

THE ARMY CENTRAL FUND

England & Wales · Charity number 245700

Details

Status Registered

Legal form Other

Registered 1966-01-11

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

Contact

Address The Army Central Fund
Floor 1 Zone 6 Ramilies Building
Marlborough Lines
Monxton Road
Andover
SP11 8HJ

Phone 07949467588

Email grants@armycentralfund.org.uk

Website www.armycentralfund.org.uk

Activities

Objects: (1) TO PROMOTE THE EFFICIENCY OF THE ARMY FOR THE PUBLIC BENEFIT IN SUCH CHARITABLE WAYS AS THE TRUSTEES MAY DECIDE; AND (2) THE RELIEF OF PERSONS WHO ARE: (1) IN NEED, HARDSHIP AND DISTRESS; AND (B) ARE SERVING PERSONNEL OF THE ARMY OR THE DEPENDANTS OF SUCH PERSONS.

Activities: The Army Central Fund promotes the efficiency of the British Army by providing charitable funds to improve the well-being of serving personnel and their immediate families. The Board considers applications from the Army and from charities that support the Army. We do not accept applications from individuals and we are not able to support the veteran community.

Classification

- **How:** Makes Grants To Organisations, Provides Buildings/facilities/open Space, Provides Services, Acts As An Umbrella Or Resource Body
- **What:** General Charitable Purposes, Disability, Accommodation/housing, Amateur Sport, Armed Forces/emergency Service Efficiency
- **Who:** Children/young People, People With Disabilities, Other Charities Or Voluntary Bodies, Other Defined Groups

Geography

- Akrotiri
- Belgium
- Belize
- Brunei
- Canada
- Dhekelia
- Estonia
- Falkland Islands
- Germany
- Gibraltar
- Kenya
- Northern Ireland
- Poland
- Scotland

Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£2,865,480	£3,201,908	£66,314,288	1
2024-06-30	£2,995,363	£9,843,582	£66,391,680	1
2023-06-30	£3,021,425	£3,635,837	£70,349,805	1
2022-06-30	£2,707,501	£2,453,930	£74,926,285	1
2021-06-30	£2,618,020	£3,757,361	£78,710,872	1

Trustees

Name	Role	Appointed
Army Central Fund Trustee Ltd		2019-02-11

THE ARMY CENTRAL FUND

England & Wales - Charity number 245700

Accounts



Supporting
The British Army

**ANNUAL REPORT OF THE TRUSTEE
& FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2025

CONTENTS	PAGE
Reference and Administrative Details	3
Board of Directors' Annual Report	5
Independent Auditors' Report	20
Statement of Financial Activities	25
Balance Sheet	27
Statement of Cashflows	28
Notes to the Financial Statements	29
The following pages do not form part of the Financial Statements	
Detailed Statement of Financial Activities	38

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Number	245700
Registered Office	Floor 1 Zone 6 Ramilies Building Marlborough Lines Monxton Road Andover SP11 8HJ
The Patrons	Members of the Army Board of the Defence Council
Corporate Trustee	The Army Central Fund Trustee Limited
Corporate Trustee's Company Number	11820705

Directors of The Army Central Fund Trustee Limited

Major General SL Humphris MBE (Chair)
Colonel AK Brown OBE
Brigadier EJR Chamberlain CBE (until 30.06.25)
Warrant Officer Class 1 J Clarke (until 01.09.24)
Mr GC Davies (until 30.04.25)
Brigadier A Fraser-Hitchen DL (from 01.09.24)
Mr RC Hughes-Penney (from 01.04.25)
Air Vice Marshal The Hon DP Murray CVO OBE DL
Colonel MCA Palmer (from 01.09.24)
Warrant Officer Class 1 ML Queripel (from 01.09.24 to 31.03.25)
Warrant Officer Class 1 R Sugden (from 01.04.25)
Mrs EA Thomas (from 01.09.24)

During the year no Directors of The Army Central Fund Trustee Limited were also Trustees or Committee Members of other charities which benefited from grants made by the Army Central Fund ("the Charity").

Company Secretary	Caroline Crewe-Read
Treasurer	The Trust Partnership 6 Trull Farm Buildings Tetbury Gloucestershire GL8 8SQ

REFERENCE AND ADMINISTRATIVE DETAILS (continued)

Investment Advisor Mr GC Davies (until 30.04.2025)
Mr RC Hughes-Penney (from 01.05.2025)

Legal Advisor Wilsons Solicitors LLP
Charities Team
4 Lincoln's Inn Fields
London
WC2A 3AA

Auditor Dunkley's
Woodlands Grange
Woodlands Lane
Bradley Stoke
Bristol
BS32 4JY

Investment Managers BlackRock Fund Managers Limited
12 Throgmorton Avenue
London
EC2N 2DL

Swiss Life Asset Managers UK
55 Wells Street
London
W1T 3PT

CCLA Fund Managers Limited
One Angel Lane
London
EC4R 3AB

Bankers Holt's Military Banking
200 Fowler Avenue
Fowler Business Park
Farnborough
Hampshire
GU14 7JP

BOARD OF DIRECTORS' ANNUAL REPORT

The Board of Directors of the Charity's corporate trustee company present their report along with the financial statements of the Charity for the year ended 30 June 2025. The financial statements have been prepared in accordance with the accounting policies set out on pages 28-29 of the attached accounts and comply with the Charity's trust deed, the Articles of Association of The Army Central Fund Trustee Limited, the Companies Act 2006, the Charities Act 2011, regulations applicable to that Act, and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective from 1 January 2019. The Board has also voluntarily aligned its Annual Report with the proposed Tier 2 SORP to enhance transparency and preparedness for the changes anticipated in 2026. In some cases, and where appropriate, best practice indicated for Tier 3 charities has also been adopted.

BACKGROUND

The Charity was established in 1948 by the merger of existing military welfare funds, some dating back to the First World War. The capital of the Charity was invested, and its income was used to help improve the welfare of serving British Army personnel and their families. That aim continues today and is achieved by awarding grants to military organisations and to UK registered charities that support the serving Army community. In FY24/25 the Board of the Charity extended eligibility for grantmaking to Community Interest Companies (CICs) subject to additional due diligence being undertaken to consider fully the financial health of each organisation and its commitment to delivering community benefit.

The Charity operates without any subscriptions, sponsorship, government grants or fundraising. It is also extremely cost-effective, dispersing over 96% of its income in grants.

Further information about the Charity and the grant application process is available on the website www.armycentralfund.org.uk and the 2023 Impact Report can be found at https://issuu.com/armycentralfund.org.uk/docs/acf_2023_impact_report_-_issuu

CHAIRMAN'S OVERVIEW

The financial year 2024-25 has been another very good year for the Charity, in terms of its strategic development, its investments and its grantmaking. This year has also seen the Charity relocate to the Ramillies Building at Marlborough Lines, Army HQ, having been offered shared office space with the Army Families Federation.

BOARD OF DIRECTORS' ANNUAL REPORT (continued)

Aside from the regular rhythm of governance and grantmaking meetings, the Board met in February to consider the Charity's theory of change and to discuss adopting a more strategic approach to its grantmaking. External attendees from Army HQ, the Army Families Federation, Army Sport and the Army Adventurous Training Group were invited to join and inform the discussions. The Board reaffirmed that the Charity exists to promote the efficiency of the British Army for public benefit and that the development and retention of a well-supported, resilient, and engaged workforce is key to delivering and maintaining both efficiency and operational effectiveness. As a result of discussions at the strategy day, the Charity reaffirmed its mission to improve the physical, social, emotional and occupational wellbeing of serving Army personnel through the award of financial grants. As a result, it will continue to target its grantmaking on initiatives which improve retention by delivering a better quality of life and improving morale. The Charity believes that this will contribute to a more effective and committed Army, directly supporting its capability, cohesion and readiness. The new grantmaking strategy will be published in FY25/26.

The Charity's investment portfolio delivered robust returns despite an exceptionally challenging global financial environment, marked by persistent trade tensions, elevated geopolitical risks, volatile bond markets and inflation dynamics. Global economic growth decelerated notably in 2025 as a direct consequence of intensifying trade frictions, especially from escalating U.S. tariffs, which have disrupted supply chains and unsettled markets. Through the same period, rising long-term bond yields and record-high gold prices reflected investor anxiety over fiscal pressures and inflation. Nonetheless, the Charity's diversified strategy and active management approach enabled its investments to perform strongly, generating solid returns that underpinned the distribution of £3.18 million in support of the serving Army. These results underscore the resilience of the Charity's investment framework and its capacity to deliver both value and vital support in the face of global market volatility.

Throughout FY24/25 the Charity continued its approach of awarding both core and project grants.

Core Grants (£2,025,082). Army Welfare Funds are the biggest single recipient of funding through the programme of annual Command Grants. This year £760,000 was awarded to HQ Regional Command for allocation through grant committees to support unit welfare and sport. Through an internal application process dozens of small grants were made to Army units and organisations. In addition, £545,391 was awarded to the Army Families Federation to underpin their vital work and £719,691 to Army Sport towards its central running costs. These three Core Grants supplement MOD provision and help improve health, wellbeing, recovery and rehabilitation, as well as family, welfare and community support. These core grants meet our principal charitable object as laid out in the governing document; 'to promote the efficiency of the Army for the public benefit'.

BOARD OF DIRECTORS' ANNUAL REPORT (continued)

Project Grants (£1,064,553). Equally importantly, the Charity accepts grant applications from national and military charities and other organisations to enable activities and resources across the Army community. This funding can contribute to both specialist help for those in need and facilities and resources for the whole serving community. During FY24/25 this included:

Health, wellbeing, recovery and rehabilitation

- Adventurous Training (£26,125). Defined contributions towards the costs associated with four expeditions: Ex Atlas Enduro and Ex Eagle's Endurance (Army Motorised Adventures across Morocco and Namibia respectively), the Honourable Artillery Company's Everest Expedition and TEAM V3NTURE's participation in the World's Toughest Row - Atlantic.
- HighGround (£16,932). Horticultural therapy sessions delivered to serving Army personnel at the Defence Medical Rehabilitation Centre at Stanford Hall.
- University Hospitals Birmingham Charity (£50,000). Contribution towards the cost of supporting the health and wellbeing of Army families staying at Fisher House welfare facility.
- Warrior Programme (£200,000). Mental strength and resilience training for those whose performance is adversely affected by stress or anxiety or requiring additional support to return to work after trauma or medical intervention. Funding for 100 places a year for serving personnel and adult family members.

Family, welfare and community support

- Addiction Family Support (£10,000). Support for the Forces Family Support programme, providing services for family members of serving personnel who have been affected or bereaved by a loved one's harmful use of alcohol, gambling or drugs.
- Army Welfare Service (£60,000). Delivery of the Out of School Adventures programme, supporting the costs associated with the residential adventurous activities element with the Youth Hostel Association.
- Forces' Children Scotland (£5,040). Delivery of short residential experiences for children and young people from Army families, helping them develop change-making skills, and build teamwork, decision making and leadership skills.
- Home-Start UK (£75,000). Helping families struggling to care for young children by funding home visits by trained volunteers, and community groups to help families make friends and reduce isolation.

Education, training, employment and skills

- Forces Employment Charity (£50,000). Support for the Families Programme, providing employment and employability support to the partners and spouses of serving British Army personnel.
- The Gwenilli Trust (£9,500). Provision of sailing respite opportunities to serving Army Personnel on Recovery Duty as well as to spouses of serving Army personnel through the Forces Wives Challenge.

BOARD OF DIRECTORS' ANNUAL REPORT (continued)

- Recruit for Spouses (£8,640). Funding to purchase 120 Statements of Comparability from ECCTIS, to enable the spouses of non-UK serving Army personnel to convert their home nation qualifications into UK equivalents

Army Roll of Honour. The Charity has continued to support the compilation of the Army Roll of Honour, comprising volumes listing the names of British Army personnel who have, since 1948, died whilst in the service of the United Kingdom. An official event was held in November 2024 to mark the installation and display of the first three Volumes of the Roll in the National Army Museum (NAM) in London. The Army Roll of Honour is being displayed at the NAM to enable the public and the bereaved to view all available Volumes, including a set of copy books which will be held in the NAM's Templar Study Centre, to facilitate public viewings of specific entries. A further set of copy books is displayed at Army HQ in Andover, having been unveiled by Lieutenant General David Eastman MBE following the Service of Remembrance in November 2024. Whilst the administrative responsibility for updating the Roll now lies with the Army Dependants' Trust, the Charity has continued to fund the required updates to Volume 4.

The Soldiers' Centre, Pirbright. The new welfare centre at the Army Training Centre Pirbright was officially opened on 31 January 2025 by Major General Richard Clements CBE, Director of Basing and Infrastructure. This £11m centre, towards which the Charity provided £7m in funding, provides a modern, sustainable facility that supports the welfare of recruits undertaking their initial military training. Spread over two storeys, it comprises retail and food outlets, a cinema and social areas. It also functions as a gathering space for families attending passing out parades.

Army Inshore Sail Training Centre. The Charity is also pleased to report the opening of new stores, training and workshop facilities at the Army Inshore Sail Training Centre on Thorney Island, which was made possible through combined funding provided by the Charity alongside Army Sport. An estimated 1,300 serving personnel will use the water sports facility each year, with 500 estimated to use the centre's other buildings and accommodation.

Parkdean Resorts. Serving Army personnel and their families have been able to benefit from a charitable offering to the Charity by Parkdean Resorts of holiday accommodation in 3-bedroom mid-range holiday home units at a series of eligible parks. The administration of this donation in kind is undertaken on the Charity's behalf by HQ Regional Command, who assess need and allocate the holidays to deserving serving personnel.

BOARD OF DIRECTORS' ANNUAL REPORT (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

The Charity is constituted as an unincorporated charity and is governed by a Scheme of the Charity Commission sealed on 21 July 2004 (as amended by resolutions of the Board passed on 13 May 2014 and 6 December 2016 and by a Deed of Amendment, Appointment and Retirement dated 19 November 2019). The Army Central Fund Trustee Limited was appointed as the sole trustee of the Charity on 11th February 2019 and acts as the Charity's corporate trustee.

Appointment of Directors

Directors of the corporate trustee are appointed by resolution of the Board. The Board may advertise vacancies and also invite senior members of the Army to nominate serving personnel. The Board is required to be a minimum of six persons with a minimum of three present at each meeting to conduct business. Directors serve for an initial term of three years and may serve for additional terms with the approval of the whole Board.

During FY24/25 five new Directors were appointed by the Board. Four were nominated by the Army and a fifth was selected following an external recruitment process.

Key Management Personnel

The Directors and the Company Secretary comprise the key management personnel who direct, control, and operate the Charity.

Board Training and Advice

The Board keeps its skill levels under review. Directors will normally have served as trustees of other charities. As part of their induction, they are offered additional training on their responsibilities under company and charity law, and refresher training during their tenure. Relevant updates and briefings are shared by the Secretary. The Board is advised by the Secretary, Treasurer, and Investment Advisor. Further professional advice is provided by the Charity's solicitor, bank, fund managers and auditor.

BOARD OF DIRECTORS' ANNUAL REPORT (continued)

Management

Routinely the Board meets twice a year and calls additional meetings as required. The Spring meeting is concerned mainly with applications for grants, the year-end forecast, and the following year's income and expenditure budget. The Autumn meeting considers the Annual Report and Financial Statements, the Audit Report, and any additional grant applications. At each meeting the Board monitors investment performance. Policies are reviewed according to their individual schedules. The day-to-day management and administration of the Charity is delegated to the Secretary. Directors are required to disclose any relevant interests and withdraw from any decisions where a conflict of interest may arise. This is recorded in each meeting's Records of Decisions.

Risk

The Board conducts a full risk audit every two years to consider the major risks to which the Charity is exposed; a house-keeping audit in intervening years considers any significant changes. Risks are categorised as Governance and Compliance; Operational; Financial. The most significant risks to the Charity are noted below. The Directors have satisfied themselves that systems or procedures are established to mitigate all identified risks. The Board is alert to the potential impact of long-term financial market instability on the charity sector as a whole and on those charities that support the Army community.

Risk: Composition of Board – diversity and continuity of membership.

Mitigations: Ensure a mix of serving and non-serving Directors; undertake an annual skills audit and gap-analysis; consider use of an external recruitment process for new Directors; ensure both serving personnel (Regular and Reserve) and families are represented on the Board.

Risk: Failure to assess impact of grants and use evidence to inform decisions.

Mitigations: Increase scrutiny of core grants through annual review meetings; agree Memorandum of Understanding with Army Sport in FY24/25; plan to introduce Memorandum of Understanding with Army Families Federation in FY25/26; work with Regional Command to analyse distribution of grants awarded by Unit and geographical location; schedule visits to all grant recipients to assess project deliverables and outcomes.

Risk: Reputational damage arising from third party beneficiary or media incident.

Mitigations: Review due diligence processes around grant awards; maintain regular contact and open lines of communication with grant recipients to ensure issues are raised and resolved quickly and transparently; respond quickly to media incidents to clarify the Charity's role and reinforce governance decisions.

BOARD OF DIRECTORS' ANNUAL REPORT (continued)

Risk: Volatile income stream and loss in value of investments and other income streams impacting on grant making operations.

Mitigations: Maintain diversification of the Charity's funds to ensure current grant making levels can be sustained; continue to ensure the investment fund includes a reserve sufficient to fund at least four quarterly dividends which would allow time to manage any reduction in the grants programme, if required; continue rolling review of investment strategy; continue to pay close attention to the UK economy and performance of international financial markets.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

Under Clause 4 of the Scheme, the objects of the Charity are:

- (1) To promote the efficiency of the Army for the public benefit in such charitable ways as the trustee may decide.
- (2) The relief of persons who:
 - (a) are in need, hardship and distress; and
 - (b) are serving personnel of the Army or the dependants of such persons.
- (3) The trustee may relieve persons in need by:
 - (a) making grants of money to them; or
 - (b) providing or paying for goods, services or facilities for them; or
 - (c) making grants of money to other persons or bodies who provide goods, services or facilities to those in need.

The Board has taken account of the Charity Commission's general guidance on public benefit when reviewing aims and objectives and in planning future activities. It considers that the Charity's activities match the objectives, and that this provides public benefit by improving conditions for those serving in the Army and for their families, sustaining morale and retaining trained personnel.

BOARD OF DIRECTORS' ANNUAL REPORT (continued)

Grantmaking Strategy

The Board undertook a strategic review of the Charity's activities in FY24/25 and in line with its desire to align its funding more clearly with its charitable object to promote the efficiency of the British Army for public benefit, developed its first ever grantmaking strategy which has been shared with key stakeholders ahead of full publication in FY25/26.

In common with other grantmaking bodies, the Charity wishes to increase its impact and maximise the value of its funding, but with limited resources must focus efforts on those organisations and activities which deliver the greatest benefit to serving personnel and their families, both Regular and Reserve, in the UK and overseas.

The Charity awards grants across the serving Army community for collective welfare and sports projects, and to charities that support the physical, mental and social wellbeing of serving Army personnel and their families. The Charity does not routinely provide direct financial support to individuals in need, as this is either provided through official sources or by charities that can access casework and properly assess needs. Post-grant reports are required from all grantees and feedback from these reports informs the Board on its future grant making activities. In summary the strategy is to:

- Fund grants from annual income.
- Consider making additional grants from capital for major projects.
- Prioritise support to projects that support those in need.
- Support projects that particularly benefit Junior Ranks and their families.
- Address inequalities and support minority communities.
- Support core welfare activities by making annual awards to:
 - The Army Families Federation
 - Army Sport
 - Army Unit Welfare (the Army Command Grant which is outlined below)
- Sustain relationships with charities providing key activities through multi-year agreements.
- Maintain close relationships with the Army and with other grant making bodies to help coordinate charitable funding across the Army community.

BOARD OF DIRECTORS' ANNUAL REPORT (continued)

FINANCIAL REVIEW

Income and Expenditure

Valuation of the Charity (Total Net Assets)

The Charity's investments account for around 98% of its assets and investment performance is usually the main determinant of the Charity's valuation year on year. Investment performance in FY24/25 has been affected by geopolitical and economic uncertainties, including the imposition of trade tariffs by the USA.

Table 1 – Total Net Assets 2021-2025 (£)

Year Ending 30 Jun	Valuation Start of Year	Valuation End of Year	Change Year on Year
2025	66,391,680	66,314,288	(77,392)
2024	70,349,805	66,391,680	(3,958,125)
2023	74,926,285	70,349,805	(4,576,480)
2022	78,710,872	74,926,285	(3,784,587)
2021	70,971,854	78,710,872	7,739,018
Increase 2021-2025			(4,657,566)

Income and Expenditure

The Charity has two main sources of income: investment income and donations. As Table 2 below shows, over the last five years there has been a deficit of expenditure over income of £8,684,829, caused by the atypical grant made to the Pirbright Soldiers' Centre in 2024.

Table 2 - Income and Expenditure 2021-2025 (£)

Year Ending 30 Jun	Investment Income	Donations	Total Income	Charitable Expenditure
2025	2,763,914	79,692	2,843,606	3,180,034
2024	2,887,567	107,796	2,995,363	9,843,582
2023	2,734,439	286,986	3,021,425	3,635,837
2022	2,541,926	165,575	2,707,501	2,453,930
2021	2,515,696	102,324	2,618,020	3,757,361
Totals	13,443,542	742,373	14,185,915	22,870,744
Excess of income over expenditure 2021-2025				(8,684,829)

BOARD OF DIRECTORS' ANNUAL REPORT (continued)

INVESTMENTS AND RESERVES

Investment Management

The Charity's main capital investment is held in the BlackRock Armed Forces Charities Growth and Income Fund (AFCG&I), which is a multi-asset Charity Authorised Investment Fund managed by BlackRock Fund Managers Limited. An Advisory Committee representing the collective interests of unitholders acts as a consultative body to BlackRock. Mr Guy Davies chaired this committee during the reporting period until his resignation from the Board on 30 April 2025.

Approximately 7% of the Charity's capital is invested separately in the PITCH property fund managed by Swiss Life Asset Managers UK.

Investment Strategy

The Board's investment strategy is to achieve real growth in capital and to generate enough income to maintain the current level of grant making. The investment in AFCG&I covers a broad spread of assets and has lower overheads than the Charity could achieve by investing independently. AFCG&I is mainly invested in equities, with the balance held in bonds, alternatives, property, futures, and cash, offering the prospect for maximising growth whilst diversifying some risk. The Charity diversified a proportion of its holdings into the PITCH charity property fund when a source of capital for property investment was required. The fund has a similar aim of achieving real growth in capital and income.

Investment Performance

In the year to 30 June 2025, **AFCG&I** produced a total return of 4.0% (net). The Composite Benchmark returned 7.3% (net). The primary objective of the fund is to provide a return on investment over a period of five or more consecutive years beginning at the point of investment, generated through an increase to the value of the assets held by the Fund and/or income received from those assets. Over the five years to 30 June 2025, the Fund achieved an annualised net total return of 5.0% compared to the Composite Benchmark performance of 6.4%, underperforming the benchmark by 1.4%.

Q1 and Q2 2025 were some of the most volatile periods in recent market history. The first quarter of 2025 was marked by significant market volatility, with US equities posting their worst quarterly performance since 2022. The primary driver was a new wave of tariffs introduced under President Trump, which escalated trade tensions and fuelled inflation concerns. Investors grew increasingly worried about rising costs and supply chain disruptions, dampening market sentiment. Stagflation fears also became a key theme, with inflation expectations rising amid tariff-induced price pressures and persistent consumer concerns.

BOARD OF DIRECTORS' ANNUAL REPORT (continued)

Q2 was one of the most turbulent quarters in recent memory though in aggregate, over the period, markets generally performed well. The quarter began with sharp volatility after the US announced sweeping reciprocal tariffs, far exceeding expectations. Markets reacted violently, with equities and long-term government bonds both selling off sharply. However, sentiment quickly reversed after President Trump introduced a 90-day delay for non-retaliating countries, helping restore calm. Also supporting markets was the fact that economic growth and inflation data remained benign. With that backdrop, the fund's performance in the year to June 2025 has been significantly different between Q1 and Q2.

In April 2025, the Fund implemented changes to address divergence between asset allocation and manager selection outcomes. Asset allocation decisions (such as positioning across asset classes, regions, and sectors) have positively impacted the fund, while Manager Selection decisions (contribution to active performance from underlying managers the fund allocates to) broadly detracted from performance. Thus, the Fund has reduced exposure to underlying active managers and listed alternatives, and increased emphasis on our asset allocation decisions, such as dynamically managing the allocation to precious metals, which have contributed positively YTD. Performance of the fund in Q2 2025 saw the positive impact of these changes, with the fund delivering 7.4%(net) over the quarter, outperforming the benchmark by 3.7% and being strongly positioned to continue this outperformance into Q3 2025.

Income distributions in the year totalled 9.15 pence per unit (2024: 8.7 pence per unit), providing investment income of £2,478,833.49, an increase of £121,909.85 from the previous year. (2024: £2,356,923.64).

The **PITCH** property fund generated a dividend of £245,525 (2024: £256,313). The investment value increased by £94,078 to £4,362,230. PITCH has maintained a robust performance in FY24/25 delivering a total annual return of 8.2%. Despite broader weakness in the economy, PITCH has delivered an attractive total return over 12 months benefiting from the active repositioning strategy implemented over the past few years. The Fund has a lean, focussed portfolio of high quality, energy efficient properties, which continues to be invested in those areas of the market offering attractive, resilient income and real rental growth. This provides excellent opportunities to add further value to the portfolio through letting and refurbishment initiatives.

Financial Management and Reserves

The Charity operates in a similar manner to an endowed charity; it has a permanent source of unrestricted income from capital investments which it uses to fund a structured grants programme. The Board has complete discretion to decide the number and value of grants awarded and may apply both capital and income to meet need. In setting the annual grants budget, the Board balances the funds to be made available against the long-term aim of retaining sufficient capital to protect future income. In effect, all of the fund's assets are its reserves; these are divided into an immediate cash reserve held in an RBS

BOARD OF DIRECTORS' ANNUAL REPORT (continued)

Holts interest account (£486,000), a medium-term reserve held in the PITCH fund and CCLA COIF Fund (£5M) and a strategic reserve of the invested funds in the BlackRock Armed Forces Growth and Income Fund, which, at current levels, is equal to over 20 years of annual grants. In recent years funds available have been sufficient to maintain expenditure levels year-on-year and the Board has set the following priorities for grants:

- Priority 1 Sustaining grants to core activities: funding Army Sport, the Army Families Federation and the Army Command Grant.
- Priority 2 Fulfilling existing multi-year and meeting long-term commitments.
- Priority 3 Funding new grant applications.

In parallel, the Board seeks to maintain the highest standards of governance while ensuring cost-effective management and administration. This year Support and Governance costs were £91,000 which equates to 3% of total expenditure. The Reserves Target aligns with the investment and grant strategy. The Board sets the level of grant making to match available income to protect the value of the fund in perpetuity.

ACHIEVEMENTS AND PERFORMANCE

The Charity achieved its objectives during the year, paying out £3,089,634 in direct grants (2024: £9,843,681). The Charity awards grants in three main areas:

Army Welfare

The Charity's grant of £789,500 to HQ Regional Command is distributed by the Army Welfare Grants Committee and the Regional Command Welfare Grants Committee for welfare and sports projects in Army units and clubs both in the UK and overseas. For the first time, command grants to British Forces Cyprus (£21,000), British Forces South Atlantic Islands (£6,300) and Hamworthy Barracks (£2,200) were amalgamated into the award to HQ Regional Command for onward distribution through the Committees, which have delegated authority to award grants of up to £25,000 and £7,000 respectively. Larger projects are submitted to the Charity's Board for consideration, following discussion by the Army Grants Planning Forum. HQ Regional Command publishes quarterly reports providing an analysis of activities and an itemised list of expenditure.

Army-Wide Organisations

Army Sport. The Charity's grant of £719,691 contributes to central running costs enabling Army Sport to deliver its charter. This includes supporting the development and management of sport and sports facilities in the Army; governing Army Sports Associations; and authorising sports competitions and events. Competitive sport remains a critical element in maintaining Army health and fitness and is a key component of the Army's 'offer' to its people.

BOARD OF DIRECTORS' ANNUAL REPORT (continued)

Army Families Federation (AFF). The Charity's grant of £545,391 contributes to central running costs enabling the AFF to continue to represent families at Government, Army Command, and local levels. It also enables the AFF to communicate with and respond to enquiries from families and to campaign on current issues including housing, immigration, money, and employment. AFF continues to provide exceptional support to Army families which is particularly valuable for those families experiencing hardship.

Grants to Charities

As outlined in the Chairman's Overview, grants to charities provide a significant proportion of charitable support for the Army, supporting the physical, mental and social wellbeing of serving personnel and their immediate families. These awards are listed on page 39.

PLANS FOR THE FUTURE

As in previous years, whilst the Board is open to considering further major grants from capital, this is balanced by concerns about the long-term strength of the economy and the potential impact of inflation or market corrections on the value of investments. The Charity's financial priority is to ensure it can sustain its core funding in the event of significant investment losses or reduced income. Retaining substantial investment capital and reserves protects the future funding of critical services provided by partner charities to the Army community.

The Charity will continue to pursue opportunities for collaborative working where the outcome meets charitable objectives. In particular, the Charity will work closely with the Army Benevolent Fund and The Nuffield Trust for the Forces of the Crown as major supporters of the Army community.

The Board plans to redevelop the charity's website in FY25/26 to ensure that it provides a clearer, more engaging and accessible window into the work of the Army Central Fund. The refreshed site will make it easier for applicants to understand the Fund's priorities, eligibility criteria and grant processes, while offering serving personnel and their families a better insight into how charitable funds are being used to support their wellbeing and quality of life. The new design will also strengthen transparency, improve user experience across all devices, and support more efficient administration of grants and communications.

The Board is also working towards the production of a further Impact Report in 2026 and has appointed Bean Research to take this work forward. Building on the success of the previous report, this new study will provide an updated, evidence-based assessment of how the Army Central Fund's grants are improving the welfare and wellbeing of serving personnel, their families and the wider Army community. The research will draw on data from funded organisations, beneficiary feedback and independent evaluation to demonstrate outcomes, identify emerging needs, and inform future funding priorities.

BOARD OF DIRECTORS' ANNUAL REPORT (continued)

The Board views this as an important opportunity to strengthen accountability, measure long-term impact, and communicate the value of the Fund's charitable support to stakeholders across Defence and beyond.

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The trustee is responsible for preparing the trustee's report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustee to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period.

In preparing these accounts, the trustee is required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in 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).
- make judgements and estimates that are reasonable and prudent.
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's constitution. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustee is aware:

- there is no relevant audit information of which the Charity's auditors are unaware; and

BOARD OF DIRECTORS' ANNUAL REPORT (continued)

- the trustee has taken all steps that they ought to have taken to make itself aware of any relevant audit information and to establish that the auditors are aware of that information.

The Army Central Fund
Floor 1 | Zone 6
Ramillies Building
Marlborough Lines
Monxton Road
Andover
SP11 8HJ

Signed by Order of the Trustee Board


[SL Humphris \(Nov 19, 2025 16:51:34 GMT\)](#)

SL Humphris
Major General
Chair of the Corporate Trustee

Approved by the Board on 19/11/2025

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE ARMY CENTRAL FUND

Opinion

We have audited the financial statements of The Army Central Fund (the 'Charity') for the year ended 30 June 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 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 Auditors' 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 Board's 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 trustee with respect to going concern are described in the relevant sections of this report.

**REPORT OF THE INDEPENDENT AUDITORS
TO THE TRUSTEES OF THE ARMY CENTRAL FUND (continued)**

Other information

The Board is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns;
or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE ARMY CENTRAL FUND (continued)

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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the charitable sector, control environment and performance including the design of the organisation's remuneration policies;

**REPORT OF THE INDEPENDENT AUDITORS
TO THE TRUSTEES OF THE ARMY CENTRAL FUND (continued)**

- Any matters we identified, having obtained and reviewed the organisation's documentation of their policies and procedures relating to:
- Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- The matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the areas of management override of controls, going concern, income recognition, and the appropriateness of expenditure.

We also obtained an understanding of the legal and regulatory framework that the organisation operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements.

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- Enquiring of management, concerning actual and potential litigation and claims;
- Substantive testing to vouch source records to the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Enquiring of management the internal controls in, evaluating each control for weakness and vouching to evidence of the control taking place;
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

**REPORT OF THE INDEPENDENT AUDITORS
TO THE TRUSTEES OF THE ARMY CENTRAL FUND (continued)**

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

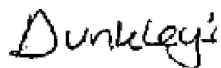
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Dunkley's Chartered Accountants Statutory Auditors
Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Woodlands Grange
Woodlands Lane
Bradley Stoke
Bristol
BS32 4JY



20/11/2025
Date:

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 30 June 2025

	Note	Total Unrestricted Funds 2025 £	Total Unrestricted Funds 2024 £
INCOME			
Income from			
Donations	2	79,692	107,796
Investment income	3	2,763,914	2,887,567
In Kind Income	8	21,874	-
TOTAL INCOME		2,865,480	2,995,363
EXPENDITURE			
Charitable activities	4	3,180,034	9,843,582
In Kind Expenditure	8	21,874	-
TOTAL EXPENDITURE		3,201,908	9,843,582
NET (EXPENDITURE) / INCOME		(336,428)	(6,848,219)
Gains/(Losses) on investment assets	9	259,036	2,890,094
NET MOVEMENT IN FUNDS		(77,392)	(3,958,125)
RECONCILIATION OF FUNDS			
	12/13		
Fund balances brought forward		66,391,680	70,349,805
FUND BALANCES CARRIED FORWARD		66,314,288	66,391,680

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 29 to 37 form part of the financial statements.

BALANCE SHEET
as at 30 June 2025

	Note	2025 £	2024 £
FIXED ASSETS			
Investments	9	65,212,228	64,953,192
		65,212,228	64,953,192
CURRENT ASSETS			
Debtors	10	34,905	38,308
Cash at bank and in hand		1,086,172	1,422,630
		1,121,077	1,460,938
CREDITORS: amounts falling due within one year	11	(19,017)	(22,450)
NET CURRENT ASSETS		1,102,060	1,438,488
TOTAL NET ASSETS		66,314,288	66,391,680
FUNDS			
	12/13		
Unrestricted Income Funds		66,314,288	66,391,680
TOTAL FUNDS		66,314,288	66,391,680

19 November

The financial statements were approved by the members of the Board on 19 November 2025 and are signed on their behalf by:

SL Humphris

[SL Humphris \(Nov 19, 2025 16:51:34 GMT\)](#)

SL Humphris
Major General
Chair of the Corporate Trustee

The notes on pages 29 to 37 form part of the financial statements.

STATEMENT OF CASHFLOWS
for the year ended 30 June 2025

	Note	2025	2024
		£	£
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash (used) from operating activities	See below	(3,100,372)	(9,800,407)
Cash flows from investing activities:			
Dividends and interest from investments		2,763,914	2,887,567
Proceeds from sale of investments		-	-
Net cash provided by investing activities:		2,763,914	2,887,567
Change in cash and cash equivalents in the reporting period		(336,458)	(6,912,840)
Cash equivalents at the beginning of the reporting period		1,422,630	8,335,470
Cash and cash equivalents at the end of the reporting period		(1,086,172)	1,422,630
RECONCILIATION OF NET INCOME TO NET CASHFLOW FROM OPERATING ACTIVITIES			
Net Income for the reporting period per the statement of financial activities		(77,392)	(3,958,125)
Adjustments for:			
Depreciation charges		-	132
(Gains)/Losses on investments		(259,036)	(2,890,094)
Dividends and interest from investments		(2,763,914)	(2,887,567)
Decrease/(Increase) in debtors		3,403	29,254
(Decrease)/Increase in creditors		(3,433)	(94,007)
Net cash (used) from operating activities		(3,100,372)	(9,800,407)

The notes on pages 29 to 37 form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value, and include the results of the Charity's operations which are described in the Trustees' Report and all of which are continuing. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by 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 Act 2011 and the Companies Act 2006. The trust constitutes a public benefit entity as defined by FRS 102.

Income

All incoming resources are recognised when the charitable trust has entitlement to the funds, the receipt is probable, and the amount can be measured reliably. Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable, and the amount can be reliably measured. Investment income from loans and short-term deposits is accrued in relation to the period to which it relates. Other investment income from assets held in asset portfolios or current accounts is included when reported as received by the portfolio manager.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Grant expenditure

A constructive obligation for grants payable exists once it has been communicated to the recipient. Upon the obligation existing, where payment is probable and can be measured reliably, the entire grant is accounted for in the Statement of Financial Activities, less any amounts that rely upon the recipient meeting performance-related conditions.

Charitable activities

These are costs incurred on the charity trust's individual charitable activities, including support costs and costs relating to the governance of the charitable trust apportioned to charitable activities.

Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rate in use is as follows:

Office Equipment	3 years' straight line
------------------	------------------------

Investments

The charity's investment in managed portfolios is included in the balance sheet at fair value, being the open market value specified by the portfolio managers at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2025

1 ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognised when the charitable trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the charitable trust at the discretion of the trustees. Designated funds comprise a strategic fund reserved to the value of two years expenditure.

Financial instruments

The charity 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.

2 DONATIONS

	Total Unrestricted Funds 2025 £	Total Unrestricted Funds 2024 £
Blue Light MOD Discount Scheme	79,692	107,771
Other donations	-	25
Legacy (Carpenter Estate)	-	-
	79,692	107,796

3 INVESTMENT INCOME

	Total Unrestricted Funds 2024 £	Total Unrestricted Funds 2023 £
Income from a UK managed fund	2,478,833	2,356,924
Income from Property Income Trust	245,525	256,313
Bank interest receivable	39,556	274,330
	2,763,914	2,887,567

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2025

4 COST OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Total Unrestricted Funds	Total Unrestricted Funds
	2025	2024
	£	£
Grant commitments at the start of the year	9,516	106,156
Grants awarded during the year	3,088,878	9,747,041
Grant commitments at the end of the year	(8,760)	(9,516)
Total grants paid in year (see page 32)	3,089,634	9,843,681
Total charitable activities	Total Funds	Total Funds
	2025	2024
	£	£
Grants awarded during the year (see above)	3,088,878	9,747,041
Support costs (see note 5)	91,156	96,541
	3,180,034	9,843,582

5 SUPPORT AND GOVERNANCE COSTS

	Total Unrestricted Funds	Total Unrestricted Funds
	2025	2024
	£	£
Salaries and contributions to pension & healthcare	53,600	59,447
Treasurers' fees	11,121	11,021
Legal Fees and Consultancy	9,289	6,107
Audit fees	3,040	5,963
Irrecoverable VAT	3,333	4,200
Secretariat expenses	5,868	3,170
Publication costs	319	2,645
Subscriptions	2,722	2,079
Trustees training	243	1,070
Trustees travel	1,449	421
Insurance costs	172	172
Office equipment depreciation	-	132
Costs of Trustees' meetings	-	114
	91,156	96,541

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2025

6 NET EXPENDITURE / INCOME FOR THE YEAR

This is stated after charging:	2025	2024
	£	£
Depreciation	-	132
Treasurers' remuneration	11,121	11,021
Auditors' remuneration – audit of the financial statements	3,040	5,963
Irrecoverable VAT	3,333	4,200
	17,494	21,316

7 STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2025	2024
	£	£
Key management personnel		
Wages and salaries	46,167	51,494
Employers' NI	-	706
Employers' Pension Contributions	7,433	6,532
Healthcare Contribution and Death in Service Benefit for Secretary	-	715
	53,600	59,447

Particulars of employees:

The average number of employees during the year was 1 (2024 1), and calculated on the basis of full-time equivalents, this was as follows:

	2025	2024
	No	No
Number of administrative staff:	0.75	0.75

The Charity considers its key management personnel comprise the Directors and the Company Secretary.

No Director received any remuneration during the year.

No employee received emoluments of more than £60,000 during the year.

Wages and salaries figure 2024 includes lump sum payment of £10,000 paid to an employee.

The requirement to accrue holiday pay has been considered but this has not been included in the accounts at 30 June 2025 due to the immaterial value of the potential adjustment.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2025

8 IN KIND INCOME/EXPENDITURE

Parkdean Resorts and ACF support British Army service personnel with free holiday breaks. The value of this gift is £21,874, based on bookings made in the period 1st July 2024 to 30th June 2025.

9 INVESTMENTS

Movement in market value

	2025 Mayfair £	2025 AFCG&I £	2025 Total £	2024 Total £
Market value at 1 July 2024	4,268,152	60,685,040	64,953,192	62,063,098
Disposal proceeds	0	0	0	0
Net (losses)/gains on revaluations in the year ended 30 June 2025	94,078	164,958	259,036	2,890,094
Market value at 30 June 2025	4,362,230	60,849,998	65,212,228	64,953,192
Historical cost at 30 June 2025	5,000,000	29,395,919	34,395,919	34,395,919

Listed investments

	2025 £	2024 £
BlackRock AFCG&I Income Units	60,849,998	60,685,040
Swiss Life UK PITCH Property Income Fund	4,362,230	4,268,152
	65,212,228	64,953,192

Historical Note

On 2 September 2002 the ACF Capital Fund valued at £31,604,555 was exchanged for Income/Distribution units in the then ACIF at £1 per unit. On 9 December 2019 the Charity's investment of £62,515,051.11 in the Armed Forces Common Investment Fund (AFCIF) was transferred to the Armed Forces Charities Growth & Income Fund (AFCG&I) at equal value and with the same number of shares.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2025

Risk Management

The Charity's main capital investment is held in the Armed Forces Charities Growth & Income Fund, a sub-fund of the BlackRock Charity Authorised Investment Fund. It is a multi-asset fund with holdings in UK Equities, Overseas Equities, Fixed Income, Property and Alternatives. The balance of investments in the portfolio is actively managed by BlackRock Fund Managers Limited. The Charity is represented on the Advisory Committee, a consultative body which liaises with BlackRock on behalf of unitholders. The Charity's strategic reserve is invested in the Property Income Trust for Charities (PITCH), a charity property fund, managed by Swiss Life Asset Managers UK.

10 DEBTORS: Amounts falling due within one year

	2025	2024
	£	£
Prepayments	1,077	771
Other Debtors	33,828	37,537
	34,905	38,308

11 CREDITORS: Amounts falling due within one year

	2025	2024
	£	£
Grant commitments	8,760	9,516
Accruals	10,257	12,934
	19,017	22,450

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2025

12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

2025

	Investments	Net assets	Total
	£	£	£
Unrestricted Income Funds	65,212,228	1,102,060	66,314,288
Total Funds	65,212,228	1,102,060	66,314,288

ANALYSIS OF NET ASSETS BETWEEN FUNDS

2024

	Investments	Net assets	Total
	£	£	£
Unrestricted Income Funds	64,953,192	1,438,488	66,391,680
Total Funds	64,953,192	1,438,488	66,391,680

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2025

13 Analysis of Movement in Funds

	Funds			Investment	Funds
	01.07.24	Income	Expenditure	Gains	30.06.25
	£	£	£	£	£
Unrestricted Income Funds	66,391,680	2,865,480	(3,201,908)	259,036	66,314,288
Total Funds	66,391,680	2,865,480	(3,201,908)	259,036	66,314,288

	Funds			Investment	Funds
	01.07.23	Income	Expenditure	Gains	30.06.24
	£	£	£	£	£
Unrestricted Income Funds	63,418,553	2,995,363	(2,912,330)	2,890,094	66,391,680
Designated Funds	6,931,252	-	(6,931,252)	-	-
Total Funds	70,349,805	2,995,363	(9,843,582)	2,890,094	66,391,680

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

14 RELATED PARTY TRANSACTIONS

Register of Trustees' Complementary Interests

During the ACF accounting year from 1 July 2024 to 30 June 2025, Mr Guy Davies was the Chair of the Advisory Committee overseeing the investments of the Armed Forces Charities Growth & Income Fund which delivers dividend income. He did not receive any remuneration or benefit from membership of this committee.

During the ACF accounting year from 1 July 2024 to 30 June 2025 there were no Directors of ACF Trustee Ltd who were also trustees of other charities which benefitted from grants made by the ACF.

During the ACF accounting year from 1 July 2024 to 30 June 2025 there were six Directors of ACF Trustee Ltd who were reimbursed for travel expenses totalling £1,268 and one Director reimbursed for accommodation expenses of £51.

15 COMMITMENTS

Grants 2025/2026

At the meeting of the Board held on 21 May 2025 it was decided that the financial year of the Charity should be changed for FY25/26 to run from 1 July 2025 to 31 March 2026. Subsequent financial years would then begin on 1 April each year. As a result, the grant applications initially agreed 'in principle' by the Board had to be reconsidered owing to a reduced grantmaking budget. The Board decided out of committee to award grants totalling £1,920,690 to recipients previously agreed 'in principle' for the year beginning 1 July 2025.

Pledges of Support

Due to the adoption of FRS102, forward grant commitments are now accrued in full and recognised at the time award letters are disseminated to recipients. In previous years, forward grant commitments were noted in the accounts and recognised as they became due.

MANAGEMENT INFORMATION
for the year ended 30 June 2025

The following pages do not form part of the statutory financial statements which are subject to the independent auditor's report on pages 21 to 25.

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 30 June 2025

	2025	2024
	£	£
INCOME FROM		
Donations		
Other donations	79,692	107,796
	79,692	107,796
Investment Income		
Income from investments	2,724,358	2,613,237
Bank interest receivable	39,556	274,330
Other Income		
In Kind Income	21,874	-
	2,785,788	2,887,567
TOTAL INCOME	2,865,480	2,995,363
EXPENDITURE		
Charitable Activities		
Grants awarded during the year	3,088,879	9,747,041
In Kind Expenditure	21,874	-
	3,110,753	9,747,041
Support and Governance Costs		
Salaries and contributions to pension & healthcare	53,600	59,447
Treasurers' fees	11,121	11,021
Legal Fees and Consultancy	9,289	6,107
Audit fees	3,040	5,963
Irrecoverable VAT	3,333	4,200
Secretariat expenses	5,868	3,170
Publication costs	319	2,645
Subscriptions	2,722	2,079
Trustees training	243	1,070
Trustees travel	1,449	421
Insurance costs	172	172
Office equipment depreciation	-	132
Costs of Trustees' meetings	-	114
TOTAL EXPENDITURE	3,201,908	9,843,582
NET (EXPENDITURE) / INCOME FOR THE YEAR	(336,428)	(6,848,219)

	2025	2024
	£	£
CHARITABLE ACTIVITIES - GRANTS PAID		
Army Command Grant. Welfare funding	760,000	760,000
Army Sport. Staff and management costs	719,690	674,107
Army Families Federation. Staff and management costs	545,391	513,318
Warrior Programme. Mental health resilience	200,000	50,000
Defence Medical Welfare Service. Army patients in NHS hospitals	98,000	90,000
Aurora New Dawn. Domestic Violence support service	80,000	80,000
Home-Start UK. Supporting families with young children	75,000	62,500
SSAFA - Norton House. Costs of visitor accommodation	65,000	65,000
Fares4Free	61,500	-
AWS Activity Camps	60,000	60,000
Relate	51,038	-
Fisher House (Queen Elizabeth Hospital Birmingham Charity)	50,000	-
Forces Employment Charity	50,000	-
HighGround	44,080	-
SSAFA - Short Breaks. Children with additional needs	40,000	40,000
Families' Activities Breaks	30,000	-
Command Grant - Army (minor grants)	29,500	-
Felix Fund	20,670	-
Horseback UK	15,624	-
Reading Force	15,000	-
HAC Everest Expedition	11,200	-
Addiction Family Support	10,000	-
Gwennili Trust	9,500	-
Recruit for Spouses	8,640	-
Give Us Time	8,000	-
Team V3nture	6,425	-
On Course Foundation Golf Activities	6,180	3,800
Ex Eagle's Endurance	6,000	-
Forces Children Scotland	5,040	-
Shared Parenting Scotland	4,900	-
Ex Atlas Enduro	2,500	-
Army Roll of Honour Project	756	51,640
Pirbright Welfare Centre	-	6,931,216
ASCB Army Sailing Thorney Island	-	275,000
Army Sport Uplift	-	33,700
Scottys Little Soldiers	-	30,000
Armed Forces Equestrian	-	25,000
British Forces Cyprus Command Grant	-	21,000
Clervaux Trust, The Fold grant	-	16,400
Military Wives Choirs. Choir development	-	15,000
Army Widows Association. Training costs	-	15,000
RM Poole. Welfare funding	-	2,200
	3,089,634	9,843,681

THE ARMY CENTRAL FUND

England & Wales - Charity number 245700

Accounts



Supporting
The British Army

**ANNUAL REPORT OF THE TRUSTEE
& FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2024

CONTENTS	PAGE
Reference and Administrative Details	3
Board of Directors' Annual Report	5
Independent Auditors' Report	17
Statement of Financial Activities	22
Balance Sheet	23
Statement of Cashflows	24
Notes to the Financial Statements	25
The following pages do not form part of the Financial Statements	
Detailed Statement of Financial Activities	35

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Number	245700
Registered Office	Floor 1 Zone 6 Ramilies Building Marlborough Lines Monxton Road Andover SP11 8HJ
The Patrons	Members of the Army Board of the Defence Council
Corporate Trustee	The Army Central Fund Trustee Limited
Corporate Trustee's Company Number	11820705

Directors of The Army Central Fund Trustee Limited

Major General PR Griffiths CB (Chair until 05.10.23)
Major General SL Humphris MBE (Chair from 05.10.23)
Colonel AK Brown OBE
Brigadier EJR Chamberlain CBE
Warrant Officer Class 1 J Clarke (from 11.07.23 until 01.09.24)
Mr GC Davies
Brigadier A Fraser-Hitchen DL (from 01.09.24)
Brigadier AC Luedicke OBE (until 10.02.24)
Air Vice Marshal The Hon DP Murray CVO OBE DL
Colonel MCA Palmer (from 01.09.24)
Warrant Officer Class 1 ML Queripel (from 01.09.24)
Major General AMG Smyth QRVM TD (until 30.06.24)
Mrs EA Thomas (from 01.09.24)

During the year no Directors of The Army Central Fund Trustee Limited were also Trustees or Committee Members of other charities which benefited from grants made by the Army Central Fund ("the Charity").

Company Secretary	Lieutenant Colonel JF Panton MBE (until 01.12.2023) Caroline Crewe-Read (from 01.12.2023)
Treasurer	The Trust Partnership 6 Trull Farm Buildings Tetbury Gloucestershire GL8 8SQ

REFERENCE AND ADMINISTRATIVE DETAILS (continued)

Investment Advisor	GC Davies Esq
Legal Advisor	Wilson's Solicitors LLP Charities Team 4 Lincoln's Inn Fields London WC2A 3AA
Auditor	Dunkley's Woodlands Grange Woodlands Lane Bradley Stoke Bristol BS32 4JY
Investment Managers	BlackRock Fund Managers Limited 12 Throgmorton Avenue London EC2N 2DL Swiss Life Asset Managers UK 55 Wells Street London W1T 3PT CCLA Fund Managers Limited One Angel Lane London EC4R 3AB
Bankers	Holt's Military Banking 200 Fowler Avenue Fowler Business Park Farnborough Hampshire GU14 7JP

BOARD OF DIRECTORS' ANNUAL REPORT

The Board of Directors of the Charity's corporate trustee company present their report along with the financial statements of the Charity for the year ended 30 June 2024. The financial statements have been prepared in accordance with the accounting policies set out on page 25 of the attached accounts and comply with the Charity's trust deed, the Articles of Association of The Army Central Fund Trustee Limited, the Companies Act 2006, the Charities Act 2011, regulations applicable to that Act, and 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 from 1 January 2019.

BACKGROUND

The Charity was formed in 1948 by the merger of existing military welfare funds, some dating back to the First World War. The capital of the Charity was invested, and its income was used to help improve the welfare of serving British Army personnel and their families. That aim continues today and is achieved by awarding grants to military organisations and to UK registered charities that support the serving Army community.

The Charity operates without any subscriptions, sponsorship, government grants or fundraising. It is also extremely cost-effective, dispersing over 96% of its income in grants.

Further information about the Charity and the grant application process is available on the website www.armycentralfund.org.uk and the 2023 Impact Report can be found at https://issuu.com/armycentralfund.org.uk/docs/acf_2023_impact_report_-_issuu

CHAIRMAN'S OVERVIEW

The financial year 2023-24 has been another very good year for the Charity. Despite global economic challenges which have resulted in the capital value of the fund reducing, the investments have continued to generate strong returns which has allowed £9.84m to be dispersed in support of the serving Army.

Core Grants (£2,010,625). Army Welfare Funds are the biggest single recipient of funding through the programme of annual Command Grants. This year £789,500 was awarded to grant committees in the UK and overseas to support unit welfare and sport. Through an internal application process dozens of small grants were made to Army units and organisations. In addition, £513,318 was awarded to the Army Families Federation to underpin their vital work and £707,807 to Army Sport towards its central running costs. These three Core Grants supplement MOD provision and help improve wellbeing and health. This meets our principal charitable object as laid out in the governing document; 'to promote the efficiency of the Army for the public benefit'.

BOARD OF DIRECTORS' ANNUAL REPORT (continued)

Project Grants (£901,841). Equally importantly, the Charity accepts grant applications from national and military charities to provide activities and resources across the Army community. This funding can contribute to both specialist help for those in need and facilities and resources for the whole community. During FY23/24 this included:

Sport

- Army Inshore Sail Training Centre (£275,000). Construction of new stores, training and workshop facilities at the Army Inshore Sail Training Centre on Thorney Island. An estimated 1,300 serving personnel will use the water sports facility each year, with 500 estimated to use the centre's other buildings and accommodation.

Mental Wellbeing

- Warrior Programme (£50,000). Mental strength and resilience training for those whose performance is adversely affected by stress or anxiety or requiring additional support to return to work after trauma or medical intervention. Funding for 25 places a year for serving personnel.

Physical and Mental Wellbeing

- SSAFA (£65,000). A contribution to the running costs of Norton House, Stanford Hall which provides accommodation for friends and family visiting patients undergoing treatment at the Defence Medical Rehabilitation Centre.
- Defence Medical Welfare Service (£90,000). Emotional and practical support for those undergoing physical or mental health treatment in the NHS to reduce any barrier to an individual returning to full health. The grant contributes to staff costs across the South of England, at Catterick and for a national response service.
- Aurora New Dawn (£80,000). Funding of two Armed Forces Advocate posts to provide independent practical and emotional support to survivors of Domestic Violence, stalking and sexual violence. Practical advice to Unit Welfare Officers and other military agencies and work with the Army Welfare Service to help influence a shift in culture.
- Armed Forces Equine Charity (£15,000). Provision of Equine Assisted Services to those serving personnel in recovery, rehabilitation and therapy through the integration of clinical and non-clinical interventions into a comprehensive care pathway. Funding will provide 10 places for highly vulnerable individuals on a one-week residential course at Tidworth Equestrian Centre.

Social Wellbeing

- Home-Start UK (£72,500). Helping families struggling to care for young children by funding home visits by trained volunteers, and community groups to help families make friends and reduce isolation.
- SSAFA (£40,000). Contribution to the costs of families attending a Short Break activity holiday for families with a child with an additional need or disability.
- Scotty's Little Soldiers (£30,000). Provision of respite breaks for bereaved families and additional support around Remembrance Day.

BOARD OF DIRECTORS' ANNUAL REPORT (continued)

Pirbright Project. The Charity also fulfilled its commitment to support the provision of a modern welfare facility at the Army Training Centre, Pirbright through the award of a capital grant of £7,000,000. The project, which was managed by Army Headquarters and the Defence Infrastructure Organisation, is now complete and the building is fully operational.

Army Roll of Honour. The Charity continued to support the compilation of the Army Roll of Honour, comprising the names of British Army personnel who have, since 1948, died whilst in the service of the United Kingdom. A set of copy books and a display cabinet was provided for Army HQ in Andover, and permanent display cabinets were also commissioned for the permanent home for the Roll in the National Army Museum. Whilst the administrative responsibility for updating the Roll has now been passed to the Army Dependants' Trust, the Charity has continued to fund updates to Volume 4 for 2022 and 2023.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

The Charity is constituted as an unincorporated charity and is governed by a Scheme of the Charity Commission sealed on 21 July 2004 (as amended by resolutions of the Board passed on 13 May 2014 and 6 December 2016 and by a Deed of Amendment, Appointment and Retirement dated 19 November 2019). The Army Central Fund Trustee Limited, was appointed as the sole trustee of the Charity on 11th February 2019 and acts as the Charity's corporate trustee.

Appointment of Directors

Directors of the corporate trustee are appointed by resolution of the Board. The Board may advertise vacancies and also invite senior members of the Army to nominate serving personnel. The Board is required to be a minimum of six persons with a minimum of three present at each meeting to conduct business. Directors serve for an initial term of three years and may serve for additional terms with the approval of the whole Board.

Key Management Personnel

The Directors and the Company Secretary comprise the key management personnel who direct, control, and operate the Charity.

BOARD OF DIRECTORS' ANNUAL REPORT (continued)

Board Training and Advice

The Board keeps its skill levels under review. Directors will normally have served as trustees of other charities. As part of their induction, they are offered additional training on their responsibilities under company and charity law, and refresher training during their tenure. Relevant updates and briefings are shared by the Secretary. The Board is advised by the Secretary, Treasurer, and Investment Advisor. Further professional advice is provided by the Charity's solicitor, bank, fund managers and auditor.

Management

Routinely the Board meets twice a year and calls additional meetings as required. The Spring meeting is concerned mainly with applications for grants, the year end forecast, and the following year's income and expenditure budget. The Autumn meeting considers the Annual Report and Financial Statements, the Audit Report, and any additional grant applications. At each meeting the Board monitors investment performance. Policies are reviewed according to their individual schedules. The day-to-day management and administration of the Charity is delegated to the Secretary. Directors are required to disclose any relevant interests and withdraw from any decisions where a conflict of interest may arise. This is recorded in each meeting's Records of Decisions.

Risk

The Board conducts a full risk audit every two years to consider the major risks to which the Charity is exposed; a house-keeping audit in intervening years considers any significant changes. Risks are categorised as Governance and Compliance; Operational; Financial. The most significant risks to the Charity are noted below. The Directors have satisfied themselves that systems or procedures are established to mitigate all identified risks. The Board is alert to the potential impact of long-term financial market instability on the charity sector as a whole and on those charities that support the Army community.

Risk: Composition of Board – diversity and continuity of membership.

Mitigations: Ensure a mix of serving and non-serving Directors; undertake an annual skills audit and gap-analysis; consider use of an external recruitment process for new Directors; ensure both serving personnel (Regular and Reserve) and families are represented on the Board.

Risk: Failure to assess impact of grants and use evidence to inform decisions.

Mitigations: Review major annual grants including detailed review of Army Sport grant in FY23/24; work with Regional Command to increase transparency around grants awarded and improve grant-reporting; schedule visits to all grant recipients to assess project deliverables and outcomes.

BOARD OF DIRECTORS' ANNUAL REPORT (continued)

Risk: Reputational damage arising from third party beneficiary or media incident.

Mitigations: Review due diligence processes around grant awards; maintain regular contact and open lines of communication with grant recipients to ensure issues are raised and resolved quickly and transparently; respond quickly to media incidents to clarify the Charity's role and reinforce governance decisions.

Risk: Volatile income stream and loss in value of investments and other income streams impacting on grant making operations.

Mitigations: Maintain diversification of the Charity's funds to ensure current grant making levels can be sustained; continue to ensure the investment fund includes a reserve sufficient to fund at least four quarterly dividends which would allow time to manage any reduction in the grants programme, if required; continue rolling review of investment strategy; continue to pay close attention to the UK economy and performance of international financial markets.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

Under Clause 4 of the Scheme, the objects of the Charity are:

- (1) To promote the efficiency of the Army for the public benefit in such charitable ways as the trustee may decide.
- (2) The relief of persons who:
 - (a) are in need, hardship and distress; and
 - (b) are serving personnel of the Army or the dependants of such persons.
- (3) The trustee may relieve persons in need by:
 - (a) making grants of money to them; or
 - (b) providing or paying for goods, services or facilities for them; or
 - (c) making grants of money to other persons or bodies who provide goods, services or facilities to those in need.

The Board has taken account of the Charity Commission's general guidance on public benefit when reviewing aims and objectives and in planning future activities. It considers that the Charity's activities match the objectives, and that this provides public benefit by improving conditions for those serving in the Army and for their families, sustaining morale and retaining trained personnel.

BOARD OF DIRECTORS' ANNUAL REPORT (continued)

Grant Strategy

The Charity awards grants across the serving Army community for collective welfare and sports projects, and to charities that support the physical, mental and social wellbeing of serving Army personnel and their families. The Charity does not routinely provide direct financial support to individuals in need, as this is either provided through official sources or by charities that can access casework and properly assess needs. Post-grant reports are required from all grantees and feedback from these reports informs the Board on its future grant making activities. In summary the strategy is to:

- Fund grants from annual income.
- Consider making additional grants from capital for major projects.
- Prioritise support to projects that support those in need.
- Support projects that particularly benefit Junior Ranks and their families.
- Address inequalities and support minority communities.
- Support core welfare activities by making annual awards to:
 - The Army Families Federation
 - Army Sport
 - Army Unit Welfare (the Army Command Grant which is outlined below)
- Sustain relationships with charities providing key activities through multi-year agreements.
- Maintain close relationships with the Army and with other grant making bodies to help coordinate charitable funding across the Army community.

BOARD OF DIRECTORS' ANNUAL REPORT (continued)

FINANCIAL REVIEW

Income and Expenditure

Valuation of the Charity (Total Net Assets)

The Charity's investments account for around 90% of its assets and investment performance is usually the main determinant of the Charity's valuation year on year. Between 2020 and 2021 financial markets performed particularly well, and the value of the fund increased by £9.85M over two years. In the following two years market volatility resulted in the value of the fund falling back by £8.36M. Investment performance has improved in 2024 and the net loss is attributable to the Pirbright grant award:

Table 1 – Total Net Assets 2020-2024 (£)

Year Ending 30 Jun	Valuation Start of Year	Valuation End of Year	Change Year on Year
2024	70,349,805	66,391,680	(3,958,125)
2023	74,926,285	70,349,805	(4,576,480)
2022	78,710,872	74,926,285	(3,784,587)
2021	70,971,854	78,710,872	7,739,018
2020	68,860,096	70,971,854	2,111,758
Increase 2020-2024			(2,468,416)

Income and Expenditure

The Charity has two main sources of income: investment income and donations. As Table 2 below shows, over the last five years there has been a surplus of expenditure over income of £5,812,294, caused by the atypical grant made to the Pirbright Soldiers' Centre in 2024.

Table 2 - Income and Expenditure 2020-2024 (£)

Year Ending 30 Jun	Investment Income	Donations	Total Income	Charitable Expenditure
2024	2,887,567	107,796	2,995,363	9,843,582
2023	2,734,439	286,986	3,021,425	3,635,837
2022	2,541,926	165,575	2,707,501	2,453,930
2021	2,515,696	102,324	2,618,020	3,757,361
2020	2,530,755	5,596,398	8,127,153	5,591,046
Totals	13,210,383	6,259,079	19,469,462	25,281,756
Excess of income over expenditure 2020-2024				(5,812,294)

BOARD OF DIRECTORS' ANNUAL REPORT (continued)

INVESTMENTS AND RESERVES

Investment Management

The Charity's main capital investment is held in the BlackRock Armed Forces Charities Growth and Income Fund (AFCG&I), which is a multi-asset Charity Authorised Investment Fund managed by BlackRock Fund Managers Limited. An Advisory Committee representing the collective interests of unitholders acts as a consultative body to BlackRock. Mr Guy Davies chaired this committee during the reporting period and Major General PR Griffiths was a member.

Approximately 7% of the Charity's capital is invested separately in the PITCH property fund managed by Swiss Life Asset Managers UK.

Investment Strategy

The Board's investment strategy is to achieve real growth in capital and to generate enough income to maintain the current level of grant making. The investment in AFCG&I covers a broad spread of assets and has lower overheads than the Charity could achieve by investing independently. AFCG&I is mainly invested in equities, with the balance held in bonds, alternatives, property, futures, and cash, offering the prospect for maximising growth whilst diversifying some risk. The investment in the PITCH charity property fund has a similar aim of achieving real growth in capital and income.

Investment Performance

In the year to 30 June 2024, AFCG&I produced a total return of 9.8% (net). The Composite Benchmark returned 12.1% (net). The primary objective of the fund is to provide a return on investment over a period of five or more consecutive years beginning at the point of investment, generated through an increase to the value of the assets held by the Fund and/or income received from those assets. Over the five years to 30 June 2024, the Fund achieved an annualised net total return of 5.0% compared to the Composite Benchmark performance of 5.2%, underperforming the composite benchmark by 0.2%.

Of note, in January 2024, the fund underwent significant changes to its benchmark and approach. The benchmark change removed the UK bias to provide the investment team with a broader global opportunity set, and the switch from an Income Reserve to a Total Return approach enables BlackRock to maintain and grow the income distribution over time. These changes were approved by unitholders by a significant margin (99.95%) at an Extraordinary General Meeting (EGM) on 23 November 2024.

Income distributions in the year totalled 8.7 pence per unit (2023: 8.3 pence per unit), providing investment income of £2,356,923.64, an increase of £108,364.32 from the previous year. (2023: £2,248,559.32).

BOARD OF DIRECTORS' ANNUAL REPORT (continued)

The PITCH property fund generated a dividend of £256,313 (2023: £265,680). The investment value decreased by £296,087 from £4,564,239 to £4,268,152.

Financial Management and Reserves

The Charity operates in a similar manner to an endowed charity; it has a permanent source of unrestricted income from capital investments which it uses to fund a structured grants programme. The Board has complete discretion to decide the number and value of grants awarded and may apply both capital and income to meet need. In setting the annual grants budget, the Board balances the funds to be made available against the long-term aim of retaining sufficient capital to protect future income. In effect, all of the fund's assets are its reserves; these are divided into an immediate cash reserve held in an RBS Holts interest account (£500,000), a medium-term reserve held in the PITCH fund and CCLA COIF Fund (£5M) and a strategic reserve of the invested funds in the BlackRock Armed Forces Growth and Income Fund, which, at current levels, is equal to over 20 years of annual grants. In recent years funds available have been sufficient to maintain expenditure levels year-on-year and the Board has set the following priorities for grants:

- Priority 1 Sustaining grants to core activities: funding Army Sport, the Army Families Federation and the Army Command Grant.
- Priority 2 Fulfilling existing multi-year and meeting long-term commitments.
- Priority 3 Funding new grant applications.

In parallel, the Board seeks to maintain the highest standards of governance while ensuring cost-effective management and administration. This year Support and Governance costs were under £100,000 which equates to 0.9% of total expenditure, although this was affected by the final grant made to support the Pirbright project. The Reserves Target aligns with the investment and grant strategy. The Board sets the level of grant making to match available income to protect the value of the fund in perpetuity.

ACHIEVEMENTS AND PERFORMANCE

The Charity achieved its objectives during the year, paying out £9,843,681 in direct grants (2023: £3,472,551). The Charity awards grants in three main areas:

Army Welfare

The Army Welfare Grants Committee dispersed the Charity's Army Command Grant of £760,000 for welfare and sports projects in Army units and clubs. The Committee can award grants of up to £25,000 and it recommends the submission of larger projects to the Charity's Board for consideration. It publishes quarterly reports providing an analysis of activities and an itemised list of expenditure. A structure of subordinate committees allows local headquarters to approve grants of up to £7,000 each.

BOARD OF DIRECTORS' ANNUAL REPORT (continued)

Army-Wide Organisations

Army Sport. The Charity's grant of £707,807, comprising the initial grant of £674,107 plus an in-year uplift of £33,700, contributes to central running costs enabling Army Sport to deliver its charter. This includes supporting the development and management of sport and sports facilities in the Army; governing Army Sports Associations; and authorising sports competitions and events. Competitive sport remains a critical element in maintaining Army health and fitness and is a key component of the Army's 'offer' to its people.

Army Families Federation (AFF). The Charity's grant of £513,318 contributes to central running costs enabling the AFF to continue to represent families at government, Army Command, and local levels. It also enables the AFF to communicate with and respond to enquiries from families and to campaign on current issues including housing, healthcare provision, immigration, money, and employment. AFF continues to provide exceptional support to Army families which is particularly valuable for those families experiencing hardship.

Grants to Charities

As outlined in the Chairman's Overview, grants to charities provide a significant proportion of charitable support for the Army, supporting the physical, mental and social wellbeing of serving personnel and their immediate families. These awards are listed on pages 35-36.

PLANS FOR THE FUTURE

As in previous years, whilst the Board is open to considering further major grants from capital, this is balanced by concerns about the long-term strength of the economy and the potential impact of inflation or market corrections on the value of investments. The Charity's financial priority is to ensure it can sustain its core funding in the event of significant investment losses or reduced income. Retaining substantial investment capital and reserves protects the future funding of critical services provided by partner charities to the Army community.

The Charity will continue to pursue opportunities for collaborative working where the outcome meets charitable objectives. In particular, the Charity will work closely with The Nuffield Trust for the Forces of the Crown, the Army Benevolent Fund and SSAFA The Armed Forces Charity as major supporters of the Army community.

BOARD OF DIRECTORS' ANNUAL REPORT (continued)

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The trustee is responsible for preparing the trustee's report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustee to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period.

In preparing these accounts, the trustee is required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in 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).
- make judgements and estimates that are reasonable and prudent.
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's constitution. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustee is aware:

- there is no relevant audit information of which the Charity's auditors are unaware; and
- the trustee has taken all steps that they ought to have taken to make itself aware of any relevant audit information and to establish that the auditors are aware of that information.

BOARD OF DIRECTORS' ANNUAL REPORT (continued)

The Army Central Fund
Floor 1 | Zone 6
Ramillies Building
Marlborough Lines
Monxton Road
Andover
SP11 8HJ

Signed by Order of the Trustee Board



SL Humphris
Major General
Chair of the Corporate Trustee

Approved by the Board on 19 November 2024

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEE OF THE ARMY CENTRAL FUND

Opinion

We have audited the financial statements of The Army Central Fund (the 'charity') for the year ended 30 June 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 Board's 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 trustee with respect to going concern are described in the relevant sections of this report.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE ARMY CENTRAL FUND

Other information

The Board is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns;
or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE ARMY CENTRAL FUND

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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the charitable sector, control environment and performance including the design of the organisation's remuneration policies;

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEE OF THE ARMY CENTRAL FUND

- Any matters we identified, having obtained and reviewed the organisation's documentation of their policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
 - The matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the areas of management override of controls, going concern, income recognition, and the appropriateness of expenditure.

We also obtained an understanding of the legal and regulatory framework that the organisation operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements.

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- Enquiring of management, concerning actual and potential litigation and claims;
- Substantive testing to vouch source records to the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Enquiring of management the internal controls in, evaluating each control for weakness and vouching to evidence of the control taking place;
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEE OF
THE ARMY CENTRAL FUND**

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Dunkley

[Matthew Stuart Dobbins \(Nov 29, 2024 17:15 GMT\)](#)

Dunkley's Statutory Auditors Chartered Accountants
Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Woodlands Grange
Woodlands Lane
Bradley Stoke
Bristol
BS32 4JY

29/11/2024

Date:

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 30 June 2024

	Note	Total Unrestricted Funds 2024 £	Total Unrestricted Funds 2023 £
INCOME			
Income from			
Donations	2	107,796	286,986
Investment income	3	2,887,567	2,734,439
TOTAL INCOME		2,995,363	3,021,425
EXPENDITURE			
Charitable activities	4/5	9,843,582	3,635,837
TOTAL EXPENDITURE		9,843,582	3,635,837
NET (EXPENDITURE) / INCOME		(6,848,219)	(614,412)
Gains/(Losses) on investment assets	9	2,890,094	(3,962,068)
NET MOVEMENT IN FUNDS		(3,958,125)	(4,576,480)
RECONCILIATION OF FUNDS			
Fund balances brought forward	12/13	70,349,805	74,926,285
FUND BALANCES CARRIED FORWARD		66,391,680	70,349,805

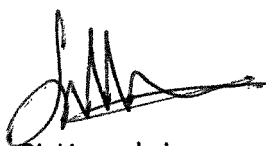
The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 25-33 form part of the financial statements.

BALANCE SHEET
as at 30 June 2024

	Note	2024 £	2023 £
FIXED ASSETS			
Tangible assets	8	-	132
Investments	9	64,953,192	62,063,098
		64,953,192	62,063,230
CURRENT ASSETS			
Debtors	10	38,308	67,562
Cash at bank and in hand		1,422,630	8,335,470
		1,460,938	8,403,032
CREDITORS: amounts falling due within one year	11	(22,450)	(116,457)
		1,438,488	8,286,575
NET CURRENT ASSETS			
		66,391,680	70,349,805
TOTAL NET ASSETS			
		66,391,680	70,349,805
FUNDS			
	12/13		
Unrestricted Income Funds		66,391,680	63,418,553
Unrestricted Designated Funds		-	6,931,252
		66,391,680	70,349,805
TOTAL FUNDS			
		66,391,680	70,349,805

The financial statements were approved by the members of the Board on 19 November 2024 and are signed on their behalf by:



SL Humphris
Major General
Chair of the Corporate Trustee

The notes on pages 25-33 form part of the financial statements.

STATEMENT OF CASHFLOWS
for the year ended 30 June 2024

	Note	2024	2023
	See below	£	£
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash (used) from operating activities		<u>(9,800,407)</u>	<u>(3,291,894)</u>
Cash flows from investing activities:			
Dividends and interest from investments		2,887,567	2,734,439
Proceeds from sale of investments		-	-
Net cash provided by investing activities:		<u>2,887,567</u>	<u>2,734,439</u>
Change in cash and cash equivalents in the reporting period		(6,912,840)	(557,456)
Cash equivalents at the beginning of the reporting period		<u>8,335,470</u>	<u>8,892,926</u>
Cash and cash equivalents at the end of the reporting period		<u>1,422,630</u>	<u>8,335,470</u>
RECONCILIATION OF NET INCOME TO NET CASHFLOW FROM OPERATING ACTIVITIES			
Net Income for the reporting period per the statement of financial activities		(3,958,125)	(4,576,480)
Adjustments for:			
Depreciation charges		132	397
(Gains)/Losses on investments		(2,890,094)	3,962,068
Dividends and interest from investments		(2,887,567)	(2,734,439)
Decrease/(Increase) in debtors		29,254	(25,084)
(Decrease)/Increase in creditors		(94,007)	81,644
Net cash (used) from operating activities		<u>(9,800,407)</u>	<u>(3,291,894)</u>

The notes on pages 25-33 form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2024

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value, and include the results of the Charity's operations which are described in the Trustees' Report and all of which are continuing. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by 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 Act 2011 and the Companies Act 2006. The trust constitutes a public benefit entity as defined by FRS 102.

Income

All incoming resources are recognised when the charitable trust has entitlement to the funds, the receipt is probable, and the amount can be measured reliably. Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable, and the amount can be reliably measured. Investment income from loans and short-term deposits is accrued in relation to the period to which it relates. Other investment income from assets held in asset portfolios or current accounts is included when reported as received by the portfolio manager.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Grant expenditure

A constructive obligation for grants payable exists once it has been communicated to the recipient. Upon the obligation existing, where payment is probable and can be measured reliably, the entire grant is accounted for in the Statement of Financial Activities, less any amounts that rely upon the recipient meeting performance-related conditions.

Charitable activities

These are costs incurred on the charity trust's individual charitable activities, including support costs and costs relating to the governance of the charitable trust apportioned to charitable activities.

Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rate in use is as follows:

Office Equipment	3 years' straight line
------------------	------------------------

Investments

The charity's investment in managed portfolios is included in the balance sheet at fair value, being the open market value specified by the portfolio managers at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2024

1 ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognised when the charitable trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the charitable trust at the discretion of the trustees. Designated funds comprise a strategic fund reserved to the value of two years expenditure.

Financial instruments

The charity 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.

2 DONATIONS

	Total Unrestricted Funds 2024 £	Total Unrestricted Funds 2023 £
Blue Light MOD Discount Scheme	107,771	106,986
Other donations	25	-
Legacy (Carpenter Estate)	-	180,000
	107,796	286,986

3 INVESTMENT INCOME

	Total Unrestricted Funds 2024 £	Total Unrestricted Funds 2023 £
Income from a UK managed fund	2,356,924	2,248,559
Income from Property Income Trust	256,313	265,680
Bank interest receivable	274,330	220,200
	2,887,567	2,734,439

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2024

4 COST OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Total Unrestricted Funds	Total Unrestricted Funds
	2024	2023
	£	£
Grant commitments at the start of the year	106,156	24,771
Grants awarded during the year	9,747,041	3,553,936
Grant commitments at the end of the year	(9,516)	(106,156)
Total grants paid in year (see page 36)	9,843,681	3,472,551
Total charitable activities	Total Funds	Total Funds
	2024	2023
	£	£
Grants awarded during the year (see above)	9,747,041	3,553,936
Support costs (see note 5)	96,541	81,901
	9,843,582	3,635,837

5 SUPPORT AND GOVERNANCE COSTS

	Total Unrestricted Funds	Total Unrestricted Funds
	2024	2023
	£	£
Salaries and contributions to pension & healthcare	59,447	44,701
Treasurers' fees	11,021	10,998
Legal Fees and Consultancy	6,107	7,749
Audit fees	5,963	2,311
Irrecoverable VAT	4,200	4,727
Secretariat expenses	3,170	3,691
Publication costs	2,645	2,934
Subscriptions	2,079	1,954
Trustees' training	1,070	773
Trustees' travel	421	643
Insurance costs	172	760
Office equipment depreciation	132	397
Costs of Trustees' meetings	114	263
	96,541	81,901

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2024

6 NET EXPENDITURE / INCOME FOR THE YEAR

This is stated after charging:	2024	2023
	£	£
Depreciation	132	397
Treasurers' remuneration	11,021	10,998
Auditors' remuneration – audit of the financial statements	5,963	2,311
Irrecoverable VAT	4,200	4,727
	21,316	18,433

7 STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2024	2023
	£	£
Key management personnel		
Wages and salaries	51,494	36,814
Employers' NI	706	-
Employers' Pension Contributions	6,532	5,928
Healthcare Contribution and Death in Service Benefit for Secretary	715	1,959
	59,447	44,701

Particulars of employees:

The average number of employees during the year was 1 (2023 1), and calculated on the basis of full-time equivalents, this was as follows:

	2024	2023
	No	No
Number of administrative staff:	0.75	0.75

The Charity considers its key management personnel comprise the Directors and the Company Secretary.

No Director received any remuneration during the year.

No employee received emoluments of more than £60,000 during the year.

Wages and salaries figure 2024 includes lump sum payment of £10,000 paid to an employee.

The requirement to accrue holiday pay has been considered but this has not been included in the accounts at 30 June 2024 due to the immaterial value of the potential adjustment.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2024**

8 TANGIBLE FIXED COSTS

	Office equipment £	2024 Total £	2023 Total £
Cost			
At 1 July 2023	1,191	1,191	1,191
At 30 June 2024	1,191	1,191	1,191
Depreciation			
At 1 July 2023	1,059	1,059	662
Charge for the year	132	132	397
At 30 June 2024	1,191	1,191	1,059
Net book value			
At 30 June 2024	-	-	132
At 30 June 2023	132	132	529

9 INVESTMENTS

Movement in market value

	2024 Mayfair £	2024 AFCG&I £	2024 Total £	2023 Total £
Market value at 1 July 2023	4,564,239	57,498,859	62,063,098	66,025,166
Disposal proceeds	-	-	-	-
Net (losses)/gains on revaluations in the year ended 30 June 2024	(296,087)	3,186,181	2,890,094	(3,962,068)
Market value at 30 June 2024	4,268,152	60,685,040	64,953,192	62,063,098
Historical cost at 30 June 2024	5,000,000	29,395,919	34,395,919	34,395,919

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2024

9 INVESTMENTS (Continued)

	2024	2023
	£	£
Listed investments		
BlackRock AFCG&I Income Units	60,685,040	57,498,859
Swiss Life UK PITCH Property Income Fund	4,268,152	4,564,239
	64,953,192	62,063,098

Historical Note

On 2 September 2002 the ACF Capital Fund valued at £31,604,555 was exchanged for Income/Distribution units in the then ACIF at £1 per unit. On 9 December 2019 the Charity's investment of £62,515,051.11 in the Armed Forces Common Investment Fund (AFCIF) was transferred to the Armed Forces Charities Growth & Income Fund (AFCG&I) at equal value and with the same number of shares.

Risk Management

The Charity's main capital investment is held in the Armed Forces Charities Growth & Income Fund, a sub-fund of the BlackRock Charity Authorised Investment Fund. It is a multi-asset fund with holdings in UK Equities, Overseas Equities, Fixed Income, Property and Alternatives. The balance of investments in the portfolio is actively managed by BlackRock Fund Managers Limited. The Charity is represented on the Advisory Committee, a consultative body which liaises with BlackRock on behalf of unitholders. The Charity's strategic reserve is invested in the Property Income Trust for Charities (PITCH), a charity property fund, managed by Swiss Life Asset Managers UK.

10 DEBTORS: Amounts falling due within one year

	2024	2023
	£	£
Prepayments	771	1,517
Other Debtors	37,537	66,045
	38,308	67,562

11 CREDITORS: Amounts falling due within one year

	2024	2023
	£	£
Grant commitments	9,516	106,156
Accruals	12,934	10,301
	22,450	116,457

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2024**

12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

2024

	Investments	Net assets	Total
	£	£	£
Unrestricted Income Funds	64,953,192	1,438,488	66,391,680
Unrestricted Designated Funds	-	-	-
Total Funds	64,953,192	1,438,488	66,391,680

ANALYSIS OF NET ASSETS BETWEEN FUNDS

2023

	Investments	Net assets	Total
	£	£	£
Unrestricted Income Funds	61,131,846	2,286,707	63,418,553
Unrestricted Designated Funds	931,252	6,000,000	6,931,252
Total Funds	62,063,098	8,286,707	70,349,805

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2024

13 Analysis of Movement in Funds

	Funds 01.07.23 £	Income £	Expenditure £	Investment Gains £	Funds 30.06.24 £
Unrestricted Income Funds	63,418,553	2,995,363	(2,912,330)	2,890,094	66,391,680
Designated Funds	6,931,252	-	(6,931,252)	-	-
Total Funds	70,349,805	2,995,363	(9,843,582)	2,890,094	66,391,680

	Funds 01.07.22 £	Income £	Expenditure £	Investment Losses £	Funds 30.06.23 £
Unrestricted Income Funds	66,989,802	3,021,425	(2,630,606)	(3,962,068)	63,418,553
Designated Funds	7,936,483	-	(1,005,231)	-	6,931,252
Total Funds	74,926,285	3,021,425	(3,635,837)	(3,962,068)	70,349,805

Designated Funds

Pirbright Project Funding. In 2018, the Board decided that the Charity's funds were sufficient to award a major grant to an infrastructure project to benefit the serving Army community. Following a review of potential schemes, the Board allocated £7,000,000 to the project to rebuild the main welfare facilities at the Army Training Centre, Pirbright. In 2022, to reduce the impact of potential volatility in investment markets, £6,000,000 was drawn down from the AFCG&I Fund. It was held for the project in the CCLA COIF deposit account with a further £1,000,000 assigned to the project. £68,748 had previously been awarded for preliminary project costs. The balance of the £7,000,000 grant was paid in 2024.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2024

14 RELATED PARTY TRANSACTIONS

Register of Trustees' Complementary Interests

During the ACF accounting year from 1 July 2023 to 30 June 2024, Mr Guy Davies and Major General PR Griffiths were members of the Advisory Committee overseeing the investments of the Armed Forces Charities Growth & Income Fund which delivers dividend income. They did not receive any remuneration or benefit from membership of this committee.

During the ACF accounting year from 1 July 2023 to 30 June 2024 there were no Directors of ACF Trustee Ltd who were also trustees of other charities which benefitted from grants made by the ACF.

A total of £420.54 expenses was reimbursed to trustees. These expenses were all for travel. The number of trustees receiving expenses was three.

15 COMMITMENTS

Grants 2024/2025

At the meeting of the Board held on 20 May 2024 grants totalling £1,833,574 were approved for the year beginning 1 July 2024.

Pledges of Support

Due to the adoption of FRS102, forward grant commitments are now accrued in full and recognised at the time award letters are disseminated to recipients. In previous years, forward grant commitments were noted in the accounts and recognised as they became due.

MANAGEMENT INFORMATION
for the year ended 30 June 2024

The following pages do not form part of the statutory financial statements which are subject to the independent auditor's report on pages 17 to 21.

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 30 June 2024**

	2024	2023
	£	£
INCOME FROM		
Donations		
Other donations	107,796	286,986
	107,796	286,986
Investment Income		
Income from investments	2,613,237	2,514,239
Bank interest receivable	274,330	220,200
	2,887,567	2,734,439
TOTAL INCOME	2,995,363	3,021,425
EXPENDITURE		
Charitable Activities		
Grants awarded during the year	9,747,041	3,553,936
	9,747,041	3,553,936
Support and Governance Costs		
Salaries and contributions to pension & healthcare	59,447	44,701
Treasurers' fees	11,021	10,998
Legal Fees and Consultancy	6,107	7,749
Audit fees	5,963	2,311
Irrecoverable VAT	4,200	4,727
Secretariat expenses	3,170	3,691
Publication costs	2,645	2,934
Subscriptions	2,079	1,954
Trustees training	1,070	773
Trustees travel	421	643
Insurance costs	172	760
Office equipment depreciation	132	397
Costs of Trustees' meetings	114	263
	9,843,582	3,635,837
TOTAL EXPENDITURE	9,843,582	3,635,837
NET (EXPENDITURE) / INCOME FOR THE YEAR	(6,848,219)	(614,412)

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 30 June 2024

	2024	2023
	£	£
CHARITABLE ACTIVITIES - GRANTS PAID		
Pirbright Welfare Centre	6,931,216	-
Army Command Grant. Welfare funding	760,000	1,765,231
Army Sport. Staff and management costs	674,107	660,890
Army Families Federation. Staff and management costs	513,318	503,315
ASCB Army Sailing Thorney Island	275,000	-
Defence Medical Welfare Service. Army patients in NHS hospitals	90,000	90,000
Aurora New Dawn. Domestic Violence support service	80,000	80,000
SSAFA - Norton House. Costs of visitor accommodation	65,000	65,000
Home-Start UK. Supporting families with young children	62,500	53,000
AWS Activity Camps	60,000	-
Army Roll of Honour Project.	51,640	8,615
Warrior Programme. Mental health resilience	50,000	50,000
SSAFA - Short Breaks. Children with additional needs	40,000	60,000
Army Sport Uplift	33,700	-
Scottys Little Soldiers	30,000	-
Armed Forces Equestrian	25,000	-
British Forces Cyprus Command Grant	21,000	21,000
Clervaux Trust, The Fold grant	16,400	-
Military Wives Choirs. Choir development	15,000	15,000
Army Widows Association. Training costs	15,000	15,000
Home-Start Cyprus	10,000	-
CESSAC Chicksands	6,800	-
British Forces South Atlantic Islands Welfare funding	6,300	6,300
Carer Support Wiltshire Grant	5,700	-
On Course Foundation Golf Activities	3,800	-
RM Poole. Welfare funding	2,200	2,200
SSAFA - Serving Community Project.	-	60,000
SSAFA – Forcesline. Confidential advice service	-	15,000
INSPIRE22 Army Polar Expedition	-	2,000
	9,843,681	3,472,551

THE ARMY CENTRAL FUND

England & Wales - Charity number 245700

Accounts

THE ARMY CENTRAL FUND Charity Number 245700



ANNUAL REPORT OF THE TRUSTEE
& FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

THE ARMY CENTRAL FUND Charity Number 245700

CONTENTS	PAGE
Reference and Administration Information	3
Board's Annual Report	5
Independent Auditors' Report	16
Statement of Financial Activities	20
Balance Sheet	21
Statement of Cashflows	22
Notes to the Financial Statements	23
The following pages do not form part of the Financial Statements	
Detailed statement of financial activities	33

THE ARMY CENTRAL FUND Charity Number 245700

REFERENCE AND ADMINISTRATION INFORMATION

Charity Address The Army Central Fund
Trenchard Lines
Upavon
Pewsey
Wiltshire
SN9 6BE

The Patrons Members of the Army Board of the Defence
Council

Corporate Trustee The Army Central Fund Trustee Limited

Corporate Trustee's Company Number 11820705

Directors of The Army Central Fund Trustee Limited

Major General PR Griffiths CB (Chair until 5.10.23)
Major General SL Humphris MBE (Chair from 5.10.23)
GC Davies Esq
Air Vice Marshal The Hon DP Murray CVO OBE DL
Major General AMG Smyth QRVM TD
Colonel AK Brown OBE
Brigadier EJR Chamberlain
Brigadier AJW Sturrock CBE (until 10.02.23)
Brigadier AC Luedicke OBE
Warrant Officer Class 1 A Mills (until 10.02.23)
Warrant Officer Class 1 J Clarke (from 11.07.23)

The directors listed above served during the reporting period. During the year no directors of the Charity were also trustees or committee members of other charities which benefited from grants made by the Charity.

Company Secretary Lieutenant Colonel JF Panton MBE

Treasurer The Trust Partnership
6 Trull Farm Buildings
Tetbury
Gloucestershire
GL8 8SQ

THE ARMY CENTRAL FUND Charity Number 245700

REFERENCE AND ADMINISTRATION INFORMATION continued

Investment Advisor	G C Davies Esq
Legal Advisor	Wilson's Solicitors LLP Charities Team 4 Lincoln's Inn Fields London WC2A 3AA
Auditor	Dunkley's Woodlands Grange Woodlands Lane Bradley Stoke Bristol BS32 4JY
Investment Managers	BlackRock Fund Managers Limited 12 Throgmorton Avenue London EC2N 2DL Swiss Life Asset Managers UK 55 Wells Street London W1T 3PT CCLA Fund Managers Limited One Angel Lane London EC4R 3AB
Bankers	Holt's Military Banking 200 Fowler Avenue Fowler Business Park Farnborough Hampshire GU14 7JP

THE ARMY CENTRAL FUND Charity Number 245700

The Board of Directors of the Charity's corporate trustee company, present their report along with the financial statements of the Charity for the year ended 30 June 2023. The financial statements have been prepared in accordance with the accounting policies set out on page 23 of the attached accounts and comply with the Charity's trust deed, the Articles of Association of The Army Central Fund Trustee Limited, the Charities Act 2011, regulations applicable to that Act, and 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 from 1 January 2019 and the Companies Act 2006.

BACKGROUND

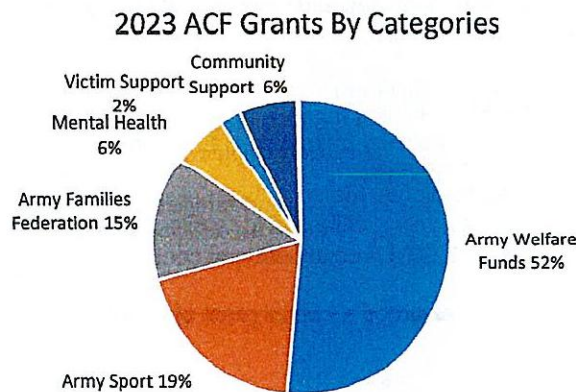
The Army Central Fund was formed as a charity in 1948 by the merger of existing military welfare funds, some dating back to the First World War. The capital of the new charity was invested, and its income was used to help improve the welfare of serving British Army personnel and their families. That aim continues today and is achieved by awarding grants to military organisations and to charities that support the Army.

The Charity operates without any subscriptions, sponsorship, government grants or fundraising. It is also extremely cost-effective, dispersing over 97% of its income in grants. It is a good news story for the Army.

Further information about the Charity and the grant application process is available on the website www.armycentralfund.org.uk and the 2023 Impact Report can be found at https://issuu.com/armycentralfund.org.uk/docs/acf_2023_impact_report_-_issuu

CHAIRMAN'S OVERVIEW OF THE YEAR AND KEY STATISTICS

2023 has been another very good year for the Charity. Despite global economic challenges which have resulted in the capital value of the fund reducing, the investments have continued to generate strong returns which has allowed £3.47M to be dispersed in support of the serving Army.



THE ARMY CENTRAL FUND Charity Number 245700

Core Grants (totalling £2,958,936). Army Welfare Funds are the biggest single recipient of funding through the programme of annual Command Grants. This year £1,794,731 was awarded to grant committees in UK and overseas to support unit welfare and sport. This included the final payment of just over £1M to the Army from the funds received in 2020 on the closure of welfare and sports funds in British Forces Germany. Through an internal application process dozens of small grants were made to Army units and organisations. In addition, £503,315 was awarded to the Army Families Federation to underpin their vital work and £660,890 to Army Sport towards its central running costs. These three Core Grants supplement MOD provision and help improve well-being and health. This meets our principal charitable object as laid out in the governing document; 'to promote the efficiency of the Army for the public benefit'.

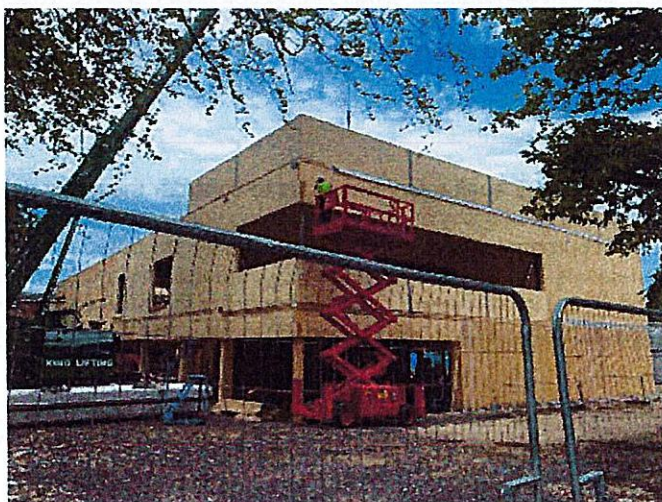
Project Grants. (£513,615) Equally importantly, the Army Central Fund accepts grant applications from national and military charities to provide activities and resources across the Army. This funding can contribute to both specialist help for those in need and facilities and resources for the whole community. During 2023 this included:

- **Mental Health and Patient Welfare**
 - **Warrior Programme (£50,000).** Mental strength and resilience training for those whose performance is adversely affected by stress or anxiety or requiring additional support to return to work after trauma or medical intervention. Funding for 25 places a year for serving personnel.
 - **SSAFA (£80,000).** A contribution to the running costs of Norton House, Stanford Hall which provides accommodation for friends and family visiting patients undergoing treatment at the Defence Medical Rehabilitation Centre and additional funding for Forcesline the SSAFA Armed Forces confidential helpline.
 - **Defence Medical Welfare Service (£90,000).** Emotional and practical support for those undergoing physical or mental health treatment in the NHS to reduce any barrier to an individual returning to full health. The grant contributes to staff costs across the South of England, at Catterick and for a national response service.
 - **Recovery Activities (£9,500).** Contribution to individual costs for attendance on approved confidence building courses by for Wounded and Injured personnel.
 - **Army Widows Association (£15,000)** for bereavement mental health support training for AWA volunteers.
- **Victim Support**
 - **Aurora New Dawn (£80,000).** Funding of two Armed Forces Advocate posts to provide independent practical and emotional support to survivors of Domestic Violence, stalking and sexual violence. Practical advice to Unit Welfare Officers and other military agencies and work with the Army Welfare Service to help influence a shift in culture.
- **Community Support (Families and Children)**
 - **Home-Start UK (£53,000).** Helping families struggling to care for young children by funding home visits by trained volunteers and group events to help make friends and reduce isolation.
 - **SSAFA (£60,000)** Contribution to the costs of families attending a Short Break activity holiday for families with a child with an additional need or disability.
 - **Military Wives Choirs (£15,000)** A contribution to central running costs.

Pirbright Project. In 2018 the trustees awarded a capital grant of £7,000,000 towards the

THE ARMY CENTRAL FUND Charity Number 245700

provision of a modern welfare facility at the Army Training Centre, Pirbright. The build is now underway and the building is scheduled to open in 2024. Army Headquarters and the Defence Infrastructure Organisation are managing the project in liaison with the Charity.



Pirbright Welfare Centre under construction

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

The Charity is constituted as an unincorporated charity and is governed by a Scheme of the Charity Commission sealed on 21 July 2004 (as amended by resolutions of the trustees passed on 13 May 2014 and 6 December 2016 and by a Deed of Amendment, Appointment and Retirement signed on 19 November 2019 and published on 18 December 2019). The Army Central Fund Trustee Limited, was appointed as the sole trustee of the Charity on 11th February 2019 and acts as the Charity's corporate trustee.

Appointment of Directors

Directors of the corporate trustee are appointed by resolution of the Board. The Board may advertise vacancies and invite senior members of the Army to nominate serving personnel. The Board is required to be a minimum of six persons with a minimum of three present at each meeting to conduct business. Directors serve for an initial term of three years and may serve for additional terms with the approval of the whole Board.

Key Management Personnel

The directors and the company secretary comprise the key management personnel who direct, control, and operate the Charity.

Board Training and Advice

The Board keeps its skill levels under review. Directors will normally have served as trustees of other charities. As part of their induction, they are offered additional training on their responsibilities under company and charity law and refresher training during their tenure. The Board is advised by the secretary, treasurer, and investment advisor. Further

THE ARMY CENTRAL FUND Charity Number 245700

professional advice is provided by the Charity's solicitor, bank, fund managers and auditor.

Management

Routinely the Board meets twice a year and calls additional meetings as required. The spring meeting is concerned mainly with applications for grants and the following year's income and expenditure. The autumn meeting considers the Annual Report and Financial Statements, the Audit Report, and any additional grant applications. At each meeting the Board monitors investment performance and reviews selected policies. The day-to-day management and administration of the Charity is delegated to the Secretary. Directors are required to disclose any relevant interests and withdraw from any decisions where a conflict of interest may arise.

Risk

The Board conducts a full risk audit every two years to consider the major risks to which the Charity is exposed; a house-keeping audit in intervening years considers any significant changes. The current potential strategic risks to the Charity are noted below. The directors have satisfied themselves that systems or procedures are established to manage all identified risks. The Board is alert to the potential impact of long-term financial market instability on the charity sector as a whole and on those charities that support the Army community.

Risk: Conflicts of Interest. Due to the multiple roles of some of the serving military directors there are potential conflicts of interest in grant-making decisions.

Key mitigating controls:

Conflict of interest policy and meeting declarations by attendees.
Due diligence and reporting of processes in place.
Reduction of the number of directors serving on related charities.

Risk: Reputational damage arising from third party beneficiary or media incident.

Key mitigating controls:

Grant-making processes and independent overview.
Media Plan.

Risk: Volatile income Stream. Loss in value of investments and other income streams impacting on grant-making operations. It is recognised that the resilience of international financial markets last year partly resulted from coordinated global economic support measures during the pandemic. A substantial reduction in market returns over the next 12 months remains a risk, but the Charity's funds are well diversified and should be able to sustain current grant-making.

Key mitigating controls already in place:

The investment fund includes a reserve sufficient to fund at least four quarterly dividends which would allow time to manage any reduction in the grants programme, if required.
A strategic reserve of £5,000,000 is also in place.

Further Actions:

Rolling review of investment strategy.
Continued close attention to the economy and international financial markets.

THE ARMY CENTRAL FUND Charity Number 245700

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

Under Clause 4 of the Scheme, the objects of the Charity are:

- (1) To promote the efficiency of the Army for the public benefit in such charitable ways as the trustee may decide.
- (2) The relief of persons who:
 - (a) are in need, hardship and distress; and
 - (b) are serving personnel of the Army or the dependants of such persons.
- (3) The trustee may relieve persons in need by:
 - (a) making grants of money to them; or
 - (b) providing or paying for goods, services or facilities for them; or
 - (c) making grants of money to other persons or bodies who provide goods, services or facilities to those in need.

The Board has taken account of the Charity Commission's general guidance on public benefit when reviewing aims and objectives and in planning future activities. It considers that the Charity's activities match the objectives, and that this provides public benefit by improving conditions for those serving in the Army and for their families, sustaining morale and retaining trained personnel.

Grant Strategy

The Charity awards grants across the serving Army community for collective welfare and sports projects, and to charities that support the well-being of serving Army personnel and their families. The Charity does not routinely provide direct financial support to individuals in need, as this is either provided through official sources or by charities that can access casework and properly assess needs. Post-grant reports are required from all grantees and feedback from these reports informs the Board on its future grant making activities. In summary grant strategy is to:

- Fund grants from annual income.
- Consider making additional grants from capital for major projects.
- Prioritise support to projects that support those in need.
- Support projects that benefit Junior Ranks and their families.
- Address inequalities and support minority communities.
- Support core welfare activities by making annual awards to:
 - The Army Families Federation
 - The Army Sport Control Board
 - Army Unit Welfare (the Army Command Grant which is outlined below)
- Sustain relationships with charities providing key activities through multi-year agreements.
- Maintain close relationships with the Army and with other grant-making bodies to help coordinate charitable funding across the Army community.

THE ARMY CENTRAL FUND Charity Number 245700

FINANCIAL REVIEW

Income and Expenditure

Valuation of the Charity (Total Net Assets)

The Charity's investments account for around 90% of its assets and investment performance is usually the main determinant of the Charity's valuation year on year. Between 2020 and 2021 financial markets performed particularly well, and the value of the fund increased by £9.85M over two years. In the following two years market volatility has resulted in the value of the fund falling back by £8.36M:

Table 1 – Total Net Assets 2019-2023 (£)

Year Ending 30 Jun	Valuation Start of Year	Valuation End of Year	Change Year on Year
2023	74,926,285	70,349,805	(4,576,480)
2022	78,710,872	74,926,285	(3,784,587)
2021	70,971,854	78,710,872	7,739,018
2020	68,860,096	70,971,854	2,111,758
2019	68,507,097	68,860,096	352,999
Increase 2019-2023			1,842,708

Income and Expenditure

The Charity has two main sources of income, investment income and charitable donations. As Table 2 below shows, over the last five years there has been a surplus of income over expenditure of £709,494. This surplus includes the balance of the exceptional income transferred to the Charity in 2020 on the closure of the remaining welfare and sports funds managed by HQ British Forces Germany.

Table 2 - Income and Expenditure 2019-2023 (£)

Year Ending 30 Jun	Investment Income	Charitable Donations	Total Income	Charitable Expenditure
2023	2,734,439	286,986	3,021,425	3,635,837
2022	2,541,926	165,575	2,707,501	2,453,930
2021	2,515,696	102,324	2,618,020	3,757,361
2020	2,530,755	5,596,398	8,127,153	5,591,046
2019	2,579,661	151,340	2,731,001	3,057,432
Totals	12,902,477	6,302,623	19,205,100	18,495,606
Excess of income over expenditure 2019-2023				709,494

INVESTMENTS AND RESERVES

Investment Management

The Charity's main capital investment is held in the Armed Forces Charities Growth and Income Fund (AFCG&I), which is a multi-asset Charity Authorised Investment Fund managed by BlackRock Fund Managers Limited. An Advisory Committee representing the collective interests of unitholders acts as a consultative body to BlackRock. Mr Guy Davies chaired this committee during the reporting period and Major General PR Griffiths was a member.

THE ARMY CENTRAL FUND Charity Number 245700

Approximately 9% of the Charity's capital is invested separately in the PITCH property fund managed by Swiss Life Asset Managers UK.

Investment Strategy

The Board's investment strategy is to achieve real growth in capital and to generate enough income to maintain the current level of grant-making. The investment in AFCG&I covers a broad spread of assets and has lower overheads than the Charity could achieve by investing independently. AFCG&I is mainly invested in equities, with the balance held in bonds, alternatives, property, futures, and cash, offering the prospect for maximising growth whilst diversifying some risk. The investment in the PITCH charity property fund has a similar aim of achieving real growth in capital and income.

Investment Performance

In the year to 30 June 2023, AFCG&I produced a total return of -0.8%^[1]. The Composite Benchmark returned +1.5%. The primary objective of the fund is to provide a return on investment over a period of five or more consecutive years beginning at the point of investment, generated through an increase to the value of the assets held by the Fund and/or income received from those assets. Over the five years to 30th June 2023, the Fund achieved an annualised net total return of +4.0%^[1] compared to the Composite Benchmark performance of +3.8%, outperforming the composite benchmark by +0.2%.

Income distributions in the year totalled 8.30 pence per unit (2022: 8.05 pence per unit), providing investment income of £2,248,559 which was comparable to recent years. This has allowed the Charity to maintain its grant-making close to historic levels.

The PITCH property fund generated a dividend of £265,680 (2022: £243,450). The investment value decreased by £1,318,250 to £4,564,239.

Financial Management and Reserves

The Army Central Fund operates in a similar manner to an endowed charity; it has a permanent source of unrestricted income from capital investments which it uses to fund a structured grants programme. The Board has complete discretion to decide the number and value of grants awarded and may apply both capital and income to meet need. In setting the annual grants budget, the Board balances the funds to be made available against the long-term aim of retaining sufficient capital to protect future income. In effect, all of the fund's assets are its reserves; these are divided into an immediate cash reserve held in an RBS Holts interest accounts (equal to at least one quarterly dividend payment of £550,000), a medium-term reserve equalling at least two years dividend payments (£6M held in the PITCH fund and CCLA COIF Fund) and a strategic reserve of the invested funds in the BlackRock Armed Forces Growth and Income Fund, which, at current levels, is equal to over 20 years of annual grants. In recent years funds available have been sufficient to maintain expenditure levels year-on-year and the Board has set the following priorities for grants:

- Priority 1 Sustaining grants to core activities: funding Army Sport, the Army Families Federation and the Army Command Grant.
- Priority 2 Meeting existing commitments and long-term grants.
- Priority 3 Fulfilling existing multi-year grant arrangements.
- Priority 4 Funding new grant applications.

In parallel, the Board seeks to maintain the highest standards of governance while ensuring cost-effective management and administration. This year Support and Governance costs were under £82,000 which equates to 2.3% of total expenditure (or 0.12% of capital value).

THE ARMY CENTRAL FUND Charity Number 245700

ACHIEVEMENTS AND PERFORMANCE

The Charity achieved its objectives during the year, paying out £3,472,551 in direct grants (2022: £2,576,984). The Charity awards grants in three main areas:

Army Welfare

The Army Welfare Grants Committee dispersed the Charity's Army Command Grant of £760,000 for welfare and sports projects in Army units and clubs. The committee can award grants of up to £37,500 and it submits larger projects to the Charity's Board for consideration. It publishes quarterly reports providing an analysis of activities and an itemised list of expenditure. A structure of subordinate committees allows local headquarters to approve grants of up to £2,000.



Dhekelia, Cyprus – Playpark Sunshades

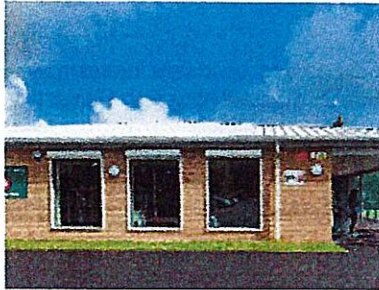


Falkland Islands - Bowling Alley

Army-Wide Organisations

Army Sport. The Charity's grant of £660,890 contributes to central running costs enabling Army Sport to deliver its charter. This includes supporting the development and management of sport and sports facilities in the Army; governing Army Sports Associations; and authorising sports competitions and events. Competitive sport remains a critical element in maintaining Army health and fitness and is a key component of the Army's 'offer' to its people.

THE ARMY CENTRAL FUND Charity Number 245700



Catterick Sports Pavilion
Jointly funded with Army Sport and the Nuffield Trust



Army Families Federation

Army Families Federation (AFF). The Charity's grant of £503,315 contributes to central running costs enabling the AFF to continue to represent families at government, Army Command, and local levels. It also enables the AFF to communicate with and respond to enquiries from families and to campaign on current issues including housing, healthcare provision, immigration, money, and employment. AFF continues to provide exceptional support to Army families which is particularly valuable for those families experiencing hardship.

Grants to Charities

As outlined in the Chairman's Overview, grants to charities provide a significant proportion of charitable support for the Army, supporting the well-being of serving personnel and families, and are listed on pages 33-34.



On Course Foundation



Military Wives Choirs

PLANS FOR THE FUTURE

As in previous years, whilst the Board is open to considering further major grants from capital, this is balanced by concerns about the long-term strength of the economy and the potential impact of inflation or market corrections on the value of investments. The Charity's financial priority is to ensure it can sustain its core funding in the event of significant investment losses or reduced income. Retaining substantial investment capital and reserves protects the future funding of critical services provided by partner charities to the Army community.

THE ARMY CENTRAL FUND Charity Number 245700

The Charity will continue to pursue opportunities for collaborative working where the outcome meets charitable objectives. In particular, the Charity will work closely with The Nuffield Trust for the Forces of the Crown, ABF The Soldier's Charity and SSAFA The Armed Forces Charity as major supporters of the Army community.

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The trustee is responsible for preparing the trustee's report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustee to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period.

In preparing these accounts, the trustee is required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in 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).
- make judgements and estimates that are reasonable and prudent.
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's constitution. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustee is aware:

- there is no relevant audit information of which the Charity's auditors are unaware; and
- the trustee has taken all steps that they ought to have taken to make itself aware of any relevant audit information and to establish that the auditors are aware of that information.

THE ARMY CENTRAL FUND Charity Number 245700

The Army Central Fund
Trenchard Lines
Upavon
Pewsey
Wiltshire
SN9 6BE

Signed by Order of the Trustee Board

A handwritten signature in black ink, appearing to read 'SL Humphris', written over a horizontal line.

SL Humphris
Major General
Chair of the Corporate Trustee

Approved by the Board on 22 November 2023

Report of the Independent Auditors to the Trustees of The Army Central Fund

Opinion

We have audited the financial statements of The Army Central Fund (the 'charity') for the year ended 30 June 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

THE ARMY CENTRAL FUND Charity Number 245700

**Report of the Independent Auditors to the Trustees of
The Army Central Fund**

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

THE ARMY CENTRAL FUND Charity Number 245700

Report of the Independent Auditors to the Trustees of The Army Central Fund

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:

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the charitable sector, control environment and performance including the design of the organisation's remuneration policies;
- Any matters we identified, having obtained and reviewed the organisation's documentation of their policies and procedures relating to:
- Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- The matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the areas of management override of controls, going concern, income recognition, and the appropriateness of expenditure.

We also obtained an understanding of the legal and regulatory framework that the organisation operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements.

Audit response to risks identified

Our procedures to respond to risks identified included the following:

THE ARMY CENTRAL FUND Charity Number 245700

**Report of the Independent Auditors to the Trustees of
The Army Central Fund**

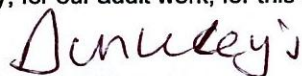
- Enquiring of management, concerning actual and potential litigation and claims;
- Substantive testing to vouch source records to the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Enquiring of management the internal controls in, evaluating each control for weakness and vouching to evidence of the control taking place;
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Dunkley's Statutory Auditors Chartered Accountants
Woodlands Grange
Woodlands Lane
Bradley Stoke
Bristol
BS32 4JY

Date: 22/11/2023 .

THE ARMY CENTRAL FUND Charity Number 245700

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 30 June 2023

	Note	Total Unrestricted Funds 2023 £	Total Unrestricted Funds 2022 £
INCOME			
Income from			
Donations	2	286,986	165,575
Investment income	3	2,734,439	2,541,926
TOTAL INCOME		3,021,425	2,707,501
EXPENDITURE			
Charitable activities	4/5	3,635,837	2,453,930
TOTAL EXPENDITURE		3,635,837	2,453,930
NET (EXPENDITURE) / INCOME		(614,412)	253,571
(Losses) on investment assets	9	(3,962,068)	(4,038,158)
NET MOVEMENT IN FUNDS		(4,576,480)	(3,784,587)
RECONCILIATION OF FUNDS			
Fund balances brought forward	12/13	74,926,285	78,710,872
FUND BALANCES CARRIED FORWARD		70,349,805	74,926,285

The statement of financial activities includes all gains and losses recognised in the year
All income and expenditure derive from continuing activities.

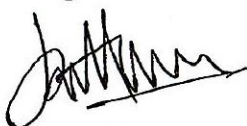
The notes on pages 23 to 31 form part of the financial statements.

THE ARMY CENTRAL FUND Charity Number 245700

BALANCE SHEET
as at 30 June 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Tangible assets	8	132	529
Investments	9	62,063,098	66,025,166
		62,063,230	66,025,695
CURRENT ASSETS			
Debtors	10	67,562	42,478
Cash at bank and in hand		8,335,470	8,892,926
		8,403,032	8,935,404
CREDITORS: amounts falling due within one year	11	(116,457)	(34,814)
NET CURRENT ASSETS		8,286,575	8,900,590
TOTAL NET ASSETS		70,349,805	74,926,285
FUNDS			
	12/13		
Unrestricted Income Funds		63,418,553	66,989,802
Unrestricted Designated Funds		6,931,252	7,936,483
TOTAL FUNDS		70,349,805	74,926,285

The financial statements were approved by the members of the Board on 22 November 2023 and are signed on their behalf by:



SL Humphris
Major General
Chair of the Corporate Trustee

The notes on pages 23 to 31 form part of the financial statements.

THE ARMY CENTRAL FUND Charity Number 245700

STATEMENT OF CASHFLOWS
for the year ended 30 June 2023

	2023	2022
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net cash (used) from operating activities	(3,291,894)	(2,401,834)
Cash flows from investing activities:		
Dividends and interest from investments	2,734,439	2,541,926
Proceeds from sale of investments	-	6,000,000
Net cash provided by investing activities:	2,734,439	8,541,926
Change in cash and cash equivalents in the reporting period	(557,456)	6,140,092
Cash equivalents at the beginning of the reporting period	8,892,926	2,752,834
Cash and cash equivalents at the end of the reporting period	8,335,470	8,892,926
RECONCILIATION OF NET INCOME TO NET CASHFLOW FROM OPERATING ACTIVITIES		
Net Income for the reporting period per the statement of financial activities	(4,576,480)	(3,784,587)
Adjustments for:		
Depreciation charges	397	397
Losses on investments	3,962,068	4,038,158
Dividends and interest from investments	(2,734,439)	(2,541,926)
(Increase) / Decrease in debtors	(25,084)	74,647
Increase / (Decrease) in creditors	81,644	(188,523)
Net cash (used) from operating activities	(3,291,894)	(2,401,834)

The notes on pages 23 to 31 form part of the financial statements.

THE ARMY CENTRAL FUND Charity Number 245700

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2023

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value, and include the results of the Charity's operations which are described in the Trustees' Report and all of which are continuing.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by 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 Act 2011 and the Companies Act 2006. The trust constitutes a public benefit entity as defined by FRS 102.

Income

All incoming resources are recognised when the charitable trust has entitlement to the funds, the receipt is probable, and the amount can be measured reliably.

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable, and the amount can be reliably measured.

Investment income from loans and short-term deposits is accrued in relation to the period to which it relates. Other investment income from assets held in asset portfolios or current accounts is included when reported as received by the portfolio manager.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Grant expenditure

A constructive obligation for grants payable exists once it has been communicated to the recipient.

Upon the obligation existing, where payment is probable and can be measured reliably, the entire grant is accounted for in the Statement of Financial Activities, less any amounts that rely upon the recipient meeting performance-related conditions.

Charitable activities

These are costs incurred on the charity trust's individual charitable activities, including support costs and costs relating to the governance of the charitable trust apportioned to charitable activities.

Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rate in use is as follows:

Office Equipment	3 years' straight line
------------------	------------------------

Investments

The charity's investment in managed portfolios is included in the balance sheet at fair value, being the open market value specified by the portfolio managers at the balance sheet date.

THE ARMY CENTRAL FUND Charity Number 245700

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2023

1 ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognised when the charitable trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the charitable trust at the discretion of the trustees. Designated funds comprise a strategic fund reserved to the value of two years expenditure.

Financial instruments

The charity 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.

2 DONATIONS

	Total Unrestricted Funds 2023 £	Total Unrestricted Funds 2022 £
Legacy (Carpenter Estate)	180,000	
Blue Light MOD Discount Scheme	106,986	165,575
	286,986	165,575

3 INVESTMENT INCOME

	Total Unrestricted Funds 2023 £	Total Unrestricted Funds 2022 £
Income from a UK managed fund	2,248,559	2,278,037
Income from Property Income Trust	265,680	243,450
Bank interest receivable	220,200	20,439
	2,734,439	2,541,926

THE ARMY CENTRAL FUND Charity Number 245700

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2023

4 COST OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Total Unrestricted Funds	Total Unrestricted Funds
	2023	2022
	£	£
Grant commitments at the start of the year	24,771	215,991
Grants awarded during the year	3,553,936	2,385,728
Grant commitments at the end of the year	<u>(106,156)</u>	<u>(24,771)</u>
Total grants paid in year (see page 32)	<u>3,472,551</u>	<u>2,576,948</u>
Total charitable activities	Total Funds	Total Funds
	2023	2022
	£	£
Grants awarded during the year (see above)	3,553,936	2,385,728
Support costs (see note 5)	<u>81,901</u>	<u>68,202</u>
	<u>3,635,837</u>	<u>2,453,930</u>

5 SUPPORT AND GOVERNANCE COSTS

	Total Unrestricted Funds	Total Unrestricted Funds
	2023	2022
	£	£
Salaries and contributions to pension & healthcare	44,701	43,177
Treasurers' fees	10,998	6,978
Legal Fees and Consultancy	7,749	6,705
Irrecoverable VAT	4,727	3,159
Secretariat expenses	3,691	1,174
Publication costs	2,934	-
Audit fees	2,311	2,201
Subscriptions	1,954	2,831
Trustees training	773	577
Insurance costs	760	560
Trustees travel	643	191
Office equipment depreciation	397	397
Costs of Trustees' meetings	<u>263</u>	<u>252</u>
	<u>81,901</u>	<u>68,202</u>

THE ARMY CENTRAL FUND Charity Number 245700

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2023

6 NET EXPENDITURE / INCOME FOR THE YEAR

This is stated after charging:	2023	2022
	£	£
Depreciation	397	397
Treasurers' remuneration	10,998	6,978
Auditors' remuneration – audit of the financial statements	2,311	2,201
Irrecoverable VAT	4,727	3,159
	18,433	12,735

7 STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2023	2022
	£	£
Key management personnel		
Wages and salaries	36,814	35,483
Employers' Pension Contributions	5,928	5,713
Healthcare Contribution and Death in Service Benefit for Secretary	1,959	1,981
	44,701	43,177

Particulars of employees:

The average number of employees during the year was 1 (2022 1), and calculated on the basis of full-time equivalents, this was as follows:

	2023	2022
	No	No
Number of administrative staff:	0.75	0.75

The Charity considers its key management personnel comprise the Directors and the Company Secretary.

No Director received any remuneration during the year.

No employee received emoluments of more than £60,000 during the year.

The requirement to accrue holiday pay has been considered but this has not been included in the accounts at 30 June 2023 due to the immaterial value of the potential adjustment.

THE ARMY CENTRAL FUND Charity Number 245700

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2023

8 TANGIBLE FIXED COSTS

	Office equipment £	2023 Total £	2022 Total £
Cost			
At 1 July 2022	1,191	1,191	1,191
At 30 June 2023	1,191	1,191	1,191
Depreciation			
At 1 July 2022	662	662	265
Charge for the year	397	397	397
At 30 June 2023	1,059	1,059	662
Net book value			
At 30 June 2023	132	132	529
At 30 June 2022	529	529	926

9 INVESTMENTS

Movement in market value

	2023 Mayfair £	2023 AFCG&I £	2023 Total £	2022 Total £
Market value at 1 July 2022	5,882,489	60,142,677	66,025,166	76,063,324
Disposal proceeds	-	-	-	(6,000,000)
Net (losses) on revaluations in the year ended 30 June 2023	(1,318,250)	(2,643,818)	(3,962,068)	(4,038,158)
Market value at 30 June 2023	4,564,239	57,498,859	62,063,098	66,025,166
Historical cost at 30 June 2023	5,000,000	29,395,919	34,395,919	34,395,919

THE ARMY CENTRAL FUND Charity Number 245700

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2023

9 INVESTMENTS (Continued)

	2023	2022
	£	£
Listed investments		
BlackRock AFCG&I Income Units	57,498,859	60,142,677
Swiss Life UK PITCH Property Income Fund	4,564,239	5,882,489
	62,063,098	66,025,166

Historical Note

At 2 September 2002 the ACF Capital Fund valued at £31,604,555 was exchanged for Income/Distribution units in the then ACIF at £1 per unit. On 9 December 2019 the Charity's investment of £62,515,051.11 in the Armed Forces Common Investment Fund (AFCIF) was transferred to the Armed Forces Charities Growth & Income Fund (AFCG&I) at equal value and with the same number of shares.

Risk Management

The Charity's main capital investment is held in the Armed Forces Charities Growth & Income Fund, a sub-fund of the BlackRock Charity Authorised Investment Fund. It is a multi-asset fund with holdings in UK Equities, Overseas Equities, Fixed Income, Property and Alternatives. The balance of investments in the portfolio is actively managed by BlackRock Fund Managers Limited. The Charity is represented on the Advisory Committee, a consultative body which liaises with BlackRock on behalf of unitholders. The Charity's strategic reserve is invested in the Property Income Trust for Charities (PITCH), a charity property fund, managed by Swiss Life Asset Managers UK.

10 DEBTORS: Amounts falling due within one year

	2023	2022
	£	£
Prepayments	1,517	885
Other Debtors	66,045	41,593
	67,562	42,478

11 CREDITORS: Amounts falling due within one year

	2023	2022
	£	£
Grant commitments	106,156	24,771
Accruals	10,301	10,043
	116,457	34,814

THE ARMY CENTRAL FUND Charity Number 245700

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2023

12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

2023

	Investments	Net assets	Total
	£	£	£
Unrestricted Income Funds	61,131,846	2,286,707	63,418,553
Unrestricted Designated Funds	931,252	6,000,000	6,931,252
Total Funds	62,063,098	8,286,707	70,349,805

ANALYSIS OF NET ASSETS BETWEEN FUNDS

2022

	Investments	Net assets	Total
	£	£	£
Unrestricted Income Funds	65,093,914	1,895,888	66,989,802
Unrestricted Designated Funds	931,252	7,005,231	7,936,483
Total Funds	66,025,166	8,901,119	74,926,285

THE ARMY CENTRAL FUND Charity Number 245700

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2023

13 Analysis of Movement in Funds

	Funds 01.07.22 £	Income £	Expenditure £	Investment Losses £	Funds 30.06.23 £
Unrestricted Income Funds	66,989,802	3,021,425	(2,630,606)	(3,962,068)	63,418,553
Designated Funds	7,936,483	-	(1,005,231)	-	6,931,252
Total Funds	74,926,285	3,021,425	(3,635,837)	(3,962,068)	70,349,805

	Funds 01.07.21 £	Income £	Expenditure £	Investment Losses £	Funds 30.06.22 £
Unrestricted Income Funds	70,830,641	2,494,249	(2,296,930)	(4,038,158)	66,989,802
Designated Funds	7,880,231	213,252	(157,000)	-	7,936,483
Total Funds	78,710,872	2,707,501	(2,453,930)	(4,038,158)	74,926,285

Designated Funds

Pirbright Project Funding. In 2018, the Board decided that the Charity's funds were sufficient to award a major grant to an infrastructure project to benefit the serving Army community. Following a review of potential schemes, the Board allocated £7,000,000 to the project to rebuild the main welfare facilities at the Army Training Centre, Pirbright. In 2022, to reduce the impact of potential volatility in investment markets, £6,000,000 was drawn down from the AFCG&I Fund. It is held for the project in the CCLA COIF deposit account with a further £1,000,000 already assigned to the project. £68,748 has previously been approved for preliminary project costs.

As reported in 2021, that year the Charity received £5,555,940 of additional income from the settlement of two former Catering, Retail and Leisure contracts and the closure of the British Army (Germany) Welfare Fund. This income was shared between the Charity, the Army Welfare Grants Committee and the Army Sport Control Board on an agreed formula. The Army Sport Control Board received its full payment in 2020, but the Army Welfare Grants Committee requested its share in annual instalments. The final instalment of £1,005,231 was paid in 2023.

THE ARMY CENTRAL FUND Charity Number 245700

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2023

14 RELATED PARTY TRANSACTIONS

Register of Trustees' Complementary Interests

During the ACF accounting year from 1 July 2022 to 30 June 2023, Mr Guy Davies and Major General PR Griffiths were members of the Advisory Committee overseeing the investments of the Armed Forces Charities Growth & Income Fund which delivers dividend income. They did not receive any remuneration or benefit from membership of this committee.

During the ACF accounting year from 1 July 2022 to 30 June 2023 there were no Directors of ACF Trustee Ltd who were also trustees of other charities which benefitted from grants made by the ACF.

15 COMMITMENTS

Grants 2023/2024

At the meeting of the Board held on 16th May 2023 grants totalling £2,455,155 were approved for the year beginning 1 July 2023.

Pledges of Support

Due to the adoption of FRS102, forward grant commitments are now accrued in full and recognised as they are awarded. In previous years, grant forward grant commitments were noted in the accounts and recognised as they became due.

THE ARMY CENTRAL FUND Charity Number 245700

MANAGEMENT INFORMATION
for the year ended 30 June 2023

The following pages do not form part of the statutory financial statements which are subject to the independent auditor's report on pages 16 to 19.

THE ARMY CENTRAL FUND Charity Number 245700

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 30 June 2023

	2023	2022
	£	£
INCOME FROM		
Donations		
Other donations	286,986	165,575
	<u>286,986</u>	<u>165,575</u>
Investment Income		
Income from investments	2,514,239	2,521,487
Bank interest receivable	220,200	20,439
	<u>2,734,439</u>	<u>2,541,926</u>
TOTAL INCOME	<u>3,021,425</u>	<u>2,707,501</u>
EXPENDITURE		
Charitable Activities		
Grants awarded during the year	3,553,936	2,385,728
	<u>3,553,936</u>	<u>2,385,728</u>
Support and Governance Costs		
Salaries and contributions to pension & healthcare	44,701	43,177
Treasurers' fees	10,998	6,978
Legal Fees and Consultancy	7,749	6,705
Irrecoverable VAT	4,727	3,159
Secretariat expenses	3,691	1,174
Publication costs	2,934	-
Audit fees	2,311	2,201
Subscriptions	1,954	2,831
Trustees training	773	577
Insurance costs	760	560
Trustees travel	643	191
Office equipment depreciation	397	397
Costs of Trustees' meetings	263	252
	<u>3,635,837</u>	<u>2,453,930</u>
TOTAL EXPENDITURE	<u>3,635,837</u>	<u>2,453,930</u>
NET (EXPENDITURE) / INCOME FOR THE YEAR	<u>(614,412)</u>	<u>253,571</u>

THE ARMY CENTRAL FUND Charity Number 245700

DETAILED STATEMENT OF FINANCIAL ACTIVITIES for the year ended 30 June 2023

	2023	2022
	£	£
CHARITABLE ACTIVITIES - GRANTS PAID		
Army Command Grant. Welfare funding	1,765,231	633,334
Army Sport. Staff and management costs	660,890	644,477
Army Families Federation. Staff and management costs	503,315	503,315
Defence Medical Welfare Service. Army patients in NHS hospitals	90,000	-
Aurora New Dawn. Domestic Violence support service	80,000	-
SSAFA - Norton House. Costs of visitor accommodation	65,000	65,000
SSAFA - Short Breaks. Children with additional needs	60,000	40,000
SSAFA - Serving Community Project.	60,000	115,000
Home-Start UK. Supporting families with young children	53,000	49,200
Warrior Programme. Mental health resilience	50,000	50,000
British Forces Cyprus. Welfare funding	21,000	21,000
SSAFA – Forcesline. Confidential advice service	15,000	-
Military Wives Choirs. Choir development	15,000	20,000
Army Widows Association. Training costs	15,000	-
Army Roll of Honour Project.	8,615	500
British Forces South Atlantic Islands. Welfare funding	6,300	6,300
RM Poole. Welfare funding	2,200	2,200
INSPIRE22 Army Polar Expedition	2,000	-
NSPCC. Tidworth Families Centre	-	75,000
Pirbright Welfare Centre Project	-	68,784
Army Welfare Service. Children's activity breaks	-	65,720
Alexander First School, Windsor	-	40,000
Victory Services Club	-	40,000
Union Jack Club	-	40,000
Bulford Playpark	-	35,000
Tedworth Equestrian	-	17,118
Royal British Legion Industries (LifeWorks) family employment support	-	15,000
Reading Force	-	15,000
BFF – Pantomime Tour	-	10,000
Warrior Programme IT Consultancy	-	5,000
	3,472,551	2,576,948

THE ARMY CENTRAL FUND

England & Wales - Charity number 245700

Accounts

THE ARMY CENTRAL FUND Charity Number 246700

THE ARMY CENTRAL FUND
ANNUAL REPORT OF THE TRUSTEE
& FINANCIAL STATEMENTS

30 JUNE 2022

THE ARMY CENTRAL FUND Charity Number 245700

CONTENTS	PAGE
Reference and Administration Information	3
Board's Annual Report	5
Independent Auditors' Report	14
Statement of Financial Activities	18
Balance Sheet	19
Statement of Cashflows	20
Notes to the Financial Statements	21
The following pages do not form part of the Financial Statements	
Detailed statement of financial activities	31

THE ARMY CENTRAL FUND Charity Number 246700

REFERENCE AND ADMINISTRATION INFORMATION

Charity Address The Army Central Fund
Trenchard Lines
Upavon
Pewsey
Wiltshire
SN9 6BE

The Patrons Members of the Army Board of the Defence
Council

Corporate Trustee The Army Central Fund Trustee Limited

Corporate Trustee's Company Number 11820705

Directors of The Army Central Fund Trustee Limited

Major General PR Griffiths (Chair)
GC Davies Esq
BD Wheelwright Esq (until 10.02.22)
Air Vice Marshal The Hon DP Murray CVO OBE DL (from 18.05.22)
Major General AMG Smyth QRVM TD
Colonel Alison Brown OBE (from 18.05.22)
Brigadier EJR Chamberlain
Brigadier AJW Sturrock
Brigadier AC Luedicke OBE
Warrant Officer Class 1 A Mills (from 15.09.21)
Warrant Office Class 1 P Carney (until 15.09.21)

The directors listed above served during the reporting period. During the year no directors of the Charity were also trustees or committee members of other charities which benefited from grants made by the Charity.

Company Secretary Lieutenant Colonel JF Panton MBE

Treasurer The Trust Partnership
6 Trull Farm Buildings
Tetbury
Gloucestershire
GL8 8SQ

THE ARMY CENTRAL FUND Charity Number 246700

REFERENCE AND ADMINISTRATION INFORMATION continued

Investment Advisor	G C Davies Esq
Legal Advisor	Wilson's Solicitors LLP Charities Team 4 Lincoln's Inn Fields London WC2A 3AA
Auditor	Dunkley's Woodlands Grange Woodlands Lane Bradley Stoke Bristol BS32 4JY
Investment Managers	BlackRock Investment Management (UK) Limited 12 Throgmorton Avenue London EC2N 2DL Mayfair Capital Investment Management Limited 55 Wells Street London W1T 3P CCLA Fund Managers Limited Senator House 85 Queen Victoria Street London EC4V 4ET
Bankers	Holt's Military Banking 200 Fowler Avenue Fowler Business Park Farnborough Hampshire GU14 7JP

THE ARMY CENTRAL FUND Charity Number 246700

The Board of Directors of the Charity's corporate trustee company, present their report along with the financial statements of the Charity for the year ended 30 June 2022. The financial statements have been prepared in accordance with the accounting policies set out on page 21 of the attached accounts and comply with the Charity's trust deed, the Articles of Association of The Army Central Fund Trustee Limited, the Charities Act 2011, regulations applicable to that Act, and 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 from 1 January 2019 and the Companies Act 2006.

INTRODUCTION

The Army Central Fund is a grant-making charity that was formed shortly after the First World War to improve the welfare of serving British Army personnel and their families. Today it achieves its purpose by awarding grants to Army units and to those charities that support the Army community.

As detailed in this report, the Charity's regular income is generated from its capital investments. It does not receive government funding, nor does it fundraise. Further details of the Charity and the grant application process are available on the website www.armycentrafund.org.uk.

Both annual grants (to the Army Families Federation, the Army Sport Control Board and Army welfare funds) and project grants have continued at a similar level to previous years. The Board recognised the challenges that charities have continue to face during the recovery from the pandemic and the emerging cost-of-living crisis and have made extra funding available to sustain existing services and to address increased demand.

Despite difficult investment conditions, the fund's performance over the year has sustained income and provided sufficient funds to meet grant awards.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

The Charity is constituted as an unincorporated charity and is governed by a Scheme of the Charity Commission sealed on 21 July 2004 (as amended by resolutions of the trustees passed on 13 May 2014 and 6 December 2016 and by a Deed of Amendment, Appointment and Retirement dated 19 November 2019). The Army Central Fund Trustee Limited, was appointed as the sole trustee of the Charity on 11th February 2019 and acts as the Charity's corporate trustee.

Appointment of Directors

Directors of the corporate trustee are appointed by resolution of the Board. The Board may advertise vacancies and invite senior members of the Army to nominate serving personnel. The Board is required to be a minimum of six persons with a minimum of three present at each meeting to conduct business. Directors serve for an initial term of three years and may serve for additional terms with the approval of the whole Board.

THE ARMY CENTRAL FUND Charity Number 245700

Key Management Personnel

The directors and the company secretary comprise the key management personnel who direct, control, and operate the Charity.

Board Training and Advice

The Board keeps its skill levels under review. Directors will normally have served as trustees of other charities. As part of their induction, they are offered additional training on their responsibilities under company and charity law and refresher training during their tenure. The Board is advised by the secretary, treasurer, and investment advisor. Further professional advice is provided by the Charity's solicitor, bank, fund managers and auditor.

Management

Routinely the Board meets twice a year and calls additional meetings as required. The spring meeting is concerned mainly with applications for grants and the following year's income and expenditure. The autumn meeting considers the Annual Report and Financial Statements, the Audit Report, and any additional grant applications. At each meeting the Board monitors investment performance and reviews selected policies. The day-to-day management and administration of the Charity is delegated to the Secretary. Directors are required to disclose any relevant interests and withdraw from any decisions where a conflict of interest may arise.

Risk

The Board conducts a full risk audit every two years to consider the major risks to which the Charity is exposed; a house-keeping audit in intervening years considers any significant changes. The current potential strategic risks to the Charity are noted below. The directors have satisfied themselves that systems or procedures are established to manage all identified risks. The Board is alert to the potential impact of long-term financial market instability on the charity sector as a whole and on those charities that support the Army community.

Risk: Conflicts of Interest. Due to the multiple roles of some of the serving military directors there are potential conflicts of interest in grant-making decisions.

Key mitigating controls:

- Conflict of interest policy and meeting declarations by attendees.
- Due diligence and reporting of processes in place.
- Reduction of the number of directors serving on related charities.

Risk: Reputational damage arising from third party beneficiary or media incident.

Key mitigating controls:

- Grant-making processes and independent overview.
- Media Plan.

Risk: Volatile Income Stream. Loss in value of investments and other income streams impacting on grant-making operations. It is recognised that the resilience of international financial markets last year partly resulted from coordinated global economic support measures during the pandemic. A substantial reduction in market returns over the next 12 months remains a risk, but the Charity's funds are well diversified and should be able to sustain current grant-making.

THE ARMY CENTRAL FUND Charity Number 246700

Key mitigating controls already in place:

The investment fund includes a reserve sufficient to fund at least four quarterly dividends which would allow time to manage any reduction in the grants programme, if required.
A strategic reserve of £5,000,000 is also in place.

Further Actions:

Rolling review of investment strategy.
Continued close attention to the economy and international financial markets.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

Under Clause 4 of the Scheme, the objects of the Charity are:

- (1) To promote the efficiency of the Army for the public benefit in such charitable ways as the trustee may decide.
- (2) The relief of persons who:
 - (a) are in need, hardship and distress; and
 - (b) are serving personnel of the Army or the dependants of such persons.
- (3) The trustee may relieve persons in need by:
 - (a) making grants of money to them; or
 - (b) providing or paying for goods, services or facilities for them; or
 - (c) making grants of money to other persons or bodies who provide goods, services or facilities to those in need.

The Board has taken account of the Charity Commission's general guidance on public benefit when reviewing aims and objectives and in planning future activities. It considers that the Charity's activities match the objectives, and that this provides public benefit by improving conditions for those serving in the Army and for their families, sustaining morale and retaining trained personnel.

Grant Strategy

The Charity awards grants across the serving Army community for collective welfare and sports projects, and to charities that support the well-being of serving Army personnel and their families. The Charity does not routinely provide direct financial support to individuals in need, as this is either provided through official sources or by charities that can access casework and properly assess needs. Post-grant reports are required from all grantees and feedback from these reports informs the Board on its future grant making activities. In summary grant strategy is to:

- Fund grants from annual income.
- Consider making additional grants from capital for major projects.
- Prioritise support to projects that support those in need.
- Support projects that benefit Junior Ranks and their families.
- Support core welfare activities by making annual awards to:
 - The Army Families Federation
 - The Army Sport Control Board
 - Army Unit Welfare (the Army Command Grant which is outlined below)

THE ARMY CENTRAL FUND Charity Number 245700

- Sustain relationships with charities providing key activities through multi-year agreements.
- Maintain close relationships with the Army and with other grant-making bodies to help coordinate charitable funding across the Army community.

The Pirbright Project

In 2018 the trustees decided that Charity had sufficient funds to make a substantial contribution to a project to benefit the serving Army and its families. Following a review of proposals submitted by Army Headquarters, the trustees allocated £7,000,000 towards rebuilding the main welfare facilities at the Army Training Centre, Pirbright. In the near future up to 75% of Army recruits, both Regular and Reserve, will be trained at Pirbright and this major project will improve the provision of welfare support and benefit soldiers undergoing initial training.

Following the project Assessment Study, which reported in June 2020, the Board endorsed the preferred option to construct a new building adjacent to the Junior Ranks dining room. The original intention had been that the Charity's grant would fund the full costs of the construction and fitting out of the new building. During the tender process, it became clear that inflation had led to increased construction and material costs and that the project would require significant additional funding. After discussions with the Ministry of Defence it was agreed that the ACF grant would not exceed the £7,000,000 previously earmarked and that any shortfall would be met from public funds. The Board continues to monitor progress, risk, and liability. Army Headquarters and the Defence Infrastructure Organisation are managing the project and liaising with the Charity. The Full Business Case was approved by the Ministry of Defence in June 2022 and subsequently the main contractor was appointed. The building is scheduled to be completed in December 2023.

FINANCIAL REVIEW

Income and Expenditure

Valuation of the Charity (Total Net Assets)

The Charity's investments account for around 90% of its assets and investment performance is usually the main determinant of the Charity's valuation year on year. Last year financial markets performed particularly well, and the value of the fund increased by £7.7M. As anticipated, market volatility this year resulted in the value of the fund falling back and the value of the Charity reduced by £3.8M:

Table 1 – Total Net Assets 2018-2022 (£)

Year Ending 30 Jun	Valuation Start of Year	Valuation End of Year	Change Year on Year
2022	78,710,872	74,926,285	(3,784,587)
2021	70,971,854	78,710,872	7,739,018
2020	68,860,096	70,971,854	2,111,758
2019	68,507,097	68,860,096	352,999
2018	67,271,171	68,507,097	1,235,926
Increase 2018-2022			7,655,114

THE ARMY CENTRAL FUND Charity Number 245700

Income and Expenditure

The Charity has two main sources of income, investment income and charitable donations. As Table 2 below shows, over the last five years there has been a surplus of income over expenditure of £1,508,312 of which £1,005,231 was being held on behalf of the Army Welfare Grants Committee. This is expected to be dispersed in 2023. The balance of £503,081 mainly resulted from the exceptional income in 2020 and is available to the Board for additional grant funding:

Table 2 - Income and Expenditure 2018-2022 (£)

Year Ending 30 Jun	Investment Income	Charitable Donations	Total Income	Charitable Expenditure
2022	2,541,926	165,575	2,707,501	2,453,930
2021	2,515,696	102,324	2,618,020	3,757,361
2020	2,530,755	5,596,398	8,127,153	5,591,046
2019	2,579,661	151,340	2,731,001	3,057,432
2018	2,496,878	235,591	2,732,469	2,548,063
Totals	12,664,916	6,251,228	18,916,144	17,407,832
Excess of income over expenditure 2018-2022				1,508,312
Funds due to the Army Welfare Grants Committee				1,005,231
Balance				503,081

INVESTMENTS AND RESERVES

Investment Management

The Charity's main capital investment is held in the Armed Forces Charities Growth and Income Fund (AFCG&I), which is a multi-asset Charitable Authorised Investment Fund managed by BlackRock Investment Management (UK) Limited. An Advisory Committee representing the collective interests of unitholders acts as a consultative body to BlackRock. Mr Guy Davies chaired this committee during the reporting period and Major General PR Griffiths was a member.

Approximately 9% of the Charity's capital is invested separately in the PITCH property fund managed by Mayfair Capital Investment Management Limited.

Investment Strategy

The Board's investment strategy is to achieve real growth in capital and to generate enough income to maintain the current level of grant-making. The investment in AFCG&I covers a broad spread of assets and has lower overheads than the Charity could achieve by investing independently. AFCG&I is mainly invested in equities, with the balance held in bonds, alternatives, property, futures, and cash, offering the prospect for maximising growth whilst diversifying some risk. The investment in the PITCH charity property fund has a similar aim of achieving real growth in capital and income.

Investment Performance

In the year to 30 June 2022, AFCG&I produced a total return of -4.5% (-£4,914,875)¹. The Composite Benchmark returned -1.2%. The primary objective of the fund is to provide a return on investment over a period of five or more consecutive years beginning at the point of investment, generated through an increase to the value of the assets held by the Fund

¹ Including capital gains/losses and income received, net of fees

THE ARMY CENTRAL FUND Charity Number 248700

and/or income received from those assets. Over the five years to 30th June 2022, the Fund achieved an annualised net total return of 5.4% compared to the Composite Benchmark performance of 4.9%, outperforming the composite benchmark by +0.5%.

Income distributions in the year totalled 8.05 pence per unit (2021: 7.80 pence per unit), providing investment income of £2,278,037 which was comparable to recent years, despite drawing down £6,000,000 for the Pirbright Project halfway through the year. This has allowed the Charity to maintain its grant-making close to historic levels. The funds for the Pirbright Project are being held in the CCLA Deposit Account until they are required, reducing exposure to instability in the financial markets.

The PITCH property fund generated a dividend of £243,450 (2020: £211,931). The investment value increased by £876,717 to £5,882,489.

Reserves Policy

The AFCG&I capital investment constitutes the Charity's main reserve, and the PITCH Investment acts as a further strategic reserve. As the Charity is mainly reliant on the income from its investments, it aims to safeguard future grants by maintaining both reserves.

Reserves Target

The Board tailors grant-making to match income to protect the reserve, for the benefit of future generations of the Army.

ACHIEVEMENTS AND PERFORMANCE

The Charity achieved its objectives during the year, paying out £2,576,984 in direct grants (2021: £3,651,503). A breakdown is given on pages 31 - 32. The Charity awards grants in four main areas

Army Unit Welfare

The Army Welfare Grants Committee dispersed the Charity's Army Command Grant of £633,334 for welfare and sports projects in Army units and clubs. The committee can award grants of up to £37,500 and it submits larger projects to the Charity's Board for consideration. It publishes quarterly reports providing an analysis of activities and an itemised list of expenditure. A structure of subordinate committees allows local headquarters to approve grants of up to £2,000.

Army-Wide Organisations

Army Sport Control Board (ASCB). The Charity's grant of £644,477 contributes to central running costs enabling the ASCB to deliver its charter. This includes supporting the development and management of sport and sports facilities in the Army; governing Army Sports Associations; and authorising sports competitions and events. The return of competitive sport after the pandemic is a critical element in the Army's 'offer' to its people.

Army Families Federation (AFF). The Charity's grant of £503,315 contributes to central running costs enabling the AFF to continue to represent families at government, Army Command, and local levels. It also enables the AFF to communicate with and respond to enquiries from families and to campaign on current issues including housing, healthcare provision, immigration, money, and employment. AFF continues to provide exceptional support to Army families which is particularly valuable for those families experiencing financial hardship.

THE ARMY CENTRAL FUND Charity Number 248700

Other Charities

Grants to other charities to support the well-being of serving personnel and for families. This often gives access to wider resources and expertise. Examples are:

- NSPCC. After over 20 years, this year the final grant was awarded to the NSPCC Families Centre in Tidworth, ahead of its closure. This centre (and the former centre in Catterick) provided generations of new parents, young children, and adolescents from the Army community access to a range of activities and specialist care supporting development and mental health. Over this time the Charity worked closely with NSPCC for the wider benefit of Army families. The closure of the centre resulted from a restructuring of the way NSPCC delivers its services and discussions continue about future cooperation. Although it was sad to see the centres close, we are grateful to the NSPCC for keeping the centres open for 5 years longer than originally planned and for their continuing guidance and specialist advice. (£75,000)
- Aurora New Dawn. The main output of this grant is the provision of one-to-one counselling and advice to victims of sexual violence, domestic abuse or stalking in the Army community. Individuals are supported after an incident, potentially through to a resulting Court Martial or civil trial. In addition, Aurora speaks on welfare training courses and can provide direct guidance to Military Police, Unit Welfare Officers, and Army Welfare Service staff to assist them responding to incidents and allegations. Having access to an independent, external advocate helps victims when they are most vulnerable. (£40,000 awarded in late 2021 for 2022).
- SSAFA Short Breaks. ACF funding contributes to the costs of Army families with a child with a disability or additional needs attending an activity week. The activities are delivered by the Calvert Trust in the Lake District and Exmoor. They are a great experience and hugely popular with families who have often struggled caring for a child with additional needs while living in an Army environment. Many parents suffer from isolation and holidays can be a real challenge. Short Breaks give them an opportunity to meet other families in a similar situation who understand their difficulties. In addition, attendance can open access to a range of other services and support groups that they did not know about and SSAFA staff are on hand to help. This grant helps some of our families in most need. (£40,000)
- The Warrior Programme. Mental resilience training for serving personnel (families are supported through other funding streams). The programme enables individuals to manage their emotions and develop focus and motivation. It aims to improve personal decision-making and self-care and remove negativity. It is designed for the Armed Forces community and can transform confidence and performance particularly for those who have suffered trauma including domestic violence or sexual violence. (£50,000 a year for 3 years for serving Army personnel)

Army Projects

In addition to the projects supported through the Army Command Grant, the Charity awarded further grants to:

- Army Welfare Service – Summer Camps. When a previous funding stream was unexpectedly cancelled ACF, ABF The Soldiers' Charity and other charities stepped in to ensure the camps could continue. Children have a choice of a traditional outdoor activities camp run by the Youth Hostel Association, or a more art and craft-based camp delivered by AWS. (£65,720)

THE ARMY CENTRAL FUND Charity Number 245700

- Alexander First School, Windsor – STEM Centre. A joint bid from the Foot Guards battalions based in Windsor to contribute to the development of the school that serves their community (and is over 85% Service Children). A disused caretaker's bungalow was converted to provide science and technology facilities and to act as a hub for parents and the school community. The school works with Reading Force and Little Troopers, both charities that ACF has previously funded (£40,000)
- Bulford Playpark. A straight-forward project to install a large modern playpark at The Beeches, the local families centre. Having a clear, sustainable plan and an effective fundraising campaign resulted in the bulk of the funds being raised. ACF was asked to meet the shortfall. (£35,000)
- RM Poole Command Grant. A small grant to the unit families fund to reflect the Army personnel serving at this Tri-Service base. The grant contributes to community events and towards the costs of distributing the base family's newsletter. (£2,200)

PLANS FOR THE FUTURE

As last year, whilst the Board is open to considering further major grants from capital, this is balanced by concerns about the long-term strength of the economy and the potential impact of inflation or market corrections on the value of investments. The Charity's financial priority is to ensure it can sustain its core funding in the event of significant investment losses or reduced income. Retaining substantial investment capital and reserves protects the future funding of critical services provided by partner charities to the Army community.

The Charity will continue to pursue opportunities for collaborative working where the outcome meets charitable objectives. In particular, the Charity will work closely with The Nuffield Trust for the Forces of the Crown, ABF The Soldier's Charity and SSAFA The Armed Forces Charity as major supporters of the Army community.

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The trustee is responsible for preparing the trustee's report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustee to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period.

In preparing these accounts, the trustee is required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in 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).
- make judgements and estimates that are reasonable and prudent.

THE ARMY CENTRAL FUND Charity Number 248700

- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's constitution. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustee is aware:

- there is no relevant audit information of which the Charity's auditors are unaware; and
- the trustee has taken all steps that they ought to have taken to make itself aware of any relevant audit information and to establish that the auditors are aware of that information.

The Army Central Fund
Trenchard Lines
Upavon
Pewsey
Wiltshire
SN9 6BE

Signed by Order of the Trustee Board



PR Griffiths
Major General
Chair of the Corporate Trustee

Approved by the Board on 16th November 2022

Report of the Independent Auditors to the Trustees of The Army Central Fund

Opinion

We have audited the financial statements of The Army Central Fund (the 'charity') for the year ended 30 June 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

THE ARMY CENTRAL FUND Charity Number 245700

Report of the Independent Auditors to the Trustees of The Army Central Fund

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Report of the Independent Auditors to the Trustees of
The Army Central Fund**

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:

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the charitable sector, control environment and performance including the design of the organisation's remuneration policies;
- Any matters we identified, having obtained and reviewed the organisation's documentation of their policies and procedures relating to:
- Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- The matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the areas of management override of controls, going concern, income recognition, and the appropriateness of expenditure.

We also obtained an understanding of the legal and regulatory framework that the organisation operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements.

Audit response to risks identified

Our procedures to respond to risks identified included the following:

THE ARMY CENTRAL FUND Charity Number 245700

**Report of the Independent Auditors to the Trustees of
The Army Central Fund**

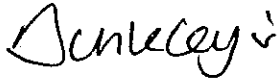
- Enquiring of management, concerning actual and potential litigation and claims;
- Substantive testing to vouch source records to the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Enquiring of management the internal controls in, evaluating each control for weakness and vouching to evidence of the control taking place;
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Dunkley's Statutory Auditors Chartered Accountants
Woodlands Grange
Woodlands Lane
Bradley Stoke
Bristol
BS32 4JY

Date: 31/08/2023

THE ARMY CENTRAL FUND Charity Number 246700

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 30 June 2022

	Note	Total Unrestricted Funds 2022 £	Total Unrestricted Funds 2021 £
INCOME			
Income from			
Donations (Gainshare & Welfare Return)	2	165,575	102,324
Investment income	3	2,541,926	2,515,696
TOTAL INCOME		2,707,501	2,618,020
EXPENDITURE			
Charitable activities	4/5	2,453,930	3,757,361
TOTAL EXPENDITURE		2,453,930	3,757,361
NET INCOME / (EXPENDITURE)		253,571	(1,139,341)
(Losses) / Gains on investment assets	9	(4,038,158)	8,878,359
NET MOVEMENT IN FUNDS		(3,784,587)	7,739,018
RECONCILIATION OF FUNDS	12/13		
Fund balances brought forward		78,710,872	70,971,854
FUND BALANCES CARRIED FORWARD		74,926,285	78,710,872

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 21 to 29 form part of the financial statements.

THE ARMY CENTRAL FUND Charity Number 245700

BALANCE SHEET
as at 30 June 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible assets	8	529	926
Investments	9	66,025,166	76,063,324
		66,025,695	76,064,250
CURRENT ASSETS			
Debtors	10	42,478	117,125
Cash at bank and in hand		8,892,926	2,752,834
		8,935,404	2,869,959
CREDITORS: amounts falling due within one year	11	(34,814)	(223,337)
NET CURRENT ASSETS		8,900,590	2,646,622
TOTAL NET ASSETS		74,926,285	78,710,872
FUNDS			
	12/13		
Unrestricted Income Funds		66,989,802	70,830,641
Unrestricted Designated Funds		7,936,483	7,880,231
TOTAL FUNDS		74,926,285	78,710,872

The financial statements were approved by the members of the Board on 16th November 2022 and are signed on their behalf by:



PR Griffiths
Major General
Chair Board of Directors

The notes on pages 21 to 29 form part of the financial statements.

THE ARMY CENTRAL FUND Charity Number 245700

STATEMENT OF CASHFLOWS
for the year ended 30 June 2022

	Note	2022 £	2021 £
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash (used) from operating activities	See below	<u>(2,401,834)</u>	<u>(3,721,538)</u>
Cash flows from investing activities:			
Dividends and interest from investments		2,541,926	2,515,696
Purchase of tangible fixed assets		-	(1,191)
Proceeds from sale of Investments		6,000,000	-
Net cash provided by investing activities:		<u>8,541,926</u>	<u>2,514,505</u>
Change in cash and cash equivalents in the reporting period		6,140,092	(1,207,033)
Cash equivalents at the beginning of the reporting period		<u>2,752,834</u>	<u>3,959,867</u>
Cash and cash equivalents at the end of the reporting period		<u>8,892,926</u>	<u>2,752,834</u>
RECONCILIATION OF NET INCOME TO NET CASHFLOW FROM OPERATING ACTIVITIES			
Net income for the reporting period per the statement of financial activities		(3,784,587)	7,739,018
Adjustments for:			
Depreciation charges		397	265
Losses / (Gains) on investments		4,038,158	(8,878,359)
Dividends and interest from investments		(2,541,926)	(2,515,696)
Decrease / (Increase) in debtors		74,647	(100,962)
(Decrease) / Increase in creditors		(188,523)	34,196
Net cash (used) from operating activities		<u>(2,401,834)</u>	<u>(3,721,538)</u>

The notes on pages 21 to 29 form part of the financial statements.

THE ARMY CENTRAL FUND Charity Number 246700

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, except for Investments which are included at market value, and include the results of the Charity's operations which are described in the Trustees' Report and all of which are continuing.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by 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 Act 2011 and the Companies Act 2006. The trust constitutes a public benefit entity as defined by FRS 102.

Income

All incoming resources are recognised when the charitable trust has entitlement to the funds, the receipt is probable, and the amount can be measured reliably.

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable, and the amount can be reliably measured.

Investment income from loans and short-term deposits is accrued in relation to the period to which it relates. Other investment income from assets held in asset portfolios or current accounts is included when reported as received by the portfolio manager.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Grant expenditure

A constructive obligation for grants payable exists once it has been communicated to the recipient. Upon the obligation existing, where payment is probable and can be measured reliably, the entire grant is accounted for in the Statement of Financial Activities, less any amounts that rely upon the recipient meeting performance-related conditions.

Charitable activities

These are costs incurred on the charity trust's individual charitable activities, including support costs and costs relating to the governance of the charitable trust apportioned to charitable activities.

Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rate in use is as follows:

Office Equipment	3 years' straight line
------------------	------------------------

Investments

The charity's investment in managed portfolios is included in the balance sheet at fair value, being the open market value specified by the portfolio managers at the balance sheet date.

THE ARMY CENTRAL FUND Charity Number 245700

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

1 ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognised when the charitable trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the charitable trust at the discretion of the trustees. Designated funds comprise a strategic fund reserved to the value of two years expenditure.

Financial Instruments

The charity 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.

2 DONATIONS

	Total Unrestricted Funds 2022 £	Total Unrestricted Funds 2021 £
Blue Light MOD Discount Scheme	165,575	102,324
	165,575	102,324

3 INVESTMENT INCOME

	Total Unrestricted Funds 2022 £	Total Unrestricted Funds 2021 £
Income from a UK managed fund	2,278,037	2,302,654
Income from Property Income Trust	243,460	211,932
Bank Interest receivable	20,439	1,110
	2,541,926	2,515,696

THE ARMY CENTRAL FUND Charity Number 245700

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

4 COST OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Total Unrestricted Funds	Total Unrestricted Funds
	2022	2021
	£	£
Grant commitments at the start of the year	215,991	180,028
Grants awarded during the year	2,385,728	3,687,466
Grant commitments at the end of the year	<u>(24,771)</u>	<u>(215,991)</u>
Total grants paid in year (see page 32)	<u>2,576,948</u>	<u>3,651,503</u>

Total charitable activities

	Total Funds	Total Funds
	2022	2021
	£	£
Grants awarded during the year (see above)	2,385,728	3,687,466
Support costs (see note 5)	<u>68,202</u>	<u>69,895</u>
	<u>2,453,930</u>	<u>3,757,361</u>

5 SUPPORT AND GOVERNANCE COSTS

	Total Unrestricted Funds	Total Unrestricted Funds
	2022	2021
	£	£
Salaries and contributions to pension & healthcare	43,177	43,137
Treasurers' fees	6,978	10,270
Legal Fees and Consultancy	6,705	6,308
Irrecoverable VAT	3,159	3,904
Subscriptions	2,831	2,220
Audit fees	2,201	1,967
Secretariat expenses	1,174	555
Trustees training	577	314
Insurance costs	560	918
Office equipment depreciation	397	265
Costs of Trustees' meetings	252	37
Trustees travel	191	-
	<u>68,202</u>	<u>69,895</u>

THE ARMY CENTRAL FUND Charity Number 245700

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

6 NET EXPENDITURE / INCOME FOR THE YEAR

This is stated after charging:	2022	2021
	£	£
Depreciation	397	265
Treasurers' remuneration	6,978	10,270
Auditors' remuneration – audit of the financial statements	2,201	1,967
Irrecoverable VAT	3,159	3,904
	12,735	16,406

7 STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2022	2021
	£	£
Key management personnel		
Wages and salaries	35,483	35,483
Employers' Pension Contributions	5,713	5,713
Healthcare Contribution and Death in Service Benefit for Secretary	1,981	1,941
	43,177	43,137

Particulars of employees:

The average number of employees during the year was 1 (2021 1), and calculated on the basis of full-time equivalents, this was as follows:

	2022	2021
	No	No
Number of administrative staff:	0.75	0.75

The Charity considers its key management personnel comprise the Directors and the Company Secretary.

No Director received any remuneration during the year.

No employee received emoluments of more than £60,000 during the year.

The requirement to accrue holiday pay has been considered but this has not been included in the accounts at 30 June 2022 due to the immaterial value of the potential adjustment.

THE ARMY CENTRAL FUND Charity Number 245700

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

8 TANGIBLE FIXED COSTS

	Office equipment	2022 Total	2021 Total
	£	£	£
Cost			
At 1 July 2021	1,191	1,191	-
Additions	-	-	1,191
At 30 June 2022	1,191	1,191	1,191
Depreciation			
At 1 July 2021	265	265	-
Charge for the year	397	397	265
At 30 June 2021	662	662	265
Net book value			
At 30 June 2022	529	529	926
At 30 June 2021	926	926	926

9 INVESTMENTS

Movement in market value

	2022 Mayfair	2022 AFCG&I	2022 Total	2021 Total
	£	£	£	£
Market value at 1 July 2021	5,005,772	71,057,552	76,063,324	67,184,965
Disposal proceeds	-	(6,000,000)	(6,000,000)	-
Net gains/(losses) on revaluations in the year ended 30 June 2022	876,717	(4,914,875)	(4,038,158)	8,878,359
Market value at 30 June 2022	5,882,489	60,142,677	66,025,166	76,063,324
Historical cost at 30 June 2022	5,000,000	29,395,919	34,395,919	34,395,919

THE ARMY CENTRAL FUND Charity Number 245700

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

9 INVESTMENTS (Continued)

	2022	2021
	£	£
Listed investments		
AFCG&I Income Units	60,142,677	71,057,552
Mayfair Capital Property Income Fund	5,882,489	5,005,772
	<u>66,025,166</u>	<u>76,063,324</u>

Historical Note

At 2 September 2002 the ACF Capital Fund valued at £31,604,555 was exchanged for Income/Distribution units in the then ACIF at £1 per unit. On 9 December 2019 the Charity's investment of £62,515,051.11 in the Armed Forces Common Investment Fund (AFCIF) was transferred to the Armed Forces Charities Growth & Income Fund (AFCG&I) at equal value and with the same number of shares.

Risk Management

The Charity's main capital investment is held in the Armed Forces Charities Growth & Income Fund, a sub-fund of the BlackRock Charity Authorised Investment Fund. It is a multi-asset fund with holdings in UK Equities, Overseas Equities, Fixed Income, Property and Alternatives. The balance of investments in the portfolio is actively managed by BlackRock Fund Managers Limited. The Charity is represented on the Advisory Committee, a consultative body which liaises with BlackRock on behalf of unitholders. The Charity's strategic reserve is invested in the Property Income Trust for Charities (PITCH), a charity property fund, managed by Mayfair Capital.

10 DEBTORS: Amounts falling due within one year

	2022	2021
	£	£
Prepayments	42,478	117,125
	<u>42,478</u>	<u>117,125</u>

11 CREDITORS: Amounts falling due within one year

	2022	2021
	£	£
Grant commitments	24,771	215,991
Accruals	10,043	7,348
	<u>34,814</u>	<u>223,337</u>

THE ARMY CENTRAL FUND Charity Number 245700

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

12 ANALYSIS OF NET ASSETS BETWEEN FUNDS
2022

	Investments	Net assets	Total
	£	£	£
Unrestricted Income Funds	65,093,914	1,895,888	66,989,802
Unrestricted Designated Funds	931,252	7,006,231	7,936,483
Total Funds	66,025,166	8,901,119	74,926,285

ANALYSIS OF NET ASSETS BETWEEN FUNDS
2021

	Investments	Net assets	Total
	£	£	£
Unrestricted Income Funds	69,063,324	1,767,317	70,830,641
Unrestricted Designated Funds	7,000,000	880,231	7,880,231
Total Funds	76,063,324	2,647,548	78,710,872

THE ARMY CENTRAL FUND Charity Number 246700

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

13 Analysis of Movement in Funds

	Funds 01.07.21 £	Income £	Expenditure £	Investment Losses £	Funds 30.06.22 £
Unrestricted Income Funds	70,830,641	2,484,249	(2,296,930)	(4,038,168)	66,989,802
Designated Funds	7,880,231	213,262	(157,000)	-	7,936,483
Total Funds	78,710,872	2,707,601	(2,453,930)	(4,038,168)	74,926,285

	Funds 01.07.20 £	Income £	Expenditure £	Investment Losses £	Funds 30.06.21 £
Unrestricted Income Funds	62,051,623	2,618,020	(2,717,361)	8,878,359	70,830,641
Designated Funds	8,920,231	-	(1,040,000)	-	7,880,231
Total Funds	70,971,854	2,618,020	(3,757,361)	8,878,359	78,710,872

Designated Funds

Pirbright Project Funding. In 2018, the Board decided that the Charity's funds were sufficient to award a major grant to an infrastructure project to benefit the serving Army community. Following a review of potential schemes, the Board allocated £7,000,000 to the project to rebuild the main welfare facilities at the Army Training Centre, Pirbright. This year, to reduce the impact of potential volatility in investment markets, £6,000,000 was drawn down from the AFCG&I Fund. It is held for the project in the CCLA COIF deposit account with a further £1,000,000 already assigned to the project. £68,748 has been approved during this year for preliminary project costs.

As reported in 2021, that year the Charity received £5,555,940 of additional income from the settlement of two former Catering, Retail and Leisure contracts and the closure of the British Army (Germany) Welfare Fund. This income was shared between the Charity, the Army Welfare Grants Committee and the Army Sport Control Board on an agreed formula. The Army Sport Control Board received its full payment in 2020, but the Army Welfare Grants Committee requested its share in annual instalments. Payments totalling £2,830,186 have been made so far, the balance of £1,005,231 has been delayed until 2023.

THE ARMY CENTRAL FUND Charity Number 245700

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

14 RELATED PARTY TRANSACTIONS

Register of Trustees' Complementary Interests

During the ACF accounting year from 1 July 2021 to 30 June 2022, Mr Guy Davies and Major General PR Griffiths were members of the Advisory Committee overseeing the investments of the Armed Forces Charities Growth & Income Fund which delivers dividend income. They did not receive any remuneration or benefit from membership of this committee.

During the ACF accounting year from 1 July 2021 to 30 June 2022 there were no Directors of ACF Trustee Ltd who were also trustees of other charities which benefitted from grants made by the ACF.

15 COMMITMENTS

Grants 2022/2023

At the meeting of the Board held on 18th May 2022 grants totalling £2,354,905 were approved for the year beginning 1 July 2022.

Pledges of Support

Due to the adoption of FRS102, forward grant commitments are now accrued in full and recognised as they are awarded. In previous years, grant forward grant commitments were noted in the accounts and recognised as they became due.

THE ARMY CENTRAL FUND Charity Number 245700

MANAGEMENT INFORMATION
for the year ended 30 June 2022

The following pages do not form part of the statutory financial statements which are subject to the independent auditor's report on pages 13 to 16.

THE ARMY CENTRAL FUND Charity Number 245700

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 30 June 2022

	2022	2021
	£	£
INCOME FROM		
Donations		
Gainshare	-	-
NAAFI Welfare Return (Germany)	-	-
Closure British Army (Germany) Welfare Fund	-	-
Other donations	<u>165,575</u>	<u>102,324</u>
	165,575	102,324
Investment Income		
Income from investments	<u>2,521,487</u>	<u>2,514,586</u>
Bank interest receivable	<u>20,439</u>	<u>1,110</u>
	2,541,926	2,515,696
TOTAL INCOME	<u>2,707,501</u>	<u>2,618,020</u>
EXPENDITURE		
Charitable Activities		
Grants awarded during the year	<u>2,385,728</u>	<u>3,687,486</u>
	2,385,728	3,687,486
Support and Governance Costs		
Salaries and contributions to pension & healthcare	<u>43,177</u>	<u>43,137</u>
Treasurers' fees	<u>6,978</u>	<u>10,270</u>
Legal Fees and Consultancy	<u>6,705</u>	<u>6,308</u>
Irrecoverable VAT	<u>3,159</u>	<u>3,904</u>
Subscriptions	<u>2,831</u>	<u>2,220</u>
Audit fees	<u>2,201</u>	<u>1,967</u>
Secretariat expenses	<u>1,174</u>	<u>555</u>
Trustees training	<u>577</u>	<u>314</u>
Insurance costs	<u>560</u>	<u>918</u>
Office equipment depreciation	<u>397</u>	<u>265</u>
Costs of Trustees' meetings	<u>252</u>	<u>37</u>
Trustees travel	<u>191</u>	<u>-</u>
	<u>2,453,930</u>	<u>3,757,381</u>
TOTAL EXPENDITURE	<u>2,453,930</u>	<u>3,757,381</u>
NET (EXPENDITURE) / INCOME FOR THE YEAR	<u>253,571</u>	<u>(1,139,341)</u>

THE ARMY CENTRAL FUND Charity Number 245700

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 30 June 2022

	2022	2021
	£	£
CHARITABLE ACTIVITIES - GRANTS PAID		
Army Sport Control Board, staff and management costs	644,477	654,380
Army Command Grant, welfare funding for Army commands	633,334	950,000
Army Families Federation, staff and management costs	503,315	493,466
SSAFA - Serving community volunteers project	115,000	115,000
NSPCC, Tidworth Families Centre	75,000	75,000
Pirbright Welfare Centre	68,784	-
Army Welfare Service, children's activity breaks	65,720	1,720
SSAFA - Norton House running costs DRMC Stanford Hall	65,000	65,000
Warrior Programme	50,000	-
Home-Start UK, supporting families with young children	49,200	49,200
SSAFA – Short Breaks, for children with additional needs	40,000	40,000
Alexander School Windsor	40,000	-
Victory Services Club	40,000	-
Union Jack Club	40,000	-
Bulford Playpark	35,000	-
British Forces Cyprus Command Grant	21,000	21,000
Military Wives Choir Foundation, choir development	20,000	30,000
Tedworth Equestrian	17,118	-
Royal British Legion Industries (LifeWorks) family employment support	15,000	15,000
Reading Force	15,000	-
BFF – Pantomime Tour	10,000	-
British Forces South Atlantic Islands Command Grant	6,300	6,328
Warrior programme IT Consultancy	5,000	-
RM Poole Command Grant	2,200	2,200
Armed Forces Memorial Trust – Army Roll of Honour	800	3,399
Legacy Gainshare (Wales and West Midlands) to HQ Regional Command	-	1,000,000
Aurora New Dawn, domestic violence support	-	40,000
Catterick Saddle Club, resurfacing the indoor arena	-	35,850
DMWS Grant, supporting serving personnel in NHS hospitals	-	30,000
Sandes Home Aldershot, kitchen refurbishment	-	13,000
Finchale College, Durham, family and employment support	-	6,160
Highground Project, therapy garden DRMC Stanford Hall	-	5,000
Totals grants paid	2,576,948	3,651,503

THE ARMY CENTRAL FUND

England & Wales - Charity number 245700

Accounts

THE ARMY CENTRAL FUND Charity Number 245700

THE ARMY CENTRAL FUND
ANNUAL REPORT OF THE TRUSTEE
& FINANCIAL STATEMENTS

30 JUNE 2021

THE ARMY CENTRAL FUND Charity Number 245700

CONTENTS	PAGE
Reference and Administration Information	3
Board's Annual Report	5
Independent Auditors' Report	13
Statement of Financial Activities	17
Balance Sheet	19
Statement of Cashflows	20
Notes to the Financial Statements	21
The following pages do not form part of the Financial Statements	
Detailed statement of financial activities	31

THE ARMY CENTRAL FUND Charity Number 245700

REFERENCE AND ADMINISTRATION INFORMATION

Charity Address	The Army Central Fund Trenchard Lines Upavon Pewsey Wiltshire SN9 6BE
The Patrons	Members of the Army Board of the Defence Council
Corporate Trustee	The Army Central Fund Trustee Limited
Corporate Trustee's Company Number	11820705

Directors of The Army Central Fund Trustee Limited

Major General SPM Nesmith (Chair until 10.02.21)
Major General PR Griffiths (Chair from 10.02.21)
Brigadier EJR Chamberlain (from 25.11.20)
Brigadier AMG Smyth (from 25.11.20)
Brigadier CMB Coles CBE (until 10.02.21)
Brigadier AJW Sturrock
Brigadier AC Luedicke OBE
Brigadier HJ Robertson QVRM TD (until 10.02.21)
Warrant Officer Class 1 P Carney (until 15.09.21)
Warrant Officer Class 1 A Mills (from 15.09.21)
BD Wheelwright Esq
GC Davies Esq

The directors listed above served during the reporting period. During the year no directors of the Charity were also trustees or committee members of other charities which benefited from grants made by the Charity.

Company Secretary	Lieutenant Colonel JF Panton MBE
Treasurer	The Trust Partnership 6 Trull Farm Buildings Tetbury Gloucestershire GL8 8SQ

THE ARMY CENTRAL FUND Charity Number 245700

REFERENCE AND ADMINISTRATION INFORMATION continued

Investment Advisor	G C Davies Esq
Legal Advisor	Wilson's Solicitors LLP Charities Team 4 Lincoln's Inn Fields London WC2A 3AA
Auditor	Dunkley's Woodlands Grange Woodlands Lane Bradley Stoke Bristol BS32 4JY
Investment Managers	BlackRock Investment Management (UK) Limited 12 Throgmorton Avenue London EC2N 2DL Mayfair Capital Investment Management Limited 55 Wells Street London W1T 3P CCLA Fund Managers Limited Senator House 85 Queen Victoria Street London EC4V 4ET
Bankers	Holt's Military Banking 200 Fowler Avenue Fowler Business Park Farnborough Hampshire GU14 7JP

THE ARMY CENTRAL FUND Charity Number 245700

The Board of Directors of the Charity's corporate trustee company, present their report along with the financial statements of the Charity for the year ended 30 June 2021. The financial statements have been prepared in accordance with the accounting policies set out on page 20 of the attached accounts and comply with the Charity's trust deed, the Articles of Association of The Army Central Fund Trustee Limited, the Charities Act 2011, regulations applicable to that Act, and 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 from accounting periods commencing 1 January 2015 or later.

INTRODUCTION

The Army Central Fund is a grant-making charity that was formed shortly after the First World War to improve the welfare of serving British Army personnel and their families. Today it achieves its purpose by awarding grants to Army units and to those charities that support the Army community.

As detailed in this report, the Charity's regular income is generated from its capital investments. It does not receive government funding, nor does it fundraise. Further details of the Charity and the grant application process are available on the website www.armycentralfund.org.uk.

The Charity operated as normal throughout the pandemic. The main annual grants to the Army Families Federation, the Army Sport Control Board and to Army welfare funds continued at a similar level to previous years. The Board recognised the challenges that charities faced over this year and made extra funding available to sustain existing services and to address increased demand.

Strong investment performance over the year has sustained income and provided sufficient funds to meet grant awards.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

The Charity is constituted as an unincorporated charity and is governed by a Scheme of the Charity Commission sealed on 21 July 2004 (as amended by resolutions of the trustees passed on 13 May 2014 and 6 December 2016 and by a Deed of Amendment, Appointment and Retirement dated 19 November 2019). In the previous reporting period, The Army Central Fund Trustee Limited, was formed to act as the Charity's corporate trustee and was appointed as the sole trustee of the Charity on 11th February 2019.

Appointment of Directors

Directors of the corporate trustee are appointed by resolution of the Board. The Board may advertise vacancies and invite senior members of the Army to nominate serving personnel. The Board is required to be a minimum of six persons with a minimum of three present at each meeting to conduct business. Directors serve for an initial term of three years and may serve for additional terms with the approval of the whole Board.

THE ARMY CENTRAL FUND Charity Number 245700

Key Management Personnel

The directors and the company secretary comprise the key management personnel who direct, control, and operate the Charity.

Board Training and Advice

The Board keeps its skill levels under review. Directors will normally have served as trustees of other charities. As part of their induction, they are offered additional training on their responsibilities under company and charity law and refresher training during their tenure. The Board is advised by the secretary, treasurer, and investment advisor. Further professional advice is provided by the Charity's solicitor, bank, fund managers and auditor.

Management

Routinely the Board meets twice a year and calls additional meetings as required. The spring meeting is concerned mainly with applications for grants and the following year's income and expenditure. The autumn meeting considers the Annual Report and Financial Statements, the Audit Report, and any additional grant applications. At each meeting the Board monitors investment performance and reviews selected policies. The day-to-day management and administration of the Charity is delegated to the secretary. Directors are required to disclose any relevant interests and withdraw from any decisions where a conflict of interest may arise.

Risk

The Board conducts a full risk audit every two years to consider the major risks to which the Charity is exposed; a house-keeping audit in intervening years considers any significant changes. The current potential strategic risks to the Charity are noted below. The directors have satisfied themselves that systems or procedures are established to manage all identified risks. The Board is alert to the potential impact of long-term financial market instability on the charity sector as a whole and on those charities that support the Army community.

Risk: **Conflicts of Interest.** Due to the multiple roles of some of the serving military directors there are potential conflicts of interest in grant-making decisions.

Key mitigating controls:

Conflict of interest policy and meeting declarations by attendees.

Due diligence and reporting of processes in place.

Reduction of the number of directors serving on related charities

Risk: **Reputational damage** arising from third party beneficiary or media incident.

Key mitigating controls:

Grant-making processes and independent overview.

Media Plan.

Risk: **Volatile income Stream.** Loss in value of investments and other income streams impacting on grant-making operations. It is recognised that the resilience of international financial markets has partly resulted from coordinated global economic support measures, which may not be sustainable. A substantial reduction in market returns over the next 12 months remains a risk, but the Charity's funds are well diversified and should be able to sustain current grant-making.

THE ARMY CENTRAL FUND Charity Number 245700

Key mitigating controls already in place:

The investment fund includes a reserve sufficient to fund at least four quarterly dividends which would allow time to manage any reduction in the grants programme, if required.

A strategic reserve of £5,000,000 is also in place.

Further Actions:

Rolling review of investment strategy.

Continued close attention to the economic impact of Covid-19.

Risk: Failure to deliver the Pirbright Project within budget and timescale.

Key mitigating controls already in place:

Liaison with Project management agencies and contractors on agreed milestones and reporting regime.

Further Actions:

Project delivery progress monitoring agreement.

Grant payment cut-off mechanism.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

Under Clause 4 of the Scheme, the objects of the Charity are:

- (1) To promote the efficiency of the Army for the public benefit in such charitable ways as the trustee may decide.
- (2) The relief of persons who:
 - (a) are in need, hardship and distress; and
 - (b) are serving personnel of the Army or the dependants of such persons.
- (3) The trustee may relieve persons in need by:
 - (a) making grants of money to them; or
 - (b) providing or paying for goods, services or facilities for them; or
 - (c) making grants of money to other persons or bodies who provide goods, services or facilities to those in need.

The Board has taken account of the Charity Commission's general guidance on public benefit when reviewing aims and objectives and in planning future activities. It considers that the Charity's activities match the objectives, and that this provides public benefit by improving conditions for those serving in the Army and for their families, sustaining morale and retaining trained personnel.

Grant Strategy

The Charity awards grants across the serving Army community for collective welfare and sports projects, and to charities that support the well-being of serving Army personnel and their families. The Charity does not routinely provide direct financial support to individuals in need, as this is either provided through official sources or by charities that can access casework and properly assess needs. Post-grant reports are required from all grantees and feedback from these reports informs the Board on its future grant making activities. In summary grant strategy is to:

THE ARMY CENTRAL FUND Charity Number 245700

- Fund grants from income. The broad aim being to make available an annual grant fund that matches the value of annual income (less management costs).
- Consider making additional grants from capital for major projects.
- Prioritise support to projects that support those in need.
- Support projects that benefit Junior Ranks and their families.
- Support core welfare activities by making annual awards to:
 - The Army Families Federation
 - The Army Sport Control Board
 - Army Unit Welfare (the Army Command Grant which is outlined below)
- Sustain relationships with charities providing key activities through multi-year agreements.
- Maintained close relationships with the Army, the Nuffield Trust, ABF The Soldiers' Charity, and other grant-making bodies to help coordinate charitable funding across the Army community.

The Pirbright Project

In 2018 the trustees concluded that the scale of the Charity's funds allowed for a major contribution to an infrastructure project to benefit the serving Army and its families. Following a review of potential schemes, the trustees allocated £5,000,000 (with a reserve of a further £2,000,000) to a project to rebuild the main welfare facilities at the Army Training Centre, Pirbright. Once the restructuring of initial training is complete, up to 75% of Army recruits, both Regular and Reserve, will be trained at Pirbright and this major project will improve the provision of their welfare support. The project will particularly benefit soldiers undergoing initial training.

Following the project Assessment Study, which reported in June 2020, the Board endorsed the preferred option to construct a new building adjacent to the Junior Ranks dining room. This year the allocation for preliminary costs was increased to £282,000 to fund the finalisation of the design, obtain planning consent and prepare the construction tender documents. The Board continues to monitor progress, risk, and liability. Army Headquarters and the Defence Infrastructure Organisation are managing the project and liaising with the Charity. The Outline Business Case was approved in December 2020, the Full Business Case will be submitted for approval in April 2022 and the building is scheduled to be completed in December 2023.

FINANCIAL REVIEW

Income and Expenditure

The Charity has two main sources of income, investment income and charitable donations. Investment income has increased steadily from around £2.3M a year in 2016 to £2.5M this year. Charitable donations vary considerably. Last year was exceptional with over £5.5M being donated. Excluding 2020, donations over the last six years have averaged just under £300,000 a year which, with annual investment income, has generated an average total income of £2.65M a year. In line with current grant strategy, the Board's broad aim is to match income and expenditure, but this is not feasible every year due to the variations in donations and the scale of grant applications received. As Table 1 below shows, over the last six years the difference between income and expenditure is £434,423, largely due to the exceptional charitable donations received in 2020. The high 'cash at bank and in hand' figure (2021: £2,752,834) includes holdings of just over £2M in a CCLA investment fund and just under £300,000 for invoices due from the preliminary stages of the Pirbright project.

THE ARMY CENTRAL FUND Charity Number 245700

Table 1 - Income and Expenditure 2016-2021

Year	Investment Income	Charitable Donations	Total Income	Charitable Expenditure
2021	2,515,696	102,324	2,618,020	3,757,361
2020	2,530,755	5,596,398	8,127,153	5,591,046
2019	2,579,661	151,340	2,731,001	3,057,432
2018	2,496,878	235,591	2,732,469	2,548,063
2017	2,351,628	490,651	2,842,279	2,552,519
2016	2,315,628	442,869	2,758,497	2,868,575
Totals	14,790,246	7,019,173	21,809,419	20,374,996
Exceptional income received in 2020 and allocated to 2022				1,000,000
Difference between income and expenditure 2016-2021				434,423

Capital

The strong performance of global financial markets and careful management of the charity's investments has seen their valuation increase by nearly £18M since 2016 of which £7M has been allocated to the Pirbright Project. As shown in Table 2, the last six years have featured two years with gains of over £8M (2017 and 2021) accounting for most of the growth over this period.

Table 2 – Investment Valuation 2016-2021

Year	Valuation Start of Year	Sale of Investments	Investment Gain/(Loss)	Change Year on Year	Valuation End of Year
2021	67,184,965		8,878,359	8,878,359	76,063,324
2020	68,179,314	600,000	(394,349)	(994,349)	67,184,965
2019	67,529,884		649,430	649,430	68,179,314
2018	66,478,364		1,051,520	1,051,520	67,529,884
2017	58,071,944		8,406,420	8,406,420	66,478,364
2016	58,405,656	300,000	(33,712)	(333,712)	58,071,944

INVESTMENTS AND RESERVES

Investment Management

The Charity's main capital investment is held in the Armed Forces Charities Growth and Income Fund (AFCG&I), which is a multi-asset Charitable Authorised Investment Fund managed by BlackRock Investment Management (UK) Limited. An Advisory Committee representing the collective interests of unitholders acts as a consultative body to BlackRock. Mr Guy Davies chaired this committee during the reporting period and Major General SPM Nesmith and Major General PR Griffiths were members.

Approximately 6.5% of the Charity's capital is invested separately in the PITCH property fund managed by Mayfair Capital Investment Management Limited.

Investment Strategy

The Board's investment strategy is to achieve real growth in capital and to generate enough income to maintain the current level of grant-making. The investment in AFCG&I covers a broad spread of assets and has lower overheads than the Charity could achieve by investing independently. About 65% of AFCG&I is invested in equities, with the balance held in bonds,

THE ARMY CENTRAL FUND Charity Number 245700

alternatives, property, futures, and cash, offering the prospect for maximising growth whilst diversifying some risk. The investment in the PITCH charity property fund has a similar aim of achieving real growth in capital and income.

Investment Performance

Over the 12 months to 30 June 2021, AFCG&I produced a return of 18.1% with net income reinvested, net of fees. The Composite Benchmark returned 13%. The primary objective of the fund is to provide a return on investment (net of fees) over a period of 5 or more consecutive years beginning at the point of investment, generated through an increase to the value of the assets held by the Fund and/or income received from those assets. Over the five years to 30th June 2021, the Fund achieved an annualised 9.5% increase compared to the Composite Benchmark figure of 8.5%, over-performing against the objective by 1.2%.

Income distributions in the year totalled 7.80 pence per unit (2020: 7.70 pence per unit), providing stable investment income and maintaining the steady increases over recent years. This has again allowed the Charity to maintain grant-making close to historic levels. The value of the Charity's investment in AFCG&I increased by £8,679,236.

The PITCH property fund generated a dividend of £211,931 (2020 £240,467). The investment value increased by £199,123 to £5,005,772.

Overall, the total value of the Charity's capital investments increased by 13.2% over the reporting period (1 July 2020 to 30 June 2021).

Reserves Policy

The AFCG&I capital investment constitutes the Charity's main reserve, and the PITCH investment acts as a further strategic reserve. As the Charity is mainly reliant on the income from its investments, it aims to safeguard future grants by maintaining both reserves. If the reserves are significantly above the level required to sustain annual grants and financial markets are considered to be stable, consideration is given to realising funds for additional capital projects.

Reserves Target

The Board tailors grant-making to match income to protect the reserve, for the benefit of future generations of the Army.

ACHIEVEMENTS AND PERFORMANCE

The Charity achieved its objectives during the year, paying out £2,651,503 in direct grants and dispersing a further £1,000,000 of additional income. A breakdown is given on pages 31 - 32. The Charity awards grants in four main areas:

Army Unit Welfare

The Army Welfare Grants Committee dispersed the Charity's Army Command Grant of £950,000 for welfare and sports projects in Army units and clubs. The committee publishes quarterly reports providing an analysis of activities and an itemised list of expenditure. A structure of subordinate committees allows local headquarters to approve grants of up to £2,000 and Regional Command up to £15,000. The Army Welfare Grants Committee can award grants of up to £37,500 and it submits larger projects to the Charity's Board for consideration.

THE ARMY CENTRAL FUND Charity Number 245700

Army-Wide Organisations

Army Sport Control Board. The Charity's grant of £654,380 contributes to central staff salary costs and enables the ASCB to deliver its charter. This includes supporting the development and management of sport and sports facilities in the Army; governing Army Sports Associations; and authorising sports competitions and events. Director Army Sport Control Board presented a detailed briefing on the impact of this grant to the Charity's Board Meeting in May 2021 concluding *'Your grant provides the necessary funding for HQ ASCB to manage and sustain the effective and safe delivery of representative sport in the Army...and enables those with particular talent to achieve their sporting goals at national and international levels enhancing our national standing and reputation in the process. Most importantly, we are delivering on a unique element of the Army offer and lived experience, so vital for both recruiting and retention.'*

Army Families Federation. The Charity's grant of £493,466 contributes to staff salary costs and enables the AFF to continue to represent families at government, Army Command, and local levels. It also enables the AFF to communicate with and respond to enquiries from families and to campaign on current issues including housing, healthcare provision, immigration, money and employment. In her annual report to the Board, the Chief Executive commented that *'this funding supports our everyday work in speaking up for and supporting Army families in UK and across the world on the many issues that affect their lives...and to ensure that they are not disadvantaged.'*

Other Charities

Grants to other charities include support for the well-being of spouses and families and have enabled activities to continue within the constraints of the Covid pandemic. Examples are: a grant to SSAFA The Armed Forces Charity to develop the effectiveness of volunteering and peer-to-peer support (£115,000), and a contribution to the cost of SSAFA Short Breaks for families with a child with additional needs (£40,000); to the Defence Medical Welfare Service for Welfare Officers to support patients in NHS hospitals (£30,000); and to Aurora New Dawn for advice and support to victims of sexual violence, domestic abuse or stalking in the Army community (£40,000).

Army Projects

In addition to the projects supported through the Army Command Grant, the Charity awarded further grants including equipping the Sandes café at the Aldershot Garrison Community Hub (£13,000); resurfacing the indoor arena at Catterick Garrison Saddle Club (£35,950); improving the High Ground therapy garden at the Defence Medical Rehabilitation Centre, Stanford Hall (£5,000).

PLANS FOR THE FUTURE

Whilst the Board is open to considering further major grants from capital, this is balanced by concerns about the long-term strength of the economy and the potential impact of inflation or market corrections on the value of investments. The Charity's financial priority is to ensure it can sustain its core funding in the event of significant investment losses or reduced income. Retaining substantial investment capital and reserves protects the future funding of critical services provided by partner charities to the Army community.

The Charity will continue to pursue opportunities for collaborative working where the outcome meets charitable objectives. In particular, the Charity will work closely with The Nuffield Trust for the Forces of the Crown, ABF The Soldier's Charity and SSAFA The Armed Forces Charity as major supporters of the Army community.

THE ARMY CENTRAL FUND Charity Number 245700

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The trustee is responsible for preparing the trustee's report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustee to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period.

In preparing these accounts, the trustee is required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in 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).
- make judgements and estimates that are reasonable and prudent.
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's constitution. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustee is aware:

- there is no relevant audit information of which the Charity's auditors are unaware; and
- the trustee has taken all steps that they ought to have taken to make itself aware of any relevant audit information and to establish that the auditors are aware of that information.

The Army Central Fund
Trenchard Lines
Upavon
Pewsey
Wiltshire
SN9 6BE

Signed by Order of the Trustee Board



PR Griffiths
Major General
Chair of the Corporate Trustee

Approved by the Board on 24.11.21

Report of the Independent Auditors to the Trustees of The Army Central Fund

Opinion

We have audited the financial statements of The Army Central Fund (the 'charity') for the year ended 30 June 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

Report of the Independent Auditors to the Trustees of The Army Central Fund

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Report of the Independent Auditors to the Trustees of
The Army Central Fund**

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:

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the charitable sector, control environment and performance including the design of the organisation's remuneration policies;
- Any matters we identified, having obtained and reviewed the organisation's documentation of their policies and procedures relating to:
- Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- The matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the areas of management override of controls, going concern, income recognition, and the appropriateness of expenditure.

We also obtained an understanding of the legal and regulatory framework that the organisation operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements.

Audit response to risks identified

Our procedures to respond to risks identified included the following:

THE ARMY CENTRAL FUND Charity Number 245700

**Report of the Independent Auditors to the Trustees of
The Army Central Fund**

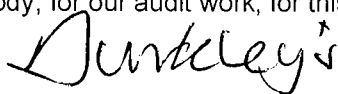
- Enquiring of management, concerning actual and potential litigation and claims;
- Substantive testing to vouch source records to the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Enquiring of management the internal controls in, evaluating each control for weakness and vouching to evidence of the control taking place;
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Dunkley's Statutory Auditors Chartered Accountants
Woodlands Grange
Woodlands Lane
Bradley Stoke
Bristol
BS32 4JY

Date: 24/11/2021

THE ARMY CENTRAL FUND Charity Number 245700

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 30 June 2021

	Note	Total Unrestricted Funds 2021 £	Total Unrestricted Funds 2020 £
INCOME			
Income from			
Donations (Gainshare & Welfare Return)	2	102,324	5,596,398
Investment income	3	2,515,696	2,530,755
TOTAL INCOME		2,618,020	8,127,153
EXPENDITURE			
Charitable activities	4/5	3,757,361	5,591,046
TOTAL EXPENDITURE		3,757,361	5,591,046
NET (EXPENDITURE) / INCOME		(1,139,341)	2,536,107
Gains/ (Losses) on investment assets	9	8,878,359	(394,349)
NET MOVEMENT IN FUNDS		7,739,018	2,141,758
RECONCILIATION OF FUNDS	12/13		
Fund balances brought forward		70,971,854	68,830,096
FUND BALANCES CARRIED FORWARD		78,710,872	70,971,854

The statement of financial activities includes all gains and losses recognised in the year
All income and expenditure derive from continuing activities.

The notes on pages 21 to 29 form part of the financial statements.

THE ARMY CENTRAL FUND Charity Number 245700

STATEMENT OF FINANCIAL ACTIVITIES

2020 comparative

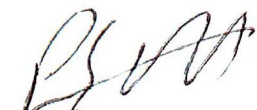
	Total Unrestricted Funds 2020 £
INCOME	
Income from	
Donations (Gainshare & Welfare Return)	5,596,398
Investment income	2,530,755
TOTAL INCOME	<u>8,127,153</u>
EXPENDITURE	
Charitable activities	5,591,046
TOTAL EXPENDITURE	<u>5,591,046</u>
NET EXPENDITURE	2,536,107
(Losses) on investment assets	(394,349)
NET MOVEMENT IN FUNDS	<u>2,141,758</u>
RECONCILIATION OF FUNDS	
Fund balances brought forward	68,830,096
FUND BALANCES CARRIED FORWARD	<u>70,971,854</u>

THE ARMY CENTRAL FUND Charity Number 245700

BALANCE SHEET
as at 30 June 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	8	926	-
Investments	9	76,063,324	67,184,965
		<u>76,064,250</u>	<u>67,184,965</u>
CURRENT ASSETS			
Debtors	10	117,125	16,163
Cash at bank and in hand		2,752,834	3,959,867
		<u>2,869,959</u>	<u>3,976,030</u>
CREDITORS: amounts falling due within one year	11	(223,337)	(189,141)
NET CURRENT ASSETS		<u>2,646,622</u>	<u>3,786,889</u>
TOTAL NET ASSETS		<u>78,710,872</u>	<u>70,971,854</u>
FUNDS			
	12/13		
Unrestricted funds		78,710,872	70,971,854
TOTAL FUNDS		<u>78,710,872</u>	<u>70,971,854</u>

The financial statements were approved by the members of the Board on 24. 11. 2021 and are signed on their behalf by:



PR Griffiths
Major General
Chair Board of Directors

The notes on pages 21 to 29 form part of the financial statements

THE ARMY CENTRAL FUND Charity Number 245700

STATEMENT OF CASHFLOWS
for the year ended 30 June 2021

	2021	2020
Note	£	£
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net cash (used in) / generated from operating activities	(3,721,538)	70,918
Cash flows from investing activities:		
Dividends and interest from investments	2,515,696	2,530,755
Purchase of tangible fixed assets	(1,191)	-
Proceeds from sale of investments	-	600,000
Net cash provided by investing activities:	2,514,505	3,130,755
Change in cash and cash equivalents in the reporting period	(1,207,033)	3,201,673
Cash equivalents at the beginning of the reporting period	3,959,867	758,194
Cash and cash equivalents at the end of the reporting period	2,752,834	3,959,867
RECONCILIATION OF NET INCOME TO NET CASHFLOW FROM OPERATING ACTIVITIES		
Net Income for the reporting period per the statement of financial activities	7,739,018	2,141,758
Adjustments for:		
Depreciation charges	265	-
(Gains) / Losses on investments	(8,878,359)	394,349
Dividends and interest from investments	(2,515,696)	(2,530,755)
(Increase) / Decrease in debtors	(100,962)	10,218
Increase in creditors	34,196	55,348
Net cash (used) / generated in operating activities	(3,721,538)	70,918

The notes on pages 21 to 29 form part of the financial statements.

THE ARMY CENTRAL FUND Charity Number 245700

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2021

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value, and include the results of the Charity's operations which are described in the Trustees' Report and all of which are continuing.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Charities Act 2011. The trust constitutes a public benefit entity as defined by FRS 102.

Income

All incoming resources are recognised when the charitable trust has entitlement to the funds, the receipt is probable, and the amount can be measured reliably.

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable, and the amount can be reliably measured.

Investment income from loans and short-term deposits is accrued in relation to the period to which it relates.

Other investment income from assets held in asset portfolios or current accounts is included when reported as received by the portfolio manager.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Grant expenditure

A constructive obligation for grants payable exists once it has been communicated to the recipient.

Upon the obligation existing, where payment is probable and can be measured reliably, the entire grant is accounted for in the Statement of Financial Activities, less any amounts that rely upon the recipient meeting performance-related conditions.

Charitable activities

These are costs incurred on the charity trust's individual charitable activities, including support costs and costs relating to the governance of the charitable trust apportioned to charitable activities.

Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rate in use is as follows:

Office Equipment	3 years' straight line
------------------	------------------------

Investments

The charity's investment in managed portfolios is included in the balance sheet at fair value, being the open market value specified by the portfolio managers at the balance sheet date.

THE ARMY CENTRAL FUND Charity Number 245700

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

1 ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognised when the charitable trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the charitable trust at the discretion of the trustees. Designated funds comprise a strategic fund reserved to the value of two years expenditure.

Financial instruments

The charity 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.

2 DONATIONS

	Total Unrestricted Funds 2021 £	Total Unrestricted Funds 2020 £
Gainshare from UK Catering, Retail and	-	4,063,596
NAAFI (Germany) Welfare Return	-	9,268
Closure British Army (Germany) Welfare Fund	-	1,523,338
Other Donations	102,324	196
	102,324	5,596,398

3 INVESTMENT INCOME

	Total Unrestricted Funds 2021 £	Total Unrestricted Funds 2020 £
Income from a UK managed fund	2,302,654	2,278,453
Income from Property Income Trust	211,932	240,467
Bank interest receivable	1,110	11,835
	2,515,696	2,530,755

THE ARMY CENTRAL FUND Charity Number 245700

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2021

4 COST OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Total Unrestricted Funds	Total Unrestricted Funds
	2021	2020
	£	£
Grant commitments at the start of the year	180,028	120,466
Grants awarded during the year	3,687,466	5,518,152
Grant commitments at the end of the year	(215,991)	(180,028)
Total grants paid in year (see page 32)	<u>3,651,503</u>	<u>5,458,590</u>

Total charitable activities

	Total Funds	Total Funds
	2021	2020
	£	£
Grants awarded during the year (see above)	3,687,466	5,518,152
Support costs (see note 5)	69,895	72,894
	<u>3,757,361</u>	<u>5,591,046</u>

5 SUPPORT AND GOVERNANCE COSTS

	Total Unrestricted Funds	Total Unrestricted Funds
	2021	2020
	£	£
Salaries and contributions to pension & healthcare	43,137	42,468
Treasurers' fees	10,270	9,171
Legal Fees and Consultancy	6,308	8,407
Irrecoverable VAT	3,904	4,124
Subscriptions	2,220	2,600
Audit fees	1,967	2,433
Insurance costs	918	879
Secretariat expenses	555	1,846
Trustees training	314	822
Office equipment depreciation	265	-
Costs of Trustees' meetings	37	-
Trustees travel	-	144
	<u>69,895</u>	<u>72,894</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2021

6 NET EXPENDITURE / INCOME FOR THE YEAR

This is stated after charging:	2021	2020
	£	£
Depreciation	265	-
Treasurers' remuneration	10,270	9,171
Auditors' remuneration – audit of the financial statements	1,967	2,433
Irrecoverable VAT	3,904	4,124
	16,406	15,728

7 STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2021	2020
	£	£
Key management personnel		
Wages and salaries	35,483	34,994
Employers' Pension Contributions	5,713	5,556
Healthcare Contribution and Death in Service Benefit for Secretary	1,941	1,918
	43,137	42,468

Particulars of employees:

The average number of employees during the year was 1 (2020 1), and calculated on the basis of full-time equivalents, this was as follows:

	2021	2020
	No	No
Number of administrative staff:	0.75	0.75

The Charity considers its key management personnel comprise the Directors and the Company Secretary.

No Director received any remuneration during the year.

No employee received emoluments of more than £60,000 during the year.

The requirement to accrue holiday pay has been considered but this has not been included in the accounts at 30 June 2021 due to the immaterial value of the potential adjustment.

THE ARMY CENTRAL FUND Charity Number 245700

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2021

8 TANGIBLE FIXED COSTS

	Office equipment	2021 Total	2020 Total
	£	£	£
Cost			
At 1 July 2020	-	-	-
Additions	1,191	1,191	-
At 30 June 2021	1,191	1,191	-
Depreciation			
At 1 July 2020	-	-	-
Charge for the year	265	265	-
At 30 June 2021	265	265	-
Net book value			
At 30 June 2021	926	926	-
At 30 June 2020	-	-	-

9 INVESTMENTS

Movement in market value

	2021 Mayfair	2021 AFCG&I	2021 Total	2020 Total
	£	£	£	£
Market value at 1 July 2020	4,806,649	62,378,316	67,184,965	68,179,314
Addition of income Units	-	-	-	-
Disposal of income Units	-	-	-	(600,000)
Net gains/(losses) on revaluations in the year ended 30 June 2021	199,123	8,679,236	8,878,359	(394,349)
Market value at 30 June 2021	5,005,772	71,057,552	76,063,324	67,184,965
Historical cost at 30 June 2021	5,000,000	29,395,919	34,395,919	34,395,919

THE ARMY CENTRAL FUND Charity Number 245700

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2021

9 INVESTMENTS (Continued)

	2021	2020
	£	£
Listed investments		
AFCG&I Income Units	71,057,552	62,378,316
Mayfair Capital Property Income Fund	5,005,772	4,806,649
	<u>76,063,324</u>	<u>67,184,965</u>

Historical Note

At 2 September 2002 the ACF Capital Fund valued at £31,604,555 was exchanged for Income/Distribution units in the then ACIF at £1 per unit. On 9 December 2019 the Charity's investment of £62,515,051.11 in the Armed Forces Common Investment Fund (AFCIF) was transferred to the Armed Forces Charities Growth & Income Fund (AFCG&I) at equal value and with the same number of shares.

Risk Management

The Charity's main capital investment is held in the Armed Forces Charities Growth & Income Fund, a sub-fund of the BlackRock Charity Authorised Investment Fund. It is a multi-asset fund with holdings in UK Equities, Overseas Equities, Fixed Income, Property and Alternatives. The balance of investments in the portfolio is actively managed by BlackRock Fund Managers Limited. The Charity is represented on the Advisory Committee, a consultative body which liaises with BlackRock on behalf of unitholders. The Charity's strategic reserve is invested in the Property Income Trust for Charities (PITCH), a charity property fund, managed by Mayfair Capital.

10 DEBTORS: Amounts falling due within one year

	2021	2020
	£	£
Prepayments	117,125	16,163
	<u>117,125</u>	<u>16,163</u>

11 CREDITORS: Amounts falling due within one year

	2021	2020
	£	£
Grant commitments	215,991	180,028
Accruals	7,346	9,113
	<u>223,337</u>	<u>189,141</u>

THE ARMY CENTRAL FUND Charity Number 245700

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2021

12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

2021

	Investments	Net assets	Total
	£	£	£
Unrestricted Income Funds	69,063,324	1,767,317	70,830,641
Unrestricted Designated Funds	7,000,000	880,231	7,880,231
Total Funds	76,063,324	2,647,548	78,710,872

ANALYSIS OF NET ASSETS BETWEEN FUNDS

2020

	Investments	Net assets	Total
	£	£	£
Unrestricted Income Funds	60,184,965	1,866,658	62,051,623
Unrestricted Designated Funds	7,000,000	1,920,231	8,920,231
Total Funds	67,184,965	3,786,889	70,971,854

THE ARMY CENTRAL FUND Charity Number 245700

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2021

13 Analysis of Movement in Funds

	Funds 01.07.20 £	Income £	Expenditure £	Investment Gains £	Funds 30.06.21 £
Unrestricted Income Funds	62,051,623	2,618,020	(2,717,361)	8,878,359	70,830,641
Designated Funds	8,920,231	-	(1,040,000)	-	7,880,231
Total Funds	70,971,854	2,618,020	(3,757,361)	8,878,359	78,710,872

	Funds 01.07.19 £	Income £	Expenditure £	Investment Losses £	Funds 30.06.20 £
Unrestricted Income Funds	61,830,096	4,291,736	(3,675,860)	(394,349)	62,051,623
Designated Funds	7,000,000	3,835,417	(1,915,186)	-	8,920,231
Total Funds	68,830,096	8,127,153	(5,591,046)	(394,349)	70,971,854

Designated Funds

In 2018, the trustees concluded that the current scale of the Charity's funds allowed for a major contribution to an infrastructure project to benefit the serving Army and its families. Following a review of potential schemes, the trustees allocated £5,000,000 (with a reserve of a further £2,000,000) to a project to rebuild the main welfare facilities at the Army Training Centre, Pirbright. Funding for this project will be made available via the transfer of invested funds to cash. £40,000 has been approved during this year and £85,000 last year.

In the previous year, the Charity received £5,555,940 of additional income from the settlement of two former Catering, Retail and Leisure contracts and the closure of the British Army (Germany) Welfare Fund. The Board retained £1,720,523 of this and agreed to disperse £3,835,417 (£3,226,082 to the Army Welfare Grants Committee and £609,335 to the Army Sport Control Board). The Army Sport Control Board received full payment in 2020 and payments of £ £2,830,186 have been made so far to the Army Welfare Grants Committee (£1,830,186 in 2020 and £1,000,000 in 2021). The balance of £1,005,231 is expected to be dispersed to the Army Welfare Grants Committee in 2022.

THE ARMY CENTRAL FUND Charity Number 245700

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2021

14 RELATED PARTY TRANSACTIONS

Register of Trustees' Complementary Interests

During the ACF accounting year from 1 July 2020 to 30 June 2021, Mr Guy Davies, Major General SPM Nesmith, and Major General PR Griffiths were members of the Advisory Committee overseeing the investments of the Armed Forces Charities Growth & Income Fund which delivers dividend income. They did not receive any remuneration or benefit from membership of this committee.

During the ACF accounting year from 1 July 2020 to 30 June 2021 there were no Directors of ACF Trustee Ltd who were also Trustees or Committee Members of other Charities or Funds, which benefited from Grants made by the ACF.

15 COMMITMENTS

Grants 2021/2022

At the meeting of the Board held on 12th May 2021 grants totalling £2,706,492 were approved for the year beginning 1 July 2021

Pledges of Support

Due to the adoption of FRS102, forward grant commitments are now accrued in full and recognised as they are awarded. In previous years, grant forward grant commitments were noted in the accounts and recognised as they became due.

THE ARMY CENTRAL FUND Charity Number 245700

MANAGEMENT INFORMATION
for the year ended 30 June 2021

The following pages do not form part of the statutory financial statements which are subject to the independent auditor's report on pages 13 to 16.

THE ARMY CENTRAL FUND Charity Number 245700

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 30 June 2021

	2021	2020
	£	£
INCOME FROM		
Donations		
Gainshare	-	4,063,596
NAAFI Welfare Return (Germany)	-	9,268
Closure British Army (Germany) Welfare Fund	-	1,523,338
Other donations	102,324	196
	102,324	5,596,398
Investment Income		
Income from investments	2,514,586	2,518,920
Bank interest receivable	1,110	11,835
	2,515,696	2,530,755
TOTAL INCOME	2,618,020	8,127,153
EXPENDITURE		
Charitable Activities		
Grants awarded during the year	3,687,466	5,518,152
	3,687,466	5,518,152
Support and Governance Costs		
Salaries and contributions to pension & healthcare	43,137	42,468
Treasurers' fees	10,270	9,171
Legal Fees and Consultancy	6,308	8,407
Irrecoverable VAT	3,904	4,124
Subscriptions	2,200	2,600
Audit fees	1,967	2,433
Insurance costs	918	879
Secretariat expenses	555	1,846
Trustees training	314	822
Office equipment depreciation	265	-
Costs of Trustees' meetings	37	-
Trustees travel	-	144
TOTAL EXPENDITURE	3,757,361	5,591,046
NET (EXPENDITURE) / INCOME FOR THE YEAR	(1,139,341)	2,536,107

THE ARMY CENTRAL FUND Charity Number 245700

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 30 June 2021

	2021	2020
	£	£
CHARITABLE ACTIVITIES - GRANTS PAID		
Legacy Gainshare (Wales and West Midlands) to HQ Regional Command	1,000,000	1,000,000
Army Command Grant, welfare funding for Army commands	950,000	950,000
Army Sport Control Board, staff and management costs	654,380	647,614
Army Families Federation, staff and management costs	493,466	483,771
SSAFA - Serving community volunteers project	115,000	-
NSPCC, Tidworth Families Centre	75,000	75,000
SSAFA - Norton House running costs DRMC Stanford Hall	65,000	65,000
Home-Start UK, supporting families with young children	49,200	49,200
SSAFA – Short Breaks, for children with additional needs	40,000	-
Aurora New Dawn, domestic violence support	40,000	-
Catterick Saddle Club, resurfacing the indoor arena	35,650	-
DMWS Grant, supporting serving personnel in NHS hospitals	30,000	-
Military Wives Choir Foundation, choir development	30,000	5,000
British Forces Cyprus Command Grant	21,000	21,000
Royal British Legion Industries (LifeWorks) family employment support	15,000	15,000
Sandes Home Aldershot, kitchen refurbishment	13,000	-
British Forces South Atlantic Islands Command Grant	6,328	6,300
Finchale College, Durham, family and employment support	6,160	-
Highground Project, therapy garden DRMC Stanford Hall	5,000	-
Armed Forces Memorial Trust – Army Roll of Honour	3,399	6,253
RM Poole Command Grant	2,200	2,200
Army Welfare Service, children's activity breaks	1,720	80,200
Closure of BA(G) Welfare Fund – allocation of 40% to ASCB	-	609,335
The Guards Chapel Organ Appeal	-	400,000
Legacy Gainshare (South West) – allocation of 80% to HQ RC	-	220,851
Wavell Road Pavilion project, Catterick Garrison	-	200,000
Army Gliding Club, (Wyvern)	-	91,055
Episkopi Station, Cyprus Sports Pitch/MUGA	-	70,022
Services Cotswold Centre Play Park	-	68,717
Army Sailing Association Exercise Transglobe 2020	-	60,000
Beacon Tree Community Centre MOD Stafford	-	54,696
RMA Sandhurst Saddle Club outdoor arena	-	51,545
SSAFA Covid-19 Emergency Response Fund	-	50,000
Grants paid c/f	3,651,503	5,282,759

THE ARMY CENTRAL FUND Charity Number 245700

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 30 June 2021

CHARITABLE ACTIVITIES - GRANTS PAID (continued)

	2021	2020
	£	£
Grants paid b/f	<u>3,651,503</u>	<u>5,282,759</u>
Corps of Royal Signals (Centenary events)	-	30,000
Army Winter Sports Association (Skeleton sleds)	-	27,254
Army Sailing Association (British Soldier yacht)	-	25,000
Army Families Federation, Forces Families Jobs website	-	19,900
British Forces Foundation - Pantomimes	-	13,575
Army Welfare Service Tidworth Legacy Project	-	11,700
Ruskin Land Trust – The Fold, Catterick	-	10,868
Army Families Federation - replacement database	-	10,000
Combat Stress, mental health helpline	-	7,000
British Services Mountaineering Exercise Broad Peak 2020 (delayed)	-	6,000
Covid-19 Families Repatriation – Grants for food packs	-	5,317
On Course Foundation, golf training for wounded, injured and sick personnel	-	5,250
The Boleh Trust – sailing for Army Children – Grant 2020-2023	-	2,952
Funeral LCpl Mongan	-	1,015
Totals grants paid	<u><u>3,651,503</u></u>	<u><u>5,458,590</u></u>