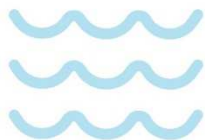


Registered charity number England 1160182 Scotland SC052322

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

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.



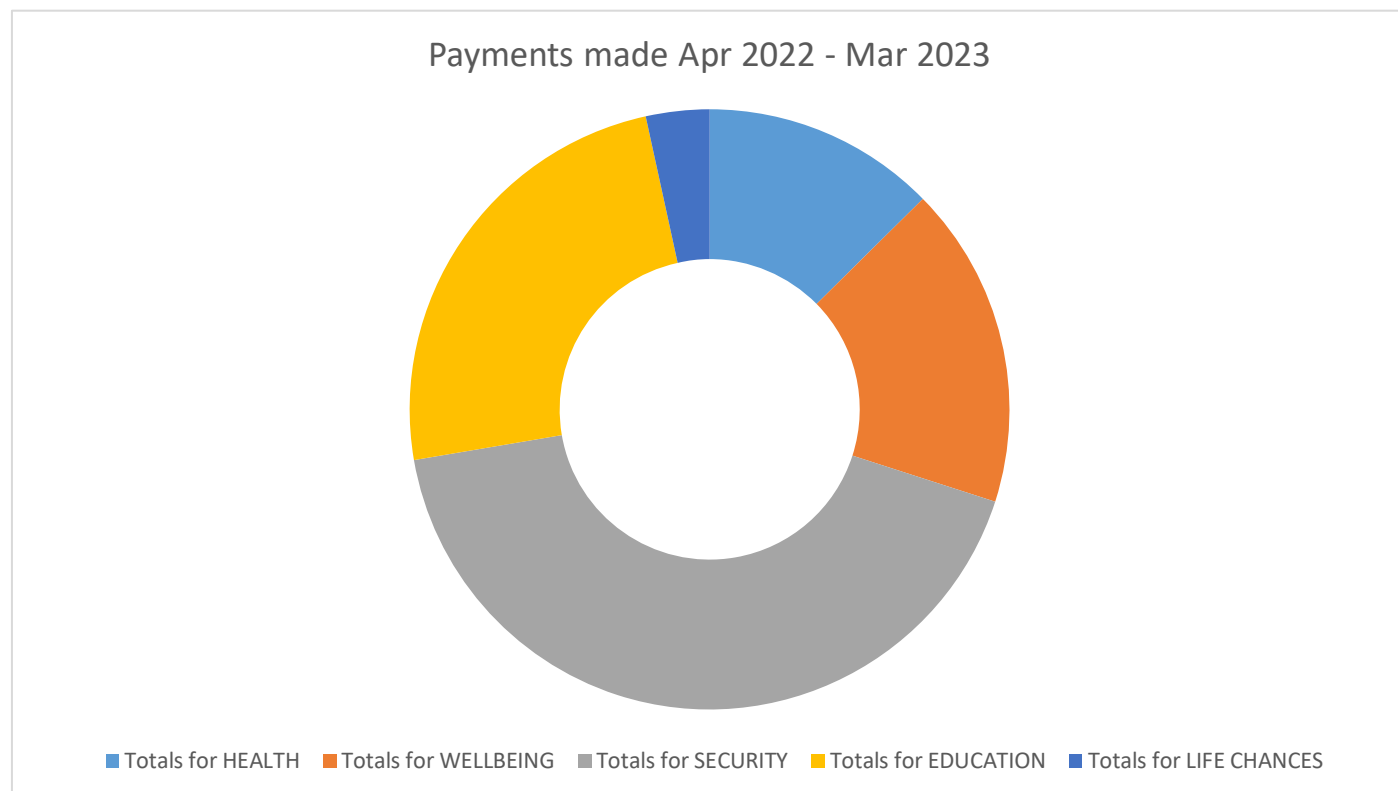
NAVAL CHILDREN'S CHARITY

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.

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.

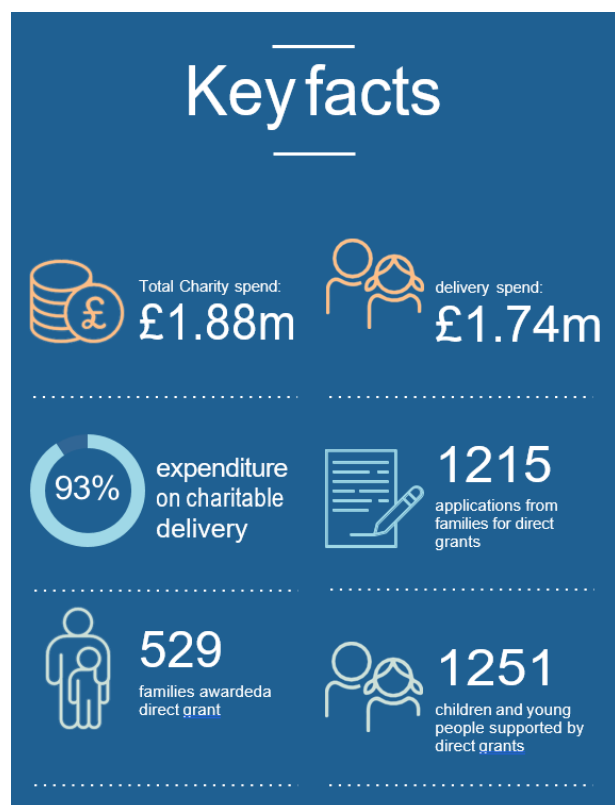
Without these key grants we would undoubtedly not be able to deliver such comprehensive, holistic and individualised support to our families in need.

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.

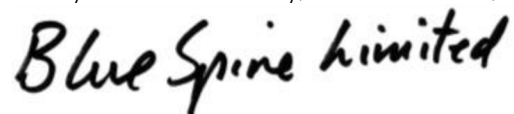
NAVAL CHILDREN'S CHARITY

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

		2023		2022	
	Note	£	£	£	£
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					
		£	£	£	£
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>

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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>