

NAVAL UNDER FIVES (EASTERN AREA)
ANNUAL REPORT AND FINANCIAL STATEMENTS

For Period

1 September 2023 to 31 August 2024

Registered Charity No. 1036832

NAVAL UNDER FIVES (EASTERN) FUND

LEGAL AND ADMINISTRATIVE INFORMATION

Charity Registration no.	1036832
Address	8 Shackleton Road Gosport Hampshire PO13 9SG
Governing Document	Constitution (revised 2004)
Objects	To provide day care for children of Service families. To advance the development and education of preschool children. To provide a safe, healthy, happy and stimulating environment. To assist the development of children through structured and free play. To meet the requirements of Ofsted.
Trustees	Mr Michael Proudman Chair Mrs Susan White Treasurer Mrs Danielle Cooper Mrs Sally Pratt (Staff Representative – Employee) Trustees are selected by recommendation from existing trustees, interview, instruction and then proposed at next Trustees meeting.
Independent Examiner	P A Nicholls MBE MAAT 5 Nursery Road Havant Hants PO9 3BG

The Activities of the Charity

- The NUF Operations Manager oversees the overall running of the charity on a day-to-day basis on behalf of the Board of Trustees. An administration assistant assists the Operations Manager. The organisation consists of one office, five pre-schools and one under three group. Each group has fully qualified and trained staff.
- Staff members are encouraged to maintain the high levels of training and to continue to receive high Ofsted reports.
- Continues to liaise with the Naval Service Family Personnel Support organisation to maintain the Service Level Agreement. Liaising with EYEs and Ofsted.
- The Board of Trustees is made up from volunteers and each group encourages parents to volunteer their time. College apprentices are paid.
- Numbers were around 152 children. The majority of children came from Service families.
- The settings are full and a new setting for toddlers (Swift) will open up in the coming year.

Financial Review

The increase in numbers and therefore funding led to net assets of the fund increasing by £62.8K and it was worth £153.6K. The fund was in a strong position as the bulk of its assets were held in a bank account holding £147.7K whilst liabilities were just £4.4K.

Investment Selection Policy

The trustees do not wish to risk spare reserves in market-based investments.

Reserves Policy

The Trustees have considered the level of reserves and retain appropriate to the charity's needs. The trustees aim to ensure that the charity will be able to continue to fulfil its charitable objectives even if there is a temporary shortfall in income e.g. adverse demographics in the area, or unexpected expenditure. Reserves are generated by parental paid fees, as opposed to Government funding, which may only be utilised in accordance with the Local Authority Provider Agreement. The Trustees consider that it would be prudent to hold reserves of £63,000 so that there is sufficient to pay redundancy payments to its staff should the Ministry of Defence withdraw its support. In addition, as the MoD no longer maintains the fabric of the buildings used for the settings, the Trustees wish to hold readily accessible reserves to provide the means to refurbish settings as the need arises. A change of policy by Hampshire County Council means that another £30,000 must be held to cover wages until its monthly funding arrives.

Risk Assessment

The Trustees actively review the major risks that the charity faces on a regular basis. The major risk would be a radical change of policy by the Ministry of Defence. This has been assessed and is covered by the Service Level Agreement between the charity and the Ministry of Defence. Other risks centre on the change in numbers of children in the area and competition from other preschool facilities, some government funded, in the area.

Declaration

The trustees declare that they have approved the Trustees' Report above.

Signed on behalf of all the trustees.

Signed on Original

M Proudman
Chair

14 October 2024

NAVAL UNDER FIVES (EAST)

Registered Charity No 1036832

BALANCE SHEET

31-Aug-24

31-Aug-23

<i>Fixed Assets</i>			
Property	Notes 4	£ 1,910.00	£ 907.00
<i>Current Assets</i>			
Petty Cash held by Pre-Schools		£ 221.51	£ 271.85
Cash & Floats		£ 979.99	£ 1,900.09
Barclays Community Account		<u>£ 147,677.50</u>	<u>£ 102,017.14</u>
Total Cash & Bank Held		£ 148,879.00	£ 104,189.08
Debtors and Prepayments	8	<u>£ 7,197.57</u>	<u>£ 7,294.38</u>
Total Current Assets		£ 156,076.57	£ 111,483.46
<i>Less Liabilities</i>			
Creditors	9	<u>£ 4,420.77</u>	<u>£ 21,576.06</u>
		<u>£ 4,420.77</u>	<u>£ 21,576.06</u>
Net Current Assets		<u>£ 151,655.80</u>	<u>£ 89,907.40</u>
Total Assets		<u>£ 153,565.80</u>	<u>£ 90,814.40</u>
Provision for Redundancy		£ 63,000.00	£ 52,000.00
Total Assets After Provision		<u>£ 90,565.80</u>	<u>£ 38,814.40</u>

Approved on behalf of all Trustees

Signed on Original

Mr Michael Proudman
Chair

14 October 2024

NAVAL UNDER FIVES (EAST)
STATEMENT OF FINANCIAL ACTIVITIES
For year ended 31 Aug 24

Income	Note	<i>Previous Year</i>
Grants	£ 47,953.50	£ 61,711.16
Charitable Activities	<u>£ 455,311.11</u>	<u>£ 334,748.25</u>
Total Income	2 <u>£ 503,264.61</u>	<u>£ 396,459.41</u>
 Expenditure		
Charitable Activities	<u>£ 440,513.21</u>	<u>£ 378,765.64</u>
Total Expenditure	3 <u>£ 440,513.21</u>	<u>£ 378,765.64</u>
Net Income	£ 62,751.40	£ 17,693.77
Net Movement in Funds	£ 62,751.40	£ 17,693.77
Total Funds Brought Forward	£ 90,814.40	£ 73,120.63
Total Funds Carried Forward	<u><u>£ 153,565.80</u></u>	<u><u>£ 90,814.40</u></u>

Notes to the Accounts

Note 1

a. The financial statements are prepared under the historic cost convention (as modified by the revaluation of fixed asset investments) and in accordance with applicable accounting standards: Charities Statement of Recommended Practice Oct 2019, UK Accounting Standards and the Charities Acts.

Income

- a. Donations are included in the Statement of Financial Activities (SOFA) when the fund becomes entitled to the donation or grant and it is reasonably certain that it will be received.
- b. Income from fund raising is reported gross in the SOFA.
- c. Intangible income is not included in the accounts.
- d. The fund receives no unpaid volunteer help, although staff members may occasionally work without pay when trialling new schemes.

Expenditure and Liabilities

a. Liabilities are recognised as soon as there is a legal or constructive obligation committing the fund to the expenditure.

Assets

Tangible fixed assets are capitalised if they can be used for more than one year and cost at least £50. They are valued at cost or a reasonable value on receipt. The fund does not have a policy of revaluation. Depreciation is annually, straight line and over the estimated life of the item.

NAVAL UNDER FIVES (EAST)

Note 2 - Income

		<u>Previous Year</u>
<i>Grants</i>		
Armed Forces Covenant Grant	£ 32,067.00	£ 46,618.00
RNRMC Grant	£ 10,127.00	£ -
HCC Grant	£ -	£ 12,000.00
Training Grants	£ 1,160.00	£ -
RNRMC IT Grant	£ 2,194.50	£ -
Greenwich Grant	£ 2,105.00	£ 1,217.16
Food Vouchers	£ 300.00	£ 1,876.00
	£ 47,953.50	£ 61,711.16
<i>Charitable Activities</i>		
HCC Funding	£ 225,871.21	£ 123,398.77
PCC Funding	£ 108,353.12	£ 55,178.13
SEN/DAF/Early Years	£ -	£ 16,961.13
Hampshire Parents' Fees	£ 105,506.24	£ 119,047.45
Portsmouth Parents' Fees	£ 13,999.62	£ 18,061.44
Consumables	£ -	£ 1,350.04
Photo Discount	£ -	£ 165.61
Miscellaneous Income	£ 1,580.92	£ 585.68
	£ 455,311.11	£ 334,748.25
Total Income	£ 503,264.61	£ 396,459.41

Note 3 - Expenditure

<i>Charitable Activities - Operating</i>		
Wages & National Insurance	£ 303,533.55	£ 251,221.41
Pensions	£ 4,591.19	£ 3,067.70
Agency Staff	£ 965.74	£ -
Pre-School Equipment & Consumables	£ 4,884.32	£ 2,905.89
Pre-School Registration Fees	£ 952.73	£ 155.00
Parties, Outings & Entertainment	£ 191.50	£ -
Uniform & Training	£ 1,841.34	£ 3,671.44
Repairs & Renewals and Maintenance	£ 10,249.59	£ 971.80
Grant Funded Improvements	£ 42,194.00	£ 46,618.00
Insurance	£ 3,362.85	£ 3,197.24
IT Software	£ 1,273.91	£ 736.29
Print, Post, Stationery	£ 161.78	£ 451.57
Copier	£ 2,242.54	£ 1,945.45
Advertisements	£ 35.00	£ 958.80
Nursery Items & Food	£ 2,863.92	£ 1,002.36
Food Vouchers	£ 300.00	£ 1,876.00
DBS Clearances	£ 358.68	£ 558.94
WiFi/Internet	£ 5,401.95	£ 5,847.17
Bank Charges	£ 134.00	£ 166.00
Refuse	£ 617.49	£ 551.74
<i>Charitable Activities - Support Costs</i>		
Office Wages & National Insurance	£ 46,026.13	£ 49,014.44
Office Pensions	£ 5,846.80	£ 771.00
Independent Examination Fees	£ 545.00	£ 485.00
Bad Debts	£ 634.20	£ 2,250.40
Property Depreciation	£ 1,305.00	£ 342.00
Total Expenditure	£ 440,513.21	£ 378,765.64

NAVAL UNDER FIVES (EAST)

Note 4 - Tangible Fixed Assets - Property Account

Net Book Value at 1 Sep 23	£ 907.00
Additions	£ 2,308.00
Depreciation	<u>£ (1,305.00)</u>
Property Valuation at 31 Aug 24	<u>£ 1,910.00</u>

Note 4A - Intangible Assets

The office and pre-school venues are provided by the Ministry of Defence in exchange for providing the pre-school service to the naval community.

Note 5 - Paid Employees

- The Charity has paid employees, average numbers were 28 All are employed directly on the charity's objectives. None was paid in excess of £60,000 in this year or last.
- The Operations Manager, a salaried employee, is also a trustee.
- Employer's National Insurance costs were £18656 (22/23 - £16434)

Note 6 - Trustee and Other Related Parties

- One Trustee is an employee. Otherwise no expenses or emoluments have been paid to the Trustees.
- There are no amounts due to or from the Trustees.

Note 7 - Endowment and Restricted Funds - There are none.

Note 8 - Debtors and Prepayments

Parents Fees	£ 2,976.98
Loan	£ 160.00
Prepaid Insurance	<u>£ 4,060.59</u>
	<u>£ 7,197.57</u>

Note 9 - Creditors

Barclaycard	£ 433.77
Holiday Pay/Wages	£ 128.87
Pensions	£ 1,191.92
PAYE	£ 2,246.21
Photo Commission to Groups	£ 120.00
Independent Examiner's Fees	<u>£ 300.00</u>
	<u>£ 4,420.77</u>

Note 10 - Declarations

- The Trustees have not changed the year end date.
- All the fund's operations are continuing operations and no operations were discontinued.
- The fund has no marketable intangible assets.
- None of the fund's functional assets have been revalued during the year and the fund does not have a policy of revaluation of these assets.
- The fund has no material fixed assets which have not been capitalised and included in the Balance Sheet.

Independent Examiner's Report to the Trustees of the Naval Under Fives (Eastern Area) Fund Registered Charity No 1036832

I report to the trustees on my examination of the accounts of the Naval Under Fives (Eastern Area) Fund for the year ended 31 August 2024

Respective responsibilities of trustees and examiner

As the charity's trustees 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 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a licensed member of the Association of Accounting Technicians.

Independent examiner's statement

I have completed my examination; I confirm that no material matters have come to my attention which gives me cause to believe that in any material respect:

- The accounting records were not kept in accordance with section 130 of the Charities Act; or
- The accounts did not accord with the accounting records; or
- The accounts did not comply with the applicable requirements concerning the form and content of the accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than in 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.

Signed on Original

P A Nicholls MBE MAAT
PN Independent Examinations
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Hants PO9 3BG

14 October 2024