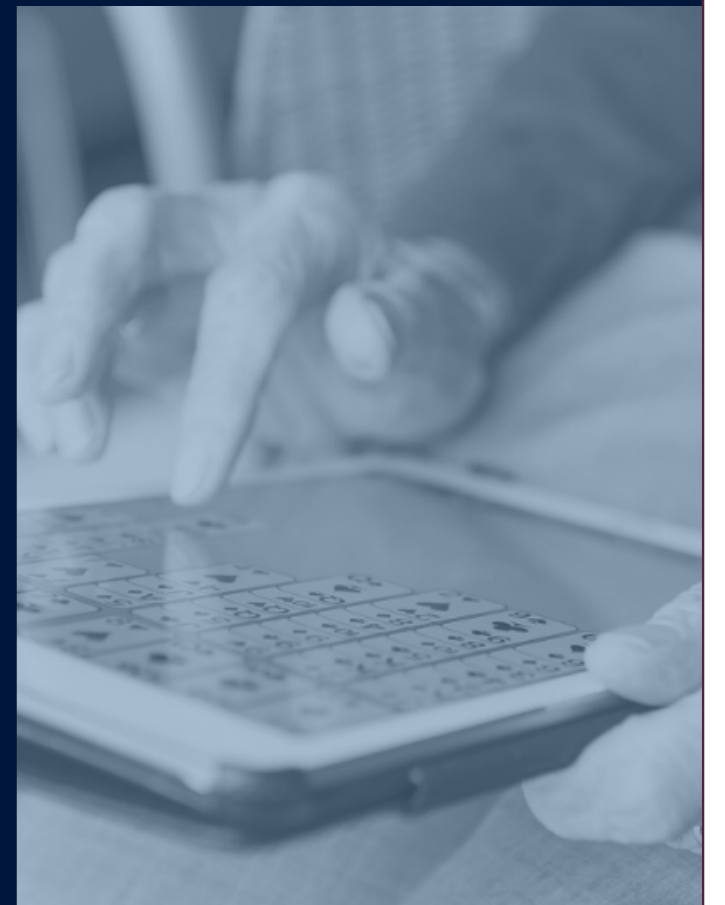
Grants were spread throughout the UK, supporting a mix of both larger and smaller organisations.

A range of projects were supported, with those supporting elderly veterans, welfare projects and projects supporting people from Armed Forces communities with mental and physical health challenges, receiving the majority of the funding. Veterans were the largest beneficiary group.

Significant numbers of beneficiaries were supported through activities funded via the Covid-19 Impact Fund.

Grant holders showed innovative responses to the challenges caused by the pandemic. Most grant holders were able to adapt their project to digital delivery, either completely online or as a mixture of face-to-face and online delivery. Volunteers played a significant role in many projects and were invaluable in providing projects with much needed support.

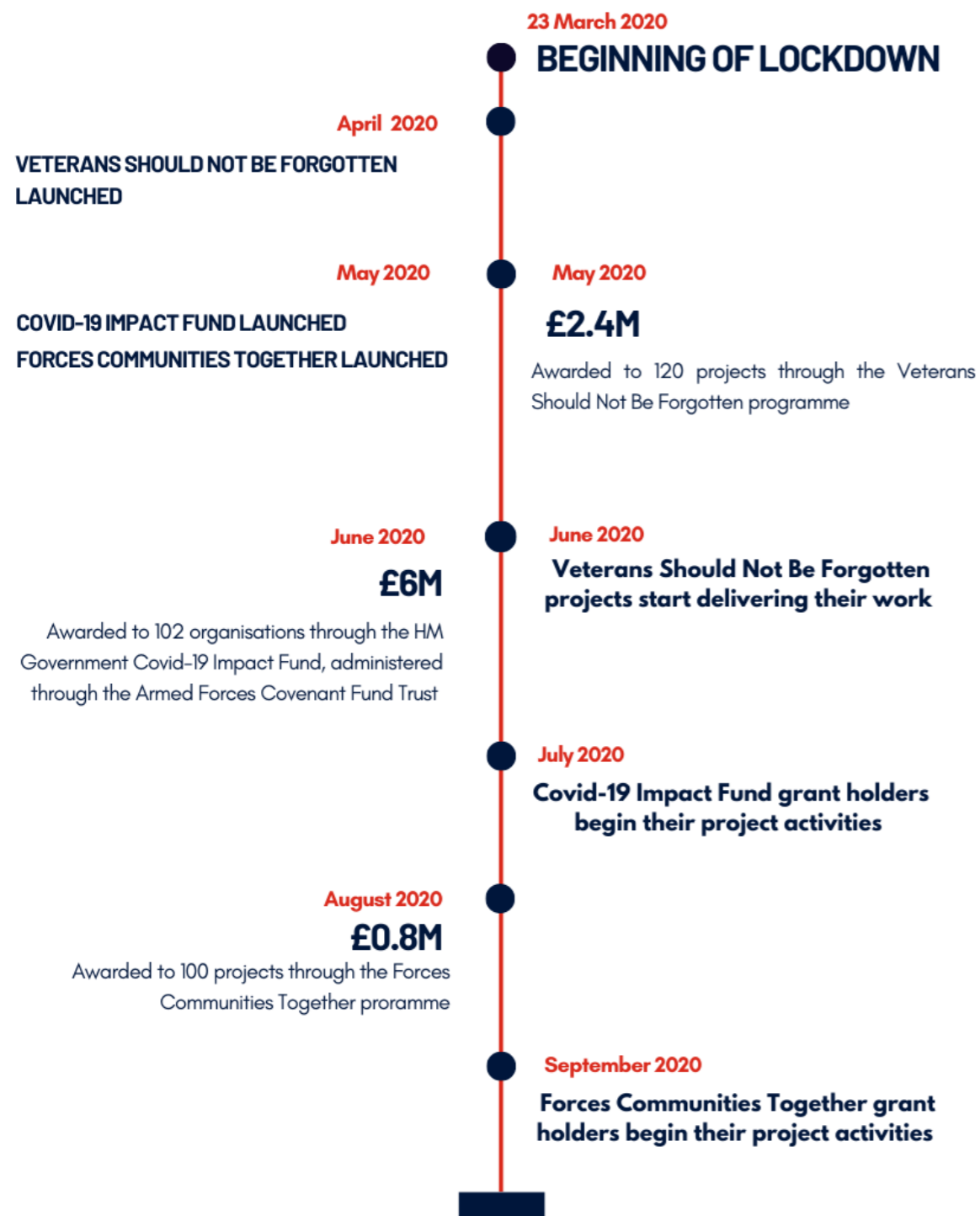
The Trust responded to the challenges of the Covid pandemic at pace, whilst maintaining rigorous application and grant management processes.



This timeline shows the pace of delivery on the Covid-related funding streams

RESPONDING TO COVID

SUPPORTING ARMED FORCES COMMUNITIES AND THE ORGANISATIONS THAT SUPPORT THEM



Case study: Sir Oswald Stoll Foundation - Covid-19 support for Stoll veterans

At a time when its income decreased as fundraising events were cancelled and its trading income dried up, Stoll saw a huge rise in demand for its support services related to the Covid pandemic, with 70% of its veterans shielding or self-isolating across its five housing schemes and its community programme.

Emergency grant funding of £92,250 from the Covid-19 Impact Fund, therefore, enabled them to continue to deliver high quality support services to veterans and meet the growing needs of their beneficiaries.

To continue their Health and Wellbeing Programme, Stoll moved all activities online. For veterans who didn't have digital access, the grant enabled Stoll to provide them with laptops and tablets. Having digital access also gave veterans the opportunity to keep in contact with friends and family, alleviating loneliness and isolation experienced because of lockdown.

Stoll also saw a marked increase in mental health issues in the veterans they support during the grant period, so it was vital that their work was targeted to alleviate the loneliness and social isolation the veterans were experiencing. Through digital access, Stoll support staff could continue to provide a crucial package of support with meetings held via Zoom or Skype, which was vital for veterans who were shielding or self-isolating, or those with complex issues.

The grant enabled staffing costs to be paid, so instead of furlough, Stoll's staff continued to work across all sites providing appropriate PPE, making office spaces socially distanced and provided dividing screens in offices.

The grant enabled Stoll to provide vulnerable, self-isolating or shielding veterans with food parcels; and they were also able to provide domiciliary care such as laundry, cleaning, and shopping for veterans. Stoll has a large number of older and disabled veterans and this assistance enabled them to address whether individuals needed further support, especially if they felt affected by loneliness and social isolation due to the pandemic.



Reducing isolation and promoting mental wellbeing was a major theme across multiple Trust programmes in 2020/21. We developed funding programmes under this theme based on consultation with Armed Forces communities.

In January 2020, the Trust ran a consultation to discover how important it was to reduce social isolation and improve integration and engagement with provision, within the Armed Forces community.

The Tackling Loneliness programme

Our consultation highlighted loneliness as a major factor of social isolation. It can affect people of all ages and from all backgrounds. The Tackling Loneliness programme was designed to address this challenge by targeting specific groups within the Armed Forces community who are traditionally harder to reach. You can read the consultation findings in the Knowledge Network section of our website.

- Building stronger social networks and friendships.
- Improving access to local activities and provision.
- Building emotional resilience to overcome the causes of loneliness.
- Empowering Armed Forces communities to become more independent.

The Trust awarded over £4 million to 60 projects under the Tackling Loneliness programme. These projects each received a fixed grant of £70,000 over a two-year period, with projects meeting at least one of the following key themes.

These projects are now up and running and will work with traditionally harder to reach groups of beneficiaries, to encourage more people to engage in their community, access services and provision and build stronger networks with peers, support organisations and service providers.



Dig In were awarded funding for their 'Bloomin' Marvellous' project, providing a diverse befriending experience for veterans and their families with a focus on LGBTQ+, young carers and others.

Case study: The Warrior programme - building community and confidence

The Warrior Programme received a grant of £70,000 as part of the Tackling Loneliness programme in February 2021, to engage with female veterans, veteran families and serving families, who are currently not coming forward for help.

Warrior has over 11 years of experience in assisting veterans, Service personnel and families with mental health issues; and also those who have struggled in the past with traditional forms of assistance from outside agencies.

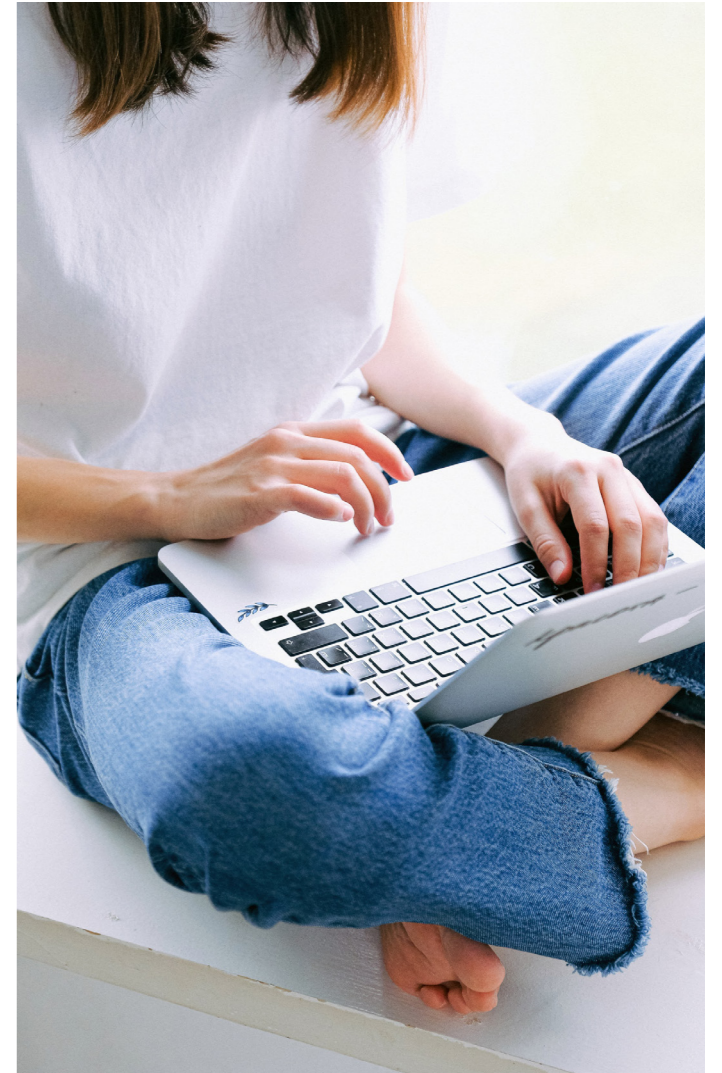
Their Tackling Loneliness project began with a 'call to arms' to online veteran and serving family communities to help publicise the project and to encourage existing participants to think of anyone in their networks who may need support but is not currently seeking help, for whatever reason.

Prior to the Covid pandemic, Warrior offered face-to-face courses and residential courses, which were swiftly moved to virtual operations in February 2020 once the pandemic took hold. The success of these online courses over time was demonstrated by the steep increase in beneficiary numbers seen by the organisation.

The new Tackling Loneliness project incorporates both digital and face-to-face support.

Once encouraged to enrol, participants are invited to join Warrior Nurture, which provides bi-weekly Zoom sessions that encourage interaction and engagement to help stabilise participants and provide a forum to exchange ideas, motivation, inspiration and useful information. After this course, participants will either be allocated to the full Warrior programme or a standalone course for less intense support.

The Tackling Loneliness funding also supports



provision of bi-weekly Warrior Online Workshops, which will continue support for at least 12 months to participants who have attended the five-day training course, providing opportunities to revisit elements of the training and access one-to-one support where needed.

Warrior have found that online delivery encourages the interaction and engagement between participants that is so important as we slowly emerge from lockdown.

One participant said: "When it went online, I felt more confident about doing it. It's easier with my little boy, and because of my husband being on deployment, and it didn't feel so daunting as going on a residential."

Case study:
Scotty's Little Soldiers -
stronger together

As part of the Tackling Loneliness programme, Scotty's Little Soldiers were awarded £70,000 for a project to support bereaved Armed Forces 11-25-year-olds, reducing loneliness and social isolation, while enhancing education and life opportunities.

With a focus on helping members build and increase support networks and friendships, the project will enable them to gain life skills such as improving emotional wellbeing, confidence, self-esteem and resilience. This will take place through a variety of settings including outward bound locations; however, predominantly virtual and social platforms.

Emma Peppercorn, who leads Scotty's Strides and Springboard programmes, said: "Through consultation and discussions with many of our members, we have identified a need to tackle severe social isolation and feelings of loneliness, which is why we have developed a project to address these needs."

The project is split into two stages - virtual and physical. Each will provide support and opportunities to participate in fun and challenging activities, whilst

building on life skills. A virtual platform will be created first, which will allow members to access information via downloads and forums, participate in virtual events and workshops, interact with other members their age and access group online support sessions.

It's hoped members will be able to meet physically later in 2021 and into 2022, where outward bound activities/residential will take place to encourage teamwork, build confidence, resilience and help with making informed decisions about next stages in life.

Emma continues: "Having lived through the pandemic, it's more important than ever that we look out for our members who have been struggling with isolation. Coping with the death of a parent is so difficult at any age and grief hits at different stages in life and can impact in various ways. This is why we want to give our members the opportunity to mix with others of a similar age, so they can share their experiences.

Scotty's Founder, Nikki Scott, adds: "This is something we have wanted to do for a while and the coronavirus pandemic has amplified this need. We are so glad we are now able to put this project in place. Helping bereaved Forces young adults is as important as helping the young children. They all need support in different ways and it's important that we have the flexibility to adapt our support to make it relevant to the individuals."



The Force for Change programme

The Trust's findings from our consultation which shaped the Tackling Loneliness programme were also important in developing the Force for Change programme, which supports local projects.

Under the Force for Change programme, 137 projects were supported with grants of up to £20,000 in the 2020/21 financial year. These projects focused on supporting Armed Forces communities in addressing challenges relating to isolation, loneliness and poor mental health.

Projects had to show:

- why their project was needed and that it wouldn't duplicate other work
- how their project would help people from the Armed Forces community become less isolated and more active in their local communities
- how the idea for their project had been shaped by the people it will benefit.

Projects could support serving personnel, veterans and Armed Forces families.



provides nutritional education to participants. It also produces a supplemental food source for veterans and their families and encourages social engagement between veterans and the local community, fostering inclusion and wellbeing.

The project sites include developing local community allotments and memorial gardens, which will be used to grow fresh produce and facilitate the benefits of working in a practical, active and hands-on setting. This has been identified as a successful approach for transitioning military personnel to demonstrate their skills and attributes developed whilst in Service.

Case study:
Hull 4 Heroes - veterans' growth

Hull 4 Heroes was awarded £19,113 in February 2021 as part of the Armed Forces Covenant: Force for Change programme, for their Veterans' Growth programme.

The Veterans' Growth programme provides veterans and their families of all generations, with the skills and tools to develop their own personal gardening and cooking skills, whilst also creating large and productive sustainable gardens within their local communities.

The holistic, therapeutic and educational environment provides veterans and their families with hands-on gardening and cooking experience. This horticulture programme fosters environmental stewardship, will contribute to food sustainability and food security and

The Caffe Hero online cookery programme is now providing live, virtual cooking classes for veterans and their families, to increase their knowledge of good nutrition, cooking skills and building their confidence in cooking at home. The aim of the project is to improve physical and mental health by teaching veterans and their families how to make healthy food choices and by showing them how to prepare food.

The project was co-designed and delivered by veterans and their families, who expressed an interest in being able to share their cooking experiences with other veterans. They requested an opportunity to learn what, and how much, to eat; about baking, and other basic cookery skills such as knife and chopping skills Tony Norrie, Veterans' Cookery Teacher, said: "The programme will help develop key skills of veterans who have been living alone during Covid-19. It will integrate, communicate and educate our veterans' community, bringing some much-needed fun and enjoyment while we all move together towards a brighter future and an end to social isolation!"

Case study:
Remembering Our Roots - nine SHIPS veterans' project

Remembering Our Roots CIC were awarded £18,313 from the Force for Change programme to deliver the NINE S.H.I.P.S (secrets hidden in plain sight) veteran's project in Cornwall.

The project seeks to give Service men and women opportunities to learn bushcraft and wilderness living techniques and achieve accredited qualifications in these skills. There are also online groups available to support those based further afield, or who cannot travel.

The organisation held their first bushcraft course in spring 2021, far exceeding their 'best case scenario', with positive feedback from those involved.

One participant, David, said: "I knew I enjoyed the company of other ex-military personnel, the humour

and people who had no agenda. I explored different avenues and found that I loved the outdoors and although I never enjoyed being on exercise, I did enjoy camping on my own terms.

Exploring this more, I found I was getting into a wild camping style, so I tried to learn bushcraft - YouTube was a good guide but it wasn't enough.

The military had taught me to survive in nature, but only with rations and I wanted to be able to survive with only my wits to help. In comes ROR - NINE Ships! WOW! This was exactly what the Dr should have ordered. Bushcraft and psychology to help deal with any situation.

We spent a weekend around the campfire learning lots and off-loading issues that had bothered us for a while it seemed. Obviously, some wounds are deeper than others, but the healing process had begun and doing the bushcraft was an enabler to confidence and being able to realise that we could look after ourselves. I made new friends and shared stories around the campfire and the spirits were lifted."



The Positive Pathways

With funding from HM Treasury, the Trust also continued to deliver the Positive Pathways programme, funded through the Veterans' Mental Health and Wellbeing Fund, which has run since 2019. We awarded 116 projects in 2020/21, worth a total of £4 million.

The Positive Pathways programme supports activities that get veterans out and active; enabling veterans to take part in a range of activities, which can show that they offer veterans improved mental health and wellbeing.

Several Positive Pathways grants awarded in 2019/20 were impacted in 2020/21 by the Covid pandemic. Trust staff worked to support them to make changes to their grants to enable their work to continue, or to extend the time to complete the work.

Back in November 2019, Dundee Therapy Garden were awarded £70,00 for a two-year garden project, allowing veterans with physical and/or psychological difficulties to tackle their issues



and adopt coping mechanisms, enabling them to reconnect with family, friends and the community.

With the onset of Covid and lockdown measures, the groups' activities were, understandably, affected. But veterans were able to begin coming to the garden again as measures eased.

The group told us that some veterans who had moved on, came back to the garden because of the effect of lockdown on their mental and physical health.



One veteran said: "The NHS saved my life, but the garden gives me life." The group says that many of their veterans have said they agree. Others have talked of increased self-confidence and independence and several date the turnaround in their lives from the day they came to the garden.



Case study:
Step Together - the bronze age roundhouse build

Step Together Volunteering received £35,000 to provide the opportunity for veterans and injured Service personnel to build a replica Bronze Age roundhouse using archaeological evidence to ensure authenticity.

Deborah Saw, Operations Manager, said: "Step Together Volunteering was thrilled to receive much needed funds for our volunteering project at Butser Ancient Farm in Hampshire, especially at a time when there are so many charities in need. The 'Positive

Pathways' funding will provide a fantastic opportunity for veterans and injured Service personnel ... to develop new skills, improve self-esteem, and increase their confidence and social network. So far, 25 volunteers have signed up for the project, which is scheduled to start in the spring, and the funding will make a huge difference to the lives of those involved as they engage with their local community."

1000+ grants in grant management at the end of the year 2020/21



Complex grants, partnerships and innovation

The Trust has made some complex, strategic grants in 2020/21, designed to support a reduction in suicides within veteran communities, and to enable effective support to projects delivering Positive Pathways and Tackling Loneliness projects to maximise their benefits for veterans, and to promote sustainable outcomes.

The One Is Too Many programme

The Trust awarded £2,135,137 under the One is Too Many programme in March 2021, with funding from the Veterans' Mental Health and Wellbeing Fund. These projects provide specialist and co-ordinated services that reduce suicide risk in veterans.

Eight awards of up to £300,000 were made to organisations across the UK who have experience in working with individuals who are at increased risk of suicide.

Three projects are working to provide support to veterans in the Devolved Nations, and the remaining five have dedicated their support UK-wide. The approaches taken by the eight organisations all differ.

Some are undertaking a partnership approach with another specialist organisation that has experience in suicide prevention. SSAFA has partnered with the Samaritans to work together to encourage more veterans to use their core suicide prevention

support services, with an aim of reaching over 5,000 new veterans.

Other organisations have joined forces with NHS partners to share experience, learning and best practice to provide services going forward. The Baton aims to partner with the NHS to help deliver their safety model across the UK and evaluate this model of care in terms of its wider use for other sectors, such as the NHS and blue-light workers. Adferiad Recovery (formerly CAIS) are partnering with the Suicide Prevention Team from the Betsi Cadwaladr University Health Board to help them develop their performance monitoring process and to ensure the projected numbers of veterans are reached during the project lifecycle.

The RMA Royal Marines Charity are partnering with the NHS Veterans' Service to ensure that all data regarding referrals is captured to help inform future delivery and to assist with wider research.

Organisations are also delivering original research activities to further understand the journey veterans at risk of suicide are taking, and to encompass this learning into future intervention projects.



Support and mentoring for projects to maximise their outcomes...

In May 2019, with funding from the Veterans' Mental Health and Wellbeing Fund, the Trust awarded grants under the Strategic Pathways programme totalling £1,650,752. These grants went to six national organisations to provide support and mentoring to organisations who have been awarded a Positive Pathways programme grant.

In August 2020, continuation grants totalling £900,067 were awarded to the six Strategic Partners to continue to fund this important partnership and collaboration work to the end of the Positive Pathways grant programme.

Strategic Partners have been able to collaborate with the organisations they support, and with each other, to give Positive Pathways projects the best possible support.

Regular get-togethers and information sharing have been the key to the programmes' success, which pre-Covid was undertaken in a face-to-face scenario. However, in March 2020, as the Covid pandemic hit, the Strategic Partners were hit with a new challenge, as they suddenly had to deliver their support and

mentoring programme virtually to over 200 grant holders, all while supporting each other online.

The skills of the Strategic Partners have enabled them to work with Positive Pathway grant holders to grow and develop their services to support veterans, and ensure they are effectively exploring the impacts of their work. By engaging with the Strategic Partners, some organisations who were previously turned down for funding have now had successful applications to the Positive Pathways programme, and the continued support and mentoring by their Strategic Partner organisation has supported their projects to be a success.

In a natural progression of the successful Strategic Partner model, under the Tackling Social Isolation programme, the Trust has awarded seven strategic grants to experienced organisations who will act as mentors for successful Tackling Loneliness projects.

"The key to our success as a team of Strategic Partners has been the opportunity to work as a collaborative team showing the sector, by example, that mutual partnership is key. I like working with a group of peers who are brilliant at their jobs, but who also understand and share the same challenges, concerns and have a huge range of skills to offer support and knowledge to each other and the Positive Pathways projects."

Rachel Price, Strategic Partner, Cobseo

"If one of us has a situation we aren't sure about, we can always call on one of the others for support, advice and information."

Finola Pickwell, Strategic Partner, Hafal



Case study:
Working in partnership - The
NAAFI Fund



“WE ARE DELIGHTED TO PROVIDE THIS VALUABLE SOURCE OF FUNDING AND TO MAKE A DIFFERENCE TO THE LIVES OF OUR ARMED FORCES AND THEIR FAMILIES, OUTSIDE OF WHAT WE ARE MORE TRADITIONALLY KNOWN FOR.

IN ROUND ONE WE’VE FUNDED A GOOD MIX OF PROJECTS, ACROSS ALL THREE SERVICES AND WE ARE EAGER TO SEE THEM COME TO LIFE OVER THE NEXT FEW MONTHS.”

The Trust worked with NAAFI in 2020/21 to develop the NAAFI Fund. The NAAFI Fund makes grants to UK Armed Forces bases, located in the UK or overseas, for projects that improve the quality of life for serving personnel and serving families living on or near a Forces base or station.

In the first year of the NAAFI Fund, the focus of the grants was on reducing isolation compounded by the Covid pandemic. In March 2021, 65 grants, worth £711,707 were awarded, with many of these grants being used to develop better outdoor and indoor spaces for serving personnel and families to come together.

Several units identified the need for a community hub for both personnel and families; and provision of bikes to help people get out and active was popular. Units from across the UK applied, and awards were made not only in England and each of the Devolved Nations, but overseas too including in Naples, Gibraltar, Cyprus and France.

The United Kingdom Naval Support Unit received £20,000 to create an outdoor leisure area allowing military personnel to have an on-site, shaded facility that will allow them to relax and recuperate, bringing teams together on the base while helping to reduce boredom and isolation during their stay in theatre.

Allied Joint Force Command Naples received three awards worth £27,000, including funding to enable the British community based there to completely renovate their lounge area, turning it into a modern space the whole community will look forward to using for coffee mornings, meetings and events.

The Army Welfare Service North Area received £5,000 to create wellness rooms in four locations in Scotland and NI to give Army Welfare Workers a safe and calm area to relax and mentally process the complex caseloads that they handle.



CTCRM Lympstone received £5,250 from the NAAFI Fund to purchase and install bike lockers to provide secure, weatherproof storage for commuters, supporting improved quality of life for personnel.

Innovations and developments for 2021...

The Map of Need

In 2017, the Northern Hub for Veterans and Families Research, at Northumbria University, used funding from the Covenant Fund to develop a map of veterans' and their families' welfare needs across the whole of the UK, based on data from public sources, statistics, health data and data directly from Armed Forces charities.

We call this the Map of Need. There are currently thought to be around 2.75 million veterans living in the UK. To date, there has been little understanding of veterans' specific regional needs, provision in those regions and numbers of veterans and their families needing access to this provision. Through a series of reports, the Map of Need gives clearer insights into where veterans are within the UK, what their current needs are and what their future needs might be, by looking at the support they have asked for or accessed.

One of the main goals of the Map of Need project is to provide evidence-based findings about the veteran population. Data sharing partnerships are central to the analysis within the project, giving the ability to statistically compare multiple data sources when examining a veteran or family issue, and then compare these with wider research findings.

The approach the project has adopted allows them to use multiple data sources to give the most accurate picture possible. Indeed, the Trust uses the data from the Map of Need in our own priority setting and decision making.



The map is now being used more widely, with new data and developments regularly added. Reports from the Map of Need can be accessed on the Trust's website at www.covenantfund.org.uk

The Impact Hub

The Outcomes Measurement Framework (known as the Impact Hub) is the Armed Forces Covenant Fund Trust's own internal impact measurement tool, developed in conjunction with Anglia Ruskin University.

The Hub was developed as a GDPR-compliant way to measure the impact of Trust funding programmes, allowing comparable, anonymised data to be drawn from each grant holder within a funding programme. Impact measurement is via a series of surveys, which are sent to the project user, and these are normally completed at the entry point to the project, and at the exit. This helps to show improvement against a range of outcome measures over time; but also enables projects to have conversations with their beneficiaries about how their wellbeing has changed or improved over the course of the project.

Use of the Hub was rolled out in 2019, with Positive Pathways programme grant holders using the Hub to measure impact as one of their terms and conditions of grant. The Impact Hub has since been rolled out to other grant programmes and now has nearly 2,000 beneficiaries enrolled, across 188 projects. Most of these projects are still in progress, with projects actively collecting data, which can be analysed in full once their work is complete.

During 2020/21, the Trust delivered webinars and online training sessions for grant holders to improve their knowledge of the Impact Hub and help them to use it effectively to measure the impact of their project. The Strategic Partners supported the roll out of this work and have encouraged the projects they support to take a robust approach to impact measurement.

Data from the Impact Hub helps us to have deeper understanding of the people who benefit from our programmes. For example, 22% of veterans accessing Positive Pathway projects have shared that they have a long-term disability.

The AFCT Project Finder App

In 2020/21, the Trust worked with Northumbria University to develop an app that would help isolated Armed Forces communities find and access projects that we have funded.

The AFCT Project Finder app was launched in November 2020. This free app, available on both Apple and Android networks, allows the Armed Forces community to discover and access the Trust funded projects in their local area. The Project Finder can also be accessed on the Trust's website.

Every project featured on the app is currently in receipt of funding from the Trust, with each one supporting Service personnel, veterans, Service families or all three. There are currently more than 200 live projects listed.

Ethics

During 2020/21, a sub-committee of the Trust's Board was convened to explore Ethics and grant making. Our work supports the Armed Forces Covenant through funding projects that deliver real change to Armed Forces communities. The projects we support need to be carried out to the highest possible ethical standards.

To behave ethically, we need to consider what is the 'right' way to behave towards others – how we can do no harm, and how we can achieve good outcomes through the work we support. There are two broad and overlapping ethical principles which govern our work: 'do good' and 'do no harm'.

The Trust has developed an Ethical Code of Conduct and resources for our grant holders including e-learning training. The Ethics Advisory Panel includes some Trustees and some external specialists, to whom the Trust is very grateful for their time and expertise.

Our research

Throughout 2020/21, the Trust published some key evaluations of our funding programmes. All these evaluations are available to read on the Knowledge Network section of the Trust's website.

Some evaluations are ongoing, and we'll be publishing the findings of these when they are complete.

External evaluations in progress include:

- the £6.6M awarded to local authorities through the Strengthening Delivery of the Armed Forces Covenant programme
- the £4.2M awarded through the Tackling Serious Stress programme.

We are also running internal evaluations on the Veterans Should Not be Forgotten, Forces Communities Together and Veterans' Community Centre programmes.

We also published a thought paper on collaboration. Collaboration is seen as an effective mechanism to get a wider range of organisations to engage with the funding process. The Armed Forces Covenant Fund Trust has been encouraging collaboration both formally and informally through its funding programmes. The Trust has observed that collaboration brings more comprehensive levels of support for beneficiaries across its programmes.

Family Life and the Armed Forces Community Evaluation

This evaluation explored the impact of both the Families in Stress and Removing Barriers to Family Life programmes, which awarded grants totalling over £4 million and over £7 million respectively between 2016 and 2020.

The impact of the projects awarded under the two programmes was analysed by the Directory of Social Change (DSC). Using surveys and an analysis of data provided by the Trust, this report explored topics including the following themes.

- The transformative effect of support for Armed Forces families.
- The complexity of the needs of Armed Forces families.
- The role of partnerships and co-operation between projects.
- The sustainability of the projects supported by the Trust.
- How the projects have used data to evaluate and show their impact.

The report explored the projects in depth and noted the range and scale of support that the programmes supported.



Family Life and the Armed Forces Community Evaluation

Dean Renshaw



Removing Barriers to Family Life programme case study: Never Such Innocence - voices of Armed Forces children

Never Such Innocence (NSI) were awarded £100,000 for their Voices of Armed Forces Children project, aimed at giving young people from Forces families a creative outlet. The organisation shared with us the story of 10-year-old Jacob who used poetry to share his experiences as a child from a Naval family.

At the onset of lockdown in March 2020, Jacob's mum was looking for activities to engage her two boys, when she came across NSI's project. This prompted the family to sit at the table together to discuss how they were all feeling about the upcoming deployment of their father, a submariner in the Royal Navy.

Jacob wrote a powerful poem, This is Normal for Me, and his brother William, painted a brilliant piece called Endless Hope.

NSI's creative project opened the door to discuss the mental health and wellbeing of the family at a point of transition, which is something many Armed Forces families face throughout their career.

In May 2020, Jacob was awarded second place in his age group in NSI's international competition, being recognised out of 913 other poetry entries. He

was showered with phone calls of congratulations, which really helped as his dad was completely out of contact at that time. It gave the whole family, including the extended family, an incredible boost at such a challenging time.

The Christian Defence Network invited Jacob to participate in their Remembrance Service by reading his poem. The whole family came to London to record Jacob's reading in the Horse Guards' Chapel and Jacob was presented with a Naval Regional Commander coin for his work. Both parents expressed their gratitude to NSI for the opportunity to have their voices heard - something which had not been previously possible.

Following the visit to the Guards' Chapel, Jacob's teacher framed his poem and hung it in the classroom. The teacher shared how it stimulated a class discussion about how you never know what other people are going through and the importance of connecting and being kind to each other. The class was given a practical lesson on empathy, especially for the life of a service child, as the school is not military-connected, and the boys are the school's only Service children.

Both their teachers and mum have said that Jacob's confidence has really increased and that the experience has given William a boost to be a more confident speaker.



Former Serving Personnel in the Criminal Justice System Programme Evaluation

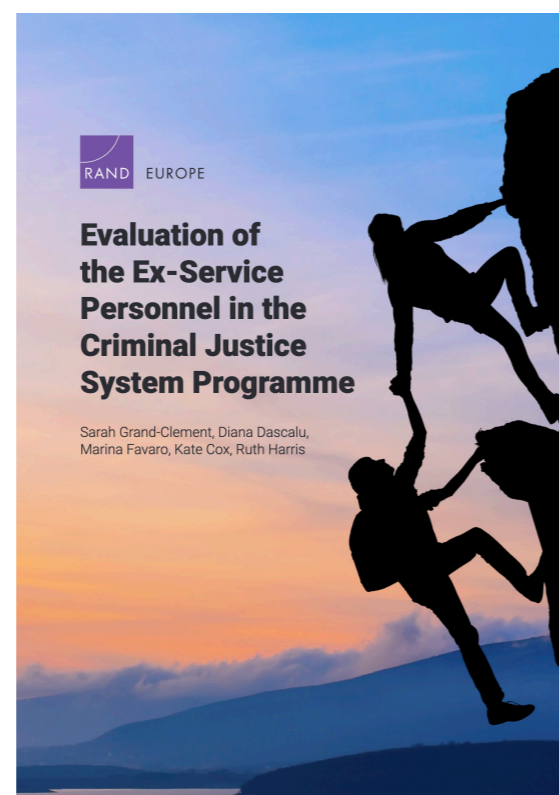
This evaluation focused on the Armed Forces Covenant Fund Trust's Ex-Service Personnel in the Criminal Justice System (CJS) Programme and was evaluated by RAND Europe.

Through this programme, the Trust awarded £4.6 million in 2015 to 14 projects that support ex-Service personnel who have come into contact with the CJS. This was followed by a further £1.1 million of continuation grants in 2018 to seven of the 14 projects. The aim of the programme was to reduce reoffending and provide support to ex-Service personnel who have come into contact with the CJS. The projects and services funded under the programme were dedicated to helping identify and support ex-Service personnel throughout the various stages of the CJS, including custody, pre-sentencing, the point of sentence and post-release from custody.

This includes specialised projects to prevent reoffending, address substance abuse and mental health issues, and enable employment opportunities. The evaluation is guided by 11 evaluation questions. Beneficiaries interviewed identified positive benefits from the projects.

Several lessons and areas of good practice were identified by the projects when undertaking their activities to reach their outcomes and by interviewees.

- The benefits of collaborative working with other agencies, including other charities, referral sources and CJS agencies, provided collaboration works well.
- Productive engagement with Veterans in Custody Support Officers (ViCSOs), given their focus on ex-Service personnel.
- Fostering an increasing awareness of ex-Service personnel and the Covenant.
- Encouraging ex-Service personnel to work with those in the CJS, to increase the engagement of this cohort with the support that is available.
- Educating CJS professionals on veteran-specific issues to improve project delivery.



Aged Veterans' Fund Evaluation

The Aged Veterans' Fund (AVF) awarded £30 million over a five-year period to fund 19 significant grants to portfolios of projects which supported the non-core health, wellbeing and social care needs for older veterans (those born before 1 January 1950).

The Trust worked with the University of Chester's

Westminster Centre for Research in Veterans to explore the impact of these grants and has published an evaluative report based on data from individual project evaluations, which contains five key recommendations to improve future wellbeing for older veterans.

Data from the Aged Veterans' Fund showed that projects have been reaching veterans between the ages of 75-80 and that there have been improvements to their health and wellbeing. There is some evidence to suggest that some of the work undertaken by projects may be particularly effective in the health outcomes that they were able to achieve.

A research paper based on this evaluation; Critical analysis of the Armed Forces Covenant Fund Trust Aged Veterans Fund was published in the BMJ Military Health Journal in March 2021.



Armed Forces Covenant: Local Grants Programme Evaluation

This evaluation explores the reach and impact of the Armed Forces Covenant: Local Grants programme. The programme awarded grants of up to £20,000 which supported the aim of Community Integration and/or the Local Delivery of Services.

The programme ran for five years from 2015 – 2020 and delivered 712 grants worth £11,525,200.

The Armed Forces has been at the heart of the programme, with nearly one in 10 projects being led by local Armed Forces units. Charities, eligible CICs and schools have also been able to deliver projects, which have brought Armed Forces and civilian communities closer together through the Community Integration theme or delivering support for those Armed Forces communities with needs through the Local Delivery of Services theme.

These grants have made a significant difference to Armed Forces communities through local projects that address local needs and present local solutions. There was wide distribution of grants throughout the UK, with projects funded in all four nations, and

within different geographic areas in England. Across all the grants, funding was made available between the two funding strands. While, overall, more funding was awarded to projects that addressed Community Integration needs, a significant amount of funding also went to projects that met both funding strands.



REACH AND IMPACT OF THE ARMED FORCES COVENANT: LOCAL GRANTS PROGRAMME





Local Grants programme case study:
The Fighting Chance - fighting chance for veterans

"WE DON'T BADGE OUR PROGRAMMES AS MENTAL HEALTH OR EMPLOYMENT INTERVENTIONS; BUT ONCE VETERANS HAVE TRAINED FOR A FEW WEEKS, THEY START TO FEEL BETTER AND WILL TELL US WHAT KIND OF HELP THEY NEED."

The Fighting Chance received £19,843 from the Trust for a one-year project as part of the Armed Forces Covenant: Local Grants programme.

The Fighting Chance for Veterans project funded an intensive employment support project, which links health and wellbeing with employment support, to help extremely vulnerable veterans get their lives 'back on track'. The project is for those veterans who are the furthest from entering the labour market, and those struggling with isolation, housing issues or substance misuse.

The support provided by The Fighting Chance, as

explained by Development Manager Bart, "grew from experience of working with veterans over several years". The project team would often encounter veterans who had been "round the block", some of whom had had unsuccessful encounters with other organisations or NHS services.

The Fighting Chance's unique offering of boxing training, together with one-to-one support, works on the principle of improving motivation and wellbeing.

Bart explains: "When you take those first steps to feeling better, you're much more likely to put the building blocks in place of looking for work or training.

We don't badge our programmes as mental health or employment interventions; but once veterans have trained for a few weeks, they start to feel better and will tell us what kind of help they need - then we can really start to plan what we do next. That might be anything from help with benefits or housing, right through to getting employment."

The project works closely with Stoll and Veterans Aid, who will refer clients to them. They often get referrals by word of mouth from other project users, as well as the Department of Work and Pensions and TILS.

Veterans are encouraged to bring their families along to the sessions, as it is felt this can also help with a positive mindset.

The project has had further challenges due to the Covid-19 pandemic. The project team felt their users suffered greatly during lockdown, struggling with isolation and other issues. The Fighting Chance

adopted new ways of working, with online support, outdoor exercise sessions in smaller groups during the summer and options for training and support online, should Covid restrictions increase.

Satisfaction with their services is extremely important to the Fighting Chance team, with their outcomes survey proudly showing that 95% of clients felt their mental wellbeing had improved. 23% of project participants are currently employed and 36% have moved into some form of training and/or education to further their employment prospects.

Bart says the key to supporting the veterans is to focus on the one thing that is holding them back: "We even ended up driving one veteran to his new accommodation after he was made homeless. Once we sorted that, it meant we could focus on finding him suitable work."

Local Grants case programme study:

RAF Association - increasing the employability of RAF spouses and partners

“IF IT WASN'T FOR THE SUPPORT OFFERED, I WOULDN'T HAVE BEEN ABLE TO AFFORD THE TRAINING.”

The RAF Association received £20,000 from the Trust in 2018, to provide 32 RAF spouses and partners with the opportunity to participate in training to enable them to become an OFSTED registered childminder. This sought not only to increase their employability, but also to increase the amount of high-quality childcare around RAF stations located in the South East of England.

The courses were well attended and very popular, with 11 beneficiaries benefiting from RAF Benson and 23 beneficiaries benefiting from RAF Brize Norton.

The Association decided to deliver the pre-registration element of the training online, which made the training more flexible to meet beneficiaries' needs. As a result of this, more beneficiaries were able to sign up to the training individually, rather than as a group, which meant two further RAF spouses/partners were able to benefit from the training. Beneficiaries were able to complete the online element of the training at their

own pace and in their own time, so that spouses/partners didn't face any barriers such as travel expenses, getting time off work or sourcing childcare. However, although the training was online, beneficiaries were able to contact a member of the training provider team if they needed help and support. Beneficiaries also attended induction evenings delivered by the training provider, with two sessions delivered at RAF Brize Norton and one at RAF Benson. The two-day paediatric first aid training was also delivered face-to-face (as this was a mandatory requirement of the training).

All 34 beneficiaries who enrolled in the course successfully completed their training. One beneficiary described the project as a “lifesaver” as she no longer has to “sacrifice time spent with her son”. Another stated that “if it wasn't for the support offered, I wouldn't have been able to afford the training”.

Following the course, one beneficiary used the



essential skills gained on the childminding course to secure a role at a school as a teaching assistant, and another has become a nanny.

Unfortunately, due to the Covid-19 pandemic, some of the project users were unable to complete their OFSTED registration as new applications are currently suspended; but they are keen to commence their new career as childminders once restrictions allow them to complete their registration.

Following on from the success of the project, RAF Brize Norton and RAF Benson have asked the RAF Association to investigate the possibility of funding for future training, due to the amount of interest that was registered for the courses and the high standard of training that was provided. Due to its popularity and the key employability skills it provides participants, they hope to relaunch in 2021.

The Armed Forces Covenant Fund Trust Report and Financial Statements for 2020/21

Reference and administrative information

Charity number and country of registration: 1177627, England & Wales

Registered office and operational address: 7 Hatherley Street, London, SW1P 2QT

Trustees

The Armed Forces Covenant Fund Trustee Limited (company number 11185188) acts as the Trustee of The Armed Forces Covenant Fund. Trustees, who are also directors under company law, who served during the year and up to the date of this report, were as follows:

- **Helen Helliwell – Chair**
- **Wendy Cartwright**
- **Commodore Rex Cox**
- **Major General David Eastman – appointed February 2020**
- **Cerys Gage – appointed February 2020**
- **Janet Jones – resigned February 2020**
- **Morag Malcolm – resigned February 2020**
- **General Sir John McColl**
- **John Mooney – appointed February 2020**
- **Gerald Oppenheim**
- **Lesley O'Rourke – appointed February 2020**
- **John Pitt Brooke**
- **Professor David Rose**
- **Anna Wright- resigned February 2021**
- **Maria Lyle- appointed February 2021**

Key management personnel: Melloney Poole - Chief Executive and Accounting Officer

Bankers: Nat West Bank, Victoria, London, SW1

Solicitors: Wrigleys Solicitors, 19, Cookridge Street, Leeds, LS2 3AG

Auditors: Sayer Vincent LLP, Chartered Accountants and Statutory Auditor
Invicta House, 108-114, Golden Lane LONDON, EC1Y 0TL

Trustees' Annual Report

The Trustees present their report and the audited financial statements for the 12 months ended 31 March 2021.

Reference and administrative information set out on page 42 forms part of this report.

The financial statements comply with current statutory requirements, the governing documents of the Trust, the requirements of a Trustees' report as required under charity law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

The Armed Forces Covenant Fund Trustee Ltd was incorporated on 2 February 2018, as the sole Trustee of The Armed Forces Covenant Fund Trust (the Trust), a charity, which was registered on 7 February 2018.

The Trust was established to continue the work of the Covenant Fund Team, which began operating within the Service Personnel Support department of the MOD in 2015. This team managed the first three years' grant making activity of the Covenant Fund, which has an annual commitment from HM Treasury of £10 million.

As planned, after its first few years of operation, the governance and management arrangements of the in-house MOD team were reviewed, and, consequently, the Armed Forces Covenant Fund Trust was set up to continue the same activities as an independent trust from 1 April 2018.

The Trust's main purpose is to provide charitable assistance and support to those who serve in the Armed Forces, whether Regular or Reserve, those who have served in the past, and their families and carers. The wider community around a base or in an area with an Armed Forces population can also benefit from some funding programmes, as the Trust has supported projects that will help to encourage good relations between Armed Forces and civilian communities.

The Trust aims to meet these purposes by developing and delivering grant programmes, making awards to organisations in the voluntary and public sectors.

The Trustees will review the aims, objectives and activities of the Trust each year. This report looks at what the Trust has achieved and the outcomes of its work in the reporting period. The Trustees report the success of each key activity and the benefits the Trust has brought to those groups of people that it is set up to help. The review also helps the Trustees ensure the Trust's aims, objectives and activities remain focused on its stated purposes.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

Achievements and

The Trust's main activities and who it tries to help are described below. All its charitable activities focus on the Armed Forces community and are undertaken to further the Armed Forces Covenant Fund Trust's charitable purposes for the public benefit.

During 2020/21, the Trustees undertook grant making and complementary activities to meet the Trust's objectives.

The Trust delivered the Covenant Fund programmes for 2020/21 and awarded grants from the Veterans' Health and Wellbeing Fund. It also awarded grants from two new funds: the Covid-19 Impact Fund and the NAAFI Fund – both of which are described further below. It also continued to manage awards made prior to 2020/21 from the Covenant Fund, the Aged Veterans' Fund, Veterans' Mental Health and Wellbeing Fund, Veterans' Community Centres Fund and HM Treasury LIBOR Fund. All grant making is undertaken according to recognised grant making practice, with competing applications being assessed and considered according to open and transparent criteria.

In the period covered by this annual report, the staff team was increased to manage the increased number of funding programmes. During the year additional grants and policy staff were recruited, and the Trust now has staff working from three of the four countries in the UK. Early in 2021 the Trust appointed a Director of Finance and Operations.

The impact of the Covid-19 pandemic in March 2020 changed the Trust's working arrangements and short-term plans. The external communications and grant responses were swift and the decision for the whole staff team to work entirely from home was taken in mid-March. This was achieved with relative ease due to IT infrastructure having been designed for home working and the staff being experienced in working remotely. At the time of this report, a date for returning to office working is not planned, due to the continuing uncertainty about the risks of the virus in the short and medium term.

The Armed Forces Covenant Fund

The Armed Forces Covenant Fund has four broad funding themes now and in future years.

- Removing barriers to family life.
- Extra support in and after service for those that need help.
- Measures to integrate military and civilian communities and allow the Armed Forces community to participate as citizens.
- Non-core healthcare services for veterans.

Funding programmes to support these themes are developed by the Trust in collaboration with the Covenant Team at the MOD, and other key stakeholders, to ensure they complement the agenda of the cross-government departmental Covenant Reference Group.

Programmes are developed based on evidence of need, and consideration of the benefit that Covenant Fund spending could bring to address specific challenges. Development includes reviews of available research, stakeholder consultation and public consultation.

During 2020/21, the Trust committed funds from the Covenant Fund to the following funding programmes.

- Forces Communities Together
- Force for Change
- Tackling Loneliness
- Tackling Social Isolation
- Reducing Isolation

The Forces Communities Together programme

This programme awarded small grants of up to £10,000 towards creative and engaging projects, that could be

delivered under social restrictions, for people from Armed Forces communities who found themselves isolated because of the Covid-19 pandemic.

This programme had one funding round, which opened in May 2020. The Trustees awarded 100 grants totalling £859,739 in August 2020. One grant was not accepted by the applicant and the grant was subsequently withdrawn by the Trust.

The Force for Change programme

The Force for Change programme awarded grants of up to £20,000 to support local Armed Forces communities and help them address the immediate needs that have arisen because of the Covid-19 pandemic.

This programme had two funding rounds in 2020/21. The initial round opened in August 2020, awarding 56 grants totalling £1,028,599 in November 2020. A subsequent round opened in November 2020 and awarded 81 grants totalling £1,420,622 in February 2021. One grant was not accepted by the applicant, and the grant was withdrawn by the Trust.

The Tackling Loneliness programme

The Tackling Loneliness programme awarded two-year fixed grants of £70,000 to address social isolation in Armed Forces communities. In February 2021, 60 grants totalling £4,200,000 were awarded.

The Tackling Social Isolation programme

Seven organisations were awarded a total of £930,823 under the Tackling Social Isolation programme to provide support and mentoring to the Tackling Loneliness grant holders, based on the successful model of support that the Strategic Partners give Positive Pathway grant holders.

This programme was only open to existing Tackling Serious Stress grant holders who had demonstrated excellent project management, good governance, and the ability to be effective mentors to new Tackling Loneliness grant holders.

The Reducing Isolation programme

The Trustees awarded two continuation grants under the Reducing Isolation programme. A grant of £598,722 was awarded in April 2020 to Northumbria University for development of the Map of Need, a national directory of veterans' services across the UK. An award of £70,000 was awarded to Anglia Ruskin University in August 2020 for the continued hosting, development and enhancement of the Outcomes Measurement Framework over a two-year period.

HM Treasury £10 million Veterans' Mental Health and Wellbeing Fund

In 2020/21, this Fund awarded grants across three programmes to support the mental health and wellbeing of veterans of all ages, in the UK.

The Strategic Pathways programme awarded continuation funding to six national organisations to continue to provide support and mentoring to those organisations delivering activities and opportunities under the Positive Pathways programme. £900,067 was committed to this work.

The Positive Pathways programme funded projects that develop and run activities supporting the mental health and wellbeing of ex-Forces, encouraging veterans to get out and active. Its eligibility and priorities were based on the outcomes of a programme consultation run by the Trust in the spring of 2019. Groups could apply for a fixed grant of £35,000 for a one-year project. £4,050,230 was awarded in total to 116 projects over two rounds.

The One is Too Many programme, which seeks to reduce suicides in veteran communities, funded eight projects totalling £2,135,157.

Additionally, the Trust continued to manage grants awarded from the 2019/20 tranche of the Veterans' Mental Health and Wellbeing Fund (£10M).

NAAFI Welfare Fund

The Trust worked with NAAFI to develop and launch the NAAFI Welfare Fund which makes grants to UK Armed Forces bases, located in the UK or overseas,

for projects that improve the quality of life for serving personnel and their families living on or near a Forces base or station.

In the first year of the NAAFI Fund, the focus of the grants was on reducing isolation compounded by the Covid pandemic. In all, 65 grants worth £711,707

The Covid-19 Impact Fund

The Armed Forces Covenant Fund Trust was appointed to run the application, assessment, distribution and monitoring functions for the distribution of this funding, on behalf of the MOD and Cabinet Office. The Trust managed the application process, carried out assessments, managed grant payments and monitored the grants awarded.

Just under £6 million was awarded to 102 organisations.

HM Treasury £3 million Veterans' Community Centres Fund

The Trust continued to actively manage grants that had been awarded through this fund in 2019/20.

Legacy and LIBOR funds

The Trust continued to actively manage grants awarded by the Covenant Fund prior to 2019/20, including those to local authorities for delivery of the Covenant in their areas, and to charities assisting serving families under the Families in Stress programme.

The achievements of these multi-year grants continue to be monitored and shared, with project and programme evaluations due to be published online by grant holders and the Trust, as the funded periods end.

The Trust also manages grants awarded by HM Treasury from 2014 onwards from the LIBOR banking fines. The monitoring of these projects is delegated to the Trust, with decisions on significant variations and payments made with reference to Treasury officials.

Impact evaluation and outcomes measurement

The Armed Forces Covenant Fund Trust (the Trust) seeks to fund real change that supports Armed Forces communities.

Understanding the impact of the work we support has several benefits.

- It ensures that our funding programmes make a real difference to veterans, Armed Forces families and the wider Armed Forces community.
- By using learning from existing funding programmes, it helps us to run stronger and more effective programmes in future.
- Understanding the impact of their work can help the projects that we support to become more sustainable.
- We can share learning and good practice ideas from projects that have made a big difference.

The Trust makes grants to support people from the Armed Forces community. Applicants are asked to explain why their projects will make a difference, and what they expect to change as a result of the work. Grant holders report on the outcomes of their projects.

The published programme guidance for each programme sets out the core criteria that applicants must meet. For example, for the Tackling Loneliness programme, applicants had to show how they met the following criteria.

- That their project would reduce isolation for those within the Armed Forces community who traditionally don't engage with available provision.
- What the project would do.
- How this would help.
- How they know that people would like to do this.
- How many people this would be likely to help.
- That they have the skills and experience to run the project.
- That they have experience of supporting and working with the Armed Forces community.
- That they have, or will have, the right management structure, partner organisations, staff and volunteers in place to run the project.

- That they have fully costed your project and that it is good value for money.
- That they have considered what will happen to the beneficiaries after the project ends.
- That they could show how they would run the project in a Covid- safe way in line with any government guidance.

The Trust has a range of tools, activities and projects underway to assist with understanding the impact of its grants.

I. The Trust uses an online grant management system. This enables grant application and reporting data to be processed through a secure online system, which provides efficiency within grant management for both grant holders, applicants and the Trust, and supports a sophisticated approach to data collection, management and analysis.

II. The Trust has an online system that grant holders can use to measure the impact of their work, called the Impact Hub, or Outcomes Measurement Framework. This gathers data directly from project beneficiaries through validated questionnaires that measure wellbeing. When completed at the beginning and end of a beneficiary's involvement with a project, it can show if there has been improvement to wellbeing. It is being used by projects under the Removing Barriers to Family Life, Positive Pathways and Tackling Loneliness programmes.

III. The Trust has conducted and commissioned evaluation work that explores the impact that grants are having, in line with good grant making practice. These are published on the Trust's website as they are completed.

The Trust has been supporting the development of the Map of Need, a project funded initially in the 2017/18 financial year by the Covenant Fund.

IV. Data is gathered from a range of public and charitable sector sources, and trends in need can be identified using geo-spatial analysis. Reports from this are freely available on the Trust's website.

Communications and support to applicants and grant holders

The Trust continued to develop its website to make information about funding programmes accessible and allow organisations to take more control over checking their basic eligibility for funding.

In spring 2021, the Trust launched the Knowledge Network as a further development of the website. This is an open access data repository created by the Armed Forces Covenant Fund Trust. It features impact and outcome-based content from both the programmes the Trust delivers and the projects we support.

The Knowledge Network is a growing collection of curated content for those working with and supporting the Armed Forces community and features research, reports, evaluations, case studies and e-learning to help showcase the best practice and positive outcomes achieved, and it will continue to grow.

The Trust has increased engagement on social media, publishing short videos to highlight the work of the organisations we support, and inform eligible organisations about the funding programmes on offer. This work supports the desire of the Trust to be transparent and have a reach to organisations across the UK.

The Trust now offers post award webinars to newly funded projects to provide key information about the set up and management of their grant. It also has an app, the AFCT Project Finder, which makes it easier for people from Armed Forces communities to find projects funded by the Trust, which may be relevant to them.

The Trust works with the MOD, HM Treasury, Cabinet Office and other government departments, and works with Covenant leads in the Devolved Administrations. It works closely with Cobseo and attends the Cobseo research cluster of Armed Forces organisations, which are engaged in research activities. It also works with academic institutions, primarily to deliver projects and evaluations as detailed elsewhere.

Plans for the future

During 2021/22, the Trust will deliver Covenant Fund programmes according to the priorities agreed with

the Covenant Reference Group. These programmes will be developed by the executive team in the first instance, taking advice from the Covenant Team at the MOD, research relating to the needs of members of the Armed Forces community, evidence from the Map of Need and advice of experts. Where appropriate, public or charity sector consultation will be undertaken to scope the purpose and delivery methodology.

Programmes for 2021/22 fall within the following strategic themes.

- Supporting post-Covid recovery for Armed Forces communities.
- Supporting veterans' health and wellbeing.
- Delivering better joined-up support for veterans
- Funding projects that support Armed Forces communities, in the communities where they live.

The Trust has been asked to again deliver programmes with another £10 million of funding from HM Treasury for veterans' mental health and wellbeing. These awards will be made during 2021/22.

The Trust will continue to manage and monitor grants and contracts awarded during previous years, until final reports are received. Internal programme reviews and external evaluations will be undertaken. The Trust will continue to add evaluations, resources and good practice from funded projects to the Knowledge Network section of the Trust's website.

Staffing needs continue to be under review, according to the skills and resources required to deliver funding programmes and efficient operations, balanced with the agreed cap on support costs.

Financial review

Our income

During 2020/21, the Trust's income comprised £26.7 million, made up of four funds granted to it for the specified purpose of supporting the Armed Forces community.

- Covenant Fund: £10 million.
- HM Treasury's Veterans' Mental Health and Wellbeing Fund: £10 million.

- NAAFI Fund: £750k.
- Covid Impact Fund: £6 million.

The Covid-19 Impact Fund is a one-off fund granted by MOD in 2020/21 to support post-Covid recovery in Armed Forces communities affected by isolation because of the pandemic.

Our expenditure

In 2020/21, we spent £25.5 million on grants and direct expenditure on programme evaluation and research, to assist us in understanding the impact of both individual projects and programmes.

Awards from each of the four Funds were made throughout the financial year. Some grants are for multi-year projects, where organisations will draw down their grants over two or three years.

Staff costs in 2020/1 were £0.6 million, an increase of £0.2 million from 2019/20. This increase is a direct consequence of taking on additional staff members as our funding programmes have grown in number, to enable the Trust to remain an efficient and effective grant making body. Our other costs shrank slightly in 20/21, primarily as a result of our staff undertaking less travel than in the previous year, because of Covid restrictions.

Reserves policy and going concern

The Trust holds limited reserves, which comprises both refunded grants and interest earned before it had access to a non-interest-bearing government bank account, which was a requirement of its NDPB classification.

Trustees have continued to engage with the Cabinet Office and the MOD during 2020/21, to ensure that prudent planning and compliance with Charity SORP accounting can be achieved and to discuss establishing an appropriate reserves policy. Our working reserves policy has been to ensure that we hold sufficient funds to maintain liquidity, to cover unforeseen short-term cash requirements and to cover planned future expenditure. Our unrestricted reserves at 31 March 2021 were £104k.

The Trustees have presented the accounts on a going concern basis. This assumes that the Trust can meet its liabilities as they fall due for the foreseeable future and that current and future funding will be adequate

for the Trust's needs. We have considered a period of twelve months from the date of approval of the financial statements in accordance with accounting conventions. In coming to their conclusion, the Trustees have considered monthly forecast levels of income and expenditure and underlying assumption, including any impact of the Covid-19 pandemic. The over-riding assumption is that the Covenant Fund funding of £10 million from the MOD continues for the foreseeable future. Having carefully considered the forecasts and assumptions, the Trustees are content to present the accounts on a going concern basis.

Fundraising

Unlike other funders, the Trust does not fundraise to produce a grants income.

The Trust will not normally accept unsolicited donations. The Trust may consider donated income for the establishment of grant making schemes that are aligned to the charitable objectives of the Trust. Under its policy, Trustees can turn down a donation where accepting the donation would be detrimental to the achievement of the purposes of the organisation, as set out in its constitution.

Auditor

Sayer Vincent LLP acted as the Trust's auditor during the year. Sayer Vincent's term has now ended and the Trust will be re-tendering for audit services for the 2021-22 financial year.

So far as I, as Accounting Officer of the Trust, and as we, as its Trustees, are aware:

- There is no relevant audit information of which the auditors are unaware; and
- We have taken all the steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

The Trustees' annual report has been approved by the Trustee Board on 3rd September 2021 and signed on their behalf by

Helen Helliwell
Chair of Trustees
3 September 2021

Melloney Poole
Chief Executive Officer
and Accounting Officer
3 September 2021

Governance statement

Scope of responsibility

As Accounting Officer and Trustees of the Armed Forces Covenant Fund Trust, we have responsibility for putting in place and maintaining proper arrangements for the governance of the Trust's affairs together with a sound system of internal control that supports the achievement of the Trust's policies, aims and objectives, whilst safeguarding the public funds and assets for which the Accounting Officer is personally responsible, in accordance with the responsibilities assigned in Managing Public Money and ensuring compliance with the requirements of the Management Statement and Financial Memorandum.

The purpose of the governance framework

The governance framework comprises the systems and processes by which the Trust is directed and controlled. It enables the Board to monitor achievement of its strategic objectives. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place throughout the year ended 31 March 2021.

The governance framework

The Trust is an unincorporated charity and non-departmental public body (NDPB). The Armed Forces Covenant Fund Trustee Limited, is a company and was registered at Companies House on 2 February 2018 to act as the Trustee of the Armed Forces Covenant Fund, which was registered with the Charity Commission on 7 February 2018.

The individuals referred to as Trustees are directors of the limited company under company law.

The limited company was established under a memorandum of association, which established the objects and powers of the Trust and is governed under its articles of association.

All Trustees give their time voluntarily and receive no benefits from the Trust. Any expenses reclaimed from the Trust are set out in note 6 to the accounts.

There is a Financial Framework document in place, which defines the arrangements between the Trust and its sponsor department, the MOD, relating to the receipt of the £10m Covenant Fund and the conditions for its expenditure. There is a scheduled review of the Financial Framework currently underway.

The Trustees and the committee structure

The Armed Forces Covenant Fund Trust is governed by a Board of Trustees chaired by Helen Helliwell. The Charities Act 2011 requires the Trustees to exercise proper stewardship over the Trust.

The Chief Executive Officer of the Trust, Melloney Poole, is the Accounting Officer responsible to parliament for the day-to-day management of the Trust as set out in Chapter 3 of Managing Public Money.

The majority of the founding Trustees of the Trust had previously served as members of the National Panel for the Covenant Fund when it was operating within the MOD. New members were brought in to ensure that the range of skills required to manage an independent trust were available to the Board.

During 2020/21, the initial term of appointment of most Trustees came to an end and the majority had their appointment renewed. Three appointments were made in February 2020. Maria Lyle was appointed in February 2021 following Anna Wright's term coming to an end.

Trustees are appointed by the Secretary of State for Defence in accordance with the provisions of the public appointments process set out in the Office of the Commissioner of Public Appointments Code of Practice. They are appointed for an initial term of two years and can be appointed for a further two terms of three years. The Board of Trustees may appoint

up to three additional co-opted Trustees by majority approval to serve on the Board and both co-opted Trustees and other individuals may serve on specific sub-committees to supplement the experience of Board members.

The Trustees receive a governance manual on appointment and attend induction training with the Chief Executive Officer and Senior Leadership Team (SLT). They are also encouraged to familiarise themselves with the Trust's priorities through work in sub-committees.

The Trustees received training in their responsibilities as Trustees in 2020/21, delivered virtually by Wrigleys solicitors.

The Board of Trustees and sub-committees

The Board of Trustees have established three sub-committees for specific purposes and to ensure effective conduct of business. The Board of Trustees is responsible for appointing to the sub-committees from within its membership and all sub-committee actions are taken on behalf of the Trustees as a whole, with recommendations made to the Board as appropriate.

These sub-committees comprise:

Audit Committee: to consider the annual audit and publication of annual Trust accounts. This group was renamed when the consideration of risk became a regular agenda item of the monthly Executive Management Board meetings.

Remuneration and Nominations Committee: to consider all staff terms and conditions including performance management and pay, as well as future appointments to the Board and to senior posts.

Ethics Advisory Panel: to provide advice and make recommendations to assist the Trust's Executive Team to adhere to the Trust's approved Code of Ethical Conduct in all aspects of its work.

The terms of reference of each of these sub-committees have been approved by the full Board. The table below shows the number of meetings and attendance. Minutes of all Board and sub-committee meetings are maintained.

The Trust also operates an Executive Management Board (EMB). This comprises the senior management team and two Trustees. Monthly meetings have a regular agenda to review risk, finance, staffing and operational issues. The actions log from this meeting is presented to Trustees on a quarterly basis.

	Board	Audit	Remuneration committee	Ethics Advisory Panel
Helen Helliwell	5/5		3/3	
General Sir John McColl KCB CBE DSO	5/5		2/3	
Commodore Rex Cox	4/5			
Major General David Eastman	4/5			
Gerald Oppenheim	5/5			2/2
Anna Wright	4/4*		3/3	
John Pitt-Brooke	5/5	2/2		
Wendy Cartwright	5/5		3/3	
Cerys Gage	4/5	2/2		
Professor David Rose	5/5		3/3	2/2
John Mooney	4/5			
Lesley O'Rourke	5/5	2/2	2/2**	

*Anna Wright's term came to an end in February 2021

**Lesley O'Rourke joined the Remuneration Committee from August 2020
Trustee attendance is shown as the number of meetings attended in relation to the number of meetings held whilst each individual was a member of the relevant committee.

Register of interests

The Trust's funding plans are developed in close dialogue with the Covenant Team at the MOD, to ensure its programmes are informed by and complementary to, the MOD's support for serving personnel, veterans and their families.

All funding decisions are made by the Trustees, with Trustees acting independently of their other professional roles. Declarations of interest are requested and recorded at each of the Board meetings, in relation to applications for funding being requested, contracts being considered or funded project updates, with relevant Trustees withdrawing from discussions and decision making as appropriate. Transactions with related parties are disclosed in Note 8 of the Financial Statements.

Personal data loss

The Trust has not identified any personal data related incidents during 2020/21 or in the previous years since its establishment. An incident is defined as a loss, unauthorised disclosure or insecure disposal. Protected personal data is information that links an identifiable living person with information about them which, if related, would put the individual at significant risk of harm or distress. The definition includes sources of information that because of the nature of the individuals or the nature, source or extent of the information, is treated as protected personal data by the Trust.

Internal audit

The Trust does not yet have a dedicated internal auditor, but in 2019/20 commissioned a one-off internal controls audit from Sayer Vincent, which returned an adequate overall opinion. The Trust remains part of the wider scope of the MOD Internal Audit Function and so may be subject to review from them as they require. The Trust is currently in the process of tendering for a more formal internal audit provision for 2021/22 onwards.

External audit

The external auditor of the Trust is Sayer Vincent LLP.

Risk management

The Trust's internal control system is designed to manage risk to a reasonable level, rather than

eradicate all risk of failure. Therefore, it can only provide reasonable and not absolute assurance of effectiveness. In managing risk, we identify the opportunities and risks in achieving our strategic objectives, evaluate the likelihood of those risks being realised, the impact should they be realised and the controls in place to manage them efficiently and effectively. The Trust's approach to risk management and the process for implementation are documented in a Risk Management Strategy.

The strategy is supported by our strategic risk register, which groups our highest priority risk areas into key strategic risks and is reviewed regularly by the senior leadership team. The Executive Management Board review strategic risks at each meeting and the Board review annually.

Risk management overall is viewed as a dynamic process, which actively seeks to incorporate good practice. It is responsive and current and is managed through regular review of both internal developments and external factors – the political, social, economic, demographic, technological, environmental and legal developments that may influence our exposure to risks or opportunities.

As an NDPB, the Trust has a low-risk appetite in relation to compliance, regulation and to our key strategic risks. In areas where we aim to be relevant and influential, we are prepared to take calculated risks. Risk appetite has been set by the Trustees and is reviewed annually for appropriateness by the senior leadership team and Executive Management Board. The senior leadership team monitor whether our overall risk profile is commensurate with our risk appetite on an ongoing basis.

Principal risks for the Trust relate to the importance of the Trust maintaining a strong relationship with government, the Armed Forces charity sector and core stakeholders and the challenges of delivering an intelligent grant making approach while maximising the operational budget for grant making and business continuity.

IT risks have been specifically considered in this financial year. An IT review was conducted, which has led to the development of an IT strategy and action plan.

Controls to mitigate these risks include the development and delivery of a communications strategy based on transparency, as well as a

commitment to support grant applicants and grant holders. The Trust's governance and executive structures, and its internal controls, have been developed, tested and reviewed to keep best use of resources in focus within all decision making. On transfer of the responsibilities from the MOD to the Trust, a 'cap' on expenditure of support costs of no more than 5% of funds was agreed. This is maintained across each of the additional Funds that the Trust is administering. Trustees consider managing within this to be a key risk as costs increase, needs change and inflation has an impact.

Assurance statement by the Audit Committee

The Audit Committee are reasonably confident that the reliability, integrity, quality and comprehensiveness of the assurances provided by management over the Trust's internal processes and by external auditors, are presently sufficient to support the Board and Accounting Officer in their decision making and in the fulfilment of their accountability obligations. Internal controls are monitored during the year by the Trust's senior management team and independent audit review and findings reported to the Audit Committee. The Audit Committee will continue to draw to the Board's and Accounting Officer's attention any matters of concern.

Remuneration policy for key management personnel

The salary structure for the Trust was developed with reference to similar roles in grant making across the voluntary and public sectors.

After the first six months of operation, the Trustees commissioned independent consultants to undertake a bench marking review of salaries and other benefits. This was done by comparison with a wider sample and affirmed for the Trustees that the Trust's salary bands were appropriate for its current needs. A strategy has been developed by the Remuneration and Nominations Committee, which will consider future pay and performance awards and other terms and conditions of employment.

Statement of responsibilities of the Trustees

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year, which give a true and fair view

of the Trust's financial activities during the period and of its financial position at the end of the period. In preparing financial statements to give a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards and statements of recommended practice 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 Trust 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 Trust and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Trust 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 corporate and financial information included on the Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Remuneration and staff report (subject to audit)

In accordance with the HM Treasury Financial Reporting Manual, the Armed Forces Covenant Fund Trust has prepared this report containing certain information about directors' remuneration. 'Directors' is interpreted to mean persons in senior positions having authority or responsibility for directing or controlling the major activities of the Trust. The figures in the remuneration and staff report are subject to audit.

The total number of employees whose emoluments for the year exceeded £60,000 is given in Notes 6

and 7, together with information on staff numbers and costs.

Two of the directors are members of the Principal Civil Service Pension Scheme (PCSPS), for which further details are provided below. The Trust made employer's contributions to one pension under the auto-enrolment scheme (NEST), at the rate of 8% of salary. The directors received no other benefits. Performance bonuses paid to directors are non-contractual. The directors have contracts of employment carrying a period of notice of one month's notice.

	Salary 2020/21 (2019/20) £'000	Performance related pay and bonuses 2020/21 (2019/20) £'000	Benefits in kind (to nearest £100) 2020/21 (2019/20) £'000	Pensions benefits 2020/21 (2019/20) £'000	Total 2020/21 £'000	Total 2019/20 £'000
Melloney Poole MBE, Chief Executive	45-50 (45-50)	0-5 (0-5)	-	-	45-50	40-45
Carol Stone, Director of Grants	60-65 (60-65)	0-5 (0-5)	-	24 (n/a ¹)	65-70	60-65
Sonia Howe, Director of Policy and Communications	60-65 (60-65)	0-5 (0-5)	-	27 (n/a)	65-70	60-65
Liz Rankin, Director of Finance and Operations ²	0-5 (n/a)	-	-	-	0-5	-

¹ Prior year comparatives are unavailable as this is our first year of producing a Remuneration and Staff report

² Liz Rankin joined the Trust in February 2020. Her annualised salary is £35-40k.

	Accrued pension at pension age as at 31 March 2021 and related lump sum £'000	Real increase in pension and lump sum at pension age £'000	CETV at 31/03/21 £'000	CETV at 31/03/20 £'000	Real increase in CETV £'000	Employer contribution to Nest pension Nearest £100
Melloney Poole MBE, Chief Executive	-	-	-	-	-	-
Carol Stone, Director of Grants	5-10	0-2.5	94	70	16	-
Sonia Howe, Director of Policy and Communications	15-20	0-2.5	198	177	11	-
Liz Rankin, Director of Finance and Operations ²	-	-	-	-	-	600

The remuneration ratio in the Trust is 2.28 (2020: 2.10). This represents the banded mid-point pay of the highest paid director as a multiple of the median pay award (the median salary is £34,000 (2020: £36,900). Median total remuneration is calculated by excluding the remuneration of the highest paid director on an annualised basis and by including full time equivalent remuneration for all staff.

Any performance awards are made under the Trust appraisal linked system which applied to all staff. The directors are all employed on standard terms and conditions.

The Board of Trustees comprised 12 members on 31 March 2021, none of whom were full time employees of the Trust. They were reimbursed with £nil in expenses (2020: £209). No Trustees claimed expenses (2020: 1).

Sickness absence

The Armed Forces Covenant Fund Trust employed 13 members of staff as of 31 March 2021. Periods of sickness absence are recorded in full days. The average number of days of sickness absence was 0 days per person (2020: 0.89). There were no long-term absences in this financial year. This paragraph is not subject to audit.

Pension costs and benefits

The Trust's accounting policy in relation to pensions is provided at Note 1 to the Financial Statements. From October 2018, the Trust has automatically enrolled all employees into a National Employment Savings Trust (NEST) pension scheme unless the employees choose to opt out. The NEST pension scheme is a defined contribution pension scheme that was created as part of the government's workplace pensions reform under the Pensions Act 2008. The assets of

the scheme are held separately from those of the Trust and the Trust is unable to identify our share of the liability - employer's contributions are charged to the Statement of Financial Activities as they occur. Pension benefits for a small number of longer serving staff are provided through the Civil Service pension arrangements. The Principal Civil Service Pension Scheme (PCSPS) is an unfunded, multi-employer defined benefit scheme; but the Trust is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as of 31 March 2012. Details can be found in the resource account of the Cabinet Office Civil Superannuation (www.civilservice.gov.uk/pensions).

For 2020-21, employer's contributions of £45,203 were payable (2020: £34,895) through the PCSPS. The applicable rates for the PCSPS are shown below:

Gross salary (£)	Rate %
77,001 and over	30.3%
45,501-77,000	27.9%
23,001-45,500	27.1%
Up to 23,000	26.6%

The contribution rates reflect benefits as they are accrued, not when costs are actually incurred; and reflect past experience of the scheme. Pension benefits are provided through the Civil Service pension arrangements in place prior to 30 July 2007, with the unfunded cost of benefits met by monies voted by parliament each year. Further details about the Civil Service pension arrangements can be found at the website www.civilservice.gov.uk/pensions

The real increase in Cash Equivalent Transfer Value (CETV) reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits

accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement, which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Reporting of civil service and other compensation schemes - exit packages

No redundancy or other departure costs were incurred in the 2020-21 financial year (2019: 0).

Staff report

Further details relating to the Trust's staff numbers and staff costs can be found in Notes 6 and 7 to the financial statements.

Trade union facility time

No employees are union officials, and no time was spent on union activity.

Parliamentary accountability and audit report

All expenditure has been applied as intended by the Trust's sponsor body. There are no contingent liabilities, gifts, fees, charges or losses and special payments requiring further disclosures that have not been reported elsewhere in these financial statements. This paragraph is subject to audit.

Helen Helliwell
Chair of Trustees
3 September 2021

Melloney Poole
Chief Executive Officer
and Accounting Officer
3 September 2021

Independent auditor's report

Independent auditor's report to the Trustees of Armed Forces Covenant Fund Trust

Opinion

We have audited the financial statements of Armed Forces Covenant Fund Trust (the 'Trust') for the year ended 31 March 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice). We have also audited the information in the Remuneration and staff report and Parliamentary accountability report that are described as having been audited.

In our opinion, the financial statements:

- give a true and fair view of the state of the Trust'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
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 Trust 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 Armed Forces Covenant Fund Trust's ability to continue as a going concern for a period of at least twelve 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.

Opinion on other matters

In our opinion:

The parts of the Remuneration and staff report and Parliamentary accountability report, which have been identified as subject to audit, have been properly prepared in accordance with Chapter 6 of the Government Financial Reporting Manual 2020-21.

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 requires us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities set out in the Trustees' annual report, 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 Trust'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.

Independent auditor's report to the Trustees of Armed Forces Covenant Fund Trust (continued)

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 extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following.

- We enquired of management and audit committee, which included obtaining and reviewing supporting documentation, concerning the Trust's policies and procedures relating to:
 - identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the Trust operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the Trust from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Trust's Trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Trust'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 Trust and the Trust's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

13 September 2021

Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

**Armed Forces Covenant Fund
Statement of Financial Activities
For the year ended 31 March 2021**

	Note	Unrestricted	Restricted	2021	Unrestricted	Restricted	2020
		£	£	Total	£	£	Total
				£			£
Income from:							
Charitable activities	2	-	26,750,006	26,750,006	-	10,000,000	10,000,000
Investments		1,598	-	1,598	37,559	-	37,559
Other		351	-	351	-	-	-
Total Income		1,949	26,750,006	26,751,955	37,559	10,000,000	10,037,559
Expenditure on:							
Charitable activities	3	334,710	26,121,708	26,456,418	120,706	22,074,994	22,195,700
Total Expenditure		334,710	26,121,708	26,456,418	120,706	22,074,994	22,195,700
Net income/(expenditure) for the year	5	(332,761)	628,298	295,537	(83,147)	(12,074,994)	(12,158,141)
Transfers between funds		253,820	(253,820)	-	-	-	-
Net movement in funds		(78,941)	374,478	295,537	(83,147)	(12,074,994)	(12,158,141)
Reconciliation of funds:							
Total funds brought forward		227,633	806,652	1,034,285	310,780	12,881,646	13,192,426
Total funds carried forward		148,692	1,181,130	1,329,822	227,633	806,652	1,034,285

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15 to the financial statements.

**Armed Forces Covenant Fund
Balance Sheet
As at 31 March 2021**

	Note	2021	2020
		£	£
Current assets:			
Debtors	10	384,821	1,497,838
Cash at bank and in hand		20,992,039	22,148,128
		21,376,860	23,645,966
Liabilities:			
Creditors: amounts falling due within one year	11	(17,274,048)	(18,171,687)
Net current assets		4,102,812	5,474,279
Total assets less current liabilities		4,102,812	5,474,279
Creditors: amounts falling due after one year	12	(2,772,990)	(4,439,994)
Total net assets		1,329,822	1,034,285
The funds of the charity:	15		
Restricted income funds		1,181,130	806,652
Unrestricted income funds			
Designated funds		44,184	125,074
General funds		104,508	102,559
Total unrestricted funds		148,692	227,633
Total charity funds		1,329,822	1,034,285

Approved by the Trustees on 3 September 2021 and signed on their behalf by

Helen Helliwell
Chair of Trustees
3 September 2021

Melloney Poole
Chief Executive Officer and Accounting Officer
3 September 2021

**Armed Forces Covenant Fund
Statement of cash flows
For the year ended 31 March 2021**

	Note	2021	2020
		£	£
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	16	(1,157,687)	4,397,949
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,598	37,559
Net cash provided by/(used in) equivalents in the year		1,598	37,559
Change in cash and cash equivalents in the year		(1,156,089)	4,435,508
Cash and cash equivalents at the beginning of the year		22,148,128	17,712,620
Cash and cash equivalents at the end of the year		20,992,039	22,148,128

**Armed Forces Covenant Fund
Notes to the Financial Statements
For the year ended 31 March 2021**

1 Accounting policies

a) Statutory information

Armed Forces Covenant Fund is a charitable trust located in England, with charity number 1177627. The registered office address (and principal place of business) is 7 Hatherley Street, London, United Kingdom, SW1P 2QT.

b) Basis of preparation

The Trust was established by a trust deed dated 7 February 2018 and commenced its activities on this date.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), charity regulations and the Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the Trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

Key judgements that the Trust has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

c) Public benefit entity

The Trust meets the definition of a public benefit entity under FRS 102.

d) Going concern

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Key judgements that the charitable company has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments.

Armed Forces Covenant Fund
Notes to the Financial Statements (continued)
For the year ended 31 March 2021

1 Accounting policies (continued)

e) Income

Income is recognised when the Trust has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Trust has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings.

- Expenditure on charitable activities includes the costs of grant making, research & evaluation and other grant related activities undertaken to further the purposes of the Trust and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Armed Forces Covenant Fund
Notes to the Financial Statements (continued)
For the year ended 31 March 2021

1 Accounting policies (continued)

i) Grants payable

Grants payable are made to third parties in furtherance of the Trust's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the recipient.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Where information about the aims, objectives and projects of the Trust is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Fixed support and governance costs are re-allocated to the Covenant Fund, and variable costs are re-allocated to each of the activities on the basis of an estimate, based on staff time, of the amount attributable to each activity.

Governance costs are the costs associated with the governance arrangements of the Trust. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the Trust's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £5,000.

Armed Forces Covenant Fund
Notes to the Financial Statements (continued)
For the year ended 31 March 2021

1 Accounting policies (continued)

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Short-term deposits

Short-term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

o) Cash at bank and in hand

Cash at bank and cash 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.

p) Creditors and provisions

Creditors and provisions are recognised where the Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

q) Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

r) Pensions

Employees of the Trust are eligible to receive contributions to their selected pension scheme - either their personal pension account or if they wish to join the Trust's selected pension provider NEST. Three employees are members of the Civil Service Pension Scheme, which is a defined benefit scheme. However, the Trust is only responsible for paying contributions, so it is accounted for as a defined contribution scheme. Further information about this scheme is provided in note 13.

Armed Forces Covenant Fund
Notes to the Financial Statements (continued)
For the year ended 31 March 2021

2 Income from charitable activities

			2021			2020
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
MOD - £10M Covenant Fund	-	10,000,006	10,000,006	-	10,000,000	10,000,000
HMT - £10M Veterans' Mental Health and Wellbeing Fund	-	10,000,000	10,000,000	-	-	-
NAAFI Fund	-	750,000	750,000	-	-	-
OVA/MOD Covid-19 Impact Fund	-	6,000,000	6,000,000	-	-	-
Total income from charitable activities	-	26,750,006	26,750,006	-	10,000,000	10,000,000

Government grants received were for specific purposes. The Covenant Fund comprises £10M per year to fund projects that support the Armed Forces community.

The £10M Veterans' Mental Health and Wellbeing Fund, was first announced in the October 2018 Budget Statement.

In 2020 the Trust began to administer the NAAFI Fund on behalf of NAAFI.

The £6M OVA/MOD Fund was announced in the April 2020 Budget Statement.

Armed Forces Covenant Fund
Notes to the Financial Statements (continued)
For the year ended 31 March 2021

3a Charitable activities

	Direct Charitable			2021
	Activity	Staff Costs	Other Costs	Total
	£	£	£	Expenditure
MOD - £10M Covenant Fund	9,085,306	290,550	226,138	9,601,994
HMT - £10M Veterans' Mental Health and Wellbeing Fund	9,305,152	262,551	23,287	9,590,990
HMT - £3M Veterans' Community Centres Fund		26,196	13,200	39,396
Aged Veterans' Fund				
Programme evaluation and research	521,384			521,384
NAAFI Fund	711,707	22,884	4,500	739,091
OVA/MOD Covid-19 Impact Fund	5,925,463	27,000	11,100	5,963,563
	25,549,012	629,181	278,225	26,456,418

Expenditure of £334,710 (2020 - £120,706) was unrestricted and £26,121,708 (2020 - £22,074,994) was restricted.

3b Support costs

	HMT Vets'					OVA/MOD	2021
	Covenant	Mental Health	Community	NAAFI Fund	Covid-19	Total	
	Fund £10m	£10m	Centre £3m	£	Impact Fund	Expenditure	
Staff remuneration	285,596	248,439	25,953	22,884		582,872	
Other staff costs	4,955	14,112	242	-	27,000	46,309	
Professional fees	78,464			4,500	11,100	94,064	
Premises and office costs	46,426	2,715				49,141	
Other	3,122					3,122	
Audit	14,640					14,640	
Governance costs	12,966		13,200			26,166	
Communications and marketing	14,359					14,359	
GMS and IT	56,161	20,572				76,733	
Total	516,689	285,838	39,395	27,384	38,100	907,406	

Armed Forces Covenant Fund
Notes to the Financial Statements (continued)
For the year ended 31 March 2021

3c Charitable activities

	Direct Charitable			2020
	Activity	Staff Costs	Other Costs	Total
	£	£	£	Expenditure
MOD - £10M Covenant Fund	9,340,475	327,138	189,448	9,857,061
HMT - £10M Veterans' Mental Health and Wellbeing Fund	9,202,752	22,717	9,259	9,234,728
HMT - £3M Veterans' Community Centres Fund	2,848,331	21,684	22,009	2,892,024
Aged Veterans' Fund		100,000		100,000
Programme evaluation and research	105,646		6,240	111,886
NAAFI Fund				
OVA/MOD Covid-19 Impact Fund				
	21,497,204	471,539	226,956	22,195,699

3d Support costs

	HMT Vets'				Aged	2020
	Covenant	Mental Health	Community	Veterans'	Total	
	Fund £10m	£10m	Centre £3m	Fund	Expenditure	
Staff remuneration	327,138	22,717	21,684	100,000	471,539	
Other staff costs	21,277				21,277	
Professional fees	18,063	5,307	18,057		41,427	
Premises and office costs	53,982				53,982	
Other	21,659				21,659	
Audit	17,200				17,200	
Governance costs	10,394				10,394	
Communications and marketing						
GMS and IT	53,114	3,952	3,952		61,018	
Total	522,827	31,976	43,693	100,000	698,496	

Armed Forces Covenant Fund
Notes to the Financial Statements (continued)
For the year ended 31 March 2021

4 Grant expenditure

	2021	2020
	£	£
MOD - £10M Covenant Fund	9,085,306	9,328,257
HMT - £10M Veterans' Mental Health and Wellbeing Fund	9,305,152	9,202,752
HMT - £3M Veterans' Community Centres Fund	-	2,848,331
NAAFI Fund	711,707	-
OVA/MOD Covid-19 Impact Fund	5,925,463	-
Total grants awarded during the year	25,027,628	21,379,340
Total grant expenditure	25,027,628	21,379,340

All grants were made to institutions. For details, please see the website at www.covenantfund.org.uk/grants-weve-funded/
All grant expenditure was restricted.

5 Net (expenditure)/income for the year

This is stated after charging/(crediting):

	2021	2020
	£	£
Operating lease rentals payable:		
Property	35,778	27,496
Auditors' remuneration (excluding VAT):		
Current year audit fee	12,200	12,000
Under accrual for prior year audit fee	-	2,000
Non-audit fee	-	4,600

6 Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021	2020
	£	£
Salaries and wages	465,653	388,779
Social security costs	52,601	36,570
Employer's contribution to defined contribution pension schemes	19,415	10,155
Civil Service Pension Scheme	45,203	34,895
Other forms of employee benefits	45,528	1,140
Total	628,400	471,539

Other forms of staff benefits include a one-off staff bonus related to additional workloads during Covid, medical and death in service cover and staff training.

Armed Forces Covenant Fund
Notes to the Financial Statements (continued)
For the year ended 31 March 2021

6 Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel (continued)

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2021	2020
	No.	No.
£60,000 - £69,999	2	2

The total employee benefits (including pension contributions and employer's National Insurance) of the key management personnel were £251,985 (2020: £219,992).

Excluding the Chief Executive and Directors, no employees received remuneration for 2020-21 excluding pension contributions, greater than £60,000 (2019-20: no employees).

The Trustees were neither paid nor received any other benefits from employment with the Trust in the year (2020: £Nil). No Trustee received payment for professional or other services supplied to the Trust (2020: £Nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs relating to attendance at meetings of the Trustees. There were £Nil of Trustee expenses incurred (2020: £209) by one Trustee.

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 11.92 (2020: 9.8).

Staff are split across the activities of the Trust as follows:

	2021	2020
	No.	No.
Grant making	9.72	8.4
Support	2	1.2
Governance	0.2	0.2
Total	11.92	9.8

At 31 March 2021, 14 staff were in post. 10 (2019-20: 6) of these staff are female and 4 (2019-20: 4) male. 1 (2019-20: 1) staff member is employed on a fixed-term contract with all other staff employed on a permanent contract. The above includes an average of 3 (2019- 20: 2) part time staff members for the year.

Armed Forces Covenant Fund
Notes to the Financial Statements (continued)
For the year ended 31 March 2021

8 Related party transactions

The Armed Forces Covenant Fund Trustee Limited (company number 11185188) is the Trustee of the Armed Forces Covenant Fund Trust. It holds a number of contracts on behalf of the Trust, as a separate legal entity. There have been no transactions between the parties. The corporate Trustee implements the decisions of the directors of the Armed Forces Covenant Fund Trustee Limited.

John McColl is a Trustee of the Trust and is Chair of Cobseo. Details of grants awarded to Cobseo are as follows.

During the course of the year, £120,000 was paid to Cobseo in respect of a grant awarded in 2017/18 to Build Capacity in Northern Ireland. The outstanding balance at year end was £90,000.

During 2019/20 a grant of £100,000 was awarded under the Strategic Pathways programme. A final payment of £50,000 was made in August 2020.

During 2020/2021 Cobseo was also the beneficiary of a further £45,000 grant under the Strategic Pathways programme. At year end, the outstanding balance on this grant was £25,000.

In addition, the Trust is responsible for managing HMT LIBOR Fund grants of which Cobseo is a recipient. Payments in respect of LIBOR grants are made from the MOD, on recommendation from the Trust.

In line with the Trust's policy, John McColl was not involved in the decision making process of the awards made to Cobseo.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

9 Taxation

The Trust is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10 Debtors

	2021	2020
	£	£
Accrued income	328,430	1,487,320
Other debtors	56,391	10,518
	384,821	1,497,838

Armed Forces Covenant Fund
Notes to the Financial Statements (continued)
For the year ended 31 March 2021

11 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	22,603	23,212
Evaluation creditors	586,339	333,599
Grants payable	16,225,381	17,779,788
Returns to donors	122,558	-
PAYE	19,568	17,888
Accruals	25,160	17,200
Other creditors	13,959	-
Deferred income	258,480	-
	17,274,048	18,171,687

12 Creditors: amounts falling due after one year

	2021	2020
	£	£
Trade creditors	-	67,506
Grants payable	2,772,990	4,372,488
	2,772,990	4,439,994

13 Pension scheme

The Trust contributes to employees' pensions in three different ways: i) some staff are members of a defined benefit scheme which is the Civil Service Pension Scheme; ii) others can join a defined contribution pension scheme with NEST; iii) or the Trust will make contributions to the employee's choice of provider. Contributions to each pension scheme are shown in note 6.

Civil Service Pension Scheme

As part of their transfer arrangements from the MOD, some of the staff members of the Trust remained as members of the Civil Service Pension Scheme (CSPS) under the New Fair Deal Policy. This is a non-statutory policy that sets out how pensions issues are dealt with when staff are compulsorily transferred from the public sector to independent providers delivering public services.

The CSPS is an unfunded multi-employer defined benefit scheme and therefore as long as the required employer (and employee) contributions are paid over each month there is no further liability on the employer in respect of pension benefits for members. Under its Admission Agreement, the Trust has no share of the underlying assets and liabilities.

The scheme actuary valued the CSPS as at 31 March 2016. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation at <http://www.civilservicepensionscheme.org.uk/about-us/resource-accounts/>

Armed Forces Covenant Fund
Notes to the Financial Statements (continued)
For the year ended 31 March 2021

13 Pension scheme (continued)

For 2020/21, employers' contributions of £45,203 (2020: £34,895) were payable to the CSPS at one of four rates in the range 20.0% to 24.5% of pensionable earnings, based on salary bands.

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2020/21 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Other pensions

Staff members who joined the Trust after 1 April 2018 have the choice of joining NEST, or having employer and employee contributions made to their own existing private pension. Either way, the Trust will make a contribution of 8% of pensionable earnings if the employee contributes 5%. Employers' contributions of £19,415 (2020: £10,155) were paid to other pension providers.

Contributions due to the pension providers at the balance sheet date were £13,808 (2020: £163). Contributions prepaid at that date were £nil (2020: £nil).

14a Analysis of net assets between funds (current year)

	General	Designated	Restricted	Total funds
	£	£	£	£
Net current assets	104,508	44,184	3,954,120	4,102,812
Long term liabilities	-	-	(2,772,990)	(2,772,990)
Net assets at 31 March 2021	104,508	44,184	1,181,130	1,329,822

14b Analysis of net assets between funds (prior year)

	General	Designated	Restricted	Total funds
	£	£	£	£
Net current assets	102,559	125,074	5,246,646	5,474,279
Long term liabilities	-	-	(4,439,994)	(4,439,994)
Net assets at 31 March 2021	102,559	125,074	806,652	1,034,285

Armed Forces Covenant Fund
Notes to the Financial Statements (continued)
For the year ended 31 March 2021

15a Movements in funds (current year)

	at 1 April 2020	Income & gains	Expenditure & losses	Transfers	At 31 March 2021
	£	£	£	£	£
Restricted funds:					
MOD - £10M Covenant Fund					
<i>MOD - £10M Covenant Fund Central Fund</i>	21,445	10,000,006	(9,602,775)	(404,934)	13,742
<i>Tackling Loneliness evaluation</i>				106,000	106,000
<i>Outcomes Measurement Framework</i>				10,000	10,000
<i>Evaluation of Covenant Fund programmes</i>	199,187	-	(151,560)		47,627
<i>Tackling Serious Stress evaluation extension</i>			(35,114)	35,114	-
HMT - £10M Veterans' Mental Health and Wellbeing Fund					
<i>HMT - £10M Veterans' Mental Health and Wellbeing Fund Central Fund</i>	462,817	10,000,000	(9,590,209)	(217,600)	655,008
<i>Social Prescribing for the Armed Forces community</i>				70,000	70,000
<i>One Is To Many evaluation</i>				147,600	147,600
HMT - £3M Veterans' Community Centres Fund	107,976	-	(39,396)		68,580
NAAFI Fund	-	750,000	(739,091)		10,909
OVA/MOD Covid-19 Impact Fund	-	6,000,000	(5,963,563)		36,437
Aged Veterans' Fund	15,227	-	-		15,227
Total restricted funds	806,652	26,750,006	(26,121,708)	(253,820)	1,181,130
Unrestricted funds:					
Designated funds					
<i>Website</i>	21,180	-	-	(21,180)	-
<i>Tackling Serious Stress engagement event</i>	5,000	-	-		5,000
<i>Local Government Delivery of the Covenant digital resources - now Strengthening and Empowering Delivery of the Covenant evaluation and support services</i>	75,000	-	(334,710)	275,000	15,290
<i>LIBOR Fund evaluation</i>	23,894	-			23,894
Total designated funds	125,074	-	(334,710)	253,820	44,184
General funds	102,559	1,949			104,508
Total unrestricted funds	227,633	1,949	(334,710)	253,820	148,692
Total funds	1,034,285	26,751,955	(26,456,418)	-	1,329,822

Armed Forces Covenant Fund
Notes to the Financial Statements (continued)
For the year ended 31 March 2021

15b Movements in funds (prior year)

	At 1 April 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2020 £
Restricted funds:					
MOD - £10M Covenant Fund	68,874	10,000,000	(9,848,242)	(199,187)	21,445
HMT - £10M Veterans' Mental Health and Wellbeing Fund	9,697,545	-	(9,234,728)	-	462,817
HMT - £3M Veterans' Community Centres Fund	3,000,000	-	(2,892,024)	-	107,976
Aged Veterans' Fund	115,227	-	(100,000)	-	15,227
Evaluation of Covenant programmes	-	-	-	199,187	199,187
Total restricted funds	12,881,646	10,000,000	(22,074,994)	-	806,652
Unrestricted funds:					
Designated funds:					
LIBOR Fund evaluation	135,780	-	(111,886)	-	23,894
Local Government Delivery of the Covenant digital resources	75,000	-	-	-	75,000
Website	30,000	-	(8,820)	-	21,180
Tackling Serious Stress engagement event	5,000	-	-	-	5,000
Total designated funds	245,780	-	(120,706)	-	125,074
General funds	65,000	37,559	-	-	102,559
Total unrestricted funds	310,780	37,559	(120,706)	-	227,633
Total funds	13,192,426	10,037,559	(22,195,700)	-	1,034,285

Armed Forces Covenant Fund
Notes to the Financial Statements (continued)
For the year ended 31 March 2021

15 Movements in funds (prior year)

Purposes of designated funds

Covenant Fund: LIBOR Fund evaluation for the continuing work to evaluate the impact of this Fund.

Covenant Fund: Local Government Delivery of the Covenant digital resources. Project delayed until 2020/21.

Covenant Fund: Phase two development of the Trust's website to enable interactivity and hosting of additional resources, postponed to 2020/21.

Covenant Fund: Tackling Serious Stress engagement event for grant holders is a key element of grant monitoring and evaluation programme but was postponed from 2019/20 to 2020/21 due to the impact of Covid-19 on the ability to hold events.

Transfer of funds

The transfer of funds from the Covenant Fund to be used for the purposes of programme evaluation.

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

	2021 £	2020 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	295,537	(12,158,141)
Dividends, interest and rent from investments	(1,598)	(37,559)
Decrease in debtors	1,113,017	11,644,260
Increase in creditors	(2,564,643)	4,949,389
Net cash provided by operating activities	(1,157,687)	4,397,949

17 Legal status of the Trust

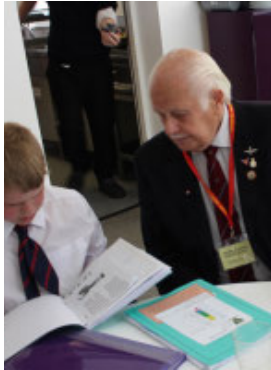
The Armed Forces Covenant Fund Trust is an unincorporated Trust governed by its trust deed dated 7 February 2018. The Trust has a sole corporate Trustee, Armed Forces Covenant Fund Trustee Limited, company number 11185188. In 2019 the Trust commenced discussions with MOD and Cabinet Office in relation to the Trust becoming a Non Departmental Public Body, this status was confirmed with effect from 1 April 2019.

About us

The Armed Forces Covenant Trust manages the grant programmes funded by the Covenant Fund.

We also run wider funding programmes that support the Armed Forces community.

You can find out more about our work at www.covenantfund.org.uk



Contact us:
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www.covenantfund.org.uk

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