

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

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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:

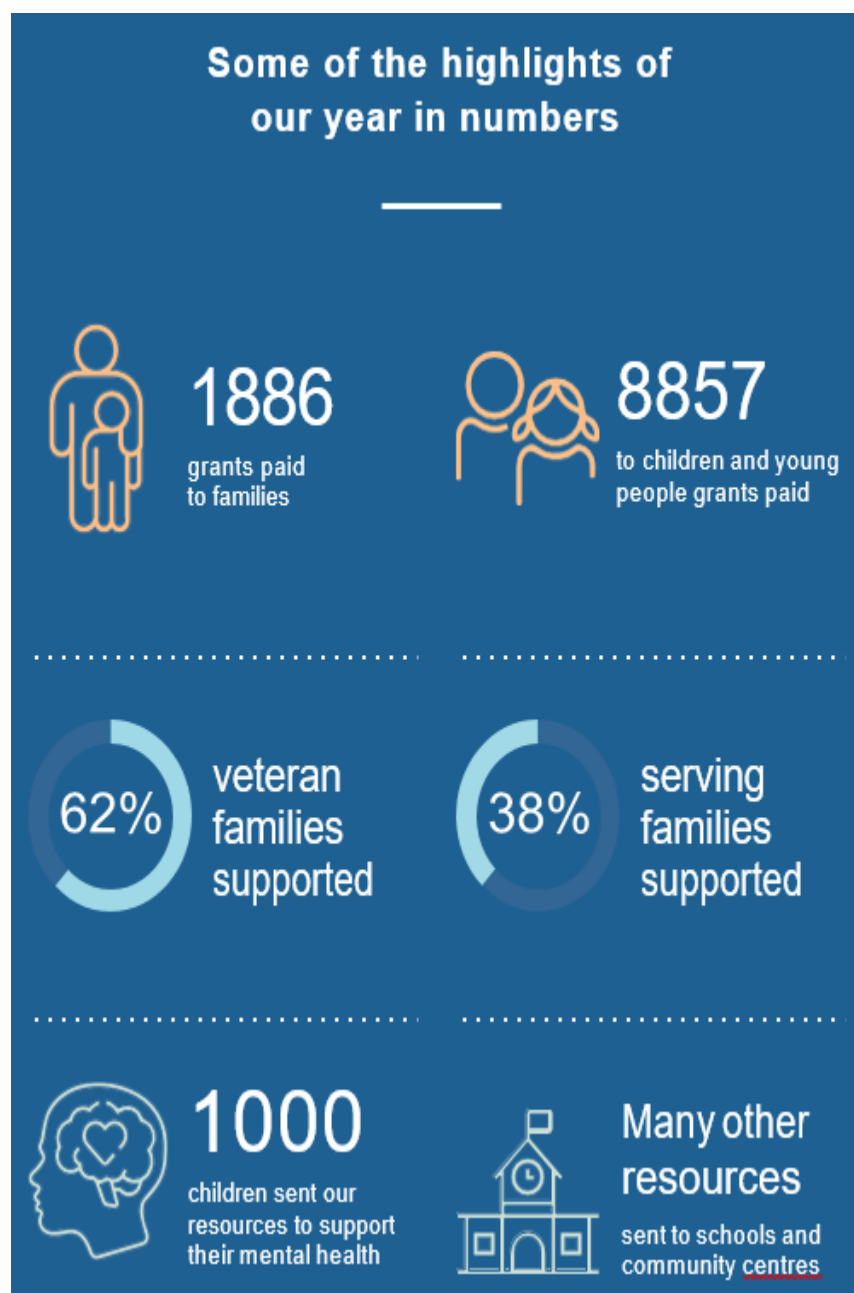


THE NAVAL CHILDREN'S CHARITY

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.

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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

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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

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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.

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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

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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			
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>12,668,434</u>	<u>12,568,667</u>
NET ASSETS			
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
	£	£
RNRMC/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	10,765	10,463
	<u> </u>	<u> </u>

Investment management costs

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

Aggregate amounts	119,781	118,660
	<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	416,633	1,706,372	428,602	2,551,607
	<u> </u>	<u> </u>	<u> </u>	<u> </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	12,711	10,224
	<u> </u>	<u> </u>
	416,633	252,974
	<u> </u>	<u> </u>

8. GRANTS PAYABLE

	31.3.24	31.3.23
	£	£
Support of Naval Families	1,706,372	1,151,595
	<u> </u>	<u> </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	49,894	-
	<u> </u>	<u> </u>
	202,132	103,928
	<u> </u>	<u> </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 costs £	Totals £
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 of Naval Families £	Total activities £
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)	<u>(773,332)</u>	<u>(25,260)</u>	<u>(20,993)</u>	<u>(819,585)</u>
Transfers between funds	<u>343,192</u>	<u>42,161</u>	<u>(385,353)</u>	<u>-</u>
Net movement in funds	<u>(430,140)</u>	<u>16,901</u>	<u>(406,346)</u>	<u>(819,585)</u>
RECONCILIATION OF FUNDS				
Total funds brought forward	375,354	3,550	13,009,348	13,388,252
TOTAL FUNDS CARRIED FORWARD	<u><u>(54,786)</u></u>	<u><u>20,451</u></u>	<u><u>12,603,002</u></u>	<u><u>12,568,667</u></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
	<hr/>
At 31 March 2024	12,771,898
	<hr/>
NET BOOK VALUE	
At 31 March 2024	12,771,898
	<hr/>
At 31 March 2023	12,072,031
	<hr/>

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
	<hr/>	<hr/>
	12,771,898	12,072,031
	<hr/>	<hr/>

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
	<hr/>	<hr/>
	98,994	251,322
	<hr/>	<hr/>

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>

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.