

The Naval Children's Charity

England & Wales · Charity number 1160182

Details

Other names	THE ROYAL NAVY AND ROYAL MARINES CHILDREN'S FUND, Naval Children's Charity, RNRMCF
Status	Registered
Legal form	CIO
Registered	2015-01-27
Register	View on the Charity Commission register

Contact

Address	Castaway House Stamshaw Portsmouth PO2 8RN
Phone	023 9263 9536
Email	ceo@navalchildrenscharity.org.uk
Website	www.navalchildrenscharity.org.uk

Activities

Objects: 3.1 The object of the CIO is the relief of Beneficiaries who are in need, hardship or distress. 3.2 The charity trustees may relieve Beneficiaries in need by: 3.2.1 making grants of money to them; or 3.2.2 providing or paying for goods, services or facilities for them; or 3.2.3 making grants of money to other persons or bodies who provide goods, services or facilities to those in need.

Activities: The Naval Children's Charity supports dependant children up to and including the age of 25 of serving or former serving members of the Royal Navy, Royal Marines, QARNNS, WRNS, Reserves and RFA who are in need, hardship or distress. Families are supported through grants, free books and resources and community support. Families can apply directly to the Charity for help or through other agencies.

Classification

- **How:** Makes Grants To Individuals
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Armed Forces/emergency Service Efficiency
- **Who:** Children/young People, People With Disabilities

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,501,456	£2,517,094	£11,875,939	16
2024-03-31	£1,364,650	£2,671,388	£12,668,434	14
2023-03-31	£1,107,364	£1,878,034	£12,568,667	8
2022-03-31	£1,052,904	£1,452,619	£13,388,251	6
2021-03-31	£1,089,108	£1,469,274	£12,673,358	6

Trustees

Name	Role	Appointed
Christopher Charles Tite	Chair	2022-01-31
Annette Penfold		2022-01-31
Captain Thomas Early		2021-07-02
Cdr Simon Howell		2022-01-31
Cdr Steve Warner		2023-12-01
Dr Linda Williams		2021-06-07
Ellen Riis-White		2019-10-09
Frances Bond		2025-10-14
Gary Green		2025-03-14
James Sergeant		2025-10-14
Kevin Arnold		2018-10-09
Michael Mchugh		2025-03-14
Nicholas Kassapakis		2025-10-14

The Naval Children's Charity

England & Wales - Charity number 1160182

Accounts

Registered charity number England 1160182 Scotland SC052322

The Naval Children's Charity

Trustees' report and financial statements
for the year ended 31 March 2025



THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

CHARITY INFORMATION

Charity name

The Naval Children's Charity

Patron

Her Royal Highness, The Princess Royal

Trustees

Mr Christopher Tite	Chair
Vice-Admiral Sir Martin Connell KCB CBE	Vice-Chair (Resigned as Trustee 14/10/2025)
Mr Kevin Arnold	Vice-Chair (Appointed Vice-Chair 14/10/2025)
Capt Thomas Early RM	
Cdr Simon Howell RN Rtd	
WO Annette Penfold MBE RN Rtd	
Ms Ellen Riis-White	
WO1 Clare Robson RN	(Resigned 14/10/2025)
Dr Linda Williams	
Cdr Steve Warner RN	
Lt Col Ian Grant RM Rtd	(Resigned 09/10/2024)
Lt Col Gary Green OBE RM Rtd	Appointed 14/03/2025
Mr Mike McHugh	Appointed 14/03/2025
Cdr Frances Bond RN	Appointed 14/10/2025
Mr Nicholas Kassapakis	Appointed 14/10/2025
Mr James Sergeant	Appointed 14/10/2025

Hon Treasurer

Mr Ian Pitts FCCA	(Resigned 30/09/2025)
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Principal office

311 Twyford Avenue
Portsmouth PO2 8RN

Country of registration and charity registration number

England – 1160182
Scotland – SC052322

President

Lt General Sir James Dutton KCB CBE KStJ ADC

Vice Presidents

Rear Admiral Mike Bath
Lieutenant General E G M Davis CB CBE
Lt Col Ian Grant RM Rtd
Major General F H R Howes CB OBE

THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

CHARITY INFORMATION

Patrons

Jonathan Guy Lewis

Eilidh McIntyre MBE

Imogen Stubbs

Dame Kristin Scott Thomas DBE

Chief Executive Officer

Mrs Clare Scherer MBE

Young Ambassadors

Holly Arkle

Ella Baragwanath

Marco Bruno Tomo Freire

Maddie Martin

Florrie Ransom

Sian Smith

Hannah Taylor

Independent auditor

Gibson Whitter

Larch House Parklands Business Park

Forest Road

Denmead

Hampshire PO7 6XP

Principal bankers

Lloyds Bank plc

Gosport

20-24 High Street

Gosport PO12 1DE

Solicitors

Warner Goodman

8 College Place

London Road

Southampton

Hampshire SO15 2FF

Investment Adviser

Navera Investment Management Ltd

Riverside House

2A Southwark Bridge Road

London

SE1 9HA

THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

REPORT OF THE TRUSTEES

CHAIR'S COMMENTARY

As in previous years, this commentary allows me to reflect briefly on our financial year ended 31 March 2025 and events which have happened since.

Our trustees' report, of course, sets out much more detail about our activities and performance for the year.

For us, 2025 marks the bicentenary of our founding and the year got off to the most wonderful start when HRH The Princess Royal agreed to become our Patron.

We were first established just twenty years after the Battle of Trafalgar and our origins lie in the provision of schools and orphanages for Naval Children, first in Portsmouth and later in Chatham and Camberwell. The last of them closed towards the end of the last century and the school site was sold, at which point the sale proceeds and other investments were vested in The Royal Navy and Royal Marines Children's Fund, which was later re-named The Naval Children's Charity.

To celebrate our history, we commissioned specialist research to trace our timeline, and the results are summarised graphically in our trustees' report. I was struck by the breadth of support which our (then three separate) charities received over many years from sources as diverse as the Royal Patriotic Fund, the people of Natal and the King George's Fund for Sailors (now the Seafarers' Charity). In fact, we were the first recipient of financial support from the latter, and I am delighted that their financial support continues to this day.

We owe a great debt to all of those who support our work, either financially or in kind, and our grateful thanks go to each of them: every penny donated to us goes to support our beneficiaries, with non-charitable expenses being paid for from our reserves.

The Royal Navy was, of course, very different two hundred years ago but in many ways the needs of Naval Children and Young People today are not that dissimilar. Of course, how those needs manifest themselves are different – and they are now perhaps better understood and provided for – but we still fundamentally look after the same needs by concentrating on the wellbeing of those children and supporting their future development.

Our over-arching goal is to unlock each child's spirit and talent; to create advantage for them and to help them realise their full potential in life.

We pursue that goal as a National Children's Charity, headquartered in Portsmouth, with on the ground presence in Scotland and the southwest of England, to ensure that we can reach Naval communities regardless of geography.

Our work is only made possible by the extraordinary people – our staff, trustees, volunteers and donors – who do so much to enable us to support Naval Children. Our enormous thanks go to all of them.

THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

REPORT OF THE TRUSTEES

I hope that our trustees' report will help you to appreciate the work that we do. It goes without saying that we would welcome any support, of any nature, that you might in future be able to give.



Christopher Tite
Chair

THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

REPORT OF THE TRUSTEES

The trustees have pleasure in presenting their annual report for the purposes of the Charities Act 2011, together with the accounts for the year ended 31 March 2025. In preparing this Annual Report and financial statements the trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

The Charity was constituted by a Charity Commission Scheme dated 26 October 1998, which came into operation on 1st April 1999. It enabled the merger of the charities previously known as the Royal Naval & Royal Marines Children's Home and The Royal Naval & Royal Marines Children's Trust. It became a charitable incorporated organisation (CIO) on the 1 August 2015 and adopted the working name "Naval Children's Charity" with effect from 16 March 2020. From the 20th September 2024 the name of the Charity has been changed with approval of the Charity Commission to The Naval Children's Charity (NCC).

Trustees

Under its governing document (the constitution adopted when it became a CIO) the Charity may have up to fifteen trustees, with no more than 50% being serving members of the Armed Forces. Trustees are appointed for three-year terms. Currently there are thirteen trustees, four of whom are currently serving in the Royal Navy.

New trustees are selected by an open process and appointed based on the skills and experience that they can bring to the trustee board. There is an induction procedure for each new trustee, which includes briefings by the Chair and CEO and access to a trustees' online portal containing all information relevant to the Charity. Continuing training is also offered to trustees during their term in office.

Governance

Trustees meet three times annually. They delegate oversight of some functions to a Finance & Governance Committee (which meets at least twice annually) and a Grants Committee (which meets monthly to consider applications for assistance from the Charity).

Staff

The trustees delegate the day-to-day operation of the Charity to its Chief Executive Officer (CEO), who is supported by the Head of Operations and the Head of Finance. The Charity employs a specialist team of caseworkers to engage directly with beneficiaries, as well as other staff to support the Charity's operating needs.

The trustees are responsible for setting the remuneration of all staff, using external assessment and benchmarking when needed.

THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

REPORT OF THE TRUSTEES

Risk

The Charity has identified the following principal risks:

- Governance – Lack of strategic planning
- Strategic – Ineffective or inappropriate organisational structure
- Compliance – Regulatory and funder reporting requirements are not adequately met
- Operational – Black Swan event
- Financial – Loss of income, dependency on limited funding sources
- Reputation – Loss of reputation caused by adverse publicity

The trustees regularly review risk and, identify ways in which to mitigate the likelihood of the relevant risk occurring and/or its impact on the Charity.

OBJECTIVE AND STRATEGY

Objective

The Charity's object is the relief of dependent children (up to and including the age of 25) of serving and former members of the Royal Navy (includes Royal Navy, Royal Marines, QARNNS, WRNS, Reserves and Royal Fleet Auxiliary) who are in need, hardship, or distress.

The Charity may relieve beneficiaries in need by making grants of money to them; or providing or paying for goods, services, or facilities for them; or making grants of money to other persons or bodies who provide goods, services, or facilities to those in need.

"We believe that to be the child of someone who is, or has been, in the Royal Navy should be a positive and enhancing experience – something to be borne with pride. For those children where life is more difficult, we are there to help."

Vision

Our vision is that every Royal Navy and Royal Marines child and young person has their spirit and talent unlocked giving them a brighter future and helping them to realise their full potential.

Mission

Our Mission is to support the wellbeing and development of children and young people from Royal Navy and Royal Marines families, serving and veteran, in recognition of the unique situations they and their families face.

THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

REPORT OF THE TRUSTEES

Strategy

The Charity's activities focus across two main strands: **WELLBEING AND DEVELOPMENT** which are delivered through Programmes of support which place children at the heart of our work, improving their lives in both the short and long term:

FUNDING

To cover our programme costs, we need to raise around £1.3 million a year. We seek to secure donations and grants to help us to reach this target. We are fortunate to have long standing support from a number of funders including Greenwich Hospital/Royal Navy & Royal Marines Charity; The Seafarers Charity; Queen Mary's Roehampton Trust and Trinity House and we also draw down from our investments significantly towards this target.

Our running, administrative and fundraising costs are covered by the income from our investment. This ensures 100% of donations and grants we receive can be used for our programme costs.

Grants from Trusts, foundations, and corporate partners

The Charity is incredibly grateful to the major donors referred to below for their significant and consistent support. We genuinely could not offer the bespoke, wide ranging and much needed support to our families without their grants and funding.

Our biggest and most significant funding comes from our two main funding partners: the **Royal Navy & Royal Marines Charity (RNRMC)** and **Greenwich Hospital**, and we continue to work closely with both of those organisations. **Greenwich Hospital** have also provided us with a substantial three-year grant towards 50% of our Life Chances Programme, the salary costs of our Project Manager, to facilitate the Programme.

The Seafarers Charity have given regular support over many years, we were one of the first grants ever awarded when they were formed, as the King George's Fund for Sailors, back in 1917, with grants towards our core costs as well as a restricted fund for the children of Officer's in the Royal Naval Service, including the Royal Navy, Royal Marines, Royal Fleet Auxiliary and Reserves.

Trinity House have also very generously continued to provide an annual grant.

Queen Mary's Roehampton Trust provides us with a grant to support the children of those receiving a War Pension, for which we are incredibly grateful.

In March 2023 we received a generous three-year grant (March 2023 – April 2026) from the **Armed Forces Covenant Fund Trust (AFCFT)**, in partnership with the **SCiP Alliance**, to develop their Thriving Lives Toolkit for early years and higher education. Part of the AFCFT Transformational Grants Programme, this work to enhance the support given to our Armed Forces children and young adults throughout their education is pivotal in improving their outcomes in life.

THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

REPORT OF THE TRUSTEES

The Charity also acknowledges with thanks those other Trusts, foundations and corporate partners who have generously supported our work during the year. These include: the **De Wintons**, the **Gosling Foundation**, the **Lest We Forget Association**, The **Naval Ladies Charitable Trust**, The **Edinburgh Trust**, **Sir James Knott Trust**, **The Mordaunt Foundation**.

The **Ogden Armed Forces Bursary** is a Restricted Fund which supports children aged 11+ of those seriously injured or killed during deployment or those suffering with PTSD from across the Armed Forces. There was one child benefiting from this bursary ending Summer 2024 and the fund was then closed.

The Charity does not actively raise funds from the public. We remain grateful to everyone who chooses to support us financially through fundraising in their communities, donations, and legacies. We would also like to thank those who volunteer for us, their support is invaluable. We would particularly like to thank **Sian Smith** and **Jan Musson** who support us in the office and **Julian Kirk** and **Gina Wise** who support us in the RAF Marham area.

IMPACT REPORT

The Naval Children's Charity (NCC) is dedicated to supporting the wellbeing and development of children and young people up to age 25 from Royal Navy families, addressing unique challenges they face such as mobility, separation, and mental health risks. The Charity aims to provide support in two key areas: Wellbeing and Development, through a range of programmes, based around Maslow's Hierarchy of Needs, designed to meet physiological, safety, relational, self-esteem, and self-actualisation needs.



Our mission

To support the wellbeing and development of children and young people from Royal Navy and Royal Marines families, serving and veteran, in recognition of the unique situations they and their families face.



Our vision

That every Royal Navy and Royal Marines child and young person has their spirit and talent unlocked, giving them a brighter future and helping them to realise their full potential.



Our values

- Collaborative
- Trusted
- Empathetic
- Children and young people at the heart of what we do.

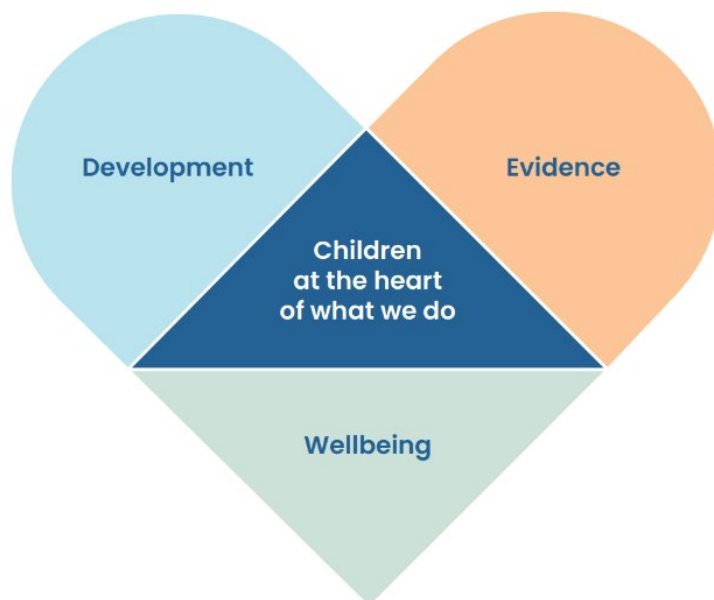
Evidence-based approach

We continue to put evidence and research at the forefront of our strategy and developing our workstreams. In 2021 we published research, [The Impact of Service Life on the Military Child](#), which identified the key challenges facing our children and young people (CYP). Subsequent research such as the [Living in Our Shoes](#) report, [The SCiP Alliance](#) research into the educational attainment of Service children and the [Naval Family Federation](#) research into the challenges affecting our families continue to inform our work.

This research confirms that life for military children can present challenges beyond those of their civilian counterparts. The impact of long separations/deployments and mobility can affect their educational attainment, which can be lower than that of civilian children, particularly post-16, with children with neurodiversity or special educational needs facing particular challenges. 1 in 6 Naval children aged 5-16 are at risk of mental health problems.

Current data suggest there are up to 105,000 Naval children. Our work suggests that upwards of 10% of these might be in need of additional help. Many of these young people are hard to reach, typically living in concentrated pockets around the Naval bases of the UK but equally dispersed around the UK, isolated from the main Naval areas.

In the year of this report, we supported around 2,500 children/young people through our Emergency & Essentials support & our Disability, SEND and illness support Programmes, distributed books and Wellbeing Packs to over 1,000 children, provided around 100 University bursaries and supported 550 young people through our Life Chances Programme. We also support more young people through our grants to schools and community projects.





Some of the highlights of our year in numbers



3246

grants paid
to families



8185

children and young
people supported by
grants paid



55%

veteran
families
supported



45%

serving
families
supported



2000

children sent our
resources to support
their mental health



**Many other
resources**

sent to schools and
community centres

THE NAVAL CHILDREN'S CHARITY

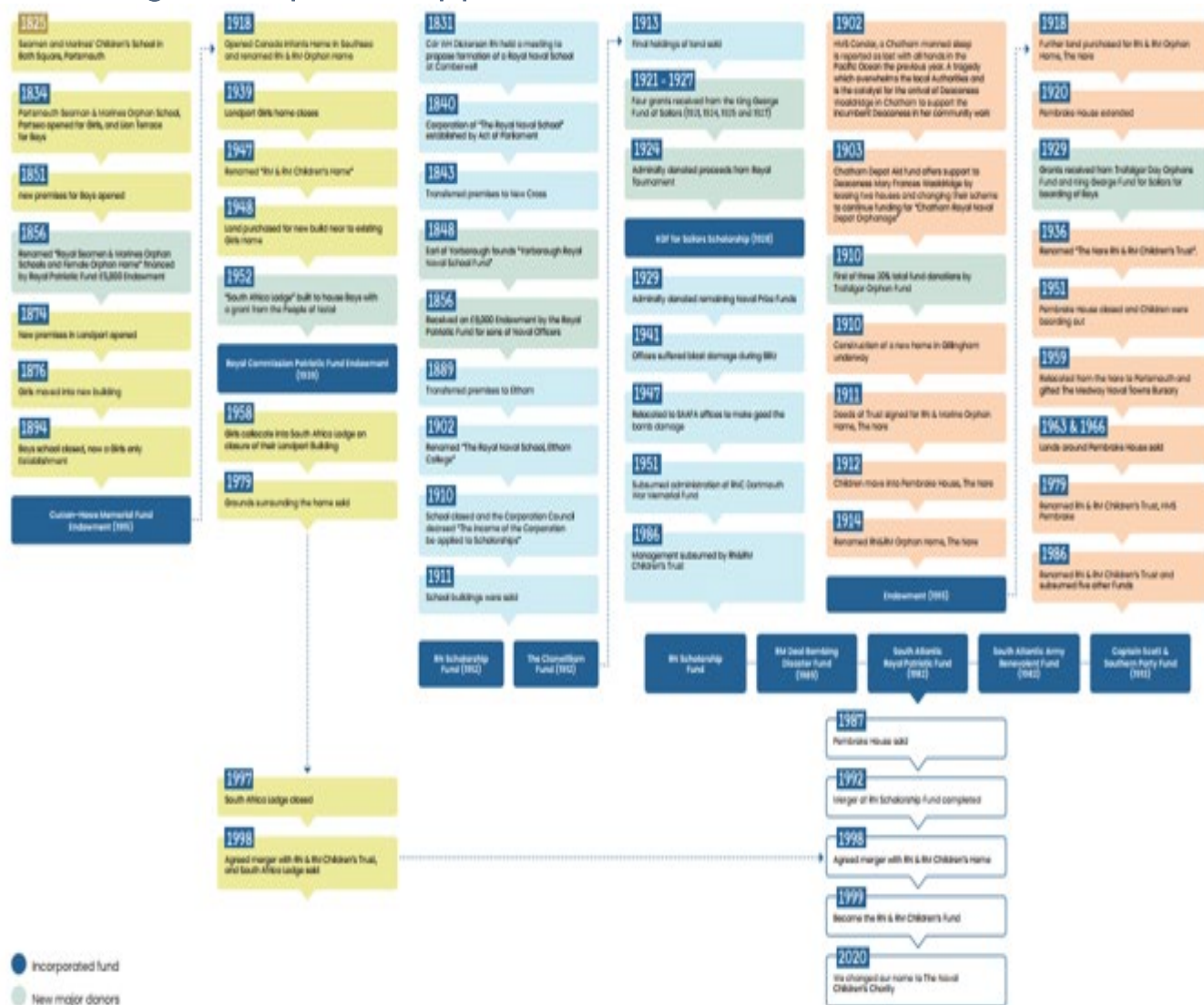
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

REPORT OF THE TRUSTEES

Our History – 1825 – 2025 – Bicentenary Year



Our lineage of help and support



The NCC initially helped by establishing orphanages in Chatham and Portsmouth in 1825. As the needs of the children of Naval families changed, the NCC evolved its response. The orphanages were duly sold and the proceeds invested. Today, the NCC offers a range of supportive programmes, and the returns from our investment provide an income stream to cover our administrative and fundraising costs. We work from a head office in Portsmouth and have outreach caseworkers in Helensburgh, Scotland and Plymouth, Southwest. We cover all the UK.

How we work

The NCC runs a team of professional caseworkers who work with other professionals and organisations to offer a comprehensive, holistic range of support to our children and young people. Families can come to us directly or be referred. For families seeking support they are initially triaged to identify need and then supported to ensure each family gets a tailored package of support.

Our team's specialities



THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

REPORT OF THE TRUSTEES

Casework

We have a team of caseworkers in Head Office in Portsmouth and Outreach in Scotland and the Southwest. The casework process involves initial contact and triage, in-depth casework to identify specific needs, work with other organisations to ensure comprehensive package of support put in place and referrals to specialist organisations when required.

Triage process



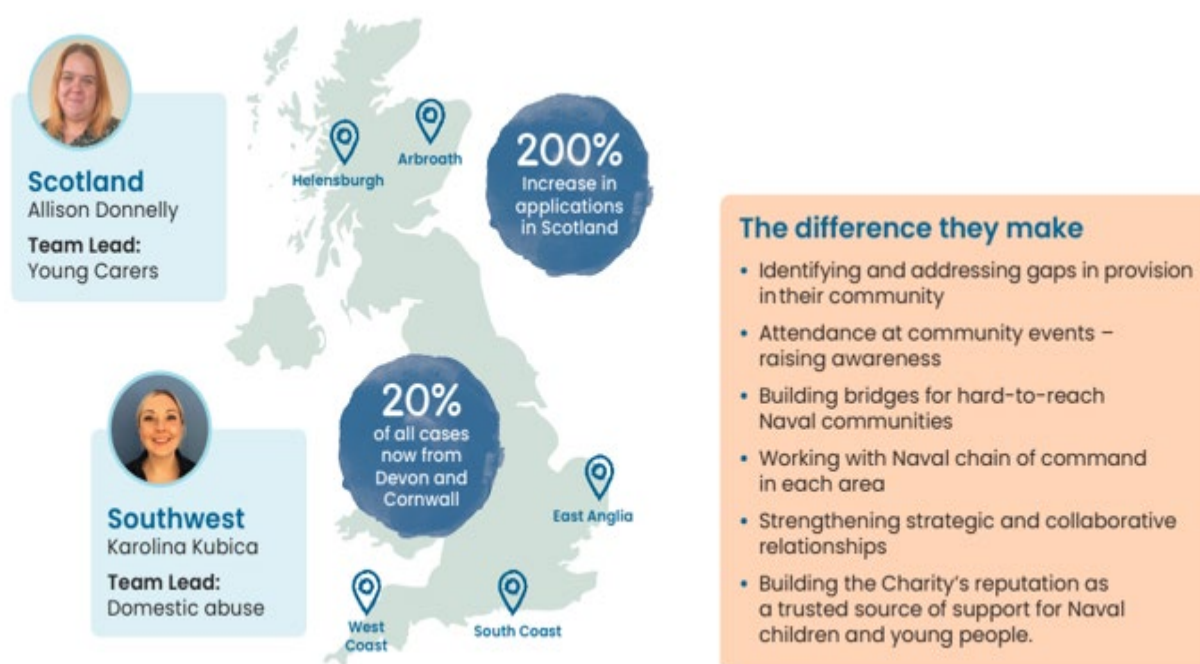
Outreach Casework

Funded by Greenwich Hospital (November 2022 – April 2025) and Veterans Foundation (May 2023 – April 2024) respectively, both posts are now fully embedded in their communities. We have seen an increased awareness of the support on offer, significant uplift in families seeking support in both regions, improved and expanded collaboration and partnership working.

The roles combine casework and community engagement. Casework enquiries are picked up directly from the community or partner agencies as well as the cases allocated to them by the Head Office due to the priority of the needs. The community engagement aims to build and maintain relationships with local Naval communities, support hubs, and external organisations. This on the ground working means that they can identify and address gaps in service provision by gathering feedback and insights from the community. The aim is to build bridges for hard-to-reach Naval communities, so they are aware of the support available.

Through proactive outreach and compassionate casework, the OC roles strengthen the safety net for Naval children and young people from both serving and former serving families, ensuring they not only receive appropriate support in crisis but are given tools and opportunities for developing their talent and skills. This role is essential in bridging the gap between those in need and the services available, enhancing wellbeing, resilience, and community cohesion for children and young people.

Outreach Caseworkers



Outreach Caseworker Southwest (OCSW). The Southwest, from a Naval service perspective, is very unique. It takes all the new Naval recruits for the basic training, has the biggest number of Naval bases and units and geographically covers a huge area. According to the latest census, it also has the largest number of veterans in England. Therefore, the role of the OCSW makes a significant difference to the Naval community in this area. Our OCSW has been in the post since November 2023, providing individualised casework support and community engagement to strengthen the charity's visibility and accessibility. The focus is primarily on Devon and Cornwall, with a vast number of beneficiaries living in a proximity of six Naval establishments located in those two counties. In the six-month period from mid-July 24 to mid-Jan 25, around 20% of our beneficiaries came from the region. This role is also the Domestic Abuse Lead for the team.

Outreach Caseworker Scotland (OCS). This year has continued to see the growth and impact of the work of NCC in Scotland. Our cases of families in Scotland have increased by about 200% since the post was created in March 2023. Partner relationships and collaborative working has been key to establish an excellent client base and ensure that all needs of families/beneficiaries are met without duplication of work and ensuring a shared purpose to make a change to the Naval community and their families.

Scotland as a devolved nation has its own Government, school systems and benefits, part of the role is to ensure that NCC families moving to Scotland are aware of the differences and how things operate North of the Border. Training has also been delivered to the NCC team highlighting the education system and terminology that is used in Scotland. A leaflet "Living in Helensburgh" was co-produced with CYP in the area.

THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

REPORT OF THE TRUSTEES

Helensburgh is home to the Royal Navy Nuclear Submarine Base which hosts approx. 2,500 service personnel and approx. 3,000 civilian workers. Submarine deployments vary in length and contact with many lasting over 200 days with zero contact with families, which can have an adverse effect on them.

This role is also the Young Carers Lead for the team and, over the past year, has worked with The Children's Society on their Nexus Project, funded by the AFCFT through their Transformational Grants Programme, to improve support, resources and access to services for Young Carers from Armed Forces families.

Both Outreach Caseworker roles involve attendance at meetings and events across their region, strengthening NCC's strategic relationships, community engagements and partner involvement.

Programmes of support



Mental Health



Bereavement



Family Breakdown



Disability, illness or injury



Neurodiversity/SEND/ALN



Financial/Debt



Deployment/separation



Education

Wellbeing

Emergency and essentials support Programme:

NCC offers crisis-driven aid through grants for household goods, school uniforms, and groceries. This programme allows for families to meet a living standard that aids their physiological and safety needs. Some families are given a monthly regular payment for a few months, sometimes longer. This allows them to navigate through a difficult period of financial hardship whilst also receiving support on budgeting, debt and other challenges.

Disability, SEND and illness support Programme:

We provide disability aids, home adaptations, and therapeutic services, including help for special educational needs and neurodiversity, aiding access to assessments, education progression from early years, and statutory support. This programme aims to support families with their safety, relational and self-esteem needs.

In the year of this report, neurodiversity continues to make up a large amount of our support, with grants being awarded for SEND related need including assessments and equipment. Our ADHD and autism assessment processes put a greater focus on equipment and other intervention for children who are nine and under to ensure that parents are exploring statutory routes first, whilst also accessing non diagnosis dependent support. For children and young people who are ten and up we do consider private

assessment where a CYP is on an NHS assessment waiting list and there is no option of the right to choose pathway. This is to help CYP get access to diagnosis in time for significant events in education which leads to feedback such as *'This diagnosis ensures that [he] will start secondary school in September with the right support in place to enable him to thrive.'*

In the initial contact with a family, a triage caseworker discusses areas of support available, exploring relevant signposting and referrals to our partnerships where they can gain advice and support that can be crucial. For instance, through our partnership with the National Autistic Society, **41 families** were referred for advice and support in the last financial year. Allowing them to access 1:1 advice and support covering topics such as: tribunals, behaviour and transitions. Our partnership with Kids started in October 2024 but



THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

REPORT OF THE TRUSTEES

in the space of 6 months, we referred **60 families** with SEND needs where they can access support on topics such as: DLA paperwork, behaviour and sleep support.

We also appreciate how challenging finding trustworthy and reputable private providers for neurodiversity assessments can be, and ensuring families get a diagnosis that is recognised nationally is crucial. We have helped families to do this through partnerships with the Lorna Wing Centre and Purple House who are assessment providers. Through these trusted partnerships, families have fed back how *'The whole experience was very supportive and positive, and the report and recommendations are very detailed, considered and reflective of the discussions we had with them during the assessment.'*

When families initially come to us for neurodiversity support, they often describe feeling let down, overwhelmed and frustrated. When families have gained our support, many report feeling *'empowered'*, having *'better understanding'* and the support being a *'massive relief'*

Wellbeing Packs: To mitigate effects of separation and mobility and meet their relational and self-esteem needs, NCC provides wellbeing packs, online resources and financial grants addressing mental health, bereavement, and parenting challenges.

These packs are themed around the issues of separation, mobility and mental health across the different age ranges with bespoke packs for bereavement, parenting and SEND. Some of the books were commissioned by the Naval Children's Charity to particularly support younger children understand the separations they experience in a Naval family.

In the year 24/25 we sent out over 1,000 books to improve wellbeing to beneficiaries. The packs came into effect in May 2025.

Doing Distance: Our online free set of resources specifically designed to help families address the challenges they face. Being a child of somebody in the Armed Forces can have a huge impact on the way that we see the world. A common theme amongst Armed Forces children is separation whether that be through deployments, weekendings it or moving from place to place away from friends and family. This can often bring up a whole range of emotions and quite often these can be difficult to process. Our resources help to guide adults through supporting children and teenagers to process these emotions they are experiencing.

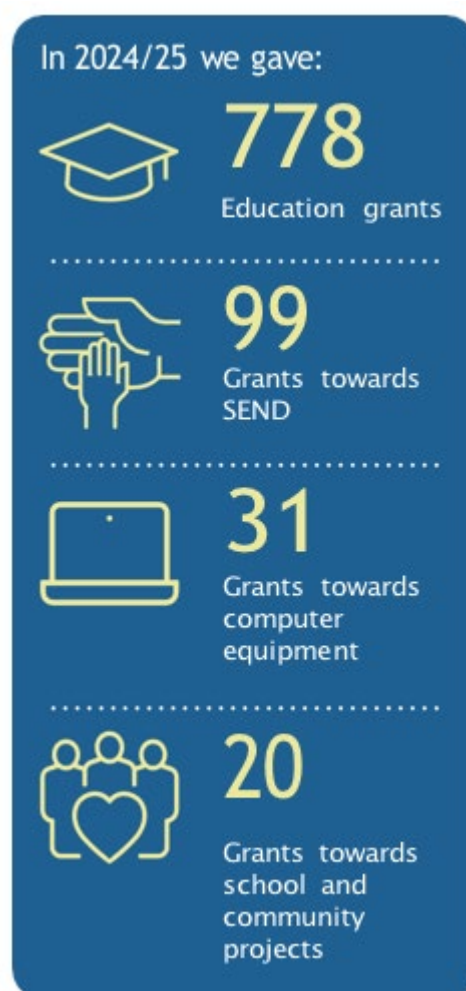


Development

Higher Education Programme

NCC supports educational progression by awarding university bursaries, and, through the Life Chances Programme, offers tailored opportunities in outdoor activities, creative arts, and career development to build life skills and improve future prospects. The aim of these programmes is to allow young people to thrive – to meet their self-actualisation needs.

Following a pilot in 2023/2024, in 2025 we launched our University Bursary scheme. Research has shown that Armed Forces young people can have their education significantly impacted by the mobility that comes with their parent's service and do not attend University in the same numbers as other young people. In response to this UCAS have now made being an Armed Forces young person an identifying tick box on their application form. To support and encourage our Naval young people we have launched a bursary scheme in partnership with the JS Group and their innovative Aspire platform. The grant will support the set up costs of studying at University and a 'cost of learning element' to support with utilities, food and rent.



Life Chances Programme

The Life Chances Programme (LCP) is a comprehensive initiative designed to support our CYP to flourish by providing proactive and preventative support tailored to their unique challenges. The programme is divided into three main areas: Outdoor, Creative and Education. Activities include bespoke residential camps, school events, and tailored activities, as well as advice and guidance regarding future pathways, higher education and employment advice. The programme is significantly funded by [Greenwich Hospital](#) (50%), and funding towards the remaining 50% from other trusts and foundations.

Activities aim to enhance holistic wellbeing, confidence, educational outcomes and career prospects. Many have been chosen as they also contribute towards achievement of accredited awards such as the Duke of Edinburgh award and provide young people with a tangible record of their achievements. Over the year of this report 550 CYP participated in the Life Chances Programme.



Supporting young people to flourish



Variety of themes and activities



Opportunities available across the UK



Supporting wellbeing and development



Enhancing education and career prospects



Co-developed with the NCC Youth Council

Outdoor

- Opportunities to try new things
- Respite opportunity from family life
- DofE & other award accreditation
- Make new friends and connections



Creative

- Family bonding opportunities
- Activities for those not interested in Outdoor pursuits/sailing
- Some available more as 1 day/shorter experiences than residential



Education

- Chance to find out about a wide range of roles & opportunities
- Supporting Naval young people to access further and higher education



Putting Youth Voice at the heart of what we do

NCC Youth Council

- Formed in September 2024
- Meet at least once every 6 weeks online
- Aim for 2 in-person meetings per year



Our aims

- Represent the views of Naval young people
- Encourage and engage with other Naval young people
- Address and implement change
- Promote youth voice across NCC (and beyond!)



Membership

- Open to any Naval young person aged 13-25
- Naval connections can be current or veteran
- Membership reviewed annually



So far, we have...

- Agreed our terms of reference & group structure
- Informed the new Life Chances programme
- Presented at 3 large scale events to celebrate 200 years of NCC
- Consulted on national research seeking the voice of Service Young People



We are currently focusing on raising awareness

- Producing resources from and for Naval young people
- Building knowledge of Naval life among supporters such as teachers and advisers
- Addressing common misconceptions about Naval Life
- Boosting the presence of NCC on social media



To inform and guide the work of the NCC we have created a **Youth Council**, building from a cohort of young people who participated in the LCP. They have helped developed a three-year programme of activities across all strands of the LCP and are also working more widely in National research being carried out into the lives of Armed Forces children and young people.

Working with our Youth Council, we have created a 3-year expansion plan for the Life Chances programme which will act as our framework moving forward. The planning has built upon the successes of past pilots, expanded the type of activities on offer to cater for a wide range of interest areas, and introduced many more delivery partners so that young people can learn from and interact with industry expertise.

What do young people want/need from Life Chances?

- A welcome distraction
- Activities to suit a range of interests
- Chance to gain skills for employment
- Opportunity to share life experiences
- Networks to make life-long friends
- Accessibility to activities



“

It was like a weight lifted from him completely, amazing how the opportunity to have the respite has definitely been a massive benefit to his wellbeing.”

Camp participant, 2024

“

Doing these outdoor activities in groups, especially with young people you don't know. Doing something fun and different. It's not just fun, it gave you a new perspective on how other people live.”

Youth Council member, 2024

“

Thank you for giving me the opportunity to attend the Tall Ships voyage in Plymouth over the Easter holidays! I had the most amazing time and I benefited so much from it I have learnt many more skills that will be useful to progress in the future.”

Tall Ships participant 2025

“

When my husband is away especially it's really difficult to juggle the school holidays and having this camp made all the difference this week. The girls absolutely loved the club. They met new friends, and their days were action packed.”

Parent of outdoor camp participant 2025

What worked well

- Forming relationships
- Building confidence and resilience
- Trying new things
- Skill development
- Supporting wellbeing



Areas for improvement?

- Virtual and face-to-face offer
- Better promotion
- Not just an 'outdoor' offer
- One day & longer activities
- Regional & UK wide
- Ways to evaluate



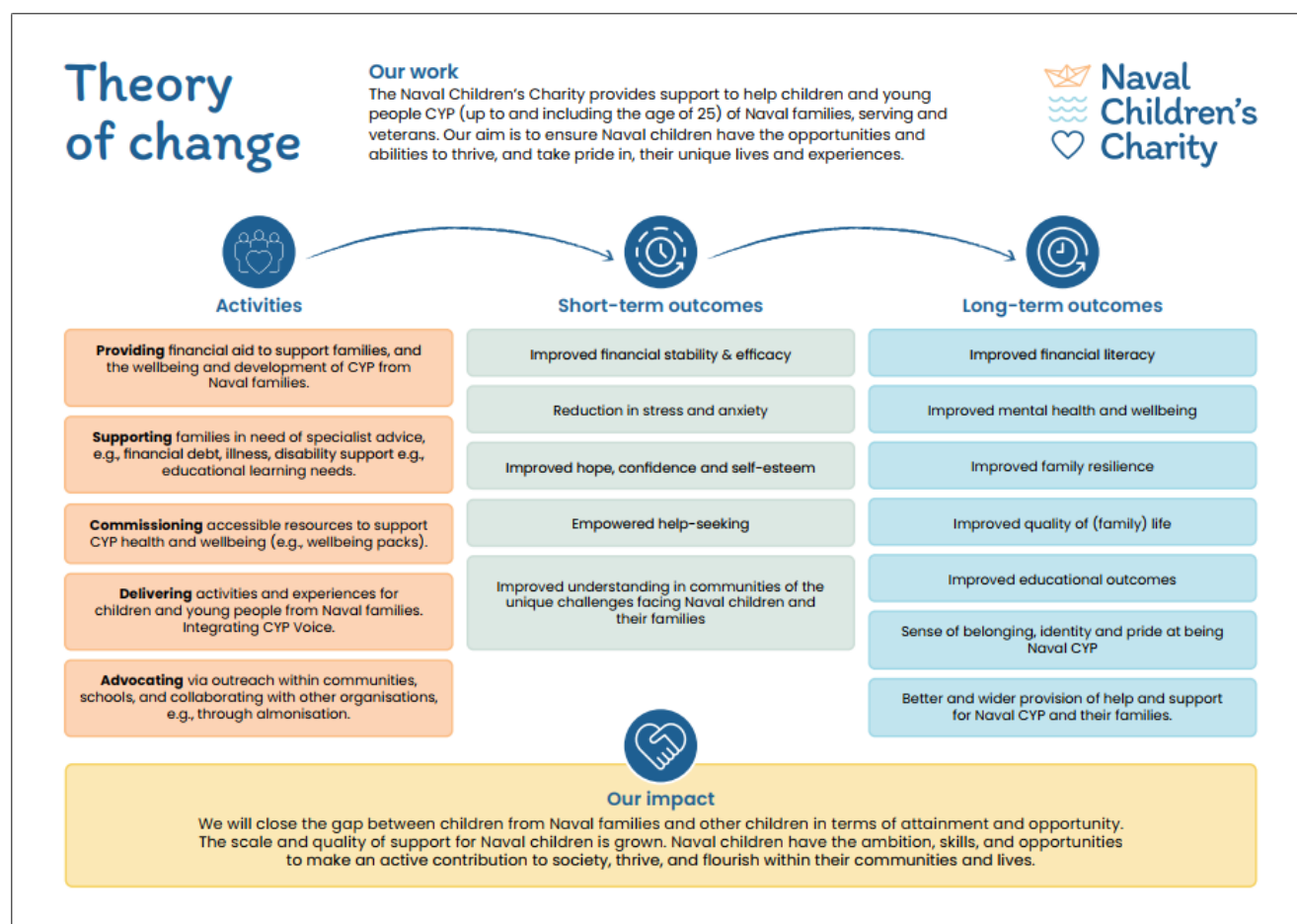
THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

REPORT OF THE TRUSTEES

Impact and Outcomes

In 2024, working with a team from Winchester University, we developed our Theory of Change and an Evaluation Framework which we are now embedding in our Programmes. We hope this will give us the ability to demonstrate our impact more robustly against recognised benchmarks using the ONS4, PSS4, FSES and, for our young people, SWEMBS, SBS8, GSEC and, if on an activity, use of structured diaries for reflection.



Personal Wellbeing (ONS-4)

The Office for National Statistics 4 (ONS-4) is a harmonized standard measure of personal wellbeing across four items – life satisfaction, happiness, anxiety and feelings of how worthwhile life is. This short scale is widely used in the sector and standardises NCC's evaluation with other related organisations. It can also be used to compute WellBeing-Years (WELLBY) for showing value for money of an organisational activity. The measure can be used with adults or children (10 years old or older).

THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

REPORT OF THE TRUSTEES

Perceived Stress (PSS-4)

The Perceived Stress Scale (PSS-4) is a measure of perceived stress in life for adults. It measures the degree to which individuals perceive their lives to be stressful, uncontrollable or unpredictable.

Financial Self-Efficacy (FSES)

The Financial Self-Efficacy Scale (FSES) is a short six question measure of an individual's confidence and financial management abilities. The scale focuses on the role of beliefs and perceptions of behaviour related to financial management.

Mental wellbeing (SWEMWBS)

The Short Warwick-Edinburgh Mental Well-being Scale (SWEMWBS) measures mental well-being across seven items. It includes items related to emotional wellbeing and psychological functioning. All seven items are positively worded as the focus is on measuring how "good" the respondent feels.

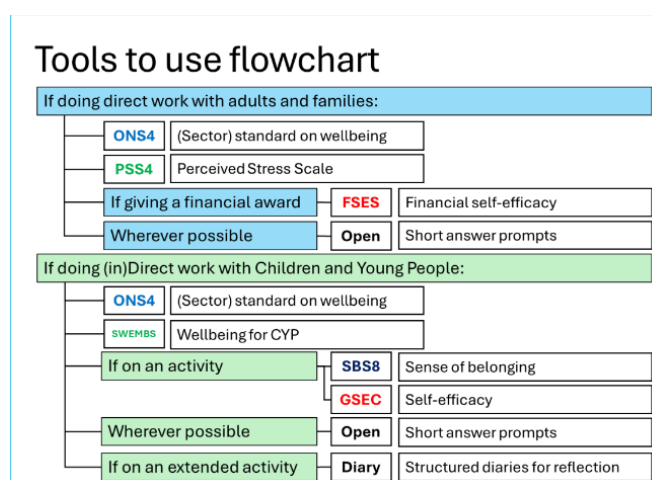
Belonging (SBS)

The Sense of Belonging Scale measures a person's sense of belonging within a specific context. The respondent chooses how much they agree with each statement using a 5- point rating scale measuring factors such as inclusion, valued involvement and social connectedness.

General Self-Efficacy (GSE)

The General Self-Efficacy Scale measures the respondent's belief in their ability to cope with challenging situations and how well they can adapt when facing difficult situations. The scale is worded to emphasise positive agency and outcomes – how well they cope and adapt, not how badly they do so.

We also gather more qualitative feedback. This consistently shows that our support is life-changing to many families who come to us feeling anxious, stressed, in crisis, ill, worried, depressed, and scared. Following our support through one of our programmes families report feeling supported, an improved sense of wellbeing, a better quality of life and improved independence.



Collaboration and Partnership

Our partners



**THE ROYAL NAVAL
BENEVOLENT TRUST**
SERVE A DAY, SUPPORTED FOR LIFE



**Sailors'
Children's
Society**



Cobseo
**The Confederation
of Service Charities**



**National
Autistic
Society**



**the
PURPLE HOUSE
CLINIC**



Tall Ships
YOUTH TRUST



At the core of our work, we collaborate and partner across our Programmes with a wide range of organisations. We work closely with other Naval charities to provide grants, advice and support. We work with delivery partners in providing our specialised support around neurodiversity and other issues facing families. Through our Life Chances Programme we partner with many delivery partners, all experts in their field, to ensure a wide range of opportunities and activities are on offer.

We are the lead, tri-service, for the Armed Forces Children's Sector in driving further collaboration and partnership working. Our CEO formed and Chairs the Cobseo Children's Cluster, bringing together Armed Forces Charities that support children and young people. She also Chairs the Educational Trusts Forum and the SCiP Alliance Management Group and sits on the SCiP Alliance Board.

We collaborate with partners across all our Programmes and across the Naval charity sector, the wider charity sector and external delivery partners. By working in partnership, identifying, and collaborating with best practice in the areas that affect our children and young people we can ensure the best ROI (return on investment) for our and our funders' money.

THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

REPORT OF THE TRUSTEES

Our people

The Charity has a small Senior Leadership Team comprising the CEO, Head of Operations and Head of Finance. There are two part-time admin and data support roles, a dedicated Project Manager (funded by Greenwich Hospital) and a Community Engagement Officer and then nine caseworkers. This small team passionate about providing the best for our beneficiaries, working across all sectors to collaborate and drive best practice.

We have an active and committed Trustee Board, bringing a wealth of skills and lived experience to their roles. There is a sub-committee that meets monthly and oversees all our grant awards with expertise amongst them of Medicine, education, Service in the Royal Navy and one is a former beneficiary. We also have a Finance & Governance sub-committee and a Marketing sub-committee. We are committed to Equity, Diversity and Inclusion and ensure that we have representation on the staff and trustee Board of the families we support. This includes spouses, parents, serving, veteran, beneficiaries and charity backgrounds.

Funding

Our funders



**GREENWICH
HOSPITAL**
SUPPORTING THE ROYAL NAVY SINCE 1694



**ROYAL NAVY &
ROYAL MARINES
CHARITY**



**THE ARMED FORCES
COVENANT FUND TRUST**
Funded by HM Government



**the
seafarers'
charity**



THE WORSHIPFUL COMPANY OF
PLASTERERS



TRINITY HOUSE

**QUEEN MARY'S
ROEHAMPTON TRUST**
*for Disabled Ex-Service Men
and Women*

We spend around £3 million a year with £2.5 million of that going on Charitable Expenditure. We seek to secure donations and grants to help us to reach this target with an annual target of circa £1.3 million.

THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

REPORT OF THE TRUSTEES

We have around £12 million in our Investment Fund (Permanent £4 million, Expendable £8 million) and we use the income and drawdown from the Fund towards our expenditure. This ensures that all our administrative and fundraising costs are covered from our Fund ensuring that 100% of all grants and donations are used on charitable expenditure.

We are fortunate to have long standing support from a number of funders including Greenwich Hospital/Royal Navy & Royal Marines Charity RNRMC; The Seafarers Charity; Queen Mary's Roehampton Trust and Trinity House and we also draw down from our investments significantly towards this target.

Greenwich Hospital / RNRMC provide an annual grant of £720,000 towards our Emergency & Essentials and Disability, SEND and illness support Programmes.

Greenwich Hospital is funding 50% of our Life Chances Programme for three years, 2025-2028 plus the Project Manager role responsible for delivery of the LCP.

During the period of April 2024 – March 2025, 100% of grants and donations we received were spent on direct charitable activity, with £2.4 million being spent on direct charitable activity overall. The Charity also administered over £97k in grants on behalf of partner charities. This enabled us to award 3,246 grants to families, with 8,185 children and young people being supported by a grant over the course of the year. All other expenditure was covered by our own resources, drawn down from our investments.

FINANCIAL REVIEW

Summary

- The period under review is the year ended 31st March 2025.
- The Charity's incoming resources amounted to £1,501,456.
- Total expenditure was £2,517,094, including expenditure on charitable activities of £2,413,658 (95% of all expenditure).
- 100% of all donations and grants is spent directly on beneficiaries.
- Our operating deficit was funded by cash withdrawn from reserves.
- As at 31 March 2025 net assets were worth £11,875,939, which our trustees consider to be an appropriate level of reserves having regard to their future plans for the Charity.

THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

REPORT OF THE TRUSTEES

Public benefit

The identifiable benefit provided by the Charity is the relief of children of serving and veteran personnel of the Royal Navy who are in need, hardship, or distress thereby contributing to the health, welfare, and social cohesion of the Nation. Additionally, this contributes to maintaining or improving morale within the Royal Navy and thus to the quality of these vital components of the Nation's Armed Forces and, thereby, to the defence of the Nation.

Our work is targeted at helping children who are in need, often in crisis but also those who need support as result of the impact of their parents' service in the Royal Navy. Providing support to all our children in need reduces the risk of crisis arising and improves outcomes, both socially and educationally.

Through its grant making to serving and veteran Royal Navy personnel and dependants in need, the Charity demonstrates its support of the Military Covenant between the Nation and its Armed Forces and has signed the Armed Forces Covenant as a reflection of that support.

Investment Policy

Directive to Navera Investment Management

The Charity's object is the relief of dependent children (up to and including the age of 25) of serving and former members of the Royal Navy (includes Royal Navy, Royal Marines, QARNNS, WRNS, Reserves and Royal Fleet Auxiliary) who are in need, hardship, or distress.

The Charity may relieve beneficiaries in need by making grants of money to them; or providing or paying for goods, services, or facilities for them; or making grants of money to other persons or bodies who provide goods, services, or facilities to those in need.

"We believe that to be the child of someone who is, or has been, in the Royal Navy should be a positive and enhancing experience – something to be borne with pride. For those children where life is more difficult, we are there to help."

Funds held in the RN & RM Children's Trust at the time of the merger (constitution was approved on 26th October 1998) were allocated as permanent endowment and the funds held in the RN & RM Children's Home were allocated as expendable endowment. On 1 March 2020, the charity exercised its rights by the Trustees under section 104(A) of the Charities Act 2011 to invest permanent endowment funds on a total returns basis. On this date, the gift component of the permanent endowment fund £2,299,183.

Investment Powers

Following the 2019 Strategic Review, the Trustees seek to use some of the income and capital gain returns (total returns) from the invested Permanent and Expendable Endowment Funds to cover the operating costs of the charity, thereby allowing external funding to be devoted to charitable activities. After a number of years of positive total returns, the Trustees wish to adjust their approach to investment by

THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

REPORT OF THE TRUSTEES

withdrawing into holding accounts sufficient money for three year's operating costs and allowing Navera to concentrate on growing the remaining investment. As well as securing the funds needed for three year's operating costs, this means the Charity will not need to withdraw funds should the portfolio experience a more difficult performance period.

The NCC continues to delegate discretionary investment management to Navera Investment Management in accordance with the Charitable Incorporated Organisation (CIO) Constitution 4.1.8, the Investment Management Agreement, this Policy Directive, the powers conferred by the Trustee Act 2000 and any amplifying guidance issued by the Charity Commission. Any queries should be raised with the Chief Executive who will advise the Chair and Treasurer.

Investment Objectives

The Charity's reserves are held in an investment portfolio and cash deposits.

The Trustees adopted a cash withdrawal policy, providing for the periodic release of cash from our investment portfolio, allowing our investment advisors to concentrate on achieving total return growth to replace cash withdrawn over time while the Charity holds cash on deposit sufficient to fund its near-term operating requirements.

The investment objectives for the portfolio are:

- To protect and grow the real value of the Expendable and Permanent Endowment Funds
- To maintain a minimum balance in cash to assist with cashflow as and when required
- To provide additional drawdown and withdrawal of funds if required by the charity
- The benchmark is a real return of CPI + 3% on a rolling 5-year basis net of fees

Risk

In seeking to meet the Charity's objectives the Trustees are prepared to tolerate a medium level of risk. Volatility is to be minimised with respect to both capital and income.

Asset Allocation

Navera has discretion to adjust asset allocation within the following bands, to be reviewed at least annually.

Cash & Fixed Interest	10-50%
Equities	45-90%

If the above parameters are likely to be breached, then advice is to be sought from the Finance and Governance Committee.

THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

REPORT OF THE TRUSTEES

Investment Restrictions

No more than 5% of the portfolio may be invested in any one direct equity or bond investment at the date of purchase. If because of market movements, the weighting increases to 7%, Navera will review the holding with a view to reducing the position in the following months and notify the Chair. The fund manager may invest directly in sub-investment grade bonds. However, no more than 5% of the portfolio may be directly allocated to such bonds at the date of investment. Should the manager invest via a pooled vehicle, which should allow some diversification of risk, a maximum of 7% may be allocated to this asset class at the date of investment. No bonds may be purchased with an S&P credit rating of CCC or lower. Non-rated bonds can be held where Navera Investment Management deem them to be equivalent to investment grade. No direct investments are to be made in derivatives.

Environmental and Social Governance

The Trustees recognise that responsible corporate behaviour with respect to ESG issues can have a positive influence on the financial performance of companies. Navera should take this into account when considering the Charity's investment objective. Navera should also note that where the investment managers consider there may be a conflict of interest to the aims of the Charity, they should refer the investment to the Chair for his authority.

Reserve Policy

A prerequisite of fund accounting is an understanding of the different classes of funds a charity may hold in trust. A charity may hold both unrestricted and restricted funds. Income generated by the investment of a particular fund's assets accrues to that fund unless the terms of the initial gift provide otherwise, for example in the case of a permanent endowments.

Unrestricted funds are spent or applied at the discretion of the trustees to further any of the charity's purpose. Unrestricted funds can be used to supplement expenditure made from restricted funds. Trustees may choose during the reporting period to set aside part of the unrestricted funds to be used for a particular future project or commitment and this can be set up as a **designated fund** that remains part of the unrestricted funds of the charity. Identifying designated funds may be helpful when explaining the charity's reserve policy and the level of reserves held.

Restricted funds can be specified in several ways. The donor when making a gift or legacy. Grant makers funding specific projects or posts.

Restricted funds fall into two categories, **restricted income funds** or **endowment funds**.

Restricted income funds are to be spent or applied within a reasonable period from their receipt to further a specific purpose of the charity. Alternatively, the restricted fund may be an endowment. Trust law requires a charity to invest the assets of an endowment or retain them for the charity's use in furtherance of its charitable purposes, rather than apply or spend them as income.

THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

REPORT OF THE TRUSTEES

A gift of endowment, where there is no power to convert the capital into income, is known as a **permanent endowment fund**. Where the Trustees have the power to convert the endowment funds income, such funds are known as **expendable endowments**.

The NCC's funds are split between permanent and expendable endowment, they are there to:

- Generate total returns for sustained operations.
- Sufficient free reserves to be able to meet or smooth out the unexpected fluctuations in charitable expenditure, to be able to meet the increasing needs of the current beneficiaries and remain sustainable for both current and future generations.
- Sufficient free reserves to be able to meet or smooth out any unexpected shortfall in income from our major donors so enabling our level of support to beneficiaries to remain consistent.
- The annual administration costs of the Charity will be funded by the release of cash from investment so ensuring that all donations and funding received are used 100% towards our charitable activities.
- The current expendable endowment fund will be held in part in holding accounts to cover 3 years of operations and will support the estimated budgetary deficit for the next 5 years and continue to generate investment income.

With these aims in mind the reserves are invested with the purpose of protecting and growing their real value on a total return basis.

As at 31 March 2025 net assets were worth £11,875,939 (2024 – £12,668,434, unrestricted funds were £nil), which our trustees consider to be an appropriate level of reserves having regard to their plans for the Charity. At 31 March 2025 the unrestricted general funds (the SORP defined Reserves) were nil (2024 – nil).

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing their report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Charity and of the incoming resources and application of resources 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 Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

REPORT OF THE TRUSTEES

The trustees are responsible for keeping proper 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 Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Constitution. 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.

The trustees are responsible for the maintenance and integrity of the Charity and 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.

Approved by the trustees and signed on their behalf.

Christopher Tite

Chair

Date: 14 October 2025

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE NAVAL CHILDREN'S CHARITY

Opinion

We have audited the financial statements of The Naval Children's Charity (the 'charity') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2025 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Matters on which we are required to report by exception

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE NAVAL CHILDREN'S CHARITY

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

- We obtained an understanding of the legal and regulatory framework in which the company operates. The key laws considered included the Charities Act. We have corroborated our enquiries through review of Trustee minutes.
- We have evaluated management incentives and opportunities for fraudulent manipulation of the financial statements including management override of controls and the application of revenue recognition at cut-off and considered that the principal risk was related to the posting of inappropriate journal entries to improve the result before the year end. We have addressed this by assessing journal entries as part of our planning audit approach.
- We have enquired of management and those charged with governance in respect of known or suspected instances of non-compliance with laws and regulations.
- We have also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE NAVAL CHILDREN'S CHARITY**

Use of our report

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

Gibson Whitter Limited
Statutory Auditors
Larch House
Parklands Business Park
Denmead
Hampshire
PO7 6XP

Date: 4 November 2025

THE NAVAL CHILDREN'S CHARITY

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2025**

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	31.3.25 Total funds £	31.3.24 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	49,655	25,000	-	74,655	48,454
Charitable activities	4					
Support of Naval Families		795,700	354,079	-	1,149,779	1,138,170
Investment income	3	1,943	-	275,079	277,022	178,026
Total		<u>847,298</u>	<u>379,079</u>	<u>275,079</u>	<u>1,501,456</u>	<u>1,364,650</u>
EXPENDITURE ON						
Raising funds	5	423	-	103,013	103,436	119,781
Charitable activities	6					
Support of Naval Families		<u>2,041,257</u>	<u>372,401</u>	<u>-</u>	<u>2,413,658</u>	<u>2,551,607</u>
Total		<u>2,041,680</u>	<u>372,401</u>	<u>103,013</u>	<u>2,517,094</u>	<u>2,671,388</u>
Net gains on investments		<u>-</u>	<u>-</u>	<u>223,143</u>	<u>223,143</u>	<u>1,406,505</u>
NET INCOME/(EXPENDITURE)						
Transfers between funds	20	(1,194,382)	6,678	395,209	(792,495)	99,767
		<u>1,194,382</u>	<u>-</u>	<u>(1,194,382)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>-</u>	<u>6,678</u>	<u>(799,173)</u>	<u>(792,495)</u>	<u>99,767</u>
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>-</u>	<u>27,632</u>	<u>12,640,802</u>	<u>12,668,434</u>	<u>12,568,667</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>-</u></u>	<u><u>34,310</u></u>	<u><u>11,841,629</u></u>	<u><u>11,875,939</u></u>	<u><u>12,668,434</u></u>

The notes form part of these financial statements

THE NAVAL CHILDREN'S CHARITY

BALANCE SHEET 31 MARCH 2025

	Notes	31.3.25 £	31.3.24 £
FIXED ASSETS			
Investments	14	11,805,009	12,771,898
CURRENT ASSETS			
Debtors	15	94,360	98,994
Cash at bank and in hand		214,537	135,886
		<u>308,897</u>	<u>234,880</u>
CREDITORS			
Amounts falling due within one year	16	(237,967)	(320,407)
		<u>70,930</u>	<u>(85,527)</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		11,875,939	12,686,371
CREDITORS			
Amounts falling due after more than one year 17		-	(17,937)
		<u>11,875,939</u>	<u>12,668,434</u>
NET ASSETS			
FUNDS	20		
Restricted funds		34,310	27,632
Endowment funds		11,841,629	12,640,802
TOTAL FUNDS		<u>11,875,939</u>	<u>12,668,434</u>

The financial statements were approved and authorised for issue by the Board of Trustees and authorised for issue on 14 October 2025 and were signed on its behalf by:

.....
Mr C Tite - Trustee

THE NAVAL CHILDREN'S CHARITY

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025**

	Notes	31.3.25 £	31.3.24 £
Cash flows from operating activities			
Cash generated from operations	1	(1,388,403)	(1,241,481)
Net cash used in operating activities		<u>(1,388,403)</u>	<u>(1,241,481)</u>
Cash flows from investing activities			
Purchase of fixed asset investments		(4,928,394)	(2,460,893)
Sale of fixed asset investments		6,118,426	3,167,531
Interest received		1,943	6,553
Dividends received		275,079	171,473
Net cash provided by investing activities		<u>1,467,054</u>	<u>884,664</u>
Change in cash and cash equivalents in the reporting period		<u>78,651</u>	<u>(356,817)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>135,886</u>	<u>492,703</u>
Cash and cash equivalents at the end of the reporting period		<u><u>214,537</u></u>	<u><u>135,886</u></u>

The notes form part of these financial statements

THE NAVAL CHILDREN'S CHARITY

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.25 £	31.3.24 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(792,495)	99,767
Adjustments for:		
Gain on investments	(223,143)	(1,406,505)
Interest received	(1,943)	(6,553)
Dividends received	(275,079)	(171,473)
Decrease in debtors	4,634	152,328
(Decrease)/increase in creditors	(100,377)	90,955
Net cash used in operations	<u>(1,388,403)</u>	<u>(1,241,481)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.24 £	Cash flow £	At 31.3.25 £
Net cash			
Cash at bank and in hand	135,886	78,651	214,537
Total	<u>135,886</u>	<u>78,651</u>	<u>214,537</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the Charity has control over the item. Fair value is determined on the basis of the value of the gift to the Charity. For example the amount the Charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the Charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from government and other grants are recognised at fair value when the Charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and cash deposits. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the Charity's right to receive payment is established.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised:

- Costs of raising funds; which includes the costs of organising events and investment management fees.
- Expenditure on charitable activities; which includes grants made to beneficiaries and costs incurred to support those activities.

THE NAVAL CHILDREN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES - continued

Expenditure

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the Charity.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Taxation

The charity is exempt from tax on its charitable activities.

Investments

The investment portfolio has been valued at market value at the balance sheet date. The SOFA includes the net gains and losses on investments arising on revaluation at the year end and on disposals throughout the year. Realised gains and losses on sales of investments are calculated as the difference between the sale proceeds and opening market value. Unrealised gains and losses represent the movement between market value.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Endowment funds incorporating an expendable and permanent endowment funds represent those investment assets held by the Charity, principally to generate investment income for the Charity's use. The endowment funds were created from a merger between the Charity, RN & RM Children's Trust and RN & RM Children's Home in 2002. The gift component of the permanent endowment must be retained in perpetuity, however those investments within the expendable endowment may be converted to income by the Trustees. The permanent and expendable endowment are invested on a total return basis. Income and any capital gains or losses arising on the endowment funds can be used in accordance with the objects of the Charity and are included as endowment funds. Investment management charges and legal advice relating to the fund are charged against the fund.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

THE NAVAL CHILDREN'S CHARITY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025**

2. DONATIONS AND LEGACIES

	31.3.25	31.3.24
	£	£
Donations	<u>74,655</u>	<u>48,454</u>

3. INVESTMENT INCOME

	31.3.25	31.3.24
	£	£
Investment income	275,079	171,473
Deposit account interest	<u>1,943</u>	<u>6,553</u>
	<u>277,022</u>	<u>178,026</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	31.3.25	31.3.24
	£	£
Grants	<u>1,149,779</u>	<u>1,138,170</u>

Grants received, included in the above, are as follows:

	31.3.25	31.3.24
	£	£
RNRMC/Greenwich Hospital	720,000	720,000
Greenwich Hospital	107,100	142,000
Trinity House	49,700	47,300
The Seafarers Charity	100,000	100,000
Queen Mary Roehampton Trust	5,000	5,000
The Veterans' Foundation	2,500	27,500
The Gosling Foundation	10,000	9,450
Lest We Forget Association	38,854	14,100
The James Knott Trust	6,000	6,000
The 29th May 1961 Charitable Trust	-	2,000
The Mordaunt Foundation	-	7,000
Special Boat Service Association	-	5,880
The Armed Forces Covenant Fund Trust	105,625	51,940
The Noel Sweeney Foundation	<u>5,000</u>	<u>-</u>
	<u>1,149,779</u>	<u>1,138,170</u>

THE NAVAL CHILDREN'S CHARITY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025**

5. RAISING FUNDS

Other trading activities

	31.3.25	31.3.24
	£	£
Direct event costs	423	10,765
	<u> </u>	<u> </u>

Investment management costs

	31.3.25	31.3.24
	£	£
Portfolio management fees	103,013	109,016
	<u> </u>	<u> </u>

Aggregate amounts	103,436	119,781
	<u> </u>	<u> </u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7)	Grant funding of activities (see note 8)	Support costs (see note 9)	Totals
	£	£	£	£
Support of Naval Families	514,891	1,470,410	428,357	2,413,658
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.3.25	31.3.24
	£	£
Staff costs	479,816	391,980
Other staff costs	18,714	11,046
Recruitment costs	571	896
Travel and subsistence	15,790	12,711
	<u> </u>	<u> </u>
	514,891	416,633
	<u> </u>	<u> </u>

8. GRANTS PAYABLE

	31.3.25	31.3.24
	£	£
Support of Naval Families	1,470,410	1,706,372
	<u> </u>	<u> </u>

The total grants paid to institutions during the year was as follows:

	31.3.25	31.3.24
	£	£
Naval community projects costs	129,170	152,075
Naval community projects research and publications	-	163
The University Of Winchester - Thriving Through Childhood And Beyond	101,464	49,894
	<u> </u>	<u> </u>
	230,634	202,132
	<u> </u>	<u> </u>

THE NAVAL CHILDREN'S CHARITY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025**

8. GRANTS PAYABLE - continued

The total grants paid to individuals during the year analysed by pillar is as follows:

	31.3.25	31.3.24
	£	£
Health	243,990	217,819
Wellbeing	113,413	176,055
Security	574,755	645,669
Education	298,155	458,217
Life Chances	9,463	6,480
	<u>1,239,776</u>	<u>1,504,240</u>

9. SUPPORT COSTS

	Management	Governance	Totals
	£	costs	£
Support of Naval Families	<u>409,617</u>	<u>18,740</u>	<u>428,357</u>

Support costs, included in the above, are as follows:

Management

	31.3.25	31.3.24
	Support	Total
	of Naval	activities
	Families	£
	£	
Wages	209,585	218,794
Social security	24,515	23,219
Pensions	14,765	15,199
Insurance	5,222	4,455
Telephone	2,812	4,547
Postage and stationery	7,358	6,903
Sundries	7,241	4,498
Computer and equipment costs	54,471	64,142
Equipment hire costs	4,804	2,940
Advertising and publicity	26,468	28,358
Other staff costs	7,556	1,455
Rent	22,104	19,292
Travel and subsistence	5,641	10,670
Trustee expenses	818	2,728
Subscriptions	6,252	6,205
Recruitment costs	384	1,073
Bank and other merchant charges	254	(32)
Bookkeeping and payroll fees	9,367	6,967
	<u>409,617</u>	<u>421,413</u>

THE NAVAL CHILDREN'S CHARITY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025**

9. SUPPORT COSTS - continued
Governance costs

	31.3.25 Support of Naval Families £	31.3.24 Total activities £
Auditors' remuneration	7,440	6,510
Legal and professional fees	11,300	679
	<u>18,740</u>	<u>7,189</u>

10. AUDITORS' REMUNERATION

	31.3.25 £	31.3.24 £
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>7,440</u>	<u>6,510</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2025 nor for the year ended 31 March 2024.

Trustees' expenses

During the year one (31.3.24: three) trustee was reimbursed expenses by the charity totalling £31 (31.3.24: £261) for travel costs.

12. STAFF COSTS

	31.3.25 £	31.3.24 £
Wages and salaries	619,387	556,896
Social security costs	67,116	55,500
Other pension costs	42,178	36,796
	<u>728,681</u>	<u>649,192</u>

The average monthly number of employees during the year as follows:

	31.3.25	31.3.24
Charitable activities	12	10
Management and governance	4	4
	<u>16</u>	<u>14</u>

THE NAVAL CHILDREN'S CHARITY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025**

12. STAFF COSTS - continued

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	31.3.25	31.3.24
£60,001 - £70,000	2	2
£70,001 - £80,000	-	-
£80,001 - £90,000	1	1
	<u>3</u>	<u>3</u>

The average monthly number of full time equivalent employees during the year as follows:

	31.3.25	31.3.24
Charitable activities	11	9
Management and governance	4	4
	<u>15</u>	<u>13</u>

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES 31 MARCH 2024

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	48,454	-	-	48,454
Charitable activities				
Support of Naval Families	775,300	362,870	-	1,138,170
Investment income	6,553	-	171,473	178,026
Total	<u>830,307</u>	<u>362,870</u>	<u>171,473</u>	<u>1,364,650</u>
EXPENDITURE ON				
Raising funds	10,765	-	109,016	119,781
Charitable activities				
Support of Naval Families	2,195,918	355,689	-	2,551,607
Total	<u>2,206,683</u>	<u>355,689</u>	<u>109,016</u>	<u>2,671,388</u>
Net gains on investments	<u>-</u>	<u>-</u>	<u>1,406,505</u>	<u>1,406,505</u>
NET INCOME/(EXPENDITURE)	<u>(1,376,376)</u>	<u>7,181</u>	<u>1,468,962</u>	<u>99,767</u>
Transfers between funds	<u>1,431,162</u>	<u>-</u>	<u>(1,431,162)</u>	<u>-</u>
Net movement in funds	54,786	7,181	37,800	99,767
RECONCILIATION OF FUNDS				
Total funds brought forward	(54,786)	20,451	12,603,002	12,568,667
TOTAL FUNDS CARRIED FORWARD	<u>-</u>	<u>27,632</u>	<u>12,640,802</u>	<u>12,668,434</u>

THE NAVAL CHILDREN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

14. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 April 2024	12,771,898
Additions	4,928,394
Disposals	(6,118,426)
Revaluations	223,143
At 31 March 2025	11,805,009
NET BOOK VALUE	
At 31 March 2025	11,805,009
At 31 March 2024	12,771,898

Investments are held in portfolios managed by Navera Investment Management. The market value of investments by geographical area is as follows:

	31.3.25 £	31.3.24 £
Held within UK	826,351	2,516,064
Held outside UK	10,978,658	10,255,834
	11,805,009	12,771,898

The historical cost of the above investments is £9,583,656 (31.3.24: £9,444,443).

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.25 £	31.3.24 £
Accrued income	77,833	90,171
Prepayments	16,527	8,823
	94,360	98,994

THE NAVAL CHILDREN'S CHARITY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.25	31.3.24
	£	£
Trade creditors	12,471	5,327
Social security and other taxes	17,712	17,097
Other creditors	23,347	31,248
Deferred income	-	2,500
Accrued expenses	184,437	264,235
	<u>237,967</u>	<u>320,407</u>

Deferred income

Deferred income comprises £Nil (31.3.24: £2,500) for grant income received in the year which will be released to income in future financial periods.

	31.3.25	31.3.24
	£	£
Balance brought forward	2,500	12,880
Amount release to incoming resources	(2,500)	(12,880)
Amount deferred in the year	-	2,500
	<u>-</u>	<u>2,500</u>
Balance carried forward	<u>-</u>	<u>2,500</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.25	31.3.24
	£	£
Accrued expenses	-	17,937
	<u>-</u>	<u>17,937</u>

18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.3.25	31.3.24
	£	£
Within one year	8,334	7,166
Between one and five years	13,174	9,302
	<u>21,508</u>	<u>16,468</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Endowment funds £	31.3.25 Total funds £	31.3.24 Total funds £
Investments	-	-	11,805,009	11,805,009	12,771,898
Current assets	237,967	34,310	36,620	308,897	234,880
Current liabilities	(237,967)	-	-	(237,967)	(320,407)
Long term liabilities	-	-	-	-	(17,937)
	<u>-</u>	<u>34,310</u>	<u>11,841,629</u>	<u>11,875,939</u>	<u>12,668,434</u>

THE NAVAL CHILDREN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

20. MOVEMENT IN FUNDS

	At 1.4.24 £	Net movement in funds £	Transfers between funds £	At 31.3.25 £
Unrestricted funds				
General fund	-	(1,194,382)	1,194,382	-
Restricted funds				
Greenwich Hospital	20,061	1,106	-	21,167
The Veterans' Foundation	7,571	(7,571)	-	-
Sanctuary Lodge - Life Chances: Tall Ships	-	13,143	-	13,143
	27,632	6,678	-	34,310
Endowment funds				
Expendable endowment fund	9,301,738	286,738	(1,143,292)	8,445,184
Permanent endowment fund	3,339,064	108,471	(51,090)	3,396,445
	12,640,802	395,209	(1,194,382)	11,841,629
TOTAL FUNDS	12,668,434	(792,495)	-	11,875,939

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	847,298	(2,041,680)	-	(1,194,382)
Restricted funds				
The Seafarers Charity	100,000	(100,000)	-	-
Queen Mary Roehampton Trust	5,000	(5,000)	-	-
Greenwich Hospital	107,100	(105,994)	-	1,106
The Gosling Foundation - Life Chances: Tall Ships	10,000	(10,000)	-	-
Lest We Forget Association - Life Chances: Tall Ships	18,854	(18,854)	-	-
The Veterans' Foundation	2,500	(10,071)	-	(7,571)
Thriving Through Childhood And Beyond	105,625	(105,625)	-	-
The Noel Sweeney Foundation - West Midlands, Staffordshire and Shropshire	5,000	(5,000)	-	-
Sanctuary Lodge - Life Chances: Tall Ships	20,000	(6,857)	-	13,143
The Phillips Charitable Trust - Neurodiverse Project	5,000	(5,000)	-	-
	379,079	(372,401)	-	6,678
Endowment funds				
Expendable endowment fund	222,698	(73,001)	137,041	286,738
Permanent endowment fund	52,381	(30,012)	86,102	108,471
	275,079	(103,013)	223,143	395,209
TOTAL FUNDS	1,501,456	(2,517,094)	223,143	(792,495)

THE NAVAL CHILDREN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.23 £	Net movement in funds £	Transfers between funds £	At 31.3.24 £
Unrestricted funds				
General fund	(54,786)	(1,376,376)	1,431,162	-
Restricted funds				
Ogden Trust	3,550	(3,550)	-	-
Greenwich Hospital	16,901	3,160	-	20,061
The Veterans' Foundation	-	7,571	-	7,571
	<u>20,451</u>	<u>7,181</u>	<u>-</u>	<u>27,632</u>
Endowment funds				
Expendable endowment fund	9,588,268	1,100,667	(1,387,197)	9,301,738
Permanent endowment fund	3,014,734	368,295	(43,965)	3,339,064
	<u>12,603,002</u>	<u>1,468,962</u>	<u>(1,431,162)</u>	<u>12,640,802</u>
TOTAL FUNDS	<u><u>12,568,667</u></u>	<u><u>99,767</u></u>	<u><u>-</u></u>	<u><u>12,668,434</u></u>

THE NAVAL CHILDREN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

20. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	830,307	(2,206,683)	-	(1,376,376)
Restricted funds				
Ogden Trust	-	(3,550)	-	(3,550)
The Seafarers Charity	100,000	(100,000)	-	-
Queen Mary Roehampton Trust	5,000	(5,000)	-	-
Greenwich Hospital	102,000	(98,840)	-	3,160
Greenwich Hospital - Life Chances	40,000	(40,000)	-	-
The Gosling Foundation - Life Chances: Tall Ships	9,450	(9,450)	-	-
Lest We Forget Association - Life Chances: Tall Ships	14,100	(14,100)	-	-
The Mordaunt Foundation - Life Chances: Tall Ships	7,000	(7,000)	-	-
Special Boat Service Association - Life Chances: Tall Ships	5,880	(5,880)	-	-
The Veterans' Foundation	27,500	(19,929)	-	7,571
Thriving Through Childhood And Beyond	51,940	(51,940)	-	-
	362,870	(355,689)	-	7,181
Endowment funds				
Expendable endowment fund	135,321	(81,968)	1,047,314	1,100,667
Permanent endowment fund	36,152	(27,048)	359,191	368,295
	171,473	(109,016)	1,406,505	1,468,962
TOTAL FUNDS	<u>1,364,650</u>	<u>(2,671,388)</u>	<u>1,406,505</u>	<u>99,767</u>

Ogden Trust

Funds received for educational support of children (11+) of servicemen and women who have been seriously injured or killed whilst in service.

The Seafarers Charity

Funds received from The Seafarers Charity towards the welfare support of bereaved children and children of officers from within the Naval Service.

Queen Mary Roehampton Trust

Funds received from Queen Mary Roehampton Trust towards the welfare support of children of ex-service men and women in receipt of a war pension and/or disabled in service.

Greenwich Hospital

Funds received from Greenwich Hospital towards the salary costs of an Outreach Caseworker in Scotland and the Life Chances programme lead.

The Veterans' Foundation

Funds received from The Veterans' Foundation towards the salary costs of a Community Outreach Caseworker in South West England.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

20. MOVEMENT IN FUNDS - continued

Greenwich Hospital - Life Chances

Funds received from Greenwich Hospital towards a variety of projects within our Life Chances Programme. The programme aims to empower and improve outcomes for the children of Royal Navy personnel.

The Gosling Foundation - Life Chances: Tall Ships

Funds received from The Gosling Foundation for the Tall Ships voyages run by the charity as part of their Life Chances programme. The programme aims to empower and improve outcomes for the children of Royal Navy personnel.

Lest We Forget Association - Life Chances: Tall Ships

Funds received from Lest We Forget Association for the Tall Ships voyages run by the charity as part of their Life Chances programme. The programme aims to empower and improve outcomes for the children of Royal Navy personnel.

The Mordaunt Foundation - Life Chances: Tall Ships

Funds received from The Mordaunt Foundation for the Tall Ships voyages run by the charity as part of their Life Chances programme. The programme aims to empower and improve outcomes for the children of Royal Navy personnel.

Special Boat Service Association - Life Chances: Tall Ships

Funds received from Special Boat Service Association for the Tall Ships voyages run by the charity as part of their Life Chances programme. The programme aims to empower and improve outcomes for the children of Royal Navy personnel.

Thriving Through Childhood And Beyond

Funds received from The Armed Forces Covenant Trust Fund for the Thriving Through Childhood And Beyond project. The project aims to provide awareness of the impact of service life on families through development of a toolkit for Early Years and Higher Educational establishments. The charity has a partnership agreement with The University of Winchester to run the project.

The Noel Sweeney Foundation - West Midlands, Staffordshire and Shropshire

Funds received from The Noel Sweeney Foundation to cover our core work, providing crisis support to families supported in the geographical areas of Shropshire, Staffordshire and the West Midlands.

Sanctuary Lodge - Life Chances: Tall Ships

Funds received from Sanctuary Lodge for the Tall Ships voyages run by the charity as part of their Life Chances programme. The programme aims to empower and improve outcomes for the children of Royal Navy personnel.

The Phillips Charitable Trust - Neurodiverse Project

Fund received from The Phillips Charitable Trust towards our neurodiversity work, aimed at tackling the growing number of Naval families needing specialist help and support with a child or young person that has autism.

Transfers between funds

During the year the Charity made transfers as set out below:

	Unrestricted funds	Endowment funds
General fund	1,143,292	
Expendable endowment fund		(1,143,292)

Being transfers of investment income and investment withdrawals to support current beneficiaries as authorised by the constitution.

THE NAVAL CHILDREN'S CHARITY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025**

20. MOVEMENT IN FUNDS - continued

Transfers between funds - continued

	Unrestricted funds	Endowment funds
General fund	51,090	
Permanent endowment fund		(51,090)

Being transfers of investment income to support current beneficiaries as authorised by the constitution.

21. EMPLOYEE BENEFIT OBLIGATIONS

The charity operates a defined contribution pension scheme for all salaried employees. The pension charge for the period was £42,178 (31.3.24: £36,796). At the balance sheet date the contributions outstanding were £6,749 (31.3.24: £6,094).

22. PERMANENT ENDOWMENT INVESTED ON A TOTAL RETURN BASIS

The charity has exercised its rights by the Trustees under section 104(A) of the Charities Act 2011 on 1 March 2020. This power permits the trustees to invest permanently endowed funds to maximise total return and therefore to apply an appropriate portion of the unapplied total return to income. The unapplied total return remains invested as part of the permanent endowment until that power is exercised. When exercised it allows the trustees to apply an appropriate portion of the unapplied total return to income each year. During the current year the trustees have transferred £51,090 from unapplied total returns to unrestricted income funds.

	Endowment for investment £	Unapplied total return £	Total permanent endowment £
Brought forward			
Gift component of permanent endowment	2,299,183	-	2,299,183
Unapplied total return	-	1,039,881	1,039,881
Total	2,299,183	1,039,881	3,339,064
Movements			
Investment return: Dividend and interest	-	52,381	52,381
Investment return: Realised and unrealised gains and losses	-	86,102	86,102
Less: Investment management costs	-	(30,012)	(30,012)
Total	-	108,471	108,471
Unapplied total returns transferred to unrestricted funds	-	(51,090)	(51,090)
Net movements in the reporting period	-	57,381	57,381
Carried forward			
Gift component of permanent endowment	2,299,183	-	2,299,183
Unapplied total return	-	1,097,262	1,097,262
Total	2,299,183	1,097,262	3,396,445

THE NAVAL CHILDREN'S CHARITY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025**

23. RELATED PARTY DISCLOSURES

Certain trustees were associated with organisations which undertook transactions with the charity. All such transactions were undertaken in accordance with the charity's normal agreements with suppliers. None of the relevant trustees' were in a position of material influence within the organisations concerned such that transactions between the charity and the organisations require disclosure in the financial statements.

Key management

The total remuneration paid to those considered key management during the year was £220,527 (31.3.24: £211,026).

24. ULTIMATE CONTROLLING PARTY

The charity is controlled by the trustees on behalf of the members.

The Naval Children's Charity

England & Wales - Charity number 1160182

Accounts

Registered charity number England 1160182 Scotland SC052322

The Naval Children's Charity

(Adopted from The Royal Navy and Royal Marines Children's Fund 20.09.2024)

Trustees' report and financial statements
for the year ended 31 March 2024



Naval
Children's
Charity

THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

CHARITY INFORMATION

Charity name

The Naval Children's Charity (Adopted 20.09.2024)

Trustees

Mr Christopher Tite	Chair
Mr Kevin Arnold	
Vice-Admiral Martin Connell CBE	Vice-Chair
Capt Thomas Early RM	
Lt Col Ian Grant RM Retired	(Resigned as Trustee 09/10/2024)
Cdr Simon Howell	
WO Annette Penfold MBE	
Mr Ian Pitts FCCA	Hon Treasurer (Resigned as Trustee 29/06/2023)
Ms Ellen Riis-White	
Cdr Heather Rimmer MBE RN Retired	(Resigned as Trustee 01/07/2024)
WO1 Clare Robson RN	
Lt Ed Stout RN	(Resigned as Trustee 30/07/2024)
Dr Linda Williams	
Cdr Steve Warner RN	(Stepped down temporarily 09/03/2023, reappointed 15/01/2024)

Principal office

311 Twyford Avenue
Portsmouth
PO2 8RN

Country of registration and charity registration number

England – 1160182
Scotland – SC052322

President

Lt General Sir James Dutton KCB CBE KStJ ADC

Vice Presidents

Lieutenant General E G M Davis CB CBE
Major General F H R Howes CB OBE
Mrs S Owens-Cairns
Rear Admiral Mike Bath

Patrons

Dame Kristin Scott Thomas DBE
Eilidh McIntyre MBE
Imogen Stubbs
Jonathan Guy Lewis

Chief Executive Officer

Mrs Clare Scherer MBE

Young Ambassadors

Sian Smith
Marco Bruno Tomo Freire
Ella Baragwanath
Florrie Ransom
Holly Arkle
Hannah Taylor
Maddie Martin

THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

CHARITY INFORMATION

Independent auditor

Gibson Whitter
Larch House
Parklands Business Park
Forest Road
Denmead
Hampshire
PO7 6XP

Principal bankers

Lloyds Bank plc
Gosport
20-24 High Street
Gosport
PO12 1DE

Solicitors

Warner Goodman
8 College Place
London Road
Southampton
Hampshire
SO15 2FF

Investment Adviser

Meridiem Investment Management Ltd
(Formerly) Veritas Investment Management LLP
Riverside House
2A Southwark Bridge Road
London
SE1 9HA

THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

REPORT OF THE TRUSTEES

CHAIR'S COMMENTARY

This commentary provides me with an opportunity to reflect on the last financial year ended 31 March 2024 and also events which have happened since, with our trustees' report going into much more detail about our activities and performance for that year.

The Naval charity sector is wide and varied and supports serving and veteran Naval personnel and their families in many different ways. The system works well and, through our active collaboration with other charities, ours manages to reach an increasingly large cohort of beneficiaries. Of course, our primary focus is Naval children: they lie at the heart of what we do, and we aim to improve their lives in both the short and long term. We also work strategically across the military sector to improve the lives of all service children and therefore collaborate with tri-service charities and work closely with COBSEO and the SCiP Alliance.

We adopted a strategy in 2019, just before the pandemic took hold, which saw our work grouped around five strategic pillars. Earlier this year our trustees took time out to think about our future plans, set against a landscape of increasing need, and we concluded that our principal work should continue to concentrate on promoting the well-being and development of young people (by which we mean those up to and including the age of 25).

Wellbeing represents our bedrock crisis intervention activities, sadly still much in demand, with our devoted caseworkers in Portsmouth, Scotland and South-West England being at the forefront of the support we provide, mainly through the provision of financial support.

However, we are concerned also to promote the development of young people – including through our Life Chances programmes – by opening up avenues of opportunity to which they might not ordinarily have easy access. In that way, we will not just be spending money to support their wellbeing, but also investing to bring about major positive impacts on their futures. We run an annual calendar of rolling opportunities and work constantly to develop new partnerships so that our offer to young people is as broad as possible and with lasting effect.

Earlier this year we were thrilled to welcome Dame Kristin Scott Thomas as our new Patron. She is a Naval child and brings an invaluable perspective to support our activities. We look forward to working with her to promote a greater awareness and understanding of the charity.

We have also had to say farewell to some of our very long-serving trustees who have been committed and stalwart supporters: Ian Grant, Ian Pitts, Heather Rimmer and Ed Stout have all left us during 2024. Our heartfelt thanks to each of them for their amazing contributions over the years: their successors are going to have some very hard acts to follow!

Lastly, we were delighted that our work achieved recognition earlier this year when we were awarded the Military Family Charity of 2024. It is, I believe, a wonderful validation of all that we do which, as I have said before, is only made possible by the extraordinary people – our staff, trustees, volunteers and donors – who do so much to enable us to support Naval children. Our enormous thanks go to each and every one of them.

Christopher Tite
Chair

THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

REPORT OF THE TRUSTEES

The trustees have pleasure in presenting their annual report for the purposes of the Charities Act 2011, together with the accounts for the year ended 31 March 2024. In preparing this Annual Report and financial statements the trustees have adopted the updated provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

The Charity was constituted by a Charity Commission Scheme dated 26 October 1998, which came into operation on 1st April 1999. It enabled the merger of the charities previously known as the Royal Naval & Royal Marines Children's Home and The Royal Naval & Royal Marines Children's Trust. It became a charitable incorporated organisation (CIO) on the 1 August 2015 and adopted the working name "Naval Children's Charity" with effect from 16 March 2020. From the 20.09.24 the name of the Charity has been changed with approval of the Charity Commission to The Naval Children's Charity (NCC).

Trustees

Under its governing document (the constitution adopted when it became a CIO) the Charity may have up to fifteen trustees, with no more than 50% being serving members of the Armed Forces. Trustees are appointed for three-year terms. Currently there are ten trustees, four of whom are currently serving in the Royal Navy.

New trustees are selected by an open process and appointed based on the skills and experience that they can bring to the trustee board. There is an induction procedure for each new trustee, which includes briefings by the Chair and CEO and access to a trustees' online portal containing all information relevant to the Charity. Continuing training is also offered to trustees during their term in office.

Governance

Trustees meet three times annually. They delegate oversight of some functions to a Finance & Governance Committee (which meets at least twice annually) and a Grants Committee (which meets monthly to consider applications for assistance from the Charity).

Staff

The trustees delegate the day-to-day operation of the Charity to its Chief Executive Officer (CEO), who is supported by The Head of Operations and the Head of Finance. The Charity employs a specialist team of caseworkers to engage directly with beneficiaries, as well as other staff to support the Charity's operating needs.

The trustees are responsible for setting the remuneration of all staff, using external assessment and benchmarking when needed.

Risk

The Charity has identified the following principal risks:

- Governance – Lack of strategic planning
- Strategic – Ineffective or inappropriate organisational structure
- Compliance – Regulatory and funder reporting requirements are not adequately met
- Operational – Black Swan event
- Financial – Loss of income, dependency on limited funding sources
- Reputation – Loss of reputation caused by adverse publicity

The trustees regularly review risk and, identify ways in which to mitigate the likelihood of the relevant risk occurring and/or its impact on the Charity.

THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

REPORT OF THE TRUSTEES

OBJECTIVE AND STRATEGY

Objective

The Charity's object is the relief of dependent children (up to and including the age of 25) of serving and former members of the Royal Navy (includes Royal Navy, Royal Marines, QARNNS, WRNS, Reserves and Royal Fleet Auxiliary) who are in need, hardship, or distress.

The Charity may relieve beneficiaries in need by making grants of money to them; or providing or paying for goods, services, or facilities for them; or making grants of money to other persons or bodies who provide goods, services, or facilities to those in need.

"We believe that to be the child of someone who is, or has been, in the Royal Navy should be a positive and enhancing experience – something to be borne with pride. For those children where life is more difficult, we are there to help."

Vision

Our vision is that every Royal Navy and Royal Marines child and young person has their spirit and talent unlocked giving them a brighter future and helping them to realise their full potential.

Mission

Our Mission is to support the wellbeing and development of children and young people from Royal Navy and Royal Marines families, serving and veteran, in recognition of the unique situations they and their families face.

Strategy

The Charity's activities focus across two main strands: **WELLBEING** AND **DEVELOPMENT** which are delivered through five strategic pillars which place children at the heart of our work, improving their lives in both the short and long term:

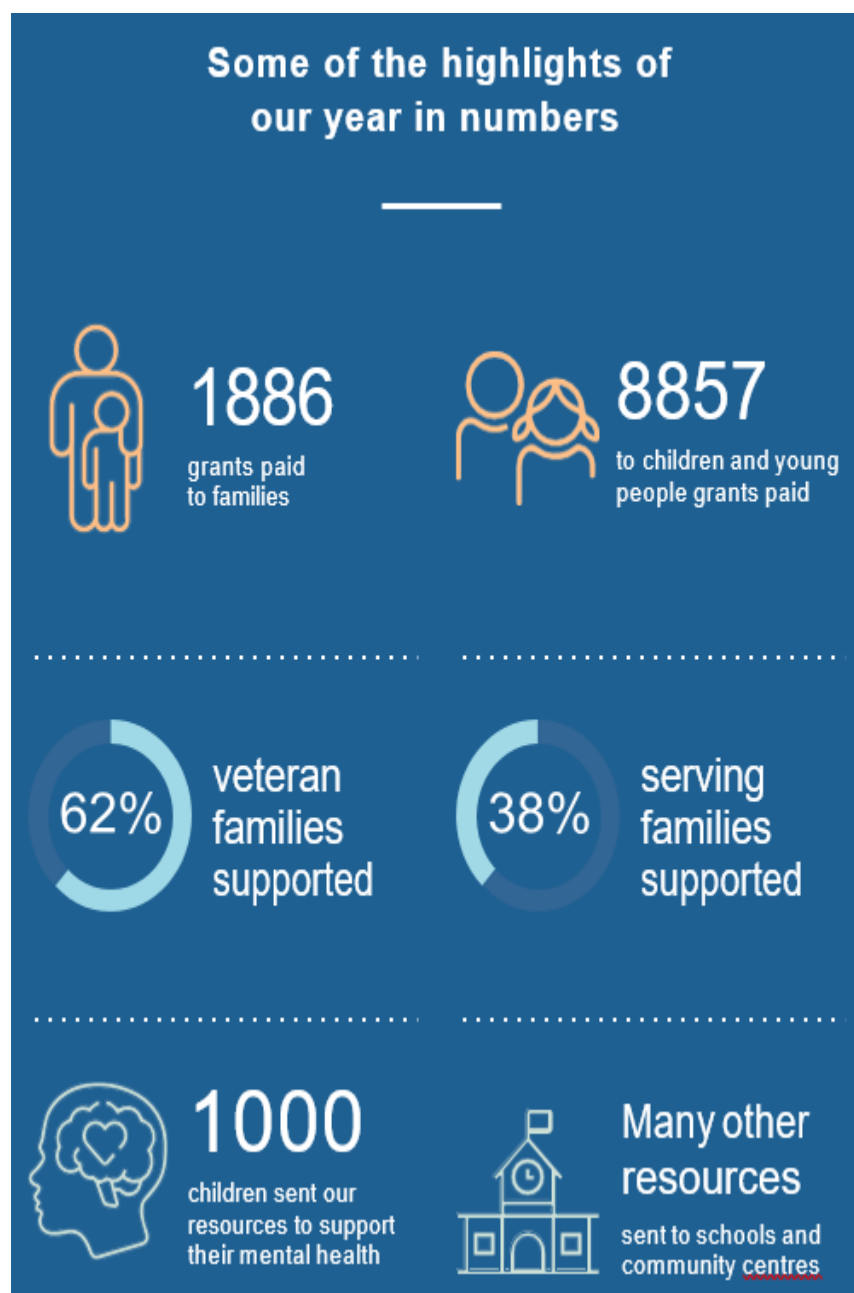


THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

REPORT OF THE TRUSTEES

ACTIVITIES AND PERFORMANCE



Naval children are our exclusive focus, we have been helping Naval Children since 1831, firstly as orphanages and then evolving into the present-day Charity. To ensure children always remain at the heart of our work we focus our activity on two key strategic strands: **WELLBEING** AND **DEVELOPMENT** which we deliver through five strategic pillars of support: health, wellbeing, security, education, and life chances. These pillars enable us to improve children's lives in both the short and long term, not just by supporting those in crisis but working pro-actively to enhance their lives through new projects and initiatives that open the door to greater opportunities.

How we work

Children and families can come to us for help through many ways giving breadth and range of accessibility to accessing our support around the UK.

By working collaboratively with other organisations and having our own in-house Casework team we can ensure that families seeking support get access to that as quickly and as compassionately as possible. Some of the ways families can access support are as follows:

Serving personnel and their families can come through [RN FPS](#) (Royal Navy Family and People Support), both serving and veteran can come through the network of [SSAFA](#), [RBL](#) or other caseworkers around the UK who, along with other charities in the Armed Forces Sector, use the central Case Management System (**Mosaic**) managed by SSAFA (The Armed Forces charity, the Soldiers, Sailors, Airmen and Families

Association). We also use a new portal, [Lightning Reach](#), similar to Mosaic, where families can refer themselves directly to us and which provides them with access to a wide range of financial support through charities, local authority schemes, and discounted tariffs using one application made to multiple providers. It also enables the applicant to assess that they are receiving all the statutory benefits to which they are entitled. We are a full case-working organisation and can therefore almonise (to collaborate between benevolent organisations in providing financial support to beneficiaries) easily with the other charities, ensuring best outcomes for our families.

We take **self-referrals** from families and referrals through other sources. We employ nine caseworkers, seven at the head office in Portsmouth and, as part of our Caseworker Outreach Programme, one in Faslane, funded by [Greenwich Hospital](#), covering Scotland and one in Plymouth, funded by the [Veterans Foundation](#), covering the Southwest of England, who deal directly with the families and work in partnership with the SSAFA caseworkers, RN FPS and grant administrators from other charitable organisations.

THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

REPORT OF THE TRUSTEES

The caseworking team assess the needs of the children through an initial triage system and need is determined by a financial assessment, including all family circumstances such as bereavement, disability or illness of a child, parent, or sibling. Where possible, a home visit is conducted and much of the caseworking is by telephone or as online appointments virtually.

Once need has been established, appropriate support is determined and, if financial assistance is required, a grant awarded and given either directly to the family concerned or administered through SSAFA or another charitable organisation. No cap is applied to grants either in time or money, other than the age limit of up to and including the age of 25 for children.

Impact

To evaluate and assess the impact of our support, we gather feedback from our families using our feedback survey. This consistently shows that our support is life-changing to many families who come to us feeling anxious, stressed, in crisis, ill, worried, depressed, and scared. Following our support, both financial and holistic, the families report feeling supported, an improved sense of wellbeing, a better quality of life and improved independence.

During the year we expanded and developed our team to ensure we are best placed to respond to the needs of our families. The Caseworking team were appointed as specialists in different areas such as neurodiversity, education, mental health and wellbeing, non-UK, safeguarding, benefits, and complex needs with a Triage system in place to ensure families are assessed and responded to quickly and appropriately. We also appointed our second Outreach Caseworker, funded by the [Veterans Foundation](#), in Plymouth to cover the Southwest of England. This role is to ensure that we can understand and respond to the needs of our children in that area where there is a high concentration of Naval families.

Our Senior Leadership Team is supported by a Project Manager, Data/Administration and a Volunteer, Community and Digital Marketing Lead ensuring robust financial and governance as well as enabling us to reach more families than ever, ensuring that help is being delivered where needed. A new Marketing Committee has been formed of Trustees, staff, and consultants. They have worked to develop an increased breadth and scope of our communications to our beneficiaries and funders, improving our website and clarity of message.

Plans for future periods

Our Chair's report outlines our principal priorities for next year and beyond.

SUPPORT TO OUR CHILDREN AND YOUNG PEOPLE AND THEIR WELLBEING AND DEVELOPMENT

Building on our two key strands of work delivered through our five strategic pillars of support: health, wellbeing, security, education, and life chances we have amended our Mission and Vision to reflect our commitment to improving the outcomes of our children and young people in both the short and long term, not just by supporting those in crisis but working pro-actively to enhance their lives through new projects and initiatives that open the door to greater opportunities.

Many of our families come to us in times of **crisis** or when they are just struggling to cope with the challenges that come both with the impact of their service but also through disability or illness, either of the parent or one of their children. Our caseworking team have specialist knowledge of different areas where we can support with a growing number of partnerships and collaborations in place to support.

Our **Neurodiversity Lead** has developed a wide range of knowledge and expertise on what support is available to our beneficiaries around the UK and is able to answer many of the worries brought to us by families struggling to find the appropriate diagnosis, assessment, and treatment for their children. Our **partnerships** with the [National Autistic Society](#), [KIDS UK](#) and others provide routes for faster access to diagnosis and assessments and our use of TAC Access, a directory of children and young people specific counsellors allows families to get the ongoing support they need, often funded by us as part of our package we put in place for families.

THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

REPORT OF THE TRUSTEES

In 2023/24 we awarded:



2551
grants in the
scheme



563
children with a
regular monthly
payment for
basic needs



231
Families given
a grant at
Christmas



152
grants for
brown/white
goods

We continue to provide financial grants for items such as wheelchairs, beds, specialist equipment, and house adaptations as well as with the additional financial constraints that can arise, so the care, healing and on-going health of the child or parent is not only supported but that of those caring for them as well. Other grants are given as families continue to face challenges from the cost-of-living crisis and the increasing demands the Service places on them, with long deployments and separations now the norm.

We continue to see a growing need for support through our **Emergency Essentials Grant Scheme** which enables us to deliver crucial support to vulnerable families. Often facing issues around family breakdown, domestic violence, and significant financial hardship we provide timely and focused grants for items such as groceries, clothing, school uniform, and other necessities so no family must face things alone or risk falling into further crisis. This scheme is invaluable where the stresses placed on families could lead to marital breakdown, leaving Service in the Royal Navy and significant mental health crisis which could lead into more serious situations for our families. As part of this scheme, we also give regular charitable payments (RCPs) to those families who are experiencing long term struggles in their lives. These monthly payments help them over a continuous period and are regularly reviewed. Over the last year we have seen a further upsurge in need for this type of support, much of which is being driven by the cost of-living crisis as well as RCPs to families who are separated from their children or where their circumstances require regular travel to hospital or other appointments.

To support the mental health and **wellbeing** of all our Naval children, not just those in crisis, we provide **free resources** aimed at helping them understand separation and deployment and just as importantly, how to manage their mental health. This includes books, stories, journals and more – each carefully targeted towards a specific age demographic so the child or young person feels both supported and empowered to cope with any challenges they may be facing.

This year we launched a new, online, toolkit, **Doing Distance**, to help professionals, parents, and others to support children and young people from Military families. Gifted to us by the clinical psychologist [Julie Stokes OBE](#) and her team at [Bear us In Mind](#), this was originally developed to support children of Ukrainian refugee families. One of our caseworkers, Frankie Stride, has adapted the toolkit to specifically address the challenges faced by our children and young people and is available to all, for free, on our website.

Books for All project with the [Naval Families Federation](#). This project offers free books to our families, children, young people, and schools aimed at addressing many of the challenges that impact their mental health. This project is being further developed to offer 'Wellbeing Packs' of books and other resources to support mental health and specific challenges such as Neurodiversity, parenting challenges and bereavement.

THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

REPORT OF THE TRUSTEES

In 2023/24 we gave:



662

Education grants



110

Grants towards
SEND



51

Grants towards
computer
equipment



18

Grants towards
school and
community
projects

We are committed to ensuring that all our children and young people are able to receive the best **education** they can and tackle this through provision of educational support grants towards emergency childcare, school uniform, laptops and IT support, extra lessons, travel for school trips, and grants for students entering college, Higher education, or apprenticeships so no matter what their circumstances, a child or young person can still access the same opportunities as their peers.

Where a child has SEND (Special Educational Needs and Disabilities) we provide advice and support on applying for EHCPs (Education, Health, and Care Plan), as well as therapies and assessments to enable children to obtain diagnosis. Our collaborations and partnerships with organisations such as the [National Autistic Society](#) supports this area of our work as it enables us to identify those children in need of a formal diagnostic assessment and work together with families to ensure that assessment is obtained.

As children leave school, we also provide grants to support their transition into adulthood, supporting children up to the age of 25. These grants range from RCPs during the academic year whether at college, university or throughout the year if undertaking an apprenticeship to set-up grants for equipment and books to help them with their studies.

We are members of the [Educational Trusts Forum](#), to ensure we collaborate with other charities, organisations and schools that offer financial educational support to children. We also work closely with the [SCiP Alliance](#) and are working with [Cobseo](#) to develop further collaboration around the needs of children, to ensure that we are able to understand and respond to the needs of our children and young people in today's society. We are working closely with the [Forces Employment Charity](#) to offer bespoke advice and guidance to our children and young people to help them improve their CVs and options for further and higher education and employment opportunities.

We received a generous three-year grant from the [Armed Forces Covenant Fund Trust \(AFCFT\)](#), in partnership with the [SCiP Alliance](#), to develop their Thriving Lives Toolkit for early years and higher education. Part of the AFCFT Transformational Grants Programme this work to enhance the support given to our Armed Forces children and young adults throughout their education is pivotal in improving their outcomes in life.

In 2021 the Naval Children's Charity published research, building on original research in 2009, which identified the key challenges facing our children and young people (CYP). The Impact of Service Life on the Military Child [here](#) was groundbreaking in identifying where our CYP are most disadvantaged. We are informed additionally by: Living in Our Shoes [here](#) commissioned by the MoD, the SCiP Alliance research into the educational attainment of Service children [here](#) and the Naval Family Federation research into the challenges affecting our families [here](#).

This research has shown that for some children from Military families, life can bring enormous challenges, affecting their health and wellbeing but also, in some cases, their outcomes in life. We are determined to drive our work forward to address those challenges, improve their outcomes, and offer support to ensure the best futures for our children and young people.

As part of our development delivery to children, our new and exciting strand of our work called our **Life Chances programme** will give them access to unique opportunities designed to bring out their skills, build their confidence and improve their physical and emotional wellbeing. We are further developing partnerships to bring these opportunities to our children and young people. In the past year we have worked with the [Tall Ships Youth Trust \(TSYT\)](#) offering sponsored voyages, helping young people to develop transferable life skills such as communication, resilience, and teamwork, the [Forces Employment Charity](#), the [Forces Children's Trust](#) and [Annington Challenge](#) to offer Outward Bound opportunities, [Artswork](#) to offer a creative programme, the [RNA](#) as part of their collaboration across Europe with the [International Maritime Confederation \(IMC\)](#), [RNSA](#) and the [Andrew Simpson Foundation](#) as delivery the Youth Crew: Sail and Swim programme funded by [Greenwich Hospital](#) to offer individual sailing and swimming lessons to children of serving parents.

THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

REPORT OF THE TRUSTEES

Youth Voice. In 2024 a group of our amazing young people came together in a project led by [Leaders Unlocked](#) to ensure that the **Youth Voice** was at the heart of the support we offer, particularly the Life Chances programme as it is developed. Their recommendations will form the backbone of the programme moving forward and we are delighted to announce that they are going to be the inaugural members of our **Youth Council**. Exploring the **Hear by Right** framework from the **National Youth Agency** and collaborating closely with partners such as the [Youth Forum](#) and community development team funded by MoD tri-service, we will embed our children and young people at the heart of all that we do.

This programme will be more widely developed over the next three years, in collaboration with our main Funding partner, [Greenwich Hospital](#) and our other funders such as the [De Wintons](#), the [Gosling Foundation](#), the [Lest We Forget Association](#), the [Mordaunt Foundation](#) and many more. Our thanks go to all our partners, funders, and collaborators for helping us develop this important strand of our work.

IMPACT

During the period of April 2023 – March 2024, 100% of grants and donations we received were spent on direct charitable activity, with £2.5k million being spent on direct charitable activity overall. The Charity also administered over £90k in grants on behalf of partner charities. This enabled us to pay 8857 grants to children, awarding 1886 to families over the course of the year, an increase of 54% from the 5470 in the previous year. A breakdown of this spend across all five of our pillars can be seen below. All other expenditure was covered by our own resources, drawn down from our investments.

We are seeing the impact of our Outreach caseworkers in their communities with more families accessing support and guidance from them. Demand for our resources continues to grow.

COLLABORATION

While we continue to operate as an independent charity, we genuinely could not provide the support that we offer with our work in **collaboration** with many other charities and organisations from the Naval, wider Military and Charity sector, children, and education sectors and across the devolved nations.

By working in **partnership**, identifying, and **collaborating** with best practice in the areas that affect our children and young people we can ensure the best ROI (return on investment) for our and our funders money.

We therefore strive to ensure that, as much as possible, all our work is collaborative, and partnership working is at the centre of all that we do. For our Welfare delivery we particularly collaborate with the Naval benevolent charities: [RNOC](#), [RNBT](#), [TRMC](#) and [SCS](#). In some areas of our Welfare delivery, we also collaborate or have partnership agreements to provide bespoke support where there are CYP with neurodiversity such as the [National Autistic Society](#) and [Kids UK](#). We are proud to be part of the [RNRMC Strengthening Families](#) programme.

We are also working in partnership with the [RNRMC](#) through the formation of a new group, Working Together Children and Families, together with [NFF](#), [RN FPS](#) and [Greenwich Hospital](#) to see how we can align in our delivery more closely.

We also collaborate and partner with other charities and organisations that support and work with military families. Some key collaborations include:

[RNOC/RNBT/TRMC](#) – the other key benevolent charities in the Naval sector. We collaborate with them on a high percentage of cases that we are looking at, ensuring that families receive a package of support for their needs and there is no duplication of effort or grants/delivery.

[SSAFA/RBL](#) and other caseworking organisations. We are a caseworking organisation on the Mosaic case management system run by the Military Charity Sector. The network of caseworkers, mainly volunteer, around the UK are integral to providing access for families to the support that we can offer. Whilst in some cases we need to unpick in more detail the child needs in the family the work that is conducted by these organisations enables us to reach families across the UK.

THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

REPORT OF THE TRUSTEES

RN FPS the internal welfare system for the Royal Navy. It is a vital relationship giving both access to our support but also the collaborative piece to ensure that the family are receiving the support they need from within the Royal Navy.

Lightning Reach – the new portal that provides an access point for families seeking support. Key benefits of this system include – the ability to check and access any benefits that the family are eligible for – particularly of merit where there is disability or illness, so the family get additional benefits. The almonisation of support across a wider sector – this particularly works for our veteran families where they are on a second career and that may have its own benevolent organisation that can also support – e.g. engineers. It is also incredibly user friendly, much more so than Mosaic, and relevant paperwork and documentation can be uploaded with ease, through a mobile phone in most instances.

Sailors' Children's Society SCS. We collaborate and meet on a regular basis, interacting at both caseworker/direct support level as well as CEOs meeting quarterly. We did a review of our joint support to children a year ago and have set clear guidelines to ensure there is collaboration not duplication.

National Autistic Society, Kids UK, Purple House. We partner with these three organisations, and others such as Wave Therapy, to provide more bespoke expert support to our children with neurodiversity. Families are assessed by our casework team and, where appropriate, are then referred through our partnership to paid sessions to provide pre-diagnostic, diagnostic and full assessments. These referrals are offered to fill in gaps in statutory provision and, where we can, fast track our families to ensure that children are then getting the correct support in school.

TAC Access is a partner that provides an online directory of BACP registered professional counsellors that specialise in children and young people. We can allocate the family funding to access counselling support, streamlining both the access to and choice of therapist and also the funding which is paid directly to the counsellor through the portal.

Cobseo. We represent our CYP on two existing clusters – Serving and Spouse/Employment. We are also working as the lead with Cobseo to develop a Children focused cluster.

The **SCiP Alliance** supports Service children across the UK. The NCC chairs their Management Group and represents that group on their Board. This involves bringing together representatives from across various sectors including MoD, HE, Schools, Early years, Local Authorities, and charities across the UK, including the devolved nations. All involved have a passion for improving the lives of our military CYP.

We have a partnership with the **NFF** to improve the wellbeing of our children and families through a project Books for All providing free books to families and schools. This project is undergoing a period of development together with the **Sailors' Children's Society** to develop a range of Wellbeing Packs targeted at the Key Stages/Age ranges and specific issues.

Our new Life Chances programme is providing increased partnership and collaborative working as the programme is developed. One recent workstream involved a project that was a co-production with our CYP to 'hear their voice' and understand their needs. This is now providing a useful framework for the Life Chances programme development. Partners within the programme include the **Forces Employment Charity**. The CYP involved in the 'Voice' project are now forming a **Youth Council** to continue to inform our work.

Research plays an important part in our work – underpinning our delivery. Whether that is through rigorous research by a university, such as the research commissioned by the NCC, or through more qualitative such as our CYP voice project above. We will be collaborating with a new piece of research being conducted by six universities in the UK around the social determinants of health for our CYP. We also conduct our in-house research of our data and, working with consultants, are developing an evaluation framework for our work to ensure we are using that data to best effect – to drive the direction of our work and focus on key areas.

The Charity is co-Chair of the **Educational Trusts Forum**, the CEO is on the Main Board of the **SCiP Alliance** (supporting service children in schools) as Chair of the Management Group. This work is tri-service and aimed at understanding and enhancing collaboration and delivery of support to all Service children across the UK. She was awarded an MBE in the King's Birthday Honours list in June 2023 for her, and the Charity's, work supporting Naval families.

THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

REPORT OF THE TRUSTEES

FUNDRAISING

The Charity does not actively raise funds from the public. We remain grateful to everyone who chooses to support us financially through fundraising in their communities, donations, and legacies. We would also like to thank those who volunteer for us, their support is invaluable. We would particularly like to thank **Sian Smith** and **Jan Musson** who support us in the office and **Julian Kirk** and **Gina Wise** who support us in the RAF Marham area.

Grants from Trusts, foundations, and corporate partners

The Charity is incredibly grateful to the major donors referred to below for their significant and consistent support. We genuinely could not offer the bespoke, wide ranging and much needed support to our families without their grants and funding.

Our biggest and most significant funding comes from our two main funding partners: the **Royal Navy & Royal Marines Charity (RNRMC)** and **Greenwich Hospital**, and we continue to work closely with both of those organisations. **Greenwich Hospital** have also provided us with a substantial three-year grant towards the salary costs of our Scotland Outreach Caseworker, Project Manager, and Data Admin Support to help enhance the care and support we give beneficiaries and promote the development and growth of the charity. They also support our growing Life Chances programme.

The Seafarers Charity have given regular support over many years, we were one of the first grants ever awarded when they were formed, as the King George's Fund for Sailors, back in 1917, with grants towards our core costs as well as a restricted fund for the children of Officer's in the *Royal Naval Service, including the Royal Navy, Royal Marines, Royal Fleet Auxiliary and Reserves.*

Trinity House have also very generously continued to provide an annual grant.

The **Ogden Armed Forces Bursary** is a Restricted Fund which supports children aged 11+ of those seriously injured or killed during deployment or those suffering with PTSD from across the Armed Forces. There are currently two children benefiting from this bursary. The fund will close once the bursaries to the existing children have been paid.

Queen Mary's Roehampton Trust provides us with a grant to support the children of those receiving a War Pension, for which we are incredibly grateful.

The Charity also acknowledges with thanks those other trusts, foundations and corporate partners who have generously supported our work during the year. These include: the **De Wintons**, the **Gosling Foundation**, the **Lest We Forget Association**, The **Naval Ladies Charitable Trust**, The **Edinburgh Trust**, **Sir James Knott Trust**, **The Mordaunt Foundation**.

THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

REPORT OF THE TRUSTEES

FINANCIAL REVIEW

Summary

- The period under review is the year ended 31st March 2024
- The Charity's incoming resources amounted to £1,364,650.
- Total expenditure was £2,671,388, including expenditure on charitable activities of £2,551,607 (95% of all expenditure).
- 100% of all donations and grants is spent directly on beneficiaries.
- Our operating deficit was funded by cash withdrawn from reserves.
- As at 31 March 2024 net assets were worth £12,668,434, which our trustees consider to be an appropriate level of reserves having regard to their future plans for the Charity.

Public benefit

The identifiable benefit provided by the Charity is the relief of children of serving and veteran personnel of the Royal Navy who are in need, hardship, or distress thereby contributing to the health, welfare, and social cohesion of the Nation. Additionally, this contributes to maintaining or improving morale within the Royal Navy and thus to the quality of these vital components of the Nation's Armed Forces and, thereby, to the defence of the Nation.

Our work is targeted at helping children who are in need, often in crisis but also those who need support as result of the impact of their parents' service in the Royal Navy. Providing support to all our children in need reduces the risk of crisis arising and improves outcomes, both socially and educationally.

Through its grant making to serving and veteran Royal Navy personnel and dependants in need, the Charity demonstrates its support of the Military Covenant between the Nation and its Armed Forces and has signed the Armed Forces Covenant as a reflection of that support.

Investment Policy

Directive to Meridiem Investment Management

The Charity's object is the relief of dependent children (up to and including the age of 25) of serving and former members of the Royal Navy (includes Royal Navy, Royal Marines, QARNNS, WRNS, Reserves and Royal Fleet Auxiliary) who are in need, hardship, or distress.

The Charity may relieve beneficiaries in need by making grants of money to them; or providing or paying for goods, services, or facilities for them; or making grants of money to other persons or bodies who provide goods, services, or facilities to those in need.

"We believe that to be the child of someone who is, or has been, in the Royal Navy should be a positive and enhancing experience – something to be borne with pride. For those children where life is more difficult, we are there to help."

Funds held in the RN & RM Children's Trust at the time of the merger (constitution was approved on 26th October 1998) were allocated as permanent endowment and the funds held in the RN & RM Children's Home were allocated as expendable endowment. On 1 March 2020, the charity exercised its rights by the Trustees under section 104(A) of the Charities Act 2011 to invest permanent endowment funds on a total returns basis. On this date, the gift component of the permanent endowment fund £2,299,183.

Investment Powers

Following the 2019 Strategic Review, the Trustees seek to use some of the income and capital gain returns (total returns) from the invested Permanent and Expendable Endowment Funds to cover the operating costs of the charity, thereby allowing external funding to be devoted to charitable activities. After a number of years of positive total returns, the Trustees wish to adjust their

THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

REPORT OF THE TRUSTEES

approach to investment by withdrawing into holding accounts sufficient money for three year's operating costs and allowing Meridiem to concentrate on growing the remaining investment. As well as securing the funds needed for three year's operating costs, this means the Charity will not need to withdraw funds should the portfolio experience a more difficult performance period.

The NCC continues to delegate discretionary investment management to Meridiem Investment Management in accordance with the Charitable Incorporated Organisation (CIO) Constitution 4.1.8, the Investment Management Agreement, this Policy Directive, the powers conferred by the Trustee Act 2000 and any amplifying guidance issued by the Charity Commission. Any queries should be raised with the Chief Executive who will advise the Chair and Treasurer.

Investment Objectives

The Charity's reserves are held in an investment portfolio and cash deposits.

The Trustees adopted a cash withdrawal policy, providing for the periodic release of cash from our investment portfolio, allowing our investment advisors to concentrate on achieving total return growth to replace cash withdrawn over time while the Charity holds cash on deposit sufficient to fund its near-term operating requirements.

The investment objectives for the portfolio are:

- To protect and grow the real value of the Expendable and Permanent Endowment Funds
- To maintain a minimum balance in cash to assist with cashflow as and when required
- To provide additional drawdown and withdrawal of funds if required by the charity
- The benchmark is a real return of CPI + 3% on a rolling 5-year basis net of fees

Risk

In seeking to meet the Charity's objectives the Trustees are prepared to tolerate a medium level of risk. Volatility is to be minimised with respect to both capital and income.

Asset Allocation

Meridiem has discretion to adjust asset allocation within the following bands, to be reviewed at least annually.

Cash & Fixed Interest	10-50%
Equities	45-90%

If the above parameters are likely to be breached, then advice is to be sought from the Finance and Governance Committee.

Investment Restrictions

No more than 5% of the portfolio may be invested in any one direct equity or bond investment at the date of purchase. If because of market movements, the weighting increases to 7%, Meridiem will review the holding with a view to reducing the position in the following months and notify the Chair. The fund manager may invest directly in sub-investment grade bonds. However, no more than 5% of the portfolio may be directly allocated to such bonds at the date of investment. Should the manager invest via a pooled vehicle, which should allow some diversification of risk, a maximum of 7% may be allocated to this asset class at the date of investment. No bonds may be purchased with an S&P credit rating of CCC or lower. Non-rated bonds can be held where Meridiem Investment Management deem them to be equivalent to investment grade. No direct investments are to be made in derivatives.

Environmental and Social Governance

The Trustees recognise that responsible corporate behaviour with respect to ESG issues can have a positive influence on the financial performance of companies. Meridiem should take this into account when considering the Charity's investment objective. Meridiem should also note that where the investment managers consider there may be a conflict of interest to the aims of the Charity, they should refer the investment to the Chair for his authority.

THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

REPORT OF THE TRUSTEES

Reserve Policy

A prerequisite of fund accounting is an understanding of the different classes of funds a charity may hold in trust. A charity may hold both unrestricted and restricted funds. Income generated by the investment of a particular fund's assets accrues to that fund unless the terms of the initial gift provide otherwise, for example in the case of a permanent endowments.

Unrestricted funds are spent or applied at the discretion of the trustees to further any of the charity's purpose. Unrestricted funds can be used to supplement expenditure made from restricted funds. Trustees may choose during the reporting period to set aside part of the unrestricted funds to be used for a particular future project or commitment and this can be set up as a **designated fund** that remains part of the unrestricted funds of the charity. Identifying designated funds may be helpful when explaining the charity's reserve policy and the level of reserves held.

Restricted funds can be specified in several ways. The donor when making a gift or legacy. Grant makers funding specific projects or posts.

Restricted funds fall into two categories, **restricted income funds** or **endowment funds**.

Restricted income funds are to be spent or applied within a reasonable period from their receipt to further a specific purpose of the charity. Alternatively, the restricted fund may be an endowment. Trust law requires a charity to invest the assets of an endowment or retain them for the charity's use in furtherance of its charitable purposes, rather than apply or spend them as income.

A gift of endowment, where there is no power to convert the capital into income, is known as a **permanent endowment fund**. Where the Trustees have the power to convert the endowment funds income, such funds are known as **expendable endowments**.

The NCC's funds are split between permanent and expendable endowment, they are there to:

- Generate total returns for sustained operations.
- Sufficient free reserves to be able to meet or smooth out the unexpected fluctuations in charitable expenditure, to be able to meet the increasing needs of the current beneficiaries and remain sustainable for both current and future generations.
- Sufficient free reserves to be able to meet or smooth out any unexpected shortfall in income from our major donors so enabling our level of support to beneficiaries to remain consistent.
- The annual administration costs of the Charity will be funded by the release of cash from investment so ensuring that all donations and funding received are used 100% towards our charitable activities.
- The current expendable endowment fund will be held in part in holding accounts to cover 3 years of operations and will support the estimated budgetary deficit for the next 5 years and continue to generate investment income.

With these aims in mind the reserves are invested with the purpose of protecting and growing their real value on a total return basis.

As at 31 March 2024 net assets were worth £12,668,434 (2023 – £12,568,667), which our trustees consider to be an appropriate level of reserves having regard to their plans for the Charity. At 31 March 2024 the unrestricted general funds (the SORP defined Reserves) were £nil (2023 – (£54,786)).

THE NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

REPORT OF THE TRUSTEES

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing their report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Charity and of the incoming resources and application of resources 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 Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper 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 Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Constitution. 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.

The trustees are responsible for the maintenance and integrity of the Charity and 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.

Approved by the trustees and signed on their behalf.

Christopher Tite

Chair

Date: 5 December 2024

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE NAVAL CHILDREN'S CHARITY

Opinion

We have audited the financial statements of The Naval Children's Charity (the 'charity') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Matters on which we are required to report by exception

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE NAVAL CHILDREN'S CHARITY

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

- We obtained an understanding of the legal and regulatory framework in which the company operates. The key laws considered included the Charities Act. We have corroborated our enquiries through review of Trustee minutes.
- We have evaluated management incentives and opportunities for fraudulent manipulation of the financial statements including management override of controls and the application of revenue recognition at cut-off and considered that the principal risk was related to the posting of inappropriate journal entries to improve the result before the year end. We have addressed this by assessing journal entries as part of our planning audit approach.
- We have enquired of management and those charged with governance in respect of known or suspected instances of non-compliance with laws and regulations.
- We have also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE NAVAL CHILDREN'S CHARITY**

Use of our report

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

Gibson Whitter Limited
Statutory Auditors
Larch House
Parklands Business Park
Denmead
Hampshire
PO7 6XP

Date: 5 December 2024

THE NAVAL CHILDREN'S CHARITY

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	31.3.24 Total funds £	31.3.23 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	48,454	-	-	48,454	28,833
Charitable activities	4					
Support of Naval Families		775,300	362,870	-	1,138,170	933,300
Investment income	3	6,553	-	171,473	178,026	145,232
Total		<u>830,307</u>	<u>362,870</u>	<u>171,473</u>	<u>1,364,650</u>	<u>1,107,365</u>
EXPENDITURE ON						
Raising funds	5	10,765	-	109,016	119,781	118,660
Charitable activities	6					
Support of Naval Families		2,195,918	355,689	-	2,551,607	1,759,375
Total		<u>2,206,683</u>	<u>355,689</u>	<u>109,016</u>	<u>2,671,388</u>	<u>1,878,035</u>
Net gains/(losses) on investments		-	-	1,406,505	1,406,505	(48,915)
NET INCOME/(EXPENDITURE)		(1,376,376)	7,181	1,468,962	99,767	(819,585)
Transfers between funds	20	<u>1,431,162</u>	<u>-</u>	<u>(1,431,162)</u>	<u>-</u>	<u>-</u>
Net movement in funds		54,786	7,181	37,800	99,767	(819,585)
RECONCILIATION OF FUNDS						
Total funds brought forward		(54,786)	20,451	12,603,002	12,568,667	13,388,252
TOTAL FUNDS CARRIED FORWARD		<u>-</u>	<u>27,632</u>	<u>12,640,802</u>	<u>12,668,434</u>	<u>12,568,667</u>

The notes form part of these financial statements

THE NAVAL CHILDREN'S CHARITY

**BALANCE SHEET
31 MARCH 2024**

	Notes	31.3.24 £	31.3.23 £
FIXED ASSETS			
Investments	14	12,771,898	12,072,031
CURRENT ASSETS			
Debtors	15	98,994	251,322
Cash at bank and in hand		135,886	492,703
		<u>234,880</u>	<u>744,025</u>
CREDITORS			
Amounts falling due within one year	16	(320,407)	(246,389)
		<u>(85,527)</u>	<u>497,636</u>
NET CURRENT ASSETS			
		<u>(85,527)</u>	<u>497,636</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		12,686,371	12,569,667
CREDITORS			
Amounts falling due after more than one year	17	(17,937)	(1,000)
		<u>(17,937)</u>	<u>(1,000)</u>
NET ASSETS			
		<u>12,668,434</u>	<u>12,568,667</u>
FUNDS	20		
Unrestricted funds		-	(54,786)
Restricted funds		27,632	20,451
Endowment funds		12,640,802	12,603,002
		<u>12,668,434</u>	<u>12,568,667</u>
TOTAL FUNDS		<u>12,668,434</u>	<u>12,568,667</u>

The financial statements were approved and authorised for issue by the Board of Trustees and authorised for issue on 9 October 2024 and were signed on its behalf by:

.....
Mr C Tite - Trustee

THE NAVAL CHILDREN'S CHARITY

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

	Notes	31.3.24 £	31.3.23 £
Cash flows from operating activities			
Cash generated from operations	1	(1,241,481)	(809,447)
Net cash used in operating activities		<u>(1,241,481)</u>	<u>(809,447)</u>
Cash flows from investing activities			
Purchase of fixed asset investments		(2,460,893)	(3,744,262)
Sale of fixed asset investments		3,167,531	3,953,453
Interest received		6,553	9,113
Dividends received		171,473	136,119
Net cash provided by investing activities		<u>884,664</u>	<u>354,423</u>
Change in cash and cash equivalents in the reporting period		<u>(356,817)</u>	<u>(455,024)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>492,703</u>	<u>947,727</u>
Cash and cash equivalents at the end of the reporting period		<u><u>135,886</u></u>	<u><u>492,703</u></u>

The notes form part of these financial statements

THE NAVAL CHILDREN'S CHARITY

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.24 £	31.3.23 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	99,767	(819,585)
Adjustments for:		
(Gain)/losses on investments	(1,406,505)	48,915
Interest received	(6,553)	(9,113)
Dividends received	(171,473)	(136,119)
Decrease/(increase) in debtors	152,328	(4,869)
Increase in creditors	90,955	111,324
Net cash used in operations	<u>(1,241,481)</u>	<u>(809,447)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.23 £	Cash flow £	At 31.3.24 £
Net cash			
Cash at bank and in hand	492,703	(356,817)	135,886
	<u>492,703</u>	<u>(356,817)</u>	<u>135,886</u>
Total	<u>492,703</u>	<u>(356,817)</u>	<u>135,886</u>

THE NAVAL CHILDREN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the Charity has control over the item. Fair value is determined on the basis of the value of the gift to the Charity. For example the amount the Charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the Charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from government and other grants are recognised at fair value when the Charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and cash deposits. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the Charity's right to receive payment is established.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised:

- Costs of raising funds; which includes the costs of organising events and investment management fees.
- Expenditure on charitable activities; which includes grants made to beneficiaries and costs incurred to support those activities.

THE NAVAL CHILDREN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES - continued

Expenditure

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the Charity.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Taxation

The charity is exempt from tax on its charitable activities.

Investments

The investment portfolio has been valued at market value at the balance sheet date. The SOFA includes the net gains and losses on investments arising on revaluation at the year end and on disposals throughout the year. Realised gains and losses on sales of investments are calculated as the difference between the sale proceeds and opening market value. Unrealised gains and losses represent the movement between market value.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Endowment funds incorporating an expendable and permanent endowment funds represent those investment assets held by the Charity, principally to generate investment income for the Charity's use. The endowment funds were created from a merger between the Charity, RN & RM Children's Trust and RN & RM Children's Home in 2002. The gift component of the permanent endowment must be retained in perpetuity, however those investments within the expendable endowment may be converted to income by the Trustees. The permanent and expendable endowment are invested on a total return basis. Income and any capital gains or losses arising on the endowment funds can be used in accordance with the objects of the Charity and are included as endowment funds. Investment management charges and legal advice relating to the fund are charged against the fund.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

THE NAVAL CHILDREN'S CHARITY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

2. DONATIONS AND LEGACIES

	31.3.24	31.3.23
	£	£
Donations	48,454	28,833
	<u>48,454</u>	<u>28,833</u>

3. INVESTMENT INCOME

	31.3.24	31.3.23
	£	£
Investment income	171,473	136,119
Deposit account interest	6,553	9,113
	<u>178,026</u>	<u>145,232</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	31.3.24	31.3.23
	£	£
Grants	1,138,170	933,300
	<u>1,138,170</u>	<u>933,300</u>

Grants received, included in the above, are as follows:

	31.3.24	31.3.23
	£	£
RNRM/Greenwich Hospital	720,000	720,000
Greenwich Hospital	142,000	51,000
Trinity House	47,300	47,300
The Seafarers Charity	100,000	100,000
Queen Mary Roehampton Trust	5,000	5,000
The Drapers' Charitable Fund	-	10,000
The Veterans' Foundation	27,500	-
The Gosling Foundation	9,450	-
Lest We Forget Association	14,100	-
The James Knott Trust	6,000	-
The 29th May 1961 Charitable Trust	2,000	-
The Mordaunt Foundation	7,000	-
Special Boat Service Association	5,880	-
The Armed Forces Covenant Fund Trust	51,940	-
	<u>1,138,170</u>	<u>933,300</u>

THE NAVAL CHILDREN'S CHARITY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

5. RAISING FUNDS

Other trading activities

	31.3.24 £	31.3.23 £
Direct event costs	<u>10,765</u>	<u>10,463</u>

Investment management costs

	31.3.24 £	31.3.23 £
Portfolio management fees	<u>109,016</u>	<u>108,197</u>

Aggregate amounts	<u>119,781</u>	<u>118,660</u>
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6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7) £	Grant funding of activities (see note 8) £	Support costs (see note 9) £	Totals £
Support of Naval Families	<u>416,633</u>	<u>1,706,372</u>	<u>428,602</u>	<u>2,551,607</u>

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.3.24 £	31.3.23 £
Staff costs	391,980	238,703
Other staff costs	11,046	1,628
Recruitment costs	896	2,419
Travel and subsistence	<u>12,711</u>	<u>10,224</u>
	<u>416,633</u>	<u>252,974</u>

8. GRANTS PAYABLE

	31.3.24 £	31.3.23 £
Support of Naval Families	<u>1,706,372</u>	<u>1,151,595</u>

The total grants paid to institutions during the year was as follows:

	31.3.24 £	31.3.23 £
Naval community projects costs	152,075	90,626
Naval community projects research and publications	163	13,302
The University Of Winchester - Thriving Through Childhood And Beyond	<u>49,894</u>	<u>-</u>
	<u>202,132</u>	<u>103,928</u>

The total grants paid to individuals during the year analysed by pillar is as follows:

THE NAVAL CHILDREN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

8. GRANTS PAYABLE - continued

	31.3.24	31.3.23
	£	£
Health	217,819	173,581
Wellbeing	176,055	115,837
Security	645,669	448,145
Education	458,217	317,355
Life Chances	6,480	-
	<u>1,504,240</u>	<u>1,047,667</u>

9. SUPPORT COSTS

	Management	Governance	Totals
	£	costs	£
	£	£	£
Support of Naval Families	<u>421,413</u>	<u>7,189</u>	<u>428,602</u>

Support costs, included in the above, are as follows:

Management

	31.3.24	31.3.23
	Support	Total
	of Naval	activities
	Families	£
	£	£
Wages	218,794	133,804
Social security	23,219	14,104
Pensions	15,199	7,149
Insurance	4,455	5,190
Telephone	4,547	1,455
Postage and stationery	6,903	11,492
Sundries	4,498	16,763
Computer and equipment costs	64,142	43,890
Equipment hire costs	2,940	4,707
Advertising and publicity	28,358	41,992
Other staff costs	1,455	2,397
Rent	19,292	20,393
Travel and subsistence	10,670	6,285
Trustee expenses	2,728	1,699
Subscriptions	6,205	3,715
Recruitment costs	1,073	18,000
Bank charges	(32)	65
Bookkeeping and payroll fees	6,967	4,910
	<u>421,413</u>	<u>338,010</u>

THE NAVAL CHILDREN'S CHARITY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

9. SUPPORT COSTS - continued
Governance costs

	31.3.24 Support of Naval Families £	31.3.23 Total activities £
Auditors' remuneration	6,510	5,200
Legal and professional fees	679	11,596
	<u>7,189</u>	<u>16,796</u>

10. AUDITORS' REMUNERATION

	31.3.24 £	31.3.23 £
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>6,510</u>	<u>5,200</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2024 nor for the year ended 31 March 2023.

Trustees' expenses

During the year three (31.3.23: one) trustees' were reimbursed expenses by the charity totalling £261 (31.3.23: £31) for travel costs.

12. STAFF COSTS

	31.3.24 £	31.3.23 £
Wages and salaries	556,896	340,729
Social security costs	55,500	32,278
Other pension costs	36,796	20,753
	<u>649,192</u>	<u>393,760</u>

The average monthly number of employees during the year as follows:

	31.3.24	31.3.23
Charitable activities	10	6
Management and governance	4	2
	<u>14</u>	<u>8</u>

THE NAVAL CHILDREN'S CHARITY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

12. STAFF COSTS - continued

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	31.3.24	31.3.23
£60,001 - £70,000	2	-
£70,001 - £80,000	-	-
£80,001 - £90,000	1	1
	<u>3</u>	<u>1</u>

The average monthly number of full time equivalent employees during the year as follows:

	31.3.24	31.3.23
Charitable activities	10	6
Management and governance	4	2
	<u>14</u>	<u>8</u>

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	28,833	-	-	28,833
Charitable activities				
Support of Naval Families	777,300	156,000	-	933,300
Investment income	9,113	-	136,119	145,232
Total	<u>815,246</u>	<u>156,000</u>	<u>136,119</u>	<u>1,107,365</u>
EXPENDITURE ON				
Raising funds	10,463	-	108,197	118,660
Charitable activities				
Support of Naval Families	1,578,115	181,260	-	1,759,375
Total	<u>1,588,578</u>	<u>181,260</u>	<u>108,197</u>	<u>1,878,035</u>
Net gains/(losses) on investments	<u>-</u>	<u>-</u>	<u>(48,915)</u>	<u>(48,915)</u>
NET INCOME/(EXPENDITURE)	(773,332)	(25,260)	(20,993)	(819,585)
Transfers between funds	<u>343,192</u>	<u>42,161</u>	<u>(385,353)</u>	<u>-</u>
Net movement in funds	(430,140)	16,901	(406,346)	(819,585)
RECONCILIATION OF FUNDS				
Total funds brought forward	375,354	3,550	13,009,348	13,388,252
TOTAL FUNDS CARRIED FORWARD	<u>(54,786)</u>	<u>20,451</u>	<u>12,603,002</u>	<u>12,568,667</u>

THE NAVAL CHILDREN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

14. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 April 2023	12,072,031
Additions	2,460,893
Disposals	(3,167,531)
Revaluations	1,406,505
At 31 March 2024	12,771,898
NET BOOK VALUE	
At 31 March 2024	12,771,898
At 31 March 2023	12,072,031

Investments are held in portfolios managed by Meridiem Investment Management. The market value of investments by geographical area is as follows:

	31.3.24 £	31.3.23 £
Held within UK	2,516,064	2,064,317
Held outside UK	10,255,834	10,007,714
	12,771,898	12,072,031

The historical cost of the above investments is £9,444,443 (31.3.23: £9,592,858).

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.24 £	31.3.23 £
Accrued income	90,171	242,370
Prepayments	8,823	8,952
	98,994	251,322

THE NAVAL CHILDREN'S CHARITY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.24	31.3.23
	£	£
Trade creditors	5,327	10,205
Social security and other taxes	17,097	13,898
Other creditors	31,248	9,015
Deferred income	2,500	12,880
Accrued expenses	264,235	200,391
	<u>320,407</u>	<u>246,389</u>

Deferred income

Deferred income comprises £2,500 (31.3.23: £12,880) for grant income received in the year which will be released to income in future financial periods.

	31.3.24	31.3.23
	£	£
Balance brought forward	12,880	-
Amount release to incoming resources	(12,880)	-
Amount deferred in the year	2,500	12,880
	<u>2,500</u>	<u>12,880</u>
Balance carried forward	<u>2,500</u>	<u>12,880</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.24	31.3.23
	£	£
Accrued expenses	17,937	1,000
	<u>17,937</u>	<u>1,000</u>

18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.3.24	31.3.23
	£	£
Within one year	7,166	9,120
Between one and five years	9,302	-
	<u>16,468</u>	<u>9,120</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Endowment funds	31.3.24 Total funds	31.3.23 Total funds
	£	£	£	£	£
Investments	221,268	-	12,550,630	12,771,898	12,072,031
Current assets	117,076	27,632	90,172	234,880	744,025
Current liabilities	(320,407)	-	-	(320,407)	(246,389)
Long term liabilities	(17,937)	-	-	(17,937)	(1,000)
	<u>-</u>	<u>27,632</u>	<u>12,640,802</u>	<u>12,668,434</u>	<u>12,568,667</u>

THE NAVAL CHILDREN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

20. MOVEMENT IN FUNDS

	At 1.4.23 £	Net movement in funds £	Transfers between funds £	At 31.3.24 £
Unrestricted funds				
General fund	(54,786)	(1,376,376)	1,431,162	-
Restricted funds				
Ogden Trust	3,550	(3,550)	-	-
Greenwich Hospital	16,901	3,160	-	20,061
The Veterans' Foundation	-	7,571	-	7,571
	<u>20,451</u>	<u>7,181</u>	<u>-</u>	<u>27,632</u>
Endowment funds				
Expendable endowment fund	9,588,268	1,100,667	(1,387,197)	9,301,738
Permanent endowment fund	3,014,734	368,295	(43,965)	3,339,064
	<u>12,603,002</u>	<u>1,468,962</u>	<u>(1,431,162)</u>	<u>12,640,802</u>
TOTAL FUNDS	<u>12,568,667</u>	<u>99,767</u>	<u>-</u>	<u>12,668,434</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	830,307	(2,206,683)	-	(1,376,376)
Restricted funds				
Ogden Trust	-	(3,550)	-	(3,550)
The Seafarers Charity	100,000	(100,000)	-	-
Queen Mary Roehampton Trust	5,000	(5,000)	-	-
Greenwich Hospital	102,000	(98,840)	-	3,160
Greenwich Hospital - Life Chances	40,000	(40,000)	-	-
The Gosling Foundation - Life Chances: Tall Ships	9,450	(9,450)	-	-
Lest We Forget Association - Life Chances: Tall Ships	14,100	(14,100)	-	-
The Mordaunt Foundation - Life Chances: Tall Ships	7,000	(7,000)	-	-
Special Boat Service Association - Life Chances: Tall Ships	5,880	(5,880)	-	-
The Veterans' Foundation	27,500	(19,929)	-	7,571
Thriving Through Childhood And Beyond	51,940	(51,940)	-	-
	<u>362,870</u>	<u>(355,689)</u>	<u>-</u>	<u>7,181</u>
Endowment funds				
Expendable endowment fund	135,321	(81,968)	1,047,314	1,100,667
Permanent endowment fund	36,152	(27,048)	359,191	368,295
	<u>171,473</u>	<u>(109,016)</u>	<u>1,406,505</u>	<u>1,468,962</u>
TOTAL FUNDS	<u>1,364,650</u>	<u>(2,671,388)</u>	<u>1,406,505</u>	<u>99,767</u>

THE NAVAL CHILDREN'S CHARITY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
General fund	375,354	(773,332)	343,192	(54,786)
Restricted funds				
Ogden Trust	3,550	-	-	3,550
Queen Mary Roehampton Trust	-	(42,161)	42,161	-
Greenwich Hospital	-	16,901	-	16,901
	<u>3,550</u>	<u>(25,260)</u>	<u>42,161</u>	<u>20,451</u>
Endowment funds				
Expendable endowment fund	9,903,135	(14,866)	(300,000)	9,588,269
Permanent endowment fund	3,106,213	(6,127)	(85,353)	3,014,733
	<u>13,009,348</u>	<u>(20,993)</u>	<u>(385,353)</u>	<u>12,603,002</u>
TOTAL FUNDS	<u>13,388,252</u>	<u>(819,585)</u>	<u>-</u>	<u>12,568,667</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	815,246	(1,588,578)	-	(773,332)
Restricted funds				
The Seafarers Charity	100,000	(100,000)	-	-
Queen Mary Roehampton Trust	5,000	(47,161)	-	(42,161)
Greenwich Hospital	51,000	(34,099)	-	16,901
	<u>156,000</u>	<u>(181,260)</u>	<u>-</u>	<u>(25,260)</u>
Endowment funds				
Expendable endowment fund	100,785	(81,268)	(34,383)	(14,866)
Permanent endowment fund	35,334	(26,929)	(14,532)	(6,127)
	<u>136,119</u>	<u>(108,197)</u>	<u>(48,915)</u>	<u>(20,993)</u>
TOTAL FUNDS	<u>1,107,365</u>	<u>(1,878,035)</u>	<u>(48,915)</u>	<u>(819,585)</u>

Ogden Trust

Funds received for educational support of children (11+) of servicemen and women who have been seriously injured or killed whilst in service.

The Seafarers Charity

Funds received from The Seafarers Charity towards the welfare support of bereaved children and children of officers from within the Naval Service.

THE NAVAL CHILDREN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

20. MOVEMENT IN FUNDS - continued

Queen Mary Roehampton Trust

Funds received from Queen Mary Roehampton Trust towards the welfare support of children of ex-service men and women in receipt of a war pension and/or disabled in service.

Greenwich Hospital

Funds received from Greenwich Hospital towards the salary costs of an Outreach Caseworker in Scotland and the Life Chances programme lead.

The Veterans' Foundation

Funds received from The Veterans' Foundation towards the salary costs of a Community Outreach Caseworker in South West England.

Greenwich Hospital - Life Chances

Funds received from Greenwich Hospital towards a variety of projects within our Life Chances Programme. The programme aims to empower and improve outcomes for the children of Royal Navy personnel.

The Gosling Foundation - Life Chances: Tall Ships

Funds received from The Gosling Foundation for the Tall Ships voyages run by the charity as part of their Life Chances programme. The programme aims to empower and improve outcomes for the children of Royal Navy personnel.

Lest We Forget Association - Life Chances: Tall Ships

Funds received from Lest We Forget Association for the Tall Ships voyages run by the charity as part of their Life Chances programme. The programme aims to empower and improve outcomes for the children of Royal Navy personnel.

The Mordaunt Foundation - Life Chances: Tall Ships

Funds received from The Mordaunt Foundation for the Tall Ships voyages run by the charity as part of their Life Chances programme. The programme aims to empower and improve outcomes for the children of Royal Navy personnel.

Special Boat Service Association - Life Chances: Tall Ships

Funds received from Special Boat Service Association for the Tall Ships voyages run by the charity as part of their Life Chances programme. The programme aims to empower and improve outcomes for the children of Royal Navy personnel.

Thriving Through Childhood And Beyond

Funds received from The Armed Forces Covenant Trust Fund for the Thriving Through Childhood And Beyond project. The project aims to provide awareness of the impact of service life on families through development of a toolkit for Early Years and Higher Educational establishments. The charity has a partnership agreement with The University of Winchester to run the project.

Transfers between funds

During the year the Charity made transfers as set out below:

	Unrestricted funds	Endowment funds
General fund	1,387,198	
Expendable endowment fund		(1,387,198)

Being transfers of investment income and investment withdrawals to support current beneficiaries as authorised by the constitution.

THE NAVAL CHILDREN'S CHARITY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

20. MOVEMENT IN FUNDS - continued

Transfers between funds - continued

	Unrestricted funds	Endowment funds
General fund	43,964	
Permanent endowment fund		(43,964)

Being transfers of investment income to support current beneficiaries as authorised by the constitution.

21. EMPLOYEE BENEFIT OBLIGATIONS

The charity operates a defined contribution pension scheme for all salaried employees. The pension charge for the period was £36,796 (31.3.23: £20,753). At the balance sheet date the contributions outstanding were £6,094 (31.3.23: £3,031).

22. PERMANENT ENDOWMENT INVESTED ON A TOTAL RETURN BASIS

The charity has exercised its rights by the Trustees under section 104(A) of the Charities Act 2011 on 1 March 2020. This power permits the trustees to invest permanently endowed funds to maximise total return and therefore to apply an appropriate portion of the unapplied total return to income. The unapplied total return remains invested as part of the permanent endowment until that power is exercised. When exercised it allows the trustees to apply an appropriate portion of the unapplied total return to income each year. During the current year the trustees have transferred £43,964 from unapplied total returns to unrestricted income funds.

	Endowment for investment £	Unapplied total return £	Total permanent endowment £
Brought forward			
Gift component of permanent endowment	2,299,183	-	2,299,183
Unapplied total return	-	715,550	715,550
Total	2,299,183	715,550	3,014,733
Movements			
Investment return: Dividend and interest	-	36,152	36,152
Investment return: Realised and unrealised gains and losses	-	359,191	359,191
Less: Investment management costs	-	(27,048)	(27,048)
Total	-	368,295	368,295
Unapplied total returns transferred to unrestricted funds	-	(43,964)	(43,964)
Net movements in the reporting period	-	324,331	324,331
Carried forward			
Gift component of permanent endowment	2,299,183	-	2,299,183
Unapplied total return	-	1,039,881	1,039,881
Total	2,299,183	1,039,881	3,339,064

THE NAVAL CHILDREN'S CHARITY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

23. RELATED PARTY DISCLOSURES

Certain trustees' were associated with organisations which undertook transactions with the charity. All such transactions were undertaken in accordance with the charity's normal agreements with suppliers. None of the relevant trustees' were in a position of material influence within the organisations concerned such that transactions between the charity and the organisations require disclosure in the financial statements.

Key management

The total remuneration paid to those considered key management during the year was £249,027 (31.3.23: £164,986).

24. ULTIMATE CONTROLLING PARTY

The charity is controlled by the trustees on behalf of the members.

The Naval Children's Charity

England & Wales - Charity number 1160182

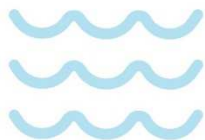
Accounts

Registered charity number England 1160182 Scotland SC052322

Naval Children's Charity

(the working name of The Royal Navy and Royal Marines Children's Fund)

Trustees' report and financial statements
for the year ended 31 March 2023



Naval
Children's
Charity

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

CHARITY INFORMATION

Charity name

The Royal Navy and Royal Marines Children's Fund

Working name

Naval Children's Charity

Trustees

Mr Christopher Tite	Chair
Mr Kevin Arnold	
Vice-Admiral Martin Connell CBE	Vice-Chair
Capt Thomas Early RM	
Lt Col Ian Grant RM Retired	
Cdr Simon Howell	
Cdr David Orton RN Retired	(Resigned 29/06/2023)
WO Annette Penfold MBE	
Mr Ian Pitts FCCA	Hon Treasurer (Resigned as Trustee 29/06/2023)
Ms Ellen Riis-White	
Cdr Heather Rimmer MBE RN Retired	
WO1 Clare Robson RN	
Lt Ed Stout RN	
Dr Linda Williams	
Cdr Steve Warner RN	(Stepped down temporarily 09/03/2023)

Principal office

311 Twyford Avenue
Portsmouth
PO2 8RN

Country of registration and charity registration number

England - 1160182

President

Lt General Sir James Dutton KCB CBE KStJ ADC

Vice Presidents

Lieutenant General E G M Davis CB CBE
Major General F H R Howes CB OBE
Mrs S Owens-Cairns
Rear Admiral Mike Bath

Patrons

Eilidh McIntyre MBE
Imogen Stubbs
Jonathan Guy Lewis

Senior Leadership Team

Chief Executive Officer	Clare Scherer MBE
Head of Welfare	Sara Smith
Head of Finance	Jo McEvoy
Head of Programmes & Funding	Rachel Price (from September 2023)
Head of Partnerships	Emma Dennis (from December 2022 to July 2023)

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

CHARITY INFORMATION

Young Ambassadors

Sian Smith
Marco Bruno Tomo Freire
Ella Baragwanath
Florrie Ransom
Holly Arkle
Hannah Taylor
Maddie Martin

Independent auditor

Blue Spire Limited
Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY

Principal bankers

Lloyds Bank plc
Gosport
20-24 High Street
Gosport
PO12 1DE

Solicitors

Warner Goodman
8 College Place
London Road
Southampton
Hampshire
SO15 2FF

Investment Adviser

Veritas Investment Management LLP
Riverside House
2A Southwark Bridge Road
London
SE1 9HA

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

CHAIRMAN'S REPORT

As in earlier years, our trustees' report reviews our activities and performance for the year ended 31 March 2023. Our sole focus is Naval children: they lie at the heart of what we do and we aim to improve their lives in both the short and long term.

My last report, for the year ended 31 March 2022, set out our principal priorities for the year:

- 1) to invest more to support our crisis intervention work;
- 2) markedly to increase our focus on life chances, which is our fifth strategic pillar, to help Naval children to succeed in life;
- 3) to seek extra funding from new sources to enable us to grow our activities; and
- 4) to add key charity delivery resources to our team.

I am delighted to report that we have made significant progress in relation to those priorities, alongside our wider charitable activities.

Crisis intervention: We invested an additional £314,000 towards crisis prevention between April 2022 – March 2023. This included £80,000 of emergency grants issued just before Christmas to help families from falling into financial crisis: as a result, 439 children and young people were able to have important things such as a warm home, food on the table and a gift at Christmas time.

Life Chances: This strategic focus has really begun to grow, with new opportunities being made available to our Naval children, including four new voyages with the Tall Ships Youth Trust, two water sports activity weeks for 14-17 year olds with UKSA the sailing charity, an action adventure holiday in the Lake District for young people coping with trauma as a direct result of their parent's service and new opportunities for young people looking for ways to carve out a successful career path either through higher education or without the cost of going to university.

Funding: We have been successful in raising more new funding over the past year and we extend our very grateful thanks to everyone who has supported us so generously, including Greenwich Hospital (for new staff roles); the Veterans Foundation, the Draper's Charity and Daniamant (towards our core activities); and The Gosling Foundation, The Lest We Forget Association and The Mordaunt Foundation (for our Life Chances Tall Ships voyages).

Staff: We have invested in strengthening our team over the past year. Our caseworkers, led by our Head of Welfare, have grown from five to eight people, comprising two triage workers, two caseworkers and two senior caseworkers in Portsmouth. We have also recruited a new Outreach Caseworker based in Faslane. Our extra resources mean that our team can place greater emphasis on crisis prevention, as well as extending our reach to meet constantly growing demand. Our Senior Leadership team has also been boosted by the addition of new Heads of Finance and Programmes & Funding to support our operations and development.

Our future priorities

Our principal priorities for next year continue to concentrate on our beneficiaries, growing our reputation and extending our sources of funding. This includes:

- fully embedding our outreach caseworking programme in Faslane and adding a new role in the South West, with a view then to establishing further posts in Newcastle and Liverpool;
- maintaining our investment in crisis intervention, because we expect the cost-of-living to remain an on-going challenge for many Naval families;
- continuing to expand our Life Chances programme, by establishing an annual calendar of rolling opportunities and working to develop new partnerships so that our offer to children and young people is as broad as possible;
- supporting research to provide an evidence base for the development of targeted programmes to prioritise the voices of children and young people, consolidating our unique role as the advocate for Naval children; and
- growing our sources of funding, alongside those which we already receive from generous donors and supporters.

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

CHAIRMAN'S REPORT

Last, but by no means least, we continue to owe enormous thanks to our dedicated team. Without their passion, commitment, and sheer hard work none of our activities would be possible. With that in mind, we were delighted to see the contribution of our CEO, Clare Scherer, recognised by the richly deserved award of an MBE in HM the King's 2023 Birthday Honours.



Christopher Tite

Chair

Date: 02/11/2023

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

REPORT OF THE TRUSTEES

The trustees have pleasure in presenting their annual report for the purposes of the Charities Act 2011, together with the accounts for the year ended 31 March 2023. In preparing this Annual Report and financial statements the trustees have adopted the updated provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

The Charity was constituted by a Charity Commission Scheme dated 26 October 1998, which came into operation on 1st April 1999. It enabled the merger of the charities previously known as the Royal Naval & Royal Marines Children's Home and The Royal Naval & Royal Marines Children's Trust. It became a charitable incorporated organisation (CIO) on the 1 August 2015 and adopted the working name "Naval Children's Charity" with effect from 16 March 2020.

Trustees

Under its governing document (the constitution adopted when it became a CIO) the Charity may have up to fifteen trustees, with no more than 50% being serving members of the Armed Forces. Trustees are appointed for three-year terms. Currently there are twelve trustees, four of whom are currently serving in the Royal Navy.

New trustees are selected by an open process and appointed based on the skills and experience that they can bring to the trustee board. There is an induction procedure for each new trustee, which includes briefings by the Chair and CEO and access to a trustees' online portal containing all information relevant to the Charity. Continuing training is also offered to trustees during their term in office.

Governance

Trustees meet three times annually. They delegate oversight of some functions to a Finance & Governance Committee (which meets at least twice annually) and a Welfare Committee (which meets monthly to consider applications for assistance from the Charity).

Staff

The trustees delegate the day-to-day operation of the Charity to its Chief Executive Officer (CEO), who is supported by three Heads of Welfare, Finance and Programmes & Funding. The Charity employs a specialist team of caseworkers to engage directly with beneficiaries, as well as other staff to support the Charity's operating needs.

The trustees are responsible for setting the remuneration of all staff, using external assessment and benchmarking when needed to ensure that its dedicated team is fairly rewarded for their hard work.

Risk

The Charity has identified the following principal risks:

- operational – loss of key staff;
- governance – lack of strategic planning;
- compliance – failure to comply with legislation and regulation;
- financial – loss of income; and
- reputation – loss of reputation.

The trustees regularly review risk and, to the extent reasonably possible, identify ways in which to mitigate the likelihood of the relevant risk occurring and/or its impact on the Charity.

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

REPORT OF THE TRUSTEES

OBJECTIVE AND STRATEGY

Objective

The Charity's object is the relief of dependent children (up to and including the age of 25) of serving and former members of the Royal Navy (includes Royal Navy, Royal Marines, QARNNS, WRNS, Reserves and Royal Fleet Auxiliary) who are in need, hardship, or distress.

The Charity may relieve beneficiaries in need by making grants of money to them; or providing or paying for goods, services, or facilities for them; or making grants of money to other persons or bodies who provide goods, services, or facilities to those in need.

"We believe that to be the child of someone who is, or has been, in the Royal Navy should be a positive and enhancing experience – something to be borne with pride. For those children where life is more difficult, we are there to help."

Vision

Our vision is to be ready in a changing future to ensure that every deserving and eligible child has information about, access to and support from the Naval charity sector.

Mission

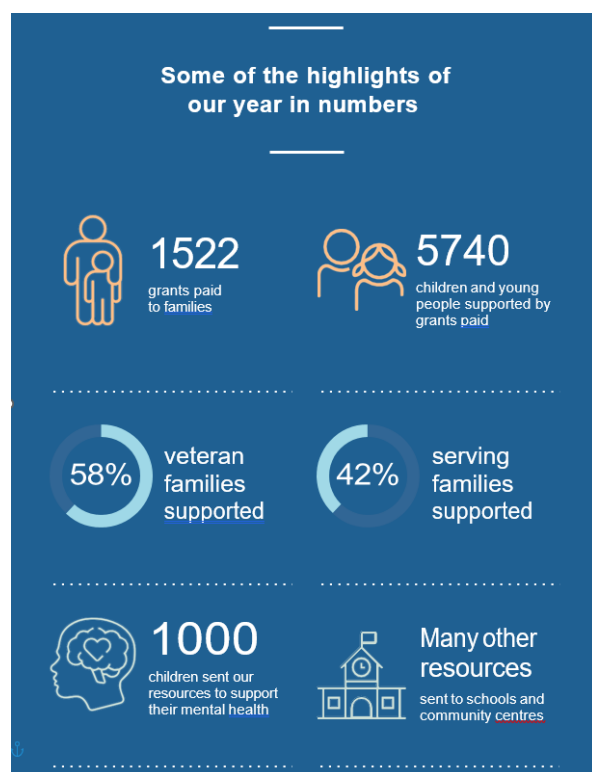
Our Mission is to provide help and support for children and young people (up to and including the age of 25) who through personal circumstances are in need, so they face less hardship, experience better health, wellbeing and security and have access to greater life-chances and educational opportunities.

Strategy

The Charity's activities focus on five strategic pillars which place children at the heart of our work, improving their lives in both the short and long term:



ACTIVITIES AND PERFORMANCE



Naval children are our exclusive focus, we have been helping Naval children since 1831, firstly as orphanages and then evolving into the present-day Charity. To ensure children always remain at the heart of our work we focus our activity on five strategic pillars of support: health, wellbeing, security, education, and life chances. These pillars enable us to improve children's lives in both the short and long term, not just by supporting those in crisis but working pro-actively to enhance their lives through new projects and initiatives that open the door to greater opportunities.

How we work

Our help is given in different ways, aligned with our strategy, as reported below.

Along with other charities in the Armed Forces Sector, we use the central Case Management System (Mosaic) managed by SSAFA (The Armed Forces charity, the Soldiers, Sailors, Airmen and Families Association). We also use a new portal, Lightning Reach, similar to Mosaic, where families can refer themselves directly to us. We are a full case-working organisation and can therefore almonise (to collaborate between benevolent organisations in providing financial support to beneficiaries)

easily with the other charities, ensuring best outcomes for our families.

We take self-referrals from families and referrals through other sources. The caseworking team assess the needs of the children through an initial triage system and need is determined by a financial assessment of the family, including all family circumstances such as bereavement, disability or illness of a child, parent, or sibling. Where possible, a home visit is carried out and much of the caseworking is by telephone or as online appointments virtually.

We employ eight caseworkers, seven at the head office in Portsmouth and, as part of our Caseworker Outreach Programme, one in Faslane, who deal directly with the families and work in partnership with the SSAFA caseworkers, RN FPS and grant administrators from other charitable organisations. Once need has been established, appropriate support is determined and, if financial assistance is required, a grant awarded and given either directly to the family concerned or administered through SSAFA or another charitable organisation. No cap is applied to grants either in time or money, other than the age limit of up to and including the age of 25 for children.

We gather feedback from our families using our feedback survey. This consistently shows that our support is life-changing to many families who come to us feeling anxious, stressed, in crisis, ill, worried, depressed and scared. Following our support, both financial and emotional, the families report feeling supported, an improved sense of wellbeing, a better quality of life and improved independence.

During the year we expanded our team to ensure we are best placed to respond to the needs of our families. The Caseworking team was expanded to consist of a Head of Welfare, two Senior Caseworkers, two Caseworkers and two Triage Caseworkers based at the Head office in Portsmouth. We also appointed our first Outreach Caseworker, funded by Greenwich Hospital, in Helensburgh, Scotland. This role is to ensure that we can understand and respond to the needs of our children in that area where there is a high concentration of Submariner families. We are expanding our Outreach Caseworker programme to the Southwest in Winter 2023, funded by the Veterans Foundation, and in the coming years to other areas of the UK.

To support the work of the Charity we also appointed a Head of Finance and Head of Programmes & Funding to ensure robust and sustainable funding and financial controls. Together with our Volunteer, Community and Digital Marketing Lead and our Data Administrator we are reaching more families than ever, ensuring that help is being delivered where needed. A new Marketing Committee has been formed of Trustees, staff and consultants. They have worked to develop an increased marketing campaign

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

REPORT OF THE TRUSTEES

through Social Media and website to reach and engage with more families and children and young people. We are already seeing the impact of this. The website is under review and will be updated Autumn 2023.

Plans for future periods

Our Chair's report outlines our principal priorities for next year and beyond.

FIVE PILLARS OF SUPPORT

To ensure children always remain at the heart of our work we focus our activity on five strategic pillars of support: health, wellbeing, security, education, and life chances. These pillars enable us to improve children's lives in both the short and long term, not just by supporting those in crisis but working pro-actively to enhance their lives through new projects and initiatives that open the door to greater opportunities. More about our pillars and how they make a difference can be seen below:

In 2022/23 we supported:



66

children with
SEND



149

families with a
disabled child



92

Families with a
disabled parent

HEALTH

Many of our families are coping with disability or illness, either of the parent or one of their children. We provide support for items such as wheelchairs, beds, specialist equipment, and house adaptations as well as with the additional financial constraints that can arise, so the care, healing and on-going health of the child or parent is not only supported but that of those caring for them as well. To support them in reaching us and accessing support, particularly where families are dealing with **SEND**, we are developing partnerships to offer bespoke support from experts or means of finding support in their area.

TAC ACCESS is a ground-breaking directory of children and young people's services. Currently focusing on the provision of counselling support, it provides a free service to a wide range of commissioners with access to checked and accredited therapists at the click of a button. The Naval Children's Charity provide the link to this directory via our website and through discussions with families and our casework team.

Lightning Reach was founded during the pandemic and is a new portal which aims to help people facing financial hardship to receive support. This one-stop provides them with access to a wide range of financial support through charities, local authority schemes, and discounted tariffs using one application made to multiple providers. It also enables the applicant to assess that they are receiving all the statutory benefits they are entitled to.

Neurodiversity

We have developed a partnership with the **National Autistic Society** to offer our families bespoke support where a child may be autistic. Through this support families can get an initial pre-diagnosis, access to advice and support and, if recommended and funded by us where necessary, assessments and diagnosis to support the development of an Educational Health Care Plan (EHCP) through their government centres.

"As a parent entering the maze of the autism diagnostic pathway it has been so reassuring to have the helping hand of the National Autistic Society. They have done everything they can to offer me tailored signposting, they have spent time listening and responding to my daughter's needs. I was lucky enough to receive advice from the NAS Education Rights. I also had advice from the NAS behaviour specialist, and this was an amazing insight into understanding my daughter's autism."

WELLBEING & SECURITY

In 2022/23 we awarded:



To support the wellbeing of all our Naval children, not just those in crisis, we provide free resources aimed at helping them understand separation and deployment and just as importantly, how to manage their mental health. This includes books, stories, journals and more – each carefully targeted towards a specific age demographic so the child or young person feels both supported and empowered to cope with any challenges they may be facing.

We run an Emergency Essentials Grant Scheme which enables us to deliver crucial support to vulnerable families. Often facing issues around family breakdown, domestic violence, and significant financial hardship we provide timely and focused grants for items such as groceries, clothing, school uniform, and other necessities so no family has to face things alone or risk falling into further crisis.

We also give regular charitable payments (RCPs) to those families who are experiencing long term struggles in their lives. These monthly payments help them over a continuous period and are regularly reviewed. Over the last year we have seen an upsurge in need for this type of support, much of which is being driven by the cost of living crisis as well as RCPs to families who are separated from their children or where their circumstances require regular travel to hospital or other appointments.

EDUCATION

In 2022/23 we gave:



386

Education grants



66

Grants towards SEND



35

Grants towards
computer equipment



15

Grants towards
school and community
projects

We are committed to ensuring that all our children and young people are able to receive the best education they can and tackle this through provision of educational support grants towards emergency childcare, school uniform, laptops and IT support, extra lessons, travel for school trips, and grants for students entering college, Higher education, or apprenticeships so no matter what their circumstances, a child or young person can still access the same opportunities as their peers.

Where a child has SEND (Special educational needs and disabilities) we provide advice and support on applying for EHCPs (Education, health, and care plan), as well as therapies and assessments to enable children to obtain diagnosis. Our partnership with the National Autistic Society supports this area of our work as it enables us to identify those children in need of a formal diagnostic assessment and work together with families to ensure that assessment is obtained.

As children leave school, we also provide grants to support their transition into adulthood, supporting children up to the age of 25. These grants range from RCPs during the academic year whether at college, university or throughout the year if undertaking an apprenticeship to set-up grants for equipment and books to help them with their studies.

We are members of the Educational Trusts Forum, to ensure we collaborate with other charities, organisations and schools that offer financial educational support to children. We are also members of Children England and Cobseo work closely with the SCiP Alliance and many other organisations to ensure that we are able to understand and respond to the needs of our children and young people in today's society.

LIFE CHANCES

We want to enhance the support we offer children and young people by giving them access to unique opportunities designed to bring out their skills, build their confidence and improve their physical and emotional wellbeing. This new and exciting strand of our work is called our Life Chances Programme. Partnerships to date include sailing opportunities with TSYT (Tall Ships Youth Trust), UKSA, Children's Sailing Trust and RNSA (Royal Navy Sailing Association) helping young people to develop transferable life skills such as communication, resilience and teamwork.

Other partnerships, for those who are more interested in the creative side of life, include debating with Parallel Histories and songwriting workshops with Never Such Innocence, improving their communication and critical thinking skills and boosting confidence. We are also working to develop opportunities in other areas such as the arts, water sports, adventure holidays, activity camps, apprenticeships and more so we can complement the range of skills and interests of the children and young people we help.



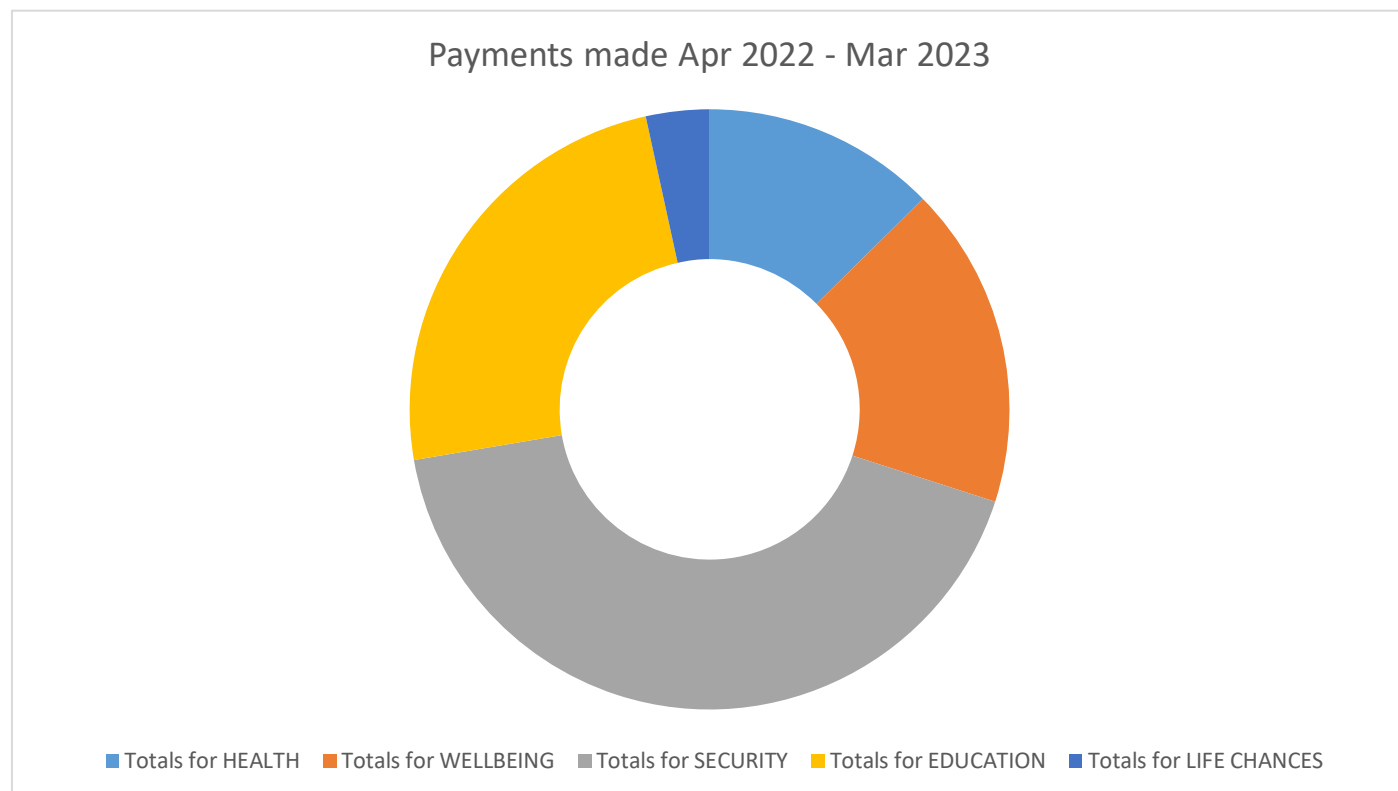
NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

REPORT OF THE TRUSTEES

IMPACT

During the period of April 2022 – March 2023, 100% of grants and donations we received were spent on direct charitable activity, with £1.74 million being spent on direct charitable activity overall. The Charity also administered over £100k in grants on behalf of partner charities. This enabled us to help 5740 children over the course of the year. A breakdown of this spend across all five of our pillars can be seen below. All other expenditure was covered by our own resources, drawn down from our investments.



CHALLENGES FACING OUR CHILDREN

The level of support we have provided under each pillar is truly reflective of the challenges our Naval families are facing with our Security pillar showing by far the biggest need, particularly around housing and utility expenses where the impact of inflation on the cost-of-living continues to push people into crisis. We have seen a surge in need through our Health pillar, with a lean towards to mental health and gaining access to ongoing therapies and assessments. Our new partnership with the National Autistic Society, has been key to supporting this with the number of families needing advice and guidance when it comes to understanding and coping with their child's autism far exceeding our initial expectations.

We continued to see a rise in the number of veteran families needing support, with 63% of the families receiving help falling into the veteran category compared to 37% from serving families. This was driven predominantly by the cost-of-living crisis. We also continued to see a high number of families needing support in key areas where there are Naval bases, to include Scotland, Portsmouth and Hampshire, and Devon and Cornwall. We now have a new Outreach Caseworker dedicated to helping our Naval families in Scotland and are seeing an increase in support being delivered there as a result.

At the end of the last financial year, 64% of the cases being completed were received as direct referrals via phone, emails or through the website compared to 23% from SSAFA. While this created an increase of work for the caseworkers as enquiries continue to rise, it also enabled the team to have more direct contact with families, building relationships and working with them and other charities to provide a comprehensive package of support where needed.

FEEDBACK FROM OUR NAVAL FAMILIES

We continue to gather feedback from our families using our feedback survey. This consistently shows that our support is life-changing to many families who come to us feeling anxious, stressed, in crisis, ill, worried, depressed, and scared. Following our support, both financial and emotional from our caseworkers, the families report feeling supported, an improved sense of wellbeing, a better quality of life and improved independence.



NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

REPORT OF THE TRUSTEES

Some of their comments and feedback have been shared below:

- The most amazing gift of support. The children's lives were having to change due to a controlling abusive father and the charity have given us hope. They have given the children continuity of extra-curricular activities that they have loved but were going to have to stop. They have given us so many positives when life just felt like it was spiralling downwards into negativity. We will be forever grateful. I found it embarrassing and shameful asking for help, but I have been made to feel so much better and like I have nothing to feel embarrassed about. Thank you so much.*
- Thank you so much. My mental health was nearing crisis point, but thanks to the board of trustees, the team of case workers and all involved at NCC I now feel like I'm not alone and struggling.*
- A fantastic charity that has literally been a life saver.*
- Was a fast turnaround for what it was. Never expected or knew about the service at all until the RN FPS suggested. So glad there is help out there for service personnel.*
- We are just so humbled to receive all the assistance. So, so grateful. Thank you*
- I was both shocked and surprised to be accepted for a grant for the children's Christmas. I have been worrying how I was going to keep the spirit of Christmas alive for my kids but with this help I can give them an enjoyable Christmas.*
- The NCC have been supporting us ever since we were introduced to them. We can't see any negative aspects only positive aspects.*
- Extremely overwhelmed and thankful, my youngest is autistic which adds extra worries and stresses (emotionally and financially) this help and support means so much to me, I can't express how much. Thank you all for being so fabulous-added some light in the dark.*
- From the very first call we received from the NCC they have been nothing short of remarkable. They have without question improved the life of my family at a time when we felt hopeless, they filled that void and more.*
- I cannot express enough how grateful I am for all your kindness help and support. U have been outstanding in all u have done to help us and it's really changed our life, taking so much of my worry away. I feel so very overwhelmed and now I can relax so much more knowing I can afford the simple things in life and not have to go without these. Everyone has been so kind and I have had so many tears of joy. I truly cannot thank you enough and my thanks comes from the bottom of my heart.*
- My daughter has autism, ADHD, Tourette's syndrome, and specific learning difficulties. This is the first time she has her own property with support workers. This grant is a godsend which will give her the perfect start to becoming more independent. Thank you so much.*
- Cannot thank the charity enough. Going through very uncertain times with both son's physical and mental health so this has taken so much pressure off me and I was able to reassure them we will be ok. X*
- An easy and warming experience, kindness was shown by the people I have spoken to on the phone and we are very grateful for your support. The added touch at the end of the grant letter where it states you had put us forward for a Christmas grant too was just so heart-warming. Thank you very much.*
- Just overwhelmed, supported, like I'm not isolated and alone. I've had a lot thrown at me and chose to get myself out of some unexpected situations by taking responsibility. It had become exhausting, and very much resulting in a feeling of inadequacy as a father and as an adult. So, to be treated like a human being, supported and without judgement is really*

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

REPORT OF THE TRUSTEES

quite something and I am eternally grateful for that. I never know what to ask for, and never really want to be supported as I feel there would be others in worse scenarios who are more deserving but I've been made to feel I am worth it and that I do deserve some help.

- *The charity has honestly changed our lives, they are amazing and the team are so empathic and supportive.*
- *The process to apply for funding was extremely easy. The application form was not complicated to complete, and I heard back from the charity within days which was amazing, many thanks.*

RESEARCH, RESOURCES AND COLLABORATION

Publications and Resources

We provide resources free of charge to our children and young people to help them with some of the difficulties they experience. Our materials provide holistic support to Naval children who have to cope with the impact of their parent's service on their lives.

Together with our commissioned books specifically for younger children we now have a range of resources for all ages and are working in partnership with the Naval Families Federation to enable families, schools and communities to access books and resources that address many of the issues facing our children.

Collaboration with others

While we continue to operate as an independent charity, we collaborate closely with other Naval charities and maintain strong relationships with our major funders.

We also maintain good connections with the maritime, educational and children's charity sectors. We work in partnership with organisations such as the SCiP Alliance and the Educational Trusts Forum. We are also part of the "Strengthening Families" collaborative work stream, alongside the RNRMC and Kings Camp, Relate, Home Start and Mind, which is aimed at supporting all Naval families.

Our CEO is on the Board of the charity Children England, which represents children's charities across England; is co-Chair of the Educational Trusts Forum; is on the Main Board of and Chair of the Management Group and Funders Forum (separate committees) of the SCiP Alliance supporting service children in schools. This work is tri-service and aimed at understanding and enhancing collaboration and delivery of support to all Service children across the UK. She was awarded an MBE in the King's Birthday Honours list in June 2023 for her, and the Charity's, work supporting Naval families.

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

REPORT OF THE TRUSTEES

FUNDRAISING

The Charity does not actively raise funds from the public. We remain grateful to everyone who chooses to support us financially through fundraising in their communities, donations, and legacies. We would also like to thank those who volunteer for us, their support is invaluable. We would particularly like to thank Sian Smith and Jan Musson who support us in the office.

Grants and legacies

The Charity is very grateful to the major donors referred to below for their significant and consistent support.

Through our Grant Agreement with the Royal Navy & Royal Marines Charity (RNRMC) and Greenwich Hospital we receive a significant annual grant, and we continue to work closely with both of those organisations. Greenwich Hospital have also provided us with a substantial three-year grant towards the salary costs of our new Outreach Caseworker in Scotland and our new Head of Programmes & Funding, to help enhance the care and support we give beneficiaries and promote the development and growth of the charity.

The Seafarers Charity have given regular support over many years with grants which are in part a restricted fund for the children of Officer's in the Royal Naval Service, including the Royal Navy, Royal Marines, Royal Fleet Auxiliary and Reserves.

Trinity House have also very generously continued to provide an annual grant.

The Ogden Armed Forces Bursary is a Restricted Fund which supports children aged 11+ of those seriously injured or killed during deployment or those suffering with PTSD from across the Armed Forces. There are currently two children benefiting from this bursary. The fund will close once the bursaries to the existing children have been paid.

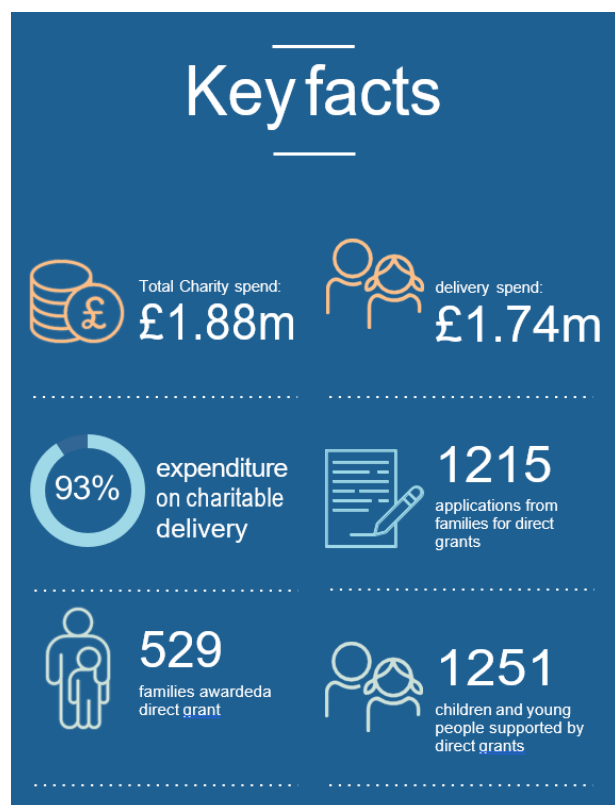
Without these key grants we would undoubtedly not be able to deliver such comprehensive, holistic and individualised support to our families in need.

Trusts, foundations, and corporate partners

Queen Mary's Roehampton Trust provides us with a grant to support the children of those receiving a War Pension, for which we are very grateful.

The Charity also acknowledges with thanks those other trusts, foundations and corporate partners who have generously supported our work during the year. These include: The Naval Ladies Charitable Trust, The Edinburgh Trust, Sir James Knott Trust, The Mordaunt Foundation, Draper's Charity, Daniamant, Thakeham Homes, Sirius Analytics, BAE Systems and Stowe Family Law.

FINANCIAL REVIEW



Summary

- The period under review is the year ended 31st March 2023
- The Charity's incoming resources amounted to £1,107,364.
- Total expenditure was £1,878,034, including expenditure on charitable activities of £1,739,376 (93% of all expenditure).
- 100% of all donations and grants is spent directly on beneficiaries.
- Our operating deficit was funded by cash withdrawn from reserves.
- As at 31 March 2023 net assets were worth £12,568,667, which our trustees consider to be an appropriate level of reserves having regard to their future plans for the Charity.

Investment policy

The Charity's reserves are held in an investment portfolio and cash deposits (see full policy below).

The principal investment objectives are to protect and grow the real value of our expendable and permanent endowment funds, delivering a real return of CPI + 3% on a rolling 5-year basis net of fees.

In March 2020, our trustees adopted a cash withdrawal policy, providing for the periodic release of cash from our investment portfolio, allowing our investment advisers to concentrate on achieving capital growth without a requirement to generate significant income. The goal is for capital growth to replace cash withdrawn over time while the Charity holds cash on deposit sufficient to fund its near-term operating requirements.

Public benefit

The identifiable benefit provided by the Charity is the relief of children of serving and veteran personnel of the Royal Navy who are in need, hardship, or distress thereby contributing to the health, welfare, and social cohesion of the Nation. Additionally, this contributes to maintaining or improving morale within the Royal Navy and thus to the quality of these vital components of the Nation's Armed Forces and, thereby, to the defence of the Nation.

Our work is targeted at helping children who are in need, often in crisis but also those who need support as result of the impact of their parents' service in the Royal Navy. Providing support to all our children in need reduces the risk of crisis arising and improves outcomes, both socially and educationally.

Through its grant making to serving and veteran Royal Navy personnel and dependants in need, the Charity demonstrates its support of the Military Covenant between the Nation and its Armed Forces and has signed the Armed Forces Covenant as a reflection of that support.

Environmental and social governance:

The trustees recognise that responsible corporate behaviour can have a positive influence on the financial performance of companies and appropriate criteria are applied by our investment managers when selecting and maintaining specific investments.

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

REPORT OF THE TRUSTEES

Endowments and reserves policy

Naval Children's Charity (NCC) Reserve Policy

A prerequisite of fund accounting is an understanding of the different classes of funds a charity may hold in trust. A charity may hold both unrestricted and restricted funds. Income generated by the investment of a particular fund's assets accrues to that fund unless the terms of the initial gift provide otherwise, for example in the case of a permanent endowments.

Unrestricted funds are spent or applied at the discretion of the trustees to further any of the charity's purpose. Unrestricted funds can be used to supplement expenditure made from restricted funds. Trustees may choose during the reporting period to set aside part of the unrestricted funds to be used for a particular future project or commitment and this can be set up as a **designated fund** that remains part of the unrestricted funds of the charity. Identifying designated funds may be helpful when explaining the charity's reserve policy and the level of reserves held.

Restricted funds can be specified in several ways. The donor when making a gift or legacy. Grant makers funding specific projects or posts.

Restricted funds fall into two categories, **restricted income funds** or **endowment funds**.

Restricted income funds are to be spent or applied within a reasonable period from their receipt to further a specific purpose of the charity. Alternatively, the restricted fund may be an endowment. Trust law requires a charity to invest the assets of an endowment or retain them for the charity's use in furtherance of its charitable purposes, rather than apply or spend them as income.

A gift of endowment, where there is no power to convert the capital into income, is known as a **permanent endowment fund**. Where the trustees have the power to convert the endowment funds income, such funds are known as **expendable endowments**.

The NCC's funds are split between permanent and expendable endowment, they are here to:

- Generate income for sustained operations.
- Ensure that in an uncertain funding environment the charity can respond to emergency need without having to ration support.
- Meet unexpected cashflow requirements to ameliorate short and longer-term challenges to the charity's continuity.
- Minimum of 2 years costs of operations to be covered by the expendable endowment fund.
- Ensure that the charity can be confident of meeting the needs of future generations of children from the serving and ex-serving RN&RM community.

With these aim in mind the reserves are invested with the purpose of protecting and growing their real value with generating a steady income.

As at 31 March 2023 net assets were worth £12,568,667 (2022 - £13,387,941), which our trustees consider to be an appropriate level of reserves having regard to their future plans for the Charity. At 31 March 2023 the unrestricted general funds (the SORP defined Reserves) were a deficit of £54,787 (2022 surplus - £375,043).

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

REPORT OF THE TRUSTEES

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing their report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Charity and of the incoming resources and application of resources 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 Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper 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 Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Constitution. 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.

The trustees are responsible for the maintenance and integrity of the Charity and 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.

Approved by the trustees and signed on their behalf.



Christopher Tite
Chair

Date: 02/11/2023

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report to the Trustees of The Royal Navy and Royal Marines Children's Fund

Opinion

We have audited the financial statements of The Royal Navy and Royal Marines Children's Fund (the 'charity') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023, and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the report of the trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

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

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

INDEPENDENT AUDITOR'S REPORT

Responsibilities of trustees

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

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

Auditor responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Based on our understanding of the Charity and the industry in which it operates, we identified that the principal laws and regulations that directly affect the financial statements to be and the Charities Act, Employment Act and Trustee Act. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

In addition, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. As an investment, grant and donation funded charity whose activities include grant making and advocacy there is a limitation to areas most likely to have such an effect. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence if any.

Audit procedures performed by the engagement team included:

- Enquiry of management, those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

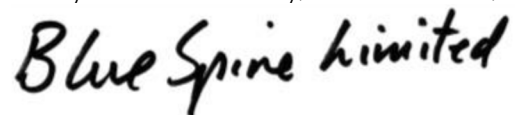
NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

INDEPENDENT AUDITOR'S REPORT

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 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 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Blue spire Limited, Statutory Auditor

07/11/2023

Date

Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY

Blue Spire Limited is eligible is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF FINANCIAL ACTIVITIES

		Unrestricted	Restricted	Endowment	2023	2022
		Funds	Funds	Funds	Total	Total
	Note	£	£	£	Funds	Funds
					£	£
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	1	806,132	156,000	-	962,132	905,509
Investments	2	9,113	-	136,119	145,232	147,395
Total		815,245	156,000	136,119	1,107,364	1,052,904
EXPENDITURE ON:						
Raising funds - Event costs	3	30,461	-	-	30,461	20,947
Raising funds - Investment management costs	4	-	-	108,197	108,197	108,205
Charitable activities	5	1,558,116	181,260	-	1,739,376	1,323,467
Total		1,588,577	181,260	108,197	1,878,034	1,452,619
Net gains/(losses) on investments	10	-	-	(48,914)	(48,914)	1,114,608
Net Income/(expenditure)		(773,332)	(25,260)	(20,992)	(819,584)	714,893
Transfers between funds	19, 20	343,192	42,161	(385,353)	-	-
Net movement in funds		(430,140)	16,901	(406,345)	(819,584)	714,893
RECONCILIATION OF FUNDS						
Total funds brought forward	18, 19	375,353	3,550	13,009,348	13,388,251	12,673,358
Total funds carried forward	18, 19	(54,787)	20,451	12,603,003	12,568,667	13,388,251

None of the Charity's other activities were acquired or discontinued during the period.

The Charity has no recognised gains or losses other than those dealt with in the statement of financial activities.

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

BALANCE SHEET AS AT 31 MARCH 2023

		2023		2022	
	Note	£	£	£	£
FIXED ASSETS					
Investments – Managed portfolio	10	12,290,337		12,398,442	
Investments – Cash deposits	11	–		150,000	
Total fixed assets			12,290,337		12,548,442
CURRENT ASSETS					
Debtors	12	33,016		28,146	
Investments – Cash deposits	13	300,000		450,000	
Cash at bank and in hand		192,703		497,728	
Total current assets		525,719		975,874	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	14	246,389		130,065	
Net current assets			279,330		845,809
Total assets less current liabilities			12,569,667		13,394,251
Creditors: amounts falling due after more than one year	15		(1,000)		(6,000)
Net assets			12,568,667		13,388,251
THE FUNDS OF THE CHARITY					
Endowment funds	18, 19		12,603,003		13,009,348
Restricted funds	18, 19		20,451		3,550
Unrestricted general funds	18, 19		(54,787)		375,353
Total charity funds			12,568,667		13,388,251

The accompanying notes form part of these accounts.

Approved by the Trustees and signed on their behalf.

Mr Christopher Tite
(Chairman of the Trustees)

Date: 02/11/2023

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF CASH FLOWS

	Note	2023		2022	
		£	£	£	£
Net cash flow from operating activities (see below)			(809,448)		(559,763)
Cash flow from investing activities					
Purchase of investments		(3,744,258)		(2,173,372)	
Proceeds from sales of investments		3,337,151		3,286,850	
Investment income		145,232		147,395	
Net cash flow from investing activities			(261,875)		1,260,873
Net increase/(decrease) in cash and cash equivalents			(1,071,323)		701,110
Cash and cash equivalents at 1 April			2,167,986		1,466,876
Cash and cash equivalents at 31 March	24		1,096,663		2,167,986
Cash and cash equivalents consist of:					
Cash at bank and in hand			192,703		497,728
Cash held within investments			603,960		1,070,258
Cash held in deposit accounts			300,000		600,000
Cash and cash equivalents at 31 March	24		1,096,663		2,167,986
Reconciliation of net income to net cash flow from operating activities					
		2023		2022	
		£	£	£	£
Net income for the period			(819,584)		714,893
Adjusted for:					
Investment income		(145,232)		(147,395)	
(Gains)/losses on investments		48,914		(1,114,608)	
Decrease/(increase) in debtors		(4,870)		(10,799)	
Increase/(decrease) in creditors		111,324		(1,854)	
			10,136		(1,274,656)
			(809,448)		(559,763)

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

ACCOUNTING POLICIES

General information, scope and basis of the financial statements

The Royal Navy & Royal Marines Children's Fund is a registered Charity, established as a Charitable Incorporated Organisation, in England and Wales. The address of the principal office is given in the Charity information of these financial statements and the nature of the Charity's operations and principal activities are detailed in the report of the trustees.

The Charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the Charity has control over the item. Fair value is determined on the basis of the value of the gift to the Charity. For example the amount the Charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the Charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from government and other grants are recognised at fair value when the Charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

ACCOUNTING POLICIES

Incoming resources (continued)

Investment income is earned through holding assets for investment purposes such as shares and cash deposits. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the Charity's right to receive payment is established.

The Charity receives government grants in respect of the Coronavirus Job Retention Scheme. Income from government and other grants are recognised at fair value when the Charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised

- Costs of raising funds; which includes the costs of organising events and investment management fees
- Expenditure on charitable activities; which includes grants made to beneficiaries and costs incurred to support those activities

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the Charity.

Support cost allocation

Support costs are those that assist the work of the Charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. The analysis of these costs is included in note 8.

VAT

The Charity is not registered for VAT and is unable to recover VAT incurred. On this basis costs are recorded inclusive of VAT within the SOFA.

Taxation

The Charity is an exempt Charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in sections 521 to 536 Income Tax Act 2007 (ITA 2007), as such no income tax is payable on the Charity's activities.

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

ACCOUNTING POLICIES

Investments

Managed portfolio

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains/(losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably.

Cash deposits

Cash deposits are medium and short term highly liquid investments and are held at fair value. Current asset investments include cash on deposit and cash equivalents with a maturity of less than one year.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand and cash balances within the investment portfolio available for investment transaction purposes.

Operating leases

Rentals payable under operating leases are charged in the statement of financial activities on a straight line basis over the lease term.

Employee benefits

When employees have rendered service to the Charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity makes contributions on behalf of employee's to their own personal pension arrangements.

Fund accounting policy

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

ACCOUNTING POLICIES

Fund accounting policy (continued)

Endowment funds incorporating an expendable and permanent endowment funds represent those investment assets held by the Charity, principally to generate investment income for the Charity's use. The assets held within the permanent endowment fund must be retained in perpetuity, however those investments within the expendable endowment may be converted to income by the Trustees. Income arising on the endowment funds can be used in accordance with the objects of the Charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Further details of each fund are disclosed in Note 19.

Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

1. Donations and legacies

	Unrestricted	Restricted	Endowment	2023 Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Donations from individuals and trusts	38,832	56,000	-	94,832
RNRMC/Greenwich	720,000	-	-	720,000
Trinity House	47,300	-	-	47,300
Seafarers UK	-	100,000	-	100,000
	<u>806,132</u>	<u>156,000</u>	<u>-</u>	<u>962,132</u>

	Unrestricted	Restricted	Endowment	2022 Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Donations from individuals and trusts	35,844	5,000	-	40,844
RNRMC/Greenwich	720,000	-	-	720,000
Trinity House	44,665	-	-	44,665
Seafarers UK	-	100,000	-	100,000
	<u>800,509</u>	<u>105,000</u>	<u>-</u>	<u>905,509</u>

2. Investment income

	Unrestricted	Restricted	Endowment	2023 Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Income from listed investments	-	-	136,119	136,119
Interest	9,113	-	-	9,113
	<u>9,113</u>	<u>-</u>	<u>136,119</u>	<u>145,232</u>

	Unrestricted	Restricted	Endowment	2022 Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Income from listed investments	-	-	130,125	130,125
Interest	17,270	-	-	17,270
	<u>17,270</u>	<u>-</u>	<u>130,125</u>	<u>147,395</u>

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

3. Event costs

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £
Direct event costs	10,463	-	-	10,463
Support costs (see Note 8)	19,998	-	-	19,998
	<u>30,461</u>	<u>-</u>	<u>-</u>	<u>30,461</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
Direct event costs	18	-	-	18
Support costs (see Note 8)	20,929	-	-	20,929
	<u>20,947</u>	<u>-</u>	<u>-</u>	<u>20,947</u>

Events are aimed primarily at raising awareness of the RN & RM Children's Fund rather than generation of income.

4. Investment management fees

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £
Investment management fees	-	-	108,197	108,197
	<u>-</u>	<u>-</u>	<u>108,197</u>	<u>108,197</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
Investment management fees	-	-	108,205	108,205
	<u>-</u>	<u>-</u>	<u>108,205</u>	<u>108,205</u>

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

5. Charitable activities

	Unrestricted	Restricted	Endowment	2023 Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Grants to individuals:				
School fees	46,855	66,112	-	112,967
Extra tuition fees	173,852	20,721	-	194,573
Clothing and equipment	448,524	37,330	-	485,854
Children's travel	81,845	7,619	-	89,464
Childminding and respite	159,858	4,951	-	164,809
Historic SSAFA grants returned	-	-	-	-
	<u>910,934</u>	<u>136,733</u>	<u>-</u>	<u>1,047,667</u>
Naval Community Projects				
Community project costs	90,626	-	-	90,626
Research and publications	13,302	-	-	13,302
	<u>103,928</u>	<u>-</u>	<u>-</u>	<u>103,928</u>
Total grants to individuals and other project costs	<u>1,014,862</u>	<u>136,733</u>	<u>-</u>	<u>1,151,595</u>
Direct staff costs	225,060	13,643	-	238,703
Other staffing costs	3,852	195	-	4,047
Support costs (see note 6)	267,275	30,689	-	297,964
Governance costs (see note 6)	47,067	-	-	47,067
	<u>1,558,116</u>	<u>181,260</u>	<u>-</u>	<u>1,739,376</u>

Total grants to individuals and other project costs analysed by pillar

	Unrestricted	Restricted	Endowment	2023 Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Health	100,571	8,015	-	108,586
Wellbeing	161,512	12,069	-	173,581
Security	470,900	34,989	-	505,889
Education	235,695	81,660	-	317,355
Life Chances	46,184	-	-	46,184
	<u>1,014,862</u>	<u>136,733</u>	<u>-</u>	<u>1,151,595</u>

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

5. Charitable activities (continued)

	Unrestricted	Restricted	Endowment	2022 Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Grants to individuals:				
School fees	64,261	98,176	-	162,437
Extra tuition fees	61,935	17,517	-	79,452
Clothing and equipment	355,368	39,985	-	395,353
Children's travel	58,476	7,397	-	65,873
Childminding and respite	104,404	6,996	-	111,400
Historic SSAFA grants returned	(7,229)	-	-	(7,229)
	<u>637,215</u>	<u>170,071</u>	<u>-</u>	<u>807,286</u>
Naval Community Projects				
Community project costs	99,520	-	-	99,520
Research and publications	47,683	-	-	47,683
	<u>147,203</u>	<u>-</u>	<u>-</u>	<u>147,203</u>
Total grants to individuals and other project costs	<u>784,418</u>	<u>170,071</u>	<u>-</u>	<u>954,489</u>
Direct staff costs	149,386	-	-	149,386
Other staffing costs	1,303	-	-	1,303
Support costs (see note 6)	171,330	-	-	171,330
Governance costs (see note 6)	46,959	-	-	46,959
	<u>1,153,396</u>	<u>170,071</u>	<u>-</u>	<u>1,323,467</u>

Total grants to individuals and other project costs analysed by pillar

	Unrestricted	Restricted	Endowment	2022 Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Health	40,803	6,850	-	47,653
Wellbeing	152,510	11,245	-	163,755
Security	362,647	33,216	-	395,863
Education	206,959	118,760	-	325,719
Life Chances	28,728	-	-	28,728
	<u>791,647</u>	<u>170,071</u>	<u>-</u>	<u>961,718</u>
Grants returned	(7,229)	-	-	(7,229)
	<u>784,418</u>	<u>170,071</u>	<u>-</u>	<u>954,489</u>

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

6. Support and governance costs

	Event expenses £	Charitable activities £	Governance £	2023 Total Funds £
Staff costs	19,998	115,460	39,997	175,455
Printing, postage and stationery	-	11,492	-	11,492
Insurance	-	5,190	-	5,190
Legal and professional fees	-	12,311	-	12,311
Accountancy and audit	-	4,295	5,100	9,395
Telephone	-	1,455	-	1,455
Computers and equipment	-	48,597	-	48,597
Sundry expenses	-	15,326	1,500	16,826
Subscriptions	-	3,715	-	3,715
Advertising and publicity	-	41,992	-	41,992
Rent	-	20,393	-	20,393
Travel and subsistence	-	17,738	470	18,208
	<u>19,998</u>	<u>297,964</u>	<u>47,067</u>	<u>365,029</u>

	Event expenses £	Charitable activities £	Governance £	2022 Total Funds £
Staff costs	20,929	37,858	41,859	100,646
Printing, postage and stationery	-	7,956	-	7,956
Insurance	-	5,106	-	5,106
Legal and professional fees	-	3,584	-	3,584
Accountancy and audit	-	3,531	5,100	8,631
Telephone	-	1,174	-	1,174
Computers and equipment	-	42,806	-	42,806
Sundry expenses	-	11,806	-	11,806
Subscriptions	-	5,022	-	5,022
Advertising and publicity	-	33,362	-	33,362
Rent	-	13,476	-	13,476
Travel and subsistence	-	5,649	-	5,649
	<u>20,929</u>	<u>171,330</u>	<u>46,959</u>	<u>239,218</u>

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

7. Auditor's remuneration

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £
Audit fees	5,100	-	-	5,100
Other services	390	-	-	390
	<u>5,490</u>	<u>-</u>	<u>-</u>	<u>5,490</u>
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
Audit fees	5,100	-	-	5,100
Other services	534	-	-	534
	<u>5,634</u>	<u>-</u>	<u>-</u>	<u>5,634</u>

8. Staff costs and information

	2023 £	2022 £
Gross salaries	337,921	216,334
Employer's NI	32,278	17,959
Employer's pension	20,753	14,189
Settlement agreement*	2,808	-
	<u>393,760</u>	<u>248,482</u>

*Settlement agreement costs represent the complete settlement with no further amounts to be accrued.

One (2022: One) employee received employee benefits, excluding employer pension contributions, between £80,000-£90,000 (2022: £70,000 - £80,000).

Staff numbers

The average number of employees, calculated on an average headcount basis and analysed by function, was:

	2023	2022
Charitable activities	6	4
Management and governance	2	2
	<u>8</u>	<u>6</u>

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

8. Staff costs and information (continued)

Pension scheme

The Charity contributes to defined contribution pension schemes on behalf of its employees. The pension cost is charged to the Statement of Financial Activities in the period it is due. The total amount of contributions charged in the year under review were £20,753 (2022: £14,189). At the balance sheet date £3,031 (2022: £1,413) was payable in respect of pension contributions consisting of employee and employer contributions.

The number of employees to whom pension contributions are accruing:

	2023	2022
Charitable activities	7	4
Management and governance	3	3
	<u>10</u>	<u>7</u>

9. Related party transactions

No Trustees received remuneration during the year under review nor the comparative period. The Trustees listed in the information page were reimbursed or had travel expenses and training costs paid on their behalf in the year under review totalling £1,698 (2022: £1,701).

At the end of the year under review the Charity had four (2022: one) members of key management personnel comprising the Chief Executive Officer, Head of Welfare, Head of Finance and Head of Partnerships (2022: Chief Executive Officer). During the period under review employee benefits totalling £174,427 (2022: £81,133) inclusive of gross pay and pension contributions. The Charity's key management personnel were reimbursed expenses or had them paid on their behalf in the period under review totalling £11,326 (2022: £363).

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

10. Investments – Managed portfolio

	Year ended 31 March 2023			Year ended 31 March 2022		
	Listed	Cash	Total	Listed	Cash	Total
	investments	accounts	Funds	investments	accounts	Funds
	£	£	£	£	£	£
Market value brought forward	11,328,184	1,070,258	12,398,442	11,327,054	528,419	11,855,473
Additions at cost	3,744,258	-	3,744,258	2,173,372	-	2,173,372
Disposals at carrying value	(3,414,579)	-	(3,414,579)	(2,987,079)	-	(2,987,079)
Gain/(loss) on revaluation	28,514	-	28,514	814,837	-	814,837
Movement in cash	-	(466,298)	(466,298)	-	541,839	541,839
Market value carried forward	<u>11,686,377</u>	<u>603,960</u>	<u>12,290,337</u>	<u>11,328,184</u>	<u>1,070,258</u>	<u>12,398,442</u>
<i>Gains/(losses) on investments</i>						
Gain/(loss) on revaluation	28,514	-	28,514	814,837	-	814,837
Gain/(loss) on investment disposals	(77,428)	-	(77,428)	299,771	-	299,771
	<u>(48,914)</u>	<u>-</u>	<u>(48,914)</u>	<u>1,114,608</u>	<u>-</u>	<u>1,114,608</u>

11. Investments – Cash deposits

	2023	2022
	Total	Total
	Funds	Funds
	£	£
Cash deposits with maturity over one year	<u>-</u>	<u>150,000</u>

12. Debtors

	2023	2022
	Total	Total
	Funds	Funds
	£	£
Accrued income	<u>33,016</u>	<u>28,146</u>
	<u>33,016</u>	<u>28,146</u>

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

13. Investments – Cash deposits

	2023	2022
	Total	Total
	Funds	Funds
	£	£
Cash deposits with maturity within one year	300,000	450,000

14. Creditors: Amounts falling due within one year

	2023	2022
	Total	Total
	Funds	Funds
	£	£
Trade creditors	10,205	2,888
Accruals	10,133	5,100
Accrued school fees	98,619	44,897
Accrued school fees – Ogden Trust restricted fund	5,000	9,000
Accrued regular charitable payments	86,639	53,825
Deferred income	12,880	–
Other taxes and social security	13,898	6,816
Pensions payable	3,031	1,413
Other creditors	5,984	6,126
	246,389	130,065

Deferred income above includes grants received towards the cost of activities in the next financial year.

15. Creditors: Amounts falling due after more than one year

	2023	2022
	Total	Total
	Funds	Funds
	£	£
Accrued school fees – Ogden Trust restricted fund	1,000	6,000
	1,000	6,000

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

16. Unprovided commitments

School fees grants are awarded for each academic year, with future awards made following the Charity's assessment of ongoing need and academic performance. Therefore the school fee creditors included within Notes 16 and 17 above is the balance of the amount awarded less amounts paid to 31 March 2023. In addition to the school fees creditor the Charity has unprovided commitments, in respect of possible future school fee awards for children currently receiving support until they complete their education at the age of 16 or 18, totalling £452,269 (2022: £141,900) at the balance sheet date.

17. Operating lease

The Charity has an agreement to occupy office space in Castaway House, Twyford Avenue with a 12 month notice period for either party. The rental and service charge expense for the year was £15,360 (2022: £13,476).

18. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £
Fixed asset investments	-	-	12,290,337	12,290,337
Other net assets	(54,787)	20,451	312,666	278,330
Net assets at 31 March	(54,787)	20,451	12,603,003	12,568,667
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
Fixed asset investments	-	-	12,548,442	12,548,442
Other net assets	375,353	3,550	460,906	839,809
Net assets at 31 March	375,353	3,550	13,009,348	13,388,251

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

19. Analysis of net movement in funds

	Year ended 31 March 2023					
	Total funds brought forward	Incoming resources and gains	Outgoing resources and losses	Gains/(losses) on investment assets	Transfers	Total funds carried forward
	£	£	£	£	£	£
Endowment funds						
Expendable endowment fund	9,903,135	100,785	(81,268)	(34,382)	(300,000)	9,588,270
Permanent endowment fund	3,030,162	-	(26,929)	(14,532)	-	2,988,701
Permanent endowment unapplied	76,051	35,334	-	-	(85,353)	26,032
Total	13,009,348	136,119	(108,197)	(48,914)	(385,353)	12,603,003
Restricted funds						
Ogden Trust	3,550	-	-	-	-	3,550
The Seafarers Charity	-	100,000	(100,000)	-	-	-
Queen Mary Roehampton Trust	-	5,000	(47,161)	-	42,161	-
Greenwich Hospital	-	51,000	(34,099)	-	-	16,901
Total	3,550	156,000	(181,260)	-	42,161	20,451
Unrestricted funds						
General Fund	375,353	815,245	(1,588,577)	-	343,192	(54,787)
Total	375,353	815,245	(1,588,577)	-	343,192	(54,787)
Total funds	13,388,251	1,107,364	(1,878,034)	(48,914)	-	12,568,667

	Year ended 31 March 2022					
	Total funds brought forward	Incoming resources and gains	Outgoing resources and losses	Gains/(losses) on investment assets	Transfers	Total funds carried forward
	£	£	£	£	£	£
Endowment funds						
Expendable endowment fund	9,631,819	96,969	(81,593)	841,574	(585,634)	9,903,135
Permanent endowment fund	2,783,740	-	(26,612)	273,034	-	3,030,162
Permanent endowment unapplied	39,914	33,156	-	-	2,981	76,051
Total	12,455,473	130,125	(108,205)	1,114,608	(582,653)	13,009,348
Restricted funds						
Ogden Trust	3,550	-	-	-	-	3,550
The Seafarers Charity	-	100,000	(102,503)	-	2,503	-
Queen Mary Roehampton Trust	-	5,000	(67,568)	-	62,568	-
Total	3,550	105,000	(170,071)	-	65,071	3,550
Unrestricted funds						
General Fund	214,335	817,779	(1,174,343)	-	517,582	375,353
Total	214,335	817,779	(1,174,343)	-	517,582	375,353
Total funds	12,673,358	1,052,904	(1,452,619)	1,114,608	-	13,388,251

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

Description of restricted funds

Ogden Trust	Funds received for benefitting children (11+) of servicemen and women who have been seriously injured or killed during deployment.
The Seafarers Charity	Funds received from The Seafarers Charity towards the welfare support of bereaved children and children of officers from within the Naval Service.
Queen Mary Roehampton Trust	Funds received from Queen Mary Roehampton Trust towards the welfare support of children of ex-service men and women disabled in service.
Greenwich Hospital	Funds received from Greenwich Hospital towards the salary costs of an Outreach Caseworker in Scotland and a Senior Partnerships Lead.

20. Transfers between funds

During the period under review the Charity made transfers as set out below:

	Unrestricted funds £	Restricted funds £	Endowment funds £
Transfer 1			
General Fund	85,353	-	-
Permanent endowment unapplied	-	-	(85,353)
	<u>85,353</u>	<u>-</u>	<u>(85,353)</u>
Being transfer of unapplied investment income on capital funds to general fund to be utilised in support beneficiaries.			
Transfer 2			
Expendable endowment fund	-	-	(300,000)
General Fund	300,000	-	-
	<u>300,000</u>	<u>-</u>	<u>(300,000)</u>
Being transfer of balances held within endowment fund cash deposits to support current beneficiaries as authorised by the constitution.			
Transfer 3			
Queen Mary Roehampton Trust	-	42,161	-
General Fund	(42,161)	-	-
	<u>(42,161)</u>	<u>42,161</u>	<u>-</u>
Being transfer of general funds to Queen Mary Roehampton Trust fund to correct the expenditure over funds received.			
	<u>343,192</u>	<u>42,161</u>	<u>(385,353)</u>

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

21. Financial instruments

The carrying amounts of the Charity's financial instruments are as follows:

	2023	2022
	Total	Total
	Funds	Funds
	£	£
<i>Financial assets</i>		
Measured at fair value through net income/(expenditure):		
Fixed asset investments	12,290,337	12,398,442
	<u>12,290,337</u>	<u>12,398,442</u>

Fixed asset investments are held at fair value with valuations obtained by reference to market prices from the appropriate stock exchange, bid prices and last traded prices where applicable.

	2023	2022
	Total	Total
	Funds	Funds
	£	£
<i>Financial liabilities</i>		
Measured at amortised cost:		
Trade creditors	10,205	2,888
	<u>10,205</u>	<u>2,888</u>

The income, expense, net gains and net losses attributable to the Charity's financial instruments are summarised as follows:

	2023	2022
	Total	Total
	Funds	Funds
	£	£
<i>Income and expense</i>		
Financial assets measured at fair value through net income/(expenditure)		
Income from listed investments	136,119	130,125
Investment management fees	(108,197)	(108,205)
	<u>27,922</u>	<u>21,920</u>
<i>Net gains and losses (including changes in fair value)</i>		
Financial assets measured at fair value through net income/(expenditure)		
Unrealised gains/(losses) on investments	28,514	814,837
Realised gains/(losses) on investments	(77,428)	299,771
	<u>(48,914)</u>	<u>1,114,608</u>

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

22. Analysis of changes in net debt

	2022 £	Cash flows £	2023 £
Cash and cash equivalents	2,167,986	(1,071,323)	1,096,663
	<u>2,167,986</u>	<u>(1,071,323)</u>	<u>1,096,663</u>
	2021 £	Cash flows £	2022 £
Cash and cash equivalents	1,466,876	701,110	2,167,986
	<u>1,466,876</u>	<u>701,110</u>	<u>2,167,986</u>

23. Permanent endowment invested on a total return basis

The charity has exercised its rights by the Trustees under section 104(A) of the Charities Act 2011 on 1 March 2020. This power permits the trustees to invest permanently endowed funds to maximise total return and therefore to apply an appropriate portion of the unapplied total return to income. The unapplied total return remains invested as part of the permanent endowment until that power is exercised. When exercised it allows the trustees to apply an appropriate portion of the unapplied total return to income each year. During the current year the trustees have transferred £nil to unrestricted income funds.

	Endowment for investment £	Unapplied total return £	Total permanent endowment £
Brought forward			
Gift component of permanent endowment	3,030,162	-	3,030,162
Unapplied total return	-	76,051	76,051
Total	<u>3,030,162</u>	<u>76,051</u>	<u>3,106,213</u>
Movements			
Investment return: Dividends and interest	-	35,334	35,334
Investment return: Realised and unrealised gains and losses	(14,532)	-	(14,532)
Less: Investment management costs	(26,929)	-	(26,929)
Total	<u>(41,461)</u>	<u>35,334</u>	<u>(6,127)</u>
Unapplied total return allocated to income in the reporting period	-	(85,353)	(85,353)
Net movements in the reporting period	<u>(41,461)</u>	<u>(50,019)</u>	<u>(91,480)</u>
Carried forward			
Gift component of permanent endowment	2,988,701	-	2,988,701
Unapplied total return	-	26,032	26,032
Total	<u>2,988,701</u>	<u>26,032</u>	<u>3,014,733</u>

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

24. Comparative statement of financial activities

		Unrestricted	Restricted	Endowment	2022 Total
	Note	Funds	Funds	Funds	Funds
		£	£	£	£
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	1	800,509	105,000	-	905,509
Investments	2	17,270	-	130,125	147,395
Total		817,779	105,000	130,125	1,052,904
EXPENDITURE ON:					
Raising funds - Event costs	3	20,947	-	-	20,947
Raising funds - Investment management costs	4	-	-	108,205	108,205
Charitable activities	5	1,153,396	170,071	-	1,323,467
Total		1,174,343	170,071	108,205	1,452,619
Net gains/(losses) on investments	10	-	-	1,114,608	1,114,608
Net Income/(expenditure)		(356,564)	(65,071)	1,136,528	714,893
Transfers between funds	19, 20	517,582	65,071	(582,653)	-
Net movement in funds		161,018	-	553,875	714,893
RECONCILIATION OF FUNDS					
Total funds brought forward	18, 19	214,335	3,550	12,455,473	12,673,358
Total funds carried forward	18, 19	<u>375,353</u>	<u>3,550</u>	<u>13,009,348</u>	<u>13,388,251</u>

The Naval Children's Charity

England & Wales - Charity number 1160182

Accounts

Naval Children's Charity

(the working name of The Royal Navy and Royal Marines Children's Fund)

Trustees' report and financial statements
for the year ended 31 March 2022



Naval
Children's
Charity

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

REFERENCE AND ADMINISTRATION INFORMATION

Charity name

The Royal Navy and Royal Marines Children's Fund

Working name

Naval Children's Charity

Trustees

Alistair Sheppard OBE	Chair (resigned 24/03/2022)
Christopher Tite	Chair (appointed 31/01/2022, Chair from 24/03/2022)
Kevin Arnold	
Mrs J Brent	(resigned 26/10/2022)
Vice-Admiral Martin Connell CBE	Vice-Chair
Capt Thomas Early RM	
Lt Col Ian Grant RM Retired	
Cdr Simon Howell RN	(appointed 31/01/2022)
Lt Col Ed Musto RM Retired	(resigned 01/08/2021)
Cdr David Orton RN Retired	
WO Annette Penfold MBE	(appointed 31/01/2022)
Ian Pitts FCCA	Treasurer
Ellen Riis-White	
Cdr Heather Rimmer MBE RN Retired	
WO1 Clare Robson	
Lt Ed Stout RN	
Dr Linda Williams	(appointed 07/06/2021)
Cdr Steve Warner RN	(appointed 24/03/2022)
Dr M Whitehead	(resigned 01/08/2021)

Principal office

311 Twyford Avenue
Portsmouth
PO2 8RN

Country of registration and charity registration number

England - 1160182

President

Lt General Sir James Dutton KCB CBE KStJ ADC

Vice Presidents

Lieutenant General E G M Davis CB CBE
Major General F H R Howes CB OBE
Mrs S Owens-Cairns
Rear Admiral Mike Bath

Chief Executive Officer

Clare Scherer

Independent auditor

Blue Spire Limited
Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

REFERENCE AND ADMINISTRATION INFORMATION

Principal bankers

Lloyds Bank plc
Gosport
20-24 High Street
Gosport
PO12 1DE

Solicitors

Blake Morgan
Harbour Court
Compass Road
North Harbour
Portsmouth
PO6 4SR

Investment Adviser

Veritas Investment Management LLP
Riverside House
2A Southwark Bridge Road
London
SE1 9HA

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

CHAIR'S REPORT

I begin by paying tribute to Her Majesty the late Queen Elizabeth II, who honoured us by serving as our Royal patron for more than 70 years. We give thanks for her long and remarkable life of service and leadership to our nation and the Commonwealth.

I was appointed as a trustee on 31 January 2022 and took over from Alistair Shepherd OBE as Chair on 24 March 2022. I would like to express my thanks to him for his stewardship over the last five years and for leaving the Charity in such extremely good shape with a clear strategy and focus.

During the year under review we have seen other changes to our trustee board with the resignation of three members, one of whom had served for almost twenty years. We are very grateful to each of them for their expertise, time and insights. We are also delighted to welcome four new trustees which means that, along with existing members, we have a strong and capable trustee board, with the right mix of skills and experience to guide the Charity's activities.

We are also delighted that our Vice Chair, Vice Admiral Martin Connell CBE, was appointed Second Sea Lord in January 2022.

Priorities

Our trustees' report reviews our activities and performance for the year ended 31 March 2022. It explains how, uniquely, we work as the advocate for naval children: they lie at the heart of what we do and we aim to improve their lives in both the short and long term.

In addition to our beneficiaries, our principal priorities for next year and beyond concentrate on the Charity's staff, growing our reputation and widening our sources of funding.

Beneficiaries

There can be little doubt that we are living in uncertain times, with very challenging economic conditions significantly increasing the cost of living for our beneficiary families. Many more of them will struggle to heat and power their homes and to put nutritious meals on the table for their children, which will directly affect their physical and mental needs. So, for us, it will not just be business as usual: we expect to see a significant increase in demand from many more naval families. We will meet that demand to the fullest extent possible and expect to spend considerably more during the coming year on crisis intervention.

We will also work to expand our reach. For example, we believe that we are under-exposed to beneficiaries from the Royal Navy Reserves, the Royal Fleet Auxiliary and Commonwealth countries. We will also establish an on-the-ground presence in Faslane, using outreach case-working to identify and support new beneficiaries there.

We intend markedly to increase the Charity's focus on life chances, which is our fifth strategic pillar. We want to support naval children not just to survive but to thrive, by providing them with tangible, sustainable support. By helping them to grow in confidence, develop self-esteem and learn life skills we aim to unlock the talent and spirit in every naval child and put them in the best possible place to succeed in life.

Staff

The Charity is fortunate to have an extraordinarily hard-working team under the leadership of our CEO, Clare Scherer, and we are very grateful to each of them for their dedication and care for our beneficiaries. To enable the Charity to do even more we will add key charity delivery resources to the team, especially front-line, triage and outreach caseworkers.

Reputation

We will continue to build the Charity's profile as the leading advocate for naval children, in order to increase awareness of our capabilities among potential beneficiaries, the Royal Navy, potential funders, possible recruits and policy makers.

As part of that work, we will develop our framework of patronage, review our governance to ensure that we remain in the vanguard of best practice and, importantly, develop plans to mark our bicentenary in 2025.

We will, of course, continue to collaborate with the wider naval charity community to maximise support for our current and future beneficiaries and make best use of all available resources by co-ordinating charitable provision within that community.

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

CHAIR'S REPORT

Funding

Historically, the Charity's investments have performed well, although we are very aware that nothing can be taken for granted. Our investment managers, Veritas, focus on achieving capital growth over income and we withdraw cash when required to meet our operating requirements in line with a policy adopted in 2020 to which we will adhere for the foreseeable future.

All of our income from grants and donations is spent on charitable expenditure and we are extremely grateful to our principal funders Greenwich Hospital, the Royal Navy and Royal Marines Charity, Trinity House and The Seafarers Charity for their generous and continuing support. During the coming year, in addition to that support we will seek extra funding from new sources to enable us to widen the scope of our charitable activities.



Christopher Tite

Chair

Date: 20/01/2023

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

TRUSTEES' REPORT

The trustees have pleasure in presenting their annual report for the purposes of the Charities Act 2011, together with the accounts for the year ended 31 March 2022. In preparing this Annual Report and financial statements the trustees have adopted the updated provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

The Charity was constituted by a Charity Commission Scheme dated 26 October 1998, which came into operation on 1st April 1999. It enabled the merger of the charities previously known as the Royal Naval & Royal Marines Children's Home and The Royal Naval & Royal Marines Children's Trust. It became a charitable incorporated organisation (CIO) on the 1 August 2015 and adopted the working name "Naval Children's Charity" with effect from 16 March 2020.

Trustees

Under its governing document (the constitution adopted when it became a CIO) the Charity may have up to fifteen trustees, with no more than 50% being serving members of the Armed Forces. Trustees are appointed for three year terms. Currently there are fifteen trustees, six of whom are currently serving in the Royal Navy.

New trustees are selected by an open process and appointed on the basis of the skills and experience that they can bring to the trustee board. There is an induction procedure for each new trustee, which includes briefings by the Chair and CEO and access to a trustees' online portal containing all information relevant to the Charity. Continuing training is also offered to trustees during their term in office.

Governance

Trustees meet three times annually. They delegate oversight of some functions to a Finance Committee (which meets at least twice annually) and a Welfare Committee (which meets monthly to consider applications for assistance from the Charity).

Staff

The trustees delegate the day to day operation of the Charity to its Chief Executive Officer (CEO), who is supported by three Heads of Welfare, Finance (appointed January 2023) and Partnerships (appointed December 2022). The Charity employs a specialist team of caseworkers to engage directly with beneficiaries, as well as other staff to support the Charity's operating needs.

The trustees are responsible for setting the remuneration of all staff, using external assessment and benchmarking when needed to ensure that its dedicated team is fairly rewarded for their hard work.

Risk

The Charity has identified the following principal risks:

- operational – loss of key staff;
- governance – lack of strategic planning;
- compliance – failure to comply with legislation and regulation;
- financial – loss of income; and
- reputation – loss of reputation.

The trustees regularly review risk and, to the extent reasonably possible, identify ways in which to mitigate the likelihood of the relevant risk occurring and/or its impact on the Charity.

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

TRUSTEES' REPORT

OBJECTIVE AND STRATEGY

Objective

The Charity's object is the relief of dependant children (up to and including the age of 25) of serving and former members of the Royal Navy who are in need, hardship or distress.

The Charity may relieve beneficiaries in need by making grants of money to them; or providing or paying for goods, services, or facilities for them; or making grants of money to other persons or bodies who provide goods, services, or facilities to those in need.

"We believe that to be the child of someone who is, or has been, in the Royal Navy should be a positive and enhancing experience – something to be borne with pride."

Vision

Our vision is to be ready in a changing future to ensure that every deserving and eligible child has information about, access to and support from the naval charity sector.

Mission

Our mission is to provide help and support for children and young people who through personal circumstances are in need and would benefit from support from the Charity.

Strategy

The Charity's activities focus on five strategic pillars which place children at the heart of our work, improving their lives in both the short and long term:



NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

TRUSTEES' REPORT

ACTIVITIES AND PERFORMANCE

Naval children are our exclusive focus.

We provide them with essential support and represent their needs: in all aspects of our work, we work solely as the proponent and advocate for the naval child.

Since the formation of the Naval Children's Charity in 1999 we have supported many thousands of children and young people, with many more being previously helped in our orphanages for nearly 200 years.

How we work

Our help is given in different ways, aligned with our strategy, as reported below.

Along with other charities in the Armed Forces Sector, we use the central Case Management System (Mosaic) managed by SSAFA (the Armed Forces charity, the Soldiers, Sailors, Airmen and Families Association). We are now a full case-working organisation and can therefore almonise (to collaborate between benevolent organisations in providing financial support to beneficiaries) more easily with the other charities, ensuring best outcomes for our families.

We take self-referrals from families and referrals through other sources. Once received, the applicant will be contacted by an appointed caseworker to assess need.

Charitable need is determined by a financial assessment of the family, including all family circumstances such as bereavement, disability or illness of a child, parent, or sibling.

We employ five caseworkers who deal directly with the families and work in partnership with the SSAFA caseworkers, RN FPS (Royal Navy Family and People Support) and grant administrators from other charitable organisations. An application form demonstrating need is completed. Grants are approved in line with the Charity's financial authority limits and given either directly to the family concerned or administered through SSAFA or another charitable organisation. No cap is applied to grants either in time or money, other than the age limit of up to and including the age of 25 for children.

As a result of the pandemic, we now use virtual means to communicate with our beneficiaries and to support our team when working from home. Virtual home visits have been enabled by a new system called *Attend Anywhere*, which is also used by the NHS in the UK, as a means of holding virtual appointments with our families.

We continue to gather feedback from our families using our feedback survey. This consistently shows that our support is life-changing to many families who come to us feeling anxious, stressed, in crisis, ill, worried, depressed and scared. Following our support both financial and emotional from our caseworkers the families report feeling supported, an improved sense of wellbeing, a better quality of life and improved independence.

Plans for future periods

Our Chair's report outlines our principal priorities for next year and beyond and includes plans to increase awareness of the charity and enhance the charity's delivery of its core objectives through recruitment of additional front line, triage and outreach caseworkers.



NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

TRUSTEES' REPORT

In 2021/22 we supported:



162
children with
SEND



121
families with a
disabled child



70
Families with a
disabled parent

HEALTH

Where families face disability or illness of either parent or child, very often the adult disability is a direct result of their service and children often have very complex medical needs which impact the families significantly. The Charity provides support with the costs associated with those needs such as specific equipment to help with physical and learning disability, wheelchairs, sensory items, trikes, safe space beds, nappies and learning devices. If a child is very ill in hospital, then support is provided for the additional costs to the family that this can bring, ranging from travel and parking, food on the go, overnight stays, and childcare for the remaining children at home. We provide grants towards therapies and activities to enhance their lives and improve outcomes.

WELLBEING & SECURITY

Many of the grants we give are in response to a family reaching a crisis point, very often exacerbated by financial constraints, domestic violence and/or marital breakdown. For these children and young people their need is immediate, and a quick response is necessary, often directly to the family. The need could be for groceries, beds, clothing or white or brown goods that have broken. This response also helps those children where poverty is having a significant effect on their health and development. In many cases the financial circumstances of the family have been compounded by illness, disability, bereavement and the current situation in Ukraine and the cost-of-living increases.

We operate an emergency grants scheme which, at short notice, enables us to provide for shelter, food and basic necessities. In other cases, we give regular charitable payments to those families who are experiencing long term struggles in their lives or for those children and young people who need a bit of extra help whilst studying. These monthly payments help them over a continuous period and are regularly reviewed.

In 2021/22 we awarded:



928
grants in the
scheme



551
children with a
regular monthly
payment for
basic needs



164
families given
a grant at
Christmas



100
grants for
brown/white
goods



We continue to expand our work in the community, working closely with schools and others to reach our naval families and provide more general support to their children by giving grants to projects in naval communities and to schools.

We have funded Christmas parties, activities in schools, and larger expenditure such as playgrounds at Widewell School in Plymouth, at Ilchester Community Schools and the Gordon Messenger Centre in Lymington.

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

TRUSTEES' REPORT

In 2021/22 we gave:



435

Education grants



162

Grants towards
SEND



46

Grants towards
computer
equipment



11

Grants towards
school and
community
projects

EDUCATION

Educational support covers pre-school and nursery through to tertiary education including vocational training, apprenticeships, and trainee schemes as well as college, university and postgraduate education. We aim to ensure that children receive the help they need to overcome any disadvantage either through the nature of their parent's service or other external factors.

We provide grants for school uniform, laptops, extra lessons as well as school clubs and activities. Children are also supported with school trips and travel to/from school, particularly where there is disability or illness.

In a few exceptional cases with complex family circumstances, we help with education outside that provided by the state. Typical cases involve disability or bereavement when a child is already attending a fee-paying school in order to provide continuity of education up to the next key stage (such as GCSEs), or where there are safeguarding concerns around the child.

Where a child has SEND (Special educational needs and disabilities) we provide advice and support on applying for EHCPs (Education, health and care plan), as well as therapies and assessments to enable children to obtain diagnosis.

As children leave school we also provide grants to support their transition into adulthood, supporting children up to the age of 25.

LIFE CHANCES

Much of our support focuses on families in crisis. However, we want our children and young people to not just survive but also to thrive and for our charitable support to repay a dividend to each of our beneficiaries for life.

To achieve that we aim to offer them opportunities outside the norm, so that their horizons are wide and distant, and help them to appreciate that anything is within their reach. By providing those chances and showing them what could be possible, we aim to unlock the spirit in every child and help them achieve their full potential in life.

As part of our support for children we have forged a partnership with the Tall Ships Youth Trust. Four of our young people went on one of their voyages in 2021 and in 2022 we have sponsored two complete voyages, enabling 20 of our young people to attend.



We are also sponsoring five children to attend the World Scout Jamboree in South Korea in 2023, having been chosen to represent their area at this prestigious event.

RESEARCH, RESOURCES AND COLLABORATION

We invest in working to understand the challenges that face our children, the demographics of our beneficiaries and how best to reach them to deliver support.

"The Overlooked Casualties of Conflict"

In 2009 we produced a report, *"The Overlooked Casualties of Conflict"*, which identified the ten key challenges facing service children. It led directly to the introduction of the Service Pupil Premium. In England, 76,318 children are eligible for the Service Pupil Premium and 52% of schools across the UK have at least one service child. Eleven local authorities account for 50% of service children, with the key naval areas being Devon, Cornwall, Dorset and Hampshire.

NAVAL CHILDREN'S CHARITY

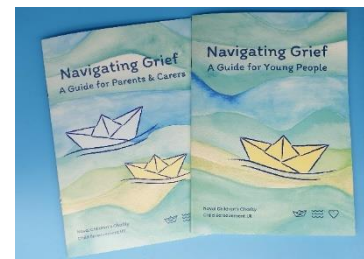
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

TRUSTEES' REPORT

In 2020 we commissioned the Veterans and Families Institute at Anglia Ruskin University to carry out a further study, to update the challenges identified in the *"The Overlooked Casualties of Conflict"*. The research was published in May 2021. The launch was attended by around 300 participants from around the world including representatives of universities, the Ministry of Defence, the Royal Navy, charities and corporate supporters of the Armed Forces Covenant. The research will further focus support for naval children to ensure that they are not disadvantaged by their parents' service and that the impact of grants and other resources can be maximised. Following that report, the Charity commissioned follow-on research into the impact of social media on children, particularly when separated from their serving parents, which was launched in summer 2022.

Bereavement

We identified a specific need to provide support for naval children, bereaved earlier in life, who are now over 18 and transitioning into adulthood. There is little support or knowledge around this age group so, in 2021, we commissioned an eight-month project with Child Bereavement UK, working with some children to support them and inform our future work. They have produced two booklets, one for children and one for their parents, which were launched in Autumn 2022



Other publications

We provide resources free of charge to our children and young people to help them with some of the difficulties they experience. Our materials provide holistic help to naval children who have to cope with the impact of their parent's service on their lives. We have published two storybooks for the younger children: *Zoe and the Time Rabbit* (where a daddy goes away) and *Henry and the Time Penguin* (where a mummy goes away). These are designed to help children understand separation and the feelings they experience and to communicate with their parents.



We have also commissioned a special edition of a Mental Health support notebook for our older children and young people called *"Wisdom While You Work"* by Libbla Kelly. This engaging journal-style notebook shares one hundred of life's most important values to guide and encourage young people.

Collaboration with others

While we continue to operate as an independent charity, we collaborate closely with other naval charities and maintain strong relationships with our major funders.

We also maintain good connections with the maritime, educational and children's charity sectors. We work in partnership with organisations such as the Service Children Progression (SCiP) Alliance, supporting service children in schools, and the Educational Trusts Forum (ETF). We are also part of a collaborative work, *"Strengthening Families"*, alongside the Royal Navy & Royal Marines Charity (RNRMC), and Kings Camp, Relate, Homestart and Mind, which is aimed at supporting all naval families.

Our CEO is on the Board of the charity Children England, which represents children's charities across England; is co-Chair of the ETF; is Vice Chair of the Management Group of the SCiP Alliance; and she also chairs a sub-committee with the SCiP Alliance (concentrating on funding for service children across the UK and how charities and organisations can collaborate to improve the lives and outcomes of service children).

FUNDRAISING

The Charity does not actively raise funds from the general public. We remain grateful to everyone who chooses to support us financially through fundraising in their communities, donations, and legacies

Grants and legacies

The Charity is very grateful to the major donors referred to below for their significant and consistent support.

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

TRUSTEES' REPORT

Through our Grant Agreement with the RNRMC and Greenwich Hospital we receive a significant annual grant and we continue to work closely with both of those organisations.

The Seafarers Charity have given regular support over many years with donations constituting a restricted fund for children from naval officers' families.

Trinity House have also very generously continued to provide an annual grant.

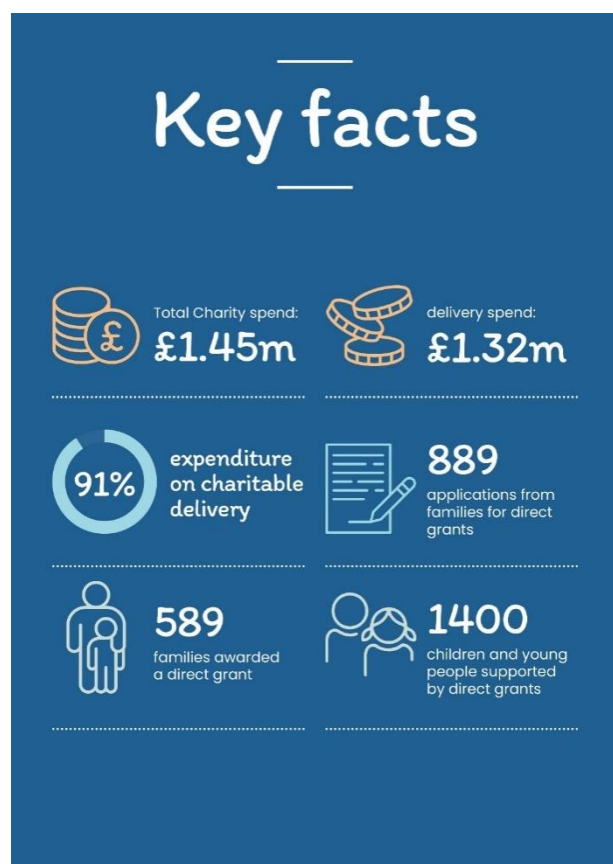
The Ogden Armed Forces Bursary is a Restricted Fund which supports children aged 11+ of those seriously injured or killed during deployment or those suffering with PTSD from across the Armed Forces. There are currently two children benefiting from this bursary. The fund will close once the bursaries to the existing children have been paid.

Trusts and foundations

Queen Mary's Roehampton Trust provides us with a grant to support the children of those receiving a War Pension, for which we are very grateful.

The Charity also acknowledges with thanks those other trusts and foundations which have generously supported our work during the year. These include: the Edinburgh Trust, Lest We Forget Association, The Naval Ladies Charitable Trust, Sir James Knott Trust and the St James' Place Foundation.

FINANCIAL REVIEW



Summary

- The period under review is the year ended 31st March 2022.
- The Charity's incoming resources amounted to £1,052,904.
- Total expenditure was £1,452,619, including expenditure on charitable activities of £1,323,467 (91% of all expenditure).
- 100% of all donations and grants is spent directly on beneficiaries.
- Our operating deficit was funded by cash withdrawn from reserves.
- As at 31 March 2022 net assets were £13,388,251.
- The charity's reserves at 31 March 2022 were £375,353 which the trustees consider appropriate having regard to their future plans and the charity's net assets. The trustees with the help of management regularly review the reserves position against future plans and expected need.

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

TRUSTEES' REPORT

Investment policy

The Charity's investment assets are held in an investment portfolio and cash deposits.

The principal investment objectives are to protect and grow the real value of our expendable and permanent endowment funds, delivering a real return of CPI + 3% on a rolling 5-year basis net of fees.

In March 2020, our trustees adopted a cash withdrawal policy, providing for the periodic release of cash from our investment portfolio, allowing our investment advisers to concentrate on achieving capital growth without a requirement to generate significant income. The goal is for capital growth to replace cash withdrawn over time while the Charity holds cash on deposit sufficient to fund its near-term operating requirements.

Public benefit

The identifiable benefit provided by the Charity is the relief of children of serving and veteran personnel of the Royal Navy who are in need, hardship, or distress thereby contributing to the health, welfare, and social cohesion of the Nation. Additionally, this contributes to maintaining or improving morale within the Royal Navy and thus to the quality of these vital components of the Nation's Armed Forces and, thereby, to the defence of the Nation.

Our work is targeted at helping children who are in distress and if unrelieved, may result in social, as well as educational, failure.

Through its grant making to serving and veteran Royal Navy personnel and dependants in need, the Charity demonstrates its support of the Military Covenant between the Nation and its Armed Forces and has signed the Armed Forces Covenant as a reflection of that support.

In planning and delivering the charity's activities for the public benefit the trustees have had regard to the Charity Commission's guide on public benefit.

Environmental and social governance:

The trustees recognise that responsible corporate behaviour can have a positive influence on the financial performance of companies and appropriate criteria are applied by our investment managers when selecting and maintaining specific investments.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing their report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Charity and of the incoming resources and application of resources 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 Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper 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 Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Constitution. 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.

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

TRUSTEES' REPORT

The trustees are responsible for the maintenance and integrity of the Charity and 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.

Approved by the trustees and signed on their behalf.



Christopher Tite
Chair

Date: 20/01/2023

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report to the Trustees of The Royal Navy and Royal Marines Children's Fund

Opinion

We have audited the financial statements of The Royal Navy and Royal Marines Children's Fund (the 'charity') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

INDEPENDENT AUDITOR'S REPORT

Matters on which we are required to report by exception

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Based on our understanding of the Charity and the industry in which it operates, we identified that the principal laws and regulations that directly affect the financial statements to be and the Charities Act, Employment Act and Trustee Act. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

In addition, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. As an investment and donation funded grantmaker there is a limitation to areas most likely to have such an effect. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence if any.

Audit procedures performed by the engagement team included:

- Enquiry of management, those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

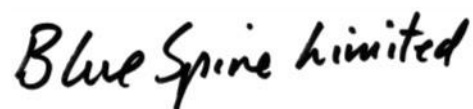
INDEPENDENT AUDITOR'S REPORT

become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an 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 and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Blue Spire Limited, Statutory Auditor

Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY

Date 20/01/2023

Blue Spire Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

STATEMENT OF FINANCIAL ACTIVITIES

		Unrestricted	Restricted	Endowment	2022	2021
		Funds	Funds	Funds	Total	Total
Note	£	£	£	£	£	£
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	1	800,509	105,000	-	905,509	918,170
Other trading activities	2	-	-	-	-	-
Investments	3	17,270	-	130,125	147,395	155,900
Other	4	-	-	-	-	15,038
Total		817,779	105,000	130,125	1,052,904	1,089,108
EXPENDITURE ON:						
Raising funds - Event costs	5	20,947	-	-	20,947	31,122
Raising funds - Investment management costs	6	-	-	108,205	108,205	99,330
Charitable activities	7	1,153,396	170,071	-	1,323,467	1,338,822
Total		1,174,343	170,071	108,205	1,452,619	1,469,274
Net gains/(losses) on investments	13	-	-	1,114,608	1,114,608	2,293,672
Net Income/(expenditure)		(356,564)	(65,071)	1,136,528	714,893	1,913,506
Transfers between funds	21	517,582	65,071	(582,653)	-	-
Net movement in funds	21	161,018	-	553,875	714,893	1,913,506
RECONCILIATION OF FUNDS						
Total funds brought forward		214,335	3,550	12,455,473	12,673,358	10,759,852
Total funds carried forward	21	375,353	3,550	13,009,348	13,388,251	12,673,358

None of the Charity's other activities were acquired or discontinued during the period.

The Charity has no recognised gains or losses other than those dealt with in the statement of financial activities.

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

BALANCE SHEET AS AT 31 MARCH 2022

		2022		2021	
	Note	£	£	£	£
FIXED ASSETS					
Investments – Managed portfolio	12	12,398,442		11,855,473	
Investments – Cash deposits	13	150,000		300,000	
Total fixed assets			12,548,442		12,155,473
CURRENT ASSETS					
Debtors	14	28,146		17,347	
Investments – Cash deposits	15	450,000		300,000	
Cash at bank and in hand		497,728		338,457	
Total current assets		975,874		655,804	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	16	130,065		130,919	
Net current assets			845,809		524,885
Total assets less current liabilities			13,394,251		12,680,358
Creditors: amounts falling due after more than one year	18		(6,000)		(7,000)
Net assets			13,388,251		12,673,358
THE FUNDS OF THE CHARITY					
Endowment funds	21		13,009,348		12,455,473
Restricted funds	21		3,550		3,550
Unrestricted general funds	21		375,353		214,335
Total charity funds			13,388,251		12,673,358

The notes on pages 24 to 39 form part of these accounts.

Approved by the Trustees and signed on their behalf.

Mr Christopher Tite
(Chairman of the Trustees)

Date: 20/01/2023

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Cash and cash equivalents consist of:		
Cash at bank and in hand	497,728	338,457
Cash held within investments	1,070,258	528,419
Cash held in deposit accounts	600,000	600,000
Cash and cash equivalents at 31 March	24	1,466,876

	2022	2021
	£	£
Net income for the period	714,893	1,913,506
Adjusted for:		
Investment income	(147,395)	(155,900)
(Gains)/losses on investments	(1,114,608)	(2,293,672)
Decrease/(increase) in debtors	(10,799)	(1,782)
Increase/(decrease) in creditors	(1,854)	(42,440)
	<u>(1,274,656)</u>	<u>(2,493,794)</u>
	<u>(559,763)</u>	<u>(580,288)</u>

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

ACCOUNTING POLICIES

General information, scope and basis of the financial statements

The Royal Navy & Royal Marines Children's Fund is a registered Charity, established as a Charitable Incorporated Organisation, in England and Wales. The address of the principal office is given in the Charity information of these financial statements and the nature of the Charity's operations and principal activities are detailed in the report of the trustees.

The Charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the Charity has control over the item. Fair value is determined on the basis of the value of the gift to the Charity. For example the amount the Charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the Charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from government and other grants are recognised at fair value when the Charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

ACCOUNTING POLICIES

Incoming resources (continued)

Investment income is earned through holding assets for investment purposes such as shares and cash deposits. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the Charity's right to receive payment is established.

The Charity receives government grants in respect of the Coronavirus Job Retention Scheme. Income from government and other grants are recognised at fair value when the Charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised

- Costs of raising funds; which includes the costs of organising events and investment management fees
- Expenditure on charitable activities; which includes grants made to beneficiaries and costs incurred to support those activities

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the Charity.

Support cost allocation

Support costs are those that assist the work of the Charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. The analysis of these costs is included in note 8.

VAT

The Charity is not registered for VAT and is unable to recover VAT incurred. On this basis costs are recorded inclusive of VAT within the SOFA.

Taxation

The Charity is an exempt Charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in sections 521 to 536 Income Tax Act 2007 (ITA 2007), as such no income tax is payable on the Charity's activities.

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

ACCOUNTING POLICIES

Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Computer equipment 25% straight line basis

Office equipment 10% straight line basis

Fixed assets received as part of the transfer of assets from the predecessor Charity have been included as additions at their net book value and have continued to be depreciated under the existing policy of the predecessor Charity.

Investments

Managed portfolio

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains/(losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably.

Cash deposits

Cash deposits are medium and short term highly liquid investments and are held at fair value. Current asset investments include cash on deposit and cash equivalents with a maturity of less than one year.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand and cash balances within the investment portfolio available for investment transaction purposes.

Operating leases

Rentals payable under operating leases are charged in the statement of financial activities on a straight line basis over the lease term.

Employee benefits

When employees have rendered service to the Charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity makes contributions on behalf of employee's to their own personal pension arrangements.

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

ACCOUNTING POLICIES

Fund accounting policy

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds incorporating an expendable and permanent endowment funds represent those investment assets held by the Charity, principally to generate investment income for the Charity's use. The assets held within the permanent endowment fund must be retained in perpetuity, however those investments within the expendable endowment may be converted to income by the Trustees. Income arising on the endowment funds can be used in accordance with the objects of the Charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Further details of each fund are disclosed in Note 21.

Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS

1. Donations and legacies

	Unrestricted	Restricted	Endowment	2022 Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Donations from individuals and trusts	35,844	5,000	-	40,844
Legacies	-	-	-	-
RNRMC/Greenwich	720,000	-	-	720,000
Trinity House	44,665	-	-	44,665
Seafarers UK	-	100,000	-	100,000
	<u>800,509</u>	<u>105,000</u>	<u>-</u>	<u>905,509</u>
	Unrestricted	Restricted	Endowment	2021 Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Donations from individuals and trusts	30,870	5,000	-	35,870
Legacies	15,000	-	-	15,000
RNRMC/Greenwich	720,000	-	-	720,000
Trinity House	47,300	-	-	47,300
Seafarers UK	-	100,000	-	100,000
	<u>813,170</u>	<u>105,000</u>	<u>-</u>	<u>918,170</u>

2. Other trading activities

	Unrestricted	Restricted	Endowment	2022 Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Event income	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Unrestricted	Restricted	Endowment	2021 Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Event income	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS

3. Investment income

	Unrestricted	Restricted	Endowment	2022 Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Income from listed investments	-	-	130,125	130,125
Interest	17,270	-	-	17,270
	<u>17,270</u>	<u>-</u>	<u>130,125</u>	<u>147,395</u>

	Unrestricted	Restricted	Endowment	2021 Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Income from listed investments	-	-	149,828	149,828
Interest	6,072	-	-	6,072
	<u>6,072</u>	<u>-</u>	<u>149,828</u>	<u>155,900</u>

4. Other income

	Unrestricted	Restricted	Endowment	2022 Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Coronavirus Job Retention Scheme receipts	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Unrestricted	Restricted	Endowment	2021 Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Coronavirus Job Retention Scheme receipts	15,038	-	-	15,038
	<u>15,038</u>	<u>-</u>	<u>-</u>	<u>15,038</u>

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS

5. Event costs

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
Direct event costs	18	-	-	18
Support costs (see Note 8)	20,929	-	-	20,929
	<u>20,947</u>	<u>-</u>	<u>-</u>	<u>20,947</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Direct event costs	3,756	-	-	3,756
Support costs (see Note 8)	27,366	-	-	27,366
	<u>31,122</u>	<u>-</u>	<u>-</u>	<u>31,122</u>

Events are aimed primarily at raising awareness of the RN & RM Children's Fund rather than generation of income, however the sundry donations within Note 1 above are largely generated from these events.

6. Investment management fees

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
Investment management fees	-	-	108,205	108,205
	<u>-</u>	<u>-</u>	<u>108,205</u>	<u>108,205</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Investment management fees	-	-	99,330	99,330
	<u>-</u>	<u>-</u>	<u>99,330</u>	<u>99,330</u>

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS

7. Charitable activities

	Unrestricted	Restricted	Endowment	2022 Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Grants to individuals:				
School fees	64,261	98,176	-	162,437
Extra tuition fees	61,934	17,517	-	79,451
Clothing and equipment	355,369	39,985	-	395,354
Children's travel	58,476	7,397	-	65,873
Childminding and respite	104,404	6,996	-	111,400
Historic SSAFA grants returned	(7,229)	-	-	(7,229)
	<u>637,215</u>	<u>170,071</u>	<u>-</u>	<u>807,286</u>
Naval Community Projects				
Community project costs	99,520	-	-	99,520
Research and publications	47,683	-	-	47,683
	<u>147,203</u>	<u>-</u>	<u>-</u>	<u>147,203</u>
Direct staff costs	149,386	-	-	149,386
Other staffing costs	1,303	-	-	1,303
Support costs (see note 8)	171,330	-	-	171,330
Governance costs (see note 8)	46,959	-	-	46,959
	<u>1,153,396</u>	<u>170,071</u>	<u>-</u>	<u>1,323,467</u>

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS

7. Charitable activities (continued)

	Unrestricted	Restricted	Endowment	2021 Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Grants to individuals:				
School fees	103,947	59,714	-	163,661
Extra tuition fees	47,493	18,335	-	65,828
Clothing and equipment	347,416	27,595	-	375,011
Children's travel	30,544	7,469	-	38,013
Childminding and respite	79,708	72,959	-	152,667
	<u>609,108</u>	<u>186,072</u>	<u>-</u>	<u>795,180</u>
Naval Community Projects				
ARK project	92,572	-	-	92,572
Other community project costs	96,555	-	-	96,555
	<u>189,127</u>	<u>-</u>	<u>-</u>	<u>189,127</u>
Direct staff costs	115,729	-	-	115,729
Other staffing costs	5,177	-	-	5,177
Support costs (see note 8)	173,777	-	-	173,777
Governance costs (see note 8)	59,832	-	-	59,832
	<u>1,152,750</u>	<u>186,072</u>	<u>-</u>	<u>1,338,822</u>

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS

8. Support costs

	Event expenses £	Charitable activities £	Governance £	2022 Total Funds £
Staff costs	20,929	37,858	41,859	100,646
Printing, postage and stationery	-	7,956	-	7,956
Insurance	-	5,106	-	5,106
Legal and professional fees	-	3,584	-	3,584
Accountancy and audit	-	3,531	5,100	8,631
Telephone	-	1,174	-	1,174
Computers and equipment	-	42,806	-	42,806
Sundry expenses	-	11,806	-	11,806
Subscriptions	-	5,022	-	5,022
Advertising and publicity	-	33,362	-	33,362
Rent	-	13,476	-	13,476
Travel and subsistence	-	5,649	-	5,649
	<u>20,929</u>	<u>171,330</u>	<u>46,959</u>	<u>239,218</u>

	Event expenses £	Charitable activities £	Governance £	2021 Total Funds £
Staff costs	27,366	54,732	54,732	136,830
Printing, postage and stationery	-	9,539	-	9,539
Insurance	-	4,185	-	4,185
Legal and professional fees	-	7,916	-	7,916
Accountancy and audit	-	1,788	5,100	6,888
Telephone	-	2,146	-	2,146
Computers and equipment	-	38,504	-	38,504
Sundry expenses	-	11,679	-	11,679
Subscriptions	-	2,574	-	2,574
Advertising and publicity	-	28,576	-	28,576
Rent	-	12,157	-	12,157
Travel and subsistence	-	(19)	-	(19)
	<u>27,366</u>	<u>173,777</u>	<u>59,832</u>	<u>260,975</u>

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS

9. Auditor's remuneration

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
Audit fees	5,100	-	-	5,100
Other services	534	-	-	534
	<u>5,634</u>	<u>-</u>	<u>-</u>	<u>5,634</u>
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Audit fees	5,100	-	-	5,100
Other services	890	-	-	890
	<u>5,990</u>	<u>-</u>	<u>-</u>	<u>5,990</u>

10. Staff costs and information

	2022 £	2021 £
Gross salaries	216,334	216,328
Employer's NI	17,959	18,262
Employer's pension	14,189	17,230
Coronavirus Job Retention Scheme receipts	-	(15,038)
	<u>248,482</u>	<u>236,782</u>

One (2021: One) employee received employee benefits, excluding employer pension contributions, between £70,000 - £80,000 (2021: between £60,000 - £70,000).

Staff numbers

The average number of employees, calculated on an average headcount basis and analysed by function, was:

	2022	2021
Charitable activities	4	3
Management and governance	2	3
	<u>6</u>	<u>6</u>

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS

Pension scheme

The Charity contributes to defined contribution pension schemes on behalf of its employees. The pension cost is charged to the Statement of Financial Activities in the period it is due. The total amount of contributions charged in the year under review were £14,189 (2021: £17,230). At the balance sheet date £1,413 (2021: £1,577) was payable in respect of pension contributions consisting of employee and employer contributions.

The number of employees to whom pension contributions are accruing:

	2022	2021
Charitable activities	4	4
Management and governance	3	3
	<u>7</u>	<u>7</u>

11. Related party transactions

No Trustees received remuneration during the year under review nor the comparative period. The Trustees listed in the information page were reimbursed or had travel expenses paid on their behalf in the year under review totalling £1,701 (2021: £nil).

During the year under review the Charity had one (2021: one) members of key management personnel who received employee benefits totalling £81,133 (2021: £80,908) inclusive of gross pay, employer's national insurance and pension contributions. The Charity's key management personnel were reimbursed expenses or had them paid on their behalf in the period under review totalling £363 (2021: £1,019).

During the comparative year under review, Lee Robson, the husband of a trustee, was employed by the Charity and received employee benefits inclusive of social security and pension contributions of £8,188. The related trustee took no part in the decision to employ Mr Robson nor the setting of remuneration levels.

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS

12. Investments – Managed portfolio

	Year ended 31 March 2022			Year ended 31 March 2021		
	Listed	Cash	Total	Listed	Cash	Total
	investments	accounts	Funds	investments	accounts	Funds
	£	£	£	£	£	£
Market value brought forward	11,327,054	528,419	11,855,473	8,450,494	1,060,809	9,511,303
Additions at cost	2,173,372	-	2,173,372	3,547,582	-	3,547,582
Disposals at carrying value	(2,987,079)	-	(2,987,079)	(2,462,231)	-	(2,462,231)
Gain/(loss) on revaluation	814,837	-	814,837	1,791,209	-	1,791,209
Movement in cash	-	541,839	541,839	-	(532,390)	(532,390)
Market value carried forward	11,328,184	1,070,258	12,398,442	11,327,054	528,419	11,855,473
<i>Gains/(losses) on investments</i>						
Gain/(loss) on revaluation	814,837	-	814,837	1,791,209	-	1,791,209
Gain/(loss) on investment disposals	299,771	-	299,771	502,463	-	502,463
	1,114,608	-	1,114,608	2,293,672	-	2,293,672

13. Investments – Cash deposits

	2022	2021
	Total	Total
	Funds	Funds
	£	£
Cash deposits with maturity over one year	150,000	300,000

14. Debtors

	2022	2021
	Total	Total
	Funds	Funds
	£	£
Accrued income	28,146	17,347
	28,146	17,347

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS

15. Investments – Cash deposits

	2022	2021
	Total	Total
	Funds	Funds
	£	£
Cash deposits with maturity within one year	450,000	300,000

16. Creditors: Amounts falling due within one year

	2022	2021
	Total	Total
	Funds	Funds
	£	£
Trade creditors	2,888	3,108
Accruals	6,513	6,677
Accrued school fees	44,897	66,996
Accrued school fees – Ogden Trust restricted fund	9,000	7,000
Other Ogden Trust creditors	–	12,000
Accrued regular charitable payments	53,825	25,100
Other taxes and social security	6,816	9,288
Other creditors	6,126	750
	130,065	130,919

17. Creditors: Amounts falling due after more than one year

	2022	2021
	Total	Total
	Funds	Funds
	£	£
Accrued school fees – Ogden Trust restricted fund	6,000	7,000
	6,000	7,000

18. Unprovided commitments

School fees grants are awarded for each academic year, with future awards made following the Charity's assessment of ongoing need and academic performance. Therefore the school fee creditors included within Notes 16 and 17 above is the balance of the amount awarded less amounts paid to 31 March 2021. In addition to the school fees creditor the Charity has unprovided commitments, in respect of possible future school fee awards for children currently receiving support until they complete their education at the age of 16 or 18, totalling £141,900 (2020: £251,898) at the balance sheet date.

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS

19. Operating lease

The Charity has an agreement to occupy office space in Castaway House, Twyford Avenue with a 12 month notice period for either party. The rental and service charge expense for the year was £13,476 (2021: £12,157).

20. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
Fixed asset investments	-	-	12,548,442	12,548,442
Other net assets	375,353	3,550	460,906	839,809
Net assets at 31 March	375,353	3,550	13,009,348	13,388,251
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Fixed asset investments	-	-	12,155,473	12,155,473
Other net assets	214,335	3,550	300,000	517,885
Net assets at 31 March	214,335	3,550	12,455,473	12,673,358

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS

21. Analysis of net movement in funds

	Year ended 31 March 2022					
	Total funds brought forward	Incoming resources and gains	Outgoing resources and losses	Gains/(losses) on investment assets	Transfers	Total funds carried forward
	£	£	£	£	£	£
Endowment funds						
Expendable endowment fund	9,631,819	96,969	(81,593)	841,574	(585,634)	9,903,135
Permanent endowment fund	2,783,740	-	(26,612)	273,034	-	3,030,162
Permanent endowment unapplied	39,914	33,156	-	-	2,981	76,051
Total	12,455,473	130,125	(108,205)	1,114,608	(582,653)	13,009,348
Restricted funds						
Ogden Trust	3,550	-	-	-	-	3,550
The Seafarers Charity	-	100,000	(102,503)	-	2,503	-
Queen Mary Roehampton Trust	-	5,000	(67,568)	-	62,568	-
Total	3,550	105,000	(170,071)	-	65,071	3,550
Unrestricted funds						
General Fund	214,335	817,779	(1,174,343)	-	517,582	375,353
Total	214,335	817,779	(1,174,343)	-	517,582	375,353
Total funds	12,673,358	1,052,904	(1,452,619)	1,114,608	-	13,388,251

	Year ended 31 March 2021					
	Total funds brought forward	Incoming resources and gains	Outgoing resources and losses	Gains/(losses) on investment assets	Transfers	Total funds carried forward
	£	£	£	£	£	£
Endowment funds						
Expendable endowment fund	8,207,688	114,346	(76,493)	1,786,279	(400,000)	9,631,820
Permanent endowment fund	2,303,615	-	(22,837)	507,393	(4,432)	2,783,739
Permanent endowment unapplied	-	35,482	-	-	4,432	39,914
Total	10,511,303	149,828	(99,330)	2,293,672	(400,000)	12,455,473
Restricted funds						
Ogden Trust	16,550	-	(13,000)	-	-	3,550
The Seafarers Charity	-	100,000	(122,760)	-	22,760	-
Queen Mary Roehampton Trust	-	5,000	(50,312)	-	45,312	-
Total	16,550	105,000	(186,072)	-	68,072	3,550
Unrestricted funds						
General Fund	231,999	834,280	(1,183,872)	-	331,928	214,335
Total	231,999	834,280	(1,183,872)	-	331,928	214,335
Total funds	10,759,852	1,089,108	(1,469,274)	2,293,672	-	12,673,358

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS

Description of restricted funds

Ogden Trust	Funds received for benefitting children (11+) of servicemen and women who have been seriously injured or killed during deployment.
The Seafarers Charity	Funds received from The Seafarers Charity towards the welfare support of bereaved children and children of officers from within the Naval Service.
Queen Mary Roehampton Trust	Funds received from Queen Mary Roehampton Trust towards the welfare support of children of ex-service men and women disabled in service.

22. Transfers between funds

During the period under review the Charity made transfers as set out below:

	Unrestricted funds £	Restricted funds £	Endowment funds £
Transfer 1			
General Fund	(17,347)	-	-
Expendable endowment fund	-	-	14,366
Permanent endowment unapplied	-	-	2,981
	<u>(17,347)</u>	<u>-</u>	<u>17,347</u>
Being accrued income recognised to general funds in the comparative period returned to correct fund.			
Transfer 2			
Expendable endowment fund	-	-	(600,000)
General Fund	600,000	-	-
	<u>600,000</u>	<u>-</u>	<u>(600,000)</u>
Being transfer of balances held within endowment fund cash deposits to support current beneficiaries as authorised by the constitution.			
Transfer 3			
The Seafarers Charity	-	2,503	-
Queen Mary Roehampton Trust	-	62,568	-
General Fund	(65,071)	-	-
	<u>(65,071)</u>	<u>65,071</u>	<u>-</u>
Being transfer of unapplied investment income on capital funds to unapplied total return fund to be utilised in support of future beneficiaries.			
	<u>517,582</u>	<u>65,071</u>	<u>(582,653)</u>

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS

23. Financial instruments

The carrying amounts of the Charity's financial instruments are as follows:

	2022	2021
	Total	Total
	Funds	Funds
	£	£
<i>Financial assets</i>		
Measured at fair value through net income/(expenditure):		
Fixed asset investments	12,398,442	11,855,473
	<u>12,398,442</u>	<u>11,855,473</u>

Fixed asset investments are held at fair value with valuations obtained by reference to market prices from the appropriate stock exchange, bid prices and last traded prices where applicable.

	2022	2021
	Total	Total
	Funds	Funds
	£	£
<i>Financial liabilities</i>		
Measured at amortised cost:		
Trade creditors	2,888	3,108
	<u>2,888</u>	<u>3,108</u>

The income, expense, net gains and net losses attributable to the Charity's financial instruments are summarised as follows:

	2022	2021
	Total	Total
	Funds	Funds
	£	£
<i>Income and expense</i>		
Financial assets measured at fair value through net income/(expenditure)		
Income from listed investments	130,125	149,828
Investment management fees	(108,205)	(99,330)
	<u>21,920</u>	<u>50,498</u>
<i>Net gains and losses (including changes in fair value)</i>		
Financial assets measured at fair value through net income/(expenditure)		
Unrealised gains/(losses) on investments	814,837	1,791,209
Realised gains/(losses) on investments	299,771	502,463
	<u>1,114,608</u>	<u>2,293,672</u>

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS

24. Analysis of changes in net debt

	2021 £	Cash flows £	2022 £
Cash and cash equivalents	1,466,876	701,110	2,167,986
	<u>1,466,876</u>	<u>701,110</u>	<u>2,167,986</u>
	2020 £	Cash flows £	2021 £
Cash and cash equivalents	2,474,152	(1,007,276)	1,466,876
	<u>2,474,152</u>	<u>(1,007,276)</u>	<u>1,466,876</u>

25. Permanent endowment invested on a total return basis

The charity has exercised its rights by the Trustees under section 104(A) of the Charities Act 2011 on 1 March 2020. This power permits the trustees to invest permanently endowed funds to maximise total return and therefore to apply an appropriate portion of the unapplied total return to income. The unapplied total return remains invested as part of the permanent endowment until that power is exercised. When exercised it allows the trustees to apply an appropriate portion of the unapplied total return to income each year. During the current year the trustees have transferred £nil to unrestricted income funds.

	Endowment for investment £	Unapplied total return £	Total permanent endowment £
Brought forward			
Gift component of permanent endowment	2,783,740	-	2,783,740
Unapplied total return	-	39,914	39,914
Unapplied total return understatement brought forward	-	2,981	2,981
Total	<u>2,783,740</u>	<u>42,895</u>	<u>2,826,635</u>
Movements			
Investment return: Dividends and interest	-	33,156	33,156
Investment return: Realised and unrealised gains and losses	273,034	-	273,034
Less: Investment management costs	(26,612)	-	(26,612)
Total	<u>246,422</u>	<u>33,156</u>	<u>279,578</u>
Carried forward			
Gift component of permanent endowment	3,030,162	-	3,106,213
Unapplied total return	-	76,051	-
Total	<u>3,030,162</u>	<u>76,051</u>	<u>3,106,213</u>

NAVAL CHILDREN'S CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS

26. Comparative statement of financial activities

		Unrestricted	Restricted	Endowment	2021 Total
	Note	Funds	Funds	Funds	Funds
		£	£	£	£
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	1	813,170	105,000	-	918,170
Other trading activities	2	-	-	-	-
Investments	3	6,072	-	149,828	155,900
Other	4	15,038	-	-	15,038
Total		834,280	105,000	149,828	1,089,108
EXPENDITURE ON:					
Raising funds - Event costs	5	31,122	-	-	31,122
Raising funds - Investment management costs	6	-	-	99,330	99,330
Charitable activities	7	1,152,750	186,072	-	1,338,822
Total		1,183,872	186,072	99,330	1,469,274
Net gains/(losses) on investments	13	-	-	2,293,672	2,293,672
Net Income/(expenditure)		(349,592)	(81,072)	2,344,170	1,913,506
Transfers between funds	22	331,928	68,072	(400,000)	-
Net movement in funds	22	(17,664)	(13,000)	1,944,170	1,913,506
RECONCILIATION OF FUNDS					
Total funds brought forward	22	231,999	16,550	10,511,303	10,759,852
Total funds carried forward	22	214,335	3,550	12,455,473	12,673,358

The Naval Children's Charity

England & Wales - Charity number 1160182

Accounts

Naval Children's Charity

The working name of

The Royal Navy and Royal Marines Children's Fund

Trustees' Report and Financial Statements

for the year ended 31 March 2021

Registered Charity Number 1160182



Naval
Children's
Charity

THE ROYAL NAVY AND ROYAL MARINES CHILDREN'S FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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THE ROYAL NAVY AND ROYAL MARINES CHILDREN'S FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

CHARITY INFORMATION

Charity Name

The Royal Navy and Royal Marines Children's Fund

Working Name

Naval Children's Charity

Trustees

Mr A C Sheppard OBE	Chairman
Mr K Arnold	
Mrs J Brent	
RAdm M Connell Royal Navy	Vice Chairman
Capt Thomas Early Royal Marines	(appointed 02 July 2021)
Lt Col I W Grant Royal Marines Retired	
Lt Col E C Musto Royal Marines Retired	(resigned 01 August 2021)
Cdr D Orton Royal Navy	
Ms E Riis-White	
Cdr H Rimmer MBE Royal Navy	
Dr M Whitehead	(resigned 01 August 2021)
Mr I Pitts FCCA	Treasurer
WO1 C Robson Royal Navy	
Lt E Stout Royal Navy	
Dr L Williams	(appointed 07 June 2021)

Principal Office

311 Twyford Avenue
Portsmouth
PO2 8RN

Registered Charity Number

1160182

President

Lt General Sir James Dutton KCB CBE KStJ ADC

Vice Presidents

Lieutenant General E G M Davis CB CBE
Major General F H R Howes CB OBE
Mrs S Owens-Cairns
Rear Admiral Mike Bath

Chief Executive Officer

Mrs C Scherer

Treasurer/Trustee

Mr I Pitts FCCA

Independent Auditor

Blue Spire Limited
Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY

Bankers

Lloyds TSB Bank Plc
20-24 High Street
Gosport
Hampshire
PO12 1DE

Solicitors

Blake Morgan
Harbour Court
Compass Road
North Harbour
Portsmouth
Hampshire
PO6 4SR

Investment Adviser

Veritas Investment Management LLP
Riverside House
2A Southwark Bridge Road
London
SE1 9HA

THE ROYAL NAVY AND ROYAL MARINES CHILDREN'S FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

CHAIRMAN'S REPORT

In March 2020, the curtains were drawn back on a year that was to become surreal, unique, testing and demanding for our Beneficiaries and the Charity alike – this report and audit covers a most unusual period.

The developing challenges included changes in the nature and volume of referrals, changes in children's education and the associated costs, the uncertainty over parent's and guardian's employment, furlough, and the practical difficulties of supporting children under different restrictions and rules. At the same time, the need to protect staff when the intensity and personal edge to the support delivered was changing and, at the end of 2020, the whole of the staff contracted Covid. The uncertainty continues and 'long Covid' leaves both a physical and practical legacy on people and organisations through which the charity must continue to learn and adapt.

In firmly confronting these circumstances, the Naval Children's Charity has embraced its new name and continues to develop a contemporary outlook with new communication, marketing, revised outreach, and focus. The staff team has grown, seeking stability and continuity and the ability to engage with its Beneficiaries, their families, and supporters more often and more directly. The Charity no longer just disburses funds, its Caseworkers provide support, advice and help on a practical level which means funds are being more and more tailored to need. The pandemic has emphasised the value of cooperation with other close charities and organisations impatient to collaborate, harmonise and bring the best all-round impact. Overall, the number of eligible children supported has gone up significantly and still we must be prepared for further changes which we may not yet know.

The role of the Trustees is to plan, support and provide the means by which the Charity can pursue its charitable goals. Therefore, the careful management of the Children's Fund, through Veritas, is the foundation of what we do. The strategy of drawing a cash fund worked well through 2020, so we have repeated it again, with £600,000 made available to meet the potential staccato needs over the coming period. This has allowed Veritas to concentrate on their role of growing the Fund. This is also currently working well, and the Finance Committee has become more agile in monitoring and responding to these changing requirements. At the same time, our core funders remain essential to providing the money that goes into our charitable activities. Therefore, through the CEO, and the newly established Naval Benevolent Charities' Chairs meeting, we are monitoring and influencing where possible, the impact of changes in the Greenwich Hospital Trust and the Royal Navy and Royal Marines Charity, to protect and secure these vital contributions.

The Welfare Committee has also adapted and incorporated new changes and remains a unique monthly focus on the needs of the Beneficiaries, supporting our staff and ensuring the Trustee Board has a close and detailed view of the circumstances and consequences of the decisions affecting Naval Children. The Trustee Board continuously adjusts its membership to ensure that we have a balanced, qualified, and experienced group always available for this work. I commend my fellow Trustees for their involvement and adaptability in ensuring the continuity and output from this work over the past year.

I close with my thanks to our CEO, Clare Scherer, and her indomitable team who have put the Charity where it is today – a vital contributor to the lives and welfare of Naval children who need help. Their commitment has been recognised with a Royal Navy Team Commendation in recognition of their dedication and commitment in making a real difference to so many Naval children and their families in the face of the significant challenges of the COVID-19 pandemic.



Alistair Sheppard OBE
Chairman

Date 10th September 2021

THE ROYAL NAVY AND ROYAL MARINES CHILDREN'S FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

REPORT OF THE TRUSTEES

The Trustees have pleasure in presenting their annual report for the purposes of the Charities Act 2011, together with the accounts for the year ended 31 March 2021. In preparing this Annual Report and financial statement the Trustees have adopted the updated provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Royal Navy & Royal Marines Children's Fund is established as a Charitable Incorporated Organisation (CIO) registered as a Charity (charity registration number 1160182) under a constitution dated 27th January 2015 as amended by resolutions 10th July 2018 and 16th March 2020.

The origins of the Charity lie in its predecessor The Royal Navy & Royal Marines Children's Fund (charity registration number 1075015). The Royal Navy & Royal Marines Children's Fund was constituted under a Charity Commission Scheme of 26th October 1998, which came into operation on 1st April 1999, merging the Charities previously known as the Royal Naval & Royal Marines Children's Home (307108) and The Royal Naval & Royal Marines Children's Trust (209684). The assets of the predecessor charity were transferred to the current charity on 1st August 2015.

On 16th March 2020 the Charity adopted the working name 'Naval Children's Charity' (NCC) and the Constitution was amended and filed at the Charity Commission. The definition of beneficiaries was altered to reflect the present day to 'dependants' from 'sons and daughters'.

The Constitution allows for a Trustee Board of 15 and not more than 50% of the Charity Trustees shall be serving members of the Armed Forces. At the time of this report there are 13 Trustees, six of whom are currently serving in the Naval Service. New Trustees are selected by reference to the skills and experience that they can bring to the Board. Every Trustee must be appointed for a term of three years by a resolution passed at a properly convened meeting of the Charity Trustees.

The Charity Trustees will make available to each new Trustee, on or before his or her first appointment, a copy of the Constitution and any amendments to it and a copy of the Charity's latest Annual Report and statement of accounts. Existing Trustees are given the opportunity to attend training during their term in office.

Seven of the Trustees meet monthly as the Welfare sub-committee to consider applications for assistance from the Charity. Special arrangements are in place to deal with urgent cases arising between scheduled meetings. There is also a Finance sub-committee who normally meet once a year. All decisions of the sub-committees are reported at the next full meeting of the Trustees.

STAFF

The Charity is administered by the CEO, Clare Scherer; Head of Welfare Sara Smith; Senior Caseworker Paris Brimecome, Caseworkers Cheryl Owens, Julie Whittingham, and a bookkeeper.

Previously, Charity Commission consent was sought and granted to employ Mr Lee Robson as a caseworker and who left the Charity 30th June 2020. His wife, WOI Claire Robson, remains as a Trustee and any conflict of interest was acknowledged and dealt with at meetings. WOI Claire Robson played no part in any decisions around the employment and remuneration of Mr Robson.

Staff remuneration is reviewed annually and regularly assessed by Croner and agreed by Trustees.

Staff and Trustees collaborate with other benevolent charities to achieve the maximum benefit for beneficiaries. Where appropriate care packages are agreed between the local authorities and the Charity to support beneficiaries.

RISK MANAGEMENT

The Trustees review the Risk Assessment annually and have agreed that the five main areas of risk are:

Operational – loss of key staff

Governance – lack of strategic planning

Compliance – failure to comply with legislation and regulation

Financial – loss of income

Reputation – loss of reputation

To the extent that it is possible to do so, the Trustees take steps to mitigate these risks.

THE ROYAL NAVY AND ROYAL MARINES CHILDREN'S FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

REPORT OF THE TRUSTEES

OBJECTIVES AND ACTIVITIES

The object of the Charity is the relief of beneficiaries (defined in the Constitution as dependant children up to and including the age of 25, of serving and ex-serving members of the Royal Navy, the Royal Marines, the Queen Alexandra's Royal Naval Nursing Service, the former Women's Royal Naval Service, the Royal Fleet Auxiliary and the Reserves of those forces) who are in need, hardship or distress. The aforementioned forces are collectively known as the Royal Navy.

The Trustees may relieve beneficiaries in need by:

- Making grants of money to them; or
- Providing or paying for goods, services, or facilities for them; or
- Making grants of money to other persons or bodies who provide goods, services, or facilities to those in need.

The Eligible Applicants are:

- Children of serving or ex-serving Royal Navy personnel, who are in need or distress.
- Children who are in the guardianship of serving or ex-serving Royal Navy personnel.

VISION AND MISSION

Our **Vision** is to be ready in a changing future to ensure that every deserving and eligible child has information, access to and receives support from the Naval Charity Sector.

The **Mission** of the Naval Children's Charity is to provide help and support for children and young people who through personal circumstances are in need and would benefit from support from the Naval Children's Charity.

IMPACT

We endeavour to improve and change the lives of children, providing relief from worry and stress and changing futures. This is done by providing help in the following areas:

1. **DIRECT.** Direct support to the beneficiary at the point of need.
2. **INDIRECT.** Support provided through a parent or family, guardian, or carer, to ameliorate the wider impact of circumstances or to assist with the long-term improvement in conditions.
3. **PREVENTION, ADVOCACY AND SUPPORT.** To identify and address conditions that impact beneficiaries, their families, and circumstances and to work with other charities, agencies, and organisations to improve these conditions.

FRAMEWORK

Support to the children of Naval families began with orphanages first established in Chatham and Portsmouth in 1825. As the needs of children changed over the years so did the way that we help them. The orphanages were subsequently sold, and a Fund was established to provide wider benevolence to Naval children. That investment provides the foundation for the current Charity. The income from the Fund covers some 25% of the annual costs of the Charity, including the running, administrative and any fundraising costs. The remaining annual income is received through grants and donations which are directly spent on beneficiaries.

Today we are proud to support around 2000 children each year with direct support and several thousand more indirectly through our community support and resources. We collaborate with other Naval charities to provide what the family needs. We make children our central focus, providing essential support and representing the needs of all Naval children. In all aspects of our work we are a proponent and advocate for the child. Our dedicated and trained caseworkers use their expertise to place the child at the centre of our work, seeking to improve lives in the longer term based on health, wellbeing, security, education, and life chances. While many children and their families who we help may be facing difficulties, our role is to try and make things better. Around 85% of the children supported by the Naval Children's Charity are bereaved, disabled or ill or have a parent that is disabled or ill. All families are assessed financially and means-tested.

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COMMITMENT TO SUPPORT OF NAVAL CHILDREN

The Naval Children's Charity is committed to supporting Naval children in five key areas as identified in our Strategic Review of 2019.

HEALTH, WELLBEING, SECURITY, EDUCATION, LIFE CHANCES

The following illustrates the main issues faced by the children and families that come to us and where we provide grants to support children in line with our strategic areas above.

EDUCATION & SEND

Educational support for Children starts with pre-school and nursery through to tertiary education including vocational training, apprenticeships, and trainee schemes as well as college, university and postgraduate education. Collaborating in partnerships with organisations such as the SCiP Alliance and the Educational Trusts Forum as well as providing resources and support into schools, the NCC ensures that children receive the help they need to overcome any disadvantage either through the nature of their parent's service or other external factors.

Need is determined by a financial assessment of the family including all family circumstances such as bereavement, disability or illness of a child, parent, or sibling.

Support can start with pre-school and nursery/childcare, particularly where the child is already showing signs of learning disability which is impacting on their behaviour and achievements. As children move through the stages of education the NCC provides grants for school uniform, laptops, and computers (to enable children to study effectively through the Covid pandemic, helping families with home education), extra lessons and school clubs and activities. Children are also supported with school trips, travel to and from school, particularly where there is disability or illness, and in a few exceptional cases with complex family circumstances, with education outside that provided by the State.

Typical cases for fees for education outside the State provision involve disability or bereavement when a child is already in a fee-paying school to provide continuity of education up to the next key stage (such as GCSEs) or where there are safeguarding concerns around the child.

Where a child has SEND the NCC provides advice and support on applying for EHCPs (the charity is currently training a caseworker to give specialist advice in this area) as well as therapies and assessments to enable children to obtain diagnosis. Naval families can be adversely impacted by the long (currently 36 months) waiting lists for assessments through the Local Authorities (LA), particularly if they are mobile and must restart the process in a new LA.

As children leave school the NCC provides grants to support their transition into adulthood, supporting children up to the age of 25. Whatever the life choices of the child whether it be moving into further education, apprenticeships, or training, the NCC gives monthly grants to support their living, travel and equipment grants and, in some cases, additional grants towards housing and other expenses. Where student loans or tuition fees are available, they are expected to apply for all that the state can offer in support, then the NCC assess what the financial need is.

DISABILITY & ILLNESS

Where families face disability or illness of either parent or child, very often the adult disability is a direct result of their service and children often have very complex medical needs which impact the families significantly. The NCC provides support with the costs associated with those needs such as specific equipment to help with physical and learning disability, wheelchairs, sensory items, trikes, safe space beds, nappies and learning devices. If a child is very ill in hospital, then support is provided for the additional costs to the family that this can bring, ranging from travel and parking, food on the go, overnight stays, and childcare for the remaining children at home. The NCC provides grants towards therapies and activities to enhance their lives and improve outcomes.

BEREAVEMENT

Many children who have lost a parent are provided with support in a myriad of ways including access to counselling and support for education and training.

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We have identified a specific need for support of those children, bereaved earlier in life, who are now over 18 and transitioning into adulthood. There is little support or knowledge around this age group, and we are commissioning a project with Child Bereavement UK, working with some children, to support them and inform our future work.

DOMESTIC VIOLENCE

When a family is breaking apart through domestic violence the response needs to be swift at the time of crisis and then with significant follow up support as the parent and children rebuild their lives. The NCC gives emergency grants, in the first instance, often at short notice to provide for shelter, food and basic necessities. Help may include the family move into a new home and provision of white/brown goods and children's items as often they have fled leaving most things behind.

MARITAL BREAKDOWN

When marriages break down, often from the impact of service life on the family, support may be provided where families are relocating out of SFA or moving area and household essentials are required plus school changes requiring uniform and equipment. There may also be future costs enabling the separated parent to see their children regularly.

COMMONWEALTH AND NON-BRITISH

This cohort has complex needs around separation from children and family, adjustment to living in the UK, visas and costs associated with bringing children and families over from their home country, and complex needs when a family member is ill or dying in their home country. The NCC addresses each case separately and on its merits.

EMERGENCY ESSENTIALS GRANT SCHEME

Many of the grants the NCC gives are in response to a family reaching a crisis point, very often exacerbated by financial constraints. For these children and young people their need is immediate, and a quick response is necessary, often directly to the family. The need could be for groceries, beds, clothing or white or brown goods that have broken. This response also helps those children where poverty is having a significant effect on their health and development. In many cases the financial circumstances of the family have been compounded by illness, disability, and bereavement.

REFERRALS AND GRANT MAKING POLICY

The Naval Children's Charity, along with other charities in the Armed Forces Sector, uses the central Case Management System (Mosaic) managed by SSAFA. The Charity also takes self-referrals from families and referrals through other sources. Once the referral has been received, the applicant will be contacted by an appointed caseworker to assess need. The Naval Children's Charity employs four of their own caseworkers who deal directly with the families and work in partnership with the SSAFA caseworkers, RN FPS and the grant administrators from other benevolent organisations. In all cases every effort is made to ensure that the family receive a package of care with grants being almonised between the benevolent organisations and families offered guidance, support and signposting to other sources of help and support. An application form demonstrating need is completed with all families assessed financially and means-tested. For grants that require immediate, direct support up to £2,500 the CEO reviews each case and signs off the support to be given, later ratified by the Welfare Committee. Grants are given either directly to the family or administered through SSAFA or one of the other organisations. For the more complex cases a full report is submitted to the Welfare Committee with supporting documentation. No cap is applied to grants either in time or money, other than the age limit of up to and including the age of 25 for children.

Once a grant is approved, contact is made with the applicant and other relevant organisations so that payments can be made. Grants may be one off or given periodically for a set time. If there is an ongoing bursary, the family situation and financial circumstances are reviewed annually.

The caseworkers regularly brief into the serving community and have good relationships with NS FPS, SSAFA workers and other Naval charities with whom we almonise and collaborate. Our offices in Castaway House are ideally situated with several other Naval charities under the one roof.

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COMMUNITY

The majority of Naval children are resilient, thriving and proud of their parents' service and do not need an individual grant in support. However, they are impacted by their parents' Naval career and face challenges over and above those of civilian children. To support them the NCC gives grants to projects in Naval communities and to schools. Further support includes free resources which are sent out to families such as the two books, Zoe and the Time Rabbit and Henry and the Time Penguin, aimed at the younger child to help them understand separation when a mummy or a daddy goes away. There is also a family self-help book, Knit the Family, to help the whole family understand deployment and the difficulties it can bring.

RESEARCH

In 2021 the Naval Children's Charity produced a report, The Impact of Service Life on the Military Child which identified the **13 key areas that impact the lives of our children**. The NCC is now able to further focus support to Naval children to ensure that they are not disadvantaged by their parents' Service and that grants, and resources can have the best effect. From this report a further piece of research has been commissioned into the impact of Social Media on our children, particularly when separated from their parents.

- The impact of deployment-related separation on Service children
- The impact of lone parenting
- The influence of the media
- Family adjustment following deployment
- The impact of mobility
- Dealing with stigma and bullying
- The impact of parental illness or injury
- The impact of parental bereavement
- Family relationships and breakdown
- Children with additional needs and disabilities
- Lack of awareness of Service children's needs
- What do children gain from their parent's service?
- Support and interventions for Service children

We are also chairing a new Funding Forum, together with the SCiP Alliance, to carry out some initial scoping research into the best support that charities such as ours can provide to schools around the UK to support the Military Child.

ACHIEVEMENTS AND PERFORMANCE

Since the formation of the Naval Children's Charity in 1999 over 46,600 children are entered on our database as having been supported with a direct grant. Several thousand more have been helped by our books and resources which are sent out free of charge. In 2020/2021 we gave grants to support 3081 children both in direct grants and through our Naval Community Projects.

We have seen a significant shift in the number of veteran families requiring support from us with 68% of those we helped in the past year being veteran, 52% were former Royal Navy and 16% former Royal Marines. This reflects the impact of the pandemic on our families, with job losses, redundancies and furlough all adding to the hardships our families faced. 23% of the families were from currently serving Royal Navy families, 9% serving Royal Marines. 12% were from the families of officers, the remaining 88% from the other ranks, both currently serving and veteran.

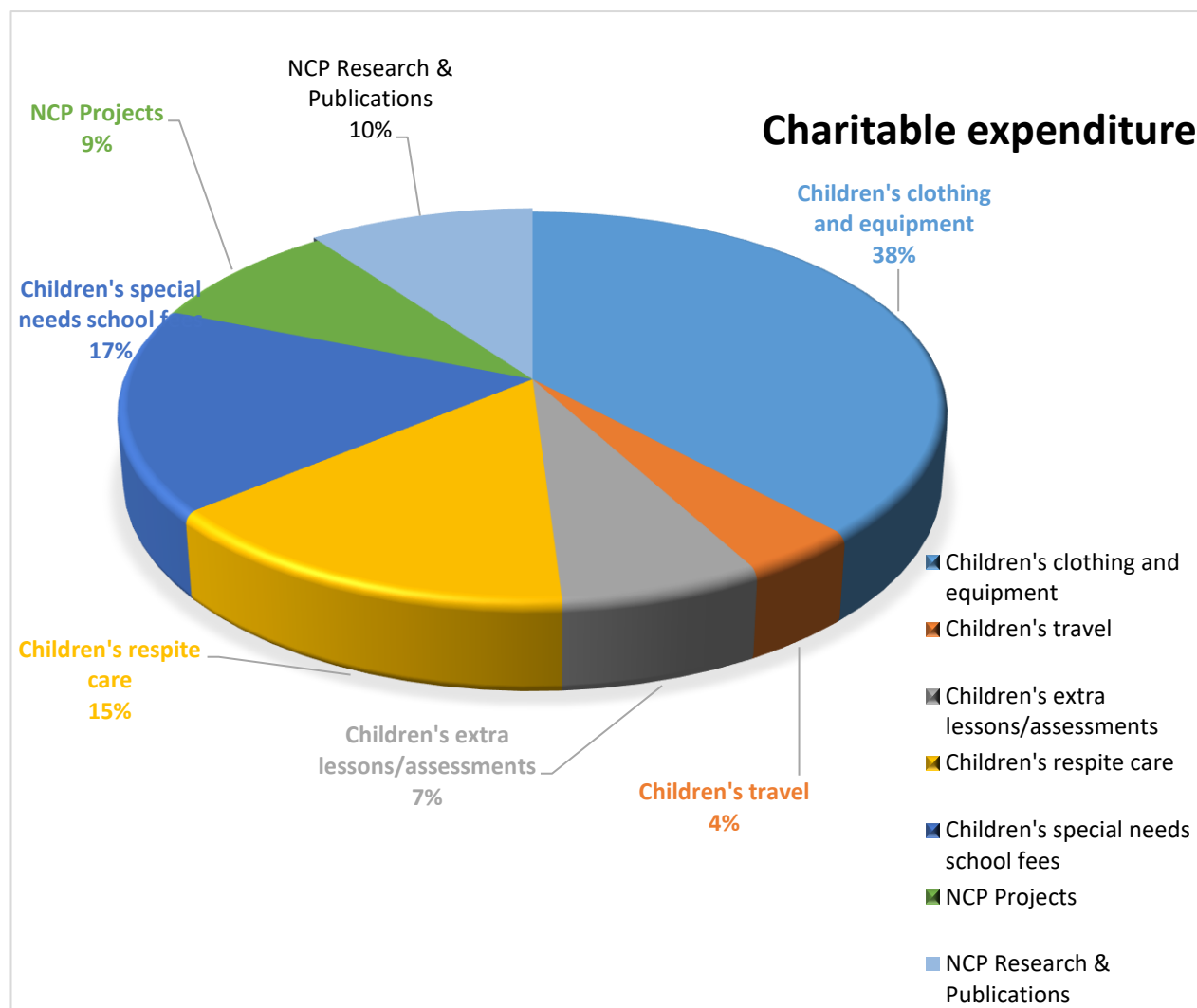
The audited accounts show that £984,307 was charitable expenditure on grants and community projects. Total charitable expenditure was £1,338,822 The chart shows percentage of expenditure in the different charitable categories.

Charitable Expenditure		
Direct Grants		
Children's clothing and equipment	£375,011	38%
Children's special educational needs	£163,661	17%
Children's respite care	£152,667	15%
Children's extra lessons/assessments	£65,828	7%
Children's travel	£38,013	4%
Naval Community Projects		
NCP Projects	£92,572	9%
NCP Research & Publications	£96,555	10%

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The impact of the grants can be life changing. Trustees take into consideration the five essentials for a child: health, wellbeing, security, education, and life chances. The Trustees are cautious to commit themselves to long term educational support but the results from this type of investment can be seen, not necessarily in academic terms but in enabling a child to reach the height of their potential and able to live an independent life which might otherwise not have been open to them. In many of the cases the special educational need for the child is that of family circumstances rather than learning disability.

We are meticulous about measuring the impact of our grants. Post-grant evaluations are sent to all families and indicate:

- 98% found our grant process easy to follow
- 99% that the grant was processed quickly
- 97% they were kept informed
- 99% grant was targeted to their children's needs
- 98% would feel comfortable approaching us again
- 89% feel supported
- 87% feel relieved
- 79% feel more positive
- 75% have improved wellbeing
- 69% felt the grant was life-improving
- 50% have a better quality of life
- 36% found the grant life-changing
- 35% have increased independence

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PUBLIC BENEFIT

The identifiable benefit provided by the Naval Children's Charity is the relief of children of serving and veteran personnel of the Royal Navy who are in need, hardship, or distress thereby contributing to the health, welfare, and social cohesion of the Nation. Additionally, this contributes to maintaining or improving morale within the Royal Navy and thus to the quality of these vital components of the Nation's Armed Forces and, thereby, to the defence of the Nation.

Our work is targeted at helping children who are in distress and if unrelieved, may result in social, as well as educational, failure.

Through its grant making to service and veteran Naval Service personnel and dependants in need, the Naval Children's Charity demonstrates its support of the Military Covenant between the Nation and its Armed Forces and have signed the Armed Forces Covenant as a reflection of that support. Part of the Armed Forces Covenant scheme is the Defence Employer Recognition Scheme (ERS). The Naval Children's Charity has been awarded the Bronze award from the ERS. The ERS recognises commitment and support from UK employers for defence personnel. The scheme comprises Bronze, Silver and Gold awards for employers who support those who serve or have served in the Armed Forces and their families.

The Trustees have given regard to the Charity Commission's guidance on public benefit in its pursuance of the Charity's objects.

FUNDRAISING STANDARDS

The Charity does not carry out any significant fundraising activity and does not actively raise funds from the general public. We remain grateful to all that do support us financially through fundraising in their communities, donations, and legacies.

The NCC is a signed-up member of the Fundraising Regulator and Trustees are satisfied that the charity's fundraising methods are compliant with both the current regulations and best practice.

FINANCIAL REVIEW

The period under review is the year to 31st March 2021.

The Naval Children's Charity's incoming resources for this period amounted to £11,089,108. Total expenditure was £1,469,274 and during this period expenditure on charitable activities amounted to £1,338,822 which is 91% of all expenditure. Cash was withdrawn from our Fund to cover the deficit in income, including all operating costs. 100% of all donations and grants is spent directly on beneficiaries.

The Investment objectives are:

1. To protect and grow the real value of the Expendable and Permanent Endowment Funds
2. In March 2020 to release £1,000,000 in cash to be managed by the Trustees/Executive of the Charity to provide operating costs for the period April 2020 – March 2023 and in May 2021 a further release of £600,000 to maintain cashflow in the anticipation of an increase in expenditure on families impacted by the Coronavirus pandemic.
3. To always maintain a minimum of £100,000 in cash to assist with cashflow as required
4. To provide additional drawdown and withdrawal of funds if required by the Charity
5. The benchmark is a real return of CPI + 3% on a rolling 5-year basis net of fees

Investment performance:

For the 5 year period to 31st March 2021 the Expendable and Permanent Endowment Funds generated a return of 58.0% and 57.9% respectively (after all fees and costs). These returns are ahead of the Endowment Funds' objective of UK Inflation (CPI) +3%, which equates to a target return of 25.0% over the same time period.

The Peer group (as represented by ARC Steady Growth PCI and ARC Steady Growth Charity Index) generated a return of 41.6% and 42.9% respectively. We include the performance of these indices to show what our peers have achieved for clients with a similar investment mandate. It is also worth highlighting that this outperformance of the Peer group has been achieved with a slightly lower level of volatility (as measured by standard deviation).

Total return basis of investment:

The charity has exercised its rights by the Trustees under section 104(A) of the Charities Act 2011 on 1 March 2020. This power permits the trustees to invest permanently endowed funds to maximise total return and therefore to apply an appropriate portion of the unapplied total return to income. The unapplied total return remains invested as part of the permanent endowment until that power

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is exercised. When exercised it allows the trustees to apply an appropriate portion of the unapplied total return to income each year. The decision to utilise unapplied income is considered throughout the year and based upon anticipated need. The charity's investment managers assist in the reconciliation of the amount which can be allocated. During the current year the trustees have transferred £nil to unrestricted income funds.

During their considerations as part of the Strategic Review of 2019 Trustees took the decision for Item 2 above to release £1,000,000 in cash to provide operating costs for the period April 2020 – March 2023 thus ensuring income to the Charity during that period whilst allowing the Investment Managers to adjust the risk on the Fund. A further drawdown in May 2021 was approved by the Trustees in response to the Coronavirus pandemic. While ensuring cash is available for all operational needs, this minimises the need for ad hoc drawdown and gives our investment managers a stable period in which to concentrate on their primary objective of growing the Fund.

GRANTS AND LEGACIES

Through our Memorandum of Understanding with the Royal Navy & Royal Marines Charity (RNRMC) we receive the annual grant from Greenwich Hospital Trust, and we continue to work closely with both organisations as we support our beneficiaries. The Trustees are very grateful to the RNRMC and Greenwich Hospital Trust for the significant and consistent support they have given to the Naval Children's Charity during this period.

The Trustees also thank The Seafarers Charity who have given regular support over many years with a grant of £100,000 per annum. This is a restricted fund for children from Officers' families.

Trinity House have also very generously continued to support the Naval Children's Charity with a grant of £47,300 per annum, for which the Trustees are very grateful.

The Libor Fund which gave £270,000 towards the Emergency Essentials Grant Scheme in June 2018 which, in line with SORP, is shown as the full amount in the accounts ending 31st March 2019. The grant has been used over three years with £90,000 per year being used in year ending 31st March 2019, £90,000 used in year ending 31st March 2020 and the final tranche of £90,000 used in this financial year ending 31st March 2021.

The Ogden Armed Forces Bursary is a Restricted Fund which supports children aged 11+ of those seriously injured or killed during deployment or those suffering with PTSD from across the Armed Forces. There are currently 4 children benefiting from this bursary. In line with the criteria for the fund two of the children are from Army families. This fund will close once the bursaries to the existing children have been paid.

The Charity receives little or no funding from legacies. In this financial year we would like to thank the families of David Brazier, a former Trustee of the Charity, who left us £10,000 in his will and Walter King who left us £5,000. We are incredibly grateful to be remembered in this way.

Whilst income for the year therefore looks reduced compared to the previous years' accounts it should be noted that the Libor funding is reflected in the 2018 accounts and the income from Investments is shown as cash savings on deposit.

TRUSTS AND FOUNDATIONS

Queen Mary's Roehampton Trust who supports the children of those receiving a War Pension with a grant of £5,000 have also been a constant support for which the Trustees are very grateful.

We are also extremely grateful to those other Trusts and Foundations that generously supported our work during the year. These include: the Edinburgh Trust, the P F Charitable Trust, the Naval Ladies Charitable Trust, the Sir James Knott Trust, the Michael Cornish Charitable Trust, the T K Maxx Foundation, the Patricia Routledge Trust, and the Forces Trust.

We are also extremely grateful to all those who donated to our Charity either through volunteering their time or by gifts of money. Particular thanks to the many branches of the RNA who regularly send in donations, other churches and their congregations who support us, the Type 21 Class Club for a generous donation, and last but definitely not least the wonderful Julian Kirk, Gina Wise and Ian Lund who have established the Eastern England Group supporting the Naval Children's Charity and do amazing work raising awareness and funds for us.

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We would also like to thank all the wonderful knitters around the UK, who send us in knitted Rabbits and Penguins to accompany our free books sent out to children when a parent is away on deployment or other separations.

ENVIRONMENTAL AND SOCIAL GOVERNANCE:

The Trustees recognise that responsible corporate behaviour with respect to ESG issues can have a positive influence on the financial performance of companies. Veritas should take this into account where the Investment Managers consider there may be conflict of interest with the aims of the Charity and refer the investment to the Chairman.

ENDOWMENTS & RESERVES POLICY

The SORP defines 'Reserves' as that part of a Charity's income funds that are freely available which normally excludes permanent and expendable endowments and restricted funds. Therefore, at 31st March 2021 the unrestricted general funds (the SORP defined Reserves) were £214,335. Although the Naval Children's Charity's permanent and expendable endowments are not SORP reserves, they are wholly available to sustain and support the Charity. They are invested in order to:

- Generate Income – as stated above cash was withdrawn from the Fund to provide operating costs; an amount that would need to be found from other sources without this level of investment. This income covers the non-charitable expenditure and operating costs of the Charity enabling all donations and grants to be used on charitable expenditure.
- Ensure Continuity of Funding – without which in an uncertain funding environment the Charity might otherwise have to limit its support. (Note: The Charity derives some % of its annual income from the major grant givers (see above), which are mindful of the reliance and continuity their support brings but will not currently guarantee to support the Naval Children's Charity for more than one year at a time).

COVID-19

The Naval Children's Charity continued to deliver support throughout the COVID-19 pandemic and lockdown with staff working remotely ensuring families received swift and targeted support. Many of the families that came to us during this period required assistance in facilitating remote school-working for their children and we provided computers and other educational support to help with this. Other requests ranged from support with groceries and essentials to ensuring gardens were safe for some of our children with special needs ensuring they got access to fresh air and exercise. We did not see any undue impact on our finances during the financial year, however we anticipate that we may see an increase in requests for support in the coming financial year and Trustees have responded accordingly by drawing down from the investments to provide for cashflow.

PLANS FOR FUTURE PERIODS

The Trustees plan to continue to deliver against the charitable objects of the Charity by giving individual grants to Naval children in crisis and need and broader support to Naval children through their community grants. The future direction of the Charity remains to continue to seek out eligible families, identify need and develop our reach to the community to ensure that all Naval children receive the help and support they require and are not disadvantaged by the service of their Parents in the Royal Navy.

The pandemic of 2020/2021 has required the Charity to respond quickly to crisis driven needs in our beneficiaries and the Charity has set aside funds to ensure that the Charity can respond to any increase in need from families over the next few years. The Charity adapted well to remote working during the pandemic and has established clear policies to enable charitable delivery to continue in the event of similar situations arising.

Following a period of strategic review in 2019 the new name has increased the awareness of the Charity and the brand and outreach will continue to be developed to reach more beneficiaries and further establish the Charity as a leading advocate for Naval children. Our social media activity and engagement continues to grow. The combined number of followers across Facebook and Twitter is increasing consistently and our website has seen an increase in visitors of over 62% since the launch of the new name and website in March 2020. We have launched a new monthly newsletter with a growing subscription base.

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales 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 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 Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Constitution. 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.

The Trustees are responsible for the maintenance and integrity of the Charity and 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.

Approved by the Trustees and signed on their behalf.



Alistair Sheppard OBE
(Chairman of Trustees)

Date 10th September 2021

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INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the Trustees of The Royal Navy and Royal Marines Children's Fund

Opinion

We have audited the financial statements of The Royal Navy and Royal Marines Children's Fund (the 'Charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the report of the trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report². Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

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INDEPENDENT AUDITOR'S REPORT

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- Enquiry of management, those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Blue Spire Limited (Statutory Auditor)

16 September 2021

Date

Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY

Blue Spire Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE ROYAL NAVY AND ROYAL MARINES CHILDREN'S FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF FINANCIAL ACTIVITIES

		Unrestricted	Restricted	Endowment	2021	2020
		Funds	Funds	Funds	Total	Total
	Note	£	£	£	Funds	Funds
					£	£
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	1	813,170	105,000	-	918,170	909,892
Other trading activities	2	-	-	-	-	7,607
Investments	3	6,072	-	149,828	155,900	231,767
Other	4	15,038	-	-	15,038	-
Total		834,280	105,000	149,828	1,089,108	1,149,266
EXPENDITURE ON:						
Raising funds - Event costs	5	31,122	-	-	31,122	31,837
Raising funds - Investment management costs	6	-	-	99,330	99,330	89,044
Charitable activities	7	1,152,750	186,072	-	1,338,822	1,351,930
Total		1,183,872	186,072	99,330	1,469,274	1,472,811
Net gains/(losses) on investments	13	-	-	2,293,672	2,293,672	(307,372)
Net Income/(expenditure)		(349,592)	(81,072)	2,344,170	1,913,506	(630,917)
Transfers between funds	22	331,928	68,072	(400,000)	-	-
Net movement in funds	22	(17,664)	(13,000)	1,944,170	1,913,506	(630,917)
RECONCILIATION OF FUNDS						
Total funds brought forward		231,999	16,550	10,511,303	10,759,852	11,390,768
Total funds carried forward	22	214,335	3,550	12,455,473	12,673,358	10,759,851

None of the Charity's other activities were acquired or discontinued during the period.

The Charity has no recognised gains or losses other than those dealt with in the statement of financial activities.

THE ROYAL NAVY AND ROYAL MARINES CHILDREN'S FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

BALANCE SHEET AS AT 31 MARCH 2021

		2021		2020	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	12	-		-	
Investments - Managed portfolio	13	11,855,473		9,511,303	
Investments - Cash deposits	14	300,000		600,000	
Total fixed assets			12,155,473		10,111,303
CURRENT ASSETS					
Debtors	14	17,347		15,565	
Investments - Cash deposits	16	300,000		300,000	
Cash at bank and in hand		338,457		513,343	
Total current assets		655,804		828,908	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	17	130,919		160,359	
Net current assets			524,885		668,549
Total assets less current liabilities			12,680,358		10,779,852
Creditors: amounts falling due after more than one year	18		(7,000)		(20,000)
Net assets			12,673,358		10,759,852
THE FUNDS OF THE CHARITY					
Endowment funds	22		12,455,473		10,511,303
Restricted funds	22		3,550		16,550
Unrestricted general funds	22		214,335		231,999
Total charity funds			12,673,358		10,759,852

The notes on pages 22 to 38 form part of these accounts.

Approved by the Trustees and signed on their behalf.



Mr Alistair Sheppard OBE
(Chairman of the Trustees)

Date 10th September 2021

THE ROYAL NAVY AND ROYAL MARINES CHILDREN'S FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

ACCOUNTING POLICIES

General information, scope and basis of the financial statements

The Royal Navy & Royal Marines Children's Fund is a registered Charity, established as a Charitable Incorporated Organisation, in England and Wales. The address of the principal office is given in the Charity information of these financial statements and the nature of the Charity's operations and principal activities are detailed in the report of the trustees.

The Charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the Charity has control over the item. Fair value is determined on the basis of the value of the gift to the Charity. For example the amount the Charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the Charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from government and other grants are recognised at fair value when the Charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

THE ROYAL NAVY AND ROYAL MARINES CHILDREN'S FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

ACCOUNTING POLICIES

Incoming resources (continued)

Investment income is earned through holding assets for investment purposes such as shares and cash deposits. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the Charity's right to receive payment is established.

The Charity receives government grants in respect of the Coronavirus Job Retention Scheme. Income from government and other grants are recognised at fair value when the Charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised

- Costs of raising funds; which includes the costs of organising events and investment management fees
- Expenditure on charitable activities; which includes grants made to beneficiaries and costs incurred to support those activities

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the Charity.

Support cost allocation

Support costs are those that assist the work of the Charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. The analysis of these costs is included in note 8.

VAT

The Charity is not registered for VAT and is unable to recover VAT incurred. On this basis costs are recorded inclusive of VAT within the SOFA.

Taxation

The Charity is an exempt Charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in sections 521 to 536 Income Tax Act 2007 (ITA 2007), as such no income tax is payable on the Charity's activities.

THE ROYAL NAVY AND ROYAL MARINES CHILDREN'S FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

ACCOUNTING POLICIES

Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Computer equipment 25% straight line basis

Office equipment 10% straight line basis

Fixed assets received as part of the transfer of assets from the predecessor Charity have been included as additions at their net book value and have continued to be depreciated under the existing policy of the predecessor Charity.

Investments

Managed portfolio

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains/(losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably.

Cash deposits

Cash deposits are medium and short term highly liquid investments and are held at fair value. Current asset investments include cash on deposit and cash equivalents with a maturity of less than one year.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand and cash balances within the investment portfolio available for investment transaction purposes.

Operating leases

Rentals payable under operating leases are charged in the statement of financial activities on a straight line basis over the lease term.

Employee benefits

When employees have rendered service to the Charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity makes contributions on behalf of employee's to their own personal pension arrangements.

THE ROYAL NAVY AND ROYAL MARINES CHILDREN'S FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

ACCOUNTING POLICIES

Fund accounting policy

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds incorporating an expendable and permanent endowment funds represent those investment assets held by the Charity, principally to generate investment income for the Charity's use. The assets held within the permanent endowment fund must be retained in perpetuity, however those investments within the expendable endowment may be converted to income by the Trustees. Income arising on the endowment funds can be used in accordance with the objects of the Charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Further details of each fund are disclosed in Note 22.

Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

The Trustees have considered the impact of the COVID-19 pandemic on their assessment of going concern and believe there are no material uncertainties arising.

THE ROYAL NAVY AND ROYAL MARINES CHILDREN'S FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS

1. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Donations from individuals and trusts	30,870	5,000	-	35,870
Legacies	15,000	-	-	15,000
RNRMC/Greenwich	720,000	-	-	720,000
Trinity House	47,300	-	-	47,300
Seafarers UK	-	100,000	-	100,000
	<u>813,170</u>	<u>105,000</u>	<u>-</u>	<u>918,170</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total Funds £
Donations from individuals and trusts	32,551	10,000	-	42,551
Legacies	41	-	-	41
RNRMC/Greenwich	720,000	-	-	720,000
Trinity House	47,300	-	-	47,300
Seafarers UK	-	100,000	-	100,000
	<u>799,892</u>	<u>110,000</u>	<u>-</u>	<u>909,892</u>

2. Other trading activities

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Event income	-	-	-	-

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total Funds £
Event income	7,607	-	-	7,607

THE ROYAL NAVY AND ROYAL MARINES CHILDREN'S FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS

3. Investment income

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Income from listed investments	-	-	149,828	149,828
Interest	6,072	-	-	6,072
	<u>6,072</u>	<u>-</u>	<u>149,828</u>	<u>155,900</u>
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total Funds £
Income from listed investments	230,661	-	-	230,661
Interest	1,106	-	-	1,106
	<u>231,767</u>	<u>-</u>	<u>-</u>	<u>231,767</u>

4. Other income

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Coronavirus Job Retention Scheme receipts	15,038	-	-	15,038
	<u>15,038</u>	<u>-</u>	<u>-</u>	<u>15,038</u>
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total Funds £
Coronavirus Job Retention Scheme receipts	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

THE ROYAL NAVY AND ROYAL MARINES CHILDREN'S FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS

5. Event costs

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Direct event costs	3,756	-	-	3,756
Support costs (see Note 8)	27,366	-	-	27,366
	<u>31,122</u>	<u>-</u>	<u>-</u>	<u>31,122</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total Funds £
Direct event costs	10,508	-	-	10,508
Support costs (see Note 8)	21,329	-	-	21,329
	<u>31,837</u>	<u>-</u>	<u>-</u>	<u>31,837</u>

Events are aimed primarily at raising awareness of the RN & RM Children's Fund rather than generation of income, however the sundry donations within Note 1 above are largely generated from these events.

6. Investment management fees

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Investment management fees	-	-	99,330	99,330
Refund of management fees from previous investment managers	-	-	-	-
	<u>-</u>	<u>-</u>	<u>99,330</u>	<u>99,330</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total Funds £
Investment management fees	-	-	99,945	99,945
Refund of management fees from previous investment managers	-	-	(10,901)	(10,901)
	<u>-</u>	<u>-</u>	<u>89,044</u>	<u>89,044</u>

THE ROYAL NAVY AND ROYAL MARINES CHILDREN'S FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS

7. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Grants to individuals:				
School fees	103,947	59,714	-	163,661
Extra tuition fees	47,493	18,335	-	65,828
Clothing and equipment	347,416	27,595	-	375,011
Children's travel	30,544	7,469	-	38,013
Childminding and respite	79,708	72,959	-	152,667
	<u>609,108</u>	<u>186,072</u>	<u>-</u>	<u>795,180</u>
Naval Community Projects				
Community project costs	92,572	-	-	92,572
Research and publications	96,555	-	-	96,555
	<u>189,127</u>	<u>-</u>	<u>-</u>	<u>189,127</u>
Direct staff costs	115,729	-	-	115,729
Other staffing costs	5,177	-	-	5,177
Support costs (see note 8)	173,777	-	-	173,777
Governance costs (see note 8)	59,832	-	-	59,832
	<u>1,152,750</u>	<u>186,072</u>	<u>-</u>	<u>1,338,822</u>

THE ROYAL NAVY AND ROYAL MARINES CHILDREN'S FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS

7. Charitable activities (continued)

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total Funds £
Grants to individuals:				
School fees	216,537	206,366	-	422,903
Extra tuition fees	70,609	18,393	-	89,002
Clothing and equipment	171,730	65,423	-	237,153
Children's travel	39,223	16,225	-	55,448
Childminding and respite	83,800	79,356	-	163,156
	<u>581,899</u>	<u>385,763</u>	<u>-</u>	<u>967,662</u>
Naval Community Projects				
ARK project	29,124	-	-	29,124
Other community project costs	19,957	-	-	19,957
	<u>49,081</u>	<u>-</u>	<u>-</u>	<u>49,081</u>
Direct staff costs	105,995	-	-	105,995
Other staffing costs	-	-	-	-
Support costs (see note 8)	181,435	-	-	181,435
Governance costs (see note 8)	47,757	-	-	47,757
	<u>966,167</u>	<u>385,763</u>	<u>-</u>	<u>1,351,930</u>

THE ROYAL NAVY AND ROYAL MARINES CHILDREN'S FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS

8. Support costs

	Event expenses £	Charitable activities £	Governance £	2021 Total Funds £
Staff costs	27,366	54,732	54,732	136,830
Printing, postage and stationery	-	9,539	-	9,539
Insurance	-	4,185	-	4,185
Legal and professional fees	-	7,916	-	7,916
Accountancy and audit	-	1,788	5,100	6,888
Telephone	-	2,146	-	2,146
Computers and equipment	-	38,504	-	38,504
Sundry expenses	-	11,679	-	11,679
Subscriptions	-	2,574	-	2,574
Advertising and publicity	-	28,576	-	28,576
Rent	-	12,157	-	12,157
Travel and subsistence	-	(19)	-	(19)
Depreciation	-	-	-	-
Loss on disposal of fixed assets	-	-	-	-
	<u>27,366</u>	<u>173,777</u>	<u>59,832</u>	<u>260,975</u>

	Event expenses £	Charitable activities £	Governance £	2020 Total Funds £
Staff costs	21,329	42,657	42,657	106,643
Printing, postage and stationery	-	15,084	-	15,084
Insurance	-	6,769	-	6,769
Legal and professional fees	-	5,304	-	5,304
Accountancy and audit	-	15,850	5,100	20,950
Telephone	-	2,007	-	2,007
Computers and equipment	-	27,486	-	27,486
Sundry expenses	-	13,224	-	13,224
Subscriptions	-	4,577	-	4,577
Advertising and publicity	-	21,216	-	21,216
Rent	-	14,772	-	14,772
Travel and subsistence	-	11,040	-	11,040
Depreciation	-	339	-	339
Loss on disposal of fixed assets	-	1,110	-	1,110
	<u>21,329</u>	<u>181,435</u>	<u>47,757</u>	<u>250,521</u>

THE ROYAL NAVY AND ROYAL MARINES CHILDREN'S FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS

9. Auditor's remuneration

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Audit fees	5,100	-	-	5,100
Other services	890	-	-	890
	<u>5,990</u>	<u>-</u>	<u>-</u>	<u>5,990</u>
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total Funds £
Audit fees	5,100	-	-	5,100
Other services	14,538	-	-	14,538
	<u>19,638</u>	<u>-</u>	<u>-</u>	<u>19,638</u>

10. Staff costs and information

	2021 £	2020 £
Gross salaries	216,328	180,852
Employer's NI	18,262	16,333
Employer's pension	17,230	15,453
Coronavirus Job Retention Scheme receipts	(15,038)	-
	<u>236,782</u>	<u>212,638</u>

One (2020: One) employee received employee benefits, excluding employer pension contributions, between £70,000 - £80,000 (2020: between £60,000 - £70,000).

Staff numbers

The average number of employees, calculated on an average headcount basis and analysed by function, was:

	2021	2020
Charitable activities	3	3
Management and governance	3	2
	<u>6</u>	<u>5</u>

THE ROYAL NAVY AND ROYAL MARINES CHILDREN'S FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS

Pension scheme

The Charity contributes to defined contribution pension schemes on behalf of its employees. The pension cost is charged to the Statement of Financial Activities in the period it is due. The total amount of contributions charged in the year under review were £17,230 (2020: £15,453). At the balance sheet date £1,577 (2020: £450) was payable in respect of pension contributions consisting of employee and employer contributions.

The number of employees to whom pension contributions are accruing:

	2021	2020
Charitable activities	4	3
Management and governance	3	2
	<u>7</u>	<u>5</u>

11. Related party transactions

No Trustees received remuneration during the year under review nor the comparative period. The Trustees listed in the information page were reimbursed or had travel expenses paid on their behalf in the year under review totalling £nil (2020: £2,021).

During the year under review the Charity had one (2020: one) members of key management personnel who received employee benefits totalling £80,908 (2020: £73,850) inclusive of gross pay, employer's national insurance and pension contributions. The Charity's key management personnel were reimbursed expenses or had them paid on their behalf in the period under review totalling £4,061 (2020: £4,061).

During the year under review, Lee Robson, the husband of a trustee, was employed by the Charity and received employee benefits inclusive of social security and pension contributions of £8,188 (2020: £31,878). The related trustee took no part in the decision to employ Mr Robson nor the setting of remuneration levels.

During the comparative year the Charity held an event on HMS Victory. The Charity's trustees and key management personnel were invited to attend, together with their partners. The cost per head was £130 with benefits received by trustees and their partners of £1,170 and key management and their partners £390. During the comparative year the Charity held an event at Leeds Castle, Kent. The Charity's trustees and key management personnel were invited to attend, together with their partners. The cost per head was £139 with benefits received by trustees and their partners of £2,780 and key management and their partners £556.

THE ROYAL NAVY AND ROYAL MARINES CHILDREN'S FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS

12. Tangible fixed assets

	Year ended 31 March 2021			Year ended 31 March 2020		
	Computer equipment £	Office equipment £	Total £	Computer equipment £	Office equipment £	Total £
Cost						
Brought forward	-	-	-	8,037	2,434	10,471
Additions	-	-	-	-	-	-
Disposals	-	-	-	(8,037)	(2,434)	(10,471)
	-	-	-	-	-	-
Depreciation						
Brought forward	-	-	-	7,942	1,081	9,023
Charge for the period	-	-	-	95	243	338
Disposals	-	-	-	(8,037)	(1,324)	(9,361)
	-	-	-	-	-	-
Net book value carried forward	-	-	-	-	-	-
Net book value brought forward	-	-	-	95	1,353	1,448

13. Investments - Managed portfolio

	Year ended 31 March 2021			Year ended 31 March 2020		
	Listed investments £	Cash accounts £	Total Funds £	Listed investments £	Cash accounts £	Total Funds £
Market value brought forward	8,450,494	1,060,809	9,511,303	10,119,087	820,852	10,939,939
Additions at cost	3,547,582	-	3,547,582	2,231,738	-	2,231,738
Disposals at carrying value	(2,462,231)	-	(2,462,231)	(3,903,034)	-	(3,903,034)
Gain/(loss) on revaluation	1,791,209	-	1,791,209	2,703	-	2,703
Movement in cash	-	(532,390)	(532,390)	-	239,957	239,957
Market value carried forward	11,327,054	528,419	11,855,473	8,450,494	1,060,809	9,511,303
Gains/(losses) on investments						
Gain/(loss) on revaluation	1,791,209	-	1,791,209	2,703	-	2,703
Gain/(loss) on investment disposals	502,463	-	502,463	(310,075)	-	(310,075)
	2,293,672	-	2,293,672	(307,372)	-	(307,372)

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NOTES TO THE FINANCIAL STATEMENTS

14. Investments – Cash deposits

	2021 Total Funds £	2020 Total Funds £
Cash deposits with maturity over one year	<u>300,000</u>	<u>600,000</u>

15. Debtors

	2021 Total Funds £	2020 Total Funds £
Accrued income	<u>17,347</u>	<u>15,565</u>
	<u>17,347</u>	<u>15,565</u>

16. Investments – Cash deposits

	2021 Total Funds £	2020 Total Funds £
Cash deposits with maturity within one year	<u>300,000</u>	<u>300,000</u>

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NOTES TO THE FINANCIAL STATEMENTS

17. Creditors: Amounts falling due within one year

	2021	2020
	Total	Total
	Funds	Funds
	£	£
Trade creditors	3,108	1,095
Accruals	6,677	6,064
Accrued school fees	66,996	128,944
Accrued school fees – Ogden Trust restricted fund	7,000	10,000
Other Ogden Trust creditors	12,000	–
Accrued regular charitable payments	25,100	–
Other taxes and social security	9,288	6,064
Other creditors	750	8,192
	<u>130,919</u>	<u>160,359</u>

18. Creditors: Amounts falling due after more than one year

	2021	2020
	Total	Total
	Funds	Funds
	£	£
Accrued school fees – Ogden Trust restricted fund	7,000	20,000
	<u>7,000</u>	<u>20,000</u>

19. Unprovided commitments

School fees grants are awarded for each academic year, with future awards made following the Charity's assessment of ongoing need and academic performance. Therefore the school fee creditors included within Notes 17 and 18 above is the balance of the amount awarded less amounts paid to 31 March 2021. In addition to the school fees creditor the Charity has unprovided commitments, in respect of possible future school fee awards for children currently receiving support until they complete their education at the age of 16 or 18, totalling £251,898 (2020: £429,475) at the balance sheet date.

20. Operating lease

The Charity has an agreement to occupy office space in Castaway House, Twyford Avenue with a 12 month notice period for either party. The rental and service charge expense for the year was £12,157 (2020: £14,772).

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NOTES TO THE FINANCIAL STATEMENTS

21. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Tangible fixed assets	-	-	-	-
Fixed asset investments	-	-	12,155,473	12,155,473
Other net assets	214,335	3,550	300,000	517,885
Net assets at 31 March	214,335	3,550	12,455,473	12,673,358

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total Funds £
Tangible fixed assets	-	-	-	-
Fixed asset investments	-	-	10,111,303	10,111,303
Other net assets	231,999	16,550	400,000	648,549
Net assets at 31 March	231,999	16,550	10,511,303	10,759,852

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NOTES TO THE FINANCIAL STATEMENTS

22. Analysis of net movement in funds

	Year ended 31 March 2021					
	Total funds brought forward	Incoming resources and gains	Outgoing resources and losses	Gains/(losses) on investment assets	Transfers	Total funds carried forward
	£	£	£	£	£	£
Endowment funds						
Expendable endowment fund	8,207,688	114,346	(76,493)	1,786,279	(400,000)	9,631,820
Permanent endowment fund	2,303,615	-	(22,837)	507,393	(4,432)	2,783,739
Permanent endowment unapplied	-	35,482	-	-	4,432	39,914
Total	10,511,303	149,828	(99,330)	2,293,672	(400,000)	12,455,473
Restricted funds						
Ogden Trust	16,550	-	(13,000)	-	-	3,550
The Seafarers Charity	-	100,000	(122,760)	-	22,760	-
Queen Mary Roehampton Trust	-	5,000	(50,312)	-	45,312	-
Total	16,550	105,000	(186,072)	-	68,072	3,550
Unrestricted funds						
General Fund	231,999	834,280	(1,183,872)	-	331,928	214,335
Total	231,999	834,280	(1,183,872)	-	331,928	214,335
Total funds	10,759,852	1,089,108	(1,469,274)	2,293,672	-	12,673,358

	Year ended 31 March 2020					
	Total funds brought forward	Incoming resources and gains	Outgoing resources and losses	Gains/(losses) on investment assets	Transfers	Total funds carried forward
	£	£	£	£	£	£
Endowment funds						
Expendable endowment fund	8,567,357	-	(69,754)	(264,315)	(25,600)	8,207,688
Permanent endowment fund	2,372,582	-	(19,290)	(43,057)	(6,620)	2,303,615
Total	10,939,939	-	(89,044)	(307,372)	(32,220)	10,511,303
Restricted funds						
Ogden Trust	62,550	-	(43,000)	-	(3,000)	16,550
The Seafarers Charity	-	100,000	(302,667)	-	202,667	-
Queen Mary Roehampton Trust	-	10,000	(40,096)	-	30,096	-
Total	62,550	110,000	(385,763)	-	229,763	16,550
Unrestricted funds						
General Fund	388,279	1,039,266	(998,003)	-	(197,543)	231,999
Total	388,279	1,039,266	(998,003)	-	(197,543)	231,999
Total funds	11,390,768	1,149,266	(1,472,810)	(307,372)	-	10,759,852

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Description of restricted funds

Ogden Trust	Funds received for benefitting children (11+) of servicemen and women who have been seriously injured or killed during deployment.
The Seafarers Charity	Funds received from The Seafarers Charity towards the welfare support of bereaved children and children of officers from within the Naval Service.
Queen Mary Roehampton Trust	Funds received from Queen Mary Roehampton Trust towards the welfare support of children of ex-service men and women disabled in service.

23. Transfers between funds

During the period under review the Charity made transfers as set out below:

	Unrestricted funds £	Restricted funds £	Endowment funds £
Transfer 1			
Permanent endowment fund	-	-	(4,432)
Permanent endowment unapplied	-	-	4,432
	<u>-</u>	<u>-</u>	<u>-</u>
Being transfer of unapplied investment income on capital funds to unapplied total return fund to be utilised in support of future beneficiaries.			
Transfer 2			
Expendable endowment fund	-	-	(400,000)
General Fund	400,000	-	-
	<u>400,000</u>	<u>-</u>	<u>(400,000)</u>
Being transfer of balances held within endowment fund cash deposits to support current beneficiaries as authorised by the constitution.			
Transfer 3			
The Seafarers Charity	-	22,760	-
Queen Mary Roehampton Trust	-	45,312	-
General Fund	(68,072)	-	-
	<u>(68,072)</u>	<u>68,072</u>	<u>-</u>
Being transfer of unapplied investment income on capital funds to unapplied total return fund to be utilised in support of future beneficiaries.			
	<u>331,928</u>	<u>68,072</u>	<u>(400,000)</u>

THE ROYAL NAVY AND ROYAL MARINES CHILDREN'S FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS

24. Financial instruments

The carrying amounts of the Charity's financial instruments are as follows:

	2021	2020
	Total	Total
	Funds	Funds
	£	£
<i>Financial assets</i>		
Measured at fair value through net income/(expenditure):		
Fixed asset investments	11,855,473	9,511,303
	<u>11,855,473</u>	<u>9,511,303</u>

Fixed asset investments are held at fair value with valuations obtained by reference to market prices from the appropriate stock exchange, bid prices and last traded prices where applicable.

	2021	2020
	Total	Total
	Funds	Funds
	£	£
<i>Financial liabilities</i>		
Measured at amortised cost:		
Trade creditors	3,108	1,095
	<u>3,108</u>	<u>1,095</u>

The income, expense, net gains and net losses attributable to the Charity's financial instruments are summarised as follows:

	2021	2020
	Total	Total
	Funds	Funds
	£	£
<i>Income and expense</i>		
Financial assets measured at fair value through net income/(expenditure)		
Income from listed investments	149,828	230,661
Investment management fees	(99,330)	(89,044)
	<u>50,498</u>	<u>141,617</u>
<i>Net gains and losses (including changes in fair value)</i>		
Financial assets measured at fair value through net income/(expenditure)		
Unrealised gains/(losses) on investments	1,791,209	2,703
Realised gains/(losses) on investments	502,463	(310,075)
	<u>2,293,672</u>	<u>(307,372)</u>

THE ROYAL NAVY AND ROYAL MARINES CHILDREN'S FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS

25. Analysis of changes in net debt

	2020 £	Cash flows £	2021 £
Cash and cash equivalents	2,474,151	(1,007,276)	1,466,875
	<u>2,474,151</u>	<u>(1,007,276)</u>	<u>1,466,875</u>
	2019 £	Cash flows £	2020 £
Cash and cash equivalents	1,325,487	1,148,664	2,474,151
	<u>1,325,487</u>	<u>1,148,664</u>	<u>2,474,151</u>

26. Permanent endowment invested on a total return basis

The charity has exercised its rights by the Trustees under section 104(A) of the Charities Act 2011 on 1 March 2020. This power permits the trustees to invest permanently endowed funds to maximise total return and therefore to apply an appropriate portion of the unapplied total return to income. The unapplied total return remains invested as part of the permanent endowment until that power is exercised. When exercised it allows the trustees to apply an appropriate portion of the unapplied total return to income each year. During the current year the trustees have transferred £nil to unrestricted income funds.

	Endowment for investment £	Unapplied total return £	Total permanent endowment £
Brought forward			
Gift component of permanent endowment	2,299,183	-	2,299,183
Unapplied total return	-	4,432	4,432
Total	<u>2,299,183</u>	<u>4,432</u>	<u>2,303,615</u>
Movements			
Investment return: Dividends and interest	-	35,482	35,482
Investment return: Realised and unrealised gains and losses	507,393	-	507,393
Less: Investment management costs	(22,837)	-	(22,837)
Total	<u>484,556</u>	<u>35,482</u>	<u>520,038</u>
Carried forward			
Gift component of permanent endowment	2,783,739	-	2,823,653
Unapplied total return	-	39,914	-
Total	<u>2,783,739</u>	<u>39,914</u>	<u>2,823,653</u>

THE ROYAL NAVY AND ROYAL MARINES CHILDREN'S FUND

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NOTES TO THE FINANCIAL STATEMENTS

27. Comparative statement of financial activities

		Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total Funds £
	Note				
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	1	799,892	110,000	-	909,892
Other trading activities	2	7,607	-	-	7,607
Investments	3	231,767	-	-	231,767
Total		1,039,266	110,000	-	1,149,266
EXPENDITURE ON:					
Raising funds - Event costs	5	31,837	-	-	31,837
Raising funds - Investment management costs	6	-	-	89,044	89,044
Charitable activities	7	966,167	385,763	-	1,351,930
Total		998,004	385,763	89,044	1,472,811
Net gains/(losses) on investments	13	-	-	(307,372)	(307,372)
Net Income/(expenditure)		41,262	(275,763)	(396,416)	(630,917)
Transfers between funds	22	(197,543)	229,763	(32,220)	-
Net movement in funds	22	(156,281)	(46,000)	(428,636)	(630,917)
RECONCILIATION OF FUNDS					
Total funds brought forward	22	388,279	62,550	10,939,939	11,390,768
Total funds carried forward	22	231,998	16,550	10,511,303	10,759,851