

 **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



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... 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 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

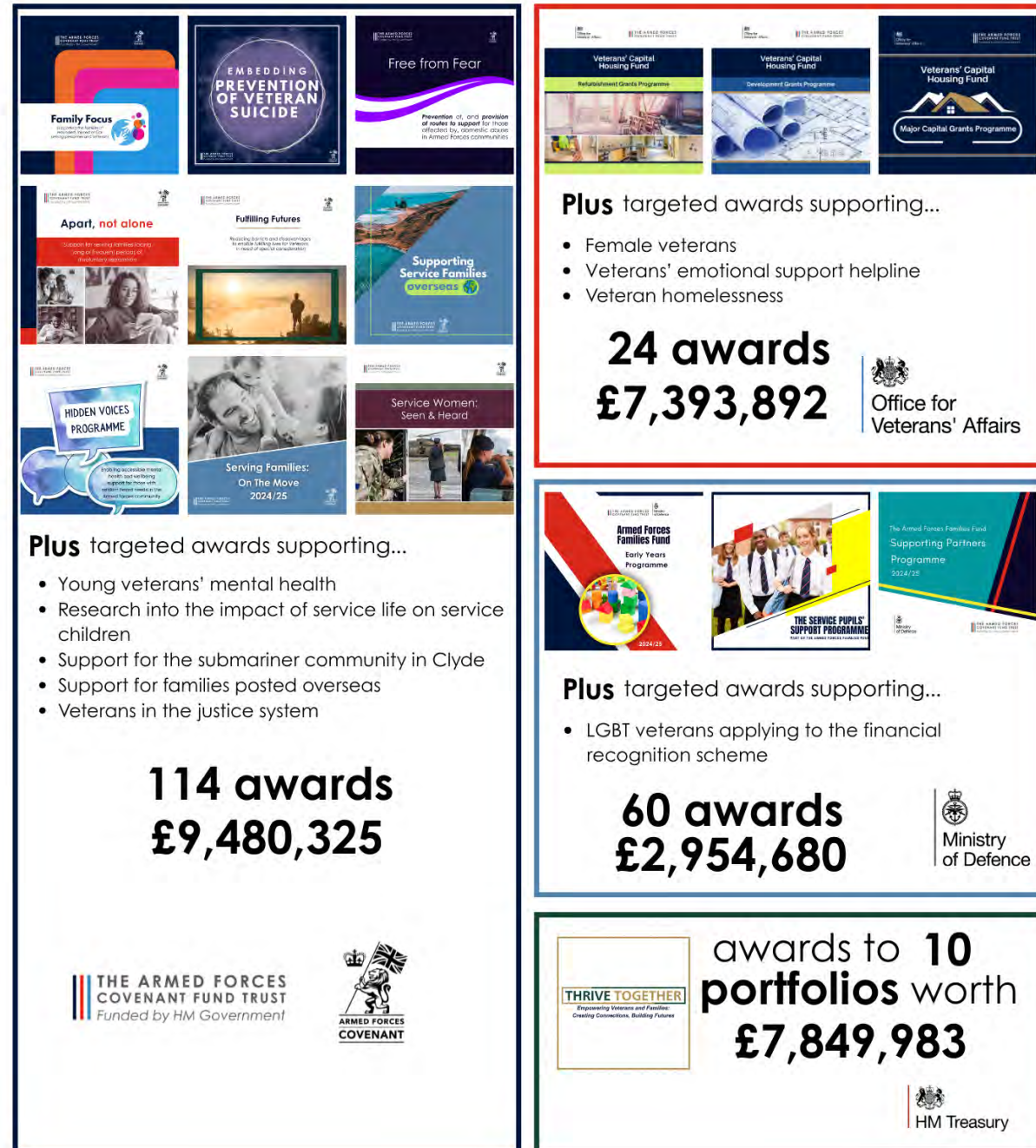
Measures to **integrate military and civilian communities** and allow the armed forces community to participate as citizens

All of our work contributes to these themes

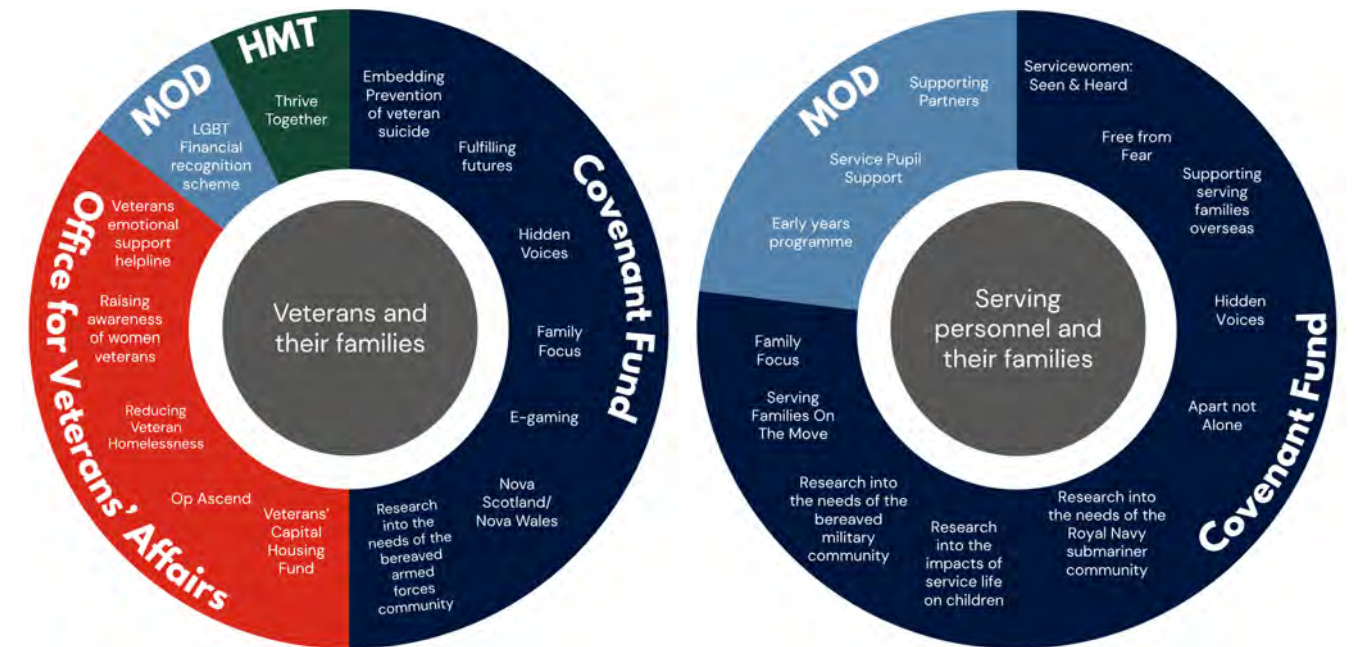




Our fund delivery in 2024/25

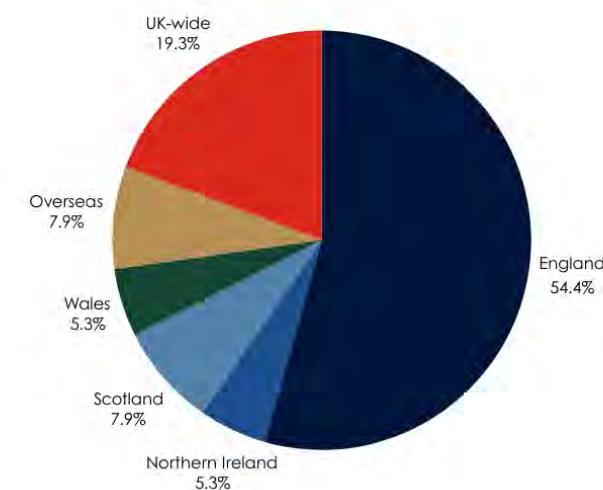


Target beneficiaries of the programmes we delivered

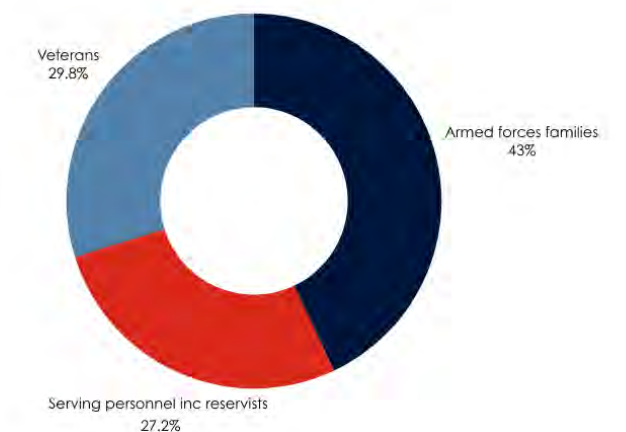


A closer look at the Covenant Fund...

Where did we award grants?



Who did projects benefit?



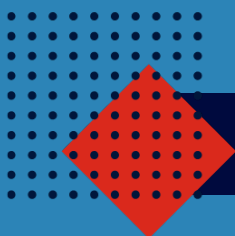
Estimated direct beneficiaries

39,194

Estimated indirect beneficiaries

140,952





The Armed Forces Covenant Fund





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:

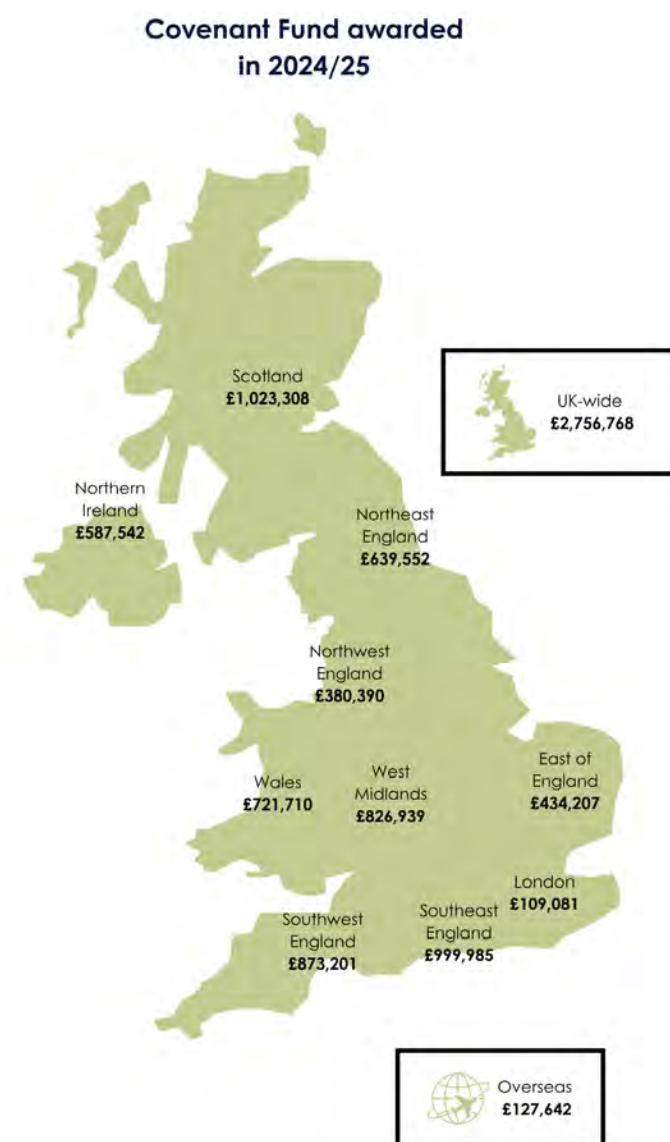
- **Helping veterans with significant mental health needs.**
- **Reducing loneliness and isolation for armed forces communities.**
- **Reducing stress and challenges for armed forces families.**

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.



"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.

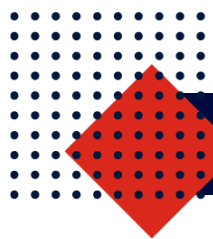
"Loneliness and isolation was just huge. Simply the fact that you may be the only woman among 50 or 100 men but also it was about the ranks as well; women can't always open up to their teams, they wanted to reflect being a strong leader for their superiors. It didn't matter if they were serving in tech,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



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.



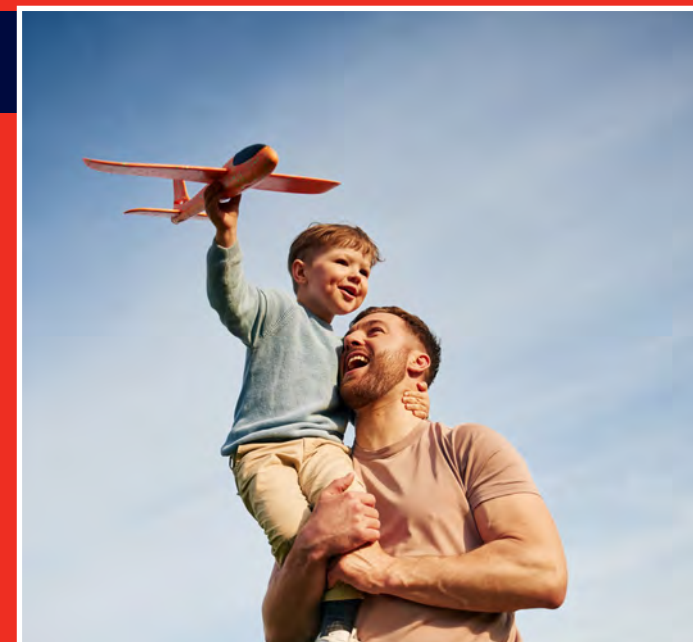
Similarly, our **Serving Families On The Move** programme has supported early intervention as families relocate in the UK; helping them integrate into their new communities and build lasting friendships. This work focuses on improving information and its availability and recognises the importance of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



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.



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.

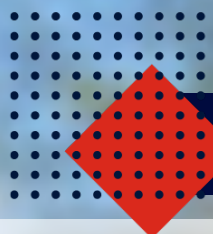
What may look like a fun day or a meal out with other families during a deployment is actually a vital signalling post for the team: helping them spot when someone may need a listening ear or more support. And being with others going through similar experiences builds those crucial reserves of resilience, 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.”





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.



Spotlight on: The Bridge for Heroes

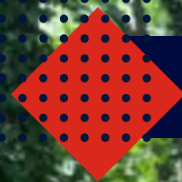
With a focus on LGBT+ veterans, families and carers in the East of England, The Bridge for Heroes' LGBT+ Veterans Voice sets out to improve awareness, provide targeted services, and build connections with existing organisations - it's all about long-term integration of support within veteran services.

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."





Armed Forces Covenant Fund



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.

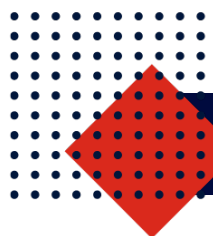
Nikki Scott, founder of Scotty's told us: "Last year, 29% of the children who came to us had already endured the devastating loss of a parent to a terminal illness. This statistic highlights just how vital pre-bereavement support truly is."

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.

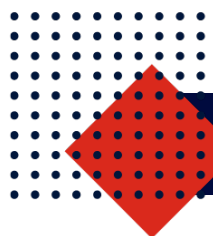
"I'm 19 months clean now. I've graduated. I started doing some work with my children with the family therapist here and I've built on that now I'm out of treatment, and I've just had my children for a week which is going really well now.

"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.



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."

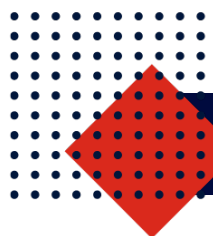
TPN's new bespoke centre in Portsmouth, The Forge, is due to open mid-May 2025 and Matt hopes it will become a 'safe space' for those seeking support: "What's really important is that we have this safe, welcoming space where they know that they can go and seek that support, not just in the weekly Dadzchat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





Armed Forces Covenant Fund

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.

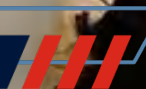
We awarded Company of Makers CIC £200,000 for a three-year project offering activities for younger veterans across the UK.

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 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.

OpFORTITUDE

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."



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.

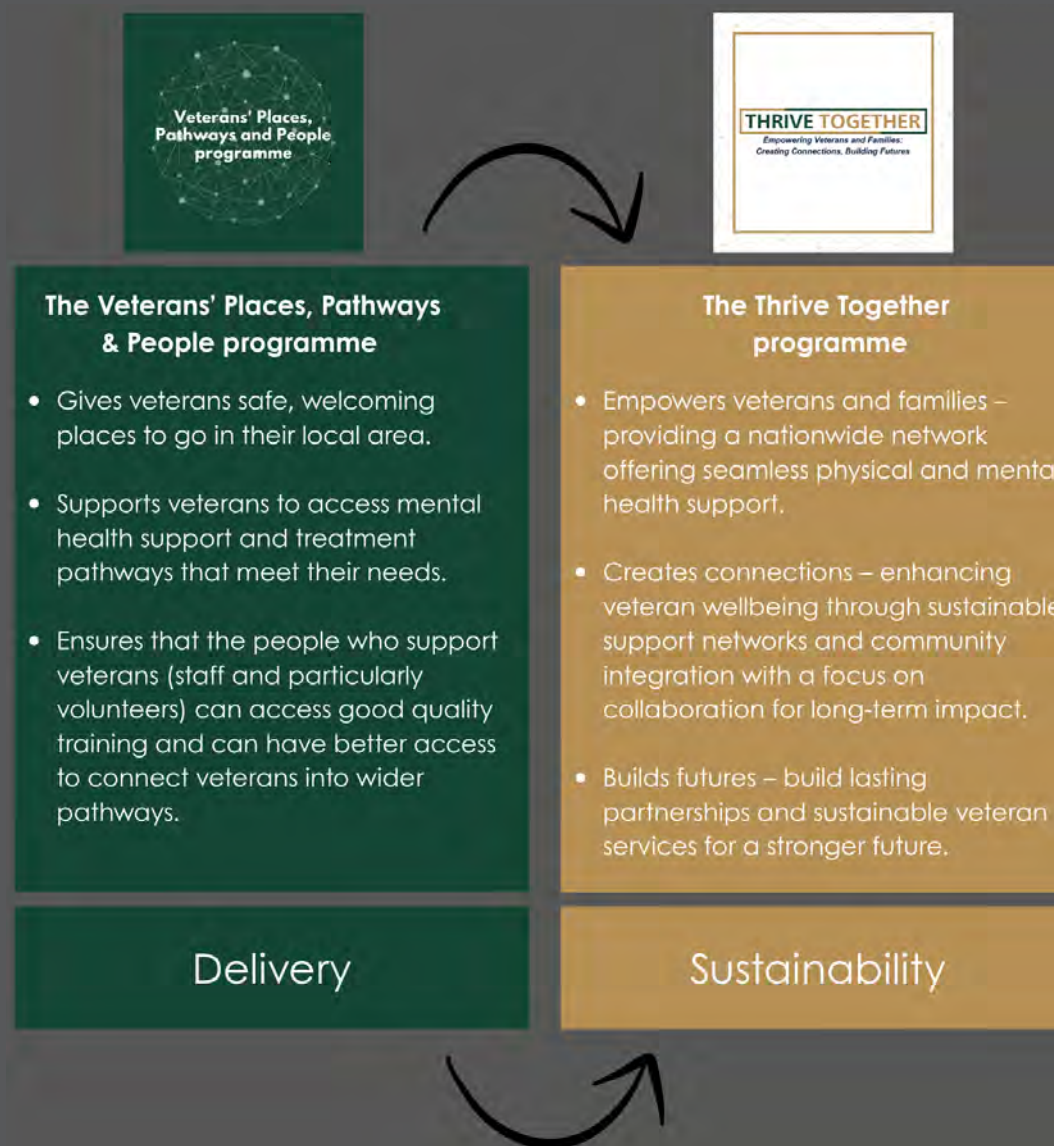


Between April and September 2024, Thrive together leads ran comprehensive regional consultations as part of their Phase 1 programming covering the whole of the UK. Each was fully evaluated and the findings used to develop cohesive strategic plans in order to lead the development and delivery of Phases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



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.



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

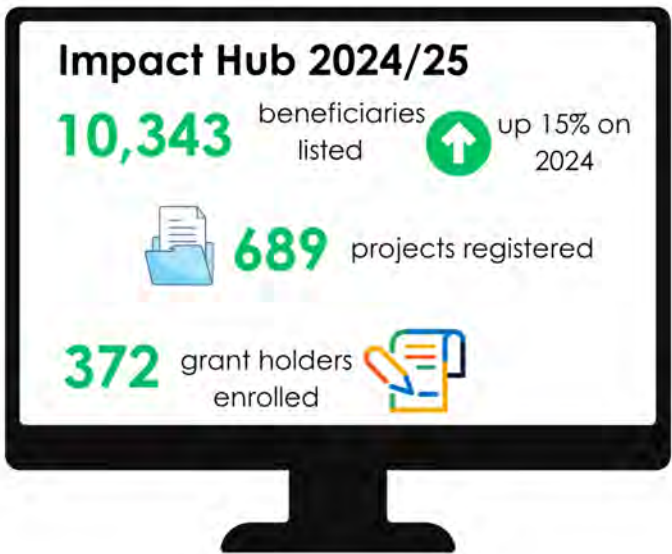
Achieving...

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 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.

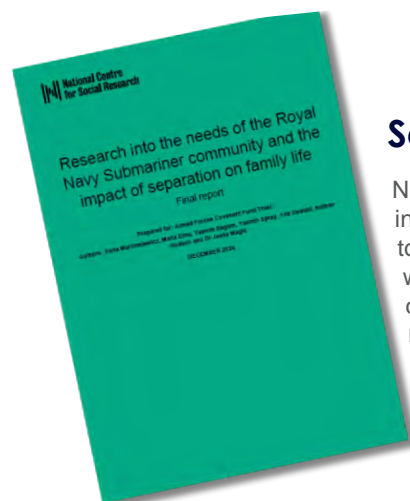


Research and evaluation

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 mangement'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 ration	75th percentile ration
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:	15				
Restricted income funds		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
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
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'	-	7,259,115	7,259,115	-	1,240,885	1,240,885
Mental Health and Wellbeing Fund						
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	Expenditure
	£	£	£	£
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	7,894,206	125,801	6,481.95	8,026,489
Wellbeing Fund				
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	MOD	OVA	OVA	OVA Veteran	OVA Capital	National	OVA VPPP -	Veterans	HeadFit	Veterans	£30M	Other	2025
	Fund	Families	Homelessness	Mobility	Employment	Homelessness	Spitfire	formally HMT	Emotional		Trauma	Evaluation	Funds	Total
	£10m	Fund	Fund	Funding	Enhancement	Funding	Project	£10M Veterans'	Support		Network			Expenditure
					Fund			Metal Health and	Helpline					
								Wellbeing Fund						
	£	£	£	£	£	£	£	£	£	£		£	£	£
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	3,110												43.47	3,153
office costs														
Other	28,392													28,392
Audit	48,096													48,096
Governance costs	21,566.22												8,095.96	29,662
Communications &	23,852												27,687.80	51,540
Marketing														
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			2024
	Charitable			Total
	Activity	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	MOD	OVA	OVA	OVA Veteran	OVA Capital	National	MOD	NAAFI	HeadFit	£30M	Other	2024
	Fund	Families	Homelessness	Mobility	Employment	Homelessness	Spitfire	Invictus	Fund		Evaluation	Funds	Total
	£10m	Fund	Fund	Funding	Enhancement	Funding	Project						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	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
	0	-			0
HMT - £10M Veterans' Mental Health and Wellbeing 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
		7,259,115	(7,825,887)	(200,602)	(767,374)
OVA VPP - formally HMT £10M Veterans' Mental Health and Wellbeing Fund					
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
				112,800	112,800
Total restricted funding	2,653,588	30,318,510	(30,029,388)	-	2,942,709
Unrestricted funds					
Designated funds:	0	0	0	0	0
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	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
		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:	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



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 Reconcillation 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 it's 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)

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