



# The Armed Forces Covenant Fund Trust

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Report And Financial  
Statements  
2020/21

*Supporting the Armed Forces Covenant  
through funding real change...*





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## An introduction from our Chair of Trustees, Helen Helliwell

This Annual Report gives the opportunity to reflect on a year of challenges.

The Covid-19 pandemic has had a significant impact on every individual in this country. At the Armed Forces Covenant Fund Trust, we responded to the challenges of Covid by focusing on what we could do to support the Armed Forces charity sector, and the people it supports.

We supported our existing grant holders to make any changes needed to their grants, making over 500 changes to enable our projects to have more time to complete their work; or change the activities they were doing so that they could keep delivering their support to Armed Forces communities in a Covid compliant way.

We delivered new funding programmes at pace, which would help reduce the impact of the Covid-19 pandemic on Armed Forces communities and the organisations that support them. We were delighted to work with the MOD and Cabinet Office to deliver an additional £6 million to support Armed Forces charitable organisations and the veterans and Armed Forces community members who use their services.

In total, we awarded £9.1 million in projects and grants

to reduce the impact of the Covid-19 pandemic, across three funding programmes. Staff within the Trust moved at speed to deliver these funding programmes. Organisations awarded grants under the third of these programmes, Forces Communities Together, were able to start delivering their projects in September 2020. Organisations receiving grants through the Veterans Should Not be Forgotten programme received their funding from mid-June 2020 onwards. The speed and dedication with which the team worked, helped to support vulnerable members of the Armed Forces community, and the organisations that support them, at a particularly challenging time.

This year, the Trust also had a focus on reducing loneliness, awarding over £4 million to 60 projects under the Tackling Loneliness programme; and addressing local isolation of Armed Forces communities through the Force for Change programme, which funds local projects.

With funding from HM Treasury, the Trust awarded 116 grants for projects to help veterans gain better mental health through the Positive Pathways programme, and eight grants totalling £2.1 million under the One is Too Many programme in March 2021. These projects provide specialist and co-ordinated services to reduce suicide risk in veterans and provide specialist support to families.

The Trust also continued to work with others, to maximise our impact. Data from the Map of Need, a complex project mapping the needs of the Armed Forces community, was made freely available on our website. Grant holders have continued to work with us to improve how we gather data directly on the impact that our work has, through the Outcomes Measurement Framework. People from Armed Forces communities can find out about projects that we've funded their local area through our app.

We began an innovative new partnership with NAAFI to deliver grants that have projects that improve the quality of life for serving personnel and serving families living on or near a Forces base or station. In the first year of the NAAFI Fund, 65 grants, worth more than £700,000 were awarded, with many of these grants being used to develop better outdoor and indoor spaces for serving personnel and families to come together.

We've completed more evaluations of our existing work; publishing findings on our funding for Armed

Forces families, our programmes supporting former serving personnel who have entered the Criminal Justice system, how the £30 million Aged Veterans' Fund impacted on the wellbeing of older veterans, and the impact of five years of funding smaller community projects to address local needs of Armed Forces communities.

I am incredibly grateful to my fellow Board members for giving up their time, and to those who serve on our sub-committees. I have deep admiration for our grant holders and the work they achieve. One of the greatest aspects of being Chair is when I get to meet veterans, Armed Forces families and serving personnel who have been supported by projects that we've funded; and hearing about the difference that this makes.

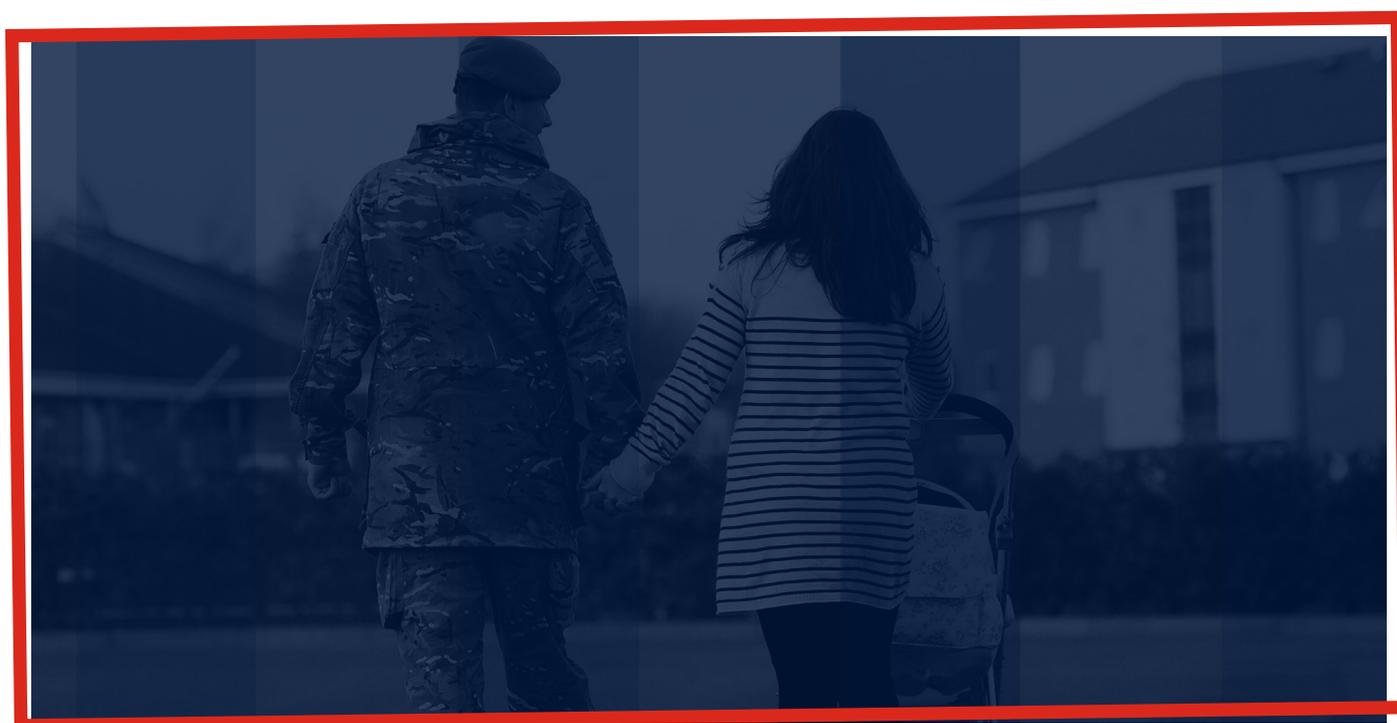
Moving forward into 2021/22, we are going to do more to support existing work that is valued by Armed Forces communities to ensure that they can sustain into the future, explore ways of better supporting veterans (and their families) who are in hospitals and deliver an additional £10 million through the Veterans' Mental Health and Wellbeing Fund to ensure that veterans can access support that meets their needs

alongside NHS provision such as OpCourage. I am particularly proud that we are a learning organisation and we continue to innovate; particularly through our Knowledge Network, which is an open access data repository that holds impact and outcome based content from both the programmes the Trust delivers and the projects we support, to help showcase the best practice and positive outcomes achieved.

Our mission is to support the Armed Forces Covenant through funding real change. We'll continue to work with the Armed Forces charitable sector, our grant holders, the wider community and government departments, to keep funding change that delivers real impact to people's lives.

Finally, as Chair, I and the Board of Trustees are truly indebted to the work of the Chief Executive, Melloney Poole, her very capable deputies Sonia Howe and Carol Stone, and the teams with which they lead so professionally. The Trust simply goes from strength to strength under their leadership, drive and determination, in order to deliver benefit for the Armed Forces community in what has been a most extraordinary year.

**AT THE ARMED FORCES COVENANT FUND TRUST, WE RESPONDED TO THE CHALLENGES OF COVID BY FOCUSING ON WHAT WE COULD DO TO SUPPORT THE ARMED FORCES CHARITY SECTOR, AND THE PEOPLE IT SUPPORTS.**



## About us

The Armed Forces Covenant Fund Trust (the Trust) is a grant making organisation that supports the Armed Forces Covenant by delivering funding programmes that create real change to Armed Forces communities across the UK.

We are a charity and are classified as a Non-Departmental Public Body, or NDPB.

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

All our grants are awarded through specific funding

programmes. Each programme has an aim, which describes the change that we would like the funded projects to achieve.

We develop our funding programmes based on evidence of challenges that people within the Armed Forces community face, and where we think that funding from us would be able to make a significant difference to the problem. We work with partners in government and in the charity sector to develop our programmes.

Our Annual Report for this year looks at how we responded to the Covid-19 pandemic; our focus on addressing loneliness and isolation; complex grants; how we worked with others and research that we've published.

**£25m+**

**awarded in support of  
the Armed Forces  
community in 2020/21**

**559**

**changes made to Trust  
projects to support  
organisations during the  
Covid-19 pandemic**

**700+**

**Forces projects  
supported in 2020/21  
across nine funding  
programmes**



# SUPPORTING REAL CHANGE IN 2020/21



# What programmes did we run in 2020/21?

 Covenant Fund    Covid specific    Reducing isolation and loneliness    Working with partners

## Force for Change

- Supporting the whole Forces community.
- Focus on reducing social isolation.
- Developed through community consultation as a successor to the Armed Forces Covenant: Local Grants programme.
- Volunteer focus in 2020.
- Local authority support.

**Over £2.4M awarded**



## Forces Communities Together

- Activity based to take place in keeping with Covid restrictions.
- Focus on reducing isolation in Service communities

**£0.8M awarded**



## Tackling Loneliness & Isolation

- Reducing social isolation through strategic, two-year grant awards.
- Supported by Tackling Social Isolation grant holders in a mentor role, similar to the Strategic Partner support offered to Positive Pathways awardees.

**£5.8M awarded**  
Including £930,823 under the Tackling Social Isolation programme



## Veterans Should Not Be Forgotten

- Funding provided by HM Treasury.
- Veteran focused - particularly those isolated due to Covid-19.
- Working in partnership with ASDIC, Age UK and Cobseo.
- Emergency funding delivered at pace.

**£2.4M awarded**



Grant amounts referenced within the Trustees' report relate to figures publicly announced and do not take into account subsequent returns/grants not taken up. Therefore, figures may not read across exactly to the audited Financial Statements.

## Positive Pathways

- Funding provided by HM Treasury.
- Veteran's mental health focused programme.
- Activity based projects.
- Awardees supported by Strategic Partners, further funded in 2020/21.

**£5M awarded**  
Including £900,067 under the Strategic Pathways programme



## Covid-19 Impact Fund

- Funding provided by MOD.
- Emergency funding delivered at pace.
- The Trust acted as administrator of this programme, collaborating with MOD, the Cabinet Office and Cobseo.
- Larger, one-off sustainability grants awarded.

**Almost £6M awarded**



## NAAFI Fund

- Funding provided by NAAFI.
- Service personnel and serving families main focus.
- Grants to Armed Forces bases and units in the UK and overseas.

**£0.7M awarded**



## One is Too Many

- Funding provided by HM Treasury.
- Specialist funding for strategic work in preventing suicide amongst the Armed Forces community.

**£2.1M awarded**



# Responding to the Covid-19 pandemic

## WE ENSURED THAT GRANT HOLDERS COULD ACCESS FLEXIBLE, DEDICATED SUPPORT, DURING THE PANDEMIC...

In March 2020, the UK entered a national lockdown as a result of the Covid-19 pandemic. The year that followed brought significant challenges and uncertainty.

The Trust's work throughout the pandemic had three core objectives.

1. To support our existing grant holders to make any changes needed to their funded project.
2. To deliver new funding programmes at pace, which would help reduce the impact of the Covid pandemic on Armed Forces communities and the organisations that support them.
3. To ensure the Trust's grant holders did not receive any delays to payments as a result of the Trust moving to remote working.

The Trust was successful in meeting all these objectives.

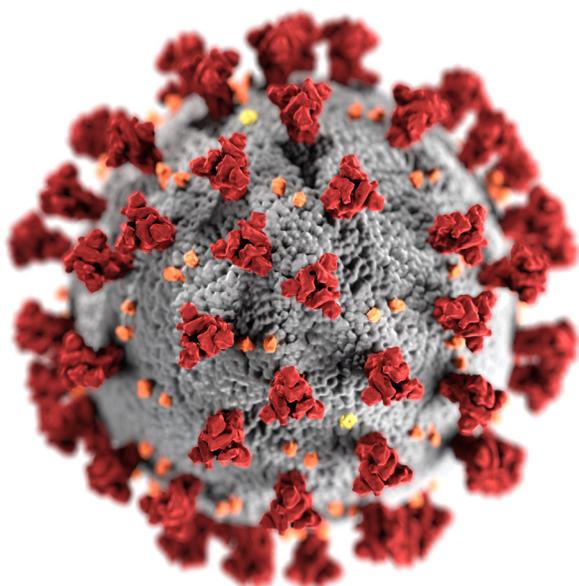
We awarded nearly £9 million by the end of August 2020, through three dedicated funding programmes, to specifically address challenges to vulnerable members of the Armed Forces community.

In addition, we awarded further funding to address isolation and mental health in November 2020 and February 2021.

We ensured that grant holders could access flexible, dedicated support, to make major or minor changes to their funded projects, as a result of the pandemic. 559 of these changes were made, sometimes with several changes made to individual grants as the Covid lockdown situation became clearer.

The Trust's operational processes were able to continue throughout the pandemic, and supported the swift delivery of both new grants, and changes to existing grants. The Trust was able to do this in a seamless way, with the core technology we use, including the grant making database, operating remotely and allowing staff to work from home.

The Trust adjusted its systems and supported applicants and grant holders to send us any documentation relating to their projects securely, and gave organisations help and guidance to do this.



# Responding to the challenges of the Covid-19 pandemic

## £9.1M

DISTRIBUTED IN FUNDING



Programmes to reduce the impact on Armed Forces communities

**Veterans  
Should Not Be  
Forgotten**

**£2.4M**

**TO 120 PROJECTS**

**Forces  
Communities  
Together**

**£0.8M**

**TO 100 PROJECTS**

**Covid-19  
Impact Fund**

**£5.9M**

**TO 102 ORGANISATIONS**

**559**

CHANGES MADE TO EXISTING GRANTS TO SUPPORT GRANT HOLDERS TO KEEP DELIVERING THEIR WORK THROUGH THE PANDEMIC

## The Veterans Should Not Be Forgotten programme

In the March 2020 budget, the Chancellor of the Exchequer awarded additional funding of £10 million for veterans' mental health.

Some of this funding was made available to provide immediate support for vulnerable veterans with reduced social contact, via grants to members of ASDIC, local Age UKs and eligible and invited Cobseo members.

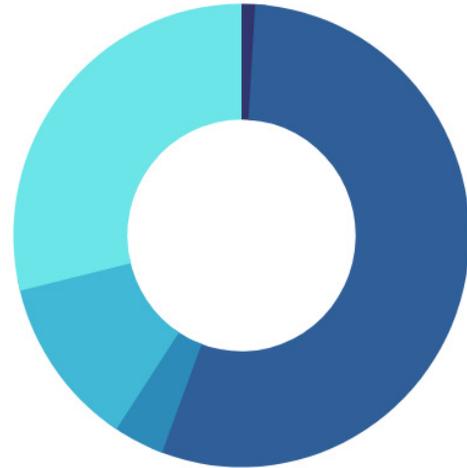
The Trust launched the Veterans Should Not Be Forgotten programme in April 2020 and made funding decisions in May 2020. By June 2020, the first projects were up and running.

The programme awarded 120 grants worth £2.4 million.

Organisations could apply for up to £20,000 for a six-month project focused on supporting isolated veterans, unable to access services or who had limited social contact during the period of self-isolation and restrictions relating to the pandemic.



## This chart shows how organisations used their grants to support vulnerable veterans



- Garden and maintenance service 1%
- Home deliveries of essential items 54.7%
- Home deliveries of items to improve wellbeing (e.g. books, newspapers, etc.) 3.6%
- Offering assistance, information and signposting 11.9%
- Social contact through telephone or digital platforms 28.8%

## Case study: Launchpad - Covid-19 support for homeless veterans

Launchpad received a grant of £16,521 from the Veterans Should Not Be Forgotten programme to support 97 homeless and unemployed veterans through the Covid-19 pandemic.

The organisation provides supported living accommodation and associated additional support for veterans to help them rebuild their lives after military Service. Many of these veterans require specialist support due to homelessness, mental health issues or addictions.

Lockdown proved a very challenging time for the organisation, as much of that assistance was based on face-to-face interaction with staff and professional health/employment professionals who work in partnership with Launchpad, and of course social activities.

Consequently, the veterans were feeling lonely and isolated and were at risk.

As the pandemic hit, external professional support swiftly moved to virtual means, such as video calling or telephone, or was non-existent. This disadvantaged many veterans at Launchpad. As a result, mental health deterioration and reliance on addictive substances increased for several residents.

It was vitally important for Launchpad's residents that there were members of staff on site to maintain a physical presence during the day and to be able to support the veterans at all times, through lockdown. The Veterans Should Not Be Forgotten grant funded this important staff time, as well as the purchase of 20 tablet computers to be able to lend to residents. The residents were provided with IT training by the staff, and this meant they were able to keep in touch with family and friends during lockdown, as well as being able to access that vital professional help.

The staff found that the nature of social activities arranged for residents was completely re-shaped due to Covid. Formation of virtual social clubs and interest groups was very much veteran-led but supported by the Launchpad staff. A virtual model-making and a chess club was formed, which involved a huge deal of planning and communication between residents to

make it a success. Virtual 'cooking to classical music' was also arranged, for those residents who were shielding, which was a huge success.

Once lockdown was lifted and residents were able to socialise outside, angling, football, cycling and walking clubs were quickly formed. These enabled residents to be outdoors and socialise with each other, to get exercise and boost their mental and physical wellbeing.

Phil Thompson, Manager at Avondale House in Newcastle-upon-Tyne, summed up the importance of the grant funding Launchpad received: "Unfortunately, lockdown took its toll on our residents and sadly one veteran tried to take his own life. However, the passion and determination shown by our staff during the pandemic meant that he turned a corner, and he has now been able to move on confidently from Launchpad and is employed and living in his own accommodation."

Launchpad has had some huge successes. One resident felt so grateful for the excellent support given to him by Launchpad, that he has now been able to move on and is in the process of establishing his own business. Another has rekindled a very positive relationship with his family.



## The Forces Communities Together programme

The Trust launched the Forces Communities Together programme on 20 May 2020 and awarded grants of up to £10,000 for six-month projects.

Activities focused on creative and engaging projects for Armed Forces communities, that could take place during social restrictions and bring some joy to those unable to access services or with limited contact during periods of isolation due to the pandemic.

Like other programmes run by the Trust to support Armed Forces communities, we delivered the programme in an expedited way. Decisions were made in August 2020, and the first projects were up and running by September 2020.

One hundred projects were awarded a grant. One project was ultimately not able to run their project

and this grant was returned. In all, 99 projects were delivered.

The programme funded engaging and enjoyable projects that sought to overcome the current challenges and deliver activities that bring people together in a safe way.

Each of the projects supported had to show their activities could take place safely during any ongoing social restrictions. This led to a great mix of distance learning, digital comms and finding new ways to come together when people needed to stay apart.

Projects were funded across the UK. Some took place digitally and could reach veterans or families across a large geographic area. Others were more focused on local geographic communities and included the delivery of Covid-secure activities.



*RAF Wyton Community Support received £10,000 for their 'Bringing Wyton Community Together' project – a mix of activities designed to reduce isolation and encourage community spirit amongst Forces families.*



## Case study: Age UK Lincoln & South Lincolnshire - visits for veterans



Age UK Lincoln & South Lincolnshire received £10,000 through the Forces Communities Together programme, which they used for a Visits for Veterans programme between October 2020 and March 2021.

The programme offered befriending to veterans and their families across the towns and rural districts within Lincoln & South Lincolnshire. The project helped them expand their support through the pandemic.

The programme was based around their existing telephone befriending service, where older people who are lonely or isolated can be introduced to a telephone befriender who will call for a social chat each week.

To specifically support veterans, the Visits for Veterans programme was designed to initially identify and

subsequently introduce veterans to each other. This would then enable them, as like-minded individuals with a history of military Service, to share telephone contact and develop a friendship.

They established a virtual veterans' coffee morning and a veterans' coffee afternoon. Some of the veterans also joined in with other online groups including quizzes, musical bingo, French & German classes and coffee and chat. They organised an online Christmas get together and complementary afternoon teas to be delivered to some veterans living alone and feeling isolated.

As the impact of the 2021 lockdown continued, they offered further afternoon teas to veterans taking part in the virtual sessions at the end of March. These were gratefully received with veterans saying it was nice to know someone was thinking of them. It also allowed a little doorstep social interaction as the afternoon teas were delivered.

One veteran that benefited has since joined the organisation as a volunteer and taken over responsibility for running one of these groups as he would like to keep in touch with the friends he has made.



## Case study: The Not Forgotten - activities for isolated veterans

The Not Forgotten received £10,000 from the Forces Communities Together programme towards the cost of producing and delivering jigsaws and 'Boredom Buster' booklets to isolated and lonely veterans.

Ian Brand from The Not Forgotten said: "The idea was to help these individuals pass the time and to keep their grey cells active!

In total we sent out around 2,000 jigsaws and 'Boredom Buster' booklets to a cohort that, due to shielding and social distancing restrictions, had endured a longer period of isolation and loneliness than most.

The feedback we received was phenomenal and we were pleased that with the valued support of the

Covenant Fund, we were able to deliver this project at a time when our vulnerable beneficiaries were in most need of a boost."

One beneficiary, WW2 veteran Robert Allen, told the group how grateful he was for the jigsaw, and that his wife had commandeered it too!

Beneficiary, Paul, said: "Thank you all so much for the wonderful jigsaw that I received yesterday. I have been struggling with my physical and mental health both before and during lockdown and gestures such as this really mean the world. Thank you all so much for everything you do for our military family."



*The puzzle, sent to 2,000 older veterans, based on a painting by Sherree Valentine-Daines'*

## The Covid-19 Impact Fund

As a response to the Covid-19 pandemic, the Department for Digital, Culture, Media and Sport (DCMS) sought bids from government departments for an allocation from the £160 million funding, which was “to support organisations which are providing priority services specific to the Covid-19 response, or which are providing critical frontline services to vulnerable groups affected by Covid-19 and the associated measures”.

The Ministry of Defence (MOD) and the Cabinet Office submitted a joint bid to DCMS and, following the assessment process, DCMS and HM Treasury offered to the MOD and the Cabinet Office a sum of £4.8 million to support Armed Forces charities, with a requirement that MOD match this funding with £1.2 million.

The Armed Forces Covenant Fund Trust was appointed to manage the distribution of this funding, on behalf of the MOD and Cabinet Office. The Trust managed the application process, carried out assessments, made grant payments, monitored the grants awarded and collated the end of grant reporting.

The Trust launched the Covid-19 Impact Fund in May 2020, and organisations that delivered support to Armed Forces communities could apply for funding to deliver work in one of nine main areas of benefit to the Armed Forces community, where these had been severely and adversely affected by Covid-19.

Only registered charities and CICs that supported the Armed Forces community were eligible to apply for funding; and at least one of the following criteria needed to be met, for an application to be eligible.

- The organisation is a full member of Cobseo.
- The organisation states in its constitution or articles of association that it provides support to people from Armed Forces communities.
- The organisation has previously worked extensively with people from Armed Forces communities.

Grants were spread throughout the UK, supporting a mix of both larger and smaller organisations.

A range of projects were supported, with those supporting elderly veterans, welfare projects and projects supporting people from Armed Forces communities with mental and physical health challenges, receiving the majority of the funding. Veterans were the largest beneficiary group.

Significant numbers of beneficiaries were supported through activities funded via the Covid-19 Impact Fund.

Grant holders showed innovative responses to the challenges caused by the pandemic. Most grant holders were able to adapt their project to digital delivery, either completely online or as a mixture of face-to-face and online delivery. Volunteers played a significant role in many projects and were invaluable in providing projects with much needed support.

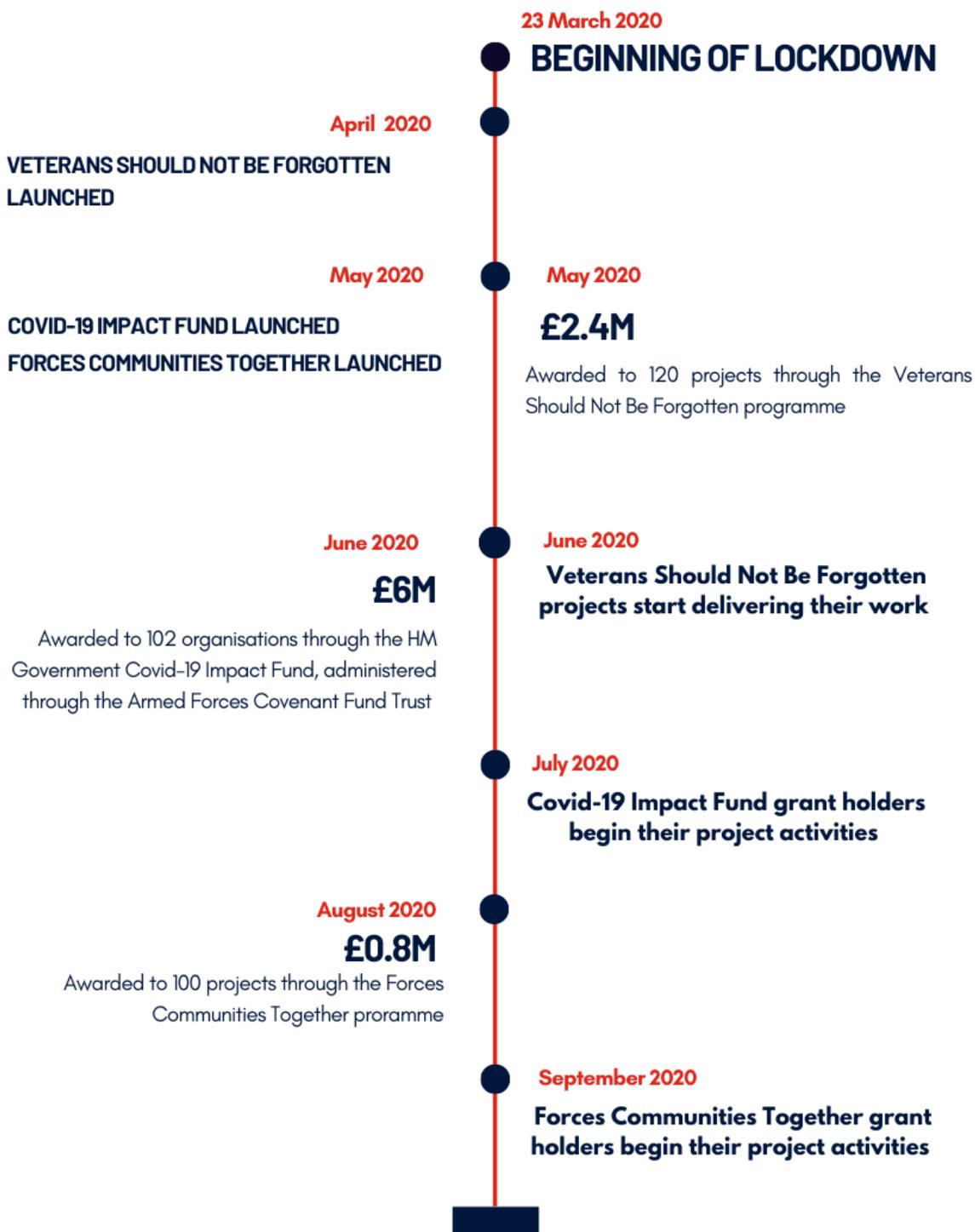
The Trust responded to the challenges of the Covid pandemic at pace, whilst maintaining rigorous application and grant management processes.



This timeline shows the pace of delivery on the Covid-related funding streams

# RESPONDING TO COVID

SUPPORTING ARMED FORCES COMMUNITIES AND THE ORGANISATIONS THAT SUPPORT THEM



## Case study: Sir Oswald Stoll Foundation - Covid-19 support for Stoll veterans

At a time when its income decreased as fundraising events were cancelled and its trading income dried up, Stoll saw a huge rise in demand for its support services related to the Covid pandemic, with 70% of its veterans shielding or self-isolating across its five housing schemes and its community programme.

Emergency grant funding of £92,250 from the Covid-19 Impact Fund, therefore, enabled them to continue to deliver high quality support services to veterans and meet the growing needs of their beneficiaries.

To continue their Health and Wellbeing Programme, Stoll moved all activities online. For veterans who didn't have digital access, the grant enabled Stoll to provide them with laptops and tablets. Having digital access also gave veterans the opportunity to keep in contact with friends and family, alleviating loneliness and isolation experienced because of lockdown.

Stoll also saw a marked increase in mental health issues in the veterans they support during the grant period, so it was vital that their work was targeted to alleviate the loneliness and social isolation the veterans were experiencing. Through digital access, Stoll support staff could continue to provide a crucial package of support with meetings held via Zoom or Skype, which was vital for veterans who were shielding or self-isolating, or those with complex issues.

The grant enabled staffing costs to be paid, so instead of furlough, Stoll's staff continued to work across all sites providing appropriate PPE, making office spaces socially distanced and provided dividing screens in offices.

The grant enabled Stoll to provide vulnerable, self-isolating or shielding veterans with food parcels; and they were also able to provide domiciliary care such as laundry, cleaning, and shopping for veterans. Stoll has a large number of older and disabled veterans and this assistance enabled them to address whether individuals needed further support, especially if they felt affected by loneliness and social isolation due to the pandemic.



## Reducing isolation and promoting wellbeing

Reducing isolation and promoting mental wellbeing was a major theme across multiple Trust programmes in 2020/21. We developed funding programmes under this theme based on consultation with Armed Forces communities.

In January 2020, the Trust ran a consultation to discover how important it was to reduce social isolation and improve integration and engagement with provision, within the Armed Forces community.

### The Tackling Loneliness programme

Our consultation highlighted loneliness as a major factor of social isolation. It can affect people of all ages and from all backgrounds. The Tackling Loneliness programme was designed to address this challenge by targeting specific groups within the Armed Forces community who are traditionally harder to reach. You can read the consultation findings in the Knowledge Network section of our website.

The Trust awarded over £4 million to 60 projects under the Tackling Loneliness programme. These projects each received a fixed grant of £70,000 over a two-year period, with projects meeting at least one of the following key themes.

- Building stronger social networks and friendships.
- Improving access to local activities and provision.
- Building emotional resilience to overcome the causes of loneliness.
- Empowering Armed Forces communities to become more independent.

These projects are now up and running and will work with traditionally harder to reach groups of beneficiaries, to encourage more people to engage in their community, access services and provision and build stronger networks with peers, support organisations and service providers.



*Dig In were awarded funding for their 'Bloomin' Marvellous' project, providing a diverse befriending experience for veterans and their families with a focus on LGBTQ+, young carers and others.*

## **Case study:** The Warrior programme - building community and confidence

The Warrior Programme received a grant of £70,000 as part of the Tackling Loneliness programme in February 2021, to engage with female veterans, veteran families and serving families, who are currently not coming forward for help.

Warrior has over 11 years of experience in assisting veterans, Service personnel and families with mental health issues; and also those who have struggled in the past with traditional forms of assistance from outside agencies.

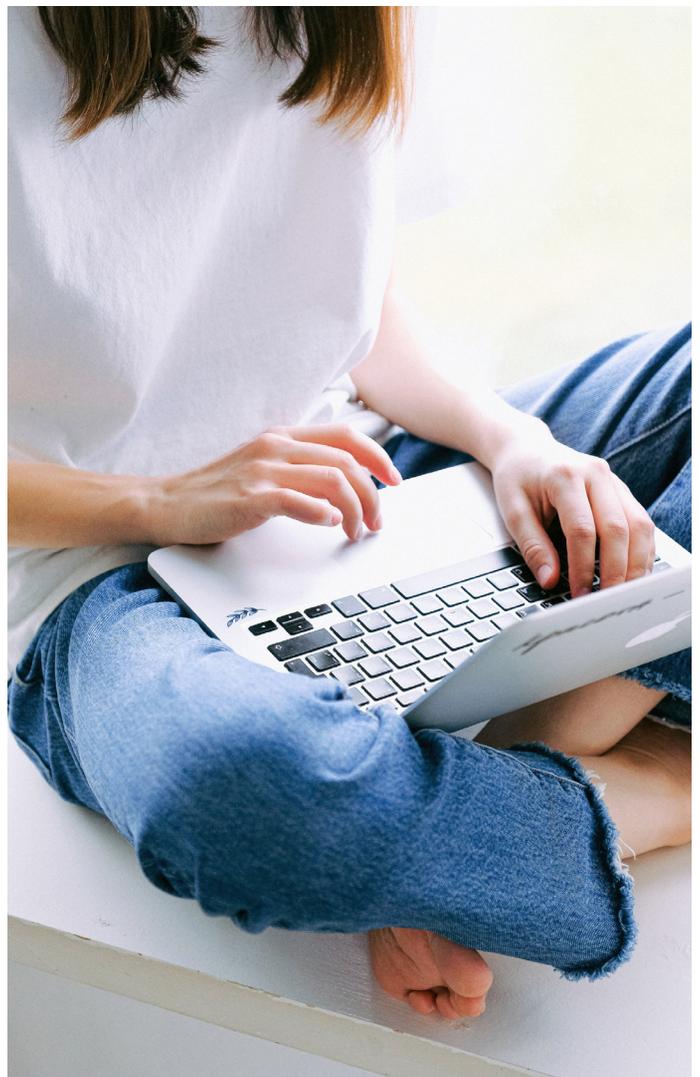
Their Tackling Loneliness project began with a 'call to arms' to online veteran and serving family communities to help publicise the project and to encourage existing participants to think of anyone in their networks who may need support but is not currently seeking help, for whatever reason.

Prior to the Covid pandemic, Warrior offered face-to-face courses and residential courses, which were swiftly moved to virtual operations in February 2020 once the pandemic took hold. The success of these online courses over time was demonstrated by the steep increase in beneficiary numbers seen by the organisation.

The new Tackling Loneliness project incorporates both digital and face-to-face support.

Once encouraged to enrol, participants are invited to join Warrior Nurture, which provides bi-weekly Zoom sessions that encourage interaction and engagement to help stabilise participants and provide a forum to exchange ideas, motivation, inspiration and useful information. After this course, participants will either be allocated to the full Warrior programme or a standalone course for less intense support.

The Tackling Loneliness funding also supports



provision of bi-weekly Warrior Online Workshops, which will continue support for at least 12 months to participants who have attended the five-day training course, providing opportunities to revisit elements of the training and access one-to-one support where needed.

Warrior have found that online delivery encourages the interaction and engagement between participants that is so important as we slowly emerge from lockdown.

One participant said: "When it went online, I felt more confident about doing it. It's easier with my little boy, and because of my husband being on deployment, and it didn't feel so daunting as going on a residential."

## Case study: Scotty's Little Soldiers - stronger together

As part of the Tackling Loneliness programme, Scotty's Little Soldiers were awarded £70,000 for a project to support bereaved Armed Forces 11-25-year-olds, reducing loneliness and social isolation, while enhancing education and life opportunities.

With a focus on helping members build and increase support networks and friendships, the project will enable them to gain life skills such as improving emotional wellbeing, confidence, self-esteem and resilience. This will take place through a variety of settings including outward bound locations; however, predominantly virtual and social platforms.

Emma Peppercorn, who leads Scotty's Strides and Springboard programmes, said: "Through consultation and discussions with many of our members, we have identified a need to tackle severe social isolation and feelings of loneliness, which is why we have developed a project to address these needs."

The project is split into two stages - virtual and physical. Each will provide support and opportunities to participate in fun and challenging activities, whilst

building on life skills. A virtual platform will be created first, which will allow members to access information via downloads and forums, participate in virtual events and workshops, interact with other members their age and access group online support sessions.

It's hoped members will be able to meet physically later in 2021 and into 2022, where outward bound activities/residential will take place to encourage teamwork, build confidence, resilience and help with making informed decisions about next stages in life.

Emma continues: "Having lived through the pandemic, it's more important than ever that we look out for our members who have been struggling with isolation. Coping with the death of a parent is so difficult at any age and grief hits at different stages in life and can impact in various ways. This is why we want to give our members the opportunity to mix with others of a similar age, so they can share their experiences.

Scotty's Founder, Nikki Scott, adds: "This is something we have wanted to do for a while and the coronavirus pandemic has amplified this need. We are so glad we are now able to put this project in place. Helping bereaved Forces young adults is as important as helping the young children. They all need support in different ways and it's important that we have the flexibility to adapt our support to make it relevant to the individuals."



## The Force for Change programme

The Trust's findings from our consultation which shaped the Tackling Loneliness programme were also important in developing the Force for Change programme, which supports local projects.

Under the Force for Change programme, 137 projects were supported with grants of up to £20,000 in the 2020/21 financial year. These projects focused on supporting Armed Forces communities in addressing challenges relating to isolation, loneliness and poor mental health.

Projects had to show:

- why their project was needed and that it wouldn't duplicate other work
- how their project would help people from the Armed Forces community become less isolated and more active in their local communities
- how the idea for their project had been shaped by the people it will benefit.

Projects could support serving personnel, veterans and Armed Forces families.

### Case study: Hull 4 Heroes - veterans' growth

Hull 4 Heroes was awarded £19,113 in February 2021 as part of the Armed Forces Covenant: Force for Change programme, for their Veterans' Growth programme.

The Veterans' Growth programme provides veterans and their families of all generations, with the skills and tools to develop their own personal gardening and cooking skills, whilst also creating large and productive sustainable gardens within their local communities.

The holistic, therapeutic and educational environment provides veterans and their families with hands-on gardening and cooking experience. This horticulture programme fosters environmental stewardship, will contribute to food sustainability and food security and



provides nutritional education to participants. It also produces a supplemental food source for veterans and their families and encourages social engagement between veterans and the local community, fostering inclusion and wellbeing.

The project sites include developing local community allotments and memorial gardens, which will be used to grow fresh produce and facilitate the benefits of working in a practical, active and hands-on setting. This has been identified as a successful approach for transitioning military personnel to demonstrate their skills and attributes developed whilst in Service.

The Caffe Hero online cookery programme is now providing live, virtual cooking classes for veterans and their families, to increase their knowledge of good nutrition, cooking skills and building their confidence in cooking at home. The aim of the project is to improve physical and mental health by teaching veterans and their families how to make healthy food choices and by showing them how to prepare food.

The project was co-designed and delivered by veterans and their families, who expressed an interest in being able to share their cooking experiences with other veterans. They requested an opportunity to learn what, and how much, to eat; about baking, and other basic cookery skills such as knife and chopping skills. Tony Norrie, Veterans' Cookery Teacher, said: "The programme will help develop key skills of veterans who have been living alone during Covid-19. It will integrate, communicate and educate our veterans' community, bringing some much-needed fun and enjoyment while we all move together towards a brighter future and an end to social isolation!"

## **Case study:** **Remembering Our Roots - nine SHIPS veterans' project**

Remembering Our Roots CIC were awarded £18,313 from the Force for Change programme to deliver the NINE S.H.I.P.S (secrets hidden in plain sight) veteran's project in Cornwall.

The project seeks to give Service men and women opportunities to learn bushcraft and wilderness living techniques and achieve accredited qualifications in these skills. There are also online groups available to support those based further afield, or who cannot travel.

The organisation held their first bushcraft course in spring 2021, far exceeding their 'best case scenario', with positive feedback from those involved.

One participant, David, said: "I knew I enjoyed the company of other ex-military personnel, the humour

and people who had no agenda. I explored different avenues and found that I loved the outdoors and although I never enjoyed being on exercise, I did enjoy camping on my own terms.

Exploring this more, I found I was getting into a wild camping style, so I tried to learn bushcraft - YouTube was a good guide but it wasn't enough.

The military had taught me to survive in nature, but only with rations and I wanted to be able to survive with only my wits to help. In comes ROR - NINE Ships! WOW! This was exactly what the Dr should have ordered. Bushcraft and psychology to help deal with any situation.

We spent a weekend around the campfire learning lots and off-loading issues that had bothered us for a while it seemed. Obviously, some wounds are deeper than others, but the healing process had begun and doing the bushcraft was an enabler to confidence and being able to realise that we could look after ourselves. I made new friends and shared stories around the campfire and the spirits were lifted."



## The Positive Pathways

With funding from HM Treasury, the Trust also continued to deliver the Positive Pathways programme, funded through the Veterans' Mental Health and Wellbeing Fund, which has run since 2019. We awarded 116 projects in 2020/21, worth a total of £4 million.

The Positive Pathways programme supports activities that get veterans out and active; enabling veterans to take part in a range of activities, which can show that they offer veterans improved mental health and wellbeing.

Several Positive Pathways grants awarded in 2019/20 were impacted in 2020/21 by the Covid pandemic. Trust staff worked to support them to make changes to their grants to enable their work to continue, or to extend the time to complete the work.

Back in November 2019, Dundee Therapy Garden were awarded £70,00 for a two-year garden project, allowing veterans with physical and/or psychological difficulties to tackle their issues



and adopt coping mechanisms, enabling them to reconnect with family, friends and the community.

With the onset of Covid and lockdown measures, the groups' activities were, understandably, affected. But veterans were able to begin coming to the garden again as measures eased.

The group told us that some veterans who had moved on, came back to the garden because of the effect of lockdown on their mental and physical health.



One veteran said: "The NHS saved my life, but the garden gives me life." The group says that many of their veterans have said they agree. Others have talked of increased self-confidence and independence and several date the turnaround in their lives from the day they came to the garden.



**Case study:**  
Step Together - the bronze age roundhouse build

Step Together Volunteering received £35,000 to provide the opportunity for veterans and injured Service personnel to build a replica Bronze Age roundhouse using archaeological evidence to ensure authenticity.

Deborah Saw, Operations Manager, said: “Step Together Volunteering was thrilled to receive much needed funds for our volunteering project at Butser Ancient Farm in Hampshire, especially at a time when there are so many charities in need. The ‘Positive

Pathways’ funding will provide a fantastic opportunity for veterans and injured Service personnel ... to develop new skills, improve self-esteem, and increase their confidence and social network. So far, 25 volunteers have signed up for the project, which is scheduled to start in the spring, and the funding will make a huge difference to the lives of those involved as they engage with their local community.”

# 1000+

grants in grant management at the end of the year 2020/21



## Complex grants, partnerships and innovation

The Trust has made some complex, strategic grants in 2020/21, designed to support a reduction in suicides within veteran communities, and to enable effective

support to projects delivering Positive Pathways and Tackling Loneliness projects to maximise their benefits for veterans, and to promote sustainable outcomes.

### The One Is Too Many programme

The Trust awarded £2,135,137 under the One is Too Many programme in March 2021, with funding from the Veterans' Mental Health and Wellbeing Fund. These projects provide specialist and co-ordinated services that reduce suicide risk in veterans.

Eight awards of up to £300,000 were made to organisations across the UK who have experience in working with individuals who are at increased risk of suicide.

Three projects are working to provide support to veterans in the Devolved Nations, and the remaining five have dedicated their support UK-wide. The approaches taken by the eight organisations all differ.

Some are undertaking a partnership approach with another specialist organisation that has experience in suicide prevention. SSAFA has partnered with the Samaritans to work together to encourage more veterans to use their core suicide prevention

support services, with an aim of reaching over 5,000 new veterans.

Other organisations have joined forces with NHS partners to share experience, learning and best practice to provide services going forward. The Baton aims to partner with the NHS to help deliver their safety model across the UK and evaluate this model of care in terms of its wider use for other sectors, such as the NHS and blue-light workers. Adferiad Recovery (formerly CAIS) are partnering with the Suicide Prevention Team from the Betsi Cadwaladr University Health Board to help them develop their performance monitoring process and to ensure the projected numbers of veterans are reached during the project lifecycle.

The RMA Royal Marines Charity are partnering with the NHS Veterans' Service to ensure that all data regarding referrals is captured to help inform future delivery and to assist with wider research.

Organisations are also delivering original research activities to further understand the journey veterans at risk of suicide are taking, and to encompass this learning into future intervention projects.



## Support and mentoring for projects to maximise their outcomes...

In May 2019, with funding from the Veterans' Mental Health and Wellbeing Fund, the Trust awarded grants under the Strategic Pathways programme totalling £1,650,752. These grants went to six national organisations to provide support and mentoring to organisations who have been awarded a Positive Pathways programme grant.

In August 2020, continuation grants totalling £900,067 were awarded to the six Strategic Partners to continue to fund this important partnership and collaboration work to the end of the Positive Pathways grant programme.

Strategic Partners have been able to collaborate with the organisations they support, and with each other, to give Positive Pathways projects the best possible support.

Regular get-togethers and information sharing have been the key to the programmes' success, which pre-Covid was undertaken in a face-to-face scenario. However, in March 2020, as the Covid pandemic hit, the Strategic Partners were hit with a new challenge, as they suddenly had to deliver their support and

mentoring programme virtually to over 200 grant holders, all while supporting each other online.

The skills of the Strategic Partners have enabled them to work with Positive Pathway grant holders to grow and develop their services to support veterans, and ensure they are effectively exploring the impacts of their work. By engaging with the Strategic Partners, some organisations who were previously turned down for funding have now had successful applications to the Positive Pathways programme, and the continued support and mentoring by their Strategic Partner organisation has supported their projects to be a success.

In a natural progression of the successful Strategic Partner model, under the Tackling Social Isolation programme, the Trust has awarded seven strategic grants to experienced organisations who will act as mentors for successful Tackling Loneliness projects.

*"The key to our success as a team of Strategic Partners has been the opportunity to work as a collaborative team showing the sector, by example, that mutual partnership is key. I like working with a group of peers who are brilliant at their jobs, but who also understand and share the same challenges, concerns and have a huge range of skills to offer support and knowledge to each other and the Positive Pathways projects."*

**Rachel Price, Strategic Partner, Cobseo**

*"If one of us has a situation we aren't sure about, we can always call on one of the others for support, advice and information."*

**Finola Pickwell, Strategic Partner, Hafal**



## Case study:

### Working in partnership - The NAAFI Fund



**“WE ARE DELIGHTED TO PROVIDE THIS VALUABLE SOURCE OF FUNDING AND TO MAKE A DIFFERENCE TO THE LIVES OF OUR ARMED FORCES AND THEIR FAMILIES, OUTSIDE OF WHAT WE ARE MORE TRADITIONALLY KNOWN FOR.**

**IN ROUND ONE WE’VE FUNDED A GOOD MIX OF PROJECTS, ACROSS ALL THREE SERVICES AND WE ARE EAGER TO SEE THEM COME TO LIFE OVER THE NEXT FEW MONTHS.”**

The Trust worked with NAAFI in 2020/21 to develop the NAAFI Fund. The NAAFI Fund makes grants to UK Armed Forces bases, located in the UK or overseas, for projects that improve the quality of life for serving personnel and serving families living on or near a Forces base or station.

In the first year of the NAAFI Fund, the focus of the grants was on reducing isolation compounded by the Covid pandemic. In March 2021, 65 grants, worth £711,707 were awarded, with many of these grants being used to develop better outdoor and indoor spaces for serving personnel and families to come together.

Several units identified the need for a community hub for both personnel and families; and provision of bikes to help people get out and active was popular. Units from across the UK applied, and awards were made not only in England and each of the Devolved Nations, but overseas too including in Naples, Gibraltar, Cyprus and France.

The United Kingdom Naval Support Unit received £20,000 to create an outdoor leisure area allowing military personnel to have an on-site, shaded facility that will allow them to relax and recuperate, bringing teams together on the base while helping to reduce boredom and isolation during their stay in theatre.

Allied Joint Force Command Naples received three awards worth £27,000, including funding to enable the British community based there to completely renovate their lounge area, turning it into a modern space the whole community will look forward to using for coffee mornings, meetings and events.

The Army Welfare Service North Area received £5,000 to create wellness rooms in four locations in Scotland and NI to give Army Welfare Workers a safe and calm area to relax and mentally process the complex caseloads that they handle.



*CTCRM Lympstone received £5,250 from the NAAFI Fund to purchase and install bike lockers to provide secure, weatherproof storage for commuters, supporting improved quality of life for personnel.*

## ***Innovations and developments for 2021...***

### **The Map of Need**

In 2017, the Northern Hub for Veterans and Families Research, at Northumbria University, used funding from the Covenant Fund to develop a map of veterans' and their families' welfare needs across the whole of the UK, based on data from public sources, statistics, health data and data directly from Armed Forces charities.

We call this the Map of Need. There are currently thought to be around 2.75 million veterans living in the UK. To date, there has been little understanding of veterans' specific regional needs, provision in those regions and numbers of veterans and their families needing access to this provision. Through a series of reports, the Map of Need gives clearer insights into where veterans are within the UK, what their current needs are and what their future needs might be, by looking at the support they have asked for or accessed.

One of the main goals of the Map of Need project is to provide evidence-based findings about the veteran population. Data sharing partnerships are central to the analysis within the project, giving the ability to statistically compare multiple data sources when examining a veteran or family issue, and then compare these with wider research findings.

The approach the project has adopted allows them to use multiple data sources to give the most accurate picture possible. Indeed, the Trust uses the data from the Map of Need in our own priority setting and decision making.



The map is now being used more widely, with new data and developments regularly added. Reports from the Map of Need can be accessed on the Trusts website at [www.covenantfund.org.uk](http://www.covenantfund.org.uk)

## The Impact Hub

The Outcomes Measurement Framework (known as the Impact Hub) is the Armed Forces Covenant Fund Trust's own internal impact measurement tool, developed in conjunction with Anglia Ruskin University.

The Hub was developed as a GDPR-compliant way to measure the impact of Trust funding programmes, allowing comparable, anonymised data to be drawn from each grant holder within a funding programme. Impact measurement is via a series of surveys, which are sent to the project user, and these are normally completed at the entry point to the project, and at the exit. This helps to show improvement against a range of outcome measures over time; but also enables projects to have conversations with their beneficiaries about how their wellbeing has changed or improved over the course of the project.

Use of the Hub was rolled out in 2019, with Positive Pathways programme grant holders using the Hub to measure impact as one of their terms and conditions of grant. The Impact Hub has since been rolled out to other grant programmes and now has nearly 2,000 beneficiaries enrolled, across 188 projects. Most of these projects are still in progress, with projects actively collecting data, which can be analysed in full once their work is complete.

During 2020/21, the Trust delivered webinars and online training sessions for grant holders to improve their knowledge of the Impact Hub and help them to use it effectively to measure the impact of their project. The Strategic Partners supported the roll out of this work and have encouraged the projects they support to take a robust approach to impact measurement.

Data from the Impact Hub helps us to have deeper understanding of the people who benefit from our programmes. For example, 22% of veterans accessing Positive Pathway projects have shared that they have a long-term disability.

## The AFCT Project Finder App

In 2020/21, the Trust worked with Northumbria University to develop an app that would help isolated Armed Forces communities find and access projects that we have funded.

The AFCT Project Finder app was launched in November 2020. This free app, available on both Apple and Android networks, allows the Armed Forces community to discover and access the Trust funded projects in their local area. The Project Finder can also be accessed on the Trust's website.

Every project featured on the app is currently in receipt of funding from the Trust, with each one supporting Service personnel, veterans, Service families or all three. There are currently more than 200 live projects listed.

## Ethics

During 2020/21, a sub-committee of the Trust's Board was convened to explore Ethics and grant making. Our work supports the Armed Forces Covenant through funding projects that deliver real change to Armed Forces communities. The projects we support need to be carried out to the highest possible ethical standards.

To behave ethically, we need to consider what is the 'right' way to behave towards others – how we can do no harm, and how we can achieve good outcomes through the work we support. There are two broad and overlapping ethical principles which govern our work: 'do good' and 'do no harm'.

The Trust has developed an Ethical Code of Conduct and resources for our grant holders including e-learning training. The Ethics Advisory Panel includes some Trustees and some external specialists, to whom the Trust is very grateful for their time and expertise.

## Our research

Throughout 2020/21, the Trust published some key evaluations of our funding programmes. All these evaluations are available to read on the Knowledge Network section of the Trust's website.

Some evaluations are ongoing, and we'll be publishing the findings of these when they are complete.

External evaluations in progress include:

- the £6.6M awarded to local authorities through the Strengthening Delivery of the Armed Forces Covenant programme
- the £4.2M awarded through the Tackling Serious Stress programme.

We are also running internal evaluations on the Veterans Should Not be Forgotten, Forces Communities Together and Veterans' Community Centre programmes.

*We also published a thought paper on collaboration. Collaboration is seen as an effective mechanism to get a wider range of organisations to engage with the funding process. The Armed Forces Covenant Fund Trust has been encouraging collaboration both formally and informally through its funding programmes. The Trust has observed that collaboration brings more comprehensive levels of support for beneficiaries across its programmes.*

## Family Life and the Armed Forces Community Evaluation

This evaluation explored the impact of both the Families in Stress and Removing Barriers to Family Life programmes, which awarded grants totalling over £4 million and over £7 million respectively between 2016 and 2020.

The impact of the projects awarded under the two programmes was analysed by the Directory of Social Change (DSC). Using surveys and an analysis of data provided by the Trust, this report explored topics including the following themes.

- The transformative effect of support for Armed Forces families.
- The complexity of the needs of Armed Forces families.
- The role of partnerships and co-operation between projects.
- The sustainability of the projects supported by the Trust.
- How the projects have used data to evaluate and show their impact.

The report explored the projects in depth and noted the range and scale of support that the programmes supported.



### Family Life and the Armed Forces Community Evaluation

Dean Renshaw



## Removing Barriers to Family Life programme case study: Never Such Innocence - voices of Armed Forces children

Never Such Innocence (NSI) were awarded £100,000 for their Voices of Armed Forces Children project, aimed at giving young people from Forces families a creative outlet. The organisation shared with us the story of 10-year-old Jacob who used poetry to share his experiences as a child from a Naval family.

At the onset of lockdown in March 2020, Jacob's mum was looking for activities to engage her two boys, when she came across NSI's project. This prompted the family to sit at the table together to discuss how they were all feeling about the upcoming deployment of their father, a submariner in the Royal Navy.

Jacob wrote a powerful poem, *This is Normal for Me*, and his brother William, painted a brilliant piece called *Endless Hope*.

NSI's creative project opened the door to discuss the mental health and wellbeing of the family at a point of transition, which is something many Armed Forces families face throughout their career.

In May 2020, Jacob was awarded second place in his age group in NSI's international competition, being recognised out of 913 other poetry entries. He

was showered with phone calls of congratulations, which really helped as his dad was completely out of contact at that time. It gave the whole family, including the extended family, an incredible boost at such a challenging time.

The Christian Defence Network invited Jacob to participate in their Remembrance Service by reading his poem. The whole family came to London to record Jacob's reading in the Horse Guards' Chapel and Jacob was presented with a Naval Regional Commander coin for his work. Both parents expressed their gratitude to NSI for the opportunity to have their voices heard - something which had not been previously possible.

Following the visit to the Guards' Chapel, Jacob's teacher framed his poem and hung it in the classroom. The teacher shared how it stimulated a class discussion about how you never know what other people are going through and the importance of connecting and being kind to each other. The class was given a practical lesson on empathy, especially for the life of a service child, as the school is not military-connected, and the boys are the school's only Service children.

Both their teachers and mum have said that Jacob's confidence has really increased and that the experience has given William a boost to be a more confident speaker.



## Former Serving Personnel in the Criminal Justice System Programme Evaluation

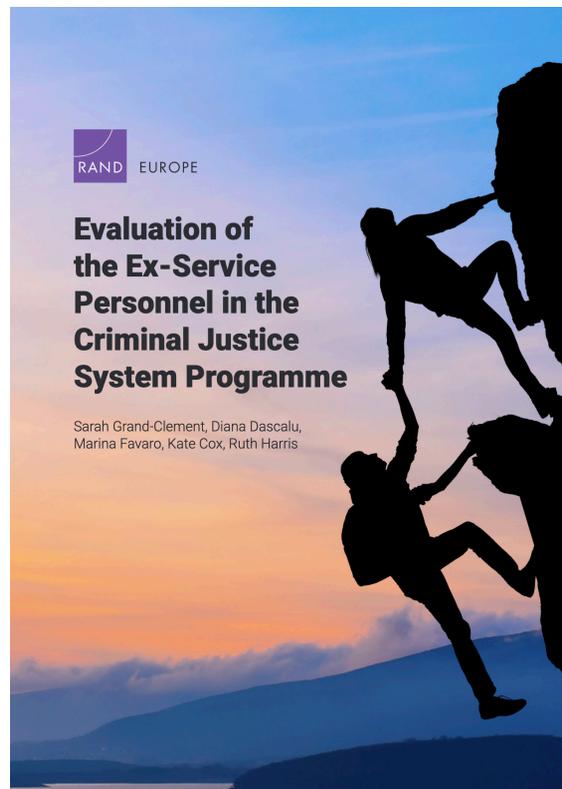
This evaluation focused on the Armed Forces Covenant Fund Trust's Ex-Service Personnel in the Criminal Justice System (CJS) Programme and was evaluated by RAND Europe.

Through this programme, the Trust awarded £4.6 million in 2015 to 14 projects that support ex-Service personnel who have come into contact with the CJS. This was followed by a further £1.1 million of continuation grants in 2018 to seven of the 14 projects. The aim of the programme was to reduce reoffending and provide support to ex-Service personnel who have come into contact with the CJS. The projects and services funded under the programme were dedicated to helping identify and support ex-Service personnel throughout the various stages of the CJS, including custody, pre-sentencing, the point of sentence and post-release from custody.

This includes specialised projects to prevent reoffending, address substance abuse and mental health issues, and enable employment opportunities. The evaluation is guided by 11 evaluation questions. Beneficiaries interviewed identified positive benefits from the projects.

Several lessons and areas of good practice were identified by the projects when undertaking their activities to reach their outcomes and by interviewees.

- The benefits of collaborative working with other agencies, including other charities, referral sources and CJS agencies, provided collaboration works well.
- Productive engagement with Veterans in Custody Support Officers (ViCSOs), given their focus on ex-Service personnel.
- Fostering an increasing awareness of ex-Service personnel and the Covenant.
- Encouraging ex-Service personnel to work with those in the CJS, to increase the engagement of this cohort with the support that is available.
- Educating CJS professionals on veteran-specific issues to improve project delivery.



## Aged Veterans' Fund Evaluation

The Aged Veterans' Fund (AVF) awarded £30 million over a five-year period to fund 19 significant grants to portfolios of projects which supported the non-core health, wellbeing and social care needs for older veterans (those born before 1 January 1950).

The Trust worked with the University of Chester's

Westminster Centre for Research in Veterans to explore the impact of these grants and has published an evaluative report based on data from individual project evaluations, which contains five key recommendations to improve future wellbeing for older veterans.

Data from the Aged Veterans' Fund showed that projects have been reaching veterans between the ages of 75-80 and that there have been improvements to their health and wellbeing. There is some evidence to suggest that some of the work undertaken by projects may be particularly effective in the health outcomes that they were able to achieve.

A research paper based on this evaluation; Critical analysis of the Armed Forces Covenant Fund Trust Aged Veterans Fund was published in the BMJ Military Health Journal in March 2021.



## Armed Forces Covenant: Local Grants Programme Evaluation

This evaluation explores the reach and impact of the Armed Forces Covenant: Local Grants programme. The programme awarded grants of up to £20,000 which supported the aim of Community Integration and/or the Local Delivery of Services.

The programme ran for five years from 2015 – 2020 and delivered 712 grants worth £11,525,200.

The Armed Forces has been at the heart of the programme, with nearly one in 10 projects being led by local Armed Forces units. Charities, eligible CICs and schools have also been able to deliver projects, which have brought Armed Forces and civilian communities closer together through the Community Integration theme or delivering support for those Armed Forces communities with needs through the Local Delivery of Services theme.

These grants have made a significant difference to Armed Forces communities through local projects that address local needs and present local solutions. There was wide distribution of grants throughout the UK, with projects funded in all four nations, and

within different geographic areas in England. Across all the grants, funding was made available between the two funding strands. While, overall, more funding was awarded to projects that addressed Community Integration needs, a significant amount of funding also went to projects that met both funding strands.



### REACH AND IMPACT OF THE ARMED FORCES COVENANT: LOCAL GRANTS PROGRAMME





**Local Grants programme case study:**  
The Fighting Chance - fighting chance for veterans

**"WE DON'T BADGE OUR PROGRAMMES AS MENTAL HEALTH OR EMPLOYMENT INTERVENTIONS; BUT ONCE VETERANS HAVE TRAINED FOR A FEW WEEKS, THEY START TO FEEL BETTER AND WILL TELL US WHAT KIND OF HELP THEY NEED."**

The Fighting Chance received £19,843 from the Trust for a one-year project as part of the Armed Forces Covenant: Local Grants programme.

The Fighting Chance for Veterans project funded an intensive employment support project, which links health and wellbeing with employment support, to help extremely vulnerable veterans get their lives 'back on track'. The project is for those veterans who are the furthest from entering the labour market, and those struggling with isolation, housing issues or substance misuse.

The support provided by The Fighting Chance, as

explained by Development Manager Bart, "grew from experience of working with veterans over several years". The project team would often encounter veterans who had been "round the block", some of whom had had unsuccessful encounters with other organisations or NHS services.

The Fighting Chance's unique offering of boxing training, together with one-to-one support, works on the principle of improving motivation and wellbeing.

Bart explains: "When you take those first steps to feeling better, you're much more likely to put the building blocks in place of looking for work or training.



We don't badge our programmes as mental health or employment interventions; but once veterans have trained for a few weeks, they start to feel better and will tell us what kind of help they need - then we can really start to plan what we do next. That might be anything from help with benefits or housing, right through to getting employment."

The project works closely with Stoll and Veterans Aid, who will refer clients to them. They often get referrals by word of mouth from other project users, as well as the Department of Work and Pensions and TILS.

Veterans are encouraged to bring their families along to the sessions, as it is felt this can also help with a positive mindset.

The project has had further challenges due to the Covid-19 pandemic. The project team felt their users suffered greatly during lockdown, struggling with isolation and other issues. The Fighting Chance

adopted new ways of working, with online support, outdoor exercise sessions in smaller groups during the summer and options for training and support online, should Covid restrictions increase.

Satisfaction with their services is extremely important to the Fighting Chance team, with their outcomes survey proudly showing that 95% of clients felt their mental wellbeing had improved. 23% of project participants are currently employed and 36% have moved into some form of training and/or education to further their employment prospects.

Bart says the key to supporting the veterans is to focus on the one thing that is holding them back: "We even ended up driving one veteran to his new accommodation after he was made homeless. Once we sorted that, it meant we could focus on finding him suitable work."

## Local Grants case programme study:

### RAF Association - increasing the employability of RAF spouses and partners

**“IF IT WASN’T FOR THE SUPPORT OFFERED, I WOULDN’T  
HAVE BEEN ABLE TO AFFORD THE TRAINING.”**

The RAF Association received £20,000 from the Trust in 2018, to provide 32 RAF spouses and partners with the opportunity to participate in training to enable them to become an OFSTED registered childminder. This sought not only to increase their employability, but also to increase the amount of high-quality childcare around RAF stations located in the South East of England.

The courses were well attended and very popular, with 11 beneficiaries benefiting from RAF Benson and 23 beneficiaries benefiting from RAF Brize Norton.

The Association decided to deliver the pre-registration element of the training online, which made the training more flexible to meet beneficiaries’ needs. As a result of this, more beneficiaries were able to sign up to the training individually, rather than as a group, which meant two further RAF spouses/partners were able to benefit from the training. Beneficiaries were able to complete the online element of the training at their

own pace and in their own time, so that spouses/partners didn’t face any barriers such as travel expenses, getting time off work or sourcing childcare. However, although the training was online, beneficiaries were able to contact a member of the training provider team if they needed help and support. Beneficiaries also attended induction evenings delivered by the training provider, with two sessions delivered at RAF Brize Norton and one at RAF Benson. The two-day paediatric first aid training was also delivered face-to-face (as this was a mandatory requirement of the training).

All 34 beneficiaries who enrolled in the course successfully completed their training. One beneficiary described the project as a “lifesaver” as she no longer has to “sacrifice time spent with her son”. Another stated that “if it wasn’t for the support offered, I wouldn’t have been able to afford the training”.

Following the course, one beneficiary used the





essential skills gained on the childminding course to secure a role at a school as a teaching assistant, and another has become a nanny.

Unfortunately, due to the Covid-19 pandemic, some of the project users were unable to complete their OFSTED registration as new applications are currently suspended; but they are keen to commence their new career as childminders once restrictions allow them to complete their registration.

Following on from the success of the project, RAF Brize Norton and RAF Benson have asked the RAF Association to investigate the possibility of funding for future training, due to the amount of interest that was registered for the courses and the high standard of training that was provided. Due to its popularity and the key employability skills it provides participants, they hope to relaunch in 2021.

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# The Armed Forces Covenant Fund Trust Report and Financial Statements for 2020/21

## Reference and administrative information

**Charity number and country of registration:** 1177627, England & Wales

**Registered office and operational address:** 7 Hatherley Street, London,  
SW1P 2QT

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## Trustees

The Armed Forces Covenant Fund Trustee Limited (company number 11185188) acts as the Trustee of The Armed Forces Covenant Fund. Trustees, who are also directors under company law, who served during the year and up to the date of this report, were as follows:

- Helen Helliwell – Chair
- Wendy Cartwright
- Commodore Rex Cox
- Major General David Eastman – appointed February 2020
- Cerys Gage – appointed February 2020
- Janet Jones – resigned February 2020
- Morag Malcolm – resigned February 2020
- General Sir John McColl
- John Mooney – appointed February 2020
- Gerald Oppenheim
- Lesley O'Rourke – appointed February 2020
- John Pitt Brooke
- Professor David Rose
- Anna Wright- resigned February 2021
- Maria Lyle- appointed February 2021

**Key management personnel:** Melloney Poole - Chief Executive and  
Accounting Officer

**Bankers:** Nat West Bank, Victoria, London, SW1

**Solicitors:** Wrigleys Solicitors, 19, Cookridge Street, Leeds, LS2 3AG

**Auditors:** Sayer Vincent LLP, Chartered Accountants and Statutory Auditor  
Invicta House, 108-114, Golden Lane LONDON, EC1Y 0TL

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## Trustees' Annual Report

The Trustees present their report and the audited financial statements for the 12 months ended 31 March 2021.

Reference and administrative information set out on page 42 forms part of this report.

The financial statements comply with current statutory requirements, the governing documents of the Trust, the requirements of a Trustees' report as required under charity law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

The Armed Forces Covenant Fund Trustee Ltd was incorporated on 2 February 2018, as the sole Trustee of The Armed Forces Covenant Fund Trust (the Trust), a charity, which was registered on 7 February 2018.

The Trust was established to continue the work of the Covenant Fund Team, which began operating within the Service Personnel Support department of the MOD in 2015. This team managed the first three years' grant making activity of the Covenant Fund, which has an annual commitment from HM Treasury of £10 million.

As planned, after its first few years of operation, the governance and management arrangements of the in-house MOD team were reviewed, and, consequently, the Armed Forces Covenant Fund Trust was set up to continue the same activities as an independent trust from 1 April 2018.

The Trust's main purpose is to provide charitable assistance and support to those who serve in the Armed Forces, whether Regular or Reserve, those who have served in the past, and their families and carers. The wider community around a base or in an area with an Armed Forces population can also benefit from some funding programmes, as the Trust has supported projects that will help to encourage good relations between Armed Forces and civilian communities.

The Trust aims to meet these purposes by developing and delivering grant programmes, making awards to organisations in the voluntary and public sectors.

The Trustees will review the aims, objectives and activities of the Trust each year. This report looks at what the Trust has achieved and the outcomes of its work in the reporting period. The Trustees report the success of each key activity and the benefits the Trust has brought to those groups of people that it is set up to help. The review also helps the Trustees ensure the Trust's aims, objectives and activities remain focused on its stated purposes.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

## Achievements and

The Trust's main activities and who it tries to help are described below. All its charitable activities focus on the Armed Forces community and are undertaken to further the Armed Forces Covenant Fund Trust's charitable purposes for the public benefit.

During 2020/21, the Trustees undertook grant making and complementary activities to meet the Trust's objectives.

The Trust delivered the Covenant Fund programmes for 2020/21 and awarded grants from the Veterans' Health and Wellbeing Fund. It also awarded grants from two new funds: the Covid-19 Impact Fund and the NAAFI Fund – both of which are described further below. It also continued to manage awards made prior to 2020/21 from the Covenant Fund, the Aged Veterans' Fund, Veterans' Mental Health and Wellbeing Fund, Veterans' Community Centres Fund and HM Treasury LIBOR Fund. All grant making is undertaken according to recognised grant making practice, with competing applications being assessed and considered according to open and transparent criteria.

In the period covered by this annual report, the staff team was increased to manage the increased number of funding programmes. During the year additional grants and policy staff were recruited, and the Trust now has staff working from three of the four countries in the UK. Early in 2021 the Trust appointed a Director of Finance and Operations.

The impact of the Covid-19 pandemic in March 2020 changed the Trust's working arrangements and short-term plans. The external communications and grant responses were swift and the decision for the whole staff team to work entirely from home was taken in mid-March. This was achieved with relative ease due to IT infrastructure having been designed for home working and the staff being experienced in working remotely. At the time of this report, a date for returning to office working is not planned, due to the continuing uncertainty about the risks of the virus in the short and medium term.

## The Armed Forces Covenant Fund

The Armed Forces Covenant Fund has four broad funding themes now and in future years.

- Removing barriers to family life.
- Extra support in and after service for those that need help.
- Measures to integrate military and civilian communities and allow the Armed Forces community to participate as citizens.
- Non-core healthcare services for veterans.

Funding programmes to support these themes are developed by the Trust in collaboration with the Covenant Team at the MOD, and other key stakeholders, to ensure they complement the agenda of the cross-government departmental Covenant Reference Group.

Programmes are developed based on evidence of need, and consideration of the benefit that Covenant Fund spending could bring to address specific challenges. Development includes reviews of available research, stakeholder consultation and public consultation.

During 2020/21, the Trust committed funds from the Covenant Fund to the following funding programmes.

- Forces Communities Together
- Force for Change
- Tackling Loneliness
- Tackling Social Isolation
- Reducing Isolation

## The Forces Communities Together programme

This programme awarded small grants of up to £10,000 towards creative and engaging projects, that could be

delivered under social restrictions, for people from Armed Forces communities who found themselves isolated because of the Covid-19 pandemic.

This programme had one funding round, which opened in May 2020. The Trustees awarded 100 grants totalling £859,739 in August 2020. One grant was not accepted by the applicant and the grant was subsequently withdrawn by the Trust.

## The Force for Change programme

The Force for Change programme awarded grants of up to £20,000 to support local Armed Forces communities and help them address the immediate needs that have arisen because of the Covid-19 pandemic.

This programme had two funding rounds in 2020/21. The initial round opened in August 2020, awarding 56 grants totalling £1,028,599 in November 2020. A subsequent round opened in November 2020 and awarded 81 grants totalling £1,420,622 in February 2021. One grant was not accepted by the applicant, and the grant was withdrawn by the Trust.

## The Tackling Loneliness programme

The Tackling Loneliness programme awarded two-year fixed grants of £70,000 to address social isolation in Armed Forces communities. In February 2021, 60 grants totalling £4,200,000 were awarded.

## The Tackling Social Isolation programme

Seven organisations were awarded a total of £930,823 under the Tackling Social Isolation programme to provide support and mentoring to the Tackling Loneliness grant holders, based on the successful model of support that the Strategic Partners give Positive Pathway grant holders.

This programme was only open to existing Tackling Serious Stress grant holders who had demonstrated excellent project management, good governance, and the ability to be effective mentors to new Tackling Loneliness grant holders.

## The Reducing Isolation programme

The Trustees awarded two continuation grants under the Reducing Isolation programme. A grant of £598,722 was awarded in April 2020 to Northumbria University for development of the Map of Need, a national directory of veterans' services across the UK. An award of £70,000 was awarded to Anglia Ruskin University in August 2020 for the continued hosting, development and enhancement of the Outcomes Measurement Framework over a two-year period.

## HM Treasury £10 million Veterans' Mental Health and Wellbeing Fund

In 2020/21, this Fund awarded grants across three programmes to support the mental health and wellbeing of veterans of all ages, in the UK.

The Strategic Pathways programme awarded continuation funding to six national organisations to continue to provide support and mentoring to those organisations delivering activities and opportunities under the Positive Pathways programme. £900,067 was committed to this work.

The Positive Pathways programme funded projects that develop and run activities supporting the mental health and wellbeing of ex-Forces, encouraging veterans to get out and active. Its eligibility and priorities were based on the outcomes of a programme consultation run by the Trust in the spring of 2019. Groups could apply for a fixed grant of £35,000 for a one-year project. £4,050,230 was awarded in total to 116 projects over two rounds.

The One is Too Many programme, which seeks to reduce suicides in veteran communities, funded eight projects totalling £2,135,157.

Additionally, the Trust continued to manage grants awarded from the 2019/20 tranche of the Veterans' Mental Health and Wellbeing Fund (£10M).

## NAAFI Welfare Fund

The Trust worked with NAAFI to develop and launch the NAAFI Welfare Fund which makes grants to UK Armed Forces bases, located in the UK or overseas,

for projects that improve the quality of life for serving personnel and their families living on or near a Forces base or station.

In the first year of the NAAFI Fund, the focus of the grants was on reducing isolation compounded by the Covid pandemic. In all, 65 grants worth £711,707

## The Covid-19 Impact Fund

The Armed Forces Covenant Fund Trust was appointed to run the application, assessment, distribution and monitoring functions for the distribution of this funding, on behalf of the MOD and Cabinet Office. The Trust managed the application process, carried out assessments, managed grant payments and monitored the grants awarded.

Just under £6 million was awarded to 102 organisations.

## HM Treasury £3 million Veterans' Community Centres Fund

The Trust continued to actively manage grants that had been awarded through this fund in 2019/20.

## Legacy and LIBOR funds

The Trust continued to actively manage grants awarded by the Covenant Fund prior to 2019/20, including those to local authorities for delivery of the Covenant in their areas, and to charities assisting serving families under the Families in Stress programme.

The achievements of these multi-year grants continue to be monitored and shared, with project and programme evaluations due to be published online by grant holders and the Trust, as the funded periods end.

The Trust also manages grants awarded by HM Treasury from 2014 onwards from the LIBOR banking fines. The monitoring of these projects is delegated to the Trust, with decisions on significant variations and payments made with reference to Treasury officials.

## Impact evaluation and outcomes measurement

The Armed Forces Covenant Fund Trust (the Trust) seeks to fund real change that supports Armed Forces communities.

Understanding the impact of the work we support has several benefits.

- It ensures that our funding programmes make a real difference to veterans, Armed Forces families and the wider Armed Forces community.
- By using learning from existing funding programmes, it helps us to run stronger and more effective programmes in future.
- Understanding the impact of their work can help the projects that we support to become more sustainable.
- We can share learning and good practice ideas from projects that have made a big difference.

The Trust makes grants to support people from the Armed Forces community. Applicants are asked to explain why their projects will make a difference, and what they expect to change as a result of the work. Grant holders report on the outcomes of their projects.

The published programme guidance for each programme sets out the core criteria that applicants must meet. For example, for the Tackling Loneliness programme, applicants had to show how they met the following criteria.

- That their project would reduce isolation for those within the Armed Forces community who traditionally don't engage with available provision.
- What the project would do.
- How this would help.
- How they know that people would like to do this.
- How many people this would be likely to help.
- That they have the skills and experience to run the project.
- That they have experience of supporting and working with the Armed Forces community.
- That they have, or will have, the right management structure, partner organisations, staff and volunteers in place to run the project.

- That they have fully costed your project and that it is good value for money.
- That they have considered what will happen to the beneficiaries after the project ends.
- That they could show how they would run the project in a Covid- safe way in line with any government guidance.

The Trust has a range of tools, activities and projects underway to assist with understanding the impact of its grants.

I. The Trust uses an online grant management system. This enables grant application and reporting data to be processed through a secure online system, which provides efficiency within grant management for both grant holders, applicants and the Trust, and supports a sophisticated approach to data collection, management and analysis.

II. The Trust has an online system that grant holders can use to measure the impact of their work, called the Impact Hub, or Outcomes Measurement Framework. This gathers data directly from project beneficiaries through validated questionnaires that measure wellbeing. When completed at the beginning and end of a beneficiary's involvement with a project, it can show if there has been improvement to wellbeing. It is being used by projects under the Removing Barriers to Family Life, Positive Pathways and Tackling Loneliness programmes.

III. The Trust has conducted and commissioned evaluation work that explores the impact that grants are having, in line with good grant making practice. These are published on the Trust's website as they are completed.

The Trust has been supporting the development of the Map of Need, a project funded initially in the 2017/18 financial year by the Covenant Fund.

IV. Data is gathered from a range of public and charitable sector sources, and trends in need can be identified using geo-spatial analysis. Reports from this are freely available on the Trust's website.

## Communications and support to applicants and grant holders

The Trust continued to develop its website to make information about funding programmes accessible and allow organisations to take more control over checking their basic eligibility for funding.

In spring 2021, the Trust launched the Knowledge Network as a further development of the website. This is an open access data repository created by the Armed Forces Covenant Fund Trust. It features impact and outcome-based content from both the programmes the Trust delivers and the projects we support.

The Knowledge Network is a growing collection of curated content for those working with and supporting the Armed Forces community and features research, reports, evaluations, case studies and e-learning to help showcase the best practice and positive outcomes achieved, and it will continue to grow.

The Trust has increased engagement on social media, publishing short videos to highlight the work of the organisations we support, and inform eligible organisations about the funding programmes on offer. This work supports the desire of the Trust to be transparent and have a reach to organisations across the UK.

The Trust now offers post award webinars to newly funded projects to provide key information about the set up and management of their grant. It also has an app, the AFCT Project Finder, which makes it easier for people from Armed Forces communities to find projects funded by the Trust, which may be relevant to them.

The Trust works with the MOD, HM Treasury, Cabinet Office and other government departments, and works with Covenant leads in the Devolved Administrations. It works closely with Cobseo and attends the Cobseo research cluster of Armed Forces organisations, which are engaged in research activities. It also works with academic institutions, primarily to deliver projects and evaluations as detailed elsewhere.

## Plans for the future

During 2021/22, the Trust will deliver Covenant Fund programmes according to the priorities agreed with

the Covenant Reference Group. These programmes will be developed by the executive team in the first instance, taking advice from the Covenant Team at the MOD, research relating to the needs of members of the Armed Forces community, evidence from the Map of Need and advice of experts. Where appropriate, public or charity sector consultation will be undertaken to scope the purpose and delivery methodology.

Programmes for 2021/22 fall within the following strategic themes.

- Supporting post-Covid recovery for Armed Forces communities.
- Supporting veterans' health and wellbeing.
- Delivering better joined-up support for veterans
- Funding projects that support Armed Forces communities, in the communities where they live.

The Trust has been asked to again deliver programmes with another £10 million of funding from HM Treasury for veterans' mental health and wellbeing. These awards will be made during 2021/22.

The Trust will continue to manage and monitor grants and contracts awarded during previous years, until final reports are received. Internal programme reviews and external evaluations will be undertaken. The Trust will continue to add evaluations, resources and good practice from funded projects to the Knowledge Network section of the Trust's website.

Staffing needs continue to be under review, according to the skills and resources required to deliver funding programmes and efficient operations, balanced with the agreed cap on support costs.

## Financial review

### Our income

During 2020/21, the Trust's income comprised £26.7 million, made up of four funds granted to it for the specified purpose of supporting the Armed Forces community.

- Covenant Fund: £10 million.
- HM Treasury's Veterans' Mental Health and Wellbeing Fund: £10 million.

- NAAFI Fund: £750k.
- Covid Impact Fund: £6 million.

The Covid-19 Impact Fund is a one-off fund granted by MOD in 2020/21 to support post-Covid recovery in Armed Forces communities affected by isolation because of the pandemic.

## Our expenditure

In 2020/21, we spent £25.5 million on grants and direct expenditure on programme evaluation and research, to assist us in understanding the impact of both individual projects and programmes.

Awards from each of the four Funds were made throughout the financial year. Some grants are for multi-year projects, where organisations will draw down their grants over two or three years.

Staff costs in 2020/1 were £0.6 million, an increase of £0.2 million from 2019/20. This increase is a direct consequence of taking on additional staff members as our funding programmes have grown in number, to enable the Trust to remain an efficient and effective grant making body. Our other costs shrank slightly in 20/21, primarily as a result of our staff undertaking less travel than in the previous year, because of Covid restrictions.

## Reserves policy and going concern

The Trust holds limited reserves, which comprises both refunded grants and interest earned before it had access to a non-interest-bearing government bank account, which was a requirement of its NDPB classification.

Trustees have continued to engage with the Cabinet Office and the MOD during 2020/21, to ensure that prudent planning and compliance with Charity SORP accounting can be achieved and to discuss establishing an appropriate reserves policy. Our working reserves policy has been to ensure that we hold sufficient funds to maintain liquidity, to cover unforeseen short-term cash requirements and to cover planned future expenditure. Our unrestricted reserves at 31 March 2021 were £104k.

The Trustees have presented the accounts on a going concern basis. This assumes that the Trust can meet its liabilities as they fall due for the foreseeable future and that current and future funding will be adequate

for the Trust's needs. We have considered a period of twelve months from the date of approval of the financial statements in accordance with accounting conventions. In coming to their conclusion, the Trustees have considered monthly forecast levels of income and expenditure and underlying assumption, including any impact of the Covid-19 pandemic. The over-riding assumption is that the Covenant Fund funding of £10 million from the MOD continues for the foreseeable future. Having carefully considered the forecasts and assumptions, the Trustees are content to present the accounts on a going concern basis.

## Fundraising

Unlike other funders, the Trust does not fundraise to produce a grants income.

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

## Auditor

Sayer Vincent LLP acted as the Trust's auditor during the year. Sayer Vincent's term has now ended and the Trust will be re-tendering for audit services for the 2021-22 financial year.

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

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

The Trustees' annual report has been approved by the Trustee Board on 3rd September 2021 and signed on their behalf by

**Helen Helliwell**  
Chair of Trustees  
**3 September 2021**

**Melloney Poole**  
Chief Executive Officer  
and Accounting Officer  
**3 September 2021**

## Governance statement

### Scope of responsibility

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

### The purpose of the governance framework

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

The governance framework has been in place throughout the year ended 31 March 2021.

### The governance framework

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

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

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

All Trustees give their time voluntarily and receive no benefits from the Trust. Any expenses reclaimed from the Trust are set out in note 6 to the accounts.

There is a Financial Framework document in place, which defines the arrangements between the Trust and its sponsor department, the MOD, relating to the receipt of the £10m Covenant Fund and the conditions for its expenditure. There is a scheduled review of the Financial Framework currently underway.

### The Trustees and the committee structure

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

The Chief Executive Officer of the Trust, Melloney Poole, is the Accounting Officer responsible to parliament for the day-to-day management of the Trust as set out in Chapter 3 of Managing Public Money.

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

During 2020/21, the initial term of appointment of most Trustees came to an end and the majority had their appointment renewed. Three appointments were made in February 2020. Maria Lyle was appointed in February 2021 following Anna Wright's term coming to an end.

Trustees are appointed by the Secretary of State for Defence in accordance with the provisions of the public appointments process set out in the Office of the Commissioner of Public Appointments Code of Practice. They are appointed for an initial term of two years and can be appointed for a further two terms of three years. The Board of Trustees may appoint

up to three additional co-opted Trustees by majority approval to serve on the Board and both co-opted Trustees and other individuals may serve on specific sub-committees to supplement the experience of Board members.

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

The Trustees received training in their responsibilities as Trustees in 2020/21, delivered virtually by Wrigleys solicitors.

### The Board of Trustees and sub-committees

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

These sub-committees comprise:

	Board	Audit	Remuneration committee	Ethics Advisory Panel
Helen Helliwell	5/5		3/3	
General Sir John McColl KCB CBE DSO	5/5		2/3	
Commodore Rex Cox	4/5			
Major General David Eastman	4/5			
Gerald Oppenheim	5/5			2/2
Anna Wright	4/4*		3/3	
John Pitt-Brooke	5/5	2/2		
Wendy Cartwright	5/5		3/3	
Cerys Gage	4/5	2/2		
Professor David Rose	5/5		3/3	2/2
John Mooney	4/5			
Lesley O'Rourke	5/5	2/2	2/2**	

**Audit Committee:** to consider the annual audit and publication of annual Trust accounts. This group was renamed when the consideration of risk became a regular agenda item of the monthly Executive Management Board meetings.

**Remuneration and Nominations Committee:** to consider all staff terms and conditions including performance management and pay, as well as future appointments to the Board and to senior posts.

**Ethics Advisory Panel:** to provide advice and make recommendations to assist the Trust's Executive Team to adhere to the Trust's approved Code of Ethical Conduct in all aspects of its work.

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

The Trust also operates an Executive Management Board (EMB). This comprises the senior management team and two Trustees. Monthly meetings have a regular agenda to review risk, finance, staffing and operational issues. The actions log from this meeting is presented to Trustees on a quarterly basis.

\*Anna Wright's term came to an end in February 2021

\*\*Lesley O'Rourke joined the Remuneration Committee from August 2020  
Trustee attendance is shown as the number of meetings attended in relation to the number of meetings held whilst each individual was a member of the relevant committee.

## Register of interests

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

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

## Personal data loss

The Trust has not identified any personal data related incidents during 2020/21 or in the previous years since its establishment. An incident is defined as a loss, unauthorised disclosure or insecure disposal. Protected personal data is information that links an identifiable living person with information about them which, if related, would put the individual at significant risk of harm or distress. The definition includes sources of information that because of the nature of the individuals or the nature, source or extent of the information, is treated as protected personal data by the Trust.

## Internal audit

The Trust does not yet have a dedicated internal auditor, but in 2019/20 commissioned a one-off internal controls audit from Sayer Vincent, which returned an adequate overall opinion. The Trust remains part of the wider scope of the MOD Internal Audit Function and so may be subject to review from them as they require. The Trust is currently in the process of tendering for a more formal internal audit provision for 2021/22 onwards.

## External audit

The external auditor of the Trust is Sayer Vincent LLP.

## Risk management

The Trust's internal control system is designed to manage risk to a reasonable level, rather than

eradicate all risk of failure. Therefore, it can only provide reasonable and not absolute assurance of effectiveness. In managing risk, we identify the opportunities and risks in achieving our strategic objectives, evaluate the likelihood of those risks being realised, the impact should they be realised and the controls in place to manage them efficiently and effectively. The Trust's approach to risk management and the process for implementation are documented in a Risk Management Strategy.

The strategy is supported by our strategic risk register, which groups our highest priority risk areas into key strategic risks and is reviewed regularly by the senior leadership team. The Executive Management Board review strategic risks at each meeting and the Board review annually.

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

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

Principal risks for the Trust relate to the importance of the Trust maintaining a strong relationship with government, the Armed Forces charity sector and core stakeholders and the challenges of delivering an intelligent grant making approach while maximising the operational budget for grant making and business continuity.

IT risks have been specifically considered in this financial year. An IT review was conducted, which has led to the development of an IT strategy and action plan.

Controls to mitigate these risks include the development and delivery of a communications strategy based on transparency, as well as a

commitment to support grant applicants and grant holders. The Trust's governance and executive structures, and its internal controls, have been developed, tested and reviewed to keep best use of resources in focus within all decision making. On transfer of the responsibilities from the MOD to the Trust, a 'cap' on expenditure of support costs of no more than 5% of funds was agreed. This is maintained across each of the additional Funds that the Trust is administering. Trustees consider managing within this to be a key risk as costs increase, needs change and inflation has an impact.

### **Assurance statement by the Audit Committee**

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

### **Remuneration policy for key management personnel**

The salary structure for the Trust was developed with reference to similar roles in grant making across the voluntary and public sectors.

After the first six months of operation, the Trustees commissioned independent consultants to undertake a bench marking review of salaries and other benefits. This was done by comparison with a wider sample and affirmed for the Trustees that the Trust's salary bands were appropriate for its current needs. A strategy has been developed by the Remuneration and Nominations Committee, which will consider future pay and performance awards and other terms and conditions of employment.

### **Statement of responsibilities of the Trustees**

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year, which give a true and fair view

of the Trust's financial activities during the period and of its financial position at the end of the period. In preparing financial statements to give a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy, at any time, the financial position of the Trust and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Remuneration and staff report (subject to audit)

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

The total number of employees whose emoluments for the year exceeded £60,000 is given in Notes 6

and 7, together with information on staff numbers and costs.

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

	Salary 2020/21 (2019/20) £'000	Performance related pay and bonuses 2020/21 (2019/20 £'000	Benefits in kind (to nearest £100) 2020/21 (2019/20 £'000	Pensions benefits 2020/21 (2019/20) £'000	Total 2020/21 £'000	Total 2019/20 £'000
Melloney Poole MBE, Chief Executive	45-50 (45-50)	0-5 (0-5)	-	-	45-50	40-45
Carol Stone, Director of Grants	60-65 (60-65)	0-5 (0-5)	-	24 (n/a <sup>1</sup> )	65-70	60-65
Sonia Howe, Director of Policy and Communications	60-65 (60-65)	0-5 (0-5)	-	27 (n/a)	65-70	60-65
Liz Rankin, Director of Finance and Operations <sup>2</sup>	0-5 (n/a)	-	-	-	0-5	-

<sup>1</sup> Prior year comparatives are unavailable as this is our first year of producing a Remuneration and Staff report

<sup>2</sup> Liz Rankin joined the Trust in February 2020. Her annualised salary is £35-40k.

	Accrued pension at pension age as at 31 March 2021 and related lump sum £'000	Real increase in pension and lump sum at pension age £'000	CETV at 31/03/21 £'000	CETV at 31/03/20 £'000	Real increase in CETV £'000	Employer contribution to Nest pension  Nearest £100
Melloney Poole MBE, Chief Executive	-	-	-	-	-	-
Carol Stone, Director of Grants	5-10	0-2.5	94	70	16	-
Sonia Howe, Director of Policy and Communications	15-20	0-2.5	198	177	11	-
Liz Rankin, Director of Finance and Operations <sup>2</sup>	-	-	-	-	-	600

The remuneration ratio in the Trust is 2.28 (2020: 2.10). This represents the banded mid-point pay of the highest paid director as a multiple of the median pay award (the median salary is £34,000 (2020: £36,900). Median total remuneration is calculated by excluding the remuneration of the highest paid director on an annualised basis and by including full time equivalent remuneration for all staff.

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

The Board of Trustees comprised 12 members on 31 March 2021, none of whom were full time employees of the Trust. They were reimbursed with £nil in expenses (2020: £209). No Trustees claimed expenses (2020: 1).

### Sickness absence

The Armed Forces Covenant Fund Trust employed 13 members of staff as of 31 March 2021. Periods of sickness absence are recorded in full days. The average number of days of sickness absence was 0 days per person (2020: 0.89). There were no long-term absences in this financial year. This paragraph is not subject to audit.

### Pension costs and benefits

The Trust's accounting policy in relation to pensions is provided at Note 1 to the Financial Statements. From October 2018, the Trust has automatically enrolled all employees into a National Employment Savings Trust (NEST) pension scheme unless the employees choose to opt out. The NEST pension scheme is a defined contribution pension scheme that was created as part of the government's workplace pensions reform under the Pensions Act 2008. The assets of

the scheme are held separately from those of the Trust and the Trust is unable to identify our share of the liability - employer's contributions are charged to the Statement of Financial Activities as they occur.

Pension benefits for a small number of longer serving staff are provided through the Civil Service pension arrangements. The Principal Civil Service Pension Scheme (PCSPS) is an unfunded, multi-employer defined benefit scheme; but the Trust is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as of 31 March 2012. Details can be found in the resource account of the Cabinet Office Civil Superannuation ([www.civilservice.gov.uk/pensions](http://www.civilservice.gov.uk/pensions)).

For 2020-21, employer's contributions of £45,203 were payable (2020: £34,895) through the PCSPS. The applicable rates for the PCSPS are shown below:

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

The contribution rates reflect benefits as they are accrued, not when costs are actually incurred; and reflect past experience of the scheme. Pension benefits are provided through the Civil Service pension arrangements in place prior to 30 July 2007, with the unfunded cost of benefits met by monies voted by parliament each year. Further details about the Civil Service pension arrangements can be found at the website [www.civilservice.gov.uk/pensions](http://www.civilservice.gov.uk/pensions)

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

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits

accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

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

## Reporting of civil service and other compensation schemes - exit packages

No redundancy or other departure costs were incurred in the 2020-21 financial year (2019: 0).

## Staff report

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

## Trade union facility time

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

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## Parliamentary accountability and audit report

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

**Helen Helliwell**  
Chair of Trustees  
3 September 2021

**Melloney Poole**  
Chief Executive Officer  
and Accounting Officer  
3 September 2021

# Independent auditor's report

## Independent auditor's report to the Trustees of Armed Forces Covenant Fund Trust

### Opinion

We have audited the financial statements of Armed Forces Covenant Fund Trust (the 'Trust') for the year ended 31 March 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice). We have also audited the information in the Remuneration and staff report and Parliamentary accountability report that are described as having been audited.

In our opinion, the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Armed Forces Covenant Fund Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

## Other information

The other information comprises the information included in the Trustees' annual report, other than the financial statements, and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinion on other matters

In our opinion:

The parts of the Remuneration and staff report and Parliamentary accountability report, which have been identified as subject to audit, have been properly prepared in accordance with Chapter 6 of the Government Financial Reporting Manual 2020-21.

## Matters on which we are required to report by exception

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

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

## Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities set out in the Trustees' annual report, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

## Independent auditor's report to the Trustees of Armed Forces Covenant Fund Trust (continued)

### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

### Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following.

- We enquired of management and audit committee, which included obtaining and reviewing supporting documentation, concerning the Trust's policies and procedures relating to:
  - identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the Trust operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the Trust from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

This report is made solely to the Trust's Trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Trust's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Date: 13 September 2021**

Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

**Armed Forces Covenant Fund**  
**Statement of Financial Activities**  
**For the year ended 31 March 2021**

	Note	Unrestricted	Restricted	2021	Unrestricted	Restricted	2020
		£	£	Total	£	£	Total
				£			£
<b>Income from:</b>							
Charitable activities	2	-	26,750,006	<b>26,750,006</b>	-	10,000,000	10,000,000
Investments		1,598	-	<b>1,598</b>	37,559	-	37,559
Other		351	-	<b>351</b>	-	-	-
<b>Total Income</b>		<b>1,949</b>	<b>26,750,006</b>	<b>26,751,955</b>	<b>37,559</b>	<b>10,000,000</b>	<b>10,037,559</b>
<b>Expenditure on:</b>							
Charitable activities	3	334,710	26,121,708	<b>26,456,418</b>	120,706	22,074,994	22,195,700
<b>Total Expenditure</b>		<b>334,710</b>	<b>26,121,708</b>	<b>26,456,418</b>	<b>120,706</b>	<b>22,074,994</b>	<b>22,195,700</b>
<b>Net income/(expenditure) for the year</b>	5	<b>(332,761)</b>	<b>628,298</b>	<b>295,537</b>	<b>(83,147)</b>	<b>(12,074,994)</b>	<b>(12,158,141)</b>
Transfers between funds		253,820	(253,820)	-	-	-	-
Net movement in funds		<b>(78,941)</b>	<b>374,478</b>	<b>295,537</b>	<b>(83,147)</b>	<b>(12,074,994)</b>	<b>(12,158,141)</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		227,633	806,652	<b>1,034,285</b>	310,780	12,881,646	13,192,426
Total funds carried forward		<b>148,692</b>	<b>1,181,130</b>	<b>1,329,822</b>	<b>227,633</b>	<b>806,652</b>	<b>1,034,285</b>

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

**Armed Forces Covenant Fund**  
**Balance Sheet**  
**As at 31 March 2021**

	Note	2021		2020	
		£	£	£	£
<b>Current assets:</b>					
Debtors	10	384,821		1,497,838	
Cash at bank and in hand		20,992,039		22,148,128	
		<b>21,376,860</b>		<b>23,645,966</b>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	11	(17,274,048)		(18,171,687)	
<b>Net current assets</b>			<b>4,102,812</b>		<b>5,474,279</b>
<b>Total assets less current liabilities</b>			<b>4,102,812</b>		<b>5,474,279</b>
Creditors: amounts falling due after one year	12	(2,772,990)		(4,439,994)	
<b>Total net assets</b>			<b>1,329,822</b>		<b>1,034,285</b>
<b>The funds of the charity:</b>					
Restricted income funds	15		1,181,130		806,652
Unrestricted income funds					
Designated funds		44,184		125,074	
General funds		104,508		102,559	
Total unrestricted funds		<b>148,692</b>		<b>227,633</b>	
<b>Total charity funds</b>			<b>1,329,822</b>		<b>1,034,285</b>

Approved by the Trustees on 3 September 2021 and signed on their behalf by

**Helen Helliwell**  
**Chair of Trustees**  
3 September 2021

**Melloney Poole**  
**Chief Executive Officer and Accounting Officer**  
3 September 2021

**Armed Forces Covenant Fund**  
**Statement of cash flows**  
**For the year ended 31 March 2021**

	Note	2021		2020	
		£	£	£	£
<b>Cash flows from operating activities</b>					
<b>Net cash (used in)/provided by operating activities</b>	16		<b>(1,157,687)</b>		4,397,949
<b>Cash flows from investing activities:</b>					
Dividends, interest and rents from investments		1,598		37,559	
<b>Net cash provided by/(used in) equivalents in the year</b>			<b>1,598</b>		<b>37,559</b>
<b>Change in cash and cash equivalents in the year</b>			<b>(1,156,089)</b>		4,435,508
Cash and cash equivalents at the beginning of the year			22,148,128		17,712,620
<b>Cash and cash equivalents at the end of the year</b>			<b>20,992,039</b>		<b>22,148,128</b>

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## **Armed Forces Covenant Fund**

### **Notes to the Financial Statements**

#### **For the year ended 31 March 2021**

#### **1 Accounting policies**

##### **a) Statutory information**

Armed Forces Covenant Fund is a charitable trust located in England, with charity number 1177627. The registered office address (and principal place of business) is 7 Hatherley Street, London, United Kingdom, SW1P 2QT.

##### **b) Basis of preparation**

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

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

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

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

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

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

##### **c) Public benefit entity**

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

##### **d) Going concern**

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Key judgements that the charitable company has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments.

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**Armed Forces Covenant Fund**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2021**

**1 Accounting policies (continued)**

**e) Income**

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

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

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

**f) Interest receivable**

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

**g) Fund accounting**

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

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

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

**h) Expenditure and irrecoverable VAT**

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

Expenditure is classified under the following activity headings.

- Expenditure on charitable activities includes the costs of grant making, research & evaluation and other grant related activities undertaken to further the purposes of the Trust and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

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

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**Armed Forces Covenant Fund**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2021**

**1 Accounting policies (continued)**

**i) Grants payable**

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

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

**j) Allocation of support costs**

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

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

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

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

**k) Operating leases**

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

**l) Tangible fixed assets**

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

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**Armed Forces Covenant Fund**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2021**

**1 Accounting policies (continued)**

**m) Debtors**

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

**n) Short-term deposits**

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

**o) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**p) Creditors and provisions**

Creditors and provisions are recognised where the Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**q) Financial instruments**

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

**r) Pensions**

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

**Armed Forces Covenant Fund**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2021**

**2 Income from charitable activities**

			2021			2020
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
MOD - £10M Covenant Fund	-	10,000,006	<b>10,000,006</b>	-	10,000,000	10,000,000
HMT - £10M Veterans' Mental Health and Wellbeing Fund	-	10,000,000	<b>10,000,000</b>	-	-	-
NAAFI Fund	-	750,000	<b>750,000</b>	-	-	-
OVA/MOD Covid-19 Impact Fund	-	6,000,000	<b>6,000,000</b>	-	-	-
<b>Total income from charitable activities</b>	-	<b>26,750,006</b>	<b>26,750,006</b>	-	<b>10,000,000</b>	<b>10,000,000</b>

Government grants received were for specific purposes. The Covenant Fund comprises £10M per year to fund projects that support the Armed Forces community.

The £10M Veterans' Mental Health and Wellbeing Fund, was first announced in the October 2018 Budget Statement.

In 2020 the Trust began to administer the NAAFI Fund on behalf of NAAFI.

The £6M OVA/MOD Fund was announced in the April 2020 Budget Statement.

**Armed Forces Covenant Fund**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2021**

**3a Charitable activities**

	Direct			2021 Total Expenditure £
	Charitable			
	Activity	Staff Costs	Other Costs	
	£	£	£	
MOD - £10M Covenant Fund	9,085,306	290,550	226,138	9,601,994
HMT - £10M Veterans' Mental Health and Wellbeing Fund	9,305,152	262,551	23,287	9,590,990
HMT - £3M Veterans' Community Centres Fund		26,196	13,200	39,396
Aged Veterans' Fund				
Programme evaluation and research	521,384			521,384
NAAFI Fund	711,707	22,884	4,500	739,091
OVA/MOD Covid-19 Impact Fund	5,925,463	27,000	11,100	5,963,563
	<b>25,549,012</b>	<b>629,181</b>	<b>278,225</b>	<b>26,456,418</b>

Expenditure of £334,710 (2020 - £120,706) was unrestricted and £26,121,708 (2020 - £22,074,994) was restricted.

**3b Support costs**

	HMT Vets'				OVA/MOD	2021 Total Expenditure £
	Covenant	Mental Health	Community		Covid-19	
	Fund £10m	£10m	Centre £3m	NAAFI Fund	Impact Fund	
	£	£	£	£	£	
Staff remuneration	285,596	248,439	25,953	22,884		582,872
Other staff costs	4,955	14,112	242	-	27,000	46,309
Professional fees	78,464			4,500	11,100	94,064
Premises and office costs	46,426	2,715				49,141
Other	3,122					3,122
Audit	14,640					14,640
Governance costs	12,966		13,200			26,166
Communications and marketing	14,359					14,359
GMS and IT	56,161	20,572				76,733
<b>Total</b>	<b>516,689</b>	<b>285,838</b>	<b>39,395</b>	<b>27,384</b>	<b>38,100</b>	<b>907,406</b>

**Armed Forces Covenant Fund**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2021**

**3c Charitable activities**

	Direct			2020
	Charitable			Total
	Activity	Staff Costs	Other Costs	Expenditure
	£	£	£	£
MOD - £10M Covenant Fund	9,340,475	327,138	189,448	9,857,061
HMT - £10M Veterans' Mental Health and Wellbeing Fund	9,202,752	22,717	9,259	9,234,728
HMT - £3M Veterans' Community Centres Fund	2,848,331	21,684	22,009	2,892,024
Aged Veterans' Fund		100,000		100,000
Programme evaluation and research	105,646		6,240	111,886
NAAFI Fund				
OVA/MOD Covid-19 Impact Fund				
	<b>21,497,204</b>	<b>471,539</b>	<b>226,956</b>	<b>22,195,699</b>

**3d Support costs**

	HMT Vets'	HMT Vets'	Aged	2020	
	Covenant	Mental Health	Community	Total	
	Fund £10m	£10m	Centre £3m	Veterans' Fund	
	£	£	£	£	
Staff remuneration	327,138	22,717	21,684	100,000	471,539
Other staff costs	21,277				21,277
Professional fees	18,063	5,307	18,057		41,427
Premises and office costs	53,982				53,982
Other	21,659				21,659
Audit	17,200				17,200
Governance costs	10,394				10,394
Communications and marketing					
GMS and IT	53,114	3,952	3,952		61,018
<b>Total</b>	<b>522,827</b>	<b>31,976</b>	<b>43,693</b>	<b>100,000</b>	<b>698,496</b>

**Armed Forces Covenant Fund**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2021**

**4 Grant expenditure**

	2021	2020
	£	£
MOD - £10M Covenant Fund	9,085,306	9,328,257
HMT - £10M Veterans' Mental Health and Wellbeing Fund	9,305,152	9,202,752
HMT - £3M Veterans' Community Centres Fund	-	2,848,331
NAAFI Fund	711,707	-
OVA/MOD Covid-19 Impact Fund	5,925,463	-
Total grants awarded during the year	25,027,628	21,379,340
Total grant expenditure	25,027,628	21,379,340

All grants were made to institutions. For details, please see the website at [www.covenantfund.org.uk/grants-weve-funded/](http://www.covenantfund.org.uk/grants-weve-funded/)  
All grant expenditure was restricted.

**5 Net (expenditure)/income for the year**

This is stated after charging/(crediting):

	2021	2020
	£	£
Operating lease rentals payable:		
Property	35,778	27,496
Auditors' remuneration (excluding VAT):		
Current year audit fee	12,200	12,000
Under accrual for prior year audit fee	-	2,000
Non-audit fee	-	4,600

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

Staff costs were as follows:

	2021	2020
	£	£
Salaries and wages	465,653	388,779
Social security costs	52,601	36,570
Employer's contribution to defined contribution pension schemes	19,415	10,155
Civil Service Pension Scheme	45,203	34,895
Other forms of employee benefits	45,528	1,140
	628,400	471,539

Other forms of staff benefits include a one-off staff bonus related to additional workloads during Covid, medical and death in service cover and staff training.

**Armed Forces Covenant Fund**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2021**

**6 Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel (continued)**

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

	<b>2021</b>	2020
	<b>No.</b>	No.
£60,000 - £69,999	2	2

The total employee benefits (including pension contributions and employer's National Insurance) of the key management personnel were £251,985 (2020: £219,992).

Excluding the Chief Executive and Directors, no employees received remuneration for 2020-21 excluding pension contributions, greater than £60,000 (2019-20: no employees).

The Trustees were neither paid nor received any other benefits from employment with the Trust in the year (2020: £Nil). No Trustee received payment for professional or other services supplied to the Trust (2020: £Nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs relating to attendance at meetings of the Trustees. There were £Nil of Trustee expenses incurred (2020: £209) by one Trustee.

**7 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 11.92 (2020: 9.8).

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

	<b>2021</b>	2020
	<b>No.</b>	No.
Grant making	9.72	8.4
Support	2	1.2
Governance	0.2	0.2
	<u>11.92</u>	<u>9.8</u>

At 31 March 2021, 14 staff were in post. 10 (2019-20: 6) of these staff are female and 4 (2019-20: 4) male. 1 (2019-20: 1) staff member is employed on a fixed-term contract with all other staff employed on a permanent contract. The above includes an average of 3 (2019- 20: 2) part time staff members for the year.

## Armed Forces Covenant Fund

### Notes to the Financial Statements (continued)

#### For the year ended 31 March 2021

#### 8 Related party transactions

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

John McColl is a Trustee of the Trust and is Chair of Cobseo. Details of grants awarded to Cobseo are as follows.

During the course of the year, £120,000 was paid to Cobseo in respect of a grant awarded in 2017/18 to Build Capacity in Northern Ireland. The outstanding balance at year end was £90,000.

During 2019/20 a grant of £100,000 was awarded under the Strategic Pathways programme. A final payment of £50,000 was made in August 2020.

During 2020/2021 Cobseo was also the beneficiary of a further £45,000 grant under the Strategic Pathways programme. At year end, the outstanding balance on this grant was £25,000.

In addition, the Trust is responsible for managing HMT LIBOR Fund grants of which Cobseo is a recipient. Payments in respect of LIBOR grants are made from the MOD, on recommendation from the Trust.

In line with the Trust's policy, John McColl was not involved in the decision making process of the awards made to Cobseo.

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

#### 9 Taxation

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

#### 10 Debtors

	2021	2020
	£	£
Accrued income	328,430	1,487,320
Other debtors	56,391	10,518
	<b>384,821</b>	<b>1,497,838</b>

**Armed Forces Covenant Fund**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2021**

**11 Creditors: amounts falling due within one year**

	<b>2021</b>	2020
	£	£
Trade creditors	22,603	23,212
Evaluation creditors	586,339	333,599
Grants payable	16,225,381	17,779,788
Returns to donors	122,558	-
PAYE	19,568	17,888
Accruals	25,160	17,200
Other creditors	13,959	-
Deferred income	258,480	-
	<b>17,274,048</b>	<b>18,171,687</b>

**12 Creditors: amounts falling due after one year**

	<b>2021</b>	2020
	£	£
Trade creditors	-	67,506
Grants payable	2,772,990	4,372,488
	<b>2,772,990</b>	<b>4,439,994</b>

**13 Pension scheme**

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

**Civil Service Pension Scheme**

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

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

The scheme actuary valued the CSPS as at 31 March 2016. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation at <http://www.civilservicepensionscheme.org.uk/about-us/resource-accounts/>

**Armed Forces Covenant Fund**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2021**

**13 Pension scheme (continued)**

For 2020/21, employers' contributions of £45,203 (2020: £34,895) were payable to the CSPS at one of four rates in the range 20.0% to 24.5% of pensionable earnings, based on salary bands.

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2020/21 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

**Other pensions**

Staff members who joined the Trust after 1 April 2018 have the choice of joining NEST, or having employer and employee contributions made to their own existing private pension. Either way, the Trust will make a contribution of 8% of pensionable earnings if the employee contributes 5%. Employers' contributions of £19,415 (2020: £10,155) were paid to other pension providers.

Contributions due to the pension providers at the balance sheet date were £13,808 (2020: £163). Contributions prepaid at that date were £nil (2020: £nil).

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

	General	Designated	Restricted	Total funds
	£	£	£	£
Net current assets	104,508	44,184	3,954,120	<b>4,102,812</b>
Long term liabilities	-	-	(2,772,990)	<b>(2,772,990)</b>
<b>Net assets at 31 March 2021</b>	<b>104,508</b>	<b>44,184</b>	<b>1,181,130</b>	<b>1,329,822</b>

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

	General	Designated	Restricted	Total funds
	£	£	£	£
Net current assets	102,559	125,074	5,246,646	<b>5,474,279</b>
Long term liabilities	-	-	(4,439,994)	<b>(4,439,994)</b>
<b>Net assets at 31 March 2021</b>	<b>102,559</b>	<b>125,074</b>	<b>806,652</b>	<b>1,034,285</b>

**Armed Forces Covenant Fund**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2021**

**15a Movements in funds (current year)**

	at 1 April 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2021 £
<b>Restricted funds:</b>					
MOD - £10M Covenant Fund					
<i>MOD - £10M Covenant Fund Central Fund</i>	21,445	10,000,006	(9,602,775)	(404,934)	13,742
<i>Tackling Loneliness evaluation</i>				106,000	106,000
<i>Outcomes Measurement Framework</i>				10,000	10,000
<i>Evaluation of Covenant Fund programmes</i>	199,187	-	(151,560)		47,627
<i>Tackling Serious Stress evaluation extension</i>			(35,114)	35,114	-
HMT - £10M Veterans' Mental Health and Wellbeing Fund					
<i>HMT - £10M Veterans' Mental Health and Wellbeing Fund Central Fund</i>	462,817	10,000,000	(9,590,209)	(217,600)	655,008
<i>Social Prescribing for the Armed Forces community</i>				70,000	70,000
<i>One Is To Many evaluation</i>				147,600	147,600
HMT - £3M Veterans' Community Centres Fund	107,976	-	(39,396)		68,580
NAAFI Fund	-	750,000	(739,091)		10,909
OVA/MOD Covid-19 Impact Fund	-	6,000,000	(5,963,563)		36,437
Aged Veterans' Fund	15,227	-	-		15,227
<b>Total restricted funds</b>	<b>806,652</b>	<b>26,750,006</b>	<b>(26,121,708)</b>	<b>(253,820)</b>	<b>1,181,130</b>
<b>Unrestricted funds:</b>					
Designated funds					
<i>Website</i>	21,180	-	-	(21,180)	-
<i>Tackling Serious Stress engagement event</i>	5,000	-			5,000
<i>Local Government Delivery of the Covenant digital resources - now Strengthening and Empowering Delivery of the Covenant evaluation and support services</i>	75,000	-	(334,710)	275,000	15,290
<i>LIBOR Fund evaluation</i>	23,894	-			23,894
Total designated funds	125,074	-	(334,710)	253,820	44,184
General funds	102,559	1,949			104,508
<b>Total unrestricted funds</b>	<b>227,633</b>	<b>1,949</b>	<b>(334,710)</b>	<b>253,820</b>	<b>148,692</b>
<b>Total funds</b>	<b>1,034,285</b>	<b>26,751,955</b>	<b>(26,456,418)</b>	<b>-</b>	<b>1,329,822</b>

**Armed Forces Covenant Fund**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2021**

**15b Movements in funds (prior year)**

	At 1 April 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2020 £
<b>Restricted funds:</b>					
MOD - £10M Covenant Fund	68,874	10,000,000	(9,848,242)	(199,187)	<b>21,445</b>
HMT - £10M Veterans' Mental Health and Wellbeing Fund	9,697,545	-	(9,234,728)	-	<b>462,817</b>
HMT - £3M Veterans' Community Centres Fund	3,000,000	-	(2,892,024)	-	<b>107,976</b>
Aged Veterans' Fund	115,227	-	(100,000)	-	<b>15,227</b>
Evaluation of Covenant programmes	-	-	-	199,187	<b>199,187</b>
<b>Total restricted funds</b>	<b>12,881,646</b>	<b>10,000,000</b>	<b>(22,074,994)</b>	<b>-</b>	<b>806,652</b>
<b>Unrestricted funds:</b>					
Designated funds:					
LIBOR Fund evaluation	135,780	-	(111,886)	-	<b>23,894</b>
Local Government Delivery of the Covenant digital resources	75,000	-	-	-	<b>75,000</b>
Website	30,000	-	(8,820)	-	<b>21,180</b>
Tackling Serious Stress engagement event	5,000	-	-	-	<b>5,000</b>
<b>Total designated funds</b>	<b>245,780</b>	<b>-</b>	<b>(120,706)</b>	<b>-</b>	<b>125,074</b>
General funds	65,000	37,559	-	-	<b>102,559</b>
<b>Total unrestricted funds</b>	<b>310,780</b>	<b>37,559</b>	<b>(120,706)</b>	<b>-</b>	<b>227,633</b>
<b>Total funds</b>	<b>13,192,426</b>	<b>10,037,559</b>	<b>(22,195,700)</b>	<b>-</b>	<b>1,034,285</b>

## Armed Forces Covenant Fund

### Notes to the Financial Statements (continued)

#### For the year ended 31 March 2021

#### 15 Movements in funds (prior year)

##### Purposes of designated funds

Covenant Fund: LIBOR Fund evaluation for the continuing work to evaluate the impact of this Fund.

Covenant Fund: Local Government Delivery of the Covenant digital resources. Project delayed until 2020/21.

Covenant Fund: Phase two development of the Trust's website to enable interactivity and hosting of additional resources, postponed to 2020/21.

Covenant Fund: Tackling Serious Stress engagement event for grant holders is a key element of grant monitoring and evaluation programme but was postponed from 2019/20 to 2020/21 due to the impact of Covid-19 on the ability to hold events.

##### Transfer of funds

The transfer of funds from the Covenant Fund to be used for the purposes of programme evaluation.

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

	2021	2020
	£	£
<b>Net income / (expenditure) for the reporting period (as per the statement of financial activities)</b>	295,537	(12,158,141)
Dividends, interest and rent from investments	(1,598)	(37,559)
Decrease in debtors	1,113,017	11,644,260
Increase in creditors	(2,564,643)	4,949,389
<b>Net cash provided by operating activities</b>	<b>(1,157,687)</b>	<b>4,397,949</b>

#### 17 Legal status of the Trust

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

# About us

The Armed Forces Covenant Trust manages the grant programmes funded by the Covenant Fund.

We also run wider funding programmes that support the Armed Forces community.

You can find out more about our work at [www.covenantfund.org.uk](http://www.covenantfund.org.uk)



 **THE ARMED FORCES  
COVENANT FUND TRUST**

Contact us:  
[info@covenantfund.org.uk](mailto:info@covenantfund.org.uk)  
[www.covenantfund.org.uk](http://www.covenantfund.org.uk)

If you require this document in an alternative format, please contact us.

Armed Forces Covenant Fund Trust  
Chairman: Helen Helliwell; Chief Executive: Melloney Poole  
The Armed Forces Covenant Fund Trust Limited (CRN 11185188) acting as the trustee of the Armed Forces Covenant Fund (CC 1177627)  
Registered Address: 7 Hatherley Street London; SW1P 2QT