

# REGISTRAR OF COMPANIES

## The Army Cadet Force Association

### Annual Report and Financial Statements

31 March 2011

Company Limited by Guarantee  
Registration Number  
00293432 (England and Wales)

Charity Registration Number  
305962

Office of the Scottish Chartry Regulator  
SC039057

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## **Contents**

### **Reports**

Reference and administrative details of the charity, its trustees and advisers	1
Trustees report	3
Independent auditor's report	32

### **Financial Statements**

Statement of financial activities	34
Balance sheet	35
Principal accounting policies	36
Notes to the financial statements	39

The following pages do not form  
part of the financial statements

Income and expenditure statement Outreach	48
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## Reference and administrative details of the charity, its trustees and advisers

<b>President of the Council/Trustee</b>	General Sir Jack Deverell KCB OBE
<b>Directors/Trustees</b>	
Chairman	Major General M D Wood CBE
Vice Chairman/Finance Chairman	Brigadier A F Gordon CBE (resigned 14 Jul 2010)
Vice Chairman	Colonel A Blowers OBE (appointed 14 Jul 2010)
Finance Chairman	Mr T Weale (appointed 14 Jul 2010)
Honorary Treasurer	Mr P J W Henderson
<b>Members of the Council/Trustees</b>	
Chairman Northern Ireland	Colonel D M McCleery OBE
Chairman Scotland	Colonel J L Kelly MBE
Chairman Wales	Colonel G E J Blythe
General trustees	Lieutenant Colonel P Lynch The Reverend J Woodhouse QHC Colonel J Wilson OBE DL Colonel D E King OBE (resigned 16 March 2011) Colonel M P Bryant (appointed 16 March 2011) Mr R A C Duncan Colonel J D Davies DL Colonel P Christian OBE Colonel M E Bennett OBE Colonel M Vince MBE (appointed 1 September 2010)
<b>Co-opted members</b>	Colonel M N S Urquhart OBE Colonel J R M Hackett CBE Mr J McCullagh
<b>Secretary</b>	Brigadier M J Wharmby OBE
<b>Company Secretary</b>	Lieutenant Colonel R N B Quicke

## **Reference and administrative details of the charity, its trustees and advisers**

<b>Principal address and registered office</b>	Holderness House 51-61 Clifton Street London EC2A 4DW
<b>Company registration number</b>	293432 (England and Wales)
<b>Charity registration number</b>	305962
<b>Office of the Scottish Charity Regulator</b>	SC039057
<b>Auditors</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Lloyds TSB Bank plc Butler Place London SW1H 0PR
<b>Investment managers</b>	Rensburg Sheppards (Investec Wealth & Investment) 2 Gresham Street London EC2V 7QN

## **Trustees' report** Year to 31 March 2011

The Council, who are the trustees for the purposes of charity law and directors for the purposes of company law, present its statutory report together with the financial statements of The Army Cadet Force Association for the year ended 31 March 2011

The report has been prepared in accordance with Part VI of the Charities Act 1993 and also constitutes a directors' report for the purposes of the Companies Act 2006 and other company legislation

The financial statements have been prepared in accordance with the accounting policies set out therein and comply with the charitable company's memorandum and articles of association, applicable laws and the requirements of Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005)

### **Governance, structure and management**

#### **Governance**

##### **Constitution**

The Army Cadet Force Association (ACFA) is a registered charity and a company limited by guarantee, not having a share capital. It is governed by its Memorandum and Articles of Association which were amended on 17th November 2007 to take account of changes to Charity Law in Scotland.

##### **Role**

The Army Cadet Force Association (ACFA) is dedicated to promoting the ideals and activities of the Army Cadet Force (ACF). In providing educational, adventurous, competitive and social activities, the Association's key priorities are

*Assisting in cadets' citizenship development,  
Promoting cadets' powers of leadership and qualities of character,  
Reinforcing the ACF's potential to 'Inspire to Achieve', and  
Fostering the welfare and recreational life of the ACF*

Important ACF programmes such as Adventurous Expeditions and Sports are promoted or managed by the Association and are designed to improve the overall health and fitness of volunteers and cadets, while activities such as First Aid Training, Music and Competitive Target Shooting help cultivate new skills and talents. By co-ordinating valuable initiatives including links to St John Ambulance and the Duke of Edinburgh's Award, the Association ensures that cadets from all walks of life are able to achieve recognition for their efforts. Through the ACF's Youth and Community project known as Outreach, the Association enables participating ACFs to add considerable value to their own communities through a programme of achievement based around typical cadet activities, which are delivered by cadet force adult volunteers to children aged 12 to 14 considered by schools, police and other local bodies to be at risk.

## **Trustees' report** Year to 31 March 2011

### **Governance, structure and management** (continued)

In preparing this report the trustees have had regard to the Charity Commission's guidance to charities on demonstrating that their aims are pursued for public benefit. The Council believes that this report provides sufficient information regarding the charity's aims and beneficiaries to fulfil the expectations of that guidance.

### Functions

The functions exercised by the Association, with the approval of the Ministry of Defence (MoD) and the other Authorities concerned, are to

- Act as advisers to the MoD and other Authorities on ACF matters in general,
- Assist in the development of training suitable for cadets,
- Foster the welfare and recreational life of the ACF,
- Represent the ACF in wider youth service affairs, and on the National Council for Voluntary Youth Services (NCVYS), the Central Committee for Physical Recreation (CCPR) and other such bodies;
- Provide guidance on the spiritual aspects of ACF training;
- Frame the policy on citizenship training to be carried out by the ACF,
- Organise and administer national sport for the ACF through the Sports Board,
- Be an Operating Authority for the Duke of Edinburgh's Award Scheme in the ACF,
- Co-ordinate First Aid training and serve as a St John Ambulance Special Centre to enable First Aid Training to be carried out in accordance with the Army Proficiency Certificate training syllabus,
- Provide the management and musical expertise to develop marching band music for young people at County and National Level
- Provide the management and musical expertise to develop piping and drumming for young people at County and National level, particularly in Scotland
- Facilitate through the Cadet Centre for Adventurous Training (CCAT) the delivery of AT courses for ACF volunteer adults and cadets
- Facilitate, through the Shooting Committee, the sport of target rifle shooting leading to participation in National and International events,
- Facilitate the ACF Outreach Youth & Community Project which provides young people outside the ACF with a programme of confidence building activities. This in turn promotes the ACF as an outward looking youth organisation
- Foster association with like minded (or kindred) Cadet Forces of the Commonwealth countries;
- Devise and execute a national strategy for the promotion of the ACF, linking to regional promotional strategies managed by the RFCAs,
- Contribute to the recruitment and retention of the ACF's adult volunteers

## **Trustees' report** Year to 31 March 2011

### **Governance, structure and management** (continued)

#### Functions (continued)

- Publish the ACF's journal, the ACF's Annual Report and other non-official publications as may be of benefit to the ACF,
- Provide "regimental" services to the ACF in the manner of all corps and regimental associations,
- Operate Personal Accident, Travel and Legal Help Insurance Schemes covering the needs of the both adults and cadets of the ACF outside the MoD liability

The names of the trustees who served during the year are set out as part of the reference and administrative details on page 1 of this annual report and financial statements and brief biographical details of the senior trustees are given below

<b>Office</b>		<b>Background</b>
President of the Council	General Sir Jack Deverell KCB OBE	CinC Allied Forces Northern Europe 2001-2004
Chairman	Major General M D Wood CBE	Director General Logistic Support Command 2006-2008
Vice Chairman	Colonel A Blowers OBE	Retired Insurance Chief Executive
Finance Chairman	Mr T Weale	Partner Cushman & Wakefield LLP
Honorary Treasurer	Mr P Henderson	Director Newton Investment Management Ltd

These trustees are involved in the selection of senior members of the secretariat and of new trustees. Once selected, new trustees are sent an induction pack and attend training days if available. In 2010/11 this included seminars on tax, trustee governance, investment responsibilities and charitable regulation changes. Trustees are not remunerated but are reimbursed for travel expenses for attending trustee meetings, visiting ACF activities and other support to the charity.

#### **Trustees' responsibilities**

The trustees (who are also directors of The Army Cadet Force Association for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the trustees are required to

- ♦ select suitable accounting policies and then apply them consistently,
- ♦ observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP),

**Governance, structure and management** (continued)

**Trustees' responsibilities** (continued)

- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- ◆ the trustee has taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the charity's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

**Structure and management reporting**

The Charity has a small, full time salaried secretariat that manages its activities on a daily basis. The General Secretary Brigadier Mike Wharmby heads this Secretariat. The secretariat carries out the day-to-day management of all the ACFA activities to a programme and activity level agreed in advance with the trustees and the main financial stakeholder – HQ Land Forces. The senior trustees (President, Chairman, Vice Chairman, Chairman Finance Committee and Hon Treasurer) are consulted by the General Secretary on a regular basis and on all matters that are considered by him to be strategic, novel or contentious. These consultations are largely conducted by telephone and e-mail but several meetings occur that are in addition to the formal meetings described in the next paragraph.



## **Trustees' report** Year to 31 March 2011

### **Governance, structure and management** (continued)

#### **Structure and management reporting** (continued)

There are a number of full and formal Trustee (Council) meetings. The ACFA Council meets three times a year, after the production of the annual financial statements in July, before the Association's AGM in November, and towards the end of the Financial Year in March. The Council receives in advance

- ♦ A report from the Finance Committee of the ACFA (see next paragraph) that shows expenditure to date in the current financial year and performance of the Investment Portfolio, for the July meeting this report incorporates the audited financial statements of the Association. The audited financial statements are agreed and signed off at this meeting.

The Council has two smaller sub committees. The Finance Committee which carries out the overall financial management and governance of the Association, including the annual budget, the raising, investment and direction of funds and the oversight of office processes. The committee is chaired by a senior Trustee and consists of the Hon Treasurer and at least two other trustees with financial or investment experience. It meets three times a year in advance of the main Council meeting so as to provide timely management information to the Trustees. The second sub committee is the Remunerations' Committee, also chaired by the Chairman of the Finance Committee but includes the ACFA Chairman as one of its trustee members. This committee sets the overall policy for remuneration of the salaried permanent staff and meets once a year after the February Finance Committee.

The Charity has three national branches based in Scotland, Northern Ireland and Wales. These branches have committees made up of volunteers from the ACF but have no full time or salaried staff or indeed premises from which to operate. Each branch runs a separate financial account for the support of local activities. These financial statements are included in the main ACFA financial statements. The Chairmen of these branches are committee members (Trustees) of the main ACFA Council and provide the regional input and advice for the National Council. In the case of Scotland the Charity is also regulated by the Office of the Scottish Regulator (OSCR) and is regarded by it as a 'Cross-Border Charity' with a separate Scottish Charity number (SC 039057).

#### **Risk management**

The Council has a formal risk management process to assess business risks and it is implementing the risk management strategies. This involves identifying the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. The charity's internal controls are regularly checked against the guidelines set down and recommended by the Charity Commission and yearly internal governance inspections are carried out by the Finance Chairman.

The risks are formally reviewed at each of the three Council meetings that are held in the course of a year, and the trustees are satisfied that the processes are being implemented and that the internal controls are adequate and effective.

## **Objectives, activities and relevant policies**

### **Activities and specific objectives**

The Charity's purpose is to provide members of the Army Cadet Force across the whole of the U K with activities that will educate, develop and broaden the interests of its 46,500 12-18 year old cadet members. These young people volunteer from all walks of life and with the Charity's help find a purpose to their lives that in some cases, for one reason or another, school and family may not have delivered. It also provides support and encouragement to the Adult Volunteers, without whom the Army Cadet Force would not exist, these adult volunteers are automatically members of the charity.

In delivering these objectives, the Charity strives wherever possible to link these activities to externally recognised academic or vocational qualifications such as the Duke of Edinburgh's Award (DofE), various BTECs and the awards of the Order of St John. In so doing the cadets, and indeed adult volunteers, are helped to develop and achieve careers that otherwise might have been difficult to attain.

### ***Cadet150***

During the year much of the charity's activity was focussed towards Cadet150. 2010 was the 150<sup>th</sup> anniversary of part of the country's cadet forces and the opportunity this gave to promote all of the country's uniformed cadet forces has been grasped wholeheartedly, particularly by ACFA. Indeed the proposal to celebrate this anniversary was conceived by ACFA and the Charity has continued to play a leading role in the development and delivery of the commemorative programme both nationally and locally. It was a tri-service anniversary involving the Army Cadet Force (ACF), the Air Training Corps (ATC) and the Sea Cadet Corps (SCC), as well as the whole of the Combined Cadet Force (CCF). The headline national events included a large cadet expedition to Lesotho (funded by service contributions and through special fund-raising by ACFA), a visit to HM The Queen at Buckingham Palace, and No 10 Downing Street and other significant sites, a major parade of the cadet forces down the Mall to Buckingham Palace, a Beating Retreat at Balmoral in front of the Queen and members of the Royal Family, participation in the Lord Mayor's parade, a DofE residential project for 130 cadets at Dartmouth, a sporting event at Cranwell, a national youth first aid competition at Sandhurst and enlarged participation in all the Remembrance Commemorations in November. In parallel individual counties and RFCA Regions ran their own events throughout the year all to promote the value of 'cadets' to the nation. ACFA had saved money in its portfolio for the past three years to support all ACF counties and regions to help them deliver memorable events. This money (nearly £150k) was disbursed early in the year.

**Objectives, activities and relevant policies (continued)**

**Other activities**

In more detail the Charity delivered

***National Sports***

A series of national competitions in swimming, rugby, football, hockey, tug-of-war, cross-country running, clay target shooting and athletics are organised in different parts of the UK in order to give many thousands of cadets the opportunity to travel to other parts of the UK to compete in sports at a national level. For most of the cadets taking part it will be their only opportunity to take part in a physical challenge at this level.

***Achievements***

**Athletics** In near perfect conditions (warm, dry and with a gentle breeze) the ACF Athletics took place at its usual venue Meres Stadium, Grantham, on Saturday 12<sup>th</sup> June 2010. Organised very well by Lincolnshire ACF and attended by a wide cross section of VIPs, all cadets competed strongly and two records were broken as a result - North East, Eastern, London and Scotland vied throughout for the top places but in the end Eastern's stranglehold grip on the sports' top honours was convincingly broken by the North East. The prizes were presented by the High Sheriff of Lincolnshire Mr John Godfrey, resplendent in his full regalia including ceremonial sword, the Deputy Mayor of Grantham Cllr Stuart Farrar, the Chair of South Kesteven District Council Mrs Marjorie Radley and the Chief Executive of the East Midlands RFCA Brigadier William Hurrell. Brigadier Williams, the Commander 49 Bde, under whose auspices the event was being run, also attended and presented some of the event prizes. The overall champions for 2010 were North East (15 (NE) Bde).

**Clay Target Shooting** The championship was successfully completed over the weekend 25 -27 June 2010 at Marne Clay Target Club Shooting Grounds, Catterick, in hot sunny conditions, thankfully with some wind, but that produced an excellent challenge to all the competitors. Competition was fierce with a tie shoot to decide the Inter-Services Competition in which the ACF team, after having to undergo a re-shoot due to a gun malfunction, managed to hold their nerve and hold off a determined ATC Team to win the competition and the new trophy, The Cadet Force 150th Anniversary Cup, presented by the Army Rifle Association. Tonbridge School won in the Flush and Seaford College the Sporting thus retaining the Overall Top Team Trophy.

**Girls' Hockey** Bright sunshine and first class facilities greeted cadets from the four regions which took part in the ACF National Girls' Hockey Championships held in the grounds of the University of York on Saturday 3 July 2010. After a hard fought league competition, the North West team emerged as the ACF's national champions for 2010 with the team from Northern Ireland runners up. Medals and trophies were presented by Colonel Ted Shields OBE, the Chief of Staff at the Army's 2nd Division headquarters based in Edinburgh but responsible for regular soldiers, the TA and the Army's cadets throughout the north of Britain.

**Objectives, activities and relevant policies (continued)**

**Other activities (continued)**

***National Sports (continued)***

***Achievements (continued)***

**Tug-of-War** The 2010 ACF National Tug-of War took place at the Leicestershire, Northants and Rutland (LNR) ACF Weekend training centre at Yardley Chase south east of Northamptonshire on Saturday 26<sup>th</sup> June. Yardley Chase, an ex MoD ammunition depot, is a wonderfully remote training area deep in the heart of Northamptonshire farming country and perfect for the occasion of bringing together upwards of 150 cadets to compete in this national event. The weather was superb and the organisation of the event by Major Alec Masson CEO Glos ACF was exemplary. Plenty of water breaks were organised and were very necessary in the blazing heat.

The girls' event was run in the morning finishing with a final between LNR and NE London. The girls from LNR ACF were the better technical team and won by two pulls. In the afternoon the boys competed with great gusto and again it was the better techniques of LNR A Team that won the day over Cornwall ACF. Prizes were presented to the Boys' Teams by Mr Tony Martin who is the President of the England Tug-of-War Association. His wife Mrs Sue Martin presented the prizes to the Girls' teams.

**Swimming** At Sandhurst it was a day of records being broken – seven in all including two relays. Two regions fought it out for the top honours – Eastern Region won the Junior boys and Junior girls, whilst Scotland won the Senior Boys and Senior Girls. However yet again the strength in sporting depth so apparent in Eastern Region meant that they took the overall trophy which was presented by Brigadier Martin Boswell – the Chairman of Army Swimming.

**Girls' Football** This event has been cursed by bad luck; cancelled last year because of MoD budget cuts, this year it suffered instead from the weather. Despite being scheduled on all-weather pitches the matches were unplayable due to 5 inches of snow lying on rubber crumb surfaces. The competition was moved at a moment's notice to inside a gymnasium organised extremely well by Notts ACF. In the seniors North West beat London 3-0. In the juniors Eastern beat South West 2-1.

**Cross Country Running** Blessed with a fine spring day in Cumbria cadets from all over the UK participated in the 2011 National Cross Country competition. The courses, designed for all ages, were muddy in parts, steep in parts and testing for everyone. The prizes were presented by Lady Shuttleworth who is the Hon Col of Lancashire ACF. The competition overall winner was Eastern Region which fielded a very strong team winning every team event except the Junior Boys which was won by North West.

**Objectives, activities and relevant policies (continued)**

**Other activities (continued)**

***National Sports (continued)***

***Achievements (continued)***

Boys' Football Meanwhile adjacent to Warcop Camp and on the same day the football competition was in full swing organised by Lancashire ACF. Such was the efficiency of the organisation the officials attending the cross country only just had time to get across to view the finals of the juniors and seniors. In the junior boys' finals Northern Ireland beat the North West 5-4 after penalties, whilst in the senior boys' finals London beat the South West 6-3. Lady Shuttleworth, Hon Col of Lancashire ACF, presented the prizes.

7-a-side Rugby The 2010 ACF Boys' Rugby competition took place at Brecon on Saturday 10<sup>th</sup> April in blazing sunshine. Teams were accommodated in Senybridge and pool matches were played on the garrison pitch and at Penlan Sports Centre. The semi-finals and finals were played at Christ College Brecon. Sadly some regions found it difficult to provide a team or sufficient adults to supervise so the pool matches contained quite a few Byes. Those that did participate enjoyed wonderful sport on good pitches. The semis and finals at Christ College were particularly noteworthy for the quality of the grounds. The finals for both the Intermediate and Seniors were played between Wales and the South West. Wales proved to be the strongest in both finals although the scores were relatively close. Prizes were presented by Brigadier Russ Wardle Commander 160 Wales Brigade, Major General Christopher Elliot Chairman of the Army Sports Control Board and Councillor Ieuan Williams, the Mayor of Brecon. VIP guests also included Mrs Emma Taylor Headmistress Christ College.

***Adventurous Training***

Following the establishment of the new Cadet Centre for Adventurous Training (CCAT) HQ at Capel Curg in January 2010 and moreover throughout the Training Year 10/11 it has been an extremely busy period characterised by considerable turbulence in the wake of the organisational re-structure. The best of the old CCAT structure that was already well established was improved to mould a professional and effective organisation. CCAT has kept pace with the tempo of change within the MOD, e.g. the move to the new centralised bookings with the DTE organisation and TOPL processes, so that CCAT remains fully aligned with current MOD organisational practices and processes. CCAT provides a unique pathway for Adult ACF and CCF (Army) Volunteer Instructors to attain AT Leader, Instructor or Coaching level qualifications in Mountaineering (Summer & Winter), Climbing (Rock & Ice), Canoeing (Open Canoe, Inland Kayak, Sea Kayak), Caving, Alpine Skiing and Mountain Biking so they can in turn deliver a broad range of challenging and imaginative AT activities in their units that will enhance the lifelong learning experience of the Cadet and boost retention and recruiting. CCAT also provides a myriad of Proficiency and Advanced Proficiency level Adventurous Training courses as a progressive pathway for Senior Cadets (16-18 years) to gain Joint Service and Nationally accredited skills qualifications.

**Objectives, activities and relevant policies (continued)**

**Other activities (continued)**

*Adventurous Training (continued)*

*Achievements*

An ambitious student target of 783 was set for the TY 2010-11. The actual student throughput was 912. The student throughput divided into our budget expenditure works out at £216.99 per person which remains extremely good value for money when compared against the standard market price of £500.00 for a 5-day course at a National Centre. Sea kayak courses were added into the programme as were mountain bike leader courses for Adult Volunteer Instructors.

Some of the CCAT overseas expeditions in 2011-12 have moved location to include the Pyrenees for open canoeing and white water kayak, and Switzerland for the Alpine mountaineering course.

A root and branch review of the CCAT courses delivery and safety management systems has taken place. As a result of the review a complete overhaul followed to develop and implement robust systems to standardise the delivery and safe management of the AT courses to which has been recently added an Internal Validation (InVal) process. A full evaluation of the AT stores resources was conducted. A robust inspection process has been implemented along with PPE labelling. CCAT is fully integrated with WESTMINSTER. Significant strides have been made to improve the advertising and marketing of CCAT and the AT course opportunities available to the wide ranging customer base. A CCAT article was published in the Cadet Magazine. The CCAT website which is the main tool in the advertising armoury has been overhauled and has been very well received by the customers. CCAT also now features on the CVQO website advertising late notice vacancies.

*Duke of Edinburgh's Award (DofE)*

ACFA is the Operating Authority through which ACF and some CCF cadets and young adults up to the age of 25 can obtain DofE awards, by including core cadet activities, and often activity engaged in outside the ACF, to plan and participate in their DofE programme. The Charity manages the development of the DofE for Army Cadets, organises and provides quality DofE training for leaders, monitors higher level expeditions, and authorises awards to successful participants. ACFA is one of the major DofE Operating Authorities in the UK.

*Achievements*

National Training Around 2,000 army cadets and young instructors completed a DofE award in 2009/10, which is the latest year for which we have statistics, of these, an impressive 156 gained the Gold Award. In the training year 2010/11, the ACFA DofE Advisory Panel, composed of experienced volunteers from across the UK, ran a total of 38 training courses at various locations, in addition to the Cadet150 Residential at Britannia Royal Naval College, Dartmouth, where 130 cadets, including 52 from the ACF and CCF(A) gained the Foundation Certificate in DofE Leadership.

**Objectives, activities and relevant policies (continued)**

**Other activities (continued)**

***Duke of Edinburgh's Award (DofE) (continued)***

***Achievements (continued)***

A remarkable 362 ACF/CCF leaders and senior cadets gained the Introduction to DofE Certificate, with 52 going on to complete the Foundation Certificate in DofE Leadership and 23 being awarded the brand new DofE Certificate in Team Leading and Group Management. Training in expedition leadership and assessment skills and techniques resulted in 187 leaders undergoing training in the Expedition Assessor Accreditation Scheme, as of April 2011, only nationally accredited assessors can undertake DofE expedition assessment, so this course was a priority for this training year. For the past few years, the Panel has satisfied the training demand from Counties, this exceptional level of training is unlikely to be sustained by this small pool of Advisors, and plans are well advanced to train Course Directors and Tutors to deliver the DofE Leadership training locally in Counties and / or Regions.

The co-operation between the DofE in the ACF and CVQO continues to be developed, largely because success in DofE can lead to cadets having their BTEC awards enhanced to Merit and Distinction levels. Accreditation of learning on the Modular Training Framework courses has now been taken on by CVQO using Institute of Leadership and Management (ILM) qualifications, and a superb 90% of the cadets on the tri-service Cadet150 DofE Leadership Residential at Britannia Royal Naval College Dartmouth in August last year have gained the ILM Level 2 Award in Team Leading.

eDofE In September 2009, DofE stopped selling Record Books and went over to an electronic on-line recording system. Although Record Books may be used for the time being, the expectation is that as soon as possible, every DofE participant will be recording his or her own achievements on-line, with leaders checking and verifying achievement similarly. This is a bold step by DofE, and one which ACFA as an Operating Authority is in the process of taking. With every DofE leader and participant having to learn this new system, it is inevitable that, whilst activity should not be affected, the recording of it is likely to be. There have been significant difficulties with this system, and we eagerly await its upgrade in May of this year.

***First Aid***

The Charity supports all first aid training in the ACF. The three pillars of support to cadets are formal training with externally accredited qualifications, practical continuation training through realistic scenario based competitions, and appropriate externally accredited recognition when cadets perform praiseworthy real life first aid. To meet these requirements ACFA also supports training for adult staff through courses at the Cadet Training Centre, support for county led adult training, and providing adult staff with externally recognised teaching qualifications now required by the Health & Safety Executive and our awarding body.

**Objectives, activities and relevant policies (continued)**

**Other activities (continued)**

***First Aid (continued)***

***Achievements***

Cadet Training Through a progressive programme at every level all cadets (some 45,000) receive some ACFA supported first aid training every year. About 17,000 cadets obtain the Heartstart qualification and around 4,000 cadets receive an externally accredited Youth First Aid qualification at 2 Star. At least 1,000 cadets go on to obtain an externally accredited adult first aid qualification at 4 Star.

Adult Training ACFA support in the delivery of first aid related courses at the Cadet Training Centre resulted in 2010/11 in 170 participants obtaining a total of 720 qualifications over some 50 different modules of training. About 1,000 adult staff obtained externally accredited adult first aid certificates valid for three years through ACFA, producing some 3,000 currently qualified adult staff able both to meet all the requirements for first aid qualified staff and also to be able to train and test cadets in first aid.

During 2010/11 ACFA in collaboration with Future Awards launched a programme to provide adult staff with recognised teaching qualifications at minimal cost. So far, 61 adult staff have received the Preparing to Teach qualification and 37 have received all or part of the Certificate in Teaching.

Practical Training ACFA supports 12 regional and national competitions including inter-services events. The Cadet 150 Festival of First Aid at RMA Sandhurst over a weekend in October 2010, managed by ACFA, is believed to be the largest youth first aid event of its kind ever held. It involved 48 teams of cadets across ACF, CCF, SCC and ATC in four national competitions followed by inter-services events as part of the civilian Young Grand Prior competition involving young adults and young people from industry and other organisations as well as the national winning cadet teams. Derbyshire regained the Inter Services title for the ACF and Cambridgeshire ACF young adults obtained second place through a tie breaker in the nationwide Young Grand Prior event.

Recognition Over 2010/11 two army cadets were among 10 young people who received Young First Aider of the Year medals. 32 cadets received Young First Aider of the Year certificates. Four cadets were finalists in the British Red Cross Humanitarian Citizen Awards. Two cadets received the Resuscitation Certificate of the Royal Humane Society. Five adult staff also received recognition. In all 42 cadets and 5 adults were recognised for praiseworthy first aid that saved lives as a result of ACFA supported first aid training.



**Objectives, activities and relevant policies (continued)**

**Other activities (continued)**

***Competitive Target Shooting***

The Charity, through the ACFA Shooting Committee, supports army cadet national Small Bore, Target Rifle and Skill at Arms competitions and in so doing stimulates the desire for excellence in the large number of young people that this involves. In addition the Charity provides a large proportion of the cadet and youth teams that compete internationally on behalf of the UK. In this, the ACFA works very closely with the Council for Cadet Rifle Shooting (CCRS), a separate charitable body that for administrative convenience is partially funded by the MoD through ACFA (see below)

***Achievement***

Cadet shooting, including competitions in all disciplines, continues to contribute a great deal towards recruitment and retention and provides many opportunities to *Inspire to Achieve* cadets at all levels. A recent attitude survey showed that the greatest majority of cadets listed shooting as the most popular activity. ACFA has provided advice and guidance to HQ Land Forces regarding cadet shooting policy matters. This has included, through the Cadet Training Centre Frimley Park, a review of the APC (ACF) Syllabus for Shooting and Skill at Arms, this has been a major task and is now completed. In support of the Cadet Training Centre's review of the Cadet Training Manual Vol I and Vol II Instructors' Handbook, the Charity is producing a stand-alone Shooting and Skill at Arms Training Manual. The Charity has also provided technical advice and considerable funding on the acquisition of new air rifles. ACFA has provided assistance and guidance to counties for target rifle coaching training including the delivery of national and regional coaching courses. Assistance and guidance has also been provided to counties for competition shooting in all disciplines and this has been another busy and successful year for ACF competition shooting.

International Shooting ACF adults and cadets have been involved in all cadet and youth international teams shooting abroad in 2010 including the GB U19 Team to South Africa in April, the British Cadet Rifle Team to Canada in Jul/Aug and the UK Cadet Team to the Channel Islands in August. In addition, 14 ACF Cadets and two escort officers attended the Canadian Cadet Leader Instructor Marksman Course in July/August.

***Council for Cadet Rifle Shooting (CCRS)***

The ACFA administers the grant from HQ Land Command that funds the salaries of the three members of staff of The Council For Cadet Rifle Shooting, these staff run CCRS and The Territorial Army Rifle Association, two independent charities that administer and run shooting competitions, training and teams to international level for the Cadets of all three services and the Territorial Army.

**Objectives, activities and relevant policies** (continued)

**Other activities** (continued)

***Public Relations (PR) Training Team***

The Charity enables the activities of a volunteer PR Training Team, consisting of six professionally qualified Trainers, and an Administrative Officer, which is responsible for coordinating a national approach to ACF PR and for training ACF County PR Officers UK wide, and occasionally ATC, and SCC and CCF adult volunteers.

***Achievements***

Six PR Courses were held around the UK for a total of 86 students. The relatively small number of students was due to the impact of defence budget restrictions. It was decided not to hold an Annual Conference, but to use the Frimley slot for Training instead. The first New Media course is being held at Blandford in June 2011.

***Signals Training***

Most cadet signals training is carried out at unit level, however the national team, resourced by ACFA exists to run courses at Blandford Camp – the home of the Royal Corps of Signals, and to develop training syllabuses and resources in order to support the training carried out by qualified CFAVs in detachments nationwide.

In 2010 the courses run at the now renamed Royal School of Signals, for both CFAVs and for cadets, have been over-subscribed. A total of 159 cadets and 46 adults were trained during this financial year at what is now the Defence College of Communications and Information Systems (DCCIS). The large stocks of otherwise obsolete Clansman equipment held in MoD's attrition pool have enabled us to add to the holdings of those units where Signals training is above average and Brigade level courses have again been supported by the provision of PTDs and MMA. The fourth annual Cadet Signals competition – Exercise Rolling Thunder 2011 took place in February 2011, 20 teams took part and this year's winners were Reading School CCF, with Sussex ACF in joint second place and Cambridgeshire ACF in third.

Although we were unable to purchase sufficient intelligent battery management systems to issue at Brigade level – a problem of availability rather than funding – those that we able to acquire have given sterling service at DCCIS and many batteries returned as unserviceable have been reconditioned by these invaluable items. This will enable the continuing run-on of Clansman equipment until an eventual replacement is sourced.

Additionally, batteries for use with the Wotan radios have been purchased and should enable the distribution of most of the remaining stocks of this equipment to be distributed to units active on the National Radio Net. This radio is very similar to the modern Bowman kit used operationally by the British Army and is a valuable resource for both HF and VHF communications. We now have resources on DVD to support Signals training at all star levels, this is being produced in quantity to distribute to ACF and CCF units to support in-unit instruction.

**Objectives, activities and relevant policies** (continued)

**Other activities** (continued)

***Cadet Music Bands***

*Cadet Force Music (Bands and Corps of Drums)*

The Charity organises and supports music training for large numbers of cadets and some adults. The qualifications that are obtained are recognised nationally and link to the Vocational Qualifications also obtained through the charity.

***Achievements***

In July last year 54 Cadets from all over the UK performed in the grounds of Buckingham Palace at the Cadet 150 garden party. This was the first time that a Cadet Band had actually replaced a Regular Army Band in its role of public entertainment. This high profile event was well received and will result in other engagements being offered to The Army Cadet Force.

Throughout 2010 a series of concerts were planned to celebrate Cadet 150. Venues such as Theatre Brecon and Theatre Severn, Shrewsbury were sold out whilst Nottingham Royal Festival Hall, The Fairfield's Hall, Croydon and The Birmingham Tattoo were well attended. In total an audience of over 11,000 people saw the bands perform.

A total of 493 Cadets and Volunteer Staff attended the annual music concentration in October 2010 with 268 Cadets gaining either their 2 or 3 star awards. Training was continued during the Advanced Music Course in April with 385 Cadets and Staff. 78 Cadets gained their 4 star badge.

A 15% increase of BTEC/NVQ registrations has reflected the growth in number of Cadets becoming involved in music. As a direct result of these qualifications at least three former cadets were offered places at University to study music. Following his performance at the Royal Albert Hall in November, a cadet from Powys has been offered a full scholarship at the Guildhall School of Drama.

Once more Cadets were invited to The Malta Tattoo. This time, 68 Cadets and staff from throughout the UK performed in front of 3,000 people over the two performances. Their 15 minute display, marching at 140 paces to the minute was very well received.

Adult training has continued in line with the growth of adult staff. The first Adult Instructors (Band) Course for ACF and CCF was held at The Altcar Training Camp. Sponsored and endorsed by The Cadet Training Centre, Frimley, 12 candidates were successful and are now fully qualified volunteer members of staff.

The 'musical footprint' of The Army Cadet Force is enhanced every year with buglers playing at The Remembrance Sunday services and parades. With this in mind we have endeavoured to train an additional 70 cadet buglers this year, to cope with the increased demand from military organisations and service charities.

**Objectives, activities and relevant policies** (continued)

**Other activities** (continued)

***Cadet Music Bands***

*Cadet Force Music (Bands and Corps of Drums) (continued)*

***Achievements (continued)***

A further two counties have joined Cadet Force Music taking the total to 34 with some kind of musical ensemble

The sight of 78 cadets in the National Corps of Drums marching up The Mall during the Cadet150 celebrations reflects the depth of talent within this youth organisation. This year alone we have been able to offer musical training to well over 1,000 cadets. The beginner's courses have been well attended during the year making prospects for the future seem brighter than ever.

***Cadet Music Piping and Highland Drumming***

Through the ACFA Army Cadet Force Piping and Drumming continues to flourish. During Cadet 150 year significant effort and commitment was shown by both the Cadet and Adult Instructors to ensure that all Cadet 150 engagements were fulfilled to the highest standard both locally and nationally. The Pipes and Drums enjoyed a final Beating of Retreat for Her Majesty The Queen and The Duke of Edinburgh on the lawn of Balmoral Castle in August, the climax to a very rewarding year. However, the main effort has continued throughout, to offer and deliver piping and highland drumming to both the Cadets and Adult Instructors as an activity nationwide. There has been noticeable uptake throughout the UK and it is encouraging to see Counties with limited piping background participating. The ACFA ERE Pipes and Drums Training Team continues to provide collective training, support and guidance and qualification assessment to all UK Cadets and Adult volunteers.

***Achievements***

**Training & Development** The ACFA provides all support for the delivery of collective piping and drumming training. The collective training weekends held over the winter months continue to grow in popularity with an average of 100 - 120 Cadets and CFAV attending each event whilst both the Annual Competition and the annual Easter Piping and Drumming Concentration attracted the largest participation to date.

**Adult Instructor Development** The Adult Instructor Development weekends continue to be both popular and successful leading to a higher quality delivery of instruction at County level as well as further improving the Instructor's skills. A very good nucleus of ex-Cadets is progressing through the system and signing up as Adult Volunteers, giving back what they themselves have been given.

**Proficiency Courses** The 2, 3 & 4 Star Proficiency courses held in October attracted 42 Cadets and 16 CFAV and continue to foster strong relations with Army Piping and Drumming.

**Objectives, activities and relevant policies** (continued)

**Other activities** (continued)

***Cadet Music Bands***

***Cadet Music Piping and Highland Drumming*** (continued)

***Achievements*** (continued)

Qualifications With the partnership of the Piping and Drumming Qualifications Board (PDQB) and the Scottish Qualifications Authority (SQA); this has allowed the Cadets and CFAV to attain piping and drumming qualifications that now hold educational value and currency, offering qualifications up to HND level. Due to SQA administrative procedures there has been a smaller volume of achievement recorded through the SQA, although the Cadets and CFAV continue to achieve at the same rate and to an extremely high level. The Cadet Forces are considered to be the 'lead' youth movement delivering these qualifications. All Star and civilian qualification achievements are recorded on the Westminster CMS.

BTEC Music Diploma CVQO's Music Operations Manager (Scotland and North of England) has been recruited as a volunteer Pipe Major Adviser in the ACFA ERE Training Team. This has been a great asset to the delivery of BTEC Music within the Cadet Forces Piping and Drumming community although there are funding issues which is having a direct effect on the number of cadets participating in the award.

Events Cadet 150 year saw too many events to list however the outcome has been significant increase in profile resulting in invitations for a central ACFA Pipes and Drums to attend overseas trips namely the Tall Ships finale in Halmstad, Sweden in August 2011, the Berlin Tattoo in November 2011 and the Basel Tattoo in 2012 all funded from charitable monies and not the MoD grant.

ACFA Piping Committee The ACFA Piping Committee has been formed, with the Pipe President chairing the first meeting in January 2011, reporting directly back to ACFA. The Committee will sit twice yearly.

Future Plans Piping and Drumming continues to expand within the UK nationally, resulting in higher demand on quality instructors and support, and so therefore we will look to recruit further volunteers in key areas around the country. Overseas trips are being planned for the first time and a new ACF Tartan has been designed. This will provide ACF Piping & Drumming with a unique parade identity and indeed offer the ACF its own opportunity to wear 'tartan' nationwide. A course specific AITC for Musicians will be explored in conjunction with the needs of ACF Bands and Corps of Drums whilst further integration with ACF Music as a whole will be a key objective for the year.

**Objectives, activities and relevant policies (continued)**

**Other activities (continued)**

***Association with Cadet Forces from Commonwealth Countries***

The role of the ACFA is to foster the links between cadet forces of Commonwealth countries and ACF Counties. Most counties now have links to overseas cadet forces and many organise exchange visits at no cost to the MoD. The ACFA provides some grants for these visits and on particular exchanges provides an escort officer for part or all of the inward part of the exchange.

**Marketing and Communications**

The greatest challenge facing ACFA marketing and communications at the start of 2010/11 was the reduction of 20% in its overall budget plus the loss of funding for the *Army Cadet Magazine*. This funding reduction was absorbed without any decrease in output, through consistently seeking best value for money and changing some suppliers. The greatest opportunity was that of the cadet movement's 150<sup>th</sup> anniversary, being celebrated throughout 2010 under the banner of Cadet150.

**Cadet150**

Cadet150 resulted in unprecedented levels of media interest at local and regional levels and also online at very little direct cost. Over the year as a whole national media interest was rather low, to the disappointment of many. There was, however, very significant coverage of Prince Harry's visit to cadets training for the Cadet150 expedition to Lesotho, a particular achievement given that his visit coincided exactly with the announcement of the date of the general election. At the end of the year a Cadet150 memento was produced for current members of the ACF. It featured a timeline of some of the key events and a photo montage which could function as a double-sided poster as well as a DVD showing the best of the video footage captured during the year.

**Army Cadet magazine**

The Army Recruiting Group's funding of the ACF's national magazine for its adult volunteers, *Army Cadet*, was withdrawn at the end of 2009/10. HQ Land Forces PSC found funding for the magazine to continue but at just 50% of previous funding levels. A competitive tendering process resulted in the magazine contract being placed with Archant Dialogue, part of the Archant Group, in June 2010. Their highly impressive bid allowed the magazine to increase from 28 to 36 pages, it is now delivered direct to adult volunteers' home addresses rather than via bulk mailings to ACF county HQs; the contract includes up to 8 e-bulletins per year to adult volunteers and senior cadets (aged 17+), and the rights to all photography in the magazine are now held by ACFA rather than the publishers.

**Objectives, activities and relevant policies (continued)**

**Marketing and Communications (continued)**

*Army Cadet magazine (continued)*

To date Archant Dialogue have produced two issues of the magazine – in September 2010 and January 2011 – and both have been extremely well received. The Archant Group also publishes the Life series of county magazines (e.g. Cheshire Life). As part of their pitch for Army Cadet they offered free promotional space to the ACF in all those titles. As a result, half-page adverts on joining the ACF as an adult volunteer appeared in some 34 titles in January 2011, followed by quarter-page adverts in either March or April. The Life titles' total readership is estimated at over 1 million and the value of this package is £34,000.

*ACF Annual Review 2010/11*

The contract to produce the ACF Annual Review for the next three years was also awarded to Archant Dialogue in June. This year's edition included its usual overview of normal ACF activity but also featured a Cadet150 foldout section in the centre pages together with a DVD showing film footage of some of the key celebratory events.

It has been very warmly received, with numerous politicians and school head teachers being prompted to establish a relationship with their local ACF as a result.

*The national ACF website, [www.armycadets.com](http://www.armycadets.com)*

The website received 401,534 visits over the past year, an increase of 13% on the previous year. Additionally the county pages received 209,094 visits, an increase of over 70%. However, the content of the county sites remains very mixed. During Summer 2011 the whole site will be redesigned and the redevelopment of the county pages will represent a significant part of this work.

Visitors to the website have the option to request an online brochure about joining as an adult volunteer, which includes video interviews with a number of current ACF personnel. 4,130 individuals have viewed the electronic brochure over the past 12 months. The same publication also exists in hard copy, together with a DVD of the interviews, and there is also a cadet joining leaflet. 5,200 adult recruitment packs and 34,033 cadet leaflets were requested by individuals during the year, largely via the national website (97.5% and 85% respectively), but also via the ACF information hotline, 0845 600 77 99. An additional 20,921 adult packs and 56,185 cadet leaflets were supplied on request in bulk deliveries to ACF county HQs, RFCAs and Army Careers Information Offices for distribution at their offices or during events.

*The national ACFA website, [www.armycadetforceassociation.org](http://www.armycadetforceassociation.org)*

The ACFA website received 10,867 visits over the year, very much in line with the previous year's figures. As part of the redesign of [www.armycadets.com](http://www.armycadets.com) during 2011, the ACFA site will be closed down and its content migrated to the main ACF site, which is more logical than the current arrangement and will result in cost savings.

**Objectives, activities and relevant policies (continued)**

**Marketing and Communications (continued)**

Online recruitment campaigns

This year the ACFA invested in three types of online recruitment campaign for adult volunteers.

- a Pay Per Click (PPC) which ensures that [armycadets.com](http://armycadets.com) appears as a sponsored site when a user searches for relevant terms. A variety of campaigns were run in 2010/11, targeting women volunteer instructors, outdoor activities and seasonal searches (e.g. New Year's resolutions), amongst others. This activity generated 1,876 adult joining requests, 36% of the total.
- b Search Engine Optimisation (SEO) ensures that [www.armycadets.com](http://www.armycadets.com) appears high in the 'natural' search listings. Two particular areas were targeted this year: Cadet150, and voluntary work/volunteering opportunities. The ACF website consistently ranked second for Cadet150, behind the MoD's 'official' Cadet150 web pages, throughout 2010. When volunteering was first targeted in April 2010, [www.armycadets.com](http://www.armycadets.com) was not in the top 100 websites listed. Six months later it had risen to position 12 and is now regularly higher than that. This puts the ACF ahead of a number of organisations that exist purely to promote volunteering and is a very significant achievement.
- c Targeted YouTube videos. There are hundreds of videos on YouTube featuring both ACF and other cadet force activity, some official, but many more unofficial and uploaded by cadets and adult volunteers. Text links now appear beneath the best of these videos, encouraging anyone viewing cadet-related content to then visit [armycadets.com](http://armycadets.com). This sends several hundred visits to the website each month.

Social networking

By far the most significant development in marketing and communications in recent years has been the rise in social networking. The ACF's main social networking presence is on Facebook, where the official Army Cadet Force page is 'Liked' by 15,370 individuals. 51% are aged 13-17, but 48% are aged 18 or above, which suggests they are either adult volunteers or adults with a strong interest in the ACF, who could potentially become adult volunteers, showing a clear opportunity to use Facebook more to promote messages about volunteering opportunities. Some investment is being made into PPC advertising within Facebook, so that individuals whose Facebook profile fits our target market now see advertisements directing them to [www.armycadets.com](http://www.armycadets.com). This relatively new initiative is very precisely targeted and is producing some high quality leads.

The ACF also has a YouTube channel featuring 31 videos, of which there have been 90,767 viewings. Additionally the ACF has 350 followers on Twitter and this area of activity is to be developed further.



**Objectives, activities and relevant policies (continued)**

**Marketing and Communications (continued)**

*Particular challenges for 2011/12*

Changes at the army's Recruiting Group (RG) continue to affect ACFA marketing activity. On the last day of the financial year 2010/11 its funding for the information hotline (0845 600 77 99) was withdrawn. An examination of the call history showed that almost all of the 580 calls a month were asking for the location of the nearest detachment, information that is freely available on the website. At current enquiry levels a contract with a call centre would cost the ACFA around £40,000 p a and it was agreed this represented poor value for money. A system has now been put in place that automatically redirects callers to their local county HQ, a very low-cost solution. It is likely the hotline will eventually be phased out as enquirers continue to shift online.

RG has also been paying for the distribution of recruitment packs to individuals that request them via the website and hotline number. Changes to RG's own arrangements mean that this contract too is likely to come to an end at some point during 2011/12. Again replacing this with a standalone ACF contract would cost around £40,000 p a at current enquiry levels and is unaffordable. As the vast majority of joining requests are made via [www.armycadets.com](http://www.armycadets.com) in any case, the website redesign in summer 2011 will bring the entire recruitment process online and hard copy fulfilment will cease.

**Outreach**

*The Outreach Youth & Community Project* promotes the Army Cadet Force as an outward looking youth organisation providing young people who are socially and educationally disadvantaged with a programme of activities that promotes team spirit, self-esteem and confidence.

There is substantive evidence that supports the fact that Outreach has increased awareness of the ACFA and improved the perception of the ACF (and the Army) amongst key influencers, teachers, social workers and the police as a result of this programme.

***Achievements***

Twenty three ACF Counties delivered thirty six projects during 2010, six Counties were unable to deliver planned projects mainly due to lack of available adult volunteers.

932 young people completed the programme with the following outcomes

- Overall 84% of participants showed a marked improvement across nine referral criteria
  - 85% of those subject to police warning have not offended since
  - 64% of offenders have not re-offended since taking part in the project
  - 78% of those excluded from school have not since been excluded
  - 71% of those referred for truanting have not since truanted

**Objectives, activities and relevant policies (continued)**

**Outreach (continued)**

*Achievements (continued)*

- 87% of participants showed a measured improvement in behaviour
- 84% of low achievers showed positive improvements in achievement
- 87% of those referred with low self-esteem showed significant improvements
- 85% considered to be socially excluded showed marked improvement in social engagement

**Outreach 2011/12**

A new Project Support Officer took post in November 2010 with the appointment of a new National Coordinator (1<sup>st</sup> April 2011). These appointments will enable Outreach to consolidate its operational and administrative processes, while developing new initiatives that will move the project forward in 2011. From the 1<sup>st</sup> April ACFA-Outreach will become an "Approved OCN Centre", enabling us to expand upon the provision of recognised accreditation to all participants and cadets involved in Outreach. This year Outreach will support twenty seven Counties delivering 44 projects to 1,100+ participants.

**Insurance**

**Collective Personal Accident Insurance Scheme.** The ACFA offers adults and cadets of the ACF a cost effective and comprehensive Personal Accident Insurance Scheme (PA Scheme). The PA Scheme is in addition to the MoD Indemnity that operates if the department, its service personnel, servants or agents are found to have been negligent when MoD Property or facilities are used and as a result an adult or cadet suffers injury. The PA Scheme is renegotiated annually through the insurance broker (R. K. Harrison) and the insurer is CNA. All ACF Counties/Battalions have joined the Scheme. For the 2010/2011 Scheme year this comprised 8,432 Officers/Adults and 46,011 cadets. Moreover, the policy of insurance includes cover for death or permanent disablement for Outreach participants at no extra cost.

**Collective Travel Insurance Scheme.** In addition the ACFA provides a travel insurance policy. This Scheme is also comprehensive and cost effective. It provides cover for overseas cadet expeditions, D of E activities, visits and training. ACFA negotiates and collects the premiums for the PA and Travel Schemes and remits payments to the broker. No charge is made to ACFs for this service as this is regarded by the trustees as a core part of the Charity Objects and meets the Association's obligations under the duty of care. The Insurer has, however, recognised the value of the work that we do on their behalf to administer the Schemes and has provided the ACFA with a rebate to offset some of the administrative costs.

Part of this rebate has been utilised to pay the premium for the Legal Help Insurance described in the subsequent paragraph.

**Objectives, activities and relevant policies (continued)**

**Insurance (continued)**

**Legal Help Insurance.** In response to the tragic death of a cadet whilst on training in 2007, and subsequent investigations by the Marine Accident Investigation Branch and other statutory investigative bodies, the ACFA has purchased, for the third successive year, an insurance policy that provides a legal helpline to assist all of our members, the ACF's Adult Volunteers, who might be faced with criminal prosecution in relation to their authorised ACF activities. This action is designed to provide confidence for Officers and Adults. In the event that any criminal prosecution of an Adult Volunteer (in relation to ACF matters) goes to court, the Legal Help solicitors will, if appropriate, recommend a guilty plea or will fund a defence until the conclusion of the proceedings. The Legal Help insurance also includes legal support in connection with Coroners' Courts and Fatal Accident Inquiries.

**Development**

The highly successful execution of the 150th anniversary of the cadet forces throughout 2010 has brought increased prominence to the individual and societal benefits of the cadet forces generally and to the very high value of the Army Cadet Force in particular. However, the Charity's Trustees are most concerned that higher level acknowledgment of these benefits is in danger of being overshadowed by the national fiscal circumstances and the very heavy resource pressures which are bearing down on the Ministry of Defence's capacity to sustain its current cadet programme.

The Charity has closely followed the direct and indirect consequences for the cadet forces of last autumn's Strategic Defence and Security Review; training resources and support from the Armed Forces will inevitably be ever more constrained as the Services themselves become smaller and their budgets are drawn more tightly. Trustees are also concerned at the progressive erosion of the Defence training estate and the extra pressure this places on cadet training which understandably attracts a very low priority compared with operational training. In the background, burgeoning administrative processes and the need for ever more 'governance' distracts our volunteers from getting on with leading and training their cadets.

A review of the entirety of defence's activities with young people is underway and will report in the autumn. This review will look critically at the structures of the MoD's four cadet forces, the circumstances of the volunteer adult leaders and at the activities offered to cadets. The Charity fully accepts that the Ministry of Defence must satisfy itself that the cadet forces are being run as efficiently as possible and that the experience on offer is both affordable and relevant to our volunteer cadets. It is possible that the Review will bring forward rational recommendations, there are unquestionably important improvements to be made in a wide range of management and structural areas which have simply evolved in the individual cadet forces over time. On the other hand, this vital study is taking place against a background of unprecedented turbulence in every area of defence and there is always a fear that the critical nuances which underpin the individual successes of the four volunteer cadet forces may be lost as the Ministry of Defence seeks early centralisation, conformity and 'quick win' economies – reducing adult volunteer travel allowances being a case in point.

**Objectives, activities and relevant policies (continued)**

**Development (continued)**

The Trustees stand by to help the Army's cadet staff expose areas of real danger before strategic decisions are taken. The Charity's own programme of activities and support will move ahead as planned this year and will be reviewed in light of the final outcome of the Ministry of Defence's review in order that our support to the Army Cadet Forces remains wholly focussed on key areas which underpin the ACF's success.

**Investment policy**

*ACFA Statement of Investment Principles*

The charity has a portfolio of investments with a market value as at 31 March 2011 of £2,310,379 as well as a separate Outreach Portfolio valued at £379,330. The Trustees of the ACFA pursue a policy of capital growth over the longer term, thereby allowing them to meet their future objectives in accordance with the purposes of the ACFA.

The Trustees, in delegating their investment management, require the managers to pay attention to the standard investment criteria, namely the suitability of the class of investment and the need for diversification insofar as it is appropriate to the circumstances of the ACFA. Any restrictions on the type of investments or markets in which the manager may invest on the charity's behalf will be set out in writing.

The Trustees' overriding wish is that the portfolio be managed to achieve a return better than that of a composite benchmark, made up of a number of indices, in line with the objectives of long-term capital growth. During the period of the report the ACFA had no specific income requirements. The Trustees are mindful of the significant contribution that income has made to the long-term total return of equities. Therefore they would advocate a 'Total Return' approach, allowing the fund manager to move freely between higher-income-generating and growth areas of stock markets, as the fund manager sees fit. However since 2007 income has been earmarked for development activities including the 150th Anniversary and held separately from the main Portfolio. In practice this fund was not needed as Cadet150 activities during the year were funded from the ACFA current account and on the directions of the Trustees the income fund was closed and reinvested in the main portfolio.

Benchmarks and objectives, once agreed, will be subject to regular review. In particular, any performance target will be set on a minimum rolling three-year basis and reviewed at a regular meeting of the Finance Committee. The objectives below were updated in line with market conditions at the Finance Committee meeting in February 2009 and remain unchanged now.

## Trustees' report Year to 31 March 2011

### Investment policy (continued)

Asset Class	Weighting	Index	Ranges
Fixed Interest	15%	FT Government All Stocks	10-20%
UK Equities	50%	FT All Share	50-70%
Overseas Equities	25%	FTSE World Ex UK	15-25%
Property	10%	IPD (Investment Property Database)	0-15%
		Cash LIBOR	1-10%

The Finance Committee meets with the investment managers every four months to review the performance of the portfolio and the investment strategy

The Investment Managers (Rensburg Sheppards, shortly to be re-titled Investec Wealth & Investment) have now been in full control of the portfolio since September 2005. In the first full year the trustees were satisfied that with these Investment Managers their investment policy was being achieved satisfactorily. However in 2007 and 2008, admittedly in a global economic slowdown, the performance of the portfolio was disappointing. Since March 2009 the economy has seen a slow recovery and the portfolio has recovered much of its losses sustained in previous years. Rensburg Sheppards' own comment on their performance is as follows:

*The year marked a further re-rating of equity markets as leading economic indicators continued to improve and company results were well received. Whilst the initial recovery in corporate earnings came from cost reductions, there has since been a resumption of capital expenditure, deemed vital to further support equity markets.*

*Against this backdrop the portfolio produced an encouraging total return of 9.7%, which compared favourably with both the benchmark and WM, which returned 8.6% and 9.0% respectively. Stock selection in UK equities was the main reason for the relative outperformance as they collectively surpassed the FT All Share by 4%. A lower weighting in bonds was also helpful as they produced weaker, albeit still positive, returns.*

*Looking forward, equity markets have to contend with a number of challenges, namely a higher oil price boosted by unrest in The Middle East and North Africa, a Sovereign Debt Crisis in some of the more peripheral countries in Europe and monetary tightening in many emerging economies. Against that, corporate profitability remains strong and balance sheets robust. We will keep a close eye on events and will take defensive action if believed necessary but hitherto believe that the recovery is sufficiently entrenched to withstand these headwinds. We are also of the view that equity market valuations are undemanding, particularly in relation to bonds, which look to us to be overpriced. We will therefore continue to favour equities but expect returns going forward to be more muted.*

**Investment policy (continued)**

**ACFA Comment on Portfolio Performance.**

Over the period our investment portfolio has experienced a positive absolute return, having beaten twice the level of inflation (RPI), as well as a positive relative return and this has put us (almost) back in the position where we were prior to the financial crisis. As this year was the Cadet 150 year we have stopped paying away the income into the separate Cadet 150 account and have started to re-invest it. At the same time we have taken the decision to move to a segregated portfolio, thereby providing greater opportunities to our investment manager as well as reducing the costs of managing the portfolio. Our overall risk profile remains unchanged and we have taken a review of our overall cash and investment holdings in order potentially to rebalance the weightings in favour of longer term asset classes. The review is ongoing. We continue to use Rensburg Sheppards (who have since changed their name to Investec Wealth and Investment) as our investment managers and are happy with the services that they provide us.

**The Future**

Expedition Fund The Cadet150 fund has been utilised to support ACF Cadet150 national and regional activities throughout 2010. The Trustees have now directed that this fund should be renamed the 'ACFA Army Cadet Expedition Fund' but that income from the portfolio should be reinvested rather than credited to the fund. The Expedition Fund will be required to support a major cadet overseas expedition at least once every two years (biennially), if not every year, the first expedition supported by the fund will step off in 2012. The fund has already benefitted from surpluses in the Cadet150 fund which have been transferred across when the fund was renamed. Additional fund raising efforts in parallel to the Outreach Project will now commence for the Cadet Expedition Fund with a target of raising £250,000 over the next two years.

MoD Grant-in-Aid The MoD is still keen to regularise the funding position of the Charity by moving to a Grant-in-Aid process rather than the ad-hoc grant agreement currently in place. Despite the fact that this agreement has worked extremely well for over 70 years new government accounting rules may require the Charity to move to receiving and accounting for the MoD Grant in a very different way. This has yet to be articulated fully although the Treasury have agreed in principle that the process of funding ACFA from the MoD should continue.

**Financial report for the year**

Charitable activity levels have been maintained or increased particularly where MoD savings measures at local level threatened national activities (eg Sports). The overall Land Forces provided budget, once Designated Funds and Paid Training Days were excluded, came in at £2,129 less than the original allocation of £2,374,205 (or less than 0.1% of budget).

## **Trustees' report** Year to 31 March 2011

### **Financial report for the year (continued)**

In a 'soft' insurance market we have been able to keep premiums at the same level for the past four years whilst increasing the pay-out value at a level that has exceeded inflation. The insurers have returned part of the premiums back to ACFA in the form of a rebate to contribute towards the administrative costs of the scheme. However instead of spending it on administration we have continued to use this return partly to fund a Legal Help Line for Cadet Force Adult Instructors in 2009/10/11. This will be continued in 2011/2012 paid for by the Charity as part of its membership services to the adults in the ACF.

### **Results for the year**

A summary of the year's results can be found on page 34 of this report and financial statements.

During 2010/11 total incoming resources amounted to £3,180,682 (2010 £3,013,053). Of this £110,677 was restricted for use with Project Outreach and £116,615 was restricted for use to cover the costs of the Cadet150 anniversary and expedition to Lesotho. The MoD grant, which did not include Paid Training Days, was £2,374,205 (2010 £1,968,955). This increase over the previous year reflected additional funds specifically earmarked for the Cadet150 celebrations, now that these celebrations are concluded the amount of the grant is likely to fall back in 2012 to pre 2009 levels.

Resources expended totalled £2,792,358 (2010 £2,599,223). Of this total, £321,397 has been spent specifically on Outreach activities.

Net income for the year, therefore, was £388,324 however much of this figure (£386,195) is specifically designated for expenditure in 2011/2012, the actual income surplus in 2010-11 was therefore just £2,129.

### ***Reserves policy***

As explained above the charity carries out a diverse range of activities, some of which comprise short term and externally funded projects whilst others comprise long term projects requiring significant ongoing financial commitment and investment (Outreach). The trustees have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the charity's work, and mainly the risk associated with any long term government funding, the level of free reserves should be approximately equivalent to 12 months' annual expenditure on unrestricted funds (currently £2.7m) at any one time. The trustees are of the opinion that this provides sufficient flexibility to cover temporary shortfalls in incoming resources due to timing differences in income flows, adequate working capital to cover core costs, and will allow the charity to cope and respond in the short term to unforeseen emergencies (such as the withdrawal of MoD funding) whilst specific action plans are implemented.

## **Trustees' report** Year to 31 March 2011

### **Results for the year** (continued)

#### ***Financial position***

The balance sheet shows total funds of £3,723,038. The charity's free reserves of £2,741,637 at 31 March 2011 remain at the level directed by the trustees (12 months expenditure). The charity is therefore financially sound and well balanced to meet the challenges of expected government funding cuts in 2011-12.

Also included in total funds is an amount of £595,206 which is restricted. These monies have been raised for the Outreach Project and their use is restricted to that. Full details of these restricted funds can be found in note 18 to the financial statements together with an analysis of movements in the year.

ACFA provides employees with a pension through a separate charity called the Pensions Trust. Government rule changes mean that all employers participating in a particular pension scheme are now collectively responsible for making up the shortfall for firms (or charities) in the same schemes that have subsequently failed. This is called an employer's contingent liability and whilst we in the ACFA have not actually been asked to provide the money, if we left the Pension scheme this would crystallise the debt which on 30 September 2010, the last time the actuary calculated the amount, stood at £421,435.68. ACFA does not intend to carry out any action that might crystallise this debt, and the Pensions Trust has indicated that the likelihood of the Trust winding up the fund is infinitesimally small. Nevertheless the ACFA Trustees have indicated a willingness to pay the liability should it fall below £100,000 thereby exiting the scheme and removing the risk altogether.

#### **The charity's assets**

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the financial statements.

#### **Employees**

The charity is an equal opportunities employer and will apply objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability.

Selection criteria and procedures are reviewed regularly to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities. All employees are given equal opportunity and, where appropriate and possible, special training to enable them to progress both within and outside the organisation. Formal half yearly and yearly performance reviews are carried out. We have been awarded the 'Employer of Excellence' accreditation from Peninsula Business Services.

During the year the Employee Handbook was reviewed and amended again. Employees have access to a portable, contributory pension and a free healthcare scheme (taxed at source by the Government) if they wish.



**Trustees' report** Year to 31 March 2011

**Volunteers**

The trustees are very grateful to the many volunteers who have given their time to the charity over the past year and who have provided invaluable assistance with Fundraising, Outreach Projects and particularly the activities that develop and enthuse the 45,600 cadets of the ACF

Approved by the trustees and signed on their behalf by



M D Wood

Chairman

Approved by the Trustees on.

13<sup>th</sup> July 2011

## **Independent auditors' report 31 March 2011**

### **Independent auditor's report to the trustees and members of The Army Cadet Force Association**

We have audited the financial statements of The Army Cadet Force Association for the year ended 31 March 2011 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's trustees as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's members and 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 charity, the charity's members as a body and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

The trustees are also the directors of the charitable company for the purposes of company law. As explained more fully in the Trustees' Responsibilities Statement 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.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the accounts**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,

## **Independent auditors' report** 31 March 2011

### **Opinion on financial statements** (continued)

- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- ◆ have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.


### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion

- ◆ the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us, or
- ◆ the financial statements are not in agreement with the accounting records and returns, or
- ◆ certain disclosures of trustees' remuneration specified by law are not made, or
- ◆ we have not received all the information and explanations we require for our audit



Edward Finch, Senior Statutory Auditor  
for and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

12 August 2011

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

## Statement of financial activities Year to 31 March 2011

	Notes	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
<b>Income and expenditure</b>					
<b>Incoming resources</b>					
Generated funds					
Donations receivable	1	45,425	110,677	<b>156,102</b>	283,621
Investment income	2	42,408	11,619	<b>54,027</b>	44,096
Charitable activities					
Grants and contributions receivable	3	2,438,582	116,615	<b>2,555,197</b>	2,282,712
Non-financial charitable income		261,829	—	<b>261,829</b>	213,624
Affiliation fees		74,465	—	<b>74,465</b>	79,942
Members' subscriptions		9,234	—	<b>9,234</b>	8,048
Development - Training and support services income	4	69,828	—	<b>69,828</b>	101,010
		<u>2,941,771</u>	<u>238,911</u>	<b><u>3,180,682</u></b>	<u>3,013,053</u>
<b>Resources expended</b>					
Cost of generating funds					
Investment managers fees		14,354	2,952	<b>17,306</b>	13,142
Charitable activities					
Vocational qualifications	5	26,791	—	<b>26,791</b>	26,381
Activities, events and projects		1,640,018	53,264	<b>1,693,282</b>	1,798,023
Outreach		—	321,397	<b>321,397</b>	206,005
Development		527,313	147,627	<b>674,940</b>	502,127
Governance costs	7	58,642	—	<b>58,642</b>	53,545
Total resources expended		<u>2,267,118</u>	<u>525,240</u>	<b><u>2,792,358</u></b>	<u>2,599,223</u>
<b>Net incoming resources for the year</b>	8	674,653	(286,329)	<b>388,324</b>	413,830
<b>Statement of total recognised gains and losses</b>					
Net gains (losses) on investment	12	127,418	21,885	<b>149,303</b>	441,416
<b>Net movement in funds</b>		802,071	(264,444)	<b>537,627</b>	855,246
<b>Fund balances at 1 April 2010</b>		<u>2,325,761</u>	<u>859,650</u>	<b><u>3,185,411</u></b>	<u>2,330,165</u>
<b>Fund balances at 31 March 2011</b>		<u>3,127,832</u>	<u>595,206</u>	<b><u>3,723,038</u></b>	<u>3,185,411</u>

All of the charity's activities during the above two financial periods derived from continuing operations

All recognised gains and losses are included in the above statement of financial activities

The notes on pages 39 to 47 form part of these financial statements

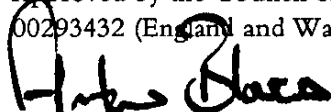
### Historical cost net movement in funds

	2011 £	2010 £
Net movement in funds	<b>436,600</b>	855,246
Unrealised (gains) losses on investments	<b>(172,687)</b>	(410,035)
Difference between historic cost realised gains and the actual realised gains calculated on the revalued amounts	<b>36,385</b>	(8,611)
	<b><u>300,298</u></b>	<u>436,600</u>

# **Balance sheet** 31 March 2011

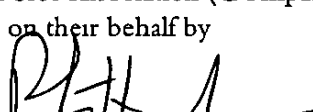
	Notes	2011 £	2011 £	2010 £	2010 £
<b>Fixed assets</b>					
Tangible assets	11		12,202		19,371
Investments	12		2,687,799		2,007,862
			<u>2,700,001</u>		<u>2,027,233</u>
<b>Current assets</b>					
Debtors	13	10,708		62,623	
Cash at bank and in hand		<u>1,037,525</u>		<u>1,174,381</u>	
		<u>1,048,233</u>		<u>1,237,004</u>	
<b>Creditors</b> amounts falling due within one year	14	<u>(25,196)</u>		<u>(78,826)</u>	
<b>Net current assets</b>			<u>1,023,037</u>		<u>1,158,178</u>
<b>Total net assets</b>			<u>3,723,038</u>		<u>3,185,411</u>
<b>Represented by Funds</b>					
Unrestricted funds					
Designated funds	16	386,195		256,984	
General fund	17	<u>2,741,637</u>		<u>2,068,777</u>	
			<u>3,127,832</u>		<u>2,325,761</u>
Restricted funds	18		<u>595,206</u>		<u>859,650</u>
			<u>3,723,038</u>		<u>3,185,411</u>

Approved by the Council of Army Cadet Force Association (Company Registration number 00293432 (England and Wales) and signed on their behalf by



A Blowers

Vice Chairman



P J W Henderson

Honorary Treasurer

Approved on 13 July 2011

## **Principal accounting policies 31 March 2011**

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of investments at market value, and in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the regulations there under Applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) have been followed in the preparation of these financial statements

The statement of financial activities and balance sheet represent the financial statements of the charity and its national branches - the Army Cadet Force Association (Northern Ireland), Army Cadet Force Association Scotland, and Army Cadet Force Association Wales

### **Incoming resources**

All incoming resources are included in the statement of financial activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy

In order for the charity to achieve its objectives it is reliant on the services of volunteers. The charity agrees a budget with the MoD for Paid Training Days on an annual basis. The actual days provided by volunteers are managed by the charity, but payment is made directly to the individual by the MoD. Although the income and expenditure does not flow through the charity, in order to reflect the scale of the charity's activities fully the cost and related grant from the MoD has been brought into these financial statements as non-financial voluntary income.

No amounts are included in the financial statements for unpaid services donated by volunteers.

### **Investment income and gains**

Listed investment income, including any tax recoverable thereon, is included in the financial statements in the year in which it is receivable. Bank deposit interest is included as income when receivable. Investment gains are incorporated in the financial statements as they occur.

### **Resources expended and the basis of apportioning costs**

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered.

## **Principal accounting policies 31 March 2011**

### **Resources expended and the basis of apportioning costs (continued)**

Resources expended comprise the following

- a The costs of generating funds include the costs of investment management
- b The costs of charitable activities comprise expenditure on the charity's primary charitable purposes as described in the trustees' report. The costs for each activity include direct costs and support costs, which are apportioned on the level of activity in each area
- c Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of financial procedures, provision of office services and equipment, and a suitable working environment
- d Governance costs comprise the costs directly attributable to the governance of the charity, including audit costs and the necessary legal procedures for compliance with statutory requirements

Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with use of the resources. Salary costs are apportioned on the basis of estimated time spent.

### **Tangible fixed assets and depreciation**

All assets costing more than £500 and with an expected useful life exceeding one year are capitalised

Provision for depreciation has been made in respect of furniture, fixtures, fittings, website development costs and computer equipment in accordance with their anticipated useful lives and is calculated at 25% per annum on cost

### **Investments**

Investments, listed and otherwise, are shown at market value and the gain or loss on revaluation is included in the Statement of Financial Activities. Investments are continually revalued so that at any time throughout the year the investments are stated at their current market value

### **Fund accounting**

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions

Designated funds comprise monies held within unrestricted general funds but set aside for specific future purposes or projects

## **Principal accounting policies** 31 March 2011

### **Fund accounting (continued)**

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects

### **Cash flow**

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements"

### **Pension contributions**

The association operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund

### **Operating leases**

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term



## Notes to the financial statements 31 March 2011

### 1 Donations receivable

	Unrestricted funds £	Restricted funds £	2011 Total £	2010 Total £
Outreach appeal	—	110,677	110,677	280,680
Other donations	45,425	—	45,425	2,941
	45,425	110,677	156,102	283,621

### 2 Investment income

	Unrestricted funds £	Restricted funds £	2011 Total £	2010 Total £
Listed investment income	40,829	7,373	48,202	44,096
Bank and building society interest	1,579	4,246	5,825	—
	42,408	11,619	54,027	44,096

### 3 Grants and contributions receivable

	Unrestricted funds £	Restricted funds £	2011 Total £	2010 Total £
Ministry of Defence grants				
Activity support	2,374,205	—	2,374,205	1,968,955
Contributions from				
Combined Cadet Force Association	15,000	—	15,000	15,000
Scottish Executive (Outreach)	—	44,100	44,100	—
Other donors in support of ACFA's 150th anniversary	—	48,626	48,626	216,001
Individual cadets for the Cadet150 Lesotho expedition	—	23,889	23,889	44,188
Other grants	49,377	—	49,377	38,568
	2,438,582	116,615	2,555,197	2,282,712

### 4 Development - Training and support services income

	Unrestricted funds £	Restricted funds £	2011 Total £	2010 Total £
First aid training	24,506	—	24,506	26,320
Adventurous training	—	—	—	1,974
Collective insurance policy premiums (net)	20,419	—	20,419	30,759
Other income	24,903	—	24,903	41,957
	69,828	—	69,828	101,010

## Notes to the financial statements 31 March 2011

### 5 Charitable activities

	Vocational qualifications £	Activities, events and projects £	Outreach £	Development £	2011 £	2010 £
Adventurous Training	—	141,483	—	—	141,483	220,103
Promotional activity	—	—	—	28,130	28,130	19,980
Band Costs	—	121,252	—	—	121,252	117,142
Pipes and drums	—	66,373	—	—	66,373	80,615
Cadet150 costs	—	—	—	147,627	147,627	15,073
Cadet150 Lesotho expedition	—	53,264	—	—	53,264	169,573
Duke of Edinburgh's award	—	21,121	—	—	21,121	20,338
First Aid	—	41,965	—	—	41,965	21,628
Membership	—	1,014	—	—	1,014	332
Normandy costs	—	—	—	—	—	21,963
Sports and regional grants	—	310,629	—	—	310,629	323,384
Publicity & Marketing	—	12,651	—	265,814	278,465	200,668
Outreach project costs	—	—	277,592	—	277,592	166,551
Project Westminster	—	—	—	—	—	14,914
Salaries & Wages	20,417	572,862	33,181	177,063	803,523	812,746
Sundries	—	4,777	—	—	4,777	3,370
Training support costs	—	163,429	—	—	163,429	59,998
	20,417	1,510,820	310,773	618,634	2,460,644	2,268,378
Support costs	6,374	182,462	10,624	56,306	255,766	264,158
	26,791	1,693,282	321,397	674,940	2,716,410	2,532,536
2010	26,381	1,798,023	206,005	502,127	2,532,536	1,997,258

The above costs include the "Paid Training Days" expenditure attributed to each of the following activities

	2011 £	2010 £
Adventurous Training	6,181	38,919
Band costs	20,180	15,589
Pipes and drums	66,373	57,917
Cadet 150 Lesotho Expedition	11,226	—
Duke of Edinburgh's award	14,193	11,144
First aid	10,380	2,763
Normandy costs	—	9,236
Sports and regional grants	122,488	63,642
Publicity and Marketing	10,808	14,414
	382,267	213,624

## Notes to the financial statements 31 March 2011

### 6 Support costs

	2011 £	2010 £
Bank charges	29	168
Depreciation	7,830	10,307
Insurance	15,469	20,407
IT Costs	11,759	10,804
Legal and professional fees	4,579	4,712
Printing, postage and stationery	24,008	27,926
Salaries & Wages	151,331	152,763
Staff costs (other)	19,198	16,971
Sundries costs	12,199	10,953
Telephone	2,858	3,059
Travel	16,332	15,053
	<b>265,592</b>	<b>273,123</b>

Support costs are allocated across the activities shown in notes 5 and 7 in proportion to the estimated time spent on those activities by support staff

### 7 Governance

	Unrestricted funds £	Restricted funds £	2011 £	2010 £
Audit and accountancy	9,500	2,500	12,000	11,750
Legal and professional	3,757	—	3,757	4,022
Salaries and wages	30,562	—	30,562	27,582
Trustees expenses	2,496	—	2,496	1,226
Support costs	9,827	—	9,827	8,965
	<b>56,142</b>	<b>2,500</b>	<b>58,642</b>	<b>53,545</b>

### 8 Net incoming resources for the year

This is stated after charging

	2011 £	2010 £
Auditors' remuneration (including VAT)	12,000	11,750
Depreciation	7,830	10,307
Operating lease charges	11,893	11,540

### 9 Staff costs

	2011 £	2010 £
Wages and salaries	825,671	833,763
Social security costs	88,438	87,742
Other pension costs	71,308	71,586
	<b>985,417</b>	<b>993,091</b>

## Notes to the financial statements 31 March 2011

### 9 Staff costs (continued)

During the year the number of employees earning £60,000 or more (including taxable benefits but excluding employer pension contributions) was as follows

	2011	2010
£60,000 - £69,999	1	1
£80,000 - £89,999	1	1
	<u>2</u>	<u>2</u>

The charity contributes towards the provision of money purchase pension benefits for all employees at the rate of 10% per annum. The contributions payable were £71,308 (2010 £71,586). Of this total, £15,262 were contributions payable in respect of the two employees earning more than £60,000 (2010 £15,093).

The average number of employees during the year was 22 (2010 23).

Neither the President, nor the Chairman nor any other member of the Council received any emoluments from the Association. The Council comprised 16 members (2010 14).

Five (2010 Four) trustees were reimbursed £2,281 (2010 £1,226) for travel and subsistence costs. In addition the charity paid £215 towards meeting costs.

### 10 Taxation

The Army Cadet Force Association is not liable to corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

### 11 Tangible fixed assets

	Furniture, fixtures, fittings and computer equipment £
<b>Cost</b>	
At 1 April 2010	43,279
Additions	869
Disposals	(831)
At 31 March 2011	<u>43,317</u>
<b>Accumulated depreciation</b>	
At 1 April 2010	23,908
Charge for year	7,830
Released on disposal	(623)
At 31 March 2011	<u>31,115</u>
<b>Net book values</b>	
At 31 March 2011	<u>12,202</u>
At 31 March 2010	<u>19,371</u>

## Notes to the financial statements 31 March 2011

### 12 Fixed asset investments

	2011 £	2010 £
<b>Listed investments</b>		
Market value at 1 April 2010	1,839,570	1,298,826
Additions at cost	1,353,323	478,844
Disposals at book value (proceeds £788,274, losses £34,284)	(822,558)	(348,135)
Unrealised gains (losses)	172,687	410,035
Market value at 31 March 2011	2,543,022	1,839,570
<b>Cash balances</b>		
Cash held for reinvestment	144,777	168,292
<b>Total Investments</b>	<b>2,687,799</b>	<b>2,007,862</b>
 Cost of listed investments at 31 March 2011	 2,250,711	 1,970,152

Listed investments held at 31 March 2011 comprised the following

	2011 £	2010 £
UK fixed interest	330,929	302,569
Overseas fixed interest	53,337	51,520
UK equities	1,298,200	889,449
Overseas equities	705,866	487,449
Property funds	154,690	108,583
	<b>2,543,022</b>	<b>1,839,570</b>

At 31 March 2011 there were no investments deemed to represent a significant proportion of the overall portfolio

### 13 Debtors

	2011 £	2010 £
Other debtors	7,904	59,306
Prepayments and accrued income	2,804	3,317
	<b>10,708</b>	<b>62,623</b>

## Notes to the financial statements 31 March 2011

### 14 Creditors: amounts falling due within one year

	2011 £	2010 £
Trade creditors	6,223	32,463
Scotland region creditors (Cadet150 contribution to RFCA)	—	23,410
Wales region creditors (Cadet150 contribution to RCFA)	3,973	11,203
Accruals and amounts received in advance	15,000	11,750
	<b>25,196</b>	<b>78,826</b>

### 15 Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	Total 2011 £
<b>Fund balances at 31 March 2011 are represented by:</b>				
Tangible fixed assets	12,202	—	—	<b>12,202</b>
Fixed asset investments	2,308,469	—	379,330	<b>2,687,799</b>
Net current assets	420,966	386,195	215,876	<b>1,023,037</b>
	<b>2,741,637</b>	<b>386,195</b>	<b>595,206</b>	<b>3,723,038</b>

### 16 Designated funds

	At 1 April 2010 £	New designation £	Utilised/ released £	At 31 March 2011 £
ACF Expedition Fund	—	66,703	—	<b>66,703</b>
Cadet150 Anniversary fund	112,801	—	(112,801)	—
Cadet150 Project officers' cost	23,713	—	(23,713)	—
First Aid Course Contributions	—	24,506	—	<b>24,506</b>
Lesotho 2011 expedition	48,375	—	(29,375)	<b>19,000</b>
Marketing & Communications Projects	—	95,000	—	<b>95,000</b>
Music England course contributions fund	17,755	—	(7,209)	<b>10,546</b>
The Training support fund	—	120,439	—	<b>120,439</b>
Westminster project funds	—	50,000	—	<b>50,000</b>
Westminster staff funding	39,340	—	(39,340)	—
Westminster G4 Package	15,000	—	(15,000)	—
	<b>256,984</b>	<b>356,649</b>	<b>(227,438)</b>	<b>386,195</b>

#### *ACF Expedition Fund*

This fund has been set up to manage the monies donated by individuals and other charities to support army cadet biennial expeditions, the first of which will depart for South Africa in 2012. Much of the money to start this fund was found from surpluses in the Cadet150 expedition fund which closed as this fund opened.

#### *Cadet150 Anniversary fund*

This fund represents income which was set aside for the Cadet150 anniversary which took place in 2010. The fund was wound up at year end having passed much of the loan income back to the Single Service Cadet HQs. The remaining monies have been transferred into the ACF Expedition Fund.

**16 Designated funds (continued)**

*Cadet150 Project officer's cost*

This fund represented contributions from all three cadet forces which were set aside to cover the cost of the Cadet150 project officer. At the conclusion of the Cadet150 year the temporary post was ended and the fund wound up.

*First Aid Course Contributions*

Changes in the historic funding arrangement with St John Ambulance, where certificates were purchased by cadets, has recently created a surplus which will now be utilised to provide free certificates and reduced costs for instructor qualifications.

*Lesotho 2011 expedition*

This is a small scale expedition reprising the charitable activities of the Cadet150 Expedition which went to the same country in 2010. Some donations have already been made and are therefore carried forward to be spent in 2011.

*Marketing & Communications Projects*

Projects that were planned for 2010-11 have not been fulfilled and the money allocated will therefore be carried forward to be utilised in 2011-2012.

*Music England course contributions fund*

This fund represents income from Cadet music events and courses which has been set aside to fund cadet activity not fully budgeted for by the MoD.

*The Training Support Fund*

The fund prevents essential cadet training from being affected by unplanned short term issues that cannot be resolved with funding from other areas. It has been used in the past by Land Forces to support Project Westminster, training safety conferences, youth activities, the purchase of essential cadet equipment and help for adventurous training.

*Westminster Project Funds*

Project Westminster, the MIS system for the Army Cadets and Sea Cadets, requires some additional charitable support to help with costs - £50,000 was allocated in 2010-11 and has not yet been spent so is carried forward as designated funds.

*Westminster staff funding*

ACFA employs two individuals to assist with the delivery of Project Westminster, the MoD IT database for Cadets from the ACF, Sea Cadets and CCF. Income was set aside from the Land Forces Grant and from contributions from the Sea Cadets Corp to cover the cost of these posts. Originally the contract dates did not dovetail with the financial year so it was necessary to carry forward funds provided in the previous year, however the contracts and funding now are in harmony so the fund is no longer required.

*Westminster G4 (Logistic) Package*

Land forces expected to contract for a logistics' package for the Westminster IT Database during 2009/10, and therefore money was set aside in 2008/09 as a designated fund in the expectation of it being needed during 2009/10. The money remained unspent so the fund was closed and the monies credited to the Westminster general fund.

## Notes to the financial statements 31 March 2011

### 17 General fund

	At 1 April 2010 £	Incoming resources £	Expenditure, gains, losses and transfer £	At 31 March 2011 £
General fund	2,068,777	2,585,122	(1,912,262)	2,741,637

### 16 Restricted funds

	At 1 April 2010 £	Incoming resources £	Expenditure, gains, losses and transfer £	At 31 March 2011 £
ACFA Youth & Community Initiative Fund and Outreach Appeal	702,089	166,396	(302,464)	566,021
ACF Expedition Fund	—	—	29,185	29,185
Cadet150 Anniversary fund	157,561	72,515	(230,076)	—
	859,650	238,911	(503,355)	595,206

The ACFA Youth & Community Initiative Fund and Outreach Appeal is made up from income received to allow the ACFA to be targeted at vulnerable, socially disadvantaged youngsters with the aim of helping them get back on track and become better citizens

The Cadet150 Anniversary fund consisted of grants received for the 2010 anniversary and contributions received from cadets towards the Cadet150 Lesotho expedition costs. It has now been closed and transferred to the ACF Expedition Fund.

### 17 Financial commitments

At 31 March 2011 the Association had annual commitments under non-cancellable operating leases as follows

	Equipment	
	2011 £	2010 £
Expiring		
In two to five years	11,495	11,495



**18 Pension obligations**

The charity participates in the Pensions Trust's Growth Plan as well as several other pension vehicles all run by the Pension Trust. The Growth Plan is a multi-employer pension plan which is in most respects a money purchase arrangement but it has some guarantees. Contributions paid into the growth plan up to and including September 2001 were converted to defined amounts of pension payable from normal retirement date. It is possible that a buy-out debt might arise if the charity were to cease participation in the plan, the likelihood of this is considered to be small. If however it were to arise, the amount of this debt would depend on many factors including total plan liabilities, plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation and the insurance buy-out market. In May 2010 Pensions Trust estimated that ACFA would have been liable for approximately £421,436 if the charity had left the Growth Plan in September 2010.

The charity has 8 active members (2010 – 8) of the Growth Plan at the balance sheet date. The pension cost charge to the charity reflected in these accounts represents contributions payable by the charity to all Pension Trust funds (20 active members) and amounted to £71,308 (2010 £71,586).