Registered charity number England 1160182 Scotland SC052322

The Naval Children's Charity

Trustees' report and financial statements for the year ended 31 March 2026

CONTENTS

CHARITY INFORMATION

Charity name
The Naval Children's Charity

Patron
Her Royal Highness, The Princess Royal

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 — Until 31/12/2025
Vice-Admiral Sir Martin Connell KCB CBE — Appointed 01/01/2026

Vice Presidents
Rear Admiral Mike Bath
Lieutenant General E G M Davis CB CBE
Lt Col Ian Grant RM Rtd
Major General F H R Howes CB OBE — Resigned 31/12/2025

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

Chief Executive Officer
Mrs Clare Scherer MBE

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

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

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

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

Investment Adviser
Navera Investment Management Ltd
Riverside House
2A Southwark Bridge Road
London
SE1 9HA

CHAIR’S INTRODUCTION

As our bicentenary year ends we have so many people to thank for making it such a success, especially our Royal Patron, HRH The Princess Royal, for visiting our national headquarters in Portsmouth and for the opportunity it gave us to showcase much of our work.

We hosted special presentations in Portsmouth, Helensburgh and Plymouth to which we invited our beneficiaries, friends and supporters. In Portsmouth, we were thrilled to be joined by our Patron, Dame Kristin Scott Thomas, who spoke about her own experience as a naval child. Each event gave us the chance to explain not just what we do but how, in practice, we look after the well-being and development of naval children. Our thanks to everyone who came and for being there in such force.

For me, it was not just a show of support, but also clear evidence of continuing – and sadly growing - beneficiary need and it showed why our being on the ground throughout the United Kingdom really matters. We recently employed outreach caseworkers in SW England and Scotland with the result that 20% of applications for our support now come from the former and the number of applications from Scotland has doubled.

Our work is, of course, only part of the wider naval charity sector, which comprises a patchwork of different charities sharing the overarching goal of supporting serving and veteran naval personnel and their families. A recent report by RAND Europe explored the complexity of the sector and, in particular, highlighted an apparent concern that beneficiaries may find it confusing: I very much hope that our sole and exclusive focus on naval children helps to alleviate any confusion. I am also pleased to report that we continue to collaborate with other charities and stakeholders to eliminate any confusion and, sometimes, duplication of provision in the sector.

Our huge thanks go to the dedicated and generous people who make what we do possible. Our professional team routinely handles sometimes very challenging cries for help and it is to them that my very special thanks go for their unwavering support and sheer hard work

Finally, I was delighted to welcome our new President, Vice Admiral Sir Martin Connell, as we say *au revoir* to Lt General Sir Jim Dutton and thank him very much indeed for all that he has done for us during his extremely successful tenure.

Our trustees' report follows this introduction and sets out much more detail about our activities and performance for the year under review.

Christopher Tite
Chair

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 2026. In preparing this Annual Report and financial statements the trustees have adopted the provisions of the Statement of Recommended Practice (SORP) “Accounting and Reporting by Charities” (FRS102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

The Charity was formed in April 1999, through the merger of the Royal Naval & Royal Marines Children’s Home and The Royal Naval & Royal Marines Children’s Trust.

Following approval from the Charity Commission, the Charity formally changed its name to The Naval Children’s Charity (NCC) on 20 September 2024.

Trustee recruitment, induction and training

Under its governing document, the Charity appoints up to fifteen trustees, of whom no more than 50% may be serving members of the Armed Forces. Trustees are appointed for three-year terms. The board currently comprises fourteen trustees, four of whom are serving members of the Royal Navy.

New trustees are recruited through an open process and appointed based on the skills, experience and perspectives they can bring to the Board. Each new trustee completes an induction programme, including briefings from the Chair and CEO, together with access to an online trustees' portal containing key information about the Charity. Ongoing training and development opportunities are also provided throughout trustees’ terms of office.

Governance

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

Leadership and management

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.

Recognition and Awards

Armed Forces Family Support Charity of the Year 2025 – Portsmouth, awarded at the SME Southern Enterprise Awards, recognising the charity's outstanding contribution to Naval families in the region.

Association of Charitable Organisations (ACO) Awards – Sara Smith, our Head of Operations was recognised as Leader of the Year and Frankie O'Neill our Senior Triage Caseworker was a shortlisted finalist for the Outstanding achievement award.

RNRMC's certificate of appreciation was received by Sara Smith and Allison Donelly our Outreach Caseworker for Scotland.

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.

About Us

Our Mission

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

Our Vision

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

We believe

That to be the child of someone who serves, or has served, 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.

Our values

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

From our Chief Executive

As we reflect on our bicentenary year, I am proud of what we have achieved together. It was a year of celebration and momentum, with increased focus both internally and externally. We strengthened our capacity, expanded our team, and continued improving our ways of working so we can provide the best possible support to our beneficiaries. Above all, keeping children and young people at the heart of every decision remains the bedrock of who we are and what we do.

Throughout the year, we travelled around the country to meet many of our supporters and beneficiaries. The stars of these visits were, without doubt, our wonderful Youth Council, who brought to life the difference this charity makes – and ensured that the voices of children and young people were front and centre.

We remain a small team, and I am continually inspired by our staff, trustees, and volunteers. I offer my heartfelt thanks for the dedication, care, and professionalism they bring every day. My thanks also go to our funders and supporters – your generosity makes our work possible, and your confidence in our mission helps us reach more families when they need us most.

Looking ahead, we step into our next 200 years with determination and optimism. We will continue to listen, learn, and respond to the needs of the families we serve, and we will work ever more closely with our partners to ensure that where there is need, we are there.

Clare Scherer MBE
Chief Executive

Our purpose

The Naval Children’s Charity supports the wellbeing and development of children and young people up to age 25 from Royal Navy families, addressing the challenges they face.

Our strategy

Our work focuses on two key areas: wellbeing and development. Through targeted programmes, tailored support and collaborative working, we help Naval children and young people access the support, opportunities and connections they need to thrive.

Funders

We raise around £1.5million a year towards our programme costs. We seek to secure donations and grants to reach this target.   We are fortunate to have long standing support from several funders including Greenwich Hospital/Royal Navy & Royal Marines Charity; The Seafarers Charity; Queen Mary's Roehampton Trust and Trinity House. and we also draw down from our investments significantly towards this target.

Our investments cover all our admin, fundraising and some programme costs which ensures 100% of donations and grants we receive can be used towards our programme costs.

Grants from Trusts, foundations, and corporate partners

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

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

The Seafarers Charity have given regular support over many years, we were one of the first grants ever awarded when they were formed, as the King George's Fund for Sailors in 1917.

Grants are towards our core costs, a restricted fund for the children of Officers in the Royal Naval Service and a restricted fund for the delivery of support in Scotland to families, children and young people affected by the challenges they face as a result of being a Royal Navy family.

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

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

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

The 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 Mordaunt Foundation, the Worshipful Company of Plaisterers and Sirius Analysis Ltd.

Thank you

Trustees

We offer our huge thanks to our wonderful Trustee Board for the exceptional commitment, guidance and empathy they have brought to the organisation. Their expertise and strategic insight have helped shape our direction, keeping our children and young people at the heart of our work.

Supporters

Our thanks to our wonderful supporters, including our President, Vice Presidents, Patrons, Young Ambassadors, and all those who have collaborated and partnered with us.

Special thanks to our volunteer Youth Council who are instrumental in ensuring that the voices of Naval children are at the heart of what we do and how we do it.

We thank all our volunteers, especially Jan Musson, Julian Kirk and Gina Wise for the investment that they make in the Naval Children's Charity, and we recognise the value of the time and skills that they generously share with us.

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.

Working together

Collaboration and partnership are at the core of our work. We work alongside a wide range of providers to ensure children and young people can access the right support from experts in their fields.

In 2025, the CEO formed the Cobseo Children's Cluster, bringing together charities from across the Armed Forces sector, alongside researchers and funders. The group explores good practice, drives collaboration and takes a deeper look at challenges facing Service children. An initial focus of the group was children with additional learning needs, informed by two key pieces of research: *Supporting All to Thrive* and *A Game of Snakes & Ladders* (Edinburgh Napier University, 2025). This work led to consultation with the Department for Education, Schools Minister Georgia Gould and the Armed Forces Community APPG.

The NCC has also partnered with the SCiP Alliance to research provision for Service children in Early Years and Higher Education, and to develop bespoke versions of their Thriving Lives Toolkit for these settings.

Bicentenary

In 2025, The Naval Children's Charity marked 200 years of supporting Naval children and families. Since the first orphanage opened in Bath Square, Portsmouth, in 1825, the Charity has evolved into a modern organisation responding to the changing needs of children and young people across the Naval community.

Our bicentenary year was a celebration of what we've achieved together, with children and young people at the centre of events and activities throughout the year.

Welcoming our new Royal Patron

In September 2025, we were honored to welcome our new Royal Patron, Her Royal Highness The Princess Royal, to our Portsmouth offices to learn more about our work. During her visit, The Princess Royal met volunteers, staff and members of the Youth Council, who brought our work to life by sharing their experiences and stories.

Her Royal Highness became the Charity's Royal Patron in March 2025, following over 70 years of patronage by the late Queen Elizabeth II. Since then, The Princess Royal has invited representatives from The NCC to attend a Buckingham Palace garden party in May, a Charities Forum held at Buckingham Palace to mark Her Royal Highness's 70th birthday and the Royal Enclosure at Royal Ascot.

Her Royal Highness has a long-standing commitment to supporting military families and championing the wellbeing of children and young people. We are delighted to have her support.

Bicentenary highlights

Celebrations across the Naval community We held special bicentenary celebrations in three key Naval locations – Portsmouth, Plymouth and Helensburgh. Members of our Youth Council were at the heart of all three events, sharing their experiences and bringing our work to life. In Portsmouth, we were delighted to welcome our Patron, Dame Kristin Scott Thomas.
Houses of Parliament reception and dinner Our thanks go to Amanda Martin MP, who hosted a special reception and dinner for us at the Houses of Parliament, bringing together supporters, partners and representatives from across the Naval community.

Mountbatten Festival of Music Held at the Royal Albert Hall, this annual military music spectacular raises vital funds for Royal Marines charities. During the festival, we screened a specially commissioned film marking The NCC's bicentenary, featuring a voiceover by our Patron, Dame Kristin Scott Thomas, who spoke about her own experience of growing up in a Naval family.

Why our work matters

Growing up in a Naval family brings unique challenges that can make everyday life significantly harder for children and young people. Repeated separation, frequent mobility and long periods of uncertainty can all affect emotional wellbeing, education and stability at home.

When a parent is deployed, children may be apart from them for weeks or months at a time. For many, particularly younger children, this can be difficult to understand and process, leading to feelings of confusion, anxiety and loss.

Naval families also move more frequently than civilian families. While this is part of Service life, it can disrupt friendships, interrupt education and make it harder for children to build a sense of continuity and belonging. Each move can mean starting again – new schools, new communities and new routines. Over time, this can affect educational progress and emotional wellbeing.

Frequent relocation can also separate families from the support networks they rely on. For families with additional needs, including neurodiversity or disability, this can be particularly challenging, making it harder to access assessments, consistent services, specialist support and wider community help.
Alongside this, many Naval families experience financial pressure, which can be intensified by frequent relocation and changes in circumstances. Rising living costs have added further strain, with some families struggling to afford essentials such as food, clothing and utilities. This financial stress can quickly become a tipping point into crisis.

Taken together, these challenges can make it harder for Naval children and young people to thrive. And it is these lived experiences that sit at the heart of The Naval Children's Charity's work.

The difference we aim to make

Through our work, we aim to ensure Naval children and their families:

- feel supported during difficult times
- experience improved mental health and wellbeing
- have greater financial stability and literacy
- can access opportunities to support their educational progression and outcomes
- develop confidence, personal skills and independence
- feel connected, included and less isolated
- experience a sense of belonging and pride in Naval life
- are better able to navigate the challenges of Naval life

Our impact in 2025/26

- 5,595 children and young people supported
- 918 families supported with a financial grant

- 332 children received mental health support through our wellbeing packs
- 15 grants awarded to schools and community projects
- Families supported:
    - 52% veteran
    - 48% serving

Our five core support programmes

Emergency and Essentials Support

Financial pressure can hit Naval families hard, especially during periods of relocation, illness, transition out of Service or family breakdown. Frequent moves, separation from support networks and the wider challenges of military life can leave some families vulnerable to financial crisis, with parents struggling to afford food, utilities and other basic essentials.

We award grants to support Naval families facing crisis or emergency situations. These grants help cover the cost of groceries, clothing and uniforms and essential household items. Support may be provided as a one-off grant or through monthly payments, helping families through particularly challenging periods. Alongside financial support, our caseworkers provide advice, guidance, home visits and holistic support tailored to each family's needs.

"The support from The NCC is literally life-changing for my family. I watch every single penny I spend, and we rarely get to go on days out together because it is just too expensive.

This means I can breathe easy knowing that I can do things like haircuts, trips to the cinema, enrichment activities for the children like dancing, swimming and rugby, without having to borrow money or go without other things.

I am beyond grateful and I just hope that one day I'm in a position to pay it forward."

Health

Managing disability, neurodiversity or chronic illness can be challenging for any family. For Naval families, the demands of Service life can add further pressures. Care pathways may be interrupted, assessments delayed, and families can become isolated from their support networks. Accessing appropriate assessment and diagnosis services can also be difficult, leaving families feeling frustrated, let down and overwhelmed.

We offer financial and practical support to Naval families with additional health needs. We award grants to assist with the costs of disability aids, home adaptations, equipment and therapeutic services, and to help access specialist assessments when statutory routes are delayed or unavailable. Our caseworkers help families understand what help is available, providing signposting and referrals to appropriate partners for further advice and support.

"Hughie is 4 years old. At the time, he wasn't speaking at all, and we couldn't get any help from the NHS. Your charity stepped in when no one else did. You provided the funding for a speech and language therapist. Through regular sessions, Hughie started making progress: sounds turned into words, then clearer sentences.

We're very grateful for that direct, practical support – it changed things for Hughie and our family."

Wellbeing

Growing up in a Naval family can place significant emotional strain on children. Separation when a parent is deployed, moving from place to place and long periods of uncertainty can cause anxiety, difficulties in relationships and friendships, and a lack of stability in everyday life.

Our wellbeing programmes, packs and online resources provide mental health, bereavement and parenting support to reduce anxiety, strengthen emotional resilience and develop stronger, more stable relationships. Our specially commissioned books help children understand difficult feelings around deployment through storytelling, while our 'Doing Distance' toolkit equips parents with resources to help children process their feelings.
Our wellbeing packs are free for families, and each contains one book, one resource and one additional extra. Families can tailor each pack to the child in question to suit their individual circumstances. There are also books to support parenting and bereavement.

"Since Mummy went away, all my different memories are like actors coming into a stage. I can't stop them coming on. Some actors make me sad; others make me smile. With my stones I now have learned how to shine a spotlight on the memories I want to remember most." Child from a Naval family using our Doing Distance resources

Education

Children from Armed Forces families can experience disrupted education, lower attainment and fewer pathways into further study. Research also shows that young people from military families are less likely to attend university than their peers.

We fund educational equipment and offer university bursaries to help young people progress in their studies and access higher education opportunities. Our bursary scheme supports the initial costs of starting university and contributes towards ongoing living expenses such as rent, food, utilities and learning resources.

We launched the initial pilot of our bursary scheme in Autumn 2025, in partnership with the JS Group and their Aspire Programme. The pilot was a great success, supporting 53 students at university. We are now rolling the scheme out further.

In May 2025, we launched our Springpod programme, offering young people support with work experience and interview preparation. In response to low early engagement, we are now promoting these opportunities through our Life Chances Programme, with a particular focus on online work experience to help increase participation.

We also developed Go Learn, a new programme delivered in partnership with Greenwich Hospital, to provide free personalised online tutoring for secondary school-aged children from serving families. The pilot was launched in April 2026.

"Very quickly I got an email and then a call and was awarded a grant. My son will now get the laptop he needs to help his dyslexia as I couldn't afford it. His schoolwork will now be much easier for him. Thank you for your help and support."

Life Chances

Children from Naval families face unique challenges that can significantly affect their confidence and future opportunities. Frequent relocations can disrupt friendships, education and support networks, making it difficult to build stability and a sense of belonging. In addition, financial pressure can limit access to extracurricular activities, development opportunities and social experiences. Over time this can impact confidence, aspirations and mental wellbeing.

Our Life Chances Programme is designed to help children and young people flourish through proactive and preventative tailored support. The programme is divided into three main areas: outdoor, creative and education. Activities include bespoke residential camps, school events, guidance on future pathways, higher education and employment, alongside creative opportunities for those interested in crafts and the arts. Together, these activities aim to enhance wellbeing, confidence, educational outcomes and career opportunities, while giving young people a stronger sense of belonging.

Shaped by young voices

In 2024, we launched The NCC Youth Council to give young people from Naval families a voice in shaping our work. Made up of participants from our Life Chances Programme, the Youth Council helps develop activities and resources, inform future plans and ensure young people's perspectives are reflected across The NCC's work. Members also contribute to research into the experiences of Armed Forces children, raise awareness of Naval family life and strengthen The NCC's presence on social media.

"Charlie is autistic – academically smart but he has some struggles socially and emotionally. I worried when Charlie went to Tech Camp but the staff are fantastic and the camp is so well run. It's given him so much confidence in himself, and he came back more independent." Zoe, mother of Charlie, Tech Camp 2025 participant

Funding

We spend around £2.4 million a year with £2.3 million of that going on Charitable Expenditure. We seek to secure donations and grants to help us to reach this target.

We have around £10 million in our Investment Fund (Permanent £3 million, Expendable £7 million) and we use the income and drawdown from the Fund towards our expenditure. This ensures that all our administrative and fundraising costs are covered from our Funds ensuring that 100% of all grants and donations are used on charitable expenditure.

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

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

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

FINANCIAL REVIEW

Summary

- The period under review is the year ended 31st March 2026.
- The Charity's incoming resources amounted to £1,536,757.
- Total expenditure was £2,408,374, including expenditure on charitable activities of £2,290,866 (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 2026 net assets were worth £10,177,390, 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. The Charity holds a Bronze Award in the Armed Forces Covenant Employer Recognition Scheme.

Investment Policy

Directive to Navera Investment Management

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

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

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

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

Investment Powers

Following the 2019 Strategic Review, the Trustees seek to use some of the income and capital gain returns (total returns) from the invested Permanent and Expendable Endowment Funds to cover the operating costs of the charity, thereby allowing external funding to be devoted to charitable activities. After a number of years of positive total returns, the Trustees wish to adjust their approach to investment by withdrawing into holding accounts sufficient money for three year's operating costs and allowing Navera to concentrate on growing the remaining investment. As well as securing the funds needed for three year's operating costs, this means the Charity will not need to withdraw funds should the portfolio experience a more difficult performance period.

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

Investment Objectives

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

The investment objectives for the portfolio are:

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

Risk

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

Asset Allocation

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

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

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

Investment Restrictions

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

Environmental and Social Governance

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

Reserve Policy

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

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 investments 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 2026 net assets were worth £10,177,390 (2025 - £11,828,719 (as restated), unrestricted funds were £nil), which our trustees consider to be an appropriate level of reserves having regard to their plans for the Charity. At 31 March 2026 the unrestricted general funds (the SORP defined Reserves) were nil (2026 – nil).

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Constitution. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees and signed on their behalf.

Christopher Tite
Chair
Date: 02/07/2026

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 2026 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 2026 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.

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 charge 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: 10/7/26

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2026

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	31.3.26 Total funds £	31.3.25 Total funds as restated £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	50,076	-	-	50,076	74,655
Charitable activities	5					
Support of Naval Families		799,700	436,063	-	1,235,763	1,149,779
Other trading activities	3	12,893	-	-	12,893	-
Investment income	4	1,715	-	236,310	238,025	277,022
Total		864,384	436,063	236,310	1,536,757	1,501,456
EXPENDITURE ON						
Raising funds	6	25,103	-	92,405	117,508	103,436
Charitable activities	7					
Support of Naval Families		1,876,422	414,444	-	2,290,866	2,460,878
Total		1,901,525	414,444	92,405	2,408,374	2,564,314
Net gains/(losses) on investments		-	-	(779,712)	(779,712)	223,143
NET INCOME/(EXPENDITURE)		(1,037,141)	21,619	(635,807)	(1,651,329)	(839,715)
Transfers between funds	21	1,037,141	-	(1,037,141)	-	-
Net movement in funds		-	21,619	(1,672,948)	(1,651,329)	(839,715)
RECONCILIATION OF FUNDS						
Total funds brought forward						
As previously reported		-	34,310	11,841,629	11,875,939	12,668,434
Prior year adjustment	15	-	-	(47,220)	(47,220)	-
As restated		-	34,310	11,794,409	11,828,719	12,668,434
TOTAL FUNDS CARRIED FORWARD		-	55,929	10,121,461	10,177,390	11,828,719

The notes form part of these financial statements

BALANCE SHEET
31 MARCH 2026

	Notes	31.3.26 £	31.3.25 as restated £
FIXED ASSETS			
Investments	16	10,107,441	11,805,009
CURRENT ASSETS			
Debtors	17	105,172	94,360
Cash at bank and in hand		181,818	214,537
		286,990	308,897
CREDITORS			
Amounts falling due within one year	18	(217,041)	(285,187)
NET CURRENT ASSETS		69,949	23,710
TOTAL ASSETS LESS CURRENT LIABILITIES		10,177,390	11,828,719
NET ASSETS		10,177,390	11,828,719
FUNDS	21		
Restricted funds		55,929	34,310
Endowment funds		10,121,461	11,794,409
TOTAL FUNDS		10,177,390	11,828,719

The financial statements were approved and authorised for issue by the Board of Trustees and authorised for issue on 2 July 2026... and were signed on its behalf by:

....
Mr C Tite - Trustee

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2026

	Notes	31.3.26 £	31.3.25 as restated £
Cash flows from operating activities			
Cash generated from operations	1	(1,188,600)	(1,388,403)
Net cash used in operating activities		(1,188,600)	(1,388,403)
Cash flows from investing activities			
Purchase of fixed asset investments		(3,175,993)	(4,928,394)
Sale of fixed asset investments		4,093,849	6,118,426
Interest received		1,715	1,943
Dividends received		236,310	275,079
Net cash provided by investing activities		1,155,881	1,467,054
Change in cash and cash equivalents in the reporting period		(32,719)	78,651
Cash and cash equivalents at the beginning of the reporting period		214,537	135,886
Cash and cash equivalents at the end of the reporting period		181,818	214,537

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2026

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.26	31.3.25 as restated
	£	£
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(1,651,329)	(839,715)
Adjustments for:		
Losses/(gain) on investments	779,712	(223,143)
Interest received	(1,715)	(1,943)
Dividends received	(236,310)	(275,079)
(Increase)/decrease in debtors	(10,812)	4,634
Decrease in creditors	(68,146)	(53,157)
Net cash used in operations	(1,188,600)	(1,388,403)

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.25	Cash flow	At 31.3.26
	£	£	£
Net cash			
Cash at bank and in hand	214,537	(32,719)	181,818
	214,537	(32,719)	181,818
Total	214,537	(32,719)	181,818

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.

continued...

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.

 continued...

2. DONATIONS AND LEGACIES

	31.3.26	31.3.25 as restated
	£	£
Donations	37,726	74,655
Legacies	12,350	-
	50,076	74,655

3. OTHER TRADING ACTIVITIES

	31.3.26	31.3.25 as restated
	£	£
Fundraising events	12,893	-

4. INVESTMENT INCOME

	31.3.26	31.3.25 as restated
	£	£
Investment income	236,310	275,079
Deposit account interest	1,715	1,943
	238,025	277,022

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.3.26	31.3.25 as restated
		£	£
Grants	Support of Naval Families	1,235,763	1,149,779

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

	31.3.26	31.3.25 as restated
	£	£
RNRMC/Greenwich Hospital	720,000	720,000
Greenwich Hospital	196,537	107,100
Trinity House	49,700	49,700
The Seafarers Charity	97,500	100,000
Queen Mary Roehampton Trust	5,000	5,000
The Veterans' Foundation	-	2,500
The Gosling Foundation	25,000	10,000
Lest We Forget Association	-	38,854
The James Knott Trust	-	6,000
The Mordaunt Foundation	10,000	-
The Armed Forces Covenant Fund Trust	127,026	105,625
The Noel Sweeney Foundation	-	5,000
WC of Plaisterers	5,000	-
	1,235,763	1,149,779

continued...

6. RAISING FUNDS

Other trading activities

	31.3.26	31.3.25 as restated
	£	£
Direct event costs	25,103	423

Investment management costs

	31.3.26	31.3.25 as restated
	£	£
Portfolio management fees	92,405	103,013
Aggregate amounts	117,508	103,436

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8)	Grant funding of activities (see note 9)	Support costs (see note 10)	Totals
	£	£	£	£
Support of Naval Families	532,891	1,331,199	426,776	2,290,866

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.3.26	31.3.25 as restated
	£	£
Staff costs	500,027	479,816
Other staff costs	12,601	18,714
Recruitment costs	5,050	571
Travel and subsistence	15,213	15,790
	532,891	514,891

continued...

9. GRANTS PAYABLE

	31.3.26	31.3.25 as restated
	£	£
Support of Naval Families	1,331,199	1,517,630

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

	31.3.26	31.3.25 as restated
	£	£
Naval community projects costs	15,119	129,170
The University Of Winchester - Thriving Through Childhood And Beyond	122,022	101,464
	137,141	230,634

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

	31.3.26	31.3.25
	£	£
Health	251,934	289,210
Wellbeing	65,501	113,413
Emergency & Essentials	513,379	574,755
Education	211,886	300,155
Life Chances	151,358	9,463
	1,194,058	1,286,996

10. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Support of Naval Families	403,973	22,803	426,776

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

Management

	31.3.26	31.3.25 as restated
	Support of Naval Families	Total activities
	£	£
Wages	209,655	209,585
Social security	24,238	24,515
Pensions	16,470	14,765
Insurance	5,440	5,222
Telephone	2,691	2,812
Postage and stationery	4,584	7,358
Sundries	2,774	7,241
Carried forward	265,852	271,498

continued...

10. SUPPORT COSTS - continued

Management - continued

	31.3.26 Support of Naval Families £	31.3.25 as restated Total activities £
Brought forward	265,852	271,498
Computer and equipment costs	52,924	54,471
Equipment hire costs	5,060	4,804
Advertising and publicity	35,171	26,468
Other staff costs	1,766	7,556
Rent	22,031	22,104
Travel and subsistence	4,103	5,641
Trustee expenses	2,357	818
Subscriptions	4,385	6,252
Recruitment costs	247	384
Bank and other merchant charges	307	254
Bookkeeping and payroll fees	9,770	9,367
	403,973	409,617

Governance costs

	31.3.26 Support of Naval Families £	31.3.25 as restated Total activities £
Auditors' remuneration	7,620	7,440
Legal and professional fees	15,183	11,300
	22,803	18,740

11. AUDITORS' REMUNERATION

	31.3.26 £	31.3.25 as restated £
Fees payable to the charity's auditors for the audit of the charity's financial statements	7,620	7,440

continued...

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2026 nor for the year ended 31 March 2025.

Trustees' expenses

During the year two (31.3.25: one) trustees were reimbursed expenses by the charity totalling £186 (31.3.25: £31) for travel costs.

13. STAFF COSTS

	31.3.26	31.3.25
	£	£
Wages and salaries	633,877	619,387
Social security costs	73,282	67,116
Other pension costs	43,231	42,178
	750,390	728,681

During the year the charity made termination payments for one employee totalling £3,346. At the balance sheet date no termination payments were outstanding.

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

	31.3.26	31.3.25
Charitable activities	13	12
Management and governance	4	4
	17	16

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

	31.3.26	31.3.25
Charitable activities	11	11
Management and governance	4	4
	15	15

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

	31.3.26	31.3.25
£60,001 - £70,000	-	2
£70,001 - £80,000	2	-
£80,001 - £90,000	-	-
£90,001 - £100,000	1	1
	3	3

 continued...

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES 31 MARCH 2025

	Unrestricted funds	Restricted funds	Endowment funds	Total funds as restated
	£	£	£	£
INCOME AND ENDOWMENTS FROM				
Donations and legacies	49,655	25,000	-	74,655
Charitable activities				
Support of Naval Families	795,700	354,079	-	1,149,779
Investment income	1,943	-	275,079	277,022
Total	847,298	379,079	275,079	1,501,456
EXPENDITURE ON				
Raising funds	423	-	103,013	103,436
Charitable activities				
Support of Naval Families	2,088,477	372,401	-	2,460,878
Total	2,088,900	372,401	103,013	2,564,314
Net gains on investments	-	-	223,143	223,143
NET INCOME/(EXPENDITURE)	(1,241,602)	6,678	395,209	(839,715)
Transfers between funds	1,241,602	-	(1,241,602)	-
Net movement in funds	-	6,678	(846,393)	(839,715)
RECONCILIATION OF FUNDS				
Total funds brought forward	-	27,632	12,640,802	12,668,434
TOTAL FUNDS CARRIED FORWARD	-	34,310	11,794,409	11,828,719

continued...

15. PRIOR YEAR ADJUSTMENT

The charity has restated its previously reported grant expenditure, accruals and expendable endowment funds. Following a change in systems in 2026 it is now possible to identify non RCP grant commitments and so recognise the relevant liability in the financial statements. Grant expenditure totalling £47,220 was committed but not spent at 31 March 2025 and was not reflected within the financial statements. The transfer between the general fund and the expendable endowment fund for £47,220 was also not reflected within the financial statements.

A summary of these changes is shown below.

	31.3.25
	£
Grant expenditure not recognised	(47,220)
Effect of prior year adjustment	(47,220)
Total unrestricted funds brought forward as previously stated	-
Total unrestricted funds brought forward as restated	-
Total expendable endowment fund brought forward as previously stated	8,445,184
Total expendable endowment fund brought forward as restated	8,397,964

16. FIXED ASSET INVESTMENTS

	Listed investments
	£
MARKET VALUE	
At 1 April 2025	11,805,009
Additions	3,175,993
Disposals	(4,093,849)
Revaluations	(779,712)
At 31 March 2026	10,107,441
NET BOOK VALUE	
At 31 March 2026	10,107,441
At 31 March 2025	11,805,009

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

	31.3.26	31.3.25
	£	£
Held within UK	2,446,987	826,351
Held outside UK	7,660,453	10,978,658
	10,107,440	11,805,009

continued...

16. FIXED ASSET INVESTMENTS - continued

Material Investments

	Holding	Market Value
Royal London Short Term Money Market Fund	1,678,347	£1,634,704

The historical cost of the above investments is £9,123,984 (31.3.25: £9,583,656).

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.26	31.3.25 as restated
	£	£
Accrued income	80,610	77,833
Prepayments	24,562	16,527
	105,172	94,360

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.26	31.3.25 as restated
	£	£
Trade creditors	9,161	12,471
Social security and other taxes	16,385	17,712
Other creditors	16,697	23,347
Accrued expenses	174,798	231,657
	217,041	285,187

Deferred income

Deferred income comprises £Nil (31.3.25: £Nil) for grant income received in the year which will be released to income in future financial periods.

	31.3.26	31.3.25
	£	£
Balance brought forward	-	2,500
Amount release to incoming resources	-	(2,500)
Amount deferred in the year	-	-
Balance carried forward	-	-

continued...

19. LEASING AGREEMENTS

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

	31.3.26 £	31.3.25 as restated £
Within one year	9,178	9,178
Between one and five years	17,664	22,272
	26,842	31,450

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Endowment funds £	31.3.26 Total funds £	31.3.25 as restated Total funds £
Investments	-	-	10,107,441	10,107,441	11,805,009
Current assets	150,451	55,929	80,610	286,990	308,897
Current liabilities	(150,451)	-	(66,590)	(217,041)	(285,187)
	-	55,929	10,121,461	10,177,390	11,828,719

21. MOVEMENT IN FUNDS

	At 1.4.25 £	Prior year adjustment £	Net movement in funds £	Transfers between funds £	At 31.3.26 £
Unrestricted funds					
General fund	-	-	(1,037,141)	1,037,141	-
Restricted funds					
Greenwich Hospital	21,167	-	(21,167)	-	-
Greenwich Hospital - Life Chances	-	-	50,929	-	50,929
Sanctuary Lodge - Life Chances: Tall Ships	13,143	-	(13,143)	-	-
The Mordaunt Foundation - Wave Therapy	-	-	5,000	-	5,000
	34,310	-	21,619	-	55,929
Endowment funds					
Expendable endowment fund	8,445,184	(47,220)	(394,842)	(981,446)	7,021,676
Permanent endowment fund	3,396,445	-	(240,965)	(55,695)	3,099,785
	11,841,629	(47,220)	(635,807)	(1,037,141)	10,121,461
TOTAL FUNDS	11,875,939	(47,220)	(1,651,329)	-	10,177,390

continued...

21. MOVEMENT IN FUNDS - continued

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	864,384	(1,901,525)	-	(1,037,141)
Restricted funds				
Queen Mary Roehampton Trust	5,000	(5,000)	-	-
Greenwich Hospital	-	(21,167)	-	(21,167)
Greenwich Hospital - Life Chances	196,537	(145,608)	-	50,929
Thriving Through Childhood And Beyond	127,026	(127,026)	-	-
Sanctuary Lodge - Life Chances: Tall Ships	-	(13,143)	-	(13,143)
The Seafarers Charity - Scotland	17,500	(17,500)	-	-
The Gosling Foundation - Life Chances	25,000	(25,000)	-	-
The Mordaunt Foundation - Wave Therapy	5,000	-	-	5,000
The Mordaunt Foundation - Sailing Trust Camp	5,000	(5,000)	-	-
WC of Plaisterers - Life Chances	5,000	(5,000)	-	-
The Seafarers Charity - Families of Royal Navy Officers	50,000	(50,000)	-	-
	436,063	(414,444)	-	21,619
Endowment funds				
Expendable endowment fund	178,862	(61,974)	(511,730)	(394,842)
Permanent endowment fund	57,448	(30,431)	(267,982)	(240,965)
	236,310	(92,405)	(779,712)	(635,807)
TOTAL FUNDS	1,536,757	(2,408,374)	(779,712)	(1,651,329)

continued...

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.24 £	Net movement in funds £	Transfers between funds £	At 31.3.25 £
Unrestricted funds				
General fund	-	(1,241,602)	1,241,602	-
Restricted funds				
Greenwich Hospital	20,061	1,106	-	21,167
The Veterans' Foundation	7,571	(7,571)	-	-
Sanctuary Lodge - Life Chances: Tall Ships	-	13,143	-	13,143
	27,632	6,678	-	34,310
Endowment funds				
Expendable endowment fund	9,301,738	286,738	(1,190,512)	8,397,964
Permanent endowment fund	3,339,064	108,471	(51,090)	3,396,445
	12,640,802	395,209	(1,241,602)	11,794,409
TOTAL FUNDS	12,668,434	(839,715)	-	11,828,719

continued...

21. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	847,298	(2,088,900)	-	(1,241,602)
Restricted funds				
The Seafarers Charity	100,000	(100,000)	-	-
Queen Mary Roehampton Trust	5,000	(5,000)	-	-
Greenwich Hospital	107,100	(105,994)	-	1,106
The Gosling Foundation - Life Chances: Tall Ships	10,000	(10,000)	-	-
Lest We Forget Association - Life Chances: Tall Ships	18,854	(18,854)	-	-
The Veterans' Foundation	2,500	(10,071)	-	(7,571)
Thriving Through Childhood And Beyond	105,625	(105,625)	-	-
The Noel Sweeney Foundation - West Midlands, Staffordshire and Shropshire	5,000	(5,000)	-	-
Sanctuary Lodge - Life Chances: Tall Ships	20,000	(6,857)	-	13,143
The Phillips Charitable Trust - Neurodiverse Project	5,000	(5,000)	-	-
	379,079	(372,401)	-	6,678
Endowment funds				
Expendable endowment fund	222,698	(73,001)	137,041	286,738
Permanent endowment fund	52,381	(30,012)	86,102	108,471
	275,079	(103,013)	223,143	395,209
TOTAL FUNDS	1,501,456	(2,564,314)	223,143	(839,715)

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

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

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

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

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.

continued...

21. MOVEMENT IN FUNDS - continued

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

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

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

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

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

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

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

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

The Seafarers Charity - Families of Royal Navy Officers
Funds received from The Seafarers Charity towards providing financial and holistic support to families, children and young people both in crisis and those affected by the challenges they face because of being from a Royal Navy family.

The Seafarers Charity - Scotland
Funds received from The Seafarers Charity towards the expansion of delivery of financial and holistic support in Scotland to families, children and young people both in crisis and those affected by the challenges they face as a result of being from a Royal Navy family.

The WC of Plasisterers - Life Chances: Tech Camp
Funds received from The WC of Plasisterers towards our Tech Camp 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.

continued...

21. MOVEMENT IN FUNDS - continued

The Mourdaunt Foundations - Life Chances: Children's Sailing Trust
Funds received from The Mourdaunt Foundation towards our Children's Sailing Trust 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 Mourdaunt Foundations - Wave Project
Funds received from The Mourdaunt Foundation towards our Wave Project, aimed at taking the growing number of Naval families needing support with therapy.

Transfers between funds

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

	Unrestricted funds	Endowment funds
General fund	981,446	
Expendable endowment fund		(981,446)

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

	Unrestricted funds	Endowment funds
General fund	55,695	
Permanent endowment fund		(55,695)

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

22. EMPLOYEE BENEFIT OBLIGATIONS

The charity operates a defined contribution pension scheme for all salaried employees. The pension charge for the period was £43,231 (31.3.25: £42,178). At the balance sheet date the contributions outstanding were £6,170 (31.3.25: £6,749).

continued...

23. PERMANENT ENDOWMENT INVESTED ON A TOTAL RETURN BASIS

The charity has exercised its rights by the Trustees under section 104(A) of the Charities Act 2011 on 1 March 2020. This power permits the trustees to invest permanently endowed funds to maximise total return and therefore to apply an appropriate portion of the unapplied total return to income. The unapplied total return remains invested as part of the permanent endowment until that power is exercised. When exercised it allows the trustees to apply an appropriate portion of the unapplied total return to income each year. During the current year the trustees have transferred £55,695 from unapplied total returns to unrestricted income funds.

	Endowment for investment £	Unapplied total return £	Total permanent endowment £
Brought forward			
Gift component of permanent endowment	2,299,183	-	2,299,183
Unapplied total return	-	1,097,262	1,097,262
Total	2,299,183	1,097,262	3,396,445
Movements			
Investment return: Dividend and interest	-	57,448	57,448
Investment return: Realised and unrealised gains and losses	-	(267,982)	(267,982)
Less: Investment management costs	-	(30,431)	(30,431)
Total	-	(240,965)	(240,965)
Unapplied total returns transferred to unrestricted funds	-	(55,695)	(55,695)
Net movements in the reporting period	-	(296,660)	(296,660)
Carried forward			
Gift component of permanent endowment	2,299,183	-	2,299,183
Unapplied total return	-	800,602	800,602
Total	2,299,183	800,602	3,099,785

24. 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.

During the year trustee Kevin Arnold provided sponsorship income totalling £5,643 and a donation of £5,032 to the charity (31.3.25: £Nil).

During the year the estate of the late Mary Scherer, mother of CEO Clare Scherer, provided legacy income to the charity totalling £12,350 (31.3.25: £Nil).

Key management

The total remuneration paid to those considered key management during the year was £268,953 (31.3.25: £259,777).

continued...

25. ULTIMATE CONTROLLING PARTY

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