

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
FOR
HEADQUARTERS VOLUNTEER CADET CORPS**



HEADQUARTERS VOLUNTEER CADET CORPS

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FOR THE YEAR ENDED 31 MARCH 2023**

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HEADQUARTERS VOLUNTEER CADET CORPS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their report with the financial statements of the charity for the year ended 31 March 2023. 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).

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 2022/2023 the Volunteer Cadet Corps undertook its first full year of normal activity since the Covid-19 pandemic. We held a national annual camp which saw cadets and volunteers from across the country come together in Devon for adventurous training and various outdoor activities. Our participation in the Duke of Edinburgh Scheme continued with more cadets participating in the Scheme and learning lifelong skills.

We continue to focus on developing the resilience and capacity of our units to broaden and enhance the cadet experience as we look longer term to open additional units in parts of the country that are currently without a VCC presence.

HEADQUARTERS VOLUNTEER CADET CORPS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

FINANCIAL REVIEW

Financial position

The charity's income for the year ended 31st March 2023 totalled £128,988 (2022: £58,965) against expenditure of £102,543 (2022: £44,776) leading to a surplus of £26,445 (2022: £14,189).

Funds carried forward into 2023-24 amount to £118,746 (2022: £92,301) of which £13,591 is restricted (2022: £22,280) and £105,155 is unrestricted (2022: £70,021).

Principal funding sources

The Volunteer Cadet Corps is currently part 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 2023-24 year and beyond.

Reserves policy

The charity is focused on holding sufficient financial reserves to manage the impact of the discontinuation of the federated adventurous training grant in 2024/2025 and the need to fund ongoing activity associated with the summer camp and other adventurous training.

In addition, the charity - mindful of its future growth strategy - will hold funds of around £5,000 for each new projected unit to act as a start-up fund. Considering the inflationary environment, these allocations may need to be increased further.

To provide for sufficient day-to-day expenditure the reserves policy has been amended so that the charity will now seek to maintain operational reserves amounting to at least 3 months of regular annual expenditure. Reserves - unrestricted funds less the value of unrestricted fixed assets and stock held - at 31st March 2023 amounted to £84,566, representing 9.9 months of expenditure at current levels. 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 from 2024/2025 onwards during which 6 new units may potentially be established subject to approval by the Royal Navy.

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 constitution 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 2023**

Principal address

Royal Navy Cadet Forces Training Centre
Building 175, HMS Excellent
Whale Island
Portsmouth
PO2 8ER

Trustees

L K Colpitts
J Strong
A Hearn
C R Spratt

Independent Examiner

Sedulo London Limited
605 Albert House
256-260 Old Street
London
EC1V 9DD

Approved by order of the board of trustees on 13 January 2024 and signed on its behalf by:



.....
C R 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 2023.

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.



Emma Houghton ACCA

Sedulo London Limited
605 Albert House
256-260 Old Street
London
EC1V 9DD

Date: 18 January 2024

HEADQUARTERS VOLUNTEER CADET CORPS

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted fund £	Restricted funds £	31.3.23 Total funds £	31.3.22 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		36,883	71,766	108,649	56,555
Charitable activities	3				
Duke of Edinburgh		575	-	575	120
Other Cadet Activities		772	-	772	2,309
Summer Camp		18,820	-	18,820	(20)
Investment income	2	<u>172</u>	<u>-</u>	<u>172</u>	<u>1</u>
Total		<u>57,222</u>	<u>71,766</u>	<u>128,988</u>	<u>58,965</u>
EXPENDITURE ON					
Charitable activities					
Duke of Edinburgh		8,068	213	8,281	3,286
Other Cadet Activities		21,548	44,729	66,277	41,490
Summer Camp		<u>3,328</u>	<u>24,657</u>	<u>27,985</u>	<u>-</u>
Total		<u>32,944</u>	<u>69,599</u>	<u>102,543</u>	<u>44,776</u>
NET INCOME		24,278	2,167	26,445	14,189
Transfers between funds	10	<u>10,856</u>	<u>(10,856)</u>	<u>-</u>	<u>-</u>
Net movement in funds		35,134	(8,689)	26,445	14,189
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>70,021</u>	<u>22,280</u>	<u>92,301</u>	<u>78,112</u>
TOTAL FUNDS CARRIED FORWARD		<u>105,155</u>	<u>13,591</u>	<u>118,746</u>	<u>92,301</u>

The notes form part of these financial statements

HEADQUARTERS VOLUNTEER CADET CORPS

BALANCE SHEET 31 MARCH 2023

	Notes	Unrestricted fund £	Restricted funds £	31.3.23 Total funds £	31.3.22 Total funds £
FIXED ASSETS					
Tangible assets	6	14,402	-	14,402	1,361
CURRENT ASSETS					
Stocks	7	6,187	-	6,187	-
Debtors	8	3,473	-	3,473	3,270
Cash at bank		<u>85,983</u>	<u>13,591</u>	<u>99,574</u>	<u>89,770</u>
		95,643	13,591	109,234	93,040
CREDITORS					
Amounts falling due within one year	9	(4,890)	-	(4,890)	(2,100)
NET CURRENT ASSETS		<u>90,753</u>	<u>13,591</u>	<u>104,344</u>	<u>90,940</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>105,155</u>	<u>13,591</u>	<u>118,746</u>	<u>92,301</u>
NET ASSETS		<u>105,155</u>	<u>13,591</u>	<u>118,746</u>	<u>92,301</u>
FUNDS	10				
Unrestricted funds				105,155	70,021
Restricted funds				<u>13,591</u>	<u>22,280</u>
TOTAL FUNDS				<u>118,746</u>	<u>92,301</u>

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



.....
C R Spratt - Chair

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 the economic climate, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence 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

Stocks

Stocks are valued at cost and represent the value of uniforms and badges purchased by the charity for distribution to cadets but yet to be issued and so held in inventory.

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.

HEADQUARTERS VOLUNTEER CADET CORPS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

2. INVESTMENT INCOME

	31.3.23	31.3.22
	£	£
Deposit account interest	<u>172</u>	<u>1</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	31.3.23	31.3.22
	£	£
Duke of Edinburgh Payments	575	120
Mess Dinner Tickets	(192)	2,106
Sales of Uniforms, Badges & Other Items	250	203
Activity Fees from Units	714	-
Summer Camp	<u>18,820</u>	<u>(20)</u>
	<u>20,167</u>	<u>2,409</u>

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Trustees' expenses

Expenses totalling £1636 were paid to 4 trustees in the year ended 31 March 2023 in relation to their operational activities as volunteer officers of the HQVCC (2022: £1,567 paid to 4 trustees).

No expenses were paid to trustees in respect of their duties as trustees in the year ended 31 March 2023 nor the year ended 31 March 2022.

5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	38,555	18,000	56,555
Charitable activities			
Duke of Edinburgh	120	-	120
Other Cadet Activities	2,309	-	2,309
Summer Camp	(20)	-	(20)
Investment income	<u>1</u>	<u>-</u>	<u>1</u>
Total	<u>40,965</u>	<u>18,000</u>	<u>58,965</u>
EXPENDITURE ON			
Charitable activities			
Duke of Edinburgh	3,286	-	3,286
Other Cadet Activities	41,490	-	41,490

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
Total	<u>44,776</u>	<u>-</u>	<u>44,776</u>
NET INCOME/(EXPENDITURE)	(3,811)	18,000	14,189
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>73,832</u>	<u>4,280</u>	<u>78,112</u>
TOTAL FUNDS CARRIED FORWARD	<u>70,021</u>	<u>22,280</u>	<u>92,301</u>

6. TANGIBLE FIXED ASSETS

	Plant and machinery £	Computer equipment £	Totals £
COST			
At 1 April 2022	429	1,049	1,478
Additions	14,583	-	14,583
Disposals	<u>(317)</u>	<u>(699)</u>	<u>(1,016)</u>
At 31 March 2023	<u>14,695</u>	<u>350</u>	<u>15,045</u>
DEPRECIATION			
At 1 April 2022	59	58	117
Charge for year	515	88	603
Eliminated on disposal	<u>(33)</u>	<u>(44)</u>	<u>(77)</u>
At 31 March 2023	<u>541</u>	<u>102</u>	<u>643</u>
NET BOOK VALUE			
At 31 March 2023	<u>14,154</u>	<u>248</u>	<u>14,402</u>
At 31 March 2022	<u>370</u>	<u>991</u>	<u>1,361</u>

HEADQUARTERS VOLUNTEER CADET CORPS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

7. STOCKS

	31.3.23	31.3.22
	£	£
Uniform Stock	<u>6,187</u>	<u>-</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Trade debtors	752	240
Other debtors	250	-
Prepayments and accrued income	<u>2,471</u>	<u>3,030</u>
	<u>3,473</u>	<u>3,270</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Trade creditors	1,290	-
Other creditors	<u>3,600</u>	<u>2,100</u>
	<u>4,890</u>	<u>2,100</u>

10. MOVEMENT IN FUNDS

	At 1.4.22	Net movement in funds	Transfers between funds	At 31.3.23
	£	£	£	£
Unrestricted funds				
General fund	70,021	24,278	10,856	105,155
Restricted funds				
Connaught Grant - Air Rifles	18,000	(4,409)	-	13,591
Connaught Grant - Field Gun Repair	2,880	(2,880)	-	-
Connaught Grant - Radios	1,400	-	(1,400)	-
MOD - Adventurous Training	<u>-</u>	<u>9,456</u>	<u>(9,456)</u>	<u>-</u>
	<u>22,280</u>	<u>2,167</u>	<u>(10,856)</u>	<u>13,591</u>
TOTAL FUNDS	<u>92,301</u>	<u>26,445</u>	<u>-</u>	<u>118,746</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

10. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	57,222	(32,944)	24,278
Restricted funds			
Connaught Grant - Air Rifles	-	(4,409)	(4,409)
Connaught Grant - Field Gun Repair	(80)	(2,800)	(2,880)
Connaught Grant - Carol Concert	1,000	(1,000)	-
MOD - Adventurous Training	65,846	(56,390)	9,456
Connaught - Summer Camp	5,000	(5,000)	-
	<u>71,766</u>	<u>(69,599)</u>	<u>2,167</u>
TOTAL FUNDS	<u>128,988</u>	<u>(102,543)</u>	<u>26,445</u>

Comparatives for 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>

10. MOVEMENT IN FUNDS - continued

Comparative 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
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>58,965</u>	<u>(44,776)</u>	<u>14,189</u>

Transfers between funds represent the value of tangible fixed assets moved from restricted to unrestricted funds when assets have been purchased from a restricted fund grant but are held for a general and not a restricted purpose.

11. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2023 nor the year ended 31 March 2022.

HEADQUARTERS VOLUNTEER CADET CORPS**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023**

	31.3.23 £	31.3.22 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	279	51
Grants	<u>108,370</u>	<u>56,504</u>
	108,649	56,555
Investment income		
Deposit account interest	172	1
Charitable activities		
Summer Camp	18,820	(20)
Duke of Edinburgh Payments	575	120
Mess Dinner Tickets	(192)	2,106
Sales of Uniforms, Badges and Other Items	250	203
Activity Fees from Units	<u>714</u>	<u>-</u>
	<u>20,167</u>	<u>2,409</u>
Total incoming resources	128,988	58,965
EXPENDITURE		
Charitable activities		
Band Instruction	2,363	-
Travel & Meetings	5,891	3,094
Uniform & Badges	5,931	28,944
DBS Checks	756	876
Events	3,122	2,394
Welfare	1,223	340
Expenditure on Units	25,874	329
Equipment for Activities	12,198	-
Membership & Subscription Fees	2,580	-
Training Materials	768	-
Grant Funds Disbursed to Units	5,041	-
Activity Costs	26,742	2,849
Allocation of Support Costs	<u>10,054</u>	<u>5,950</u>
	102,543	44,776

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 2023**

	31.3.23	31.3.22
	£	£
Other		
Insurance	2,212	1,050
Office Expenses	1,473	1,260
Gifts & Awards	136	194
IT Software and Consumables	-	712
Advertising & Marketing	91	517
Repairs & Maintenance	2,800	-
Asset Disposals	939	-
Plant and machinery	515	59
Computer equipment	88	58
Allocation of Support Costs	<u>(8,254)</u>	<u>(3,850)</u>
	-	-
Governance costs		
Accountancy and legal fees	1,800	2,100
Allocation of Support Costs	<u>(1,800)</u>	<u>(2,100)</u>
	-	-
Total resources expended	<u>102,543</u>	<u>44,776</u>
Net income	<u>26,445</u>	<u>14,189</u>

This page does not form part of the statutory financial statements