

REGISTERED CHARITY NUMBER: 1177359

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
FOR
HEADQUARTERS VOLUNTEER CADET CORPS**

Sedulo Accountants Limited
Chartered Certified Accountants
62-66 Deansgate
Manchester
M3 2EN

HEADQUARTERS VOLUNTEER CADET CORPS

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

	Page
Report of the Trustees	1 to 3
Independent Examiner's Report	4
Statement of Financial Activities	5
Balance Sheet	6
Notes to the Financial Statements	7 to 11
Detailed Statement of Financial Activities	12 to 13

HEADQUARTERS VOLUNTEER CADET CORPS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

Our charitable objective, as set out in our constitution, is:

- To help and educate children between the ages of 9 and 18 years through their leisure time activities, so as to develop their physical, mental and spiritual capacities, that they might grow to full maturity as adults and members of society and that their conditions of life may be improved, employing the traditions of and practices of the Royal Navy and Royal Marines to achieve this.

Our vision is to:

- Offer an inclusive, supportive, and safe environment in which our cadets and adult volunteers can thrive and unlock their potential.

Significant activities

The VCC undertakes a range of activities to deliver public benefit in accordance with its purposes. This includes indoor and outdoor instruction in a range of activities from our uniformed instructing staff - including naval general training, command, musical, and display team training. In addition, we offer swimming, marksmanship, sports competitions, fieldcraft and the Duke of Edinburgh Award.

HQVCC acts as an umbrella for all our constituent units and facilitates and enables the delivery of our organisational wide purposes and objectives.

Public benefit

Public benefit is provided by the development of the physical, mental, and social capacities of young people through their activities as cadets.

The trustees have referred to the Charity Commission's guidance on public benefit - including 'Public benefit: the public benefit requirement (PB1)' and 'Public benefit: running a charity (PB2)' - when reviewing the charity's aims and objectives and in planning its current and future activities.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance as stated above.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

In 2021/2022 we transitioned fully out of the Covid-pandemic lockdown restrictions and started to return to the full range of activities undertaken in our units. However, the lingering effects of the transition resulted in us being unable to hold our annual camp, but Duke of Edinburgh training did restart which was enormously welcome.

In October 2021, we launched a new unit - Chivenor Division RMVCC - and onboarded a number of new cadets and staff as part of our plans to expand the VCC and reach more communities.

Also of note was the VCC 120th anniversary parade that was held in April 2022 (but which saw considerable planning and preparation in 21/22) and saw cadets and staff from across our organisation come to together at HMS Excellent.

HEADQUARTERS VOLUNTEER CADET CORPS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

FINANCIAL REVIEW

Financial position

The charity's income for the year ended 31st March 2022 totalled £58,966 (2021 - £55,389) against expenditure of £44,776 (2021 - £26,060) leading to a surplus of £14,190 (2021 - £29,329).

Funds carried forward into 2022-23 amount to £92,302 (2021 - £78,112) of which £22,280 is restricted (2021 - £4,280) and £70,022 is unrestricted (2021 - £73,832).

Principal funding sources

The Volunteer Cadet Corps is currently funded by the Royal Navy through a Memorandum of Agreement under which annual capitation grants are disbursed to Headquarters Volunteer Cadet Corps to contribute to the cost of the VCC's core activities. These grants are supplemented by the donations and grant income from trusts to ensure that the HQVCC has the capacity to facilitate a full range of cadet activities for the VCC units. The trustees are confident that this funding arrangement continues to be sustainable and that grant funding from the Royal Navy will be available for the 2022-23 year and beyond.

Reserves policy

In line with many charities and organisations undertaking similar indoor and outdoor training and activities, HQVCC saw significant limits on its capacity to facilitate cadet activities during the Covid-19 pandemic, leading to an underspend in the 2020-21 year and an increase in its unrestricted reserves. Reserves at 31st March 2022 therefore amounted to £70,022, representing more than a year of expenditure at current levels. The trustees have therefore considered the charity's reserves position and the need to expend funds on charitable activities in a timely fashion.

The charity is now pursuing its regular activities and is, per the plans described below, likely to see substantial growth in the coming decade. While grant funding contributes to the delivery of its core activities, the charity is also required to provide additional start up funds, currently amounting to £5,000, to each new unit. Given the number of new units being proposed as part of this expansion - up to 17 across the the coming decade - the trustees consider it prudent to hold a high level of funds in reserves to enable these plans to go ahead even if direct grant funding is unavailable and aim to hold at least a full year's expenditure in reserve. The trustees will also consider if there is a need to designate funds for start up purposes in future financial periods. The trustees are therefore satisfied that sufficient reserves are available and that current levels, while high, are suitable given the charity's future plans.

FUTURE PLANS

There are ambitious plans to expand the size and geographical scope of the VCC's activities in the coming decade under proposals to grow the number of individual cadet units. Up to 17 different potential units are being considered at Royal Navy and Royal Marines sites across the UK, with an initial phase of growth planned for 2023-25 during which 6 new units may potentially be established.

As the umbrella charity for the VCC, HQVCC will have a crucial role in planning and implementation, along with being responsible for ensuring the success and sustainability of the new VCC units. The trustees consider that these plans would constitute a substantial expansion of the HQVCC's charitable activities and significantly increase the number of young people benefiting from the charity, allowing the charity to continue delivering on its core objectives.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1177359

HEADQUARTERS VOLUNTEER CADET CORPS

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

Principal address

Fort Grange Keep
HMS Sultan
Military Road
Gosport
Hampshire
PO12 3BY

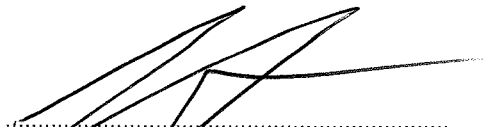
Trustees

L K Colpitts
J Strong
A Hearn
C R Spratt

Independent Examiner

Sedulo Accountants Limited
Chartered Certified Accountants
62-66 Deansgate
Manchester
M3 2EN

Approved by order of the board of trustees on 23 JAN 2023 and signed on its behalf by:



~~J Strong - Trustee~~

CR SPRATT - CHAIR

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF HEADQUARTERS VOLUNTEER CADET CORPS

Independent examiner's report to the trustees of Headquarters Volunteer Cadet Corps

I report to the charity trustees on my examination of the accounts of Headquarters Volunteer Cadet Corps (the Trust) for the year ended 31 March 2022.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



David Stansfield
ACCA
Sedulo Accountants Limited
Chartered Certified Accountants
62-66 Deansgate
Manchester
M3 2EN

Date: 24 January 2023

HEADQUARTERS VOLUNTEER CADET CORPS

BALANCE SHEET 31 MARCH 2022

		Unrestricted fund	Restricted funds	2022 Total funds	2021 Total funds as restated
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	7	1,361	-	1,361	-
CURRENT ASSETS					
Debtors	8	3,270	-	3,270	60
Cash at bank and in hand		67,490	22,280	89,770	79,461
		<u>70,760</u>	<u>22,280</u>	<u>93,040</u>	<u>79,521</u>
CREDITORS					
Amounts falling due within one year	9	(2,100)	-	(2,100)	(1,409)
NET CURRENT ASSETS		<u>68,660</u>	<u>22,280</u>	<u>90,940</u>	<u>78,112</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>70,021</u>	<u>22,280</u>	<u>92,301</u>	<u>78,112</u>
NET ASSETS		<u>70,021</u>	<u>22,280</u>	<u>92,301</u>	<u>78,112</u>
FUNDS	10				
Unrestricted funds				70,021	73,832
Restricted funds				22,280	4,280
TOTAL FUNDS				<u>92,301</u>	<u>78,112</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 23 JAN 2023 and were signed on its behalf by:

J Strong - Trustee

C R SPRATT - CHAIR

The notes form part of these financial statements

HEADQUARTERS VOLUNTEER CADET CORPS

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022

		Unrestricted fund	Restricted funds	2022 Total funds	2021 Total funds as restated
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and legacies		38,555	18,000	56,555	47,738
Other trading activities	2	2,409	-	2,409	7,651
Investment income	3	1	-	1	-
Total		<u>40,965</u>	<u>18,000</u>	<u>58,965</u>	<u>55,389</u>
EXPENDITURE ON					
Charitable activities					
Duke of Edinburgh		2,849	-	2,849	2,723
Band Activities		-	-	-	5,133
Main Cadet Activities		35,977	-	35,977	10,791
Other		5,950	-	5,950	7,413
Total		<u>44,776</u>	<u>-</u>	<u>44,776</u>	<u>26,060</u>
NET INCOME/(EXPENDITURE)		(3,811)	18,000	14,189	29,329
RECONCILIATION OF FUNDS					
Total funds brought forward		73,832	4,280	78,112	48,783
TOTAL FUNDS CARRIED FORWARD		<u>70,021</u>	<u>22,280</u>	<u>92,301</u>	<u>78,112</u>

The notes form part of these financial statements

HEADQUARTERS VOLUNTEER CADET CORPS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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.

These financial statements are prepared in sterling, which is the functional currency of the charity. monetary amounts in these financial statements are rounded to the nearest £.

Going concern

At the time of approving the financial statements and having a due regard to the impact of Covid-19, the trustees have a reasonable expectation that the charity has adequate resources to continue its operations for the foreseeable future. Therefore, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 25% straight line
Computer equipment	- 25% straight line

Taxation

The charity is exempt from tax on its charitable activities.

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.

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

HEADQUARTERS VOLUNTEER CADET CORPS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

2. OTHER TRADING ACTIVITIES

	2022	2021 as restated
	£	£
Subscriptions	-	95
Duke of Edinburgh Payments	120	3,246
Sales of Uniforms, Badges and Other Items	183	4,310
Mess Dinner Tickets	2,106	-
	<u>2,409</u>	<u>7,651</u>

3. INVESTMENT INCOME

	2022	2021 as restated
	£	£
Deposit account interest	1	-
	<u>1</u>	<u>-</u>

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2022 nor for the year ended 31 March 2021.

5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund	Restricted funds	Total funds as restated
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	43,458	4,280	47,738
Other trading activities	7,651	-	7,651
Total	<u>51,109</u>	<u>4,280</u>	<u>55,389</u>
EXPENDITURE ON			
Charitable activities			
Duke of Edinburgh	2,723	-	2,723
Band Activities	5,133	-	5,133
Main Cadet Activities	10,791	-	10,791
Other	7,413	-	7,413
Total	<u>26,060</u>	<u>-</u>	<u>26,060</u>

HEADQUARTERS VOLUNTEER CADET CORPS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund	Restricted funds	Total funds as restated
	£	£	£
NET INCOME	25,049	4,280	29,329
RECONCILIATION OF FUNDS			
Total funds brought forward	48,783	-	48,783
TOTAL FUNDS CARRIED FORWARD	<u>73,832</u>	<u>4,280</u>	<u>78,112</u>

6. PRIOR YEAR ADJUSTMENT

In the comparatives for the year ended 31st March 2021 funds totalling £4,280 have been reclassified as restricted.

7. TANGIBLE FIXED ASSETS

	Plant and machinery £	Computer equipment £	Totals £
COST			
Additions	<u>429</u>	<u>1,049</u>	<u>1,478</u>
DEPRECIATION			
Charge for year	<u>59</u>	<u>58</u>	<u>117</u>
NET BOOK VALUE			
At 31 March 2022	<u>370</u>	<u>991</u>	<u>1,361</u>
At 31 March 2021	<u>-</u>	<u>-</u>	<u>-</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021 as restated
	£	£
Trade debtors	240	60
Prepayments and accrued income	<u>3,030</u>	<u>-</u>
	<u>3,270</u>	<u>60</u>

HEADQUARTERS VOLUNTEER CADET CORPS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021 as restated
	£	£
Trade creditors	-	1,409
Other creditors	2,100	-
	<u>2,100</u>	<u>1,409</u>

10. MOVEMENT IN FUNDS

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	73,832	(3,811)	70,021
Restricted funds			
Connaught Grant - Air Rifles	-	18,000	18,000
Connaught Grant - Field Gun Repair	2,880	-	2,880
Connaught Grant - Radios	1,400	-	1,400
	<u>4,280</u>	<u>18,000</u>	<u>22,280</u>
TOTAL FUNDS	<u>78,112</u>	<u>14,189</u>	<u>92,301</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	40,965	(44,776)	(3,811)
Restricted funds			
Connaught Grant - Air Rifles	18,000	-	18,000
TOTAL FUNDS	<u>58,965</u>	<u>(44,776)</u>	<u>14,189</u>

HEADQUARTERS VOLUNTEER CADET CORPS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

10. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	48,783	25,049	73,832
Restricted funds			
Connaught Grant - Field Gun Repair	-	2,880	2,880
Connaught Grant - Radios	-	1,400	1,400
	-	4,280	4,280
TOTAL FUNDS	<u>48,783</u>	<u>29,329</u>	<u>78,112</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	51,109	(26,060)	25,049
Restricted funds			
Connaught Grant - Field Gun Repair	2,880	-	2,880
Connaught Grant - Radios	1,400	-	1,400
	4,280	-	4,280
TOTAL FUNDS	<u>55,389</u>	<u>(26,060)</u>	<u>29,329</u>

11. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2022.

HEADQUARTERS VOLUNTEER CADET CORPS**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022**

	2022 £	2021 as restated £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	51	215
Grants	56,504	47,523
	<u>56,555</u>	<u>47,738</u>
Other trading activities		
Subscriptions	-	95
Duke of Edinburgh Payments	120	3,246
Sales of Uniforms, Badges and Other Items	183	4,310
Mess Dinner Tickets	2,106	-
	<u>2,409</u>	<u>7,651</u>
Investment income		
Deposit account interest	1	-
	<u>58,965</u>	<u>55,389</u>
Total incoming resources		
	58,965	55,389
EXPENDITURE		
Charitable activities		
Duke Of Edinburgh Expenditure	2,849	2,723
Band Instruction	-	2,052
Travel & Meetings	3,094	271
Band of the RMVCC Gosport	-	3,081
Uniform & Badges	28,944	10,388
DBS Checks	876	132
Events	2,394	-
Welfare	340	-
Expenditure on Units	329	-
	<u>38,826</u>	<u>18,647</u>
Support costs		
Other		
Insurance	1,050	1,780
Telephone	-	246
Postage and stationery	7	147
Carried forward	1,057	2,173

This page does not form part of the statutory financial statements

HEADQUARTERS VOLUNTEER CADET CORPS

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021 as restated
	£	£
Other		
Brought forward	1,057	2,173
Repairs & Maintenance	-	682
Office Expenses	1,253	2,845
Training	-	259
Gifts & Awards	194	773
Vehicle Expenses	-	183
IT Software and Consumables	712	288
Advertising & Marketing	517	-
Plant and machinery	59	-
Computer equipment	58	-
	<u>3,850</u>	<u>7,203</u>
Governance costs		
Accountancy and legal fees	2,100	210
Total resources expended	<u>44,776</u>	<u>26,060</u>
Net income	<u>14,189</u>	<u>29,329</u>

This page does not form part of the statutory financial statements

