



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
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Auditor Dunkley's
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Bristol
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Investment Managers BlackRock Fund Managers Limited
12 Throgmorton Avenue
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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
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Signed by Order of the Trustee Board

SL Humphris
Major General
Chair of the Corporate Trustee

Approved by the Board on

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

Date:

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 30 June 2025

		Total Unrestricted Funds 2025 £	Total Unrestricted Funds 2024 £
	Note		
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

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

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:	See below		
Net cash (used) from operating activities		(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
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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