

THE ROYAL NAVY AND ROYAL MARINES CHARITY

England & Wales · Charity number 1117794

Details

Status Registered

Legal form Charitable company

Company number [06047294](#)

Registered 2007-02-02

Register [View on the Charity Commission register](#)

Contact

Address Building 37
H M S Excellent
Whale Island
Portsmouth
PO2 8ER

Phone 02393 871520

Email theteam@nrnmc.org.uk

Website www.nrnmc.org.uk

Activities

Objects: 3 SUCH CHARITABLE PURPOSES AS THE TRUSTEES SHALL FROM TIME TO TIME THINK FIT INCLUDING BUT NOT LIMITED TO:-3.1 THE RELIEF IN NEED, HARDSHIP OR DISTRESS OF BENEFICIARIES AND THEIR FAMILIES AND DEPENDANTS;3.2 THE ASSISTANCE WITH PROVISION OF OR CONTRIBUTION TO THE EDUCATION AND TRAINING OF CHILDREN OF BENEFICIARIES; AND3.3 THE PROMOTION OF EFFICIENCY OF THE NAVAL SERVICE AND THE AUXILIARIES BY WAY OF THE ENHANCEMENT OF MORALE, THE IMPROVEMENT OF RECRUITMENT AND RETENTION, AND THE FURTHER RELIEF AND ENCOURAGEMENT, OF MEN AND WOMEN WHO ARE SERVING IN THE NAVAL SERVICE OR THE AUXILIARIES.

Activities: To raise and deliver resources, working with others, to provide the best support to serving and former members of the Naval Service and their families.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Other Finance, Acts As An Umbrella Or Resource Body
- **What:** General Charitable Purposes, Armed Forces/emergency Service Efficiency
- **Who:** Other Defined Groups

Geography

- **Area of benefit:** NATIONAL AND OVERSEAS
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£13,748,345	£18,167,259	£81,895,142	103
2023-12-31	£15,016,251	£19,171,847	£79,745,303	97
2022-12-31	£13,214,168	£18,372,758	£76,308,688	103
2021-12-31	£11,726,749	£17,026,297	£90,345,342	83
2020-12-31	£11,383,716	£18,035,605	£87,233,912	72

Trustees

Name	Role	Appointed
Dr Brian Gilvary	Chair	2020-04-23
Andrew Mark Edward ROBINSON		2020-04-23
BRIAN JAMES DUFFIN		2024-04-17
Barry Firth MBE		2022-07-28
Cdre Catherine JORDAN		2023-07-20
Dr Joanna KEOGH OBE		2022-07-28
Dr Josephine PABARI		2022-12-01
JOHN BARTLETT		2022-04-26
Kathryn Jane PHIPPS-WILTSHIRE		2020-10-22
Lieutenant Harriet Mary Delbridge		2017-10-18
Michelle Joy WESTWOOD		2020-10-22
Peter John Wilkinson		2025-03-08
Simon Andrew Black		2020-10-22
Simon Christopher LONG		2024-04-17
Simon James HANSON		2024-10-04

Linked charities

- THE NAVAL SERVICE DEPENDANTS' FUND (1117794-1)
- NAVAL MEDICAL COMPASSIONATE FUND (1117794-10)
- THE NAVAL SERVICE BENEVOLENCE FUND (1117794-2)
- FLEET AIR ARM BENEVOLENT TRUST (1117794-3)
- THE NAVAL SERVICE AMENITY FUND (1117794-4)
- THE NAVAL SERVICE SPORTS CHARITY (1117794-5)
- THE NAVAL SERVICE PRIZES AND AWARDS FUND (1117794-6)
- THE QUEEN ALEXANDRA'S ROYAL NAVAL NURSING SERVICE TRUST FUND (1117794-7)
- PLYMOUTH ROYAL NAVAL AID FUND (1117794-8)
- THE SIR DONALD GOSLING MARITIME RESERVE AMENITY FUND (1117794-9)

THE ROYAL NAVY AND ROYAL MARINES CHARITY

England & Wales - Charity number 1117794

Accounts



THE ROYAL NAVY & ROYAL MARINES CHARITY

CONSOLIDATED ANNUAL REPORT AND ACCOUNTS 2024

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FOR THE YEAR ENDED 31 DECEMBER 2024**

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REPORT OF THE TRUSTEES

LEGAL AND ADMINISTRATIVE INFORMATION

Honorary Officers

Patron

Her Royal Highness The Princess Royal

Senior Vice Patron

Honorary Captain The Lord Hintze Kt. AM RNR

Vice Patrons

Mr James Pitt

Honorary Captain Lance Batchelor RNR

Honorary Captain Sir Bill Thomas RNR

Mr Simon Pillar

President

Admiral Sir Jonathon Band GCB DL

Vice Presidents

General Sir Gordon Messenger KCB DSO* OBE ADC

Vice Admiral Sir Tim Laurence KCVO CB ADC(P)

Honorary Commodore The Honourable Stephen Watson RNR

Honorary Colonel RM The Lord Sedwill GCMG FRGS

Trustees, Members and Directors

Dr Brian Gilvary

Chair

Mrs Kate Phipps-Wiltshire

Vice Chair

Mr John Bartlett

Mr Simon Black

Lieutenant Commander Harriet Delbridge Royal Navy

WO1 Barry Firth MBE RN

Commodore Catherine Jordan LVO Royal Navy

Surgeon Captain Jo Keogh OBE RN (Ret'd)

Dr Jo Pabari

Mr Mark Robinson

Dr Michelle Westwood

Lieutenant Colonel Simon Long RM

Appointed 17th April 2024

Mr Brian Duffin OBE

Appointed 17th April 2024

WO1 Si Hanson RN

Appointed 4th October 2024

Vice Admiral Peter Wilkinson CB CVO (Ret'd)

Appointed 7th March 2025

Mr Rod Birkett

Resigned 17th July 2024

WO1 Jamie Wright Royal Marines

Resigned 4th October 2024

Brigadier Mike Tanner OBE Royal Marines

Resigned 10th December 2024

Rear Admiral Steve Brunton CBE (Ret'd)

Resigned 12th December 2024

REPORT OF THE TRUSTEES

LEGAL AND ADMINISTRATIVE INFORMATION (continued)

Chief Executive Officer

Commodore Andrew Jameson OBE – retired 10th June 2025

Interim Chief Executive Officer / Company Secretary

Mrs Samantha Nicolson MBE

Company Registration Number

6047294 (England and Wales)

Registered Charity Numbers

1117794 (England and Wales)

SC041898 (Scotland)

Registered Office

Building 37, HMS Excellent, Whale Island, Portsmouth, PO2 8ER

Auditor

Moore Kingston Smith LLP, Chartered Accountants

6th Floor, 9 Appold Street, London EC2A 2AP

Legal Advisors

Charles Russell Speechlys LLP

5 Fleet Place, London, EC4M 7RD

Bankers

Holt's Military Banking

Royal Bank of Scotland plc,

200 Fowler Avenue, Fowler Business Park, Farnborough, GU14 7JP

Investment Managers

Sarasin & Partners LLP

Juxon House, 100 St. Paul's Churchyard, London, EC4M 8BU

THE ROYAL NAVY & ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

REPORT FROM THE CHAIR

RNRMC Group of charities is focused on fulfilling its charitable purpose. Each organisation within the Group has unique beneficiary objectives and together the group is united by a clear and shared mission: to support those who serve, both during and after their time in the Royal Navy and Royal Marines.

A united approach between funders and delivery partners remains the most effective way to do this and the trustees of RNRMC are committed to delivering on this mission, and in today's climate of growing global uncertainty, that commitment is more vital than ever. The RNRMC group has a unique ability, to work collaboratively and demonstrate the impact of collaboration. This approach underpins the RNRMC commitment to advance meaningful collaboration across the sector — an approach rightly expected by our supporters, one that is essential in the interests of those who serve, deployed personnel, veterans and their families.

In the past year Royal Navy and Royal Marines Charity (RNRMC) has placed particular emphasis on supporting the serving naval community, their families, and veterans. The challenges faced by those in service have continued to receive significant media attention and our response has been comprehensive. This has included easing financial hardship, supporting health and wellbeing, and helping families, particularly around our neurodiversity support. We continue to address these needs primarily through our commissioning model, working with specialist partners to achieve targeted outcomes. This method remains agile, adaptable and cost-effective.

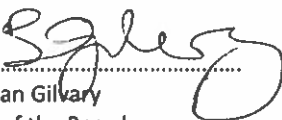
RNRMC is passionately committed to supporting those who have served, particularly veterans facing difficulties transitioning to civilian life or encountering hardship in later years. Over the past year, we have continued to provide meaningful financial support, offering guidance on employment and finances, fostering comradeship, and ensuring care for older veterans—alongside direct grants to those in need. RNRMC has continued to lead and foster collaboration, working closely with major funders—including Greenwich Hospital and the Armed Forces Covenant Fund Trust—to develop coordinated responses to the key challenges facing our community.

From serving personnel who contribute monthly, to individual donors and corporate partners, their generosity is the foundation for our impact. RNRMC Trustees are proud to host recognition events to honour this. This year these events took place in England in Portsmouth at the Royal Maritime Club and in Scotland on Tall Ship Glenlee, Glasgow, giving Trustees and staff the opportunity to thank our supporters in person and celebrate this vital role in strengthening the naval community.

In 2025 and beyond we intend to build on the work we have already established with our current partners, we will pilot new areas that are currently unsupported, we will consolidate other support and we will strive to ensure as many of our beneficiaries are given the help and support they need, both directly from ourselves as well as signposting to the wonderful charities and funders which are vital to our vision.

Following an association of over 18 years the charity, Andrew Jameson retired from his position as CEO of RNRMC. Andrew's long association with RNRMC has seen the charity develop to become a key part of the wider Naval community. The Trustee Board thank him for his service and wish him and his family well for the future.

Thanks are extended both to the staff and trustees of RNRMC who devote considerable time and work tirelessly to support the beneficiaries of the Charity.


.....
Dr Brian Gilvary
Chair of the Board

**ROYAL NAVY & ROYAL MARINES CHARITY
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

Trustees' Report

Structure, Governance and Management

Context

Royal Navy & Royal Marines Charity (RNRMC) is a charitable company, limited by guarantee, incorporated on 10 January 2007 and registered with the Charity Commission on 2 February 2007. RNRMC was registered with the Office of the Scottish Charity Regulator on 17 November 2010.

Governance

RNRMC is controlled solely by its members, who are also its Trustees and make up the Board of Trustees. The Charity is governed by its Memorandum and Articles of Association, initially dated 6 December 2006 (the Articles of Association having been revised and adopted by Special Resolution on 30th January 2020) and is subject to the requirements and the protection of both charity and company law.

The Trustees, all of whom are volunteers, represent a blend of competence and experience and include those with experience of military service along with those with diverse civilian backgrounds. They are selected through a formal interview process and appointed for an initial term of three years. In accordance with good practice, they would normally serve a maximum of three terms.

Group Entities

As at the 31st December 2024 there are nine unincorporated charities, three charitable companies, and two charities with a Royal Charter integrated within the Group structure. There are three trading subsidiaries.

- **The Royal Naval Benevolent Society for Officers, known as The Royal Navy Officers' Charity (RNOC)** (Charity No 207405) is a charity with a Royal Charter and retains its own trustees, who are responsible for the administration of the charity and the management of their own funds. RNRMC is entitled to appoint a trustee and as the corporate member it also has a legal power of veto in general meetings. RNRMC is represented by Vice Admiral Peter Wilkinson CB CVO (Ret'd).
- **The Naval Service Sports Charity (NSSC)** is a charitable company, governed by a Board of Trustees. RNRMC Board has overall control, as sole member, since they may resolve by ordinary resolution to amend the minimum and maximum numbers of trustees, to appoint or remove trustees and to change the Memorandum and Articles of Association. RNRMC is represented on the NSSC board by Lt Col Simon Long.
- **Royal Marines Association-The Royal Marines Charity (RMA-TRMC)** (Charity No 1134205) is a charitable company, governed by a Board of Trustees. The RNRMC Board, under its authority as the sole member, may resolve by ordinary resolution to amend the minimum and maximum numbers of trustees and has the right to appoint or remove trustees and to change the Memorandum and Articles of Association after prior consultation with the RMA-TRMC Board. RNRMC is represented by Mr Mark Robinson.
- **The Women's Royal Naval Service Benevolent Trust (WRNS BT)** (Charity No 206529) is a charity with a Royal Charter and retains its own Central Committee of Trustees, who are responsible for the management of the Trust. RNRMC is the Sole Corporate Member and is entitled to appoint a trustee to represent them at the WRNS BT Central Committee meetings, Commodore Catherine Jordan LVO Royal Navy is the current representative. As the sole corporate member, RNRMC also has a legal power of veto in general meetings.
- **RNRMC Enterprises Limited** (Company number 07975823) is the trading subsidiary for the Group, which is used to conduct appropriate parts of the Group's merchandising and Royal Marine Band Service trading activities. The Company was established by way of share capital from RNRMC, which is the sole shareholder. The directors of the company are trustee, Mr Mark Lewthwaite (Chairman) and Mr Matt Jackson, the Chief Executive Officer of the RMA-TRMC.
- **TRMC Enterprises Limited** (Company Number 10020682) is the trading subsidiary for RMA-TRMC which was initially established on 23 February 2016 to enable a single building project which was completed in 2017. It has since then completed several further projects supporting beneficiaries across the RM family.

**ROYAL NAVY & ROYAL MARINES CHARITY
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

- **Royal Marines Shop Limited** (Company Number 08015901) is the trading subsidiary of RMA-TRMC, brought in as part of the RMA-TRMC merger on 1 April 2019. Since September 2021 the RM Shop also fulfils online merchandise sales for RNRMC.
- **Unincorporated charities** - RNRMC Board has overall responsibility for their management and administration and delegates day-to-day operations to management committees through terms of reference. A number of these management committees are chaired by an RNRMC Trustee. The role of the management committee is to scrutinise and prioritise grant applications in line with their objects and provide oversight to the minor grants programme.

Committee Meetings

The Board meets at least three times a year. RNRMC has encouraged closer communication with Group charities by taking up its option to nominate a trustee to the Boards of The Royal Navy Officers' Charity (RNOC), Royal Marines Association - The Royal Marines Charity (RMA-TRMC), the Naval Service Sports Charity (NSSC) and The Women's Royal Naval Benevolent Trust (WRNS BT).

The Board delegates certain powers in connection with the Charity's management and administration to formal committees. This delegation is controlled by requiring the committees to report back at the next Board meeting. All committees provide meeting minutes which are kept as part of the statutory records. The current members of the committees and those within the year are shown in the table below: -

Committee	Purpose	Members
Finance Risk & Audit Committee (FRAC)	To monitor and scrutinise all financial, risk and audit issues. Meets three times per year.	Mr John Bartlett (Chair) Mr Rod Birkett Lt Cdr Harriet Delbridge RN Mr Brian Duffin OBE Independent Advisor:- Rear Admiral Steve Brunton CBE (Ret'd)
Investment Committee (IC)	To scrutinise the investment managers ongoing performance. Meets four times per year.	Mr John Bartlett Mr Brian Duffin OBE (Chair) Ms Alice Gardiner (NSSC) Mr Mark Robinson Independent advisors: - Mr Bryan Burrough, Mr Kim Catechis
Fundraising & Marketing Committee (FMC)	To oversee the expansion of activities in these areas and the execution of the agreed management plan. Meets three times per year.	Mr Simon Black (Chair) WO1 Barry Firth MBE RN Dr Jo Pabari Independent Advisor: - Mr John Turner
People Committee (PC)	To manage the Board and senior staff succession plan and oversee CEO remuneration. Meets three times per year	Mr John Bartlett Dr Brian Gilvary Cdre Catherine Jordan LVO RN Mrs Kate Phipps-Wiltshire (Chair) Dr Michelle Westwood
Charity Committee (CC)	To oversee and set strategy and policy for all grant making. Meets three times per year.	Lt Cdr Harriet Delbridge RN Surg Capt Jo Keogh OBE RN (Retd) Mrs Kate Phipps-Wiltshire (Chair) Dr Michelle Westwood Independent Advisor: - Mr Richard Swarbrick
Through Life Committee (TLC) – sub-committee of CC	To provide oversight, scrutiny and approval of grants for Benevolence. Meets four times per year.	Mrs Sarah Ayton Mr Jonathan Ball OBE Mr Chris Banks Mrs Sara Field Surg Capt Jo Keogh OBE RN (Retd) (Chair) Mr Duncan Lamb Mr Charles Stewart Ms Nicola Thompson

**ROYAL NAVY & ROYAL MARINES CHARITY
TRUSTEES' ANNUAL REPORT
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Committee	Purpose	Members
Quality of Life Committee (QLC) - sub-committee of CC	To provide oversight, scrutiny and approval of grants for Amenities. Meets four times per year.	Ms Rose Atkinson-Park Mr Jonathan Ball OBE WO1 Robbie Buglass RM WO1 Ian Davies MBE RM (Vice Chair) Lt Cdr Harriet Delbridge RN (Chair) LPT Amber Donaldson WO1 Stephen Doyle WO1 Paul Dungey WO1 (CRSM) Tim Jukes RM WO1 Samantha Martin KVRM WO1 Neil Simpson RM LH (Police) Tegan Snell Lt Cdr Nicolas Toms RN WO2 Andrew Vercoe

In addition to the committees above that hold delegated powers from the board, there are two advisory committees, including the Committee Chairs Advisory Group (CGAG), which provides a forum for discussion and guidance to the Committee chairs, and the Group Trustees Advisory Group (GTAG). These committees are not sub committees of the board, but rather a consultative body of members which provides a forum for all Trustees from the Group Charities to share ideas and information.

Management and Administration

The policies and principles included within this Trustees Annual Report are those belonging to the Group, however individual charities can adopt / adapt these policies and principles to suit their own circumstances as disclosed within their individual statutory accounts.

Employees

At the 31st December 2024 the RNRMC Group employed around 112 staff with 63 employed directly by RNRMC. The day-to-day control and administration of the RNRMC is delegated to the Chief Executive Officer, who's senior staff manage functional departments.

RNRMC is committed to the training, career and personal development of all employees. Each employee has an annual performance review where their performance is assessed against the Charity's objectives alongside personal achievements within their specific roles. A training programme is devised that meets both the Charity's needs and also enhances the individual's potential towards their professional development.

We are proud to hold the Silver Award for the Employee Recognition Scheme under the Armed Forces Covenant, which supports the transition of serving members of the Armed Forces into employment.

Remuneration

The Charity does not remunerate its Trustees. The Trustees are responsible for setting the remuneration of the Charity's Chief Executive and the remaining staff are paid via an agreed remuneration framework that sits within the overall reward policy that is agreed annually.

General Data Protection Regulation (GDPR)

In 2018 RNRMC implemented a suite of tools and staff training packages to monitor and ensure ongoing compliance with GDPR, which was reviewed in 2022. Working closely with our advisors MooreClearComm, we have now started the second phase of the GDPR project, which includes a full review of our policies as well as the renewal of our Cyber Essentials Accreditation together with further staff training and updates. This work will be completed during 2025.

Fundraising Principles

RNRMC and RMA-TRMC both have established fundraising programmes across similar income streams.

**ROYAL NAVY & ROYAL MARINES CHARITY
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FOR THE YEAR ENDED 31 DECEMBER 2024**

RNRMC and RMA-TRMC are registered with the Fundraising Regulator and adhere to the standards of the Fundraising Codes of Practice and to Charity Commission guidelines, particularly CC20 (Charity fundraising: a guide to trustee duties). The fundraising teams are aware that the Fundraising Code of Practice has been updated and that the new code will come into effect from November 2025, they are already reviewing and updating the relevant areas in our policies and practices, ready for the new code.

The RNOC's income is derived from investment income, active fundraising via the Association of Royal Navy Officers' (ARNO) membership and other initiatives. NSSC's income is derived largely from investment income and grants received (including from RNRMC) and there is therefore no requirement to fundraise.

The income of Women's Royal Naval Service Benevolent Trust (WRNS BT) is derived from income from investments, legacy income, Regular and Individual donations including Gift Aid. Active fundraising is via the WRNS Association through an annual dinner.

No complaints about fundraising activity were received by RNRMC or RMA-TRMC in 2024 and therefore there was no requirement for escalation to the Regulator. We have our own procedures in place for dealing with complaints. The complaints process is open and transparent and easy to access from our respective websites. Within the process, we publish a clear procedure for escalation and timescales when supporters can expect a response.

Anyone who is kind enough to consider support for RNRMC can be assured that:-

- we never sell personal data to other organisations or charities. We do sometimes ask third party organisations to help process our data, but they will act under our instruction. We never allow these organisations to use RNRMC supporter data for their own purposes and the data remains our legal responsibility; we ensure that it is treated with the same level of care as if we were handling it directly.
- it is our policy never to undertake any telephone fundraising or 'cold calling'.
- all our electronic communications to supporters include information on how to opt out of future communications.
- we do not undertake door-to-door fundraising.

We display the Fundraising Regulator badge on our websites and fundraising collateral to demonstrate our commitment to best practice. We work with the Fundraising, Mail and Telephone Preference Services to ensure that those who choose not to receive specific types of communication do not have to.

Volunteer fundraising is fundamental to the efforts of both RNRMC and RMA-TRMC and we would be unable to achieve the level of voluntary income we do without the support of Service and civilian volunteers. We rely on a pool of people who give their time freely to directly collect money, organise and assist at events, or make connections with local businesses. Those volunteers collecting money 'on behalf of' RNRMC and RMA-TRMC are doing so with the prior knowledge of the charities and receive a volunteer induction, have a dedicated staff 'Line Manager' and have a signed Volunteer Agreement with the respective charity. Those volunteers who collect 'in aid of' RNRMC and RMA-TRMC are often acting on their own initiative and we are consequently unaware until we receive the money that has been raised. Official collections are always made with sealed RNRMC and RMA-TRMC collecting bins. Collectors in public places require permission from local authorities or, if within its district, the Metropolitan Police. These licenses are applied for and recorded by the RNRMC and RMA-TRMC fundraising teams. We regularly review and update our volunteering policies.

Volunteers and Related Parties

All Trustees and members of the management committees of the subsidiaries give their services voluntarily and receive no remuneration for their activities, other than travel and incidental expenses where claimed. The serving members of the Board undertake their RNRMC duties as volunteers in addition to their normal line duties. RNRMC continues to develop and expand its group of volunteers to assist in all areas of the Charity. These volunteers are supported by staff members as well as specific policies and procedures which includes a handbook for volunteers.

In addition to the volunteers above, we also have charity Ambassadors. The Ambassador programme was officially launched in early 2024 and there are now over 34 volunteer Ambassadors across the country, including the three main Naval Base areas. There are plans to continue to recruit more to support the charity in areas where the Royal Navy is historically active but today has a very small footprint. The role of the Ambassador is to provide senior representation of RNRMC promoting the work of the Charity.

ROYAL NAVY & ROYAL MARINES CHARITY TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

Diversity, Equality and Inclusion

Our existing charity values reflect the need for equality, diversity and inclusion (ED&I). We also recognise that there will always be further improvements or enhancements that we can make to maximise ED&I within the Charity. We aim to achieve the following key outcomes by working towards delivering the recommended best practice within the Charity Governance Code which will help us to build a diverse, equal and inclusive culture within the charity:-

- The principles of equality, diversity and inclusion are embedded in the organisation and help to deliver the charity's public benefit.
- Obstacles to participation are reduced, with the organisation's work designed and open for everyone included within its charitable purposes. This supports the charity to challenge inequality and achieve improved equality of outcomes.
- The Board is more effective because it reflects different perspectives, experiences and skills, including, where applicable, from current and future beneficiaries.

The objectives of our Staff Reference Group include Culture which embraces equality, diversity and inclusion and for those new to the SRG we have set up specific ED&I training courses which help develop both their understanding as well as being beneficial for all of those who engage with them and the charity.

Objects, Vision and Strategy

The objects of the charity are:-

- the relief in need, hardship or distress of Beneficiaries and their Families and Dependants;
- the assistance with, provision of, or contribution to the education and training of children of Beneficiaries;
- the promotion of efficiency of the Naval Service and the Auxiliaries by way of the enhancement of morale, the improvement of recruitment and retention; and
- the further relief and encouragement, of men and women who are serving in the Naval Service or the Auxiliaries.

In 2020, the trustees developed a vision for the charity which is as follows:-

"A world in which our sailors, marines and their families are valued and supported, for life."

The charity seeks to deliver these objectives (and meet the vision) in two principal ways. Firstly, by providing grants to other charities and organisations to deliver specific outcomes which address an identified need of our beneficiaries. Typically, these arrangements with particular charities are over a 3-year period. These commissioning programmes span serving, families and veterans. Secondly, we provide grants directly to individuals, and to ships and units, which seek to improve the conditions of Service for those serving. We also support the next of kin of those who die whilst serving, with an immediate financial grant.

In addition to these direct forms of support, we provide business services support at no cost to a number of charities with the same categories of beneficiaries as ours. This support (covering finance, HR, fundraising, communications and grant-making processes) allows those charities to direct their resources at meeting the needs of their beneficiaries.

Our Purpose: Our purpose is to honour our vision by ensuring we:-

- Provide the leadership and alignment of common purpose for our beneficiaries' needs;
- Find those who need help, especially the hidden and lost, and ensure they can find us;
- Respond appropriately through direct support with key partners from the naval and other charities, the health and social care sector, and the benefits system;
- Work to develop an effective and sustainable access and triage system with appropriate level of case and care supervision for the entire naval family.

Our Values:-

- **Beneficiary Focused** – We will use the best evidence to achieve the maximum impact on the lives and morale of those who serve today, or have ever served, and their families.
- **Commitment** – We will demonstrate the highest ambition and commitment for our cause.

**ROYAL NAVY & ROYAL MARINES CHARITY
TRUSTEES' ANNUAL REPORT
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- Integrity – We will act with honesty and transparency in all of our activities.
- Inclusiveness – We will recognise and celebrate diversity in the sector.
- Teamwork – We will always behave in a way that strengthens the sector.

Our Strategic Objectives:-

- We will work with other charities operating in our sector to establish a confederation in order to provide those in need within our beneficiary group with a single point of access to the totality of state and charitable support available.
- Acting with other naval charities and key stakeholders, we will ensure that our potential beneficiaries are made aware of the support that is available to those who need it.
- We will collaborate with Greenwich Hospital to agree funding priorities and secure a long-term financial commitment from Greenwich to deliver RNRMC's charitable objects.
- We will commit to spending over 50% of our charitable expenditure on collaborative and long-term commissioning projects with other charities and organisations which seek to address underlying causes of need.
- Recognising the need to act decisively, we will undertake bold and far-reaching plans and projects with our partners that will draw down substantially on our total net assets.

RNRMC aims to:-

- Alleviate consequences of Service
- Honour Service to the Nation

We will do this by our proactive/pre-emptive themes:-

- Support to the Serving and their families
- Ensure support is in place for Veterans in need.
- Combatting loneliness and isolation – building befriending and support networks

And reactive themes:-

- Providing a safety net for those in need
- Benevolence support – grants provided to naval benevolence charities

We continually refresh our understanding of need through our partnership work and regular quantitative and qualitative monitoring information and data.

At the centre of our practice is our engagement with beneficiaries, using their needs and experience to inform how to design and deliver projects.

**ROYAL NAVY & ROYAL MARINES CHARITY
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**



The delivery of the Charitable activity of the RNRMC can be categorised and is included in this report, in the following Beneficiary Strands

1	Quality of Life for Serving Personnel	Improving the quality of life of serving personnel - principally through the provision of amenities, welfare support and other initiatives which seek to improve morale and military efficiency.
2	Individual Support	Providing tailored support to individual beneficiaries who have, or are likely to develop, specific needs – mainly through grants to specialist benevolence charities and the provision of a death-in service grant to next of kin. This individual support includes support to Veterans as well as the Serving and families.
3	Naval Families	Enhancing the lived experience of naval families through support for initiatives that seek to mitigate some of the disadvantages of service life for families.
4	Veterans	Supporting the wider naval community, especially veterans, through engagement with associations (and their network of branches) and other organisations to reach out to all those who may need support notably the hidden, lost and lonely.
5	Support to the naval charity sector	Acting as a convener for the naval community through funding, facilitation, research into need, and the provision of professional organisational support (accounting, grant-making, communications, HR) to charities within the sector.

Further information on our activities within these areas can be found in the grant making section.

Efficiency throughout the Charity and the wider Community

Maintaining a low overhead ratio is core to our belief of delivering more to a wider group of beneficiaries through an effective middle and back office.

We aim to play a full role in encouraging efficiencies and effectiveness across the sector including encouraging discussions about how the naval charity sector specifically, and the wider military charity sector more generally, might gain from the benefits of closer convergence.

One of the ways this objective is achieved is through virtual grant making, namely by providing external charitable support services. These services, provided at RNRMC cost, provides Naval Family charities both inside and outside of the RNRMC group, with administrative support across finance, HR, communications, fundraising and grant making, allowing our partners to focus on our common beneficiaries. These activities are included in Strand 5 of our Charitable Delivery.

ROYAL NAVY & ROYAL MARINES CHARITY TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

Public Benefit

In shaping our objectives and planning our activities, the trustees have considered the Charity Commissions guidance on public benefit, including the guidance 'public benefit: running a charity (PB2).

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

The trustees have recognised the principles of public benefit and believe that RNRMC meets them, namely: -

- that there must be an identifiable benefit or benefits and they must be clear, related to the aims of RNRMC and be balanced against any detriment or harm;
- the objects of RNRMC are to focus on the relief in need, hardship or distress of disadvantaged persons, provide education and to improve the efficiency of the Naval Service. The range of the benefits deriving from benevolence activities includes the relief of poverty and improving the efficiency of other charities through the grants made. RNRMC also provides its beneficiaries with facilities for sport and recreation;
- that the benefit must be to the public or to a section of the public. That the beneficiaries must be appropriate to the aims and, if to a section of the public, must not be unreasonably restricted and that those in poverty must not be excluded from the opportunity to benefit; and
- the potential beneficiary group of RNRMC is wide and includes not just current serving personnel, but also the vast majority of our beneficiaries who are former Naval Service personnel, families and dependants. Benevolence grants are all based on need demonstrated by the charities that apply for grants and do not duplicate state funding.

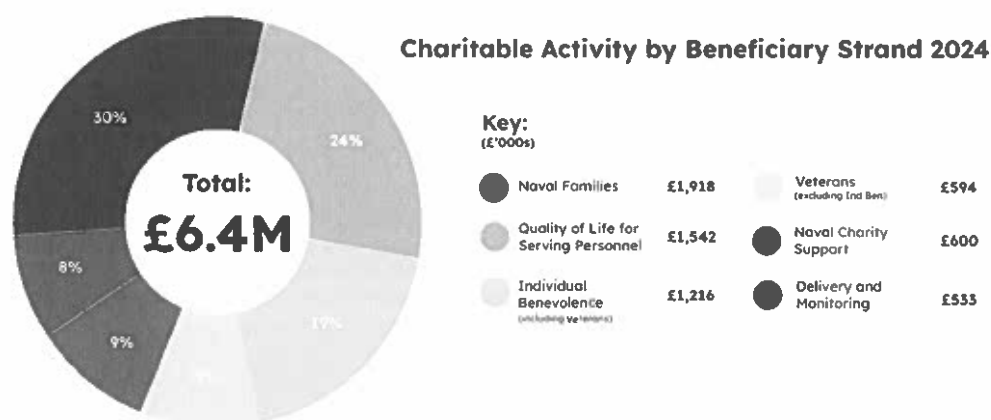
In addition, RNRMC provides public benefit by enhancing and promoting military efficiency, strengthening the moral component of the Royal Navy's and the Royal Marines' esprit de corps.

Achievements & Performance - Royal Navy & Royal Marines Charity

The achievements and performance in this section relate to RNRMC Charity only rather than the whole Group. Reports for the other group entities can be found in their individual Trustee Reports.

During 2024 the total charitable activity of RNRMC was £6.4m. This includes not only the grants awarded (£5.3m) but also includes Grant making delivery (£5.9m including Strand 5) and delivery of external charitable support services included Strand 5.

The graph below shows how the total charitable output of £6.4m was distributed by the charity in 2024.



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Grant Making

During 2024, £5.3m of Grant making was awarded through a funding model focused on identifying need, early intervention and prevention. This work focused on The Serving and their Families, working age and older Veterans. This included Strand 5 supporting the wider Naval Charity Sector, which, while not applied for in the same way, is the cost of the support to RNRMC.

RNRMC continues to work closely with Greenwich hospital (GH) to identify and address need, and as such is grateful to receive £1.375m to enable joint funding of grant awards.

A total of 1,095 Grants were approved in 2024 with 95% of organisations supported reporting that all outcomes were achieved as expected. Grants awarded delivered significant outcomes for our serving personnel, their families and the veteran community. Collaboration and partnership working with other funders has ensured ongoing support for all beneficiaries has been consistent and to its usual high standard. RNRMC funding model drove continuous improvements in responding to need, as demonstrated in the following Strand activities.

Strand 1 – Quality of Life for Serving Personnel

The Charity continues to build on its strong relationships with the Royal Navy enabling the Charity to identify need with regard to amenities spend. Total Spend of £1.5m was awarded in the year, 77% of which was directly for Serving Personnel. Strand one grants are delivered through a variety of grant types as detailed below:

Major Grants – The Charity awarded 13 Major Grants in 2024 totalling £570k from RNRMC funds with an additional £94k secured from external funds to support these projects. Projects supported included refurbishments of facilities for Naval Personnel at the Institute of Naval Medicine, HMS Sutherland and HMS Dragon, a Residential trip for children of Serving Personnel and Project Sapphire – an overseas visit for Commonwealth Personnel to celebrate St Vincents 45th Anniversary of Independence. Grants were also awarded to fund various courses and wellbeing activities for personnel in recovery. This included activities such as Yoga, Arts & Crafts Retreat, Surfing and Equine Therapy. The feedback from these courses indicated a real difference was made to recovery with 93% of those attending reporting an increase in their general mood and wellbeing.

Minor Grants - There were 348 minor grants awarded through this strand totalling £454k, with 51% of these supporting morale and social activities. Examples of support to this area include celebration events for those passing out of specialist courses, funding activities for those on down time whilst deployed and social events to mark the end of deployments for serving personnel and families.

Prizes & Awards – In 2024 £180,000 was approved in support of Prizes & Awards for Naval Personnel, including recognition of 781 Personnel with a Herbert Lott Award.

The generosity of, and working in partnership with Parkdean Resorts, has enabled the award of 99 reward, recognition and respite breaks to serving personnel and their families, which benefitted 192 adults and 151 children, reaching more people than in 2023.

Through focused work with partner organisations, 49 serving personnel were supported by F.L.A.G.S (Forces – Linking Alcohol and /or Gambling with Support Services) with 100% of people reducing their gambling problem and 87% reducing their alcohol consumption as a result. Funding to the White Ensign Association has delivered over 27 financial briefings to over 2000 beneficiaries to aid the transition to civilian life from a financial perspective.

RNRMC and Greenwich Hospital (GH) are working closely together to support serving personnel. All grants are submitted via the RNRMC grants portal and are assessed by RNRMC grant staff, before approaching GH and other funders to optimise the project funding available.

Strand 2 – Individual Support

Total spend of £1.2m was awarded in 2024, the largest grants awarded being for the Royal Naval Benevolent Trust (RNBT) and RMA-The Royal Marines Charity to deliver individual benevolence supporting veterans, in addition to the support included at Strand 4. In total this veteran spend represents 65% of the spend from this area. Quarterly reporting from these organisations

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informs the Charity of the needs that are presenting from beneficiaries, for example the highest area of support in terms of age group for RNBT support was for those aged 71+, closely followed by support to those ranging from 31-40.

Individual grants were also approved for serving personnel in recovery for a variety of purposes such as, purchasing specialist equipment to aid with rehabilitation, funding for speech and language therapy following an illness and respite breaks for family members.

2024 sadly saw the release of 15 death in service grants awarded to families, including the first Fleet Air Arm Benevolence Grant released following a Service Death. There was also a significant increase in the number of individual grants released for compassionate travel. These grants give urgent support to the next of kin during the immediate period following the death of their loved one, a time when the security of knowing you do not need to worry about your financial affairs and can focus on your family is very important.

Strand 3 – Naval Families

Total spend of £1.9m was awarded to support Naval Families in 2024 funding a broad network of delivery partners. The largest grants supported as part of Strand 3 are for the Naval Children's Charity and the Sailors Children's Society to deliver individual benevolence. These two grants represent 45% of the spend on naval families. Much of the wider support to Naval Families comes through RNRMC flagship programme of support called Strengthening Families – By your Side. The delivery of this programme is well established and respected and is recognised across the sector for good practice and for the on-going support of Naval families, addressing current need while remaining responsive to need as it emerges. The Charity continues to proactively develop relationships with longer-term strategic partners to seek ways to address the underlying causes of need for Naval Families.

The funding provided by the Charity has enabled the delivery of 1863 Counselling sessions delivered by Relate; 1088 children attending a Kings Foundation Activity Camp, and the launch of a new service by Home-Start in Lomond supporting Naval Families in the Helensburgh Area.

During 2024 the Charity has continued to reach out and strengthen relationships to better understand the needs of naval families and how we can work with delivery partners to meet those needs. This has been achieved through close working with statutory partners (education, NHS and local government) along with other third sector organisations at local level across the UK. In particular, the charity has strengthened its working relationship with the RN Family and People Support (RN FPS) teams through a partnership agreement and the employment of Volunteer coordinators (VC). VC's are employed by RNRMC but support RN FPS projects with the recruitment of volunteers. Through this unique position, which places them at the heart of the community, they are able to provide an integrated family support offer including social prescribing and engaging with the local authorities and sector organisations in their locality.

Strand 4 – Veterans

RNRMC awarded £595k in funding of grants supporting Veterans in 2024. Part of this funding has been delivered via the Through Life Pathway. The Through Life Committee approved funds in 2024 to support Veterans at Tom Harrison House, of which 100% who took part in a placement at the facility reported significant ability to self manage their mental health and wellbeing. In addition to these grants there has been a focus on camaraderie and engagement for Veterans which is being met through our grant to the Royal Naval Association to subsidise their membership, of which it now has almost 24,000 members signed up. The funding also contributes towards a Wellbeing programme of which 95% agreed that the activities run as part of this has improved their connection to others.

This need is also being address through the continuation of Remembrance and Comradeship grants. Building on the success of this programme in 2023 and with additional funding in 2024 from Greenwich Hospital a further 26 grants were approved. These grants reached 2084 beneficiaries in total and included support to Falkland Islands Memorial Trust, West of Scotland Military Wives Choir and reunion events for RNR Air Branch, Submarine Escape Tank and 45 Commando.

The financial support specifically given to Veterans in 2024 did decrease significantly on the previous year, due to a decision to focus primarily on serving personnel and their families. The Charity has worked hard with our key partners to ensure that the Veteran support is given by those most experienced to deliver the support required. However, the Charity continues to support

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Veterans and in particular looks for areas where value can be added; this could include through a service not currently delivered, by piloting new services identified through research into need.

Strand 5 – Support to the Naval Charity Sector

During 2024 RNRMC continued to support Charities outside of RNRMC Charity, both inside and outside of the Group, with in-kind services. The total value of these services was £603k, an increase against 2023 of 79%. The support consisted of various services including administration, grant-making support, HR and payroll processing, communications, fundraising and accounting support ranging from transactional processing to management accounting and support with audit processes.

The benefit of the support means that charities were able to focus their resources away from overheads and into our common beneficiaries. Alignment of processes has allowed the charities to streamline and share best practice and enhance collaboration through the Naval charity sector. Alongside charities within the RNRMC group such as NSSC and RMA-TRMC, external charities have also received this support, and include the Naval Families Federation, White Ensign Association, the Royal Naval Association and the Armed Services Trauma Rehabilitation Outcome Study. In 2024 the Grants Team undertook the delivery of individual grant giving for the WRNS Benevolent Trust (WRNS BT), now a subsidiary charity of RNRMC.

Strengthening Families Neurodiversity

Cross cutting both Strand 1 (Serving) and Strand 3 (Families) the Charity, supported by funding made available from the Armed Forces Covenant Fund Trust, continued with its flagship Neurodiversity Project, funding the employment of a dedicated Neurodiversity Navigator to direct people to find the best and most appropriate support for their needs, whether that be for the service person or their family. The charity supported 138 families which is 84% more than initially expected. The top three areas of support were for EHCP's, assessments and emotional based school avoidance.

The Submarine Family

The Charity continues to support Submariners, past and present and their families, through grants provided by The Submarine Family Grants Committee, a fund whose objectives are to promote the: -

- Welfare and well-being (which includes mental health) of all Submariners (serving and retired) and their families.
- Submarine ethos, morale of all ranks of, or serving with, the Submarine Service including heritage, remembrance and the provision of recreational facilities, amenities and other goods and services not provided out of public funds.

In 2024 **42 grants** were approved from the TSF fund and included as part of Strands 1, 3 and 4.

Other Funds

During 2024 RNRMC continued support for two further funds assisting the mental health of Naval personnel: -

- Help - Jim's Story to raise awareness of mental health alongside the mental health programme supported by the RN; and
- HMS Oardacious Fund supporting the mental health of submariners.

The Royal Fleet Auxiliary

The Charity's objects include members of the Royal Fleet Auxiliary as beneficiaries. In 2022 the Charity was delighted to receive the funds of the Royal Fleet Auxiliary Benevolent Fund as a restricted fund of the RNRMC (supporting RFA personnel only). During 2024 the RNRMC continued to support the RFA through our usual grant making and commissioning programmes in addition to the restricted funds of their Benevolent Fund.

Safeguarding

RNRMC has a Safeguarding Policy as the group provides individual beneficiary support. RNRMC believes that it is always unacceptable for a child or vulnerable adult to suffer abuse of any kind and recognises its responsibility to safeguard the welfare of all people it encounters, by a commitment to practice which protects them. We understand that the welfare and safety of the person at risk is paramount. The purpose of the policy and the associated and more comprehensive guidance document is to: -

- Provide protection for children and vulnerable adults who come into contact with our charity.

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- Provide guidance to staff and volunteers to recognise, respond to and report abuse appropriately.
- Create a culture of openness within the organisation and ensure staff feel supported to talk candidly about suspected abuse.

The organisation now has a Trustee responsible for safeguarding and a qualified member of staff as the designated safeguarding lead. In addition, each element of the policy has a lead within the relevant department or function, and this includes a lead within the Senior Leadership Team.

RNRMC grant making policy includes a requirement for funded charities to provide an in date signed version of their organisations safeguarding policy. The grants team upload these into the database and routinely follow up to ensure these are updated and maintained at the required standard.

Subsidiary Charities

Details of the Achievements and Performance for the RMA-TRMC, RNOC, WRNS BT and NSSC can be found within their own statutory accounts.

Raising Funds

In 2024, the RNRMC's fundraising programme achieved a gross income of £3.2 million and a net income of £2.1 million meeting our net income target set in the 2024 budget. The Board is committed to supporting and growing what we do as fundraisers. This will increase our future income, which will in turn enable us to support more beneficiaries. At the same time this will enable us to expand our engagement with our audiences and will enable more people to find the support they need.

Fundraising Strategic Objectives (2024–2026)

The Strategic Objectives for fundraising for the charity are to build sustainable income and deepen donor engagement and are focused on six strategic priorities:

1. Launch an Individual Giving and Legacies programme
2. Reinvigorate the Regular Giving Programme, including Major Donor engagement
3. Enhance team capabilities and technology to improve donor acquisition and retention
4. Expand regional engagement to grow the volunteer base, boost community income, and increase brand awareness
5. Develop RNRMC Enterprises through targeted investment in the retail platform and expertise
6. Deliver a new flagship challenge event to strengthen events income and attract corporate partnerships

To support these goals, the Charity invested in a dedicated Individual and Regular Giving Team. In 2024, this team led several new key initiatives, including:

- 'Support in a Storm' Christmas Appeal
- The Big Give match funding campaign
- Regular Giving Pin
- Lotto Waves Lottery

During 2024 the Charity also launched a new flagship challenge event, 'Race Across the UK', which will run biennially. Additionally significant investment was made into data and insights capability, including the Supporter Survey, enabling better understanding and response to donor motivations.

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Fundraising Highlights and Impact

Storytelling That Resonates

In 2024, the fundraising campaigns of the Charity were built around powerful, emotive storytelling. The Charity shared three inspiring case studies highlighting how it transforms lives — a bold move that paid off. Despite wider uncertainty in the grant-making landscape, this approach across both digital and direct mail channels was well received, with no complaints or negative feedback. This affirms the Charity's confidence in data-led, insight-driven fundraising.

'Support in a Storm' — Big Give Campaign Results

This integrated appeal included:

- A direct mail pack sent to 8,000+ supporters (featuring a letter from a beneficiary, donation form, case study leaflet, and flyer)
- Social media and email marketing assets across Facebook, X, LinkedIn, and Instagram
- Two compelling case study videos

Results:

- £62,064 raised
- 91 new donors acquired
- 290 donations through the Big Give platform
- Average donation: £64

Innovative Retail and Sustainable Products

In partnership with the Royal Navy, and growing on the success of the initiative in 2022 and 2023, the charity expanded the line of sustainable upcycled products for sale, generating over £8,600 in 2024. This initiative combines environmental responsibility, by reducing the amount of waste going to landfill sites, with income generation.

During the year the Charity gratefully received funding from a number of high-profile trusts and foundations, including but not limited to:

- Armed Forces Covenant Trust Fund
- Goldman Sachs Gives
- Greenwich Hospital
- Nuffield Trust
- Swire Charitable Trusts
- Taigh Mor Foundation
- Thales Charitable Trust
- The Castanea Trust
- The Gosling Foundation
- The Hintze Family Charitable Foundation
- The Keeble Charitable Trust
- The Royal Edinburgh Military Tattoo (Charities) Ltd
- The St. George's Society of Baltimore Foundation, Inc
- The Wimbledon Foundation
- The Worshipful Company of Turners

The Charity hosted a number of successful fundraising events in the year which included: -

- Sky is the limit carrier Ball
- Royal Marines Beating Retreat
- Spinnaker Abseil

Long-term corporate partnerships with companies such as BAE Systems, Lockheed Martin, MBDA Missile Systems, and Thales are deeply valued by all at RNRMC and the beneficiaries of the Charity.

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Community Fundraising Milestones

The Charity's programme of community fundraising generated income reached its highest level in the charity's history in 2024, raising £323k, a significant year-on-year increase of 93.2%. Highlights included the incredible efforts of HMS Oardacious and the impact of new Regional Fundraisers in Scotland and the Southwest.

Looking Ahead

The year closed with the launch of 'Race Across The UK', the Charity's first-ever challenge event of this kind. The enthusiastic response from supporters exceeded all expectations and signals strong momentum for 2025.

Thank You

The Charity is immensely grateful to all of the generous donors, fundraisers, corporate partners, trusts, and supporters. While RNRMC cannot name everyone here, their contributions — whether financial, voluntary, or in-kind — make a tangible difference to the Charity's beneficiaries. The Charity also honours those who choose to remain anonymous, whose support is deeply appreciated.

Future Plans - Royal Navy & Royal Marines Charity

The future plans in this section relate to RNRMC Charity only. Future plans for the other group entities can be found in their individual Trustee Reports.

Trustees have identified the following 9 key priorities specifically for our activity in 2025 and 2026. The Trustees plan to review and renew the Strategy for RNRMC during 2025 for publication in 2026.

1. Refresh our understanding of 'need' for the period 2025-2040.

The Charity continues to work closely with Greenwich Hospital and other funders such as the Armed Forces Covenant Trust Fund who both have undertaken research into need. This research will be reviewed jointly with Greenwich Hospital in the Spring of 2025 and will form the basis of budget planning and prioritisation of our support from 2026 onwards.

2. Pursue closer working with Greenwich Hospital especially in relation to grant-making.

Alongside Greenwich Hospital, the RNRMC remain the principal funders within the naval charitable sector, with a combined annual grant-making spend of over £10m. Increasingly, both organisations are working more closely together to ensure a co-ordinated and coherent approach to funding – and we believe this joined-up approach is in the best interest of our shared beneficiaries.

3. Set the conditions for fundraising in 2026 and 2027.

Delivering these programmes of activity requires resources, and so future plans will also see a continued focus on fundraising. The charity is brilliantly supported by a huge range of donors, including the majority of the serving population as well as major grant-making bodies. The wider economic climate is a difficult environment for all fundraisers and so the Charity continues to invest in this area to ensure it maintains this important stream of funding – and thereby delivers the outcomes which are the hallmark of the charity.

4. Continue to simplify our corporate funds Structure.

The Charity sought and received approval from the Charity Commission (CC) and the Board of Trustees to simplify its fund structure from 1st January 2025. Several Restricted Funds have been simplified into two main restricted funds of RNRMC, being The Amenities Fund and The Benevolence Fund, which is aligned to our key objects. This will enable our funds to be allocated to the needs of the beneficiaries in a far more streamlined and efficient way whilst still honouring the original purposes of those funds.

5. Improve our regional footprint and engagement.

RNRMC is a national charity with beneficiaries living in the UK and abroad. The intent, therefore, is to ensure the reach of the Charity is truly representational. This is especially important for Scotland, giving the increasing presence of the Royal Navy in that part of our Nation.

As part of this priority and following on from a successful workshop in 2024 at the Drumfork Centre in Helensburgh, the Charity has continued working closely with the AFCFT on a programme of Strengthening Families based in the West of Scotland which aims to support Royal Navy Submariner families facing the challenges of separation. This work will help bring together the organisations that are based in Scotland to signpost and promote how to connect those that need help with the help that is

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available. Working together to ensure the best result to Strengthen the Families particularly whilst their loved ones are away at sea for extended periods of time.

6. Deepen the relationship with our Group Subsidiary Charities and other Charities in the Naval Sector.

RNRMC trustees place considerable value on the charity's role as convenor – that is our ability to bring together key stakeholders to address shared challenges and identify a common approach to resolution. We will continue to advocate and participate in this collaborative approach working with our Subsidiary charities and those across the sector to collectively strengthen our relationships in order to provide the best outcomes for our beneficiaries.

7. Improve our management capacity and competence for the long-term.

The Charity considers succession planning and development of our staff, as a key component for future proofing the organisation. In 2025 we will do a root and branch review to look at our staff structure against our future requirements to identify skills gaps and opportunities to develop staff or recruit staff to fill those gaps. We will also refresh our Board Governance Review using the pillars of the Governance Code alongside the skills review to ensure our Leadership remains high level and complete.

8. Deliver consistent communications to our stakeholders

2024 was a busy and successful year for RNRMC Communications team. Communications focused on expanding reach by strengthening partnerships with organisations and charities across the sector, including fellow RN charities and neurodiversity networks. RNRMC deepened collaboration with RN Comms and the RFA. New Brand Guidelines were developed, and the advertising strategy reviewed, to better connect with key audiences.

Efforts to share a wider range of stories and voices delivered strong results: 911 pieces of media coverage were secured (up from 76 in 2023), reaching 404.3 million people (up from 39.6 million), with an advertising equivalent value of £7.5 million (compared to £1.4 million the previous year). Online, RNRMC website received 205,000 views, and the Charity's social media presence saw major growth, with over 18 million impressions (a 355.8% increase), 640,000 engagements (up 258%), and 186,000 post link clicks (up 282.2%).

9. Manage our resources wisely and deliver the agreed budget always looking to do so efficiently

The trustees remain mindful of the twin pressures of operational activity and an increased cost of living. These pressures affect both the serving (and their families) and our veterans. Accordingly, the level of need that our charitable objects seek to address is likely to remain high. To continue to meet that need, RNRMC will seek to maintain current levels of funding for 2025 – exploiting our well-developed model of commissioning partners to deliver specific outcomes. In addition to supporting the need we regularly review the operating costs for the charity and are committed to ensuring we get value for money. We are mindful that the money we spend is donated to us and we have a duty to make sure we do not waste resources and we make sure it goes to those who need it most. Wherever possible we almonise our funds with other funds that exist to support our beneficiaries, working together in this way means less duplication of effort and better use of funds available.

Trustees are satisfied that the Charity has adequate resources to continue in operational existence for the foreseeable future and therefore continues to adopt the going concern basis in preparing its financial statements.

Subsidiary Charities

Details of the Future plans for the RMA-TRMC, RNOC, WRNS BT and NSSC can be found within their own statutory accounts.

Financial Report RNRMC Group

Overview

RNRMC Group closed the year with total funds valued at £81.9m, an increase against the previous year of £2.15m from £79.75m at the end of 2023. The reserves of all of the charitable entities within the group have increased with the most notable increases being for RNOC at £0.78m, RMA-TRMC at £0.65m, RNRMC charity at £0.45m and WRNS BT at £0.2m.

Donations and Legacies:

In 2024 total donations and legacies were £7.6m for the group. This was an overall decrease of £0.6m (-7.3%) against the prior year at £8.2m. During 2023 a large legacy of 1.9m was received into RMA-TRMC which was not repeated in 2024, which means

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that when Legacy income is excluded, there was an increase in fundraised income of £1.3m across the group. This increase was in part due to the RNRMC flagship biennial 'Carrier Ball' fundraising event and an increase in community fundraising in RNRMC and RMA-TRMC raised additional funds through a successful fundraising campaign (£360 for 360) and through their annual fundraising dinner at the Guildhall, London.

Income from Other Trading Activities

The RM Band Tour, which takes place biennially, which is supported through RNRMC, took place in 2023, which resulted in a slight decrease of £0.1m (-5%) in 2024, being the year when the Tour does not take place. However, events such as Mountbatten Festival of Music (MFM) and Beating retreat did take place and were profitable for the trading entity.

Investment Income

Across the group there was a 3% increase in investment income against the previous year, taking the total for 2024 to £2.03m. This was due to an increase in interest rates together with the inclusion of the WRNS BT investment portfolio as part of the group from July 2023. The group operates a total returns policy, which together with further information on investment performance can be found below.

Income from charitable activities

We are grateful to our funding partners that support us with grants to enable us to support our beneficiaries. Income fell in 2024 by £0.6m (-20%) against 2023. In 2023 the RMA-TRMC invested in a new building, The Champ Building, which was generously supported by funders, something that was not repeated in 2024, and therefore accounts for this decrease.

Operating Income

Overall, the movements above meant that total income decreased slightly when compared to 2023 by £0.55m to £13.7m (-8%).

Need from beneficiaries again outmatched income and RNRMC will continue to develop income streams such as legacies, major donors and corporate relationships whilst utilising reserves within policy to meet this increased need, where we can, in the future.

Expenditure

Total operating expenditure of the Group fell by £1m to £18.2m (2023 £19.2m), in 2024.

Fundraising costs

Costs continue to be tightly controlled whilst recognising the future needs of the charity. Therefore in 2023 trustees authorised RNRMC to make additional investment in engagement through developing our marketing and communications, in order to build our audiences of future donors and supporters. The Group's costs therefore (excluding Investment fees) increased from £3.8m to £4.4m an increase of £0.6m. In addition to the investment in fundraising this increase is also driven by the costs of the Carrier Ball.

Investment Fees: Investment fees are charged on a % of portfolio value and performance, and are consistent with the prior year's fees. For 2024 these fees were 22% of investment income.

Charitable Expenditure

Charitable expenditure for the group decreased from £15m in 2023 to £13.3m in 2024, a reduction of (£1.7m). Of this, the charitable spend of RNRMC Charity only (including support costs) was £7.8m, a decrease of £1.8m compared to £9.6m in 2023. The charitable spend for RMA-TRMC (including support costs) increased by £250k. reflective of an increase in charitable delivery.

For the Group, pure grant making spend decreased from £9.6m to £8.3m. In order for RNRMC charity to balance the needs of future beneficiaries, against the current need, the decision was taken to reduce the deficit of the charity by reducing costs, through identifying areas that might be funded elsewhere. The result of this is that grant making was reduced by £1.7m, taking spend to £5.4m from £7.1m in the previous year. This was offset by increases in Strand 5, where the value of virtual grant making in Strand 5 was £0.6m in 2024.

Charitable support costs which include grant making delivery decreased to £4.5m from £5m. This decrease is driven by the charity ending the transition support pilot in the 2023 financial year. The Charity's strategy continued to focus on maintaining a tight cost base while continuing to support beneficiary need and utilising our reserves to do so until our income strategy is fully delivered.

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Unrestricted Funds

The value of unrestricted funds including designated funds but excluding subsidiary trading company reserves (which can be seen in more detail in note 26), reduced slightly from £18.2m in 2023 to £18.1m in 2024.

Net income of £6.5m was received into unrestricted funds, an increase against 2023 of £0.8m. Charitable expenditure out of the unrestricted funds decreased by (£2m) to £6.6m.

There were net gains on invested assets of £1.9m relating to unrestricted investments.

Balance Sheet

Total fixed assets withing the group (including investment assets) were £82m at the end of 2024 which was an increase of £2.5m. The value of fixed assets excluding investments remained broadly the same as 2023 at £2.9m.

Investments in the group have increased from £76.5m to £79.1m, an increase of £2.6m, £3.7m of these funds are invested on behalf of our custodian funds. Across the group there was £6.6m of net gains on investment assets (Charity £4.2m), with an offsetting reduction in investment fund values due to cash drawn down from investments in accordance with RNRMC cash policy, which aims to hold a rolling 12 months activity in cash or near cash products. More information on investments can be found below.

Debtor balances decreased from £4.1m to £2.3m, a change of £1.8m which is due to a reduction in accrued income following receipt of a large legacy in RMA-TRMC.

Creditor balances increased from £8.8m to £9.3m, the increase is due to the increase in investments owed to custodian funds.

During the year £5.4m was drawn as cash across the group (Charity: £5m) with cash of £6.9m held at year end across the group. £3.4m of this was held within the Charity, which would cover twelve-months cash requirements.

Investment Policy & Performance

Investment Oversight

Following a full investment manager review Sarasin Partners LLP became responsible for the investment management for the majority of the Group's funds in 2021. Following an Investment Manager review by RMA-TRMC their funds were transferred to the Union Bank of Switzerland (UBS) in March 2024. The main Portfolio of RNRMC, together with the portfolio of NSSC, remains with Sarasin Partners LLP.

A small portion of the funds remains with at Cazenove, which includes RNRMC No 2 (private equity funds), and investments held by RNOC.

The oversight of the management of RNRMC and NSSC's investments lies with the Investment Committee (IC). The IC meets every three months and is responsible for monitoring the performance of investment strategies approved by the respective Boards.

In 2024 the following portfolios were held within the Group: -

1 - RNRMC (main portfolio)	2 - RNRMC (No 2 Portfolio)	3 - RMA: The Royal Marines Charity	4 - RN Officers' Charity	5 - WRNS BT
- RNRMC unrestricted funds - RNRMC restricted funds (unincorporated charities) - Naval Service Sports Charity - Custodian funds	- Private Equity Fund (in distribution mode) managed independently by Cazenove team	- Separate Fund managed by Sarasin in 2023 - Portfolio transferred to UBS in 2024	- Separate fund managed independently by a Cazenove team	- Separate Fund managed independently by Brewin Dolphin

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Investment Policy & Strategy

The Investment Strategy and Investment Policy for the Group IC are regularly reviewed and updated as necessary, in March 2020 with Cazenove and subsequently in April 2024 with Sarasin.

The investment policy relates to both RNRMC & NSSC. RMA-TRMC, RNOC and WRNS BT hold separate investment policies, and these can be seen in their individual Trustee Reports along with a review of their investment performance in the year.

The overall investment objective is "to preserve and enhance the real capital value of the portfolio whilst supporting a sustainable withdrawal to fund current commitments".

The Charity seeks to achieve its objective within an acceptable level of risk for their assets, the parameters of which have been agreed with Sarasin & Partners; the objective is quantified as the need to generate over the long term a return of inflation (CPI) plus 3% per annum. This should allow the real value of the assets to be maintained whilst funding regular annual expenditure.

The return target and appropriate benchmark are defined in the discretionary agreement with Sarasin & Partners, who will ensure adherence to this policy.

The Trustees are keen not to jeopardise the objective of 'maximising risk adjusted total return' by targeting too high an income requirement and hence have adopted a yield target of around 1.75% of starting year capital values. Any further required withdrawals will be taken by the selling of capital assets.

The Investment Manager is appointed with discretionary powers of investment under the Trustee Act 2000 and is subject to the terms of their investment management agreement. The trustees require that the Investment Manager considers the suitability of each class of investment and the need for diversification as appropriate to the circumstances of the various portfolios. The trustees have also set specific investment limits and restrictions for each portfolio, as well as appropriate benchmarks for their performance comparison.

The Trustees have considered whether they should impose any ethical restriction on the investment of RNRMC Group assets by their investment managers. In doing so, they have concluded that they would not wish to restrict the investment managers ability to achieve their primary objective of seeking the best returns within the limits of the Group's overall investment policy. However, it is likely to be in the Group's long-term interests that its investments favour those companies that pursue ethical and socially responsible policies rather than those which do not. To that end, they have instructed the managers that they should consider this position when choosing investments for the Group accordingly.

Portfolio composite benchmark and permitted ranges

The below table outlines the composite benchmark, which was agreed with Sarasin and forms an important part of performance monitoring. It also details the lower and upper bounds for each asset class.

Asset Class	Low	Neutral	High	Benchmark Index
Cash	-	-	10.0	-
Government Bonds	-	6.25	30.0	ICE BofAML Gilts All Stocks Index
Corporate Bonds	-	6.25	-	ICE BofAML Sterling Non-Gilt
Total Bonds & Cash	-	12.5	40.0	
Equities	60.0	72.5	80.0	MSCI All Countries World
Property	-	5.0	10.0	MSCI All Balanced Property Fund Index – One Quarter Lagged
Gold	-	-	5.0	
Alternatives ex-gold	-	10.0	15.0	

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Total Alternatives	-	10.0	20.0	SONIA +2%
Total	-	100.0	-	
Sterling Weighting	20.0	30.0	40.0	

The alternative investments are broadly diversified and include commodities, infrastructure, hedge funds, and private equity. RNRMC Group's base currency is Sterling and currency hedging is permitted given the global nature of the investments.

2024 Main Investment Portfolio Values for the Charity

The portfolio value as at 31st December 2024 was £36,951,791 including accrued income and interest. The below table outlines the charity's asset allocation relative to the benchmark (as at 31.12.24):

Asset Allocation	£	Capital (%)	Benchmark (%)
Fixed Income	3,118,191	8.4	12.5
Equities	28,863,374	78.1	72.5
Property	1,482,752	4.0	5.0
Alternatives	2,956,404	8.0	10.0
Liquid Assets	531,071	1.4	-
Total	36,951,792	100	100

Asset Allocation for the total Portfolio had a value of £44,649,990, including accrued income and interest at 31st December 2024, as outlined in the table below.

Asset Allocation	£	Capital %	Benchmark %
Fixed Income	3,767,806	8.4	12.5
Equities	34,876,506	78.1	72.5
Property	1,791,655	4.0	5.0
Alternative Investments	3,572,314	8.0	10.0
Liquid Assets	641,709	1.4	-
Total	44,649,991	100.0	100.0

We also detail below our rationale for each asset class:-

Bonds – underweight – Long-term government bond yields looked close to fair value, with UK pension funds acting as natural buyers. However, investment grade credit spreads remained tight, prompting a reduction in exposure to limit downside risk.

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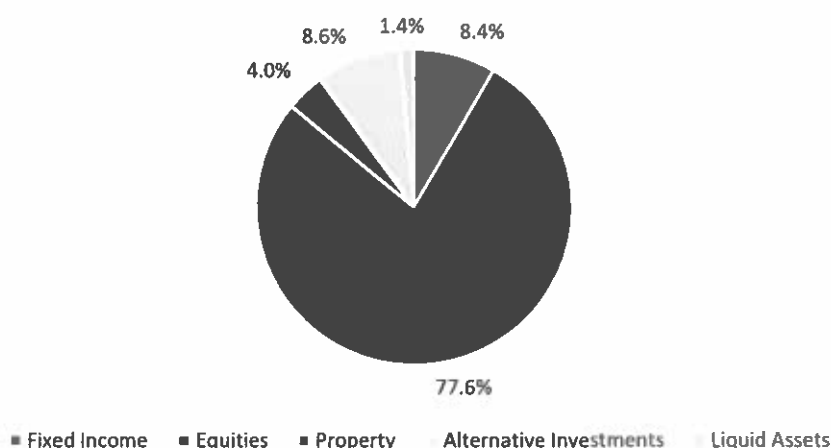
Equities – overweight – Recession risks had receded, with policy expectations turning more pro-business under a potential Trump administration. Corporate earnings remained solid. We retained our allocation to global technology, supported by strong 2025 earnings forecasts and ongoing demand linked to AI.

Alternatives – neutral – Dividend yields from renewables and infrastructure remained attractive, particularly as interest rates began to decline. We maintained an overweight position in gold, reflecting concerns over rising debt levels in Western economies and continued demand from emerging market central banks.

Cash – underweight – With interest rates having peaked across most developed markets, the return on cash was likely to fade. We reduced exposure accordingly, favouring risk assets offering stronger long-term return potential.

More information on the Charity's Investments can be found in Note 20 of the statutory accounts.

RNRMC Asset Allocation as at 31 December 2024



Performance

Sarasin Held Portfolio

During 2024, the portfolio generated a net return of 13.7%, behind the benchmark return of 15.7%.

Key factors that have impacted the portfolio's performance:

- **Bonds** – Government bond values declined as interest rate expectations moved higher through the year. The portfolio's fixed income allocation fell by -3.3%, behind the benchmark index.
- **Equities** – Equity markets delivered strong gains, supported by resilient corporate earnings and optimism around global growth. The portfolio's equity allocation rose by 17.1%, albeit slightly behind the broader global equity index.
- **Property** – UK commercial property recovered modestly, returning 5.4% over the year. Stabilising net asset values and a steady flow of rental income supported performance.
- **Alternative investments** – The allocation rose by 6.5%, with positive contributions from gold, absolute return strategies and listed private equity holdings.
- **Currency hedging** – The decision to partially hedge the portfolio to sterling contributed positively to absolute returns.

2024 as a whole

Despite persistent geopolitical uncertainty and shifting monetary policy, global equity markets delivered strong returns in 2024. The rally broadened beyond the narrow leadership of previous years, with gains spreading across sectors and regions. Optimism

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around falling interest rates, continued innovation in technology, and resilient economic data supported risk appetite—though government bonds came under pressure as inflation expectations were revised higher.

The portfolio benefited from the equity rebound, particularly through exposure to long-term structural growth themes such as AI. Gold and listed private equity also contributed positively within alternatives, while tight credit spreads and renewed bond market volatility reinforced our cautious stance on fixed income.

As 2025 began, markets remained buoyant, and Sarasin initially retained a positive stance on risk. However, concerns quickly emerged around the potential for destabilising policies under the new US administration. In response, Sarasin took a more defensive position—reducing equities in favour of cash as a prudent step amid rising uncertainty.

Cazenove Held Portfolio

RNRMC Investment Fund no.2 Portfolio

The no.2 portfolio, which only holds private equity, made a negative return for the period 1st January 2024 – 31st December 2024 of (11.6%). The negative return is due to wind-up costs as the fund comes towards the end of its life cycle.

Custodian Funds

RNRMC also holds other external funds as a custodian. These are funds with similar objects to the charity who support the same beneficiary pool and who don't have access to their own segregated investment portfolio. The capital is held and invested within the main portfolio by Sarasin, with dividends being paid quarterly to the respective funds. Funds are held with a long-term view but can be drawn down upon at any time. More information on the Custodian funds can be found in Note 23 of the statutory accounts.

Cash Policy

During 2024 the cash policy was revised to protect the charity from volatile markets during times when cash drawdown was required. The policy is now to hold between 12 and 18 months of rolling cash requirement in line with budgets. Cash forecasts are presented to, and authorised by the FRAC after considering the drawdown requirement. The current view of the IC and FRAC is that due to the volatility in Markets, cash should be taken as required in order to carry 12 months of cash.

Principal Risks and Uncertainties

The risks and uncertainties in this section relate to the Group from the perspective of RNRMC Charity only. Individual reports for the other group entities can be found in their individual Trustee Reports. Trustees regularly consider the major risks to which the Charity is exposed to ensure the management of risk.

Trustee reviews are undertaken at each quarterly Board meeting when the mitigation plan for all major risks is assessed against the ability to deliver the Charity's outputs detailed in an annual delivery programme. In addition, each quarterly meeting considers detailed reports on the highest risks to ensure sufficient attention and resource is focused on treating or mitigating these risks. These mitigations are detailed on the risk register along with potential further actions that are being taken to further reduce risks where possible.

Subsidiary charities within the Group make a report to each main Board meeting, including any risks that they wish to elevate to the Group Board. The risks held by the Subsidiary Charities can be reviewed in their individual Statutory Accounts.

The Trustees recognise there remains uncertainties that could affect our risk mitigation strategy through uncontrollable, external factors such as government policy, external focus on the charity sector fundraising profile and the wider economic conditions.

The areas below remain those of the highest potential risk if not mitigated: -

Royal Navy & Royal Marines Charity

Risk	Mitigating Actions Taken
Financial which includes: • A significant downturn in UK prosperity • War, conflict or catastrophic event • Poor investment fund management • Not meeting our voluntary income targets • Stock market crash	• Review of fundraising and engagement capability post Covid-19 to diversify income opportunities • Case studies of support provided by those we fund to improve success at securing major individual and corporate gifts • Systematic approach to budget setting and financial planning including cashflow with detailed monitoring • Review of investment strategy and performance

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Risk	Mitigating Actions Taken
• Constraints on corporate and major donors to charity giving • Loss or reduction of funding streams • Not meeting identified need through developing the commissioning approach • A paucity of infrastructure support services • In achieving a balanced budget in the future, the charity fails to achieve planned beneficiary outcomes These risks would reduce the capacity to deliver the strategy.	• Regularly review reserves to combat macro-economic or strategic shocks that could impact on the Charity • Risk Based Reserves (RBR) policy ensures we have a sufficient range of funds should a significant risk be realised • Support additional identified need through our RBR policy funds above maximum and monitor spend closely • Controlled and planned final drawdown to sustainable budget • Engagement with funding partners
Governance which includes: • Complex Group governance structure and impact of inappropriate activities by subsidiaries • Lack of compliance with legal and regulatory requirements • Breach of data and/or IT breach by external agents • Lack of impact/outcome evidence may lead to sub-optimal block grant making • Increased likelihood in safeguarding issues as we deliver a direct support service These risks will impact operational delivery and increase regulatory scrutiny, both of which will impact the ability to deliver objectives.	• Continue to review legal structure and seek to simplify it further in the future with the Charity Commission • Subsidiary activity overseen by the Group Board and Subsidiary Boards • Review governance of group against CC8 governance code • Focus on data protection, GDPR regulations and cyber security • Consent to contact campaign and registered with the Fundraising Regulator. Ensure compliance with the Charities Act 2016 • Whistle-blowing policy (freedom to speak up) known to employees. Robust process for any issues arising from a disclosure • Developed impact and monitoring for grant making and protocols for safeguarding
Reputational which includes: • Adverse publicity of RN may affect public's perception of the Charity's need for support and funds • Lack of control of funded organisation's activities • Publicised Grievance or Malicious contact with donors or beneficiaries These risks would impact reputation which is essential to keep key stakeholders, funders and beneficiaries positively engaged in assisting with delivering our outcomes.	• Work very closely with RN Comms to mitigate impact of any adverse change to the perception of the RN • Strong terms and conditions for organisations we fund and dedicated Relationship Director maintaining contact with these charities and our key stakeholders. • Commissioning programmes and commissioning manager strengthens relationships with funded organisations • We regularly review policies enacted during Covid as part of the normal business of the FRAC/IC • Robust HR policies and protocols while ensuring staff live the values of the Charity
People and Asset Risk which includes: • Inability to recruit and retain people with the required skills and expertise • Not achieving best value from expenditure • Our infrastructure not being fit for purpose These risks would reduce effectiveness to deliver our objectives, reducing impact.	• Recognise People are our most important asset. We review the reward policy in order to maintain and enhance retention • Formal Talent Management Programme. • Annual staff survey and develop and implement an action plan to address key issues using a Staff Reference Group • Review our Performance and Development Report. • Review the suitability of our financial control measures to reduce the possibility of deliberate or accidental loss • Infrastructure includes both cloud-based storage as well as Office 365 which has meant all staff are able to work from home

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Reserves Policy

The Trustees have a reserves policy, which is to set aside sufficient free reserves so as to be able to meet or smooth out the unexpected fluctuations in charitable expenditure or shortfall in income so as to be able to meet the increasing needs of current beneficiaries and remain sustainable for both current and future generations, as well as meeting the needs of the wider Group entities.

As the national charity of the Royal Navy, we provide the "Strategic Reserve" against future needs and we are committed to protecting the reserves for decades to come. Each legal entity within the Group has their own Reserves policy in line with their more specific strategic objectives and their reserves are excluded from our calculations below. More information about subsidiary Reserves Policies can be found within their Statutory Accounts.

RNRMC Board has established a charity risk-based reserve (RBR) policy with a minimum and maximum required reserves range, within which they aim to operate. This policy reflects the Trustees' desire to make sure it holds the reserves required to cover its agreed risks but also allows the Board the ability to apply funding to identified need for its beneficiaries whilst operating safely within the minimum and maximum range which allows for the regular movements in the investment markets.

Our RBR policy is underpinned by RNRMC risk register and is linked with the Charity's strategic objectives and delivery programme. This policy sets out five key areas of risk which our free reserves are there to support. These key areas are: -

- Governance
- Finance
- Reputation
- Stakeholders & Relationships
- People & Assets

Our structure is complex and is made up of a high percentage of restricted funds. We have managed to mitigate risk through these restricted funds thereby allowing us to show a lower unrestricted reserve range. This policy only covers our reserve requirement within our unrestricted funds.

A review of our RBR policy is undertaken annually. This involves a full review of all current risks and their associated risk values. The early 2025 review has determined that the target range of general reserves (excluding those reserves represented by restricted funds and designated reserves) required by the charity as being between £9.9m and £18.9m.

Our current unrestricted reserves for the Charity, excluding designated and trading company funds, is £17.4m, with free reserves for the Charity of £17.3m.

RNRMC Trustee Board has, over the past five years, actively spent down on excess reserves in order to support the needs of beneficiaries and are now content the Charity is now operating within the reserves range in accordance with RNRMC reserves policy.

The Trustees conduct an annual review of the appropriate level of general reserves, and changes to the charity's risk profile, strategy and plan will be considered as part of that review. The output of the annual review informs subsequent planning and budgeting cycles.

Policy Calculations

The total reserves for the Group as at 31 December 2024 were £81.9m (2023: £79.7m). For the Charity, unrestricted reserves formed £17.4m (2023: £17.5m) and designated funds £0.7m (2023: £0.7m). Restricted reserves (excluding trading company reserves) were £63.7m (2023: £61.4m), with trading company reserves of £0.2m.

Restricted and designated reserves constitute £64.4m (2023: £62.2m) of the total RNRMC Group funds, this is made up of subsidiary charities managed by a separate trustee body, restricted funds managed by relevant sub-committees and trading company reserves. More information on the makeup of these elements can be found in the notes to the statutory accounts in note 26.

Area	Notes	Minimum Reserves Level	Maximum Reserves Level
Governance	<i>Potential cost for poor charity governance</i>	£0.5m	£1.4m
Finance	<i>Significant change in external environment amounting to income drop, or beneficiary need increase</i>	£7.5m	£13.0m
Reputation	<i>Effect on Voluntary Income</i>	£0.5m	£1.2m

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Stakeholders and Relationships	<i>Relationship with Corporates / Key funders deteriorates</i>	£1.1m	£2.7m
People and Assets	<i>Significant increase in Staff Turnover and potential costs of restructure</i>	£0.2m	£0.6m
Range of Reserves Required		£9.9m	£18.9m

Statement of Trustees' Responsibilities

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

Company law requires the trustees to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:-

- select suitable accounting policies and then apply them consistently;
- comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 as amended by The Charities Accounts (Scotland) Amendment (No. 2) Regulations 2014.

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:-

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' Annual Report is approved by the trustees of the Charity. The Strategic Report, which forms part of the Annual Report, is approved by the trustees in their capacity as directors in company law of the Charity.

Signed on behalf of the Trustees on

.....
Dr Brian Gilvary
Chairman

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE ROYAL NAVY AND ROYAL MARINES CHARITY

Opinion

We have audited the financial statements of The Royal Navy and Royal Marines Charity for the year ended 31 December 2024 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group 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) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2024 and of the group's incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended) and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the charitable company 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 charitable company'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE ROYAL NAVY AND ROYAL MARINES CHARITY

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 or the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 36, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they 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 group and parent charitable company'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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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 an auditor's report 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE ROYAL NAVY AND ROYAL MARINES CHARITY

is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are The Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE ROYAL NAVY AND ROYAL MARINES CHARITY

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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.

Use of this report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditor's report addressed to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

James Cross (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

Date:

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

ROYAL NAVY AND ROYAL MARINES CHARITY
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds 2024 £	Restated Total Funds 2023 £
INCOME & ENDOWMENTS						
Donations and legacies	4	2,574,351	4,994,816	-	7,569,167	8,183,249
Other trading activities		1,591,304	91,012	-	1,682,316	1,776,273
Investment income	5	418,064	1,615,208	-	2,033,272	1,979,900
		4,583,719	6,701,036	-	11,284,755	11,939,422
Charitable activities	6	1,462,000	1,001,590	-	2,463,590	3,076,829
Total operating income		6,045,719	7,702,626	-	13,748,345	15,016,251
EXPENDITURE						
Raising funds	7					
Investment management fees		109,980	327,463	-	437,443	429,661
Fundraising costs		2,710,850	1,703,954	-	4,414,806	3,826,980
Total cost of raising funds		2,820,830	2,031,417	-	4,852,248	4,256,641
Charitable activities	8					
S1 Quality of Life Serving		1,949,536	2,968,273	-	4,917,809	5,029,511
S2 Individual Benevolence		1,227,783	2,173,206	-	3,400,989	3,639,661
S3 Naval Families		580,973	2,503,215	-	3,084,188	2,586,015
S4 Veterans		715,894	595,821	-	1,311,715	3,325,145
S5 Naval Charity Support		600,309	-	-	600,309	334,876
Total charitable expenditure		5,074,495	8,240,515	-	13,315,010	15,052,740
Total operating expenditure		7,895,326	10,271,932	-	18,167,259	19,171,847
Net operating income/ (expenditure)		(1,849,607)	(2,569,306)	-	(4,418,913)	(4,155,596)
Net gains/(losses) on investment assets	20	1,872,295	4,622,739	73,719	6,568,753	3,337,347
		22,688	2,053,433	73,719	2,149,840	(818,249)
WRNSBT transfer of funds	30	-	-	-	-	4,254,862
Gross transfers between funds	16	(228,983)	302,702	(73,719)	-	-
Net movement in funds		(206,294)	2,356,134	-	2,149,840	3,436,613
Total funds brought forward	26	18,357,880	60,731,773	655,649	79,745,302	76,308,688
Total funds carried forward	26	18,151,586	63,087,907	655,649	81,895,142	79,745,302

The Charity has no recognised gains or losses for the year other than as detailed above.

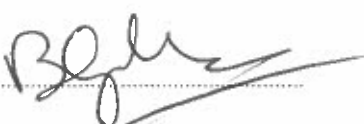
The net movements in the Charity's funds for the year arise from the Charity's continuing activities.

The Notes on pages 37 to 67 form part of these accounts.

**ROYAL NAVY AND ROYAL MARINES CHARITY
BALANCE SHEET- GROUP AND CHARITY
FOR THE YEAR ENDED 31 DECEMBER 2024**

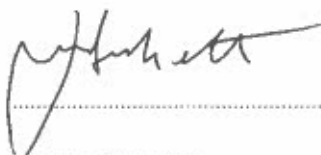
	Notes	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Fixed assets					
Tangible assets	19	2,610,165	2,734,948	712,565	756,644
Intangibles	18	326,152	248,643	4,490	15,265
Investments	20	79,083,872	76,466,762	41,874,772	42,489,732
		<u>82,020,189</u>	<u>79,450,353</u>	<u>42,591,827</u>	<u>43,261,641</u>
Current assets					
Stock	21	241,114	254,353	-	-
Debtors	22	2,021,598	4,100,557	1,594,741	1,526,990
Cash at bank and in hand		6,920,373	4,777,742	3,441,325	1,810,027
		<u>9,183,085</u>	<u>9,132,652</u>	<u>5,036,066</u>	<u>3,337,017</u>
Liabilities					
Creditors falling due within one year	23	(9,306,831)	(8,837,702)	(8,173,257)	(7,588,417)
Net Current assets/ liabilities		<u>(123,746)</u>	<u>294,950</u>	<u>(3,137,191)</u>	<u>(4,251,400)</u>
Total assets less current liabilities		<u>81,896,443</u>	<u>79,745,302</u>	<u>39,454,636</u>	<u>39,010,241</u>
Creditors due in more than one year	25	(1,301)	-	-	-
Net Assets		<u>81,895,142</u>	<u>79,745,302</u>	<u>39,454,636</u>	<u>39,010,241</u>
Accumulated funds					
Permanent endowment	26	655,649	655,649	655,649	655,649
Restricted funds	26	63,014,186	60,731,773	20,736,690	20,168,897
Unrestricted funds	26	17,570,256	17,672,752	17,407,245	17,500,567
Designated funds	26	655,052	685,128	655,052	685,128
Total accumulated funds		<u>81,895,142</u>	<u>79,745,302</u>	<u>39,454,636</u>	<u>39,010,241</u>

The financial statements on pages 34 to 67 were approved by the trustees on and signed on their behalf



Dr Brian Gilvary
Chair

Company registration number 6047294



Mr John Bartlett
Chair of the Finance, Risk
and Audit Committee

**ROYAL NAVY AND ROYAL MARINES CHARITY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024**

	2024 £	2023 £
Cash flow/(outflow) from operating activities		
Net cash outflow from operating activities	<u>(3,634,547)</u>	<u>(3,345,996)</u>
Cash flows from investing activities		
Investment income and interest received	2,033,272	1,979,900
Proceeds from disposal of fixed asset investments excluding endowment funds	48,105,426	35,676,922
Acquisition of fixed asset investments excluding endowment funds	(44,153,783)	(34,303,823)
Proceeds from disposal of tangible fixed assets	-	-
Payments to acquire tangible fixed assets	(55,020)	(1,447,393)
Payments to acquire intangible fixed assets	(154,018)	(114,637)
Net cash inflow from investing activities	<u>5,775,877</u>	<u>1,790,969</u>
Cash flows from financing activities		
Bank loan (repayments)	1,301	(24,900)
Net increase/(decrease) in cash and cash equivalents	2,142,631	(1,579,926)
Cash and cash equivalents at beginning of year	4,777,742	6,357,669
Cash and cash equivalents at end of year	<u>6,920,373</u>	<u>4,777,742</u>

Reconciliation of net income/ (expenditure) to net cash flow from operating activities

	2024 £	2023 £
Net income including endowments	2,149,840	3,436,613
Adjustments for:		
Depreciation charges	179,507	124,701
Amortisation	76,509	75,043
Net (gains)/ losses on investments	(6,568,753)	(3,337,347)
Investment income	(2,033,272)	(1,979,900)
Decrease/ (increase) in stock	13,239	19,472
Decrease/ (increase) in debtors	2,078,961	(1,932,076)
Increase/ (decrease) in creditors	469,127	127,409
Loss on disposal of fixed assets	295	157
Loss on disposal of intangible assets	-	119,933
Net cash (used in)/ provided by operating activities	<u>(3,634,547)</u>	<u>(3,345,996)</u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

1 ACCOUNTING POLICIES

a) Basis of preparation

The financial statements comprise the charity and its subsidiaries under Charity Commission Schemes or Uniting Directions.

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company and its subsidiaries are a public benefit group for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006 under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410), the Charities Act 2011 and Charities Accounts (Scotland) Regulations 2006 as amended by The Charities Accounts (Scotland) Amendment (No. 2) Regulations 2014.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

b) Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and have taken account of pressures on donation and investment income and impact on investment values and income, as well as expenditure. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

c) Group financial statements

These financial statements consolidate the results of the Charity and RNRMC Enterprises Limited, its wholly owned trading subsidiary, the Royal Naval Benevolent Society for Officers, as the Charity is a corporate trustee with a right of veto, the Naval Service Sports Charity, as the Charity is the sole member, and RMA - the Royal Marines Charity (including its own subsidiaries, The Royal Marines Shop Limited and TRMC Enterprises Limited), as the sole member from 1 April 2011, on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account are not presented for the Charity itself as the Charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

The corporate charity's financial statements aggregate its own results with those subsidiaries where the Charity Commission has issued a Uniting Direction for the purposes of accounting. The subsidiaries whose results are aggregated with those of the charitable company are:

Subsidiary 1 - The Naval Service Dependents' Fund (NSDF)
Subsidiary 2 - The Naval Service Benevolence Fund (NSBF)
Subsidiary 3 - The Fleet Air Arm Benevolent Trust (FAABT)

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

1 ACCOUNTING POLICIES (continued)

Subsidiary 4 - The Naval Service Amenity Fund (NSAF)
Subsidiary 6 - The Naval Service Prizes and Awards Fund (NSPAF)
Subsidiary 7 - Queen Alexandra's Royal Naval Nursing Service Trust Fund (QARNNS)
Subsidiary 8 - Plymouth Royal Naval Aid Fund (PRNAF)
Subsidiary 9 - The Sir Donald Gosling Maritime Reserve Amenity Fund (DGMRF)
Subsidiary 10 - Naval Medical Compassionate Fund (NMCF)

Although subject to a Charity Commission Uniting Direction, the results of Subsidiary 5 - The Naval Service Sports Charity (NSSC) are not aggregated with those of the charitable company because the NSSC is a limited company and is therefore required to be treated on a consolidated basis.

On 19 July 2023 Womens Royal Naval Service Benevolent Trust became a wholly owned subsidiary of RNRMC. Its results for the year are consolidated in the group accounts.

d) Income

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Legacies are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy receivable can be measured reliably. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.

Income is deferred when the donor attaches conditions outside the Charity's own control or specifies that the resources are to be used in a future accounting period.

Investment income is received net of investment management fees but is grossed up in the accounts for investment management fees.

e) Volunteers and donated services and facilities

The value of services provided by volunteers is not incorporated into these financial statements.

Where services are provided to the Charity as a donation that would normally be purchased, this contribution is included in the financial statements at an estimate based on the value of the contribution to the Charity.

f) Expenditure

Liabilities are recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable expenditure has been re-classified in order to present the group's activities in a more meaningful format and appropriate comparative figures have been adjusted accordingly.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity. Unconditional grant offers are accrued once the recipient has been notified of the grant award and its payment is probable. Grant awards that are subject to the recipient fulfilling performance or other conditions are accrued when the recipient has been notified of the grant and either the performance condition is met or any remaining unfulfilled condition attaching to the grant is outside of the control of the Charity.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

1 ACCOUNTING POLICIES (continued)

g) Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

h) Allocation of overhead and support costs

Overhead, support and governance costs are allocated between the cost of raising funds and charitable activities. Overhead, support and governance costs relating to charitable activities have been apportioned between activities.

i) Costs of raising funds

The costs of raising funds consist of investment management fees and other direct costs of raising funds and an apportionment of governance, overhead and support costs.

j) Charitable activities

Costs of charitable activities include grants payable and other costs directly associated with providing sports, amenities, prizes and awards, dependants' grants or benevolence to beneficiaries and an apportionment of overhead, support and governance costs.

k) Governance costs

Governance costs comprise all costs involving the public accountability and running of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit, legal fees and trustee meeting expenses together with an apportionment of overhead and support costs.

l) Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable are charged to the Statement of Financial Activities in the period to which they relate.

m) Tangible fixed assets

Individual fixed assets costing £500 or more are capitalised at cost.

Freehold property	- over 50 years straight line
Computer and office equipment	- over 3 years straight line
Leasehold improvements	- over the life of the lease
Motor Vehicles	- over 3 years straight line

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

n) Intangible fixed assets

Intangible fixed assets are amortised on a straight line basis over their estimated useful economic lives as follows:

Website and software	- over 3 years straight line

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

1 ACCOUNTING POLICIES (continued)

o) Fixed asset investments

Investments are initially measured at their cost and subsequently measured at their fair value at each reporting date. Fair value is based on their bid value at the balance sheet date without deduction of the estimated future selling costs.

p) Realised gains and losses

All gains and losses are taken to the income and expenditure section of the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and original cost. Unrealised gains and losses are calculated as the difference between the market value at the end of the year and opening market value, or purchase date if later. Realised and unrealised gains are not separated in the Statement of Financial Activities.

q) Stock

Stock of goods for resale is stated at the lower of cost and net realisable value.

r) Heritage assets

The Charitable Group is the owner of a collection of Paintings, Silverware and other items. Many precious works are contained within messes across the Corps, which is housed and managed on behalf of the Charity by Serving Royal Marines within the Corps Secretariat. The collection is considered irreplaceable and as such it is not possible to attribute a reliable cost or value to it. It is additionally considered that the process of obtaining valuations of the collection would be disproportionate to any public benefit that might be derived and that it is impractical to apply conventional valuation techniques to the collection, due to the uniqueness of its nature.

s) Funds structure

The Charity has one permanent endowment, which requires the trustees to invest the capital in perpetuity; the income from this fund is wholly unrestricted.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. The funds of the subsidiaries noted under 1c) above are treated as restricted funds.

Unrestricted funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects.

Designated funds comprise those unrestricted funds where the trustees, at their discretion, have created a fund for a specific purpose.

t) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

1 ACCOUNTING POLICIES (continued)

u) Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 22 and 23 for the debtor and creditor notes.

v) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

w) Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements.

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

2 LEGAL STATUS OF THE CHARITY

The Charity is a company limited by guarantee and has no share capital. The members of the charity are the trustees listed on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

3. FINANCIAL ACTIVITIES OF THE CHARITY

The financial activities shown in the consolidated statement includes those of the RNRMC and its wholly owned trading subsidiary RNRMC Enterprises limited, and the RNOC, a charity in which the RNRMC is a trustee with the right of veto, the NSSC, a charitable company of which the RNRMC is the sole member, and RMA-TRMC (including its subsidiaries the RMSA, RMA Limited, RM Shop Limited and TRMC Enterprises Limited) a charitable company of which the RNRMC is the sole member and WRNSBT a charitable subsidiary. A summary of the financial activities undertaken by the RNRMC and its subsidiaries, that are the subject of Charity Commission Schemes or Uniting Directions, is set out below:

	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds 2024 £	Total Funds 2023 £
INCOME & ENDOWMENTS					
Donations and legacies	2,954,042	243,904	-	3,197,946	2,624,570
Investment income	418,064	422,261	-	840,325	908,146
	3,372,106	666,165	-	4,038,271	3,532,716
Charitable activities	1,474,702	304,975	-	1,779,677	2,133,454
Total operating income	4,846,808	971,140	-	5,817,948	5,666,170
EXPENDITURE					
Raising funds					
Investment management fees	109,976	124,253	-	234,229	303,660
Fundraising costs	1,537,207	38,939	-	1,576,146	1,282,824
Total cost of raising funds	1,647,183	163,192	-	1,810,375	1,586,484
Charitable activities					
S1 Quality of Life Serving	1,615,159	484,189	-	2,099,349	2,810,940
S2 Individual Benevolence	1,326,196	329,184	-	1,655,381	1,828,857
S3 Naval Families	1,038,722	1,589,087	-	2,627,809	2,205,895
S4 Veterans	724,602	86,213	-	810,816	2,462,154
S5 Naval Charity Support	600,309	-	-	600,309	334,876
Total charitable expenditure	5,304,990	2,488,675	-	7,793,665	9,642,723
Total operating expenditure	6,952,173	2,651,867	-	9,604,040	11,229,207
Net operating income/ (expenditure)	(2,105,365)	(1,680,727)	-	(3,786,091)	(5,563,035)
Net gains/(losses) on investment assets	1,946,013	2,210,756	73,719	4,230,488	2,120,500
	(159,352)	530,029	73,719	444,397	(3,442,535)
Gross transfers between funds	35,655	38,064	(73,719)	-	-
Net movement in funds	(123,697)	568,093	-	444,397	(3,442,535)
Total funds brought forward	18,185,994	20,168,597	655,649	39,010,240	42,452,775
Total funds carried forward	18,062,297	20,736,690	655,649	39,454,636	39,010,240

**ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

4.VOLUNTARY INCOME
Year to 31 December 2024

	Unrestricted 2024 £	Restricted 2024 £	Endowment 2024 £	Total 2024 £
Donations	1,390,719	3,831,589	-	5,222,308
Royal Navy Payroll Giving Scheme	1,092,266	-	-	1,092,266
RM Day's Pay Giving Funds	-	585,553	-	585,553
Legacies	91,366	577,674	-	669,040
Donated services	-	-	-	-
Other voluntary income	-	-	-	-
	<u>2,574,351</u>	<u>4,994,816</u>	<u>-</u>	<u>7,569,167</u>

Year to 31 December 2023

	Unrestricted 2023 £	Restricted 2023 £	Endowment 2023 £	Total 2023 £
Donations	790,319	3,401,553	-	4,191,872
Royal Navy Payroll Giving Scheme	1,097,254	-	-	1,097,254
RM Day's Pay Giving Funds	-	545,525	-	545,525
Legacies	74,796	2,273,802	-	2,348,598
Donated services	-	-	-	-
Other voluntary income	-	-	-	-
	<u>1,962,369</u>	<u>6,220,880</u>	<u>-</u>	<u>8,183,249</u>

**ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

5. INVESTMENT INCOME

Year to 31 December 2024	Unrestricted 2024 £	Restricted 2024 £	Endowment 2024 £	Total 2024 £
Dividends - UK equities	50,302	138,905	-	189,207
Dividends - non UK equities	161,513	321,927	-	483,440
Fixed interest - UK	75,332	189,965	-	265,297
Fixed interest - non UK	-	10,244	-	10,244
Income on property funds	43,249	65,630	-	108,879
Unit Trust	-	753,660	-	753,660
Other	-	-	-	-
Interest on cash deposits	16,524	87,176	-	103,700
Bank interest	71,144	47,701	-	118,845
	418,064	1,615,208	-	2,033,273

Year to 31 December 2023

	Unrestricted 2023 £	Restricted 2023 £	Endowment 2023 £	Total 2023 £
Dividends - UK equities	133,599	369,749	-	503,348
Dividends - non UK equities	172,969	220,099	-	393,068
Fixed interest - UK	46,844	122,370	-	169,214
Fixed interest - non UK	-	2,758	-	2,758
Income on property funds	30,897	61,059	-	91,956
Unit Trust	21,139	724,502	-	745,641
Other	4,907	16,556	-	21,463
Interest on cash deposits	5,968	39,366	-	45,334
Bank interest	-	7,118	-	7,118
	416,323	1,563,577	-	1,979,900

6. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted 2024 £	Restricted 2024 £	Endowment 2024 £	Total 2024 £	Total 2023 £
Greenwich Hospital	1,417,500	-	-	1,417,500	1,650,000
Nuffield Trust	-	190,788	-	190,788	177,756
Armed forces covenant fund trust funding	-	281,737	-	281,737	235,998
Other grants received	44,500	529,065	-	573,565	1,013,075
	1,462,000	1,001,590	-	2,463,590	3,076,829

£1,380,230 of income from charitable activities in the year to December 2023 was subject to specific restrictions imposed by the donor.

**ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

7. COST OF RAISING FUNDS

Year to 31 December 2024

	Unrestricted 2024 £	Restricted 2024 £	Endowment 2024 £	Total 2024 £
Investment management fees	109,980	327,463	-	437,443
Fund raising costs	2,710,850	1,703,954	-	4,414,806
	<u>2,820,830</u>	<u>2,031,417</u>	<u>-</u>	<u>4,852,248</u>

Year to 31 December 2023

	Unrestricted 2023 £	Restricted 2023 £	Endowment 2023 £	Restated Total 2023 £
Investment management fees	135,466	294,195	-	429,661
Fund raising costs	2,288,828	1,538,152	-	3,826,980
	<u>2,424,294</u>	<u>1,832,347</u>	<u>-</u>	<u>4,256,641</u>

**ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
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8. ANALYSIS OF CHARITABLE EXPENDITURE

Restatement:

During 2024 the charitable expenditure was analysed and allocated by strand as opposed to programmes and pathways. The 2023 comparatives were restated accordingly.

Analysis of charitable expenditure including support costs

Year to 31 December 2024

	Grants Payable 2024 £	Other Direct Costs 2024 £	Support Costs (See Note 11) 2024 £	Total 2024 £
S1 Quality of Life Serving	3,219,808	26,555	1,671,446	4,917,809
S2 Individual Benevolence	2,190,038	74,073	1,136,878	3,400,990
S3 Naval Families	2,014,197	24,394	1,045,597	3,084,188
S4 Veterans	844,363	29,032	438,320	1,311,715
S5 Naval Charity Support	-	600,309	-	600,309
Other charitable expenditure				
	8,268,406	754,363	4,292,242	13,315,011

Year to 31 December 2023

	Grants Payable 2023 £	Other Direct Costs 2023 £	Support Costs (See Note 11) 2023 £	Restated Total 2023 £
S1 Quality of Life Serving	3,320,446	38,471	1,670,594	5,029,511
S2 Individual Benevolence	2,378,925	63,843	1,196,893	3,639,661
S3 Naval Families	1,700,437	30,048	855,530	2,586,015
S4 Veterans	2,189,762	33,662	1,101,721	3,325,145
S5 Naval Charity Support	-	334,876	-	334,876
Other charitable expenditure				
	9,589,570	500,900	4,824,738	14,915,208

**ROYAL NAVY AND ROYAL MARINES CHARITY
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8. ANALYSIS OF CHARITABLE EXPENDITURE (continued)

Analysis of charitable expenditure by fund category

Year to 31 December 2024

	From Unrestricted Funds 2024 £	From Restricted Funds 2024 £	Total 2024 £
S1 Quality of Life Serving	1,949,536	2,968,273	4,917,809
S2 Individual Benevolence	1,227,783	2,173,206	3,400,990
S3 Naval Families	580,973	2,503,215	3,084,188
S4 Veterans	715,894	595,821	1,311,715
S5 Naval Charity Support	600,309	-	600,309
Other charitable expenditure	-	-	-
	<u>5,074,495</u>	<u>8,240,515</u>	<u>13,315,011</u>

Year to 31 December 2023

	From Unrestricted Funds 2023 £	From Restricted Funds 2023 £	Restated Total 2023 £
S1 Quality of Life Serving	2,204,646	2,824,890	5,029,536
S2 Individual Benevolence	1,457,816	2,181,845	3,639,661
S3 Naval Families	1,457,152	1,128,862	2,586,015
S4 Veterans	2,116,388	1,208,732	3,325,120
S5 Naval Charity Support	334,876	-	334,876
Other charitable expenditure	-	-	-
	<u>7,570,879</u>	<u>7,344,329</u>	<u>14,915,208</u>

**ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
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9. ANALYSIS OF GRANTS PAYABLE

Analysis of grants payable to individuals and institutions

Year to 31 December 2024

	Grants to Institutions	Grants to Individuals	Total 2024
	£	£	£
S1 Quality of Life Serving	2,104,065	1,115,743	3,219,808
S2 Individual Benevolence	1,311,080	878,957	2,190,037
S3 Naval Families	2,009,321	4,876	2,014,197
S4 Veterans	808,631	35,732	844,364
S5 Naval Charity Support	-	-	-
Other charitable expenditure			
Total	6,233,098	2,035,308	8,268,406

Analysis of institutions receiving grants more than £25,000:

	2024 £
Naval Childrens Charity	720,000
The Royal Naval Benevolent Trust	578,200
Kings Active Foundation	238,934
Royal Naval Association	186,675
Sailors' Children's Society	165,000
Relate	155,000
Dame Agnes Weston's Royal Charity for the Naval Service	135,818
Institute of Naval Medicine	112,486
The White Ensign Association	105,000
Solent Mind	99,242
HMNB Clyde	84,384
Veterans Outreach Society	81,000
Kings Group Academies	80,000
Soldiers Sailors Airmen and Families Association (SSAFA)	67,790
Royal Navy Family & People Support	61,663
HMS Dragon	60,371
Home-Start UK	60,000
Home-Start Lomond	52,200
Albatross Arts CIC	49,950
Society of St James Flags	46,800
RNAS Yeovilton	45,285
KIDs	40,000
Fighting With Pride	37,000
HMS Sutherland	35,843
The Submarine Family	35,782
Royal Navy Recovery & Resilience Margins HQ	34,868

**ROYAL NAVY AND ROYAL MARINES CHARITY
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FOR THE YEAR ENDED 31 DECEMBER 2024**

9. ANALYSIS OF GRANTS PAYABLE (continued)

Naval Families Federation	33,000
Southampton Family Trust	33,000
Royal Navy Winter Sport Association	32,500
Field Gun	30,000
Turn To Starboard	30,000
RNRM Commonwealth Support Network	27,476
Tom Harrison House	27,000
Commando Training Centre Royal Marines	26,328
Home-Start Kernow	25,500
Home-Start Hampshire	25,000
Home-Start Portsmouth	25,000
Marriage Care	25,000
Grants To Organisations Under £25k	683,786

Analysis of institutions receiving grants of more than £25,000:

RMA TRMC grants:

Globe & Laurel	120,817
Rock 2 Recovery	90,000
Gordon Messenger Centre	73,889
Dame Agnes Westons	55,923
Chamonix Winter	40,200

ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
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10. ANALYSIS OF GOVERNANCE COSTS

	Total 2024 £	Total 2023 £
Trustee meetings	15,806	32,018
Auditor's remuneration	94,492	76,694
Legal and professional fees	107,894	185,141
Other governance costs	-	-
Support costs - see Note 11	1,222,519	1,268,390
	<u>1,440,712</u>	<u>1,562,243</u>

The Support costs above that are included within Governance costs for the Group primarily include the costs relating to the CEO and CFO plus some other staff and represent the support necessary to deliver the management and reporting requirements for the Boards within the wider Group.

11. ALLOCATION OF SUPPORT COSTS AND OVERHEADS

Year to 31 December 2024

The breakdown of support costs and how these were allocated between cost of generating funds, charitable activities and governance costs is shown below.

Cost Type	Raising income 2024 £	Charitable Activities 2024 £	Governance 2024 £	Total Allocated 2024 £	Basis
Staff costs	809,189	2,548,765	1,041,699	4,399,654	Staff time
Administration	171,967	515,901	171,967	859,835	Usage
Insurance	8,853	26,559	8,853	44,265	Usage
Depreciation and amortisation	120,485	120,484	-	240,970	Usage
	1,110,495	3,211,710	1,222,519	5,544,724	
Direct governance costs			218,191	218,191	Actual
	1,110,495	3,211,710	1,440,711	5,762,915	
Allocation of governance support costs	360,178	1,080,533	(1,440,711)	-	Usage
	1,470,673	4,292,242	-	5,762,915	

Year to 31 December 2023- Restated

The breakdown of support costs and how these were allocated between cost of generating funds, charitable activities and governance costs is shown below.

Cost Type	Raising income 2023 £	Charitable Activities 2023 £	Governance 2023 £	Total Allocated 2023 £	Basis
Staff costs	911,878	2,734,605	1,175,215	4,821,698	Staff time
Administration	227,361	682,082	227,361	1,136,804	Usage
Insurance	9,716	29,149	9,716	48,582	Usage
Depreciation and amortisation	99,292	99,292	-	198,584	Usage
	1,248,247	3,545,128	1,412,292	6,205,668	
Direct governance costs	-	-	293,853	293,853	Actual
	1,248,247	3,545,128	1,706,145	6,499,521	
Allocation of governance support costs	426,536	1,279,609	(1,706,145)	-	Usage
	1,674,783	4,824,738	-	6,499,521	

**ROYAL NAVY AND ROYAL MARINES CHARITY
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The total support costs attributable to charitable activities is then apportioned based on the number of grants awarded during the year for each activity as shown below.

Charitable Activity	Percentage of grants awarded		Percentage of grants awarded		Restated
	2024	2024	2023	2023	2023
Cost Type	%	£	%	£	£
S1 Quality of Life Serving	39	1,671,446	35	1,670,594	
S2 Individual Benevolence	26	1,136,878	25	1,196,893	
S3 Naval Families	24	1,045,597	18	855,530	
S4 Veterans	10	438,320	23	1,101,721	
S5 Naval Charity Support	0	-	0	-	
	100	4,292,242	100	4,824,738	

12.ANALYSIS OF STAFF COSTS

	2024	2023
	£	£
Salaries and wages	4,236,736	4,420,347
Social security costs	439,261	443,905
Pension costs	280,829	292,321
	4,956,826	5,156,573

The number of employees whose emoluments (salaries and benefits in kind) fell within the following bands:

	2024	2023
£100,000-£110,000	1	1
£90,000-£99,000	2	1
£80,000-£89,999	1	3
£70,000-£79,999	5	4
£60,000-£69,999	3	4

The number of employees earning £60,000 or above for whom pension contributions have been paid in the year is 12 (2023: 13). The total pension contributions paid by the Charity during the year for employees earning more than £60,000 was £70,337 (2023: £101,293)

**ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
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13. STAFF NUMBERS

The average number of full time equivalent employees (including casual and part time staff) during the period was as follows:

	2024	2023
	No	No
Direct charitable - Sports	8	9
Direct charitable - Benevolence	34	34
Support	61	54
	<u>103</u>	<u>97</u>

14. TRUSTEES AND KEY MANAGEMENT PERSONNEL

No trustee received emoluments in the period (2023: none). Total travel expenses of £5,819 (2023: £1,254) were paid to eight (2023: six) trustees during the period.

Within the RNRMC there are ten unincorporated charities, six charitable companies, and one charity with a Royal Charter now integrated within the Group structure, representing the overwhelming majority of the naval charity sector. Each of these entities has a CEO or equivalent that form part of the team that we class as our key management personnel. These personnel are supported by the RNRMC Senior Leadership Team (SLT)

Therefore the Key management personnel include the Trustees, Chief Executive and the Group CEOs. The total employee benefits of the charity's key management personnel were £1,395,551 (2023: £1,448,487). No trustee received any remuneration as part of this figure.

**ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

15. MOVEMENT IN NET FUNDS FOR THE YEAR

	2024	2023
	£	£
Movement in net funds is stated after charging/(crediting):		
Auditors remuneration (including irrecoverable VAT):		
- Statutory audit (current year)	56,000	51,775
- Tax compliance	2,145	2,070
- Advisory and other	36,162	22,849
Depreciation - owned assets	179,507	124,701
Amortisation	<u>76,509</u>	<u>75,043</u>

16. TRANSFER BETWEEN FUNDS

Transfers between funds relate to amounts allocated by the RNRMC general funds to its subsidiaries.

17. TAXATION

The company is a registered charity and no provision is considered necessary for taxation.

18. INTANGIBLE FIXED ASSETS- GROUP

	Website & software
	£
Cost or Valuation	
As at 1 January 2024	504,943
Additions	154,018
Disposals	-
As at 31 December 2024	<u>658,961</u>
Amortisation	
As at 1 January	256,300
Charge for the year	76,509
Eliminated on disposals	-
As at 31 December 2024	<u>332,809</u>
Net book value	
As at 31 December 2024	<u>326,152</u>
As at 31 December 2023	<u>248,643</u>

18. INTANGIBLE FIXED ASSETS - CHARITY

	Website
	£
Cost or valuation	
As at 1 January 2024	66,719
Disposals	-
As at 31 December 2024	<u>66,719</u>
Depreciation:	
As at 1 January 2024	51,454
Charge for the year	10,775
As at 31 December 2024	<u>62,229</u>
Net book value	
As at 31 December 2024	<u>4,490</u>
As at 31 December 2023	<u>15,265</u>

ROYAL NAVY AND ROYAL MARINES CHARITY
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19. TANGIBLE FIXED ASSETS-GROUP

	Leasehold Improvements £	Freehold Property £	Office Equipment £	Motor Vehicles £	Total £
Cost or Valuation					
As at 1 January 2024	898,464	1,974,697	438,426	23,096	3,334,683
Additions	-	6,935	46,502	1,583	55,020
Disposals	-	-	(156,451)	-	(156,451)
As at 31 December 2024	898,464	1,981,632	328,477	24,679	3,233,252
Depreciation					
As at 1 January	175,985	85,785	323,619	14,346	599,735
Charge for the year	36,111	66,695	70,888	5,833	179,507
Eliminated on disposal	-	-	(156,155)	-	(156,155)
As at 31 December 2024	212,096	152,480	238,332	20,179	623,087
Net book value					
As at 31 December 2024	686,368	1,829,152	90,145	4,500	2,610,165
As at 31 December 2023	722,479	1,888,912	114,807	8,750	2,734,948

19.TANGIBLE FIXED ASSETS - CHARITY

	Leasehold Improvements £	Freehold Property £	Office Equipment £	Motor Vehicles £	Total £
Cost or Valuation					
As at 1 January 2024	889,194	-	292,674	-	1,181,868
Additions	-	-	19,923	-	19,923
Disposals	-	-	(75,374)	-	(75,374)
As at 31 December 2024	889,194	-	237,223	-	1,126,417
Depreciation					
As at 1 January	174,998	-	250,226	-	425,224
Charge for the year	36,111	-	27,891	-	64,002
Eliminated on disposal	-	-	(75,374)	-	(75,374)
As at 31 December 2024	211,109	-	202,743	-	413,852
Net book value					
As at 31 December 2024	678,085	-	34,480	-	712,565
As at 31 December 2023	714,196	-	42,448	-	756,644

**ROYAL NAVY AND ROYAL MARINES CHARITY
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20. FIXED ASSET INVESTMENTS

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Movements in fixed asset investments				
Market value brought forward	76,466,762	74,502,514	42,489,732	44,224,778
Transfers in (WRNSBT)	-	3,731,809	-	-
Additions at cost	44,153,783	30,572,014	26,332,842	23,531,272
Disposals at carrying value	(48,105,426)	(35,676,922)	(31,178,291)	(27,386,819)
Net gain/(loss) on revaluation	6,568,753	3,337,347	4,230,489	2,120,501
Market value carried forward	<u>79,083,872</u>	<u>76,466,762</u>	<u>41,874,772</u>	<u>42,489,732</u>

Analysis of market value of investments by type:

Unlisted-RM Conquering Horizons	20,037	-	-	-
Unlisted - RNRMC Enterprises Limited	-	-	100,000	100,000
Equities	56,707,587	51,145,788	31,791,193	27,648,331
Bonds	8,681,886	10,811,866	3,434,491	6,118,981
Alternative investments	9,844,967	10,295,303	5,168,638	5,948,917
Cash	3,829,395	4,213,805	1,380,450	2,673,503
	<u>79,083,872</u>	<u>76,466,762</u>	<u>41,874,772</u>	<u>42,489,732</u>

Analysis of market value of investments between those held within and outside the United Kingdom:

Within the United Kingdom	20,253,176	24,071,470	11,750,256	13,383,295
Outside the United Kingdom	58,830,696	52,395,292	30,124,516	29,106,437
	<u>79,083,872</u>	<u>76,466,762</u>	<u>41,874,772</u>	<u>42,489,732</u>

**ROYAL NAVY AND ROYAL MARINES CHARITY
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21. STOCK

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Goods for resale	241,114	254,353	-	-

22. DEBTORS

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Naval Service assisted travel loans	5,518	9,022	5,518	9,022
Accrued income	689,636	2,474,640	369,273	341,874
Owed from subsidiary undertakings	-	-	244,056	270,771
Other debtors and prepayments	1,326,444	1,616,895	975,894	905,323
	<u>2,021,598</u>	<u>4,100,557</u>	<u>1,594,741</u>	<u>1,526,990</u>

23. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Bank loan	548	-	-	-
Grants payable	2,582,197	2,503,577	2,470,699	2,481,488
Taxation and social security	133,166	126,637	61,147	60,541
Accruals and other creditors	5,550,510	5,215,281	4,667,966	4,097,860
Deferred income (see Note 24)	1,040,410	992,207	973,445	948,528
Owed to subsidiary undertakings	-	-	-	-
	<u>9,306,831</u>	<u>8,837,702</u>	<u>8,173,257</u>	<u>7,588,417</u>

**ROYAL NAVY AND ROYAL MARINES CHARITY
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Custodian funds

The RNRMC holds custodian funds on behalf of RNRM Welfare, UIF CTCRM (Unit Institute Fund Commando Training Centre Royal Marines), Royal Navy Association, Royal Navy Football Association, RNRM Sports Lottery, Porth Kerris LIBOR Fund and the Globe and Laurel Magazine Fund. These amounts are included within creditors above.

Entity	Principal Object	Held	2024 £	2023 £
RNRM Welfare	The Royal Navy's secondary (specialist) welfare service for naval service personnel and their families.	Cash	£430	£430
UIF CTCRM	A registered charity whose principal object is the promotion of efficiency of the armed forces of the Crown by the provision and support of facilities and activities for the efficiency and well-being of Service personnel.	Investment Portfolio with Sarasin and cash	£410,880	£314,608
Globe and Laurel Magazine Fund	A registered charity whose principal object is management, publication and sale of the Corps Journal of the Royal Marines.	Investment Portfolio with Sarasin and cash	£269,552	£243,507
Royal Naval Association	A registered charity whose principal object is to foster comradeship and "esprit de corps" among those who have served or are serving in Her Majesty's Naval Forces.	Investment Portfolio with Sarasin	£1,554,877	£1,403,935
The Royal Navy Football Association	A registered charity whose principal object is to promote the physical efficiency of members of the Royal Navy and Royal Marines.	Investment Portfolio with Sarasin and cash	£108,624	£98,131
RNRM Sports Lottery	A non-public fund which was set up to generate funds to support all levels of sport, adventure training and recreation in the Naval Service.	Investment Portfolio with Sarasin and cash	£1,093,477	£987,813
Porth Kerris LIBOR fund	A grant received from the LIBOR fines fund to support a specific RN Project at Porth Kerris.	Investment Portfolio with Sarasin	£300,000	£300,000
HMS QUEEN ELIZABETH Gosling Fund	The QNLZ Gosling Fund is an organisation whose principal object is 'the promotion of efficiency of the armed forces of the Crown by the provision and support of facilities and activities for the efficiency and well-being of Service personnel.	Investment Portfolio with Sarasin	£246,782	£222,488

This activity falls within the RNRMC's principal object which is the promotion of the efficiency of the Naval Service and the Auxiliaries. By assisting these entities RNRMC's objects are being furthered allowing grants to be paid through proper financial and governance channels for RNRM Welfare and increasing the investment income potential by benefiting from beneficial rates offered to larger portfolios. Memorandums of Understanding are in place with all these entities and all custodian funds are accounted for separately.

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24. DEFERRED INCOME

Deferred income comprises grants received for future financial periods.

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Balance at 1 January	992,207	948,833	948,528	908,663
Amount released to incoming resources	(992,207)	(948,833)	(948,528)	(908,663)
Amount deferred in year	1,040,410	992,207	973,445	948,528
Balance at 31 December	<u>1,040,410</u>	<u>992,207</u>	<u>973,445</u>	<u>948,528</u>
Analysis:				
Release within one year	1,040,410	992,207	973,445	948,528
Release after more than one year	-	-	-	-
	<u>1,040,410</u>	<u>992,207</u>	<u>973,445</u>	<u>948,528</u>

25. CREDITORS:

AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Bank loan	1,301	-	-	-
	<u>1,301</u>	<u>-</u>	<u>-</u>	<u>-</u>

**ROYAL NAVY AND ROYAL MARINES CHARITY
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Analysis of unrestricted fund movements-prior year

	Balance at 01.01.2023 £	Income £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2023 £
Unrestricted funds						
RNRMC general funds	20,373,492	4,152,743	(8,569,629)	23,178	1,520,783	17,500,587
Designated:						
DRUMFORK	69,393	-	-	-	-	69,393
Building 37	645,811	-	(30,076)	-	-	615,735
Group and Charity designated total	715,204	-	(30,076)	-	-	685,128
RNRMC Enterprises Limited	-	944,889	(535,388)	(409,501)	-	-
Royal Marines Shop Limited	167,072	524,597	(502,233)	(17,251)	-	172,185
TRMCE	30,427	125,881	(1,375,768)	1,219,460	-	-
Group unrestricted total	21,286,195	5,748,110	(11,013,094)	815,886	1,520,783	18,357,880

Analysis of restricted fund movements- prior year

	Balance at 01.01.2023 £	Income £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2023 £
Naval Service Benevolence Fund	8,697	13,625	234,345	(274,205)	17,538	-
Naval Service Dependents' fund	8,578,019	319,120	(1,277,240)	-	258,065	7,877,964
Naval Service Amenity fund	-	-	13,862	(13,862)	-	-
Prizes and awards fund	4,536,615	103,489	(206,108)	-	133,192	4,567,188
FAA Benevolent Trust	4,841,439	103,140	(143,647)	-	132,032	4,932,964
QARNNS Trust Fund	903,650	24,934	(22,461)	-	24,323	930,446
Plymouth Royal Naval Aid Fund	252,195	5,343	(2,770)	-	6,878	261,646
Sir Donald Gosling Maritime Fund	261,331	5,837	(9,509)	-	7,509	265,168
Naval Medical Compassionate Fund	743,002	15,682	(11,429)	-	20,181	767,436
Nuffield Trust	23,528	177,756	(99,527)	-	-	101,757
The Submarine Fund	142,329	68,403	(161,640)	107,000	-	156,092
Armed forces covenant fund trust funding-TL	1,863	875	(2,738)	-	-	-
OARD	36,908	48,918	31,779	(10,000)	-	107,605
Helping Jim	33,860	26,104	(6,663)	-	-	53,101
Paul Morris	10,778	-	(3,243)	-	-	7,535
Armed Forces Covenant Fund-RO	274,458	-	(249,601)	-	-	24,857
RFA	59,960	5,190	(2,508)	-	-	62,642
Armed forces covenant fund trust funding-RSAFC	-	32,900	(32,900)	-	-	-
TSF- COSM	-	20,000	-	-	-	20,000
AFCTF-NDT	-	100,000	(67,502)	-	-	32,498
Charity restricted total	20,708,432	1,071,317	(2,019,500)	(191,067)	599,718	20,168,897

Group

Naval Service Sports Charity	4,476,301	532,975	(951,016)	208,790	116,775	4,383,825
RNOC (RNBSO) - general funds	16,037,214	804,992	(724,436)	-	429,869	16,547,639
RNOC - RN Scholarship Fund	236,913	9,338	(67,000)	-	5,262	184,513
RMA-TRMC general funds	7,430,208	4,092,099	(824,858)	(1,077,942)	299,440	9,918,947
Marines Museum Fund	1,000,000	-	-	(1,000,000)	-	-
RMA	731,496	236,419	(647,342)	(104,602)	-	215,971
RM Benevolence Fund	57,317	548,837	(1,505,360)	837,873	61,502	170
RM Cadet Fund	128,076	2,254	(779)	-	5,248	134,799
RM Central Sergeants' Mess Fund	773,901	154,724	(210,710)	(62,910)	41,410	705,415
RM Central Unit Institute Fund	1,282,746	316,021	(183,300)	(116,498)	50,786	1,349,756
RM Officers' Trust Fund	1,089,246	163,613	(140,370)	(53,588)	44,687	1,103,590
Armed forces covenant fund trust funding- PP	(309)	1,000	(930)	239	-	-
Armed forces covenant fund trust funding- FFC	3,948	335	(4,283)	-	-	-
Armed forces Covenant trust fund-SS	38,118	-	(38,287)	169	-	-
Armed Forces Covenant Trust fund-OTM	22,381	5,000	(27,978)	595	-	-
RMSA	143,720	40,060	(374,843)	224,184	-	33,121
TRMC-NL-LTL	26,666	80,000	(86,667)	-	-	19,999
TRMC-AFGHAN	128,145	15,000	(132,818)	(1,128)	-	9,199
TRMC-B72	50,000	1,020,000	(38,845)	500,001	-	1,531,156
CTCFC	2,323	-	(2,979)	19,999	-	19,343
TRMC-AFCTF-BCC	-	80,000	-	-	-	80,000
TRMC-AFCTF-RSAF	-	15,888	(5,298)	-	-	10,592
WRNSBT	-	78,271	(180,156)	4,254,862	161,867	4,314,844

Group & Charity restricted total	54,366,842	9,268,143	(8,167,753)	3,438,977	1,816,564	60,731,773

Analysis of permanent endowment fund movements-prior year

	Balance at 01.01.2023 £	Income £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2023 £
Naval Service Benevolence Fund	655,649	-	-	-	-	655,649
Permanent Endowment Total	655,649	-	-	-	-	655,649

**ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

26. ANALYSIS OF CHARITABLE FUNDS

Analysis of unrestricted fund movements-current year

	Balance at 01.01.2024 £	Incoming resources £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2024 £
RNRMC general fund	17,500,587	4,497,020	(6,582,261)	25,905	1,946,014	17,407,245
Designated:						
DRUMFORK	69,393	-	-	-	-	69,393
Building 37	615,735	-	(30,076)	-	-	585,659
Group and Charity designated total	685,128	-	(30,076)	-	-	655,052
RNRMC Enterprises Limited	-	927,252	(584,656)	(342,586)	-	-
Royal Marines Shop Limited	172,185	522,006	(508,180)	(23,000)	-	163,011
TRMCE	-	99,441	(210,149)	110,708	-	-
Group unrestricted total	18,357,880	6,045,719	(7,895,322)	(228,983)	1,946,014	18,225,308

Analysis of restricted fund movements-current year

	Balance at 01.01.2024 £	Incoming resources £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2024 £
Charity						
Naval Service Benevolence Fund	-	13,622	(2,273)	(11,349)	-	-
Naval Service Dependents' fund	7,877,964	160,563	(1,785,232)	-	864,778	7,138,073
Naval Service Amenity fund	-	-	47,587	-	-	47,587
Prizes and awards fund	4,567,188	100,020	(202,810)	-	543,380	5,007,778
FAA Benevolent Trust	4,932,964	102,999	(139,708)	-	555,026	5,451,281
QARNNS Trust Fund	930,446	19,142	(32,748)	-	102,246	1,019,086
Plymouth Royal Naval Aid Fund	261,646	5,344	(2,008)	-	28,919	293,901
Sir Donald Gosling Maritime Fund	265,168	5,835	(8,500)	-	31,569	294,072
Naval Medical Compassionate Fund	767,436	15,874	(4,841)	(50,587)	84,838	812,520
Nuffield Trust	101,757	190,788	(143,624)	-	-	148,921
The Submarine Fund	156,092	65,443	(142,735)	100,000	-	178,800
Armed forces covenant fund trust funding-TL	-	-	-	-	-	-
OARD	107,605	131,146	(38,487)	-	-	200,264
Helping Jim	53,101	4,467	(9,644)	-	-	47,924
Paul Morris	7,535	-	-	-	-	7,535
Armed Forces Covenant Fund-RO	24,857	10,000	(34,857)	-	-	-
RFA	62,642	11,910	(5,170)	-	-	69,382
Armed forces covenant fund trust funding-RSAFC	-	35,000	(35,000)	-	-	-
TSF- COSM	20,000	-	(20,000)	-	-	-
AFCTF-NDT	32,498	65,051	(97,549)	-	-	-
TSF - Tigh Mor	-	30,000	(10,432)	-	-	19,568
TSF-AFCTF-FFC	-	3,510	(3,510)	-	-	-
WCGC	-	3,000	(3,000)	-	-	-
Charity restricted total	20,168,897	973,514	(2,654,541)	38,064	2,210,756	20,736,690

	Balance at 01.01.2024 £	Incoming resources £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2024 £
Group						
Naval Service Sports Charity	4,383,825	474,294	(940,491)	87,000	458,783	4,463,411
RNOC (RNBSO) - general funds	16,547,839	1,002,341	(841,742)	-	863,405	17,371,843
RNOC - RN Scholarship Fund	184,513	7,654	(49,000)	-	-	143,167
RMA-TRMC general funds	9,918,947	3,064,508	(1,894,257)	(1,005,396)	620,189	10,703,891
RMA	215,971	254,613	(632,114)	396,317	-	234,787
RM Benevolence Fund	170	644,507	(1,504,683)	737,513	122,493	-
RM Cadet Fund	134,799	2,450	(1,300)	-	10,350	146,299
RM Central Sergeants' Mess Fund	705,415	163,687	(179,854)	(154,495)	82,369	617,342
RM Central Unit Institute Fund	1,349,756	316,741	(196,358)	(195,623)	101,281	1,375,797
RM Officers' Trust Fund	1,103,590	169,285	(126,465)	(120,540)	89,038	1,114,908
TRMC-AFCTF-ESLS	-	26,400	-	-	-	26,400
TRMC-CH	-	20,037	-	-	-	20,037
TRMC-OTTO	-	54,500	(66,290)	15,000	-	3,210
TRMC-JM-CFW	-	25,000	-	-	-	25,000
RMSA	33,121	140,200	(661,161)	480,149	-	(7,691)
TRMC-NL-LTL	18,898	-	(20,000)	1	-	-
TRMC-AFGHAN	9,200	-	(9,200)	-	-	-
TRMC-B72	1,531,156	-	(110,074)	-	-	1,421,081
CTCFC	19,343	29,835	(73,889)	24,712	-	-
TRMC-AFCTF-BCC	80,000	110,000	(103,758)	-	-	86,241
TRMC-AFCTF-RSAF	10,592	31,776	(31,776)	-	-	10,592
WRNSBT	4,314,844	191,286	(175,190)	-	190,336	4,521,276
Group restricted total	60,731,773	7,702,629	(10,271,942)	302,702	4,549,020	63,014,186

Analysis of permanent endowment fund movements-current year

	Balance at 01.01.2024 £	Income £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2024 £
Naval Service Benevolence Fund	655,649	-	-	(73,719)	73,719	655,649
Permanent Endowment Total	655,649	-	-	(73,719)	73,719	655,649

**ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

26. ANALYSIS OF CHARITABLE FUNDS (continued)

Classification of Group Funds

The RNRMC has a fund structure consisting of unrestricted, designated, restricted and one permanent endowment fund.

Unrestricted Fund – this fund represents those funds which have not been designated, and are available to support any of the objects of the parent charity.

Designated Funds – are held against known commitments as explained below and are a category of unrestricted funds:

LIBOR – Afghanistan – the designated funds to be used to primarily support the families of the fallen and wounded, injured and sick veterans of the Afghanistan Campaign. These funds were spent in 2020.

Drumfork – In 2015, the RNRMC received a £2m donation from HM Treasury for the refurbishment of the Drumfork club in Helensburgh, Scotland. The RNRMC designated £1m from its own funds in October 2017 to ensure the completion of the project, of which £931k has been spent. £69k remains in the designated fund for fixtures and fittings across 2022.

Building 37 – In 2017, the Trustees designated £770k for the renovation of Buildings 37 and 35 within HMS Excellent, Portsmouth in order to give the charity a fit for purpose working environment for the next 25 years. The designated fund will be retained to depreciate the cost over the term of the lease with the MOD (25 years) and is considerably less than the commercial rental rates of £40k per annum (£1m over the lease period at today's rates).

Permanent Endowment – held separately as part of the Naval Service Benevolence Fund.

Restricted Funds - the subsidiary charities are all restricted funds and are grouped under two main headings in order to achieve the RNRMC's charitable objectives. Each subsidiary's funds are restricted by the provisions of that charity's governing instrument, whether Royal Charter, Memorandum of Association** or Charity Commission Scheme***.

Benevolence	Promotion of Efficiency
Royal Navy Officers' Charity*	Naval Service Amenity Fund***
Naval Service Benevolence Fund***	Naval Service Prizes and Awards
Plymouth Royal Naval Aid Fund ***	Naval Service Sports Charity**
Naval Medical Compassionate	Naval Service Dependents' Fund***
	Fleet Air Arm Benevolent Trust ***
	Sir Donald Gosling Maritime Reserve
	Royal Marines Sports Association**
Charities with dual objects	
Queen Alexandra's Royal Naval Nursing Service Trust Fund***	
The Royal Marines Association - The Royal Marines Charity **	

The remaining restricted funds that are not mentioned in the table above have been received as restricted income rather than existing as separate charities merged within the RNRMC umbrella.

**ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

27. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

As at 31 December 2024

	Unrestricted* Funds £	Restricted Funds £	Endowment Funds £	Total 2024 £
Tangible fixed assets	713,467	1,896,696		2,610,163
Intangibles	441	325,710		326,151
Fixed asset investments	18,234,079	60,194,144	655,649	79,083,872
Cash at bank and in hand	1,047,316	5,873,057		6,920,372
Other net current assets/(liabilities)	(1,768,693)	(5,275,420)		(7,044,113)
Long term liabilities	(1,301)	-		(1,301)
	<u>18,225,308</u>	<u>63,014,187</u>	<u>655,649</u>	<u>81,895,142</u>

As at 31 December 2023

	Unrestricted* Funds £	Restricted Funds £	Endowment Funds £	Total 2023 £
Tangible fixed assets	758,412	1,976,536		2,734,948
Intangibles	441	248,202		248,643
Fixed asset investments	18,252,709	57,558,403	655,649	76,466,761
Cash at bank and in hand	990,477	3,787,265		4,777,742
Other net current assets/(liabilities)	(1,644,158)	(2,838,634)		(4,482,792)
Long term liabilities	-	-		-
	<u>18,357,881</u>	<u>60,731,773</u>	<u>655,649</u>	<u>79,745,302</u>

28. DISCLOSURE OF SUBSIDIARIES – ROYAL NAVAL BENEVOLENT SOCIETY FOR OFFICERS

The charitable company is the trustee with right of veto of the Royal Naval Benevolent Society for Officers, known as The Royal Navy Officers' Charity (RNOC), a charity formed by Royal Charter. RNOC have objects similar to those of the RNRMC. These financial statements consolidate the accounts for the RNOC. The following is an extract of the financial statements of RNOC for the year ended 31 December 2024:

	2024 £	2023 £
Income	927,932	724,173
Expenditure	(808,679)	(701,279)
Gains/(losses) on investments	663,405	435,131
Income/ (expenditure)	<u>782,658</u>	<u>458,025</u>
Total assets	17,531,757	16,737,688
Liabilities	(16,950)	(5,539)
Net assets	<u>17,514,807</u>	<u>16,732,149</u>
Restricted funds	143,168	184,514
Unrestricted funds	<u>17,371,639</u>	<u>16,547,635</u>
	<u>17,514,807</u>	<u>16,732,149</u>

**ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

29. DISCLOSURE OF SUBSIDIARIES – NAVAL SERVICE SPORTS CHARITY

The charitable company is the sole corporate member of the Naval Service Sports Charity (NSSC), a charitable company limited by guarantee. These financial statements consolidate the accounts for the NSSC. The following is an extract of the financial statements of NSSC for the period ended 31 December 2024:

	2024	2023
	£	£
Income	488,176	777,975
Expenditure	(953,491)	(987,226)
Gains/(losses) on investments	88,118	116,775
Income/ (expenditure)	<u>(379,197)</u>	<u>(92,476)</u>
Total assets	4,709,504	4,569,387
Liabilities	<u>(246,248)</u>	<u>(185,718)</u>
Net assets	<u>4,463,256</u>	<u>4,383,669</u>
Restricted funds	-	-
Unrestricted funds	<u>4,463,256</u>	<u>4,383,669</u>
	<u>4,463,256</u>	<u>4,383,669</u>

30. DISCLOSURE OF SUBSIDIARIES – RMA-TRMC – THE ROYAL MARINES ASSOCIATION- THE ROYAL MARINES CHARITY

The charitable company became the sole corporate member of The Royal Marines Charity (TRMC), a charitable company limited by guarantee, on 1 April 2011. These financial statements consolidate the accounts for the RMC. The following is an extract of the financial statements of TRMC for year ended 31 December 2024:

	2024	2023
	£	£
Income	6,170,786	7,179,823
Expenditure	(6,563,004)	(5,464,642)
Gains/(losses) on investments	1,025,740	503,073
Income/ (expenditure)	<u>633,522</u>	<u>2,218,254</u>
Total assets	16,705,516	15,780,507
Liabilities	<u>(771,269)</u>	<u>(654,186)</u>
Net assets	<u>15,934,247</u>	<u>15,126,321</u>
Restricted funds	4,848,257	4,998,039
Unrestricted funds	<u>11,085,990</u>	<u>10,128,282</u>
	<u>15,934,247</u>	<u>15,126,321</u>

ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

31 DISCLOSURE OF SUBSIDIARIES – WOMEN'S ROYAL NAVAL SERVICE BENEVOLENT TRUST

WRNS became a wholly owned subsidiary of RNRMC on 19 July 2023 and accordingly on that date the company became a subsidiary of the group. Its results for the period to the 31 December are consolidated in the Group accounts. The following is an extract of the financial statements of Women's Royal Naval Service Benevolent Trust for the year ended 31 December 2024 and the comparatives are for the period from 19 July to 31 December 2023.

	Year ended 2024	Period ended 2023
	£	£
Income	191,286	78,271
Expenditure	(175,190)	(180,156)
Gains/(losses) on investments	190,336	161,867
Net income	<u>206,432</u>	<u>59,982</u>
Transfer of net assets as at 18 July 2023	-	4,254,862
Total funds	<u><u>206,432</u></u>	<u><u>4,314,844</u></u>
Total assets	4,539,133	4,362,889
Liabilities	<u>(17,857)</u>	<u>(48,045)</u>
Net assets	<u><u>4,521,276</u></u>	<u><u>4,314,844</u></u>
Total funds	<u><u>4,521,276</u></u>	<u><u>4,314,844</u></u>

32 DISCLOSURE OF SUBSIDIARIES – RNRMC ENTERPRISES LIMITED

The RNRMC Enterprises Limited was incorporated on 5 March 2012, as the wholly owned trading subsidiary of RNRMC with a share capital of £100,000. Its results to the 31 December are consolidated in the Group accounts. The following is an extract of the financial statements of RNRMC Enterprises Limited for the year to 31 December 2024:

	2024	2023
	£	£
Income	940,252	977,499
Expenditure	<u>(584,656)</u>	<u>(535,388)</u>
Net income - gift aided to RNRMC	<u><u>355,596</u></u>	<u><u>442,111</u></u>
Total assets	545,545	611,203
Liabilities	<u>(445,545)</u>	<u>(511,203)</u>
Net assets	<u><u>100,000</u></u>	<u><u>100,000</u></u>
Share Capital and retained earnings	<u><u>100,000</u></u>	<u><u>100,000</u></u>

ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
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33 DISCLOSURE OF SUBSIDIARIES – TRMC ENTERPRISES LIMITED

TRMC Enterprises Limited was incorporated on 23 February 2016, as the wholly owned trading subsidiary of RMA-TRMC with a share capital of £1. Its results to the 31 December are consolidated in the Group accounts. The following is an extract of the financial statements of TRMC Enterprises Limited for the period to 31 December 2024:

	2024	2023
	£	£
Income	253,852	1,373,914
Expenditure	(204,639)	(1,345,341)
Net movement in funds	49,213	28,573
Gift aid donation to parent undertaking	(49,213)	(28,573)
Profit for the year	-	-
	2024	2023
	£	£
Current assets	57,358	249,923
Liabilities	(57,357)	(249,923)
Net assets	1	1
Share Capital and retained earnings	1	1

34 DISCLOSURE OF SUBSIDIARIES – ROYAL MARINES SHOP LIMITED

RMA-TRMC became the sole shareholder of Royal Marines Shop Limited on 1 April 2019 and accordingly on that date the company became a subsidiary of the group. Its results for the year to the 31 December are consolidated in the Group accounts. The following is an extract of the financial statements of Royal Marines Shop Limited for the year ended 31 December 2024:

	2024	2023
	£	£
Income	522,006	524,597
Expenditure	(508,180)	(504,484)
Net movement in funds	13,826	20,113
	2024	2023
	£	£
Fixed assets	1,588	2,747
Current assets	224,395	247,401
Liabilities	(60,754)	(75,745)
Net assets	165,229	174,403

**ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

35 PENSIONS AND OTHER POST-RETIREMENT BENEFIT COMMITMENTS

The Charity operates a defined contribution scheme, which is administered independently of the Charity. The cost to the Charity for the year was £280,829 (2023: £292,231). At the Balance Sheet date the amount due to the pension scheme administrators was £nil (2023: £Nil).

36 RELATED PARTY TRANSACTIONS

In August 2009 the Royal Navy agreed to lease office space at HMS Excellent to the Charitable Company at a peppercorn rent. These support costs are difficult to quantify as they are not discrete activities because personnel and office facilities are used for other Navy Command duties. As such the value of support provided by the Ministry of Defence has not been included in the Charitable Company's Statement of Financial Activities.

During the year trustees donated £21,105 (2023: £2,042) to the charity.

During the year The Royal Navy and Royal Marines Charity made a grant to its subsidiary, The Naval Service Sports Charity, of £100,000 (2023: £245,000).

During the year The Royal Navy and Royal Marines Charity made a grant to its subsidiary, RMA - The Royal Marines Charity, of £472,702 (2023: £365,000).

During the year The Royal Navy and Royal Marines Charity charged its subsidiaries the following amounts in respect of management and administration services: RNRMC Enterprises Limited £18,276 (2023: £17,715).

During the year RNRMC Enterprises Limited donated £350,086 (2023: £442,111) to the parent charity, The Royal Navy and Royal Marines Charity.

**ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

35 PENSIONS AND OTHER POST-RETIREMENT BENEFIT COMMITMENTS

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During the year trustees donated £21,105 (2023: £2,042) to the charity.

During the year The Royal Navy and Royal Marines Charity made a grant to its subsidiary, The Naval Service Sports Charity, of £100,000 (2023: £245,000).

During the year The Royal Navy and Royal Marines Charity made a grant to its subsidiary, RMA - The Royal Marines Charity, of £209,836 (2023: £365,000).

During the year The Royal Navy and Royal Marines Charity charged its subsidiaries the following amounts in respect of management and administration services: RNRMC Enterprises Limited £18,276 (2023: £17,715).

During the year RNRMC Enterprises Limited donated £350,086 (2023: £442,111) to the parent charity, The Royal Navy and Royal Marines Charity.

THE ROYAL NAVY AND ROYAL MARINES CHARITY

England & Wales - Charity number 1117794

Accounts

THE ROYAL NAVY & ROYAL MARINES CHARITY

CONSOLIDATED ANNUAL REPORT AND ACCOUNTS 2023

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FOR THE YEAR ENDED 31 DECEMBER 2023**

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REPORT OF THE TRUSTEES

LEGAL AND ADMINISTRATIVE INFORMATION

Honorary Officers

Patron

Her Royal Highness The Princess Royal

Senior Vice Patron

Honorary Captain The Lord Hintze Kt. AM RNR

Vice Patrons

Mr James Pitt

Honorary Captain Lance Batchelor RNR

Honorary Captain Sir Bill Thomas RNR

Mr Simon Pillar

President

Admiral Sir Jonathon Band GCB DL

Vice Presidents

General Sir Gordon Messenger KCB DSO* OBE ADC

Vice Admiral Sir Tim Laurence KCVO CB ADC(P)

Honorary Commodore The Honourable Stephen Watson RNR

Honorary Colonel RM The Lord Sedwill GCMG FRGS

Trustees, Members and Directors

Dr Brian Gilvary

Chairman

Mr John Bartlett

Mr Rod Birkett

Resigned 17th July 2024

Mr Simon Black

Lieutenant Commander Harriet Delbridge Royal Navy

Mrs Kate Phipps-Wiltshire

Mr Mark Robinson

Brigadier Mike Tanner OBE Royal Marines

Dr Michelle Westwood

WO1 Jamie Wright Royal Marines

Surgeon Captain Jo Keogh OBE Royal Navy

WO1 Barry Firth MBE Royal Navy

Dr Jo Pabari

Rear Admiral Steve Brunton CBE (Ret'd)

Appointed 17th April 2023

Commodore Catherine Jordan LVO Royal Navy

Appointed 20th July 2023

Lieutenant Colonel Simon Long RM

Appointed 17th April 2024

Mr Brian Duffin OBE

Appointed 17th April 2024

Mr Andrew Jameson OBE

Resigned 18th April 2023

REPORT OF THE TRUSTEES

LEGAL AND ADMINISTRATIVE INFORMATION (continued)

Chief Executive Officer

Mr Adrian Bell (Resigned 17th April 2023)
Mr Andrew Jameson OBE (Appointed 2nd May 2023)

Company Secretary

Mrs Samantha Nicolson MBE

Company Registration Number

6047294 (England and Wales)

Registered Charity Numbers

1117794 (England and Wales)
SC041898 (Scotland)

Registered Office

Building 37, HMS Excellent, Whale Island, Portsmouth, PO2 8ER

Auditor

Moore Kingston Smith LLP, Chartered Accountants
6th Floor, 9 Appold Street, London EC2A 2AP

Legal Advisors

Charles Russell Speechlys LLP
5 Fleet Place, London, EC4M 7RD

BDP Pitmans LLP

50 Broadway, London SW1H 0BL

Bankers

Holt's Military Banking
Royal Bank of Scotland plc,
200 Fowler Avenue, Fowler Business Park, Farnborough, GU14 7JP

Investment Managers

Sarasin & Partners LLP
Juxon House, 100 St. Paul's Churchyard, London, EC4M 8BU

THE ROYAL NAVY & ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

CHAIRMAN and CEO's REPORT

The RNRMC Group of charities remains entirely focused on meeting its charitable purpose, acting collectively in the best interest of beneficiaries. Whilst the individual objects of each entity within the Group vary, there is a clear unifying purpose, namely to support those who serve – whether that is during their service or after. The trustees of the RNRMC are committed to achieving that purpose, and there is little doubt that at this time of increased global instability the need to do so is as important as ever.

In the period covered by this report, the RNRMC charity has particularly focussed on providing support to the serving community, and their families, as well as veterans. The challenges facing those who serve has been widely reported in the media, and our response has been broad, covering for example alleviation of financial hardship, support for physical and mental health & wellbeing, and strengthening families especially in relation to neuro-diversity. We continue to meet this need mainly through our commissioning approach working with expert partners to deliver specific outcomes. This approach is both flexible and cost effective.

The RNRMC also recognises the debt of gratitude owed to those who have served, especially those who may have struggled to make the transition to civilian life; or who are experiencing hardship later in life. Accordingly, we continue to provide substantial financial assistance to provide support through financial and employment guidance, comradeship, and care for the elderly as well as direct financial assistance.

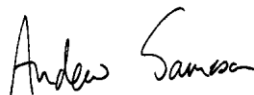
There is little doubt a joined-up approach between both funders and between delivery partners is the most efficient and effective way to support beneficiaries. Over the last 12 months, the RNRMC has championed many initiatives within the sector to encourage collaboration. And we have worked hard with other major funders – notably Greenwich Hospital and the Armed Forces Covenant Fund Trust – to develop joint plans to tackle the major issues facing our beneficiaries. The RNRMC trustees are resolute in their determination to pursue this agenda. Apart from anything else, our own supporters – the magnificently generous serving personnel who give monthly to their charity as well as the host of other individual and corporate donors – rightly expect that level of collaboration. In this regard, we were delighted His Majesty The King approved changes to the Royal Charter of the WRNS Benevolent Trust to allow the Trust to become part of the RNRMC Group in July 2023.

Over the next year, the trustees of the RNRMC will continue to make substantial funds available to meet the needs of our beneficiaries. In 2023, the RNRMC charity operated a planned deficit of £3.4m and the figure for 2024 is likely to be similar. During 2023, the charity's reserves fell from £42.5m to £39m. The trustees are comfortable with that level of reserves, and remain focused on ensuring funds are available and expended on meeting the charitable purpose for which the charity exists, now and for the future.

Since it was established in 2007, the charity has expended over £100m in charitable activity in support of its beneficiaries. That sum is a testament to the generosity of our supporters and friends, and the difference we have made is very evident and widely known. Maintaining this level of engagement is a key priority, and the Board of Trustees remain determined to continue to meet the current and future needs for many years to come. Our beneficiaries deserve nothing less.



.....
Dr Brian Gilvary
Chairman



.....
Mr Andrew Jameson OBE
CEO

Trustees' Report

Structure, Governance and Management

Context

The Royal Navy & Royal Marines Charity (RNRMC) is a charitable company, limited by guarantee, incorporated on 10 January 2007 and registered with the Charity Commission on 2 February 2007. The RNRMC was registered with the Office of the Scottish Charity Regulator on 17 November 2010.

Governance

The RNRMC is controlled solely by its Members, who are also its Trustees and make up the Board of Trustees. The Charity is governed by its Memorandum and Articles of Association, initially dated 6 December 2006 (the Articles of Association having been revised and adopted by Special Resolution on 30th January 2020) and is subject to the requirements and the protection of both charity and company law.

The Trustees, all of whom are volunteers, represent a blend of competence and experience and include those with experience of military service along with those with diverse civilian backgrounds. They are selected through a formal interview process and appointed for an initial term of three years. In accordance with good practice they would normally serve a maximum of three terms.

Group Entities

As at the 31st December 2023 there are nine unincorporated charities, three charitable companies, and two charities with a Royal Charter integrated within the Group structure. There are three trading subsidiaries.

- **The Royal Naval Benevolent Society for Officers, known as The Royal Navy Officers' Charity (RNOC)** (Charity No 207405) is a charity with a Royal Charter and retains its own trustees, who are responsible for the administration of the charity and the management of their own funds. The RNRMC is entitled to appoint a trustee and as the corporate member it also has a legal power of veto in general meetings. The RNRMC is represented by RAdm Steve Brunton CBE (Ret'd).
- **The Naval Service Sports Charity (NSSC)** is a charitable company, governed by a Board of Trustees. The RNRMC Board has overall control, as sole member, since they may resolve by ordinary resolution to amend the minimum and maximum numbers of trustees, to appoint or remove trustees and to change the Memorandum and Articles of Association. The RNRMC is represented on the NSSC board by Lt Col Simon Long.
- **Royal Marines Association-The Royal Marines Charity (RMA-TRMC)** (Charity No 1134205) is a charitable company, governed by a Board of Trustees. The RNRMC Board, under its authority as the sole member, may resolve by ordinary resolution to amend the minimum and maximum numbers of trustees and has the right to appoint or remove trustees and to change the Memorandum and Articles of Association after prior consultation with the RMA-TRMC Board. The RNRMC is represented by Mr Mark Robinson.
- **The Women's Royal Naval Service Benevolent Trust (WRNS BT)** (Charity No 206529) is a charity with a Royal Charter and retains its own Central Committee of Trustees, who are responsible for the management of the Trust. The RNRMC is the Sole Corporate Member and is entitled to appoint a trustee to represent them at the WRNS BT Central Committee meetings, Commodore Catherine Jordan LVO Royal Navy is the current representative. As the sole corporate member the RNRMC also has a legal power of veto in general meetings.
- **RNRMC Enterprises Limited** is the trading subsidiary for the Group, which is used to conduct appropriate parts of the Group's merchandising and Royal Marine Band Service trading activities. The Company was established by way of share capital from the RNRMC, which is the sole shareholder. The directors of the company are trustee, Mr Mark Lewthwaite (Chairman), the RNRMC Chief Executive, Mr Andrew Jameson OBE, and Mr Simon Wright, the Chief Operating Officer of the RMA-TRMC.

- **TRMC Enterprises Limited** is the trading subsidiary for RMA-TRMC which was initially established on 23 February 2016 to enable a single building project which was completed in 2017, it has since then completed several further projects supporting beneficiaries across the RM family.
- **Royal Marines Shop Limited** is the trading subsidiary of RMA-TRMC, brought in as part of the RMA-TRMC merger on 1 April 2019. Since September 2021 the RM Shop also fulfils online merchandise sales for the RNRMC.
- **Unincorporated charities** - the RNRMC Board has overall responsibility for their management and administration and delegates day-to-day operations to management committees through terms of reference. A number of these management committees are chaired by an RNRMC Trustee. The role of the management committee is to scrutinise and prioritise grant applications in line with their objects and provide oversight to the minor grants programme.

Committee Meetings

The Board meets at least three times a year. The RNRMC has encouraged closer communication with Group charities by taking up its option to nominate a trustee to the Boards of The Royal Navy Officers' Charity (RNOC), Royal Marines Association - The Royal Marines Charity (RMA-TRMC), the Naval Service Sports Charity (NSSC) and The Women's Royal Naval Benevolent Trust (WRNS BT).

The Board delegates certain powers in connection with the Charity's management and administration to formal committees. This delegation is controlled by requiring the committees to report back at the next Board meeting. All committees provide meeting minutes which are kept as part of the statutory records. The current members of the committees and those within the year are shown in the table below:-

Committee	Purpose	Members
Group Finance, Risk & Audit Committee *	To provide governance and risk assurance and financial oversight for the group ensuring that all the entities within the group benefit from common understanding and approach towards financial planning and risk management	John Bartlett (Chair) Rod Birkett Mark Robinson Richard Weaver (RMA-TRMC) Steve Brunton CBE Lt Cdr Harriet Delbridge RN Brian Duffin OBE
Finance Risk & Audit Committee (FRAC)	To monitor and scrutinise all financial, risk and audit issues. Meets three times per year.	John Bartlett (Chair) Rod Birkett Mark Robinson Richard Weaver (RMA-TRMC) Steve Brunton CBE Lt Cdr Harriet Delbridge RN Brian Duffin OBE
Committee Chairs Advisory Committee (CCAC)	To advise the executive on strategic planning	Kate Phipps-Wiltshire (Chair) Rod Birkett Simon Black John Bartlett Brian Duffin OBE
Investment Committee (IC)	To scrutinise the investment managers ongoing performance. Meets four times per year.	Rod Birkett (Chair) John Bartlett Mark Robinson Brian Duffin OBE (Chair Elect) Alice Wheatley (NSSC) Independent advisors:- Bryan Burrough, Alex Crooke & Mark Fitzgerald
Fundraising & Marketing Committee (FMC)	To oversee the expansion of activities in these areas and the execution of the agreed management plan. Meets three times per year.	Simon Black (Chair) WO1 Barry Firth MBE RN Dr Jo Pabari Independent Advisor:- John Turner

Committee	Purpose	Members
People Committee (PC)	To manage the Board and senior staff succession plan and oversee CEO remuneration. Meets three times per year	Kate Phipps-Wiltshire (Chair) Dr Brian Gilvary Brig Mike Tanner OBE RM Dr Michelle Westwood John Bartlett
Charity Committee (CC)	To oversee and set strategy and policy for all grant making. Meets three times per year.	Kate Phipps-Wiltshire (Chair) Lt Cdr Harriet Delbridge RN Dr Michelle Westwood Surg Capt Jo Keogh OBE RN
Through Life Committee (TLC) – <i>sub-committee of CC</i>	To provide oversight, scrutiny and approval of grants for Benevolence. Meets four times per year.	Surg Capt Jo Keogh OBE RN (Chair) Chris Banks Sarah Ayton Duncan Lamb Charles Stewart Sara Field Nicola Thompson Jonathan Ball OBE
Quality of Life Committee (QLC) – <i>sub-committee of CC</i>	To provide oversight, scrutiny and approval of grants for Amenities. Meets four times per year.	Lt Cdr Harriet Delbridge RN (Chair) Lt Cdr Nicolas Toms RN WO1 Jim Wright RM WO1 Ian Davies MBE RM (Vice Chair) WO1 Samantha Martin WO1 Mick Stanion RM WO1 (CRSM) Tim Jukes RM WO2 Andrew Vercoe WO1 Stephen Doyle LD Stuart Farden 3/O Hannah Riekemann LH Matt Clinch WO1 Nick Olive Musn Sarah Hill AB (Pol) Tegan Snell WO1 Paul Dungey WO1 Dave Smith LPT Amber Donaldson

* Following a review of its terms of reference, the Group FRAC will be replaced by a new body whose function will be to act as a forum to co-ordinate and share financial, governance and risk best practice within the Group. It will not be a sub-committee of the RNRMC Board, but rather a consultative body of all Group members.

Management and Administration

The policies and principles included within this Trustees Annual Report are those belonging to the Group, however individual charities can adopt / adapt these policies and principles to suit their own circumstances as disclosed within their individual statutory accounts.

Employees

The RNRMC Group employs around 118 staff with 65 employed by RNRMC. The day-to-day control and administration of the RNRMC is delegated to the Chief Executive Officer, whose senior staff manage functional departments.

The RNRMC is committed to the training, career and personal development of all employees. Each employee has an annual performance review where their performance is assessed against the Charity's objectives alongside personal achievements within their specific roles. A training programme is devised that meets both the Charity's needs and also enhances the individual's potential towards their professional development.

We are proud to hold the Silver Award for the Employee Recognition Scheme under the Armed Forces Covenant, which supports the transition of serving members of the Armed Forces into employment.

Remuneration

The Charity does not remunerate its Trustees. The Trustees are responsible for setting the remuneration of the Charity's Chief Executive and the remaining staff are paid via an agreed remuneration framework that sits within the overall reward policy that is agreed annually.

RNRMC's Reward Policy, introduced in 2018 has four principal pillars, comprising remuneration, benefits, recognition and learning and development. The framework is underpinned by a robust job evaluation process for each role within the charity which has been validated by our external Human Resource advisors. The CEO Salary is reviewed annually by the People Committee.

General Data Protection Regulation (GDPR)

In 2018 RNRMC implemented a suite of tools and staff training packages to monitor and ensure ongoing compliance with GDPR, it was reviewed in 2022 and further training provided to staff, we will also complete a second phase of our GDPR review in 2024. We continue to endeavour to ensure that all the personal information that we need in running the charity is properly protected, correctly used and safely stored and all staff receive training at point of induction and annually. Our privacy policy and other associated policy changes can all be accessed from our website to ensure transparency and assurance and these are reviewed regularly. We work closely with our IT managed service provider to monitor and ensure the security and compliance of our IT systems and have been awarded Cyber Essentials Accreditation.

Fundraising Principles

The RNRMC and RMA-TRMC both have established fundraising programmes across similar income streams.

The RNRMC and RMA-TRMC are registered with the Fundraising Regulator and adhere to the standards of the Fundraising Codes of Practice and to Charity Commission guidelines, particularly CC20 (Charity fundraising: a guide to trustee duties).

The RNOC's income is derived from investment income, active fundraising via the Association Royal Navy Officers' (ARNO) membership and other initiatives. NSSC's income is derived largely from investment income and grants received (including from the RNRMC) and there is therefore no requirement to fundraise.

No complaints about fundraising activity were received by the RNRMC or RMA-TRMC in 2023 and therefore there was no requirement for escalation to the Regulator. We have our own procedures in place for dealing with complaints. The complaints process is open and transparent and easy to access from our respective websites. Within the process, we publish a clear procedure for escalation and timescales when supporters can expect a response.

Anyone who is kind enough to consider support for the RNRMC can be assured that:-

- we never sell personal data to other organisations or charities. We do sometimes ask third party organisations to help process our data, but they will act under our instruction. We never allow these organisations to use RNRMC supporter data for their own purposes and the data remains our legal responsibility: we ensure that it is treated with the same level of care as if we were handling it directly.
- it is our policy never to undertake any telephone fundraising or 'cold calling'.
- all our electronic communications to supporters include information on how to opt out of future communications.
- we do not undertake door-to-door fundraising.

We display the Fundraising Regulator badge on our websites and fundraising collateral to demonstrate our commitment to best practice. We work with the Fundraising, Mail and Telephone Preference Services to ensure that those who choose not to receive specific types of communication do not have to.

Volunteer fundraising is fundamental to the efforts of both the RNRMC and RMA-TRMC and we would be unable to achieve the level of voluntary income we do without the support of Service and civilian volunteers. We rely on a pool of people who give their time freely to directly collect money, organise and assist at events, or make connections with local businesses. Those volunteers collecting money *'on behalf of'* the RNRMC and RMA-TRMC are doing so with the prior knowledge of the

charities and receive a volunteer induction, have a dedicated staff 'Line Manager' and have a signed Volunteer Agreement with the respective charity. Those volunteers who collect 'in aid of' the RNRMC and RMA-TRMC are often acting on their own initiative and we are consequently unaware until we receive the money that has been raised. Official collections are always made with sealed RNRMC and RMA-TRMC collecting bins. Collectors in public places require permission from local authorities or, if within its district, the Metropolitan Police. These licenses are applied for and recorded by the RNRMC and RMA-TRMC fundraising teams. We regularly review and update our volunteering policies.

Volunteers and Related Parties

All Trustees and members of the management committees of the subsidiaries give their services voluntarily and receive no remuneration for their activities, other than travel and incidental expenses where claimed. The serving members of the Board undertake their RNRMC duties as volunteers in addition to their normal line duties. The RNRMC continues to develop and expand its group of volunteers to assist in all areas of the Charity. These volunteers are supported by staff members as well as specific policies and procedures which includes a handbook for volunteers.

In addition to the volunteers above, we also have charity Ambassadors. The Ambassador programme was officially launched in early 2024 and there are now over 20 volunteer Ambassadors across the three Naval Base port areas. There are plans to continue to recruit several more to support the charity in areas where the Royal Navy is historically active but today has a very small footprint. The role of the Ambassador is to provide senior representation of the RNRMC promoting the work of the Charity.

Diversity, Equality and Inclusion

Our existing charity values reflect the need for equality, diversity and inclusion (ED&I). We also recognise that there will always be further improvements or enhancements that we can make to maximise ED&I within the Charity. We aim to achieve the following key outcomes by working towards delivering the recommended best practice within the Charity Governance Code which will help us to build a diverse, equal and inclusive culture within the charity:-

- The principles of equality, diversity and inclusion are embedded in the organisation and help to deliver the charity's public benefit.
- Obstacles to participation are reduced, with the organisation's work designed and open for everyone included within its charitable purposes. This supports the charity to challenge inequality and achieve improved equality of outcomes.
- The Board is more effective because it reflects different perspectives, experiences and skills, including, where applicable, from current and future beneficiaries.

The objectives of our Staff Reference Group include Culture which embraces equality, diversity and inclusion and for those new to the SRG we have set up specific ED&I training courses which help develop both their understanding as well as being beneficial for all of those who engage with them and the charity.

Objects, Vision and Strategy

The objects of the charity are:-

- the relief in need, hardship or distress of Beneficiaries and their Families and Dependants;
- the assistance with, provision of, or contribution to the education and training of children of Beneficiaries;
- the promotion of efficiency of the Naval Service and the Auxiliaries by way of the enhancement of morale, the improvement of recruitment and retention; and
- the further relief and encouragement, of men and women who are serving in the Naval Service or the Auxiliaries.

In 2020, the trustees developed a vision for the charity which is as follows:-

"A world in which our sailors, marines and their families are valued and supported, for life."

The charity seeks to deliver these objectives (and meet the vision) in two principal ways. Firstly, by providing grants to other charities and organisations to deliver specific outcomes which address an identified need of our beneficiaries. Typically, these arrangements with particular charities are over a 3-year period. These commissioning programmes span serving, families and veterans. Secondly, we provide grants directly to individuals, and to ships and units, which seek to improve the conditions of Service for those serving. We also support the next of kin of those who die whilst serving with an immediate financial grant.

In addition to these direct forms of support, we provide business services support at no cost to a number of charities with the same categories of beneficiaries as ours. This support (covering finance, HR and grant-making processes) allows those charities to direct their resources at meeting the needs of their beneficiaries.

Our Purpose: Our purpose is to honour our vision by ensuring we:-

- provide the leadership and alignment of common purpose for our beneficiaries' needs;
- find those who need help, especially the hidden and lost, and ensure they can find us;
- respond appropriately through direct support with key partners from the naval and other charities, the health and social care sector, and the benefits system;
- work to develop an effective and sustainable access and triage system with appropriate level of case and care supervision for the entire naval family.

Our Strategic Objectives:-

- We will work with other charities operating in our sector to establish a confederation in order to provide those in need within our beneficiary group with a single point of access to the totality of state and charitable support available.
- Acting with other naval charities and key stakeholders, we will ensure that our potential beneficiaries are made aware of the support that is available to those who need it.
- We will collaborate with Greenwich Hospital to agree funding priorities and secure a long-term financial commitment from Greenwich to deliver the RNRMC's charitable objects.
- We will commit to spending over 50% of our charitable expenditure on collaborative and long-term commissioning projects with other charities and organisations which seek to address underlying causes of need; and
- Recognising the need to act decisively, we will undertake bold and far-reaching plans and projects with our partners that will draw down substantially on our total net assets.

RNRMC Aims to:-

- Alleviate consequences of Service; and
- Honour Service to the Nation.

We will do this by our proactive/pre-emptive themes:-

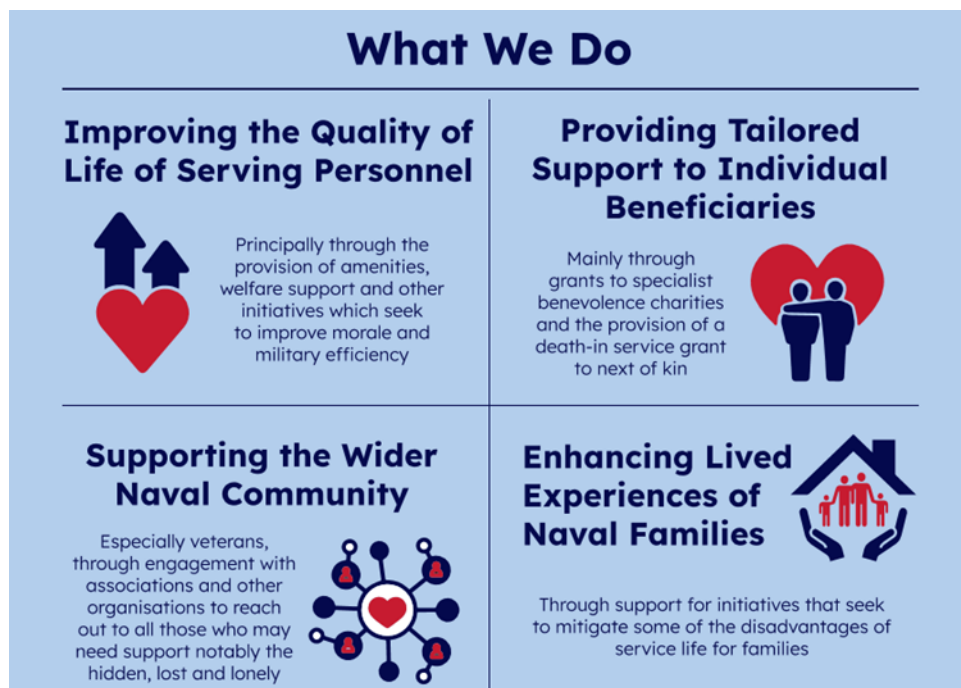
- Support to the Serving and their families
- Successful transition from service
- Combatting loneliness and isolation – building befriending and support networks

And reactive themes:-

- Caseworker network
- Independence and dignity for older/vulnerable veterans
- Benevolence support

We continually refresh our understanding of need through our partnership work and regular quantitative and qualitative monitoring information and data.

At the centre of our practice is our engagement with beneficiaries, using their needs and experience to inform how to design and deliver projects.



In order to deliver our objectives charitable activity was delivered in the following ways:-

- 7 commissioned grant programmes
- 2 grant pathways
- one-off special grants
- transition support pilot
- virtual grant making
- specialised restricted funds

Further information on our activities within these areas can be found in the grant making section.

Efficiency throughout the Charity and the wider Community

Maintaining a low overhead ratio is core to our belief of delivering more to a wider group of beneficiaries through an effective middle and back office.

We aim to play a full role in encouraging efficiencies and effectiveness across the sector including encouraging discussions about how the naval charity sector specifically, and the wider military charity sector more generally, might gain from the benefits of closer convergence.

One of the ways this objective is achieved is through virtual grant making, namely by providing external charitable support services. These services, provided at RNRMC cost, provides Naval Family charities both inside and outside of the RNRMC group, with administrative support across finance, HR and grant making, allowing our partners to focus on our common beneficiaries.

Public Benefit

In shaping our objectives and planning our activities, the trustees have considered the Charity Commissions guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

The trustees have recognised the principles of public benefit and believe that the RNRMC meets them, namely:-

- that there must be an identifiable benefit or benefits and they must be clear, related to the aims of the RNRMC and be balanced against any detriment or harm;
- the objects of the RNRMC are to focus on the relief in need, hardship or distress of disadvantaged persons, provide education and to improve the efficiency of the Naval Service. The range of the benefits deriving from benevolence activities includes the relief of poverty and improving the efficiency of other charities through the grants made. The RNRMC also provides its beneficiaries with facilities for sport and recreation;
- that the benefit must be to the public or to a section of the public. That the beneficiaries must be appropriate to the aims and, if to a section of the public, must not be unreasonably restricted and that those in poverty must not be excluded from the opportunity to benefit; and
- the potential beneficiary group of the RNRMC is wide and includes not just current serving personnel, but also the vast majority of our beneficiaries who are former Naval Service personnel, families and dependants. Benevolence grants are all based on need demonstrated by the charities that apply for grants and do not duplicate state funding.

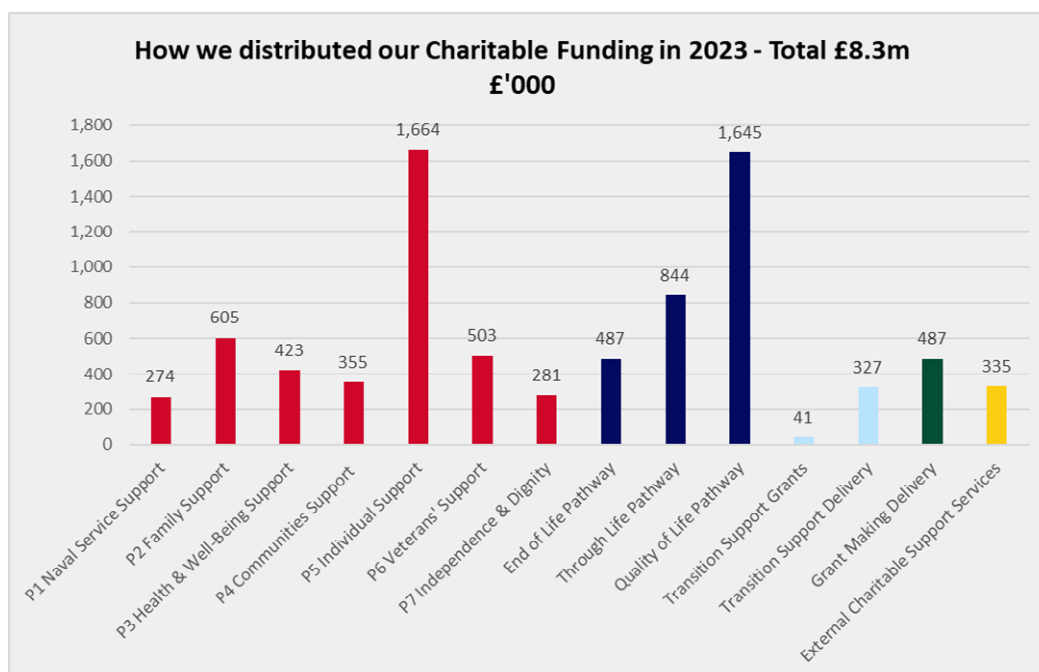
In addition, the RNRMC provides public benefit by enhancing and promoting military efficiency, strengthening the moral component of the Royal Navy's and the Royal Marines' esprit de corps.

Achievements & Performance - Royal Navy and Royal Marines Charity

The achievements and performance in this section relate to the RNRMC Charity only. Individual reports for the other group entities can be found further down in this report.

During 2023 the total charitable activity of the RNRMC was £8.3m. This includes not only the grants awarded (£7.1m) but also includes Grant making delivery, external charitable support services and the conclusion of our Transition Support project.

The graph below shows how the total charitable output of £8.3m was distributed by the charity in 2023.



Grant Making

During 2023, £7.1m of Grant making was awarded through a funding model focused on identifying need, early intervention, and prevention. This was achieved through a combination of:-

- **Programmes** – which focus on a particular beneficiary group or community in response to identified needs. Supported by commissioning intentions and costed plans for delivery.
- **Pathways** – which ensure we remain by the side of all beneficiaries from their first day in the Royal Navy and for decades after their Service ends; and
- **One off Grants** – special projects focusing on a specific need or timeframe.

Programmes

Funding and delivery for the commissioning programmes in 2023 was split between seven programmes:-

1. **Naval Service Support (£274k)** – To provide support to serving naval personnel. This included grant agreements for the Naval Service Sport Charity and The Submarine Family.
2. **Family Support (£605k)** – To provide support to naval families of serving personnel, including partnering with the Kings Foundation to provide activity camps for children during the school holidays and partnering with Relate to provide relationship and family counselling services and Home-Start, providing support for families with young children.
4. **Health & Wellbeing Support (£423k)** – To support mental health and wellbeing of service personnel and their families, which included partnering with Society of St James to provide gambling & addiction support (FLAGS) Anchoring Minds to support families; a project with the Gosport and Fareham Multi Academy Trust to create a Community Services Hub on site and additional support for RN mothers with pre- and post-natal depression.
5. **Communities Support Programme (£355k)** – To provide projects that support all beneficiaries and enhance existing provision, including in 2023 funding a post with Fighting with Pride to reach into the LGBT+ community; and providing a specialist worker to work from the White Ensign Association to support access to the Armed Forces Compensation scheme and further support delivered on bases and units for serving personnel.
5. **Individual Support (£1,664k)** – To ensure that those who fall on hard times have access to financial support, notably through grants to the Naval Children's Charity, the Royal Naval Benevolent Trust, the Sailors' Children's Society and Royal Marines Association The Royal Marines Charity.
6. **Veterans' Support (£503k)** – To support the specific needs of veterans, including partnering with SSAFA to provide casework for the naval family of charities and supported housing provision with Alabaré and Stoll.
7. **Promote Independence and Protect Dignity (£281k)** – To ensure that older and dependent beneficiaries have the care and support they deserve, including funding for military care homes and support for those living overseas.

Pathways

Throughout 2023, we operated three pathways which seek to deliver on our vision to support our sailors and marines, and their families, for life:-

- **Quality of Life Pathway (£1,645k)** – To provide grants which improve conditions of service and further the efficiency and morale of the Royal Navy, typically as a result from a funding bid from an individual ship, establishment or unit, and includes refurbishment of mess spaces, contributions to team building/social events, or prizes and awards. The charity continued to provide support swiftly to the frontline with quick turnaround to meet the needs of those operational deployed.
- **Through Life Pathway (£844k)** – To support the welfare of serving personnel, veterans and their families, typically by partnering with other charities to provide services, including Tom Harrison House in Liverpool providing addiction treatment and support, Scotty's Little Soldiers supporting RN and RM children following the death of a parent, and Turn to Starboard supporting veterans with PTSD through sailing.
- **End of Life Pathway (£487k)**– This pathway is now included under TLP and provides grants to support the dependants of those who pass away while in service. Sadly in 2023 there were 24 grants awarded to bereaved families.

Special Grants

- **Strengthening Families Neurodiversity** – Supported by funding made available from the Armed Forces Covenant Fund Trust and new for 2023, and included within the family support programme, the Neurodiversity project was launched to support serving personnel and their families.
- **Remembrance and Comradeship** – Building on the successful Falkland at 40 grants awarded in 2022, we were pleased to award a further 20 Remembrance and Comradeship grants. Supported by funds made available by Greenwich Hospital the grant reached 1174 beneficiaries.
- **Afghan Grants** – Funding for this programme was made available from the Armed Forces Covenant Fund Trust and the Office for Veterans Affairs. The aim being to reach out to engage veterans who served in more recent conflicts into the membership organisations who could provide or signpost to support where needed. Following on from £140k of grants in 2022, over £108k in grants were awarded in 2023 for Afghan grants, the total project expected to benefit around 1,300 serving personnel, veterans and their families.
- **Reward and Recognition** – There were 94 reward, recognition and respite breaks awarded to serving personnel and their families, which benefitted 180 adults and 145 children. £92k in annual awards were released to recognise serving personnel throughout 2023 with an additional 867 personnel being recognised with a Herbert Lott Award, totalling a further £95k.

Support to the naval charity sector

During 2023 the RNRMC provided free of charge support services totalling £335k, an increase against 2022 of 30%. The support consisted of various services including administration, grant-making support, HR and payroll processing, communications and accounting support ranging from transactional processing to management accounting and support with audit processes.

The benefit of the support means that charities were able to focus their resources away from overheads and into our common beneficiaries. Alignment of processes has allowed the charities to streamline and share best practice and enhance collaboration through the Naval charity sector. Alongside charities within the RNRMC group such as NSSC and RMA-TRMC, external charities have also received this support, and include the Naval Families Federation, White Ensign Association, the Royal Naval Association and the Armed Services Trauma Rehabilitation Outcome Study.

Safeguarding

RNRMC has a Safeguarding Policy as the group provides individual beneficiary support. The RNRMC believes that it is always unacceptable for a child or vulnerable adult to suffer abuse of any kind and recognises its responsibility to safeguard the welfare of all people it encounters, by a commitment to practice which protects them. We understand that the welfare and safety of the person at risk is paramount. The purpose of the policy and the associated and more comprehensive guidance document is to:-

- Provide protection for children and vulnerable adults who come into contact with our charity.
- Provide guidance to staff and volunteers to recognise, respond to and report abuse appropriately.
- Create a culture of openness within the organisation and ensure staff feel supported to talk candidly about suspected abuse.

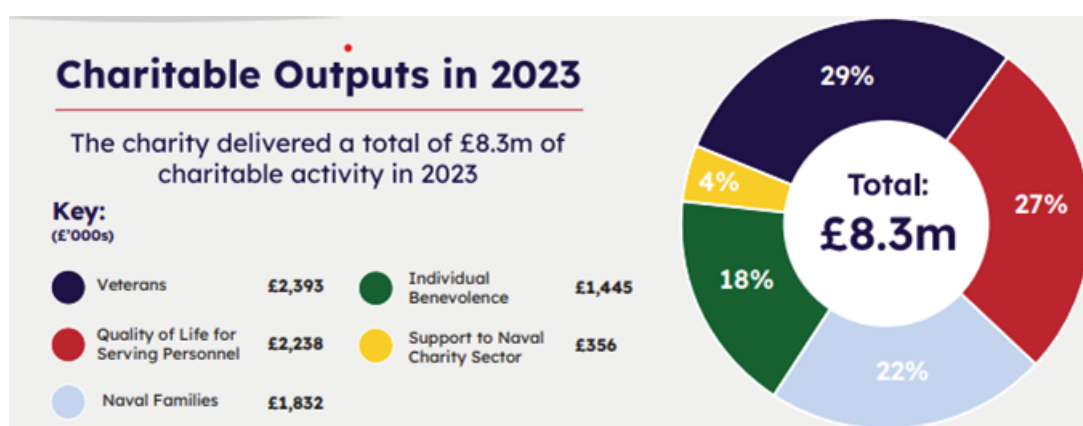
The organisation now has a Trustee responsible for safeguarding and a qualified member of staff as the designated safeguarding lead. In addition, each element of the policy has a lead within the relevant department or function, and this includes a lead within the Senior Leadership Team.

Forward look to 2024

From 2024 the RNRMC Trustees have approved a new funding model which focusses on beneficiaries and support to naval charity sector as presented in the following 5 strands.

1	Quality of Life for Serving Personnel	Improving the quality of life of serving personnel - principally through the provision of amenities, welfare support and other initiatives which seek to improve morale and military efficiency.
2	Individual Support	Providing tailored support to individual beneficiaries who have, or are likely to develop, specific needs – mainly through grants to specialist benevolence charities and the provision of a death-in service grant to next of kin.
3	Naval Families	Enhancing the lived experience of naval families through support for initiatives that seek to mitigate some of the disadvantages of service life for families.
4	Veterans	Supporting the wider naval community , especially veterans, through engagement with associations (and their network of branches) and other organisations to reach out to all those who may need support notably the hidden, lost and lonely.
5	Support to the naval charity sector	Acting as a convener for the naval community through funding, facilitation, research into need, and the provision of professional organisational support (accounting, grant-making, communications, HR) to charities within the sector.

In terms of the above strands, the charitable output of the RNRMC Charity was as follows:-



Transition Support Service

The Transition Support Service (TSS) was a 2-year pilot project that went live in November 2021. TSS sought to address the difficulty many serving personnel have expressed in finding the right service/organisation to support them, especially through transition from service to civilian life. Although many transfer successfully, a small percentage do not and often re-appear only when crisis hits - when the level of resources required is often higher than early intervention. The TSS therefore sought to demonstrate the benefit of proactive rather than reactive support to the provision of services and support.

During the period of the trial (24 months), the TSS dealt with 162 service leavers and assisted 147 service users who were not leavers (i.e., they were either service personnel not leaving, or were already veterans). The range of issues and support provided by the TSS covered the following:-

- Advocacy or referrals to assist with the Armed Forces Compensation Scheme, War Pensions or statutory benefits;
- support relating to alcohol and substance misuse;
- support to further employment prospects or educational qualifications;
- applications for benevolent or financial support;
- physical or mental health issues;
- social and family relationship issues; and
- assistance in accessing entitlement to the transition process provided by the MoD or other organisations.

The Board decided in July 2022 not to extend the pilot beyond the 2-year period. Paradoxically, this was not because the pilot had been unsuccessful: The pilot had demonstrated the benefits of early intervention and a people-centred approach.

But the trustees were mindful of increased funding to the Defence Transition Service which is the MoD body responsible for providing signposting and communicating with external support from other government departments and public bodies, as well as charities. In addition, there is a number of other naval and tri-service charities offering transition support, notably RNBT, RNOC as well as DMWS, RBL and SSAFA.

The Submarine Family

We continue to support Submariners, past and present and their families through grants provided by The Submarine Family, a fund whose objectives are to promote the:-

- Welfare and well-being (which includes mental health) of all Submariners (serving and retired) and their families.
- Submarine ethos, morale of all ranks of, or serving with, the Submarine Service including heritage, remembrance and the provision of recreational facilities, amenities and other goods and services not provided out of public funds.

In 2023 **41 grants** were approved from the fund and included as part of the Quality of Life Pathway.

Other Funds

During 2023 we continued to support for two further funds assisting the mental health of Naval personnel:-

- Help - Jim's Story to raise awareness of mental health alongside the mental health programme supported by the RN ; and
- HMS Oardacious Fund supporting the mental health of submariners.

The Royal Fleet Auxiliary

Our objects include members of the Royal Fleet Auxiliary as beneficiaries. During 2022 we were delighted to receive the funds of the Royal Fleet Auxiliary Benevolent Fund as a restricted fund of the RNRMC (supporting RFA personnel only). During 2023 the RNRMC continued to support the RFA through our usual grant making and commissioning programmes in addition to the restricted funds of their Benevolent Fund.

Raising Funds

At the beginning of 2023, our fundraising strategy was outlined with the following key focus areas for the next 3-5 years:-

- Funding Model Recalibration: we aimed to create a balanced team dedicated to both short-term and long-term income streams.
- Individual Giving and Legacies: emphasis was placed on securing future fundraising through proactive individual giving and legacy programmes.
- Regional Growth: expanding our presence through regional hubs, RN Champions, and volunteers.
- Scottish Connectivity: enhancing our engagement and presence in Scotland.

In partnership with the Royal Navy and youth charity Oarsome Chance, we launched a new line of sustainable upcycled products in the Spring. This initiative generated over £5,000 in sales within the first two weeks. Throughout the year, the project was nominated for several awards and was featured in the July issue of Fundraising Magazine, which included a spotlight on Dean Rogers for our award-winning Royal Navy Payroll Giving Legacy scheme.

We secured crucial funding from several prestigious trusts and foundations, including:-

- Armed Forces Covenant Trust
- Elba Foundation
- Greenwich Hospital
- Nuffield Trust
- Taigh Mor Foundation
- Thales Charitable Trust
- The Castanea Trust
- The Drapers Charitable Fund
- The Gosling Foundation
- The Hintze Family Charitable Foundation
- The Keeble Charitable Trust

- The MacRobert Trust
- The Princess Anne's Charities
- The Royal Edinburgh Military Tattoo (Charities)
- The Swire Charitable Trust
- The Worshipful Company of Turners
- Wimbledon Foundation

Our involvement in numerous significant events in 2023 included:-

- View from the Bridge: our regular online discussion series.
- Trafalgar Night Dinner: our bi-annual flagship event.
- Royal Marines Band Tour: the first-ever tour, which visited six venues across the UK and raised substantial funds for RNRMC.

We deeply value our long-term corporate partnerships with companies such as BAE Systems, Lockheed Martin, MBDA Missile Systems, and Thales.

Our community fundraising grew from strength to strength, including the remarkable efforts of HMS Oardacious who completed their epic rowing challenge across the Atlantic to raise thousands of pounds for RNRMC.

At the end of the year, we launched our first-ever Christmas Appeal. This initiative was an unprecedented endeavour for us, and the response from our supporters exceeded our expectations.

We extend our heartfelt thanks to all our donors, fundraisers, corporate partners, trusts, and other supporters. While we cannot individually thank each contributor here, we are profoundly grateful for your support throughout 2024. We also respect and acknowledge the significant contributions of those donors who prefer to remain anonymous.

Achievements and Performance - Royal Marines Association-The Royal Marines Charity

The full report for the RMA-TRMC can be found within their own statutory accounts, below is a summary of their key achievements and performance during 2023.

Each year the RMA-TRMC charity builds upon its delivery and effectiveness, and 2023 has required the Health and Wellbeing Team to support many complex cases across 7 pillars of delivery.

Transition support Services

With a position in Scotland and the South West, an increased footprint has led to better collaboration with local units and improved collaboration with local services. Primarily dealing with Serving Personnel who might be struggling as they leave the Royal Marines, RMA-TRMC alongside these local communities have supported 107 individual cases, 81 veterans and 26 serving personnel. Alongside this busy case load they also have selected and supported 30 veterans to attend the Chamonix Ski Trip and the Summer Climb to Recovery events.

A further responsibility of the Transition Support Officers is to plan and deliver the Commando Connect events. First delivered in 2019 this 'Veterans Breakfast' model initially started at 30 Commando has gone from strength to strength, bringing together serving and veteran Royal Marines. Events have taken place in Plymouth, Scotland and the Gordon Messenger Centre at Lympstone. This event saw over 200 attendees in 2023 engaging with local and internal support from the HWB team as well as guest organisations.

Veterans Mental Health Referral Pathway (VMHRP)

In 2023 the VMHRP continued to improve its delivery. The RMA-TRMC Contracted Psychotherapy Lead updated processes and business agreements with our therapists. There are now 120 therapists (80 in 2022) that offer clinically approved therapy interventions that are clinically measured at the beginning and end of therapy as well as every six sessions of funded therapy. Our therapists consist of Psychiatrists, Clinical Psychologist, Psychotherapists and Psychotherapeutic Counsellors. The RMA-TRMC continues to develop relationships with OP COURAGE staff in all areas of England as well as the equivalent programmes in Scotland and Wales. In 2023 25 more beneficiaries were supported from the previous year.

Armed Forces Compensation and War Pensions advice and advocacy

A total of 128 cases have been supported by the RMA-TRMC team, 70 of these have been from the veteran community and a further 58 have been serving. The nature of this work can, at times, continue for a number of years whilst the claims are being assessed and ratified by the MOD, often with other pillars of delivery supporting in a complimentary manner. In total the team have seen beneficiaries receive increased compensation of over £634,000 and alongside the individual casework, the team has delivered briefings to recovery troops, HASLER and attended the Commando Connect events providing immediate advice.

Working even more closely with the White Ensign Association, the team of two continues to deliver outstanding support to Naval Service veterans. Throughout 2023 the RMA-TRMC has continued to fund an advisory consultant whilst the internal team gain experience. This will be reviewed in August 2024.

Addiction support

The Addiction Nurse Specialist (ANS) has delivered 33 briefings to almost 1,000 serving Royal Marines, including command courses and pre deployment briefings. This type of early intervention helps to promote healthy lifestyles and prevent more problematic addictions occurring. In total the ANS has delivered therapeutic interventions to 44 beneficiaries, 23 of which have been veterans and 21 serving. Over £24,000 was allocated to detox and rehabilitation.

Grants and Benevolence

A total of 722 grants have been awarded this year compared to 661 in 2022. This increase has been across all subject areas of delivery, but the actual average grant amount of each grant is slightly lower. The largest increase being in psychological therapeutic support. Grants awarded by type are shown in the chart below.

Type of Grant	Number of Grants	Total Value
Veterans	616	£832,076
Serving	72	£83,895
Orgs	34	£223,620

The financial support granted to serving personnel depicted above was slightly less than in 2022. It should be noted that not all casework ends in an individual grant or payment for interventions, albeit many do need financial input. The wider team has supported referrals across a variety of complex cases, the casework and time for these cases is recorded separately, in 2023 772 cases were supported, advised, signposted, and handed over to the most appropriate organisation to deliver the requisite support.

Employment and Education

The E&E team supported 738 beneficiaries, 296 in transition, 146 veterans, 291 recruits and 5 spouses; including a total of 52 supported into longer term employment in 2023. This is equivalent to 1.7 million in recorded social and economic.

64 Grants were awarded in 2023 totalling £97k to the following groups:-

- Serving Transition – 25
- Veterans – 34
- Spouses – 2
- Charity Partners - 3

Additionally, the Health and Wellbeing Team introduced a new delivery strand for Royal Marines of any rank who have reached the end of full career service (22yrs+). It has been recognised that such leavers have uniquely different challenges from those opting to leave at an earlier point and for many, The Royal Marines may be all that they have known since school. The Completion of Service workshop is now a 2-day programme, with 16 service leavers attending in 2023. The project was launched following an award of £93K from AFCFT in November 2023. Guest speakers attend on day 2 of the workshop from top organisations to provide insights, while former service leavers return to support and share their experiences with those currently transitioning. We will also look to engage with corporates to expand our portfolio of employers/support.

Support to Recruits benefitted 291 individuals in 2023. 51% had spent time in Hunter recovery troop before leaving, with an average of 23 weeks spent in recovery; this was an increase of 11% on 2022 with only 4% officially medically discharged. The average age of our recruit leaver was 22.

More partnerships are being established with suitable employers, these partnerships are developing into comprehensive relationships and understanding how we can involve our partners in fundraising and commitment to RMA-TRMC which is already proving to be beneficial.

Continued collaboration with partners

We have worked increasingly closely with the NHS (OP COURAGE and the OP RESTORE), the MOD Department for Community Mental Health, and other Third Sector partners with whom we have agreed formal MOUs: the Royal Navy & Royal Marines Charity, Walking With The Wounded, the White Ensign Association, the Special Boat Service Association, High Ground, Rock to Recovery and Bootnecks In2 Business. We collaborated regularly with Combat Stress, Zero Suicide Alliance, Help for Heroes, the Defence Medical Welfare Service, Veterans' First Point, Horseback UK, the Naval Families Federation and the Forces Employment Charity.

In our grant making we work in close partnership with SSAFA-the Armed Forces charity, The Royal British Legion and Naval Service charities: the Royal Navy & Royal Marines Charity, Greenwich Hospital, the Royal Naval Benevolent Trust, the Naval Children's Charity and the Royal Navy Officers' Charity, with our USP being our holistic assessment of needs leading to complementary monetary and non-financial support where appropriate.

This year was the final year of the One Is Too Many AFCFT funding in support of our Lifting the Lid Project. The work delivered across the whole team was lauded by the final report from Chester University. The funding enabled us to communicate with the Corps Family to reduce stigma surrounding help seeking behaviours, better equip and train our staff and volunteers through various training models and deliver interventions such as psychotherapy, coaching and addictions support to enhance recovery and overall wellbeing. The findings of this project have helped us design a 'Transformation Project' to build consensus and agreement for a Common Assessment Framework/Toolkit, our year one report has recently been submitted and we have recruited a Project Officer to support this ongoing work.

New Charity HQ

In 2022, the then RMA-TRMC HQ building within CTCRM was condemned and as a result the trustees set aside sufficient funds to underwrite a capital project to build a purpose built space for the delivery of our charitable objectives. The RMA-TRMC then set about fundraising specifically for it and as a result the Development Team and Scottish contingent excelled to bring in 69% of the funds from generous benefactors. From the perimeter fence being erected for demolition to commence to RMA-TRMC receiving the keys to the modular build took 87 days; an impressive feat by all involved. The project cost £1.56m of which £1.07m was received in grants and donations. Utilising designated funds set aside after the RMA merger meant that no beneficiary funds were used within this project.

The result is that RMA-TRMC now has a state-of-the-art HQ within the beating heart of the Corps and must thank and acknowledge the immense support from the following:-

- The CHAMP Foundation;
- Greenwich Hospital;
- RNRMC;
- Dr Brian Gilvary;
- Peak Scientific;
- Bernard Sunley Foundation;
- Modulek Limited; and
- The Commandant and staff at CTCRM for their support and patience throughout the build.

The Gordon Messenger Centre – enabling resilience in the Corps Family

The Centre, which supports the Corps family, hosts welfare support, training, rehabilitation activities, briefings, employment workshops, community events for serving and veteran Royal Marines, family activities, a children's creche, charity meetings, cadet activities and support to sporting events on the adjacent sports fields. Grants of just over £25K were made in 2023 to

enhance the equipping of the Centre. With the help of a £90k grant from Greenwich Hospital over three years, RMA-TRMC now employs an assistant to the civil service manager to support with delivery of charitable activity.

Achievements & Performance – The Naval Service Sports Charity

The full report for the NSSC can be found within their own statutory accounts, below is a summary of their key achievements and performance during 2023

2023 has seen a return to normal levels of sporting activity following the Covid-19 pandemic and a push to increase the opportunities for grassroots development. As a result our funding has supported the following activities:-

Sports Associations

With a focus on sustaining a broad menu of opportunity, grass roots development and inclusivity, whilst also supporting the RN's ability to compete and win at representative level, a sum of £302,960 was distributed to support the operating costs of Sports Associations.

Talented Athletes

Individuals who are talented enough to compete at national and international level have been supported by a generous grant of £30,000 from BAE Systems. This has enabled the NSSC to continue to support the following three individuals in full time national sports training:-

- Marine George Crotty (Boxing)
- Marine Taylor Lawrence (GB Bobsleigh)
- Sergeant Adam Baird (GB Bobsleigh Development)

The NSSC also supported 32 other athletes competing at national and international level in Hockey (England), Badminton, Aquathlon, Duathlon, Triathlon, Ironman, Judo, Powerlifting, Weightlifting, Cycling, Shooting, Paragliding and Rugby Union (Philippines).

Coaching and Regional Sport

With the RN Sports Staff putting emphasis on grassroots development the demand for support from the Coaching and Regional Sport budget elements has been steady throughout the year and resulted in £154,180 of the budgeted £168k being spent, including £42,180 committed to 30 coaching grants for 17 sports. The balance between sports associations developing their own coaches from serving volunteers and buying in external expertise continues.

NAVYfit Campaign

In 2023 the NSSC reviewed the support needed for the NAVYfit Campaign and was able to fund the planned 23 sports festivals delivering 181 sports opportunities for 2,404 people at a cost of £19,080 against the original budget of £30k. Grassroots funding support by the Sports Lottery has helped reduce costs to the NAVYfit Campaign whilst maintaining a broad menu of sporting opportunity for all.

Team Forces Funding

At the beginning of 2023 the RN Sports Board (RNSB) entered into an agreement with Team Forces and invited the NSSC to be the vehicle through which a grant of £12k made by Team Forces would be distributed in support of RN Sport. Team Forces is the brand representing the military charity Team Army Sports Foundation (TASF) which is registered with the Charity Commission (No. 1144004) and aims to support the Armed Forces community by funding sport, challenge and adventure in order to improve health, wellbeing and recovery. The programme is supported by a number of Defence suppliers who are able to demonstrate social value by visibly giving back to the Armed Forces community. The Team Forces agreement enabled the RNSB, through the NSSC, to make discretionary grants to help fund Royal Navy sports which, in 2023, supported accommodation costs for Ice Hockey, Rugby League, Cricket, and Aquatics representative events in addition to development costs for the RN Netball and Aquatics Associations.

RN Sports Awards

Following a decision by the RN to introduce an additional sports recognition ceremony in September 2023 the NSSC £10k budget was able to directly fund prizes for those who have made an outstanding contribution to RN Sport and also to support the 2023 Sports Awards at Lords Cricket Ground that took place on 30 November 2023.

Impact of NSSC Grants on Participation in RN Sport

The NSSC is the main Block Grant-Making Charity in support of sport in the RN and is the vehicle through which the RNRMC achieves its Quality of Life Pathway focusing on the serving community and enabling fitness, teamwork, leadership, discipline, determination, courage, competitive spirit and resilience through participation and volunteering in sport and the NAVYfit programme.

In providing grants to support a workforce of approximately 29,000 RN personnel accessing sport from grassroots level to Service representative level and higher the NSSC has helped facilitate the following levels of participation and events during 2023:-

	Participation	Events
January	3054	66
February	1341	101
March	2351	126
April	1200	141
May	2398	168
June	1809	197
July	1659	176
August	270	85
September	1426	155
October	1286	106
November	806	79
December	350	42

Achievements & Performance - Royal Navy Officers' Charity

The full report for the RNOC can be found within their own statutory accounts.

The RNBSO continues to meet the need of all beneficiaries, in the main, from its own investment portfolio. As in previous years a number of donations and legacies have been received for which we are extremely grateful. In addition to financial benevolence the staff have been able to offer advice, and in some cases assist with the application, for a number of State benefits for current and potential clients. This intervention has resulted in clients receiving in excess of £100K of benefits in the past year.

A copy of the latest Impact Report can be accessed at the charity website: www.rnoc.org.uk. The ARNO/RNOC website www.arno.org.uk is accessed on a regular basis and all IT systems are regularly monitored and checked to ensure the latest compliance, with an update to the database to be undertaken in January 2024.

Achievements & Performance – Women's Royal Naval Service Benevolent Trust

The full report for the WRNS BT can be found within their own statutory accounts, below is a summary of their key achievements and performance during 2023.

During 2023, £107k (2022 - £110k) was spent on Regular Charitable Payments. Applications are reviewed on an annual basis, enabling the charity to re-assess need as required. Every case received is considered in isolation to determine the requirement need for assistance.

Regular Charitable Payments

There are three types of flexible regular weekly grants, usually paid quarterly and categorised as follows:-

- Care Enhancement Grant – To help towards the cost of permanent or temporary care in a care or nursing home, or in their own home.
- Weekly Maintenance Grant – For beneficiaries of state pension age on a low income; and

- Weekly Support Supplement – For beneficiaries below state pension age, who are too young to qualify for Pension Credit, and yet too old to find employment easily, or too infirm to do so.

General Amenity Grants

To assist with day-to-day living expenses, e.g. the payment of bills, clothing or household goods otherwise unaffordable and are paid periodically.

One-Off Grants The main areas of current expenditure are categorised as below, but as these applications can be varied there is no set parameter:-

- Debts (Priority) and Arrears: help may be given in this area in the hope that it will assist the applicant to recover their financial situation. It is always recommended that advice be sought from organisations such as the CAB Debt Counselling Service, Step Change Debt Charity and the Seafarers' Advice and Information Line (SAIL);
- Funeral Expenses: help with certain costs once eligibility for the DWP's Funeral Expenses Payment has been investigated. This support could be to help an eligible beneficiary towards the cost of a partner's funeral or a late beneficiary's funeral when the partner or family do not have the means to pay in full;
- Household Goods and Repairs: includes help with the purchase of white goods, furniture, floor coverings, redecoration etc. Repairs may include structural needs or boiler/heating replacement, but payments from the appropriate authorities are always investigated first; Medical Aids: with a high percentage of current beneficiaries being of pensionable age demand for medical aids such as stair lifts and electric powered vehicles continues. Swift assistance is provided to those with disabilities where special equipment is required. In some cases, funding is provided where there would otherwise be a long and unacceptable wait for statutory funding to which the individual is otherwise entitled; Removal and Travel Expenses: assistance for beneficiaries relocating to an area where family will support them. Travel costs may be given to help our beneficiaries visit their family when they are in hospital, or in other care. Occasionally, assistance is given for vehicle expenses when the use of a car is crucial to the applicant's day-to-day life; and
- Rent and Deposits: awards towards a deposit or advance rent.
- Education and training - Assistance with the cost of training courses, study costs, computers, books etc, for beneficiaries seeking to promote financial award withing current or future employment.

Case working

WRNS BT does not employ caseworkers but instead works with other organisations such as SSAFA, Royal British Legion (RBL) and others. Caseworkers call on applicants on behalf of WRNS BT and provide support and advice on a wide variety of matters. Reports for consideration are provided by these organisations to the WRNST BT Grants Committee. Members may apply to us for help direct, or a relation or friend can do so on their behalf. In some instances, the Trust may sponsor applications internally.

Future Plans - Royal Navy & Royal Marines Charity

The trustees are mindful the twin pressures of operational activity and the rising cost of living. They affect both the serving (and their families) and veterans. Accordingly, the level of need that our charitable objects seek to address is likely to remain high. To continue to meet that need, the RNRMC will seek to maintain current levels of funding – exploiting our well-developed model of commissioning partners to deliver specific outcomes.

Alongside Greenwich Hospital, we remain the principal funders within the naval charitable sector, with a combined annual grant-making spend of over £10m. Increasingly, both organisations are working more closely together to ensure a co-ordinated and coherent approach to funding – and we believe this joined-up approach is self-evidently in the best interest of our shared beneficiaries.

The RNRMC trustees also place considerable value on the charity's role as convenor – that is our ability to bring together key stakeholders to address shared challenges and identify a common approach to resolution. Notable examples in 2024 include a workshop in Portsmouth to consider the increasingly important topic of mental health and well-being, and a workshop in Scotland to address the needs of the community in and around the Clyde Submarine Base. We will continue to advocate and participate in this collaborative approach.

Delivering these programmes of activity requires resources, and so future plans will also see a focus on fundraising. The charity is brilliantly supported by a huge range of donors, including the majority of the serving population as well as major grant-making bodies. The wider economic climate is a difficult environment for all fundraisers and so we will continue to invest in this area to ensure we maintain this important stream of funding – and thereby deliver the outcomes which are the hallmark of the charity.

Trustees are satisfied that the Charity has adequate resources to continue in operational existence for the foreseeable future and therefore continues to adopt the going concern basis in preparing its financial statements.

Future Plans - Royal Marines Association-The Royal Marines Charity

In 2021 the Trustees conducted a strategic review across every aspect of RMA-TRMC's delivery, resulting in timetabled new delivery and delivery improvements against measurable outcomes to be achieved by the end of 2024. In addition, it was decided at the first Board Meeting of 2024 that a further "Fit for the Future" review was to be carried out by the Board through Q2 & 3 to advise on strategies to be adopted post 2024 for the next phase of growth of the RMA-TRMC.

We are following a three-year budgeted delivery programme with associated risk register based on the revised strategies, delivered by the staff but with regular reporting oversight from the sub-committees allied to the RMA-TRMC's functional teams, which in turn report to the Board.

This programme will ensure that RMA-TRMC is proactive and bold, differentiated, sustainable, owned by the Corps Family, recognised by the wider community, and effective (efficient and achieving maximum impact). The programme ensures the following strategic objectives will be secured we will:-

1. enable those we serve to live by the Commando Mindset (restoring, maintaining and enhancing independence, dignity and effectiveness) through financial and non-monetary support
2. promote and sustain the Royal Marines brand and esprit de corps
3. increase and achieve a representative membership mix of the Corps Family and supporters, in order that the Charity and Association become the heart of the Corps Family

In particular, RMA-TRMC has the following desired operational outcomes by the end of 2024 with progress annotated:-

1. To be the natural and trusted first point of contact for the Corps Family when in need of assistance – *This is progressing well and is considered to be so now;*
2. To offer active and effective support to Commando Forces – *Through amenities spend as well as benevolence to the serving Corps, this continues to grow seeing 2024 as the most heavily invested year yet in this delivery line;*
3. To be the leading UK regimental charity championing members and enabling collaboration between major tri-service associations – *The RMA-TRMC continue to hold the Chair of the Single Capbadge Association Network, a collaboration of all single service associations established to share best practice and act as a single voice into MoD and OVA;*
4. To number 24,000 members with a younger demographic – *This should be reached by the end of summer 2024;*
5. To have an enhanced geographical footprint across the devolved nations and northern England – *The Devolved Nations Strategy has delivered but is yet to be resourced. The groundwork is done to enact when the time is required;*
6. To have better trained and enabled volunteers – *This is an ongoing project;*
7. To enable a fully developed PR function – *The post of PR Officer is well established now and proving its worth repeatedly; and*
8. To secure an annual net income £4M (currently £3.4M) including sustainable Major Donor and Corporate Income – *This is looking challenging in the current climate but remains a goal.*

2024 sees the third iteration of the 5 yearly RM versus United States Marine Corps sports tour, Virginia Gauntlet III. planning started in the summer of 2023. This will cause a draw on restricted amenities funds and has led to an increase in the agreed deficit for 2024.

Budgeted spend to deliver necessary support in 2024 has led to the trustees approving a deficit budget of (£1.1m). There are sufficient free reserves for 6-7 months of expenditure as at the time of signing, but if fundraising and other income-generating activities are not able to continue normally, the trustees have agreed to retain £1.2m in liquid reserve.

Cashflow is monitored monthly, looking forward 12 months. Based on the revised forecasts the Trustees are satisfied that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Future Plans - The Naval Service Sports Charity

The NSSC will endeavour to increase the level of grants to sport in the Royal Navy by a percentage equivalent to any increase in CPI or to satisfy all reasonable demands in later years. In setting the budget for 2024 and future years the NSSC has made assumptions that the size of the Royal Navy, the number of Sports Associations and the numbers accessing sport will not change significantly in the next five years.

As with many other charities, there are indications that maintaining income in future years will be challenging and the NSSC will need to continue to work closely with its parent charity, the RNRMC, to ensure that the outcomes of their Quality of Life grants pathway continue to justify the defined level of grants made to the NSSC.

The NSSC continues to support the Royal Navy Sports Board by assisting Sports Associations and, where public funding is unable to maintain staffing levels, by employing individuals in support of naval sporting outputs. In 2024 this will see the conclusion of an RN Sports Transformation programme that included the recruitment of nine full-time Civil Servants, enabling four NSSC sports development staff on 2 year fixed term contracts to transfer to full-time publicly funded posts.

Future Plans - Royal Navy Officers' Charity

RNOC has been working to maintain and increase the awareness of the charity and its work through social media. During 2024 their IT system used to administer grants will be updated to remain compliant while at the same time allow them capture more useful data to allow the Benevolence Sub-Committee to understand the emerging needs of the beneficiaries.

The standard annuity grant for 2023 was £3,500. The Benevolence Sub Committee regularly reviews the level of grants using data from the Rowntree Foundation along with evidence from casework and recommends any changes as necessary.

Following the expiration of his term, Rear Admiral Mike Kimmons will retire his post of Chairperson of RNOC in 2024. The new Chairman, elected at their AGM, is Vice Admiral Andy Kyte CB.

Future Plans – Women's Royal Naval Service Benevolent Trust

The future plans for the WRNS BT are determined by the requirement from the remaining WRNS as estimated in the actuarial prediction. We know that the number of WRNS that we could and probably will support over the next couple of decades will decrease as the number of remaining WRNS decreases. In preparation we have ensured that the organisation is as cost effective and efficient as possible, giving out a range of grants to meet the many different circumstances of need. We closely monitor our income and costs and have reduced our administrative costs substantially by merging with the RNRMC who now provide this support for free.

Our governance remains strong even as a wholly owned subsidiary of RNRMC as our Central Committee oversees our business and delegates specific tasks to our committees which includes finance, grants and Quality Assurance.

We remain focused on promoting the work of the Trust amongst both potential donors and legacy givers as well as potential future beneficiaries requiring our support, this support could be directly through the Trust or in partnership with other Royal Naval Charities, if we are unable to help them ourselves we sign-post to those that can help, this collaboration will ensure the best for all our beneficiaries in need.

Financial Report RNRMC Group

Overview

The RNRMC Group closed the year with total funds valued at £79.7m, an increase against the previous year of £3.4m from £76.3m. This increase funds was due to the addition of the WRNS BT to the RNRMC group, which had reserves of £4.2m, offset by a planned spend down of reserves of the RNRMC charity of £(3.2)m and an increase in reserves for the RMA-TRMC of £2.3m.

Operating Income

Total income performance when compared to 2022 was positive, with income increasing by £1.8m to £15m (+14%) for the total Group, with income excluding investment income increasing by £1.5m to £13m (+13%). The main variances being driven in the following areas:-

Donations and Legacies: an overall positive increase of 19% from £6.9m to £8.2m against the prior year was seen in 2023. The RNRMC flagship biennial 'Carrier Ball' event did not take place in 2023, having taken place in 2022 resulting in a decrease in event income against the prior year, however this was offset by the receipt of a £1.9m legacy at RMA-TRMC.

Income from Other Trading Activities: There was an increase of £0.3m (+22%) as a new programme of events supported by the RM Band took place through RNRMC.

Investment Income: there was a 20% increase in investment income against the previous year. This was due to an increase in interest rates together with the inclusion of the WRNS BT investment portfolio as part of the group from July 2023. The group operates a total returns policy, which together with further information on investment performance can be found below.

Income from charitable activities: we are grateful to our funding partners that support us with grants to enable us to support our beneficiaries. Income remained broadly same as 2022 with only a small decrease of £0.1m (-5%) as funded projects came to a close.

Demand again outmatched income and we will continue to develop our income streams such as legacies, major donors and corporate relationships whilst utilising our reserves within policy brought forward to meet this unmet need.

Expenditure

Total expenditure in 2023 was £19.2m (2022 £18.4m). This was split into the following areas:-

Raising Funds

Fundraising costs: in 2023 the Group's costs (excluding Investment fees) increased from £3.5m to £3.7m an increase of £0.2m. As a % of income excluding investments these costs were 28%, a reduction of 2% on 2022. The costs in this area continue to be tightly controlled whilst investing in engagement through developing our marketing and communications to engage future donors and supporters.

Investment Fees: 2023 saw a decrease of £90k (-17%). Investment fees are charged on a % of our portfolio value and performance, where lower portfolio values resulted in a reduction in the fees in charged in the year.

Charitable Expenditure

Charitable expenditure for the group increased from £14.4m in 2021 to £15m in 2022, an increase of £0.69m. Of this, the charitable spend of RNRMC Charity only (including support costs) was £9.3m, broadly the same 2022, and the charitable spend for RMA-TRMC (including support costs) increasing by £250k. reflective of an increase in charitable delivery.

For the Group, pure grant making spend remained the same as 2022 at £9.6m, £7.1m of which was from the RNRMC Charity.

Charitable support costs increased to £5.3m from £4.6m, which includes grant making delivery and the final year of the Transition Support Pilot. While this increase of £730k is partly driven by delivery of specific additional charitable activity and in part offset by additional funding for particular projects from AFCFT and Greenwich Hospital, it is also important to

recognise that the cost of living crisis has had an impact on the costs involved in charitable delivery. Additionally, support costs include the cost of headcount needed to provide the virtual grant making service to external charities. The Charity's strategy continued to focus on maintaining a tight cost base while continuing to support beneficiary need.

Unrestricted Funds

The value of unrestricted funds including designated funds but excluding subsidiary trading company reserves (which can be seen in more detail in note 26), reduced from £21.1m in 2022 to £18.2m in 2023 a reduction of £2.9m.

Net income of £5.7m was received into unrestricted funds, an increase against 2022 of £1.5m. Charitable expenditure increased by £3m to £7.5m as the Charity both actively reduces reserves in line with its reserves policy and spend previously held in restricted funds continues to be supported after some restricted funds were fully spent in 2021.

There were net gains on invested assets of £1.5m relating to unrestricted investments.

Balance Sheet

Total fixed assets withing the group were £79.5m at the end of 2023 which was an increase of £3.2m. The value of fixed assets excluding investments was just under £3m an increase of £1.24m against 2022, which is due to the new RMA-TRMC charity building at Lymptone.

Investments in the group have increased from £74.5m to £76.5m, an increase of just under £2m. Across the group there was £3.3m of net gains on investment assets (Charity £2.1m), with an offsetting reduction in investment fund values due to cash drawn down from investments in accordance with the RNRMC cash policy, which aims to hold a rolling 18 months activity in cash or near cash products. More information on investments can be found below.

Debtor balances increased from £2.2m to £4.1m, a change of £1.9m which is due to the accrued income for receipt of a legacy in RMA-TRMC in accordance with the accounting standards.

Creditor balances remained similar to the prior year with only a slight increase of £0.1m from £8.7m to £8.8m.

TRMCE repaid its Covid Bounce-back Loan (£24,900 owing at the end of 2022) during 2023.

During the year £4.8m was drawn as cash across the group (Charity: £3.8m) with cash of £4.8m held at year end (Charity £1.8m).

Investment Policy & Performance

Investment Oversight

Following a full investment manager review Sarasin Partners LLP became responsible for the investment management for the majority of the Group's funds in 2021. This arrangement gives strength to the Group and benefits from economies of scale.

A portion of the Group's funds remain held at Cazenove, which includes the RNRMC No 2 (private equity funds) and investments held by RNOC.

The oversight of the management of RNRMC and NSSC's investments lies with the Investment Committee (IC), IC used to include RMA-TRMC too but this has now changed since their Investment Manager review in 2023. The IC meets every three months and is responsible for monitoring the performance of investment strategies approved by the respective Boards

In 2023 the following portfolios were held within the Group:-

1 - RNRMC (main portfolio)	2 - RNRMC (No 2 Portfolio)	3 - RMA: The Royal Marines Charity	4 - RN Officers' Charity	5 - WRNS BT
- RNRMC unrestricted funds - RNRMC restricted funds (unincorporated charities) - Naval Service Sports Charity - Custodian funds	- Private Equity Fund (in distribution mode) managed independently by Cazenove team	- Separate Fund managed by Sarasin in 2023 - Portfolio transferred to UBS in 2024	- Separate fund managed independently by a Cazenove team	- Separate Fund managed independently by Brewin Dolphin

Investment Policy & Strategy

The Investment Strategy and Investment Policy for the Group IC are regularly reviewed and updated as necessary, in March 2020 with Cazenove and subsequently in April 2023 with Sarasin. The policy detail which now follows relates to the current policy. A key update to the policy this time is that RMA-TRMC have, post an investment manager review, removed their funds in 2023 from Sarasin to UBS under a new agreement.

The overall investment objective is “to preserve and enhance the real capital value of the portfolio whilst supporting a sustainable withdrawal to fund current commitments”.

The Charity seeks to achieve its objective within an acceptable level of risk for their assets, the parameters of which have been agreed with Sarasin & Partners; the objective is quantified as the need to generate over the long term a return of inflation (CPI) plus 3% per annum. This should allow the real value of the assets to be maintained whilst funding regular annual expenditure.

The return target and appropriate benchmark are defined in the discretionary agreement with Sarasin & Partners, who will ensure adherence to this policy.

The Trustees are keen not to jeopardise the objective of ‘maximising risk adjusted total return’ by targeting too high an income requirement and hence have adopted a yield target of around 1.75% of starting year capital values. Any further required withdrawals will be taken by the selling of capital assets.

The Investment Manager is appointed with discretionary powers of investment under the Trustee Act 2000 and is subject to the terms of their investment management agreement. The trustees require that the Investment Manager considers the suitability of each class of investment and the need for diversification as appropriate to the circumstances of the various portfolios. The trustees have also set specific investment limits and restrictions for each portfolio, as well as appropriate benchmarks for their performance comparison.

The Trustees have considered whether they should impose any ethical restriction on the investment of the RNRMC Group assets by their investment managers. In doing so, they have concluded that they would not wish to restrict the investment managers ability to achieve their primary objective of seeking the best returns within the limits of the Group’s overall investment policy. However, it is likely to be in the Group’s long-term interests that its investments favour those companies that pursue ethical and socially responsible policies rather than those which do not. To that end, they have instructed the managers that they should consider this position when choosing investments for the Group accordingly.

Portfolio composite benchmark and permitted ranges

The below table outlines the composite benchmark, which was agreed with Sarasin and forms an important part of performance monitoring. It also details the lower and upper bounds for each asset class.

Asset Class	Low	Neutral	High	Benchmark Index
Cash	-	-	10.0	-
Government Bonds	-	7.5	30.0	ICE BofAML Gilts All Stocks Index
Corporate Bonds	-	7.5		ICE BofAML Sterling Non-Gilt
Total Bonds & Cash	-	15.0	40.0	
International Equities (£ hedged)	-	20.0		MSCI All Countries World (LC) GBP
International Equities	-	50.0		MSCI All Countries World
Total Equities	60.0	70.0	80.0	
Total Property	-	5.0	10.0	MSCI All Balanced Property Fund Index – One Quarter Lagged
Total Alternatives	-	10.0	20.0	SONIA Interest Rate Benchmark +2%
Total	-	100.0	-	
Sterling Weighting	40.0	52.0	60.0	

The alternative investments are broadly diversified and include commodities, infrastructure, hedge funds, and private equity.

The RNRMC Group's base currency is sterling and currency hedging is permitted given the global nature of the investments.

2023 Main Investment Portfolio Values

The total Group portfolio value as at 31st December 2023 with Sarasin, including accrued income and interest was £53,100,269. The below table outlines the Group asset allocation relative to the benchmark (as at 31.12.23):-

Asset Allocation	£	Capital %	Benchmark %
Fixed Income	8,203,800	15.4	15.0
Equities	37,099,763	69.9	70.0
Property	1,901,184	3.6	5.0
Alternative Investments	4,886,759	9.2	10.0
Liquid Assets	1,008,764	1.9	-
Total	53,100,269	100.0	100.0

2023 Main Investment Portfolio Values for the Charity

The portfolio value as at 31st December 2023, including accrued income and interest was £43,330,455. The below table outlines the charity's asset allocation relative to the benchmark (as at 31.12.23):-

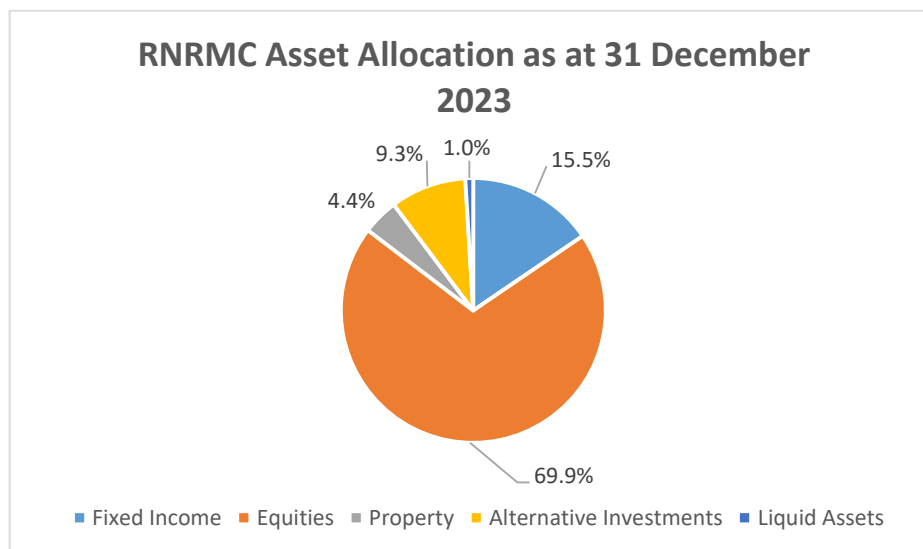
Asset Allocation	£	Capital %	Benchmark %
Fixed Income	6,701,229	15.5	15.0
Equities	30,279,192	69.9	70.0
Property	1,901,184	4.4	5.0
Alternative Investments	4,027,492	9.3	10.0
Liquid Assets	421,357	1.0	-
Total	43,330,455	100.0	100.0

We also detail below our rationale for each asset class:-

- **Bonds – neutral** – inflation had been falling and yields mostly adjusted, leading to an underweight stance on government bonds. Corporate issues looked more attractive with higher yields and healthy balance sheets: we were therefore more positive on credit.

- **Equities – neutral** – Corporate earnings recovering; supply chain pressures easing and valuations mixed. Subsequently moved to an overweight stance in early January 2024.
- **Alternatives – neutral** – higher interest rates had mostly been priced in and investment trust discounts looked attractive. Gold still seen as a hedge against systemic policy error, which is particularly helpful given current macroeconomic conditions.
- **Cash – neutral/overweight** – we held more in cash to reflect heightened uncertainty, but have since invested much of the excess into equities. With interest rates forecast to fall, very high cash rates are unlikely to persist.

More information on the Charity's Investments can be found in Note 20 of the statutory accounts.



Performance

Sarasin Held Portfolio

During 2023, the portfolio generated a net return of 6.5%, behind the benchmark return of 12.8%.

Key factors that have impacted the portfolio's performance:

- **Bonds** – fixed income investments recovered in value throughout the year as interest rates stabilised, rising by 6.1% over the period, in line with the comparative benchmark index.
- **Equities** – equity markets recovered strongly during the period, led by a narrow group of large technology businesses exposed to the revolution in artificial intelligence and large language models. The portfolio's equity allocation rose by 8.7%, behind the broader global equity index return.
- **Property** – returns continued to disappoint after a difficult 2022. The asset class looks to have stabilised following the interest-rate induced repricing that many property assets experienced in 2022. Fortunately, the portfolio returns were ahead of the comparable index.
- **Alternative investments** – having been one of the few asset classes to rise in 2022, alternative investments, and in particular infrastructure and renewable assets accessed via closed-ended investment trusts, were the weakest asset class in 2023. Rising interest rates, falling power prices, increased competition for capital from corporate bonds and an unhelpful legislative backdrop, all served to create a perfect storm. In aggregate, the alternative allocation fell by 3.2% over the year, against the cash (SONIA) + 2% benchmark, which rose by 6.8%.
- **Currency hedging** - the decision to hedge part of the portfolio back to sterling had a positive impact on absolute returns but continued to hamper relative performance.

2023 as a whole

Despite significant geopolitical and economic turbulence, equity markets emerged as the winning asset class over the 12 months. The extraordinary growth of the 'Magnificent 7' has meant that the upward trajectory of equity markets has been focused on a narrow range of large US technology-led companies, exposed to the AI and Large Language Model

phenomenon. This has been a challenge for active investment managers of well-diversified portfolios, and whilst the portfolio has benefitted from the trend, the continued fortunes of investors would be well served by returns broadening out amongst a greater share of constituent companies.

Overall, while the outlook for equity markets in 2024 remains positive, driven by expectations for lower interest rates and continued innovation in the technology sector, it is essential to remain cautious and selective, considering the varied performance and intrinsic values of individual companies. Embracing uncertainty, focusing on fundamentals and being mindful of company valuations will be key to navigating the evolving investment landscape effectively over the months and years ahead.

Cazenove Held Portfolios

RNRMC Investment Fund no.2 Portfolio

The no.2 portfolio, which only holds private equity, made a return for the period 1st January 2023 – 31st December 2023 of 1.7% as the fund continued to move through the distribution phase of its lifecycle.

Royal Navy Officers' Charity Portfolio

2023 was an incredibly eventful year in markets, with plenty of forces for investors to navigate. Economists weren't especially hopeful about 2023 with predictions of recessions littering the world's economies. After all, hampered supply chains were driving inflation higher, and central banks were fighting back with economy-bruising interest rate hikes. By most accounts, stocks should have had a challenging year, yet US and European indexes are closed out the year around all-time highs, while Japan's stocks are at their highest in over four decades. After significant losses in 2022, equities bounced back again in 2023 with Global equities returning +16.4% over the year (+9.3% excluding the magnificent seven) whilst UK Government Bonds returned +3.7% after a strong end to the year.

The world's leading tech firms propelled the Nasdaq 100 index to its best year in over a decade, as enthusiasm for AI outweighed concerns about the effects of higher interest rates in 2023. The seven biggest tech and internet-related stocks – Apple, Microsoft, Alphabet, Amazon, Nvidia, Meta, and Tesla – saw their combined weighting in the S&P 500 rise to a record 29% in November. Investors gravitated toward these companies, betting on their superior ability to leverage AI given their huge scale and financial heft. The cohort contributed approximately two-thirds of the S&P 500's return over the year.

Against that backdrop, the RNOC portfolio achieved a return of 7.1% for the year. Strength from the core global equity allocation was the principal driver of returns, whilst smaller-cap and emerging market exposure struggled a little. Our preference for corporate bonds helped the fixed income allocation in relative terms, with a positive return over the year, whilst our alternative allocation was a detractor from returns.

Brewin Dolphin Held Portfolio

WRNS BT

2023 started poorly for risk assets (stocks and bonds), as interest rates and inflation moved up. By the latter half of the year inflation started to weaken and central banks started to talk about interest rate cuts for 2024. This led to a significant rise in equities in the last 2 months of 2023, which meant that what had been a benign year for the portfolio, turned out to be reasonably good one.

The WRNS BT portfolio was up 8.1% in the year, particularly aided by the portfolio's exposure to the US stock market and the technology sector.

Custodian Funds

The RNRMC also holds other external funds as a custodian. These are funds with similar objects to the charity who support the same beneficiary pool and who don't have access to their own segregated investment portfolio. The capital is held and invested within the main portfolio by Sarasin who were appointed in 2021, with dividends being paid quarterly to the respective funds. Funds are held with a long term view but can be drawn down upon at any time. More information on the Custodian funds can be found in Note 23 of the statutory accounts.

Cash Policy

During 2023 the cash policy was revised to protect the charity from volatile markets during times when cash drawdown was required. The policy is now to hold up to 18 months of rolling cash requirement in line with budgets. Cash forecasts are

presented to, and authorised by the FRAC after considering the drawdown requirement alongside the current market outlook.

Cash requirements are reviewed by both the Finance, Risk and Audit Committee and the Investment Committees, with ongoing consideration made to both internal and external factors that might affect cash requirements in the near and longer term.

Principal Risks and Uncertainties

The Trustees regularly consider the major risks to which the Charity is exposed to ensure the management of risk.

Trustee reviews are undertaken at each quarterly Board meeting when the mitigation plan for all major risks is assessed against the ability to deliver the Charity's outputs detailed in an annual delivery programme. In addition, each quarterly meeting considers detailed reports on the highest risks to ensure sufficient attention and resource is focused on treating or mitigating these risks. These mitigations are detailed on the risk register along with potential further actions that are being taken to further reduce risks where possible.

In addition, subsidiary charities within the Group make a report to each main Board meeting, including any risks that they wish to elevate to the Group Board.

The Trustees recognise there remains uncertainties that could affect our risk mitigation strategy through uncontrollable, external factors such as government policy, external focus on the charity sector fundraising profile and the wider economic conditions.

The areas below remain those of the highest potential risk if not mitigated:-

The Royal Navy and Royal Marines Charity

Risk	Mitigating Actions Taken
Financial which includes: • A significant downturn in UK prosperity • War, conflict or catastrophic event • Poor investment fund management • Not meeting our voluntary income targets • Stock market crash • Constraints on corporate and major donors giving • Loss or reduction of funding streams • Not meeting identified need through developing our commissioning approach • A paucity of infrastructure support services These risks would reduce our capacity to deliver our strategy.	• Review of fundraising and engagement capability post Covid-19 to diversify income opportunities. • Case studies of support provided by those we fund to improve success at securing major individual and corporate gifts • Systematic approach to budget setting and financial planning including cashflow with detailed monitoring. • Review of investment strategy and performance. • Regularly review reserves to combat macro-economic or strategic shocks that could impact on the Charity. • Risk Based Reserves (RBR) policy ensures we have a sufficient range of funds should a significant risk be realised. • Support additional identified need through our RBR policy funds above maximum and monitor spend closely
Governance which includes: • Complex Group governance structure and impact of inappropriate activities by subsidiaries • Lack of compliance with legal and regulatory requirements • Breach of data and/or IT breach by external agents • Lack of impact/outcome evidence may lead to sub-optimal block grant making • Increased likelihood in safeguarding issues as we deliver a direct support service	• Continue to review legal structure and seek to simplify it further in the future with the Charity Commission. • Subsidiary activity overseen by the Group Board and Subsidiary Boards. • Review governance of group against CC8 governance code • Focus on data protection, GDPR regulations and cyber security. • Consent to contact campaign and registered with the Fundraising Regulator. Ensure compliance with the Charities Act 2016. • Whistle-blowing policy (freedom to speak up) known to employees. Robust process for any issues arising from a disclosure

Risk	Mitigating Actions Taken
These risks will impact our operational delivery and increase regulatory scrutiny, both of which will impact our ability to deliver our objectives.	Developed impact and monitoring for grant making and protocols for safeguarding.
Reputational which includes: - Adverse publicity of RN may affect public's perception of the Charity's need for support and funds - Lack of control of funded organisation's activities These risks would impact our reputation which is essential to keep key stakeholders, funders and beneficiaries positively engaged in assisting us delivering our outcomes.	- Work very closely with RN Comms to mitigate impact of any adverse change to the perception of the RN. - Strong terms and conditions for organisations we fund and dedicated Relationship Director maintaining contact with these charities and our key stakeholders. - Commissioning programmes and commissioning manager strengthens relationships with funded organisations. - We Regularly review policies enacted during Covid as part of the normal business of the FRAC/IC
People and Asset Risk which includes: - Inability to recruit and retain people with the required skills and expertise - Not achieving best value from expenditure - Our infrastructure not being fit for purpose These risks would reduce our effectiveness to deliver our objectives, reducing our impact.	- Recognise People are our most important asset. We review the reward policy in order to maintain and enhance retention. - Formal Talent Management Programme. - Annual staff survey and develop and implement an action plan to address key issues using a Staff Reference Group. - Review our Performance and Development Report. - Review the suitability of our financial control measures to reduce the possibility of deliberate or accidental loss. - Infrastructure includes both cloud-based storage as well as Office 365 which has meant all staff are able to work from home.

Royal Marines Association – The Royal Marines Charity

The Charity Trustees have considered the major risks to which the Charity is exposed and review those risks and the established systems and procedures to manage those risks through oversight of a risk register at each trustee meeting. This register is directly linked to the delivery programme in order to ensure that risks which cannot be removed are mitigated against through the operations of the Charity's staff. A three-stage line of defence assurance system is in place, based on the regular checks of staff, the oversight of trustees, and the annual interrogation by the appointed auditor.

Principal risks identified as at 31 December 2023 were:-

Risk	Mitigating Actions Taken
Financial which includes:- - Not meeting our voluntary income targets; - Poor corporate and major donor support; - Loss or reduction of funding streams. These risks would reduce our capacity to deliver our strategy.	- Diversified our income generation opportunities strengthening the support of major individual and corporate donors, trusts and statutory grants. - Developing measurement of social and local economic value to demonstrate impact. - Systematic approach to budget setting and financial planning - Regular review of investment strategy and its performance managed by appointed external fund managers. - Policy of holding between 5 and 6 months of expenditure in cash reserves.
Governance which includes:- Lack of compliance with legal and regulatory requirements;	- Chair-led Governance review was completed in 2021, identifying areas of improvement for governance, skills gaps and trustee succession planning. - Review and refresh of all charity policies and for 2024.

Risk	Mitigating Actions Taken
- Breach of data and/or IT breach by external agents; - Lack of impact/outcome evidence which may lead to sub-optimal block grant making. These risks will impact our operational delivery and increase regulatory scrutiny, both of which will impact our ability to deliver our objectives.	- Registered with the Fundraising Regulator to evidence compliance with the Charities Act 2016 - Extensive cyber protection provided by our internet provider. - Developed improved methods of monitoring the impact of grants made to individuals and organisations, including ensuring safeguarding protocols are in place with those we fund.
Reputational which includes:- - Poor or harmful charitable delivery. - Lack of control of membership branches and individual members. - Lack of control of funded organisations' activities. These risks would impact our reputation which is absolutely essential to keep key stakeholders, funders and beneficiaries positively engaged in assisting us delivering our outcomes.	- Welfare staff and volunteers received revised training and are subject to a rigorous safeguarding policy. - PR function which will give the capability to respond to reputational challenge, with direct links into Navy Comms. - Branch and membership byelaws are subject to close committee oversight. - Regular reports to the Board of Trustees from through year funded organisations and implement MOUs where appropriate.
People which includes:- - Inability to recruit and retain people with the required skills and expertise. - Appropriate training and safeguarding for all staff. - Burnout due to increased demand for support. These risks would reduce our effectiveness to deliver our objectives, reducing our impact.	- Revised Performance and Development Report to improve performance, learning and development. - Annual Training Needs Analysis, leading to staff training as appropriate, and individual education and learning needs being addressed. - Routine agenda item at each board meeting where staff issues are discussed to maintain board oversight. - Additional staffing to meet increased demand. - Employee Assistance Programme, consideration of workloads, promoting positive mental health and work-life balance. - Pay banding system and annual appraisals completed satisfactorily - Each employee receives an allocation for PD training facilitation annually.

The Trustees consider by reviewing accounts and cashflow at each Board meeting that they are able to manage income over expenditure effectively, whilst they are also able to seek advice from the RNRMC Group Investment Committee and Finance Risk and Audit Committee and other specialist advisors, all of whom have a depth of relevant experience.

Expanded information for the RMA-TRMC Risk mitigation can be found in the RMA-TRMC Statutory Accounts for 2023.

The Naval Service Sports Charity

Risk	Mitigating Actions Taken
<u>5 Year Financial Outlook.</u> The risk is defined as exposure to poor investment performance, poor RNRMC fundraising planning, re-prioritising of RNRMC grant making and loss of operating costs funded by the RN Sports Lottery.	- Risk based reserves policy adopted in November 2020 which identified maximum/minimum reserve levels. With plans to draw down on excess reserves, if required to meet and shortfall in funding. - RN Sports Lottery maintains a £1.5M reserve that guarantees the NSSC salary and insurance costs and Sports Accommodation

	running costs to mitigate any short-term suspension of the Lottery.
The risk is defined as a result of a stock market crash or poor Investment Fund management, funds under active management do not deliver planned capital value and income.	Investment Management delegated to the RNRMC Investment Committee (IC), who carefully select investment managers; set realistic targets; and monitor results quarterly.

Expanded information for the NSSC Risk mitigation can be found in the NSSC Statutory Accounts for 2023.

Royal Navy Officers' Charity

Risk	Mitigating Actions Taken
Loss of key Staff	- Robust supersession planning - Ongoing review of records, systems, plans and projects - Internal cross desk training
Financial Viability	Close scrutiny by FASC, Audit, Regular reviews
Compliance	- Operating in an honest and ethical manner - Monitoring changes in regulation/legislation - Ensuring high quality and timely legal advice

Expanded information for the RNOC Risk mitigation can be found in the RNOC Statutory Accounts for 2023.

Women's Royal Naval Service Benevolent Trust

Risk	Mitigating Actions Taken
Stakeholder Risk (Case working Organisations) Risk of shortfall in caseworker's areas not covered or where high concentration of beneficiaries are situated	- Liaison with RNRMC and Case working organisations to optimise resources - SSAFA implementation of regional hubs - Organisations use mixture of paid staff and volunteers
Loss of Key Staff	Staff employed by RNRMC and are therefore mitigated through the RNRMC measures (above)

Expanded information for the WRNS BT Risk mitigation can be found in the WRNS BT Statutory Accounts for 2023.

Reserves Policy

The Trustees have a reserves policy, which is to set aside sufficient free reserves so as to be able to meet or smooth out the unexpected fluctuations in charitable expenditure or shortfall in income so as to be able to meet the increasing needs of current beneficiaries and remain sustainable for both current and future generations, as well as meeting the needs of the wider Group entities.

As the national charity of the Royal Navy we provide the "Strategic Reserve" against future needs and we are committed to protecting the reserves for decades to come. Each legal entity within the Group has their own Reserves policy in line with their more specific strategic objectives and their reserves are excluded from our calculations below. More information about subsidiary Reserves Policies can be found within their Statutory Accounts.

The RNRMC Board have established a charity risk based reserve (RBR) policy with a minimum and maximum required reserves range, within which they aim to operate. This policy reflects the Trustees' desire to make sure it holds the reserves required to cover its agreed risks, but also allows the Board the ability to apply funding to identified need for its beneficiaries whilst operating safely within the minimum and maximum range which allows for the regular movements in the investment markets.

Our RBR policy is underpinned by the RNRMC risk register and is linked with the Charity's strategic objectives and delivery programme. This policy sets out five key areas of risk which our free reserves are there to support. These key areas are:-

- Governance
- Finance
- Reputation
- Stakeholders & Relationships
- People & Assets

Our structure is complex and is made up of a high percentage of restricted funds. We have managed to mitigate risk through these restricted funds thereby allowing us to show a lower unrestricted reserve range. This policy only covers our reserve requirement within our unrestricted funds.

A full review of our RBR policy has been undertaken in early 2024. This involved a full review of all current risks and their associated risk values. It has determined that the target range of general reserves (excluding those reserves represented by restricted funds and designated reserves) required by the charity as being between £9.6m and £19.1m.

Our current unrestricted reserves for the Charity, excluding designated and trading company funds, is £17.5m, with free reserves for the Charity of £17.3m.

The RNRMC Trustee Board has, over the past four years, actively spent down on excess reserves in order to support the needs of beneficiaries and are now content the Charity is now operating within the reserves range in accordance with the RNRMC reserves policy.

The Trustees conduct an annual review of the appropriate level of general reserves, and changes to the charity's risk profile, strategy and plan will be considered as part of that review. The output of the annual review informs subsequent planning and budgeting cycles.

Policy Calculations

The total reserves for the Group as at 31 December 2023 were £79.7m (2022: £76.3m). For the Charity, unrestricted reserves formed £17.5m (2022: £20.4m) and designated funds £0.7m (2022: £0.7m). Restricted reserves were £61.4m (2022: £55m), with trading company reserves of £0.2m.

Restricted and designated reserves constitute £62.2m (2021: £55.9m) of the total RNRMC Group funds, this is made up of subsidiary charities managed by a separate trustee body, or restricted funds managed by relevant sub-committees. More information on the makeup of these elements can be found in the notes to the statutory accounts in note 26.

Area	Notes	Minimum Reserves Level	Maximum Reserves Level
Governance	<i>Potential cost for poor charity governance</i>	£0.5m	£1.4m
Finance	<i>Significant change in external environment amounting to income drop, or beneficiary need increase</i>	£7.6m	£13.2m
Reputation	<i>Effect on Voluntary Income</i>	£0.5m	£1.2m
Stakeholders and Relationships	<i>Relationship with Corporates / Key funders deteriorates</i>	£0.8m	£2.8m
People and Assets	<i>Significant increase in Staff Turnover and potential costs of restructure</i>	£0.2m	£0.5m
Range of Reserves Required		£9.6m	£19.1m

THE ROYAL NAVY & ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

Company law requires the trustees to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:-

- select suitable accounting policies and then apply them consistently;
- comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 as amended by The Charities Accounts (Scotland) Amendment (No. 2) Regulations 2014.

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:-

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' Annual Report is approved by the trustees of the Charity. The Strategic Report, which forms part of the Annual Report, is approved by the trustees in their capacity as directors in company law of the Charity.

Signed on behalf of the Trustees on 13/08/2024

.....
Dr Brian Gilvary
Chairman

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE ROYAL NAVY AND ROYAL MARINES CHARITY

Opinion

We have audited the financial statements of The Royal Navy and Royal Marines Charity for the year ended 31 December 2023 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group 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) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2023 and of the group's incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended) and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the charitable company 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 charitable company'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE ROYAL NAVY AND ROYAL MARINES CHARITY

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 or the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 36, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they 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 group and parent charitable company'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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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 an auditor's report 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE ROYAL NAVY AND ROYAL MARINES CHARITY

is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are The Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

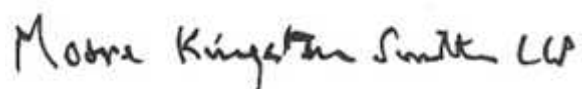
REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE ROYAL NAVY AND ROYAL MARINES CHARITY

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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.

Use of this report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditor's report addressed to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



James Cross (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

Date: 19/08/2024

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

ROYAL NAVY AND ROYAL MARINES CHARITY
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds 2023 £	Total Funds 2022 £
INCOME & ENDOWMENTS						
Donations and legacies	4	1,962,369	6,220,880	-	8,183,249	6,884,808
Other trading activities		1,672,819	103,454	-	1,776,273	1,450,321
Investment income	5	416,323	1,563,577	-	1,979,900	1,648,038
		4,051,511	7,887,911	-	11,939,422	9,983,167
Charitable activities	6	1,696,599	1,380,230	-	3,076,829	3,231,001
Total operating income		5,748,110	9,268,141	-	15,016,251	13,214,168
EXPENDITURE						
Raising funds	7					
Investment management fees		135,466	294,195	-	429,661	519,792
Fundraising costs		3,387,788	301,658	-	3,689,446	3,491,239
Total cost of raising funds		3,523,254	595,853	-	4,119,107	4,011,031
Charitable activities	8					
Commissioned Programmes		4,208,532	1,654,238	-	5,862,770	5,651,175
Through Life Pathway		864,868	2,583,845	-	3,448,713	3,477,872
Quality of Life Pathway		2,041,004	1,547,219	-	3,588,223	3,737,140
Fit for Life Pathway		243,725	1,153,980	-	1,397,705	988,123
End of Life Pathway		131,711	623,618	-	755,329	507,417
Total charitable expenditure		7,489,840	7,562,900	-	15,052,740	14,361,727
Total operating expenditure		11,013,094	8,158,753	-	19,171,847	18,372,758
Net operating income/ (expenditure)		(5,264,984)	1,109,388	-	(4,155,596)	(5,158,590)
Net gains/(losses) on investment assets	20	1,520,783	1,816,564	-	3,337,347	(8,878,064)
		(3,744,201)	2,925,952	-	(818,249)	(14,036,654)
WRNSBT transfer of funds	30	4,254,862	-	-	4,254,862	-
Gross transfers between funds	16	(3,438,976)	3,438,976	-	-	-
Net movement in funds		(2,928,315)	6,364,928	-	3,436,613	(14,036,654)
Total funds brought forward	26	21,286,195	54,366,844	655,649	76,308,688	90,345,342
Total funds carried forward	26	18,357,880	60,731,773	655,649	79,745,302	76,308,688

The Charity has no recognised gains or losses for the year other than as detailed above.

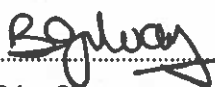
The net movements in the Charity's funds for the year arise from the Charity's continuing activities.

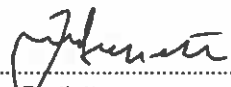
The Notes on pages 45 to 76 form part of these accounts.

**ROYAL NAVY AND ROYAL MARINES CHARITY
BALANCE SHEET- GROUP AND CHARITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Fixed assets					
Tangible assets	19	2,734,948	1,412,413	756,644	792,840
Intangibles	18	248,643	328,982	15,265	64,981
Investments	20	76,466,762	74,502,514	42,489,732	44,224,778
		<u>79,450,353</u>	<u>76,243,909</u>	<u>43,261,641</u>	<u>45,082,599</u>
Current assets					
Stock	21	254,353	273,825	-	-
Debtors	22	4,100,557	2,168,480	1,526,990	1,785,655
Cash at bank and in hand		<u>4,777,742</u>	<u>6,357,669</u>	<u>1,810,027</u>	<u>3,530,260</u>
		9,132,652	8,799,974	3,337,017	5,315,915
Liabilities					
Creditors falling due within one year	23	<u>(8,837,702)</u>	<u>(8,710,295)</u>	<u>(7,588,417)</u>	<u>(7,945,739)</u>
Net Current assets/ liabilities		<u>294,950</u>	<u>89,679</u>	<u>(4,251,400)</u>	<u>(2,629,824)</u>
Total assets less current liabilities		79,745,302	76,333,588	39,010,241	42,452,775
Creditors due in more than one year	25	<u>-</u>	<u>(24,900)</u>	<u>-</u>	<u>-</u>
Net Assets		<u>79,745,302</u>	<u>76,308,688</u>	<u>39,010,241</u>	<u>42,452,775</u>
Accumulated funds					
Permanent endowment	26	655,649	655,649	655,649	655,649
Restricted funds	26	60,731,773	54,366,844	20,168,897	20,708,430
Unrestricted funds	26	17,672,752	20,570,991	17,500,567	20,373,492
Designated funds	26	<u>685,128</u>	<u>715,204</u>	<u>685,128</u>	<u>715,204</u>
Total accumulated funds		<u>79,745,302</u>	<u>76,308,688</u>	<u>39,010,241</u>	<u>42,452,775</u>

The financial statements on pages 42 to 76 were approved by the trustees on 13/08/2024..... and signed on their


.....
Dr Brian Gilvary
Chair


.....
Mr John Bartlett
Chair of the Finance, Risk
and Audit Committee

Company registration number 6047294

**ROYAL NAVY AND ROYAL MARINES CHARITY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 £	2022 £
Cash flow/(outflow) from operating activities		
Net cash outflow from operating activities	<u>(3,345,996)</u>	<u>(7,950,247)</u>
Cash flows from investing activities		
Investment income and interest received	1,979,900	1,648,038
Proceeds from disposal of fixed asset investments excluding endowment funds	35,676,922	55,733,923
Acquisition of fixed asset investments excluding endowment funds	(34,303,823)	(51,568,064)
Proceeds from disposal of tangible fixed assets	-	-
Payments to acquire tangible fixed assets	(1,447,393)	(137,019)
Payments to acquire intangible fixed assets	(114,637)	(150,531)
Net cash inflow from investing activities	<u>1,790,969</u>	<u>5,526,347</u>
Cash flows from financing activities		
Bank loan repayments	(24,900)	(9,167)
Net increase in cash and cash equivalents	(1,579,926)	(2,433,067)
Cash and cash equivalents at beginning of year	6,357,669	8,790,736
Cash and cash equivalents at end of year	<u>4,777,742</u>	<u>6,357,669</u>

Reconciliation of net income/ (expenditure) to net cash flow from operating activities

	2023 £	2022 £
Net income including endowments	3,436,613	(14,036,654)
Adjustments for:		
Depreciation charges	124,701	97,603
Amortisation	75,043	64,435
Net (gains)/ losses on investments	(3,337,347)	8,878,064
Investment income	(1,979,900)	(1,648,038)
Decrease/ (increase) in stock	19,472	36,547
Decrease/ (increase) in debtors	(1,932,076)	(440,055)
Increase/ (decrease) in creditors	127,409	(902,149)
Loss on disposal of fixed assets	157	-
Loss on disposal of intangible assets	119,933	-
Net cash (used in)/ provided by operating activities	<u>(3,345,996)</u>	<u>(7,950,247)</u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINACIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1 ACCOUNTING POLICIES

a) Basis of preparation

The financial statements comprise the charity and its subsidiaries under Charity Commission Schemes or Uniting Directions.

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company and its subsidiaries are a public benefit group for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006 under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410), the Charities Act 2011 and Charities Accounts (Scotland) Regulations 2006 as amended by The Charities Accounts (Scotland) Amendment (No. 2) Regulations 2014.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

b) Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and have taken account of pressures on donation and investment income and impact on investment values and income, as well as expenditure. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

c) Group financial statements

These financial statements consolidate the results of the Charity and RNRMC Enterprises Limited, its wholly owned trading subsidiary, the Royal Naval Benevolent Society for Officers, as the Charity is a corporate trustee with a right of veto, the Naval Service Sports Charity, as the Charity is the sole member, and RMA - the Royal Marines Charity (including its own subsidiaries, The Royal Marines Shop Limited and TRMC Enterprises Limited), as the sole member from 1 April 2011, on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account are not presented for the Charity itself as the Charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

The corporate charity's financial statements aggregate its own results with those subsidiaries where the Charity Commission has issued a Uniting Direction for the purposes of accounting. The subsidiaries whose results are aggregated with those of the charitable company are:

Subsidiary 1 - The Naval Service Dependents' Fund (NSDF)
Subsidiary 2 - The Naval Service Benevolence Fund (NSBF)
Subsidiary 3 - The Fleet Air Arm Benevolent Trust (FAABT)

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1 ACCOUNTING POLICIES (continued)

Subsidiary 4 - The Naval Service Amenity Fund (NSAF)
Subsidiary 6 - The Naval Service Prizes and Awards Fund (NSPAF)
Subsidiary 7 - Queen Alexandra's Royal Naval Nursing Service Trust Fund (QARNNS)
Subsidiary 8 - Plymouth Royal Naval Aid Fund (PRNAF)
Subsidiary 9 - The Sir Donald Gosling Maritime Reserve Amenity Fund (DGMRF)
Subsidiary 10 - Naval Medical Compassionate Fund (NMCF)

Although subject to a Charity Commission Uniting Direction, the results of Subsidiary 5 - The Naval Service Sports Charity (NSSC) are not aggregated with those of the charitable company because the NSSC is a limited company and is therefore required to be treated on a consolidated basis.

On 19 July 2023 Womens Royal Naval Service Benvolent Trust became a wholly owned subsidiary of RNRMC. Its results for the period are consolidated in the group accounts.

d) Income

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Legacies are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy receivable can be measured reliably. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.

Income is deferred when the donor attaches conditions outside the Charity's own control or specifies that the resources are to be used in a future accounting period.

Investment income is received net of investment management fees but is grossed up in the accounts for investment management fees.

e) Volunteers and donated services and facilities

The value of services provided by volunteers is not incorporated into these financial statements.

Where services are provided to the Charity as a donation that would normally be purchased, this contribution is included in the financial statements at an estimate based on the value of the contribution to the Charity.

f) Expenditure

Liabilities are recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity. Unconditional grant offers are accrued once the recipient has been notified of the grant award and its payment is probable. Grant awards that are subject to the recipient fulfilling performance or other conditions are accrued when the recipient has been notified of the grant and either the performance condition is met or any remaining unfulfilled condition attaching to the grant is outside of the control of the Charity.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1 ACCOUNTING POLICIES (continued)

g) Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred

h) Allocation of overhead and support costs

Overhead, support and governance costs are allocated between the cost of raising funds and charitable activities. Overhead, support and governance costs relating to charitable activities have been apportioned between activities.

i) Costs of raising funds

The costs of raising funds consist of investment management fees and other direct costs of raising funds and an apportionment of governance, overhead and support costs.

j) Charitable activities

Costs of charitable activities include grants payable and other costs directly associated with providing sports, amenities, prizes and awards, dependants' grants or benevolence to beneficiaries and an apportionment of overhead, support and governance costs.

k) Governance costs

Governance costs comprise all costs involving the public accountability and running of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit, legal fees and trustee meeting expenses together with an apportionment of overhead and support costs.

l) Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable are charged to the Statement of Financial Activities in the period to which they relate.

m) Tangible fixed assets

Individual fixed assets costing £500 or more are capitalised at cost.

Freehold property	- over 50 years straight line
Computer and office equipment	- over 3 years straight line
Leasehold improvements	- over the life of the lease
Motor Vehicles	- over 3 years straight line

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

n) Intangible fixed assets

Intangible fixed assets are amortised on a straight line basis over their estimated useful economic lives as follows:

Website and software	- over 3 years straight line

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1 ACCOUNTING POLICIES (continued)

o) Fixed asset investments

Investments are initially measured at their cost and subsequently measured at their fair value at each reporting date. Fair value is based on their bid value at the balance sheet date without deduction of the estimated future selling costs.

p) Realised gains and losses

All gains and losses are taken to the income and expenditure section of the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and original cost. Unrealised gains and losses are calculated as the difference between the market value at the end of the year and opening market value, or purchase date if later. Realised and unrealised gains are not separated in the Statement of Financial Activities.

q) Stock

Stock of goods for resale is stated at the lower of cost and net realisable value.

r) Heritage assets

The Charitable Group is the owner of a collection of Paintings, Silverware and other items. Many precious works are contained within messes across the Corps, which is housed and managed on behalf of the Charity by Serving Royal Marines within the Corps Secretariat. The collection is considered irreplaceable and as such it is not possible to attribute a reliable cost or value to it. It is additionally considered that the process of obtaining valuations of the collection would be disproportionate to any public benefit that might be derived and that it is impractical to apply conventional valuation techniques to the collection, due to the uniqueness of its nature.

s) Funds structure

The Charity has one permanent endowment, which requires the trustees to invest the capital in perpetuity; the income from this fund is wholly unrestricted.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. The funds of the subsidiaries noted under 1c) above are treated as restricted funds.

Unrestricted funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects.

Designated funds comprise those unrestricted funds where the trustees, at their discretion, have created a fund for a specific purpose.

t) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1 ACCOUNTING POLICIES (continued)

u) Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 22 and 23 for the debtor and creditor notes.

v) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

w) Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements.

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

2 LEGAL STATUS OF THE CHARITY

The Charity is a company limited by guarantee and has no share capital. The members of the charity are the trustees listed on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

3. FINANCIAL ACTIVITIES OF THE CHARITY

The financial activities shown in the consolidated statement includes those of the RNRMC and its wholly owned trading subsidiary RNRMC Enterprises limited, and the RNOC, a charity in which the RNRMC is a trustee with the right of veto, the NSSC, a charitable company of which the RNRMC is the sole member, and RMA-TRMC (including its subsidiaries the RMSA, RMA Limited, RM Shop Limited and TRMC Enterprises Limited) a charitable company of which the RNRMC is the sole member and WRNSBT a new subsidiary as at 19 July 2023. A summary of the financial activities undertaken by the RNRMC and its subsidiaries, that are the subject of Charity Commission Schemes or Uniting Directions, is set out below:

	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds 2023 £	Total Funds 2022 £
INCOME & ENDOWMENTS					
Donations and legacies	2,449,322	175,248	-	2,624,570	3,019,725
Investment income	416,323	491,823	-	908,146	741,354
	2,865,645	667,071	-	3,532,716	3,761,079
Charitable activities	1,729,209	404,245	-	2,133,454	2,461,779
Total operating income	4,594,854	1,071,316	-	5,666,170	6,222,858
EXPENDITURE					
Raising funds					
Investment management fees	135,466	168,194	-	303,660	367,538
Fundraising costs	1,596,036	57,015	-	1,653,051	1,631,472
Total cost of raising funds	1,731,502	225,209	-	1,956,711	1,999,010
Charitable activities					
Commissioned Programmes	3,186,210	618,256	-	3,804,466	3,846,253
Through Life Pathway	1,238,172	221,458	-	1,459,630	1,737,744
Quality of Life Pathway	2,722,110	451,456	-	3,173,566	2,986,050
Fit for Life Pathway	331,712	12,973	-	344,685	304,734
End of Life Pathway	-	490,148	-	490,148	345,354
Total charitable expenditure	7,478,204	1,794,291	-	9,272,495	9,220,135
Total operating expenditure	9,209,705	2,019,500	-	11,229,206	11,219,145
Net operating income/ (expenditure)	(4,614,851)	(948,184)	-	(5,563,035)	(4,996,287)
Net gains/(losses) on investment assets	1,520,782	599,718	-	2,120,500	(5,667,343)
	(3,094,069)	(348,466)	-	(3,442,535)	(10,663,630)
Gross transfers between funds	(83,138)	83,138	-	-	-
Net movement in funds	(3,177,207)	(265,328)	-	(3,442,535)	(10,663,630)
Total funds brought forward	21,088,696	20,708,430	655,649	42,452,775	53,116,405
Total funds carried forward	17,911,489	20,443,102	655,649	39,010,240	42,452,775

**ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

4. VOLUNTARY INCOME

Year to 31 December 2023

	Unrestricted 2023 £	Restricted 2023 £	Endowment 2023 £	Total 2023 £
Donations	790,319	3,401,553	-	4,191,872
Royal Navy Payroll Giving Scheme	1,097,254	-	-	1,097,254
RM Day's Pay Giving Funds	-	545,525	-	545,525
Legacies	74,796	2,273,802	-	2,348,598
Donated services	-	-	-	-
Other voluntary income	-	-	-	-
	<u>1,962,369</u>	<u>6,220,880</u>	<u>-</u>	<u>8,183,249</u>

Year to 31 December 2022

	Unrestricted 2022 £	Restricted 2022 £	Endowment 2022 £	Total 2022 £
Donations	1,310,850	3,065,212	-	4,376,062
Royal Navy Payroll Giving Scheme	1,111,600	-	-	1,111,600
RM Day's Pay Giving Funds	-	535,222	-	535,222
Legacies	65,662	671,496	-	737,158
Donated services	-	-	-	-
Other voluntary income	-	124,766	-	124,766
	<u>2,488,112</u>	<u>4,396,696</u>	<u>-</u>	<u>6,884,808</u>

ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

5. INVESTMENT INCOME

Year to 31 December 2023	Unrestricted 2023 £	Restricted 2023 £	Endowment 2023 £	Total 2023 £
Dividends - UK equities	133,599	369,749	-	503,348
Dividends - non UK equities	172,969	220,099	-	393,068
Fixed interest - UK	46,844	122,370	-	169,214
Fixed interest - non UK	-	2,758	-	2,758
Income on property funds	30,897	61,059	-	91,956
Unit Trust	21,139	724,502	-	745,641
Other	4,907	16,556	-	21,463
Interest on cash deposits	5,968	39,366	-	45,334
Bank interest	-	7,118	-	7,118
	416,323	1,563,577	-	1,979,900

Year to 31 December 2022	Unrestricted 2022 £	Restricted 2022 £	Endowment 2022 £	Total 2022 £
Dividends - UK equities	78,660	685,737	-	764,397
Dividends - non UK equities	172,969	281,211	-	454,180
Fixed interest - UK	46,844	108,109	-	154,953
Income on property funds	30,897	115,144	-	146,041
Unit Trust	21,139	37,898	-	59,037
Other	4,907	44,860	-	49,767
Interest on cash deposits	5,968	11,631	-	17,599
Bank interest	-	2,064	-	2,064
	361,384	1,286,654	-	1,648,038

**ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

6. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted 2023 £	Restricted 2023 £	Endowment 2023 £	Total 2023 £	Total 2022 £
Greenwich Hospital	1,650,000	-	-	1,650,000	1,375,000
Nuffield Trust		177,756	-	177,756	415,920
Armed forces covenant fund trust funding		235,998	-	235,998	744,186
Other grants received	46,599	966,476	-	1,013,075	695,895
	1,696,599	1,380,230	-	3,076,829	3,231,001

£3,181,001 of income from charitable activities in the year to December 2022 was subject to specific restrictions imposed by the donor.

**ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

7. COST OF RAISING FUNDS

Year to 31 December 2023

	Unrestricted 2023 £	Restricted 2023 £	Endowment 2023 £	Total 2023 £
Investment management fees	135,466	294,195	-	429,661
Fund raising costs	3,387,788	301,658	-	3,689,446
	<u>3,523,254</u>	<u>595,853</u>	<u>-</u>	<u>4,119,107</u>

Year to 31 December 2022

	Unrestricted 2022 £	Restricted 2022 £	Endowment 2022 £	Total 2022 £
Investment management fees	176,686	343,106	-	519,792
Fund raising costs	2,306,517	1,184,722	-	3,491,239
	<u>2,483,203</u>	<u>1,527,828</u>	<u>-</u>	<u>4,011,031</u>

**ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

8. ANALYSIS OF CHARITABLE EXPENDITURE

Analysis of charitable expenditure including support costs

Year to 31 December 2023

	Grants Payable 2023 £	Other Direct Costs 2023 £	Support Costs (See Note 11) 2023 £	Total 2023 £
Commissioned Programmes	3,776,618	-	2,086,152	5,862,770
Through Life Pathway	2,221,556	-	1,227,157	3,448,713
Quality of Life Pathway	2,204,476	166,024	1,217,723	3,588,223
Fit for Life Pathway	900,359	-	497,346	1,397,705
End of Life Pathway	486,560	-	268,769	755,329
Other charitable activities				
	<u>9,589,569</u>	<u>166,024</u>	<u>5,297,147</u>	<u>15,052,740</u>

Year to 31 December 2022

	Grants Payable 2022 £	Other Direct Costs 2022 £	Support Costs (See Note 11) 2022 £	Total 2022 £
Commissioned Programmes	3,827,913	-	1,823,262	5,651,175
Through Life Pathway	2,355,792	-	1,122,080	3,477,872
Quality of Life Pathway	2,388,503	210,976	1,137,661	3,737,140
Fit for Life Pathway	669,321	-	318,802	988,123
End of Life Pathway	343,707	-	163,710	507,417
	<u>9,585,236</u>	<u>210,976</u>	<u>4,565,515</u>	<u>14,361,727</u>

**ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

8. ANALYSIS OF CHARITABLE EXPENDITURE (continued)

Analysis of charitable expenditure by fund category

Year to 31 December 2023

	From Unrestricted Funds 2023 £	From Restricted Funds 2023 £	Total 2023 £
Commissioned Programmes	4,208,532	1,654,238	5,862,770
Through Life Pathway	864,868	2,583,845	3,448,713
Quality of Life Pathway	2,041,004	1,547,219	3,588,223
Fit for Life Pathway	243,725	1,153,980	1,397,705
End of Life Pathway	131,711	623,618	755,329
	7,489,840	7,562,900	15,052,740

Year to 31 December 2022

	From Unrestricted Funds 2022 £	From Restricted Funds 2022 £	Total 2022 £
Commissioned Programmes	2,717,426	2,933,749	5,651,175
Through Life Pathway	865,905	2,611,967	3,477,872
Quality of Life Pathway	705,014	3,032,126	3,737,140
Fit for Life Pathway	163,176	824,947	988,123
End of Life Pathway	83,794	423,623	507,417
	4,535,315	9,826,412	14,361,727

**ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

9. ANALYSIS OF GRANTS PAYABLE

Analysis of grants payable to individuals and institutions

Year to 31 December 2023	Grants to Institutions £	Grants to Individuals £	Total 2023 £
Commissioned Programmes	3,776,618	-	3,776,618
Through Life Pathway	840,380	1,381,176	2,221,556
Quality of Life Pathway	1,871,990	332,486	2,204,476
Fit for Life Pathway	525,516	374,843	900,359
End of Life Pathway	-	486,560	486,560
Total	7,014,504	2,575,065	9,589,569

Year to 31 December 2022	Grants to Institutions £	Grants to Individuals £	Total 2022 £
Commissioned Programmes	3,827,913	-	3,827,913
Through Life Pathway	1,056,415	1,299,376	2,355,792
Quality of Life Pathway	2,061,565	326,938	2,388,503
Fit for Life Pathway	442,785	226,536	669,321
End of Life Pathway	-	343,707	343,707
Total	7,388,678	2,196,558	9,585,236

Analysis of institutions receiving grants more than £25,000:

	2023 £
Naval Childrens Charity	720,000
Royal Naval Benevolence Trust	578,596
Relate	315,000
Royal Naval Association	261,585
SSAFA	253,234
Home-Start	199,928
Sailors Children Society	165,000
Dame Agnes Weston	141,122
The Submarine Fund	130,631
Defence Medical Welfare Service	130,238
Company Of Makers	116,570
The White Ensign Association	105,000
Alabare	100,886
HMS Raleigh refurb Jutland Block	99,762
Veterans Outreach Support	81,000
KIDS	80,000
Commando Logistic Regiment	76,850
Care for Veterans	66,500
The Royal Alfred Seafareres	65,000
Gosport & Fareham Multi Academy Trust	60,000
HMS Heron	58,700

**ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

9. ANALYSIS OF GRANTS PAYABLE (continued)

HMS Nelson	50,958
HMS Collingwood	50,046
Erskine	50,000
Pennver Cottage	50,000
The Poppy Factory	50,000
Age UK	48,210
Society of St James Flags	46,800
Kings Foundation	45,878
HMS Diamond	42,917
Tom Harrison House	42,705
Solent Mind	42,500
Albatross Arts Cic	42,468
Fighting With Pride	41,200
HMS Sultan	40,857
Broughton House	40,000
Woody's Lodge	39,600
RNAS Culdrose	36,975
Commando Training Centre Royal Marines	36,430
RNAS Yeovilton	33,224
Naval Families Federation	33,000
Royal Commonwealth Ex Service League	30,000
Royal Navy Winter Sport Association	30,000
Turn to Starboard	30,000
Field Gun Competition	30,000
HMS Caledonia	29,246
Fares4free	27,000
HMS DRAKE	25,888
RFEA	25,000

Analysis of institutions receiving grants of more than £25,000:

RMA TRMC grants:

Rock 2 Recovery CIC	90,000
Globe and Laurel	89,879
Commando Training Centre Royal Marines	52,106
Dame Agnes Westons	50,124
Climb to Recovery	42,178
Hasler Recovery Centre	30,498

**ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

10. ANALYSIS OF GOVERNANCE COSTS

	Total 2023 £	Total 2022 £
Trustee meetings	32,018	20,924
Auditor's remuneration	76,694	83,055
Legal and professional fees	185,141	47,179
Other governance costs	-	61
Support costs - see Note 11	1,268,390	1,113,293
	<u>1,562,243</u>	<u>1,264,512</u>

The Support costs above that are included within Governance costs for the Group primarily include the costs relating to the CEO and CFO plus some other staff and represent the support necessary to deliver the management and reporting requirements for the Boards within the wider Group.

11. ALLOCATION OF SUPPORT COSTS AND OVERHEADS

Year to 31 December 2023

The breakdown of support costs and how these were allocated between cost of generating funds, charitable activities and governance costs is shown below.

Cost Type	Raising income 2023 £	Charitable Activities 2023 £	Governance 2023 £	Total Allocated 2023 Basis £	
Staff costs	810,319	3,314,941	1,031,314	5,156,574	Staff time
Administration	227,362	682,082	227,360	1,136,804	Usage
Insurance	9,716	29,150	9,716	48,583	Usage
Depreciation and amortisation	99,292	99,293	-	198,585	Usage
	<u>1,146,689</u>	<u>4,125,466</u>	<u>1,268,390</u>	<u>6,540,546</u>	
Direct governance costs			293,852	293,852	Actual
	<u>1,146,689</u>	<u>4,125,466</u>	<u>1,562,242</u>	<u>6,834,398</u>	
Allocation of governance support costs	390,560	1,171,682	(1,562,242)	-	Usage
	<u>1,537,249</u>	<u>5,297,148</u>	<u>-</u>	<u>6,834,398</u>	

Year to 31 December 2022

The breakdown of support costs and how these were allocated between cost of generating funds, charitable activities and governance costs is shown below.

Cost Type	Raising income 2022 £	Charitable Activities 2022 £	Governance 2022 £	Total Allocated 2022 Basis £	
Staff costs	721,476	2,951,494	918,242	4,591,212	Staff time
Administration	178,656	535,968	178,656	893,280	Usage
Insurance	16,395	49,185	16,395	81,975	Usage
Depreciation and amortisation	80,486	80,485	-	160,971	Usage
	<u>997,013</u>	<u>3,617,132</u>	<u>1,113,293</u>	<u>5,727,438</u>	
Direct governance costs			151,219	151,219	Actual
	<u>997,013</u>	<u>3,617,132</u>	<u>1,264,512</u>	<u>5,878,657</u>	
Allocation of governance support costs	316,129	948,383	(1,264,512)	-	Usage
	<u>1,313,142</u>	<u>4,565,515</u>	<u>-</u>	<u>5,878,657</u>	

**ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

The total support costs attributable to charitable activities is then apportioned based on the number of grants awarded during the year for each activity as shown below.

Charitable Activity Cost Type	Percentage of grants awarded		Percentage of grants awarded	
	2023 %	2023 £	2022 %	2022 £
Programme spend	39	2,086,152	40	1,823,262
Through Life Pathway	23	1,227,157	25	1,122,080
Quality of Life Pathway	23	1,217,723	25	1,137,661
Fit for Life Pathway	9	497,346	7	318,802
End of Life Pathway	5	268,769	3	163,710
	100	5,297,148	100	4,565,515

12.ANALYSIS OF STAFF COSTS

	2023 £	2022 £
Salaries and wages	4,420,347	3,897,034
Social security costs	443,905	422,648
Pension costs	292,321	271,530
	5,156,573	4,591,212

The number of employees whose emoluments (salaries and benefits in kind) fell within the following bands:

	2023	2022
£100,000-£110,000	1	1
£90,000-£99,000	1	1
£80,000-£89,999	3	1
£70,000-£79,999	4	5
£60,000-£69,999	4	4

The number of employees earning £60,000 or above for whom pension contributions have been paid in the year is 13 (2022: 12).
The total pension contributions paid by the Charity during the year for an employees earning more than £60,000 was £101,293 (2022: £76,939)

**ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
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13. STAFF NUMBERS

The average number of full time equivalent employees (including casual and part time staff) during the period was as follows:

	2023	2022
	No	No
Direct charitable - Sports	9	11
Direct charitable - Benevolence	34	31
Support	54	61
	97	103

14. TRUSTEES AND KEY MANAGEMENT PERSONNEL

No trustee received emoluments in the period (2022: none). Total travel expenses of £1,254 (2022: £881) were paid to six (2022: six) trustees during the period.

Within the RNRMC there are nine unincorporated charities, six charitable companies, and two charities with a Royal Charter now integrated within the Group structure, representing the overwhelming majority of the naval charity sector. Each of these entities has a CEO or equivalent that form part of the team that we class as our key management personnel. These personnel are supported by the RNRMC Senior Leadership Team (SLT)

Therefore the Key management personnel include the Trustees, Chief Executive and the Group CEOs. The total employee benefits of the charity's key management personnel were £448,487 (2022: £392,593). No trustee received any remuneration as part of this figure.

**ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

15. MOVEMENT IN NET FUNDS FOR THE YEAR

	2023	2022
	£	£
Movement in net funds is stated after charging/(crediting):		
Auditors remuneration (including irrecoverable VAT):		
- Statutory audit (current year)	51,775	50,538
- Tax compliance	2,070	660
- Advisory	22,849	31,857
Depreciation - owned assets	124,701	97,603
Amortisation	75,043	64,435

16. TRANSFER BETWEEN FUNDS

Transfers between funds relate to amounts allocated by the RNRMC general funds to its subsidiaries.

17. TAXATION

The company is a registered charity and no provision is considered necessary for taxation.

18. INTANGIBLE FIXED ASSETS- GROUP

	Website & software
	£
Cost or Valuation	
As at 1 January 2023	608,550
Additions	114,637
Disposals	(218,244)
As at 31 December 2023	504,943
Amortisation	
As at 1 January	279,568
Charge for the year	75,043
Eliminated on disposals	(98,311)
As at 31 December 2023	256,300
Net book value	
As at 31 December 2023	248,643
As at 31 December 2022	328,982

18. INTANGIBLE FIXED ASSETS - CHARITY

	Website
	£
Cost or valuation	
As at 1 January 2023	105,659
Disposals	(38,940)
As at 31 December 2023	66,719
Depreciation:	
As at 1 January 2023	40,678
Charge for the year	10,776
As at 31 December 2023	51,454
Net book value	
As at 31 December 2023	15,265
As at 31 December 2022	64,981

ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

19. TANGIBLE FIXED ASSETS-GROUP

	Leasehold Improvements £	Freehold Property £	Office Equipment £	Motor Vehicles £	Total £
Cost or Valuation					
As at 1 January 2023	898,464	631,976	363,829	23,096	1,917,365
Additions	-	1,342,721	102,647	-	1,445,368
Disposals	-	-	(36,486)	-	(36,486)
Transfer in from WRNSBT	-	-	8,436	-	8,436
					-
As at 31 December 2023	898,464	1,974,697	438,426	23,096	3,334,683
Depreciation					
As at 1 January	138,887	46,186	313,430	6,449	504,952
Charge for the year	37,098	39,599	40,107	7,897	124,701
Eliminated on disposal	-	-	(36,329)	-	(36,329)
Transfer in from WRNSBT	-	-	6,411	-	6,411
As at 31 December 2023	175,985	85,785	323,619	14,346	599,735
Net book value					
As at 31 December 2023	722,479	1,888,912	114,807	8,750	2,734,948
As at 31 December 2022	759,577	585,790	50,399	16,647	1,412,413

19.TANGIBLE FIXED ASSETS - CHARITY

	Leasehold Improvements £	Freehold Property £	Office Equipment £	Motor Vehicles £	Total £
Cost or Valuation					
As at 1 January 2023	889,194	-	272,360	-	1,161,554
Additions	-	-	26,860	-	26,860
Disposals	-	-	(6,546)	-	(6,546)
As at 31 December 2023	889,194	-	292,674	-	1,181,868
Depreciation					
As at 1 January	138,887	-	229,827	-	368,714
Charge for the year	36,111	-	26,788	-	62,899
Eliminated on disposal	-	-	(6,389)	-	(6,389)
As at 31 December 2023	174,998	-	250,226	-	425,224
Net book value					
As at 31 December 2023	714,196	-	42,448	-	756,644
As at 31 December 2022	750,307	-	42,533	-	792,840

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20. FIXED ASSET INVESTMENTS

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Movements in fixed asset investments				
Market value brought forward	74,502,514	87,546,437	44,224,778	53,417,700
Transfers in (WRNSBT)	3,731,809	-	-	-
Additions at cost	30,572,014	51,568,064	23,531,272	26,455,608
Disposals at carrying value	(35,676,922)	(55,733,923)	(27,386,819)	(29,981,189)
Net gain/(loss) on revaluation	3,337,347	(8,878,064)	2,120,501	(5,667,341)
Market value carried forward	<u>76,466,762</u>	<u>74,502,514</u>	<u>42,489,732</u>	<u>44,224,778</u>

Analysis of market value of investments by type:

Unlisted - RNRMC Enterprises Limited	-	-	100,000	100,000
Equities	51,145,788	50,067,923	27,648,331	30,269,270
Bonds	10,811,866	8,567,734	6,118,981	4,872,094
Alternative investments	10,295,303	11,434,777	5,948,917	7,420,618
Cash	4,213,805	4,432,080	2,673,503	1,562,796
	<u>76,466,762</u>	<u>74,502,514</u>	<u>42,489,732</u>	<u>44,224,778</u>

Analysis of market value of investments between those held within and outside the United Kingdom:

Within the United Kingdom	24,071,470	21,737,416	13,383,295	12,266,515
Outside the United Kingdom	52,395,292	52,765,098	29,106,437	31,958,263
	<u>76,466,762</u>	<u>74,502,514</u>	<u>42,489,732</u>	<u>44,224,778</u>

ROYAL NAVY AND ROYAL MARINES CHARITY
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21. STOCK

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Goods for resale	254,353	273,825	-	-

22. DEBTORS

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Naval Service assisted travel loans	9,022	16,177	9,022	16,177
Accrued income	2,474,640	761,178	341,874	390,024
Owed from subsidiary undertakings	-	-	270,771	234,005
Other debtors and prepayments	1,616,895	1,391,125	905,323	1,145,449
	4,100,557	2,168,480	1,526,990	1,785,655

23. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Bank loan	-	10,000	-	-
Grants payable	2,503,577	3,094,408	2,481,488	3,020,836
Taxation and social security	126,637	158,953	60,541	75,587
Accruals and other creditors	5,215,281	4,498,101	4,097,860	3,868,515
Deferred income (see Note 24)	992,207	948,833	948,528	908,663
Owed to subsidiary undertakings	-	-	-	72,138
	8,837,702	8,710,295	7,588,417	7,945,739

**ROYAL NAVY AND ROYAL MARINES CHARITY
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Custodian funds

The RNRMC holds custodian funds on behalf of RNRM Welfare, UIF CTCRM (Unit Institute Fund Commando Training Centre Royal Marines), Royal Navy Association, Royal Navy Football Association, RNRM Sports Lottery, Porth Kerris LIBOR Fund and the Globe and Laurel Magazine Fund. These amounts are included within creditors above.

Entity	Principal Object	Held	2023 £	2022 £
RNRM Welfare	The Royal Navy's secondary (specialist) welfare service for naval service personnel and their families.	Cash	£430	£430
UIF CTCRM	A registered charity whose principal object is the promotion of efficiency of the armed forces of the Crown by the provision and support of facilities and activities for the efficiency and well-being of Service personnel.	Investment Portfolio with Sarasin and cash	£314,608	£307,347
Globe and Laurel Magazine Fund	A registered charity whose principal object is management, publication and sale of the Corps Journal of the Royal Marines.	Investment Portfolio with Sarasin and cash	£243,507	£237,885
Royal Naval Association	A registered charity whose principal object is to foster comradeship and "esprit de corps" among those who have served or are serving in Her Majesty's Naval Forces.	Investment Portfolio with Sarasin	£1,403,935	£1,421,210
The Royal Navy Football Association	A registered charity whose principal object is to promote the physical efficiency of members of the Royal Navy and Royal Marines.	Investment Portfolio with Sarasin and cash	£98,131	£95,864
RNRM Sports Lottery	A non-public fund which was set up to generate funds to support all levels of sport, adventure training and recreation in the Naval Service.	Investment Portfolio with Sarasin and cash	£987,813	£965,020
Porth Kerris LIBOR fund	A grant received from the LIBOR fines fund to support a specific RN Project at Porth Kerris.	Investment Portfolio with Sarasin	£300,000	£300,000
HMS QUEEN ELIZABETH Gosling Fund	The QNLZ Gosling Fund is an organisation whose principal object is 'the promotion of efficiency of the armed forces of the Crown by the provision and support of facilities and activities for the efficiency and well-being of Service personnel.	Investment Portfolio with Sarasin	£222,488	£0

This activity falls within the RNRMC's principal object which is the promotion of the efficiency of the Naval Service and the Auxiliaries. By assisting these entities RNRMC's objects are being furthered allowing grants to be paid through proper financial and governance channels for RNRM Welfare and increasing the investment income potential by benefitting from beneficial rates offered to larger portfolios. Memorandums of Understanding are in place with all these entities and all custodian funds are accounted for separately.

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24. DEFERRED INCOME

Deferred income comprises grants received for future financial periods.

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Balance at 1 January	948,833	1,020,879	908,663	908,663
Amount released to incoming resources	(948,833)	(1,020,879)	(908,663)	(908,663)
Amount deferred in year	992,207	948,833	948,528	908,663
Balance at 31 December	992,207	948,833	948,528	908,663
Analysis:				
Release within one year	992,207	948,833	948,528	908,663
Release after more than one year	-	-	-	-
	992,207	948,833	948,528	908,663

**25. CREDITORS:
AMOUNTS FALLING DUE IN MORE THAN ONE YEAR**

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Bank loan	-	24,900	-	-
	-	24,900	-	-

During 2021 the subsidiary company, TRMC Enterprises Limited, obtained a bank loan from Lloyds Bank plc under the Governments Coronavirus Bounce Back Loan scheme. Interest is payable at 2.5 from July 2021. The loan was fully repaid during the 2023 financial year.

ROYAL NAVY AND ROYAL MARINES CHARITY
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26. ANALYSIS OF CHARITABLE FUNDS

Analysis of unrestricted fund movements-current year

	Balance at 01.01.2023 £	Incoming resources £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2023 £
RNRMC general funds	20,373,492	4,152,743	(8,569,629)	23,178	1,520,783	17,500,567
Designated:						
DRUMFORK	69,393	-	-	-	-	69,393
Building 37	645,811	-	(30,076)	-	-	615,735
Group and Charity designated total	715,204	-	(30,076)	-	-	685,128
RNRMC Enterprises Limited	-	944,889	(535,388)	(409,501)	-	-
Royal Marines Shop Limited	167,072	524,597	(502,233)	(17,251)	-	172,185
TRMCE	30,427	125,881	(1,375,768)	1,219,460	-	-
Group unrestricted total	21,286,195	5,748,110	(11,013,094)	815,886	1,520,783	18,357,880

Analysis of restricted fund movements-current year

	Balance at 01.01.2023 £	Incoming resources £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2023 £
Charity						
Naval Service Benevolence Fund	8,697	13,625	234,345	(274,205)	17,538	0
Naval Service Dependents' fund	8,578,019	319,120	(1,277,240)	-	258,065	7,877,964
Naval Service Amenity fund	-	-	13,862	(13,862)	-	-
Prizes and awards fund	4,536,615	103,489	(206,108)	-	133,192	4,567,188
FAA Benevolent Trust	4,841,439	103,140	(143,647)	-	132,032	4,932,964
QARNNS Trust Fund	903,650	24,934	(22,461)	-	24,323	930,446
Plymouth Royal Naval Aid Fund	252,195	5,343	(2,770)	-	6,878	261,646
Sir Donald Gosling Maritime Fund	261,331	5,837	(9,509)	-	7,509	265,168
Naval Medical Compassionate Fund	743,002	15,682	(11,429)	-	20,181	767,436
Nuffield Trust	23,528	177,756	(99,527)	-	-	101,757
The Submarine Fund	142,329	68,403	(161,640)	107,000	-	156,092
Armed forces covenant fund trust funding-TL	1,863	875	(2,738)	-	-	-
OARD	36,908	48,918	31,779	(10,000)	-	107,605
Helping Jim	33,660	26,104	(6,663)	-	-	53,101
Paul Morris	10,778	-	(3,243)	-	-	7,535
Armed Forces Covenant Fund-RO	274,458	-	(249,601)	-	-	24,857
RFA	59,960	5,190	(2,508)	-	-	62,642
Armed forces covenant fund trust funding-RSAFC	-	32,900	(32,900)	-	-	-
TSF- COSM	-	20,000	-	-	-	20,000
AFCTF-NDT	-	100,000	(67,502)	-	-	32,498
Charity restricted total	20,708,430	1,071,316	(2,019,500)	(191,067)	599,718	20,168,897

	Balance at 01.01.2023 £	Incoming resources £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2023 £
Group						
Naval Service Sports Charity	4,476,301	532,975	(951,016)	208,790	116,775	4,383,825
RNOC (RNBSO) - general funds	16,037,214	804,992	(724,436)	-	429,869	16,547,639
RNOC - RN Scholarship Fund	236,913	9,338	(67,000)	-	5,262	184,513
RMA-TRMC general funds	7,430,208	4,092,099	(824,858)	(1,077,942)	299,440	9,918,947
Marines Museum Fund	1,000,000	-	-	(1,000,000)	-	-
RMA	731,496	236,419	(647,342)	(104,602)	-	215,971
RM Benevolence Fund	57,317	548,837	(1,505,360)	837,873	61,502	170
RM Cadet Fund	128,076	2,254	(779)	-	5,248	134,799
RM Central Sergeants' Mess Fund	773,901	154,724	(201,710)	(62,910)	41,410	705,415
RM Central Unit Institute Fund	1,282,746	316,021	(183,300)	(116,498)	50,786	1,349,756
RM Officers' Trust Fund	1,089,249	163,613	(140,370)	(53,588)	44,687	1,103,590
Armed forces covenant fund trust funding- PP	(309)	1,000	(930)	239	-	-
Armed forces covenant fund trust funding- FFC	3,948	335	(4,283)	-	-	0
Armed forces Covenant trust fund-SS	38,118	-	(38,287)	169	-	0
Armed Forces Covenant Trust fund-OTM	22,381	5,000	(27,978)	595	-	0
RMSA	143,720	40,060	(374,843)	224,184	-	33,121
TRMC-NL-LTL	26,666	80,000	(86,667)	-	-	19,999
TRMC-AFGHAN	128,145	15,000	(132,818)	(1,128)	-	9,199
TRMC-B72	50,000	1,020,000	(38,845)	500,001	-	1,531,156
CTCFC	2,323	-	(2,979)	19,999	-	19,343
TRMC-AFCTF-BCC	-	80,000	-	-	-	80,000
TRMC-AFCTF-RSAF	-	15,888	(5,296)	-	-	10,592
WRNSBT	-	78,271	(180,156)	4,254,862	161,867	4,314,844
Group restricted total	54,366,844	9,268,142	(8,158,753)	3,438,977	1,816,564	60,731,773

Analysis of permanent endowment fund movements-current year

	Balance at 01.01.2023 £	Income £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2023 £
Naval Service Benevolence Fund	655,649	-	-	-	-	655,649
Permanent Endowment Total	655,649	-	-	-	-	655,649

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Analysis of unrestricted fund movements-prior year

	Balance at 01.01.2022 £	Income £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2022 £
Unrestricted funds						
RNRMC general funds	27,436,482	2,942,496	(5,732,954)	(1,517,191)	(2,755,341)	20,373,492
Designated:						
DRUMFORK	69,393	-	-	-	-	69,393
Building 37	675,887	-	(30,076)	-	-	645,811
Group and Charity designated total	745,280	(0)	(30,076)	-	-	715,204
RNRMC Enterprises Limited	-	713,805	(522,437)	(191,368)	-	-
Royal Marines Shop Limited	166,332	496,484	(495,944)	200	-	167,072
TRMCE	5,448	117,001	(237,107)	145,085	-	30,427
Group unrestricted total	28,353,542	4,269,786	(7,018,518)	(1,563,274)	(2,755,341)	21,286,195

Analysis of restricted fund movements- prior year

	Balance at 01.01.2022 £	Income £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2022 £
Naval Service Benevolence Fund	-	1,297,559	(1,292,304)	84,366	(80,924)	8,697
Naval Service Dependents' fund	10,814,327	262,293	(1,163,194)	-	(1,335,407)	8,578,019
Naval Service Amenity fund	-	-	(1,072,967)	1,072,967	-	0
Prizes and awards fund	5,270,799	80,198	(199,747)	-	(614,635)	4,536,615
FAA Benevolent Trust	5,491,143	95,228	(135,664)	-	(609,268)	4,841,439
QARNNS Trust Fund	1,025,286	14,897	(24,296)	-	(112,238)	903,650
Plymouth Royal Naval Aid Fund	285,543	4,143	(5,745)	-	(31,746)	252,195
Sir Donald Gosling Maritime Fund	301,227	4,523	(9,765)	-	(34,654)	261,331
Naval Medical Compassionate Fund	833,100	12,151	(9,121)	-	(93,128)	743,002
Nuffield Trust	1,146	415,921	(393,539)	-	-	23,528
The Submarine Fund	134,187	111,343	(103,201)	-	-	142,329
Armed forces covenant fund trust funding-SF	41,150	79,500	(120,650)	-	-	-
Armed forces covenant fund trust funding-TL	-	34,125	(32,262)	-	-	1,863
OARD	42,734	37,416	(43,243)	-	-	36,908
Helping Jim	13,310	22,701	(2,351)	-	-	33,660
Paul Morris	25,042	3,500	(17,764)	-	-	10,778
Armed Forces Covenant Fund-RO	-	420,833	(146,375)	-	-	274,458
RFA	-	59,960	-	-	-	59,960
Armed forces covenant fund trust funding-RSAFC	-	32,900	(32,900)	-	-	-
Charity restricted total	24,278,994	2,989,191	(4,805,088)	1,157,333	(2,912,000)	20,708,430
Group						
Naval Service Sports Charity	5,285,282	532,433	(952,578)	199,160	(587,996)	4,476,301
NSSC- RNRU fund	-	-	-	-	-	-
RNOC (RNBSO) - general funds	16,817,874	1,049,632	(695,333)	-	(1,134,959)	16,037,214
RNOC - RN Scholarship Fund	303,563	10,801	(58,116)	-	(19,335)	236,913
RMA-TRMC general funds	7,749,017	2,462,873	(1,757,118)	(157,730)	(866,834)	7,430,209
Marines Museum Fund	1,000,000	-	-	-	-	1,000,000
RMA	700,953	207,481	(541,448)	364,511	-	731,496
RM Benevolence Fund	1,153,650	573,826	(1,440,321)	-	(229,838)	57,317
RM Cadet Fund	140,943	1,744	(887)	-	(13,724)	128,076
RM Central Sergeants' Mess Fund	979,968	134,148	(203,160)	(28,742)	(108,313)	773,901
RM Central Unit Institute Fund	1,462,769	290,725	(186,535)	(151,374)	(132,839)	1,282,746
RM Officers' Trust Fund	1,245,919	148,026	(176,314)	(11,497)	(116,885)	1,089,249
Armed forces covenant fund trust funding- PP	(2,059)	1,750	-	-	-	(309)
Armed forces covenant fund trust funding- FFC	10,587	-	(6,639)	-	-	3,948
Armed foreces Covenant trust fund-SS	30,604	52,452	(44,938)	-	-	38,118
Armed Forces Covenant Trust fund-OTM	33,932	122,626	(134,177)	-	-	22,381
RMSA	144,155	34,488	(226,536)	191,613	-	143,720
TRMC-NL-LTL	-	80,000	(53,334)	-	-	26,666
TRMC-CLODE	-	10,000	(10,000)	-	-	-
TRMC-AFGHAN	-	141,888	(13,743)	-	-	128,145
TRMC-B72	-	50,000	-	-	-	50,000
CTCFC	-	50,298	(47,975)	-	-	2,323
Group & Charity restricted total	61,336,151	8,944,382	(11,354,240)	1,563,274	(6,122,723)	54,366,844

Analysis of permanent endowment fund movements-prior year

	Balance at 01.01.2022 £	Income £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2022 £
Naval Service Benevolence Fund	655,649	-	-	-	-	655,649
Permanent Endowment Total	655,649	-	-	-	-	655,649

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26. ANALYSIS OF CHARITABLE FUNDS (continued)

Classification of Group Funds

The RNRMC has a fund structure consisting of unrestricted, designated, restricted and one permanent endowment fund.

Unrestricted Fund – this fund represents those funds which have not been designated, and are available to support any of the objects of the parent charity.

Designated Funds – are held against known commitments as explained below and are a category of unrestricted funds:

LIBOR – Afghanistan – the designated funds to be used to primarily support the families of the fallen and wounded, injured and sick veterans of the Afghanistan Campaign. These funds were spent in 2020.

Drumfork – In 2015, the RNRMC received a £2m donation from HM Treasury for the refurbishment of the Drumfork club in Helensburgh, Scotland. The RNRMC designated £1m from its own funds in October 2017 to ensure the completion of the project, of which £931k has been spent. £69k remains in the designated fund for fixtures and fittings across 2022.

Building 37 – In 2017, the Trustees designated £770k for the renovation of Buildings 37 and 35 within HMS Excellent, Portsmouth in order to give the charity a fit for purpose working environment for the next 25 years. The designated fund will be retained to depreciate the cost over the term of the lease with the MOD (25 years) and is considerably less than the commercial rental rates of £40k per annum (£1m over the lease period at today's rates).

Permanent Endowment – held separately as part of the Naval Service Benevolence Fund.

Restricted Funds - the subsidiary charities are all restricted funds and are grouped under two main headings in order to achieve the RNRMC's charitable objectives. Each subsidiary's funds are restricted by the provisions of that charity's governing instrument, whether Royal Charter*, Memorandum of Association** or Charity Commission Scheme***.

Benevolence	Promotion of Efficiency
Royal Navy Officers' Charity*	Naval Service Amenity Fund***
Naval Service Benevolence Fund***	Naval Service Prizes and Awards
Plymouth Royal Naval Aid Fund ***	Naval Service Sports Charity**
Naval Medical Compassionate Fund***	Naval Service Dependants' Fund***
	Fleet Air Arm Benevolent Trust ***
	Sir Donald Gosling Maritime Reserve
	Royal Marines Sports Association**
Charities with dual objects	
Queen Alexandra's Royal Naval Nursing Service Trust Fund***	
The Royal Marines Association - The Royal Marines Charity **	

The remaining restricted funds that are not mentioned in the table above have been received as restricted income rather than existing as separate charities merged within the RNRMC umbrella.

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27. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

As at 31 December 2023

	Unrestricted* Funds £	Restricted Funds £	Endowment Funds £	Total 2023 £
Tangible fixed assets	758,412	1,976,536		2,734,948
Intangibles	441	248,202		248,643
Fixed asset investments	18,252,709	57,558,403	655,649	76,466,761
Cash at bank and in hand	990,477	3,787,265		4,777,742
Other net current assets/(liabilities)	(1,644,158)	(2,838,634)		(4,482,792)
Long term liabilities	-	-		-
	<u>18,357,881</u>	<u>60,731,773</u>	<u>655,649</u>	<u>79,745,302</u>

As at 31 December 2022

	Unrestricted* Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £
Tangible fixed assets	794,256	618,157		1,412,413
Intangibles	39,381	289,601		328,982
Fixed asset investments	19,142,835	54,704,030	655,649	74,502,514
Cash at bank and in hand	2,990,222	3,367,447		6,357,669
Other net current assets/(liabilities)	(1,655,599)	(4,612,391)		(6,267,990)
Long term liabilities	(24,900)	-		(24,900)
	<u>21,286,195</u>	<u>54,366,844</u>	<u>655,649</u>	<u>76,308,688</u>

28. DISCLOSURE OF SUBSIDIARIES – ROYAL NAVAL BENEVOLENT SOCIETY FOR OFFICERS

The charitable company is the trustee with right of veto of the Royal Naval Benevolent Society for Officers, known as The Royal Navy Officers' Charity (RNOC), a charity formed by Royal Charter. RNOC have objects similar to those of the RNRMC. These financial statements consolidate the accounts for the RNOC. The following is an extract of the financial statements of RNOC for the year ended 31 December 2023:

	2023 £	2022 £
Income	724,173	1,018,328
Expenditure	(701,279)	(711,344)
Gains/(losses) on investments	435,131	(1,154,294)
Income/ (expenditure)	<u>458,025</u>	<u>(847,310)</u>
Total assets	16,737,688	16,289,124
Liabilities	(5,539)	(15,000)
Net assets	<u>16,732,149</u>	<u>16,274,124</u>
Restricted funds	184,514	236,914
Unrestricted funds	<u>16,547,635</u>	<u>16,037,210</u>
	<u>16,732,149</u>	<u>16,274,124</u>

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29. DISCLOSURE OF SUBSIDIARIES – NAVAL SERVICE SPORTS CHARITY

The charitable company is the sole corporate member of

	2023	2022
	£	£
Income	777,975	759,433
Expenditure	(987,226)	(980,418)
Gains/(losses) on investments	116,775	(587,996)
	<u>(92,476)</u>	<u>(808,981)</u>
Income/ (expenditure)		
Total assets	4,569,387	4,704,504
Liabilities	(185,718)	(228,359)
Net assets	<u>4,383,669</u>	<u>4,476,145</u>
Restricted funds	-	-
Unrestricted funds	4,383,669	4,476,145
	<u>4,383,669</u>	<u>4,476,145</u>

30. DISCLOSURE OF SUBSIDIARIES – RMA-TRMC – THE ROYAL MARINES ASSOCIATION- THE ROYAL MARINES CHARITY

The charitable company became the sole corporate member of The Royal Marines Charity (TRMC), a charitable company limited by guarantee, on 1 April 2011. These financial statements consolidate the accounts for the RMC. The following is an extract of the financial statements of TRMC for year ended 31 December 2023:

	2023	2022
	£	£
Income	7,179,823	4,774,495
Expenditure	(5,464,642)	(5,048,416)
Gains/(losses) on investments	503,073	(1,468,433)
	<u>2,218,254</u>	<u>(1,742,354)</u>
Income/ (expenditure)		
Total assets	15,780,507	13,424,951
Liabilities	(654,186)	(516,884)
Net assets	<u>15,126,321</u>	<u>12,908,067</u>
Restricted funds	4,998,039	3,746,139
Unrestricted funds	10,128,282	9,161,928
	<u>15,126,321</u>	<u>12,908,067</u>

ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

31 DISCLOSURE OF SUBSIDIARIES – WOMEN'S ROYAL NAVAL SERVICE BENEVOLENT TRUST

WRNS became a wholly owned subsidiary of RNRMC on 19 July 2023 and accordingly on that date the company became a subsidiary of the group. Its results for the period to the 31 December are consolidated in the Group accounts. The following is an extract of the financial statements of Women's Royal Naval Service Benevolent Trust for the period from 19 July to 31 December 2023.

	Period ended 2023 £
Income	78,271
Expenditure	(180,156)
Gains/(losses) on investments	161,867
Net income	<u>59,982</u>
Transfer of net assets as at 18 July 2023	<u>4,254,862</u>
Total funds	<u><u>4,314,844</u></u>
Total assets	4,362,889
Liabilities	<u>(48,045)</u>
Net assets	<u><u>4,314,844</u></u>
Total funds	<u><u>4,314,844</u></u>

32 DISCLOSURE OF SUBSIDIARIES – RNRMC ENTERPRISES LIMITED

The RNRMC Enterprises Limited was incorporated on 5 March 2012, as the wholly owned trading subsidiary of RNRMC with a share capital of £100,000. Its results to the 31 December are consolidated in the Group accounts. The following is an extract of the financial statements of RNRMC Enterprises Limited for the year to 31 December 2023:

	2023 £	2022 £
Income	977,499	741,645
Expenditure	<u>(535,388)</u>	<u>(522,437)</u>
Net income - gift aided to RNRMC	<u><u>442,111</u></u>	<u><u>219,208</u></u>
Total assets	611,203	385,930
Liabilities	<u>(511,203)</u>	<u>(285,930)</u>
Net assets	<u><u>100,000</u></u>	<u><u>100,000</u></u>
Share Capital and retained earnings	<u><u>100,000</u></u>	<u><u>100,000</u></u>

**ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

33 DISCLOSURE OF SUBSIDIARIES – TRMC ENTERPRISES LIMITED

TRMC Enterprises Limited was incorporated on 23 February 2016, as the wholly owned trading subsidiary of RMA-TRMC with a share capital of £1. Its results to the 31 December are consolidated in the Group accounts. The following is an extract of the financial statements of TRMC Enterprises Limited for the period to 31 December 2023:

	2023	2022
	£	£
Income	1,373,914	262,086
Expenditure	(1,345,341)	(231,659)
Net movement in funds	28,573	30,427
	2023	2022
	£	£
Current assets	249,923	104,184
Liabilities	(221,349)	(73,756)
Net assets	28,574	30,428
Share Capital and retained earnings	28,574	30,428

34 DISCLOSURE OF SUBSIDIARIES – ROYAL MARINES SHOP LIMITED

RMA-TRMC became the sole shareholder of Royal Marines Shop Limited on 1 April 2019 and accordingly on that date the company became a subsidiary of the group. Its results for the year to the 31 December are consolidated in the Group accounts. The following is an extract of the financial statements of Royal Marines Shop Limited for the year ended 31 December 2023:

	2023	2022
	£	£
Income	524,597	496,484
Expenditure	(504,484)	(487,637)
Net movement in funds	20,113	8,847
	2023	2022
	£	£
Fixed assets	2,747	2,688
Current assets	247,401	222,837
Liabilities	(75,745)	(58,453)
Net assets	174,403	167,072

**ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

35 PENSIONS AND OTHER POST-RETIREMENT BENEFIT COMMITMENTS

The Charity operates a defined contribution scheme, which is administered independently of the Charity. The cost to the Charity for the year was £292,231 (2022: £271,531). At the Balance Sheet date the amount due to the pension scheme administrators was £nil (2022: £Nil).

36 RELATED PARTY TRANSACTIONS

In August 2009 the Royal Navy agreed to lease office space at HMS Excellent to the Charitable Company at a peppercorn rent. These support costs are difficult to quantify as they are not discrete activities because personnel and office facilities are used for other Navy Command duties. As such the value of support provided by the Ministry of Defence has not been included in the Charitable Company's Statement of Financial Activities.

During the year trustees donated £2,042 (2022: £25,637) to the charity.

During the year The Royal Navy and Royal Marines Charity made a grant to its subsidiary, The Naval Service Sports Charity, of £245,000 (2022: £227,000).

During the year The Royal Navy and Royal Marines Charity made a grant to its subsidiary, RMA - The Royal Marines Charity, of £365,000 (2022: £203,600).

During the year The Royal Navy and Royal Marines Charity charged its subsidiaries the following amounts in respect of management and administration services: RNRMC Enterprises Limited £17,715 (2022: £18,408).

During the year RNRMC Enterprises Limited donated £442,111 (2022: £137,418) to the parent charity, The Royal Navy and Royal Marines Charity.

**ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

37 OPERATING LEASE COMMITMENTS

At the year end the charity had the following total commitments under non-cancellable operating leases:

	2023	2022
	£	£
Due within:		
1 year	40,288	43,857
2-5 years	160,029	160,317
More than 5 years	595,945	635,945
	<u>796,262</u>	<u>840,119</u>

38 NET DEBT

	1 January	Cash flows	31 December
	2023	2023	2023
	£	£	£
Cash at bank	6,357,669	(1,579,927)	4,777,742
Bank loan	(34,900)	34,900	-
	<u>6,322,769</u>	<u>(1,545,027)</u>	<u>4,777,742</u>

39 ULTIMATE CONTROLLING PARTY

The charitable company is under the control of its members. No one member has sufficient voting rights to control the charitable company.

THE ROYAL NAVY AND ROYAL MARINES CHARITY

England & Wales - Charity number 1117794

Accounts

THE ROYAL NAVY & ROYAL MARINES CHARITY

CONSOLIDATED ANNUAL REPORT AND ACCOUNTS 2022

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

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REPORT OF THE TRUSTEES

LEGAL AND ADMINISTRATIVE INFORMATION

Honorary Officers

Patron

Her Royal Highness The Princess Royal

Senior Vice Patron

Honorary Captain The Lord Hintze Kt. AM RNR

Vice Patrons

Mr James Pitt

Honorary Captain Lance Batchelor RNR

Mr Simon Pillar

Sir Bill Thomas

President

Admiral Sir Jonathon Band GCB DL

Vice Presidents

General Sir Gordon Messenger KCB DSO* OBE

Vice Admiral Sir Tim Laurence KCVO CB ADC(P)

Honorary Commodore The Honourable Stephen Watson RNR

Honorary Colonel RM The Lord Sedwill GCMG FRGS

Trustees, Members and Directors

Dr Brian Gilvary	Chairman
Mrs Kate Phipps-Wiltshire	Vice Chair
Mr John Bartlett	Appointed 26 th April 2022
Mr Rod Birkett	
Mr Simon Black	
Lieutenant Commander Harriet Delbridge Royal Navy	
Mr Mark Robinson	
Brigadier Mike Tanner OBE Royal Marines	
Dr Michelle Westwood	
WO1 Jamie Wright Royal Marines	Appointed 28 th July 2022
Surgeon Captain Jo Keogh OBE Royal Navy	Appointed 28 th July 2022
WO1 Barry Firth MBE Royal Navy	Appointed 28 th July 2022
Dr Jo Pabari	Appointed 12 th December 2022
Rear Admiral Steve Brunton CBE (Ret'd)	Appointed 17 th April 2023
Commodore Catherine Jordan LVO Royal Navy	Appointed 20 th July 2023
Commodore Andrew Jameson OBE Royal Navy (Ret'd)	Resigned 18 th April 2023
Mr Mark Lewthwaite	Resigned 27 th January 2022
Rear Admiral James Parkin CBE Royal Navy	Retired 28 th July 2022
WO1 Carl Steedman Royal Navy	Retired 28 th July 2022
Ms Katherine Beadle	Resigned 11 th October 2022
Mr James Pitt	Resigned 12 th December 2022

REPORT OF THE TRUSTEES

LEGAL AND ADMINISTRATIVE INFORMATION (continued)

Chief Executive Officer

Mr Adrian Bell (Resigned 17th April 2023)
Mr Andrew Jameson OBE (Appointed 2nd May 2023)

Company Secretary

Mrs Samantha Nicolson

Company Registration Number

6047294 (England and Wales)

Registered Charity Numbers

1117794 (England and Wales)
SC041898 (Scotland)

Registered Office

Building 37, HMS Excellent, Whale Island, Portsmouth, PO2 8ER

Auditor

Moore Kingston Smith LLP, Chartered Accountants
6th Floor, 9 Appold Street, London EC2A 2AP

Legal Advisors

Charles Russell Speechlys LLP
5 Fleet Place, London, EC4M 7RD

BDP Pitmans LLP

50 Broadway, London SW1H 0BL

Bankers

Holt's Military Banking
Royal Bank of Scotland plc,
200 Fowler Avenue, Fowler Business Park, Farnborough, GU14 7JP

Investment Managers

Sarasin & Partners LLP
Juxon House, 100 St. Paul's Churchyard, London, EC4M 8BU

THE ROYAL NAVY AND ROYAL MARINES CHARITY
REPORT OF THE TRUSTEES

CHAIRMAN and CEO's REPORT

The RNRMC group of charities exists to support the people serving in the Royal Navy, the Royal Marines and the Royal Fleet Auxiliary. Through the generosity of our donors, the charities within the group seek to meet the needs of serving personnel, their families, and the needs of those who have served. To support the charity, therefore, is to value and support sailors, marines, and their families, for life.

The last 12 months has seen the confluence of two important factors. Firstly, stubbornly high inflation (and the Government's response to it) has put a real strain on both personal budgets and public spending. This affects particularly veterans, but also the serving and their families. Secondly, the tempo of activity of our armed forces is high, and this places additional burdens on individuals' health and family relationships.

As a result, and in order to meet this need, the Charity has committed considerable resources to its charitable activity, and we believe the outcomes achieved play a significant role in helping to ameliorate some of the disadvantages of service life. We wish to place on record our gratitude to, and admiration for, the many charities (there are over 50) with whom we work to deliver these positive results. Our partners range from other naval charities who focus on a particular cohort (e.g. children or ratings), to national charities who deliver bespoke outcomes in particular areas (e.g. marital counselling or supporting families with young children). Our partners operate throughout the UK and indeed internationally to be on the side of our beneficiaries; and we continue to believe that early intervention and a person-centred approach, working with others, is the best way to meet our charitable objectives.

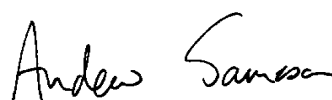
None of this could be achieved without our volunteers and financial supporters; and in the period covered by this report we have received substantial support from a broad spectrum of people and organisations who trust us to deliver the outcomes they seek. In particular, we receive the most fantastic support from the serving community through payroll giving; from the funds of Greenwich Hospital; from a number of other trusts and charities; and from a host of individuals and corporates.

Turning to the future, the trustees recognise that the present fiscal squeeze is unlikely to ease imminently. Accordingly, we have committed to continue to operate a substantial deficit in 2023 and use our reserves to meet the current challenge. But the trustees are mindful that our remit is to look after future generations too, and so from 2024 we will seek to operate a smaller deficit. Our challenge therefore is to increase our fundraising so that we can continue to meet need on an enduring basis.

We judge the interests of our beneficiaries are met best when charities and organisations offering support to the armed forces work closely together. This was a key recommendation of the 2020 Report 'Understanding the needs of UK Armed Forces Families'; and the RNRMC intends to play an exemplary role in pursuing this agenda. By doing so, we are confident that the sector can play its part in ensuring that we honour the service given to the nation by our beneficiaries.



.....
Dr Brian Gilvary
Chairman



.....
Mr Andrew Jameson OBE
CEO

THE ROYAL NAVY AND ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

Structure, Governance and Management

Context

The Royal Navy and Royal Marines Charity (RNRMC) is a charitable company, limited by guarantee, incorporated on 10 January 2007 and registered with the Charity Commission on 2 February 2007. The RNRMC was registered with the Office of the Scottish Charity Regulator on 17 November 2010.

Governance

The RNRMC is controlled solely by its Members, who are also its Trustees and make up the Board of Trustees. The Charity is governed by its Memorandum and Articles of Association, initially dated 6 December 2006 (the Articles of Association having been revised and adopted by Special Resolution on 30th January 2020) and is subject to the requirements and the protection of both charity and company law.

The Trustees, all of whom are volunteers, represent a blend of competence and experience and include those with experience of military service along with those with diverse civilian backgrounds. They are selected through a formal interview process and appointed for an initial term of three years. In accordance with good practice they would normally serve a maximum of three terms.

Group Entities

From the 1st April 2019 there are nine unincorporated charities, three charitable companies, and one charity with a Royal Charter integrated within the Group structure. There are three trading subsidiaries.

- **The Royal Naval Benevolent Society for Officers, known as The Royal Navy Officers' Charity (RNOC)** (Charity No 207405) is a charity with a Royal Charter and retains its own trustees, who are responsible for the administration of the charity and the management of their own funds. The RNRMC is entitled to appoint a trustee and as the corporate member it also has a legal power of veto in general meetings. The RNRMC is represented by Dr Michelle Westwood.
- **The Naval Service Sports Charity (NSSC)** is a charitable company, governed by a Board of Trustees. The RNRMC Board has overall control, as sole member, since they may resolve by ordinary resolution to amend the minimum and maximum numbers of trustees, to appoint or remove trustees and to change the Memorandum and Articles of Association. The RNRMC is represented on the NSSC board by Mr Rod Birkett.
- **Royal Marines Association-The Royal Marines Charity (RMA-TRMC)** (Charity No 1134205) is a charitable company, governed by a Board of Trustees. The RNRMC Board, under its authority as the sole member, may resolve by ordinary resolution to amend the minimum and maximum numbers of trustees and has the right to appoint or remove trustees and to change the Memorandum and Articles of Association after prior consultation with the RMA-TRMC Board. The RNRMC is represented by Mr Mark Robinson.
- **RNRMC Enterprises Limited** is the trading subsidiary for the Group, which is used to conduct appropriate parts of the Group's merchandising and Royal Marine Band Service trading activities. The Company was established by way of share capital from the RNRMC, which is the sole shareholder. The directors of the company are trustee, Mr Mark Lewthwaite (Chairman), the RNRMC Chief Executive, Mr Andrew Jameson OBE, and Mr Si Wright, the Chief Operating Officer of the RMA-TRMC.
- **TRMC Enterprises Limited** is the trading subsidiary for RMA-TRMC which was initially established on 23 February 2016 to enable a single building project which was completed in 2017, it has since then completed several further projects supporting beneficiaries across the RM family.
- **Royal Marines Shop Limited** is the trading subsidiary of RMA-TRMC, brought in as part of the RMA-TRMC merger on 1 April 2019. Since September 2021 the RM Shop also fulfils online merchandise sales for the RNRMC.
- **Unincorporated charities** - the RNRMC Board has overall responsibility for their management and administration and delegates day-to-day operations to management committees through terms of reference. A number of these management committees are chaired by an RNRMC Trustee. The role of the management committee is to scrutinise and prioritise grant applications in line with their objects and provide oversight to the minor grants programme.

THE ROYAL NAVY AND ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

Committee Meetings

The Board meets at least three times a year. The RNRMC has encouraged closer communication with Group charities by taking up its option to nominate a trustee to the Boards of The Royal Navy Officers' Charity (RNOC), Royal Marines Association - The Royal Marines Charity (RMA-TRMC) and the Naval Service Sports Charity (NSSC).

The Board delegates certain powers in connection with the Charity's management and administration to formal committees. This delegation is controlled by requiring the committees to report back at the next Board meeting. All committees provide meeting minutes which are kept as part of the statutory records.

Committee	Purpose	Members during the year
Group Finance, Risk & Audit Committee (FRAC)	To monitor and scrutinise all financial, risk and audit issues. Meets twice per year.	John Bartlett (Chair) Rod Birkett Mark Robinson Richard Weaver (RMA-TRMC) Steve Brunton CBE
Committee Chairs Advisory Committee (CCAC)	To advise the executive on strategic planning	Kate Phipps-Wiltshire (Chair) Rod Birkett Simon Black John Bartlett
Investment Committee (IC)	To scrutinise the investment managers ongoing performance. Meets four times per year.	Rod Birkett (Chair) John Bartlett Lynn Fordham (RMA-TRMC) Alice Wheatley (NSSC) Independent advisors:- Bryan Burrough, Alex Crooke & Mark Fitzgerald
Fundraising & Marketing Committee (FMC)	To oversee the expansion of activities in these areas and the execution of the agreed management plan. Meets three times per year.	Simon Black (Chair) WO1 Barry Firth MBE RN Dr Jo Pabari
People Committee (PC)	To manage the Board and senior staff succession plan and oversee CEO remuneration. Meets three times per year	Kate Phipps-Wiltshire (Chair) Dr Brian Gilvary Brig Mike Tanner OBE RM Dr Michelle Westwood John Bartlett
Commissioning, Development & Funding Committee (CDFC)	To oversee and set strategy and policy for all grant making. Meets three times per year.	Kate Phipps-Wiltshire (Chair) Lt Cdr Harriet Delbridge RN Dr Michelle Westwood Surg Capt Jo Keogh OBE RN
Through Life Committee (TLC) – <i>sub-committee of CDFC</i>	To provide oversight, scrutiny and approval of grants for Benevolence. Meets four times per year.	Surg Capt Jo Keogh OBE RN (Chair) Chris Banks Sarah Ayton Duncan Lamb Charles Stewart Sara Field Nicola Thompson Jonathan Ball OBE
Quality of Life Committee (QLC) – <i>sub-committee of CDFC</i>	To provide oversight, scrutiny and approval of grants for Amenities. Meets four times per year.	Lt Cdr Harriet Delbridge RN (Chair) Lt Cdr Nicolas Toms RN WO1 Jamie Wright RM WO1 Ian Davies MBE RM WO1 Samantha Martin RN WO1 Mick Stanion RM WO1 (CRSM) Nick Ollive RN WO2 Andrew Vercoe RN CPO Stephen Doyle RN LD Stuart Farden RN 3/O Hannah Riekemann RN LH Matt Clinch RN

THE ROYAL NAVY AND ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

Management and Administration

The policies and principles included within this Trustees Annual Report are those belonging to the Group, however individual charities can adopt / adapt these policies and principles to suit their own circumstances as disclosed within their individual statutory accounts.

Employees

The RNRMC Group employs around 111 staff with 55 employed by RNRMC. The day-to-day control and administration of the RNRMC is delegated to the Chief Executive Officer, whose senior staff manage functional departments.

The RNRMC is committed to the training, career and personal development of all employees. Each employee has an annual performance review where their performance is assessed against the Charity's objectives alongside personal achievements within their specific roles. A training programme is devised that meets both the Charity's needs and also enhances the individual's potential towards their professional development.

We are proud to hold the Silver Award for the Employee Recognition Scheme under the Armed Forces Covenant, which supports the transition of serving members of the Armed Forces into employment.

Remuneration

The Charity does not remunerate its Trustees. The Trustees are responsible for setting the remuneration of the Charity's Chief Executive and the remaining staff are paid via an agreed remuneration framework that sits within the overall reward policy that is agreed annually.

RNRMC's Reward Policy, introduced in 2018 has four principal pillars, comprising remuneration, benefits, recognition and learning & development. The framework is underpinned by a robust job evaluation process for each role within the charity which has been validated by our external Human Resource advisors. Senior Management salaries are reported annually to the People Committee.

General Data Protection Legislation (GDPR)

RNRMC in 2018 implemented a suite of tools and staff training packages to monitor and ensure ongoing compliance with GDPR, it was reviewed in 2022 and further training provided to staff. We continue to endeavour to ensure that all the personal information that we need in running the charity is properly protected, correctly used and safely stored and all staff receive training at point of induction and annually. Our privacy policy and other associated policy changes can all be accessed from our website to ensure transparency and assurance and these are reviewed regularly. We work closely with our IT managed service provider to monitor and ensure the security and compliance of our IT systems.

Fundraising Principles

The RNRMC and RMA-TRMC both have established fundraising programmes across similar income streams.

The RNRMC and RMA-TRMC are registered with the Fundraising Regulator and adhere to the standards of the Fundraising Codes of Practice and to Charity Commission guidelines, particularly CC20 (Charity fundraising: a guide to trustee duties).

The RNOC's income is derived from investment income, active fundraising via the Association Royal Navy Officers' (ARNO) membership and other initiatives. NSSC's income is derived largely from investment income and grants received (including from the RNRMC) and there is therefore no requirement to fundraise.

No complaints about fundraising activity were received by the RNRMC or RMA-TRMC in 2022 and therefore there was no requirement for escalation to the Regulator. We have our own procedures in place for dealing with complaints. The complaints process is open and transparent and easy to access from our respective websites. Within the process, we publish a clear procedure for escalation and timescales when supporters can expect a response.

Anyone who is kind enough to consider support for the RNRMC can be assured that:-

- we never sell personal data to other organisations or charities. We do sometimes ask third party organisations to help process our data, but they will act under our instruction. We never allow these organisations to use RNRMC supporter data for their own purposes and the data remains our legal responsibility: we ensure that it is treated with the same level of care as if we were handling it directly.
- it is our policy never to undertake any telephone fundraising or 'cold calling'.
- all our electronic communications to supporters include information on how to opt out of future communications.

THE ROYAL NAVY AND ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

- we do not undertake door-to-door fundraising.

We display the Fundraising Regulator badge on our websites and fundraising collateral to demonstrate our commitment to best practice. We work with the Fundraising, Mail and Telephone Preference Services to ensure that those who choose not to receive specific types of communication do not have to.

Volunteer fundraising is fundamental to the efforts of both the RNRMC and RMA-TRMC and we would be unable to achieve the level of voluntary income we do without the support of Service and civilian volunteers. We rely on a pool of people who give their time freely to directly collect money, organise and assist at events, or make connections with local businesses. Those volunteers collecting money *'on behalf of'* the RNRMC and RMA-TRMC are doing so with the prior knowledge of the charities and receive a volunteer induction, have a dedicated staff 'Line Manager' and have a signed Volunteer Agreement with the respective charity. Those volunteers who collect *'in aid of'* the RNRMC and RMA-TRMC are often acting on their own initiative and we are consequently unaware until we receive the money that has been raised. Official collections are always made with sealed RNRMC and RMA-TRMC collecting bins. Collectors in public places require permission from local authorities or, if within its district, the Metropolitan Police. These licenses are applied for and recorded by the RNRMC and RMA-TRMC fundraising teams. We regularly review and update our volunteering policies.

Volunteers and Related Parties

All Trustees and members of the management committees of the subsidiaries give their services voluntarily and receive no remuneration for their activities, other than travel and incidental expenses where claimed. The serving members of the Board undertake their RNRMC duties as volunteers in addition to their normal line duties. The RNRMC continues to develop and expand its group of volunteers to assist in all areas of the Charity. These volunteers are supported by staff members as well as specific policies and procedures which includes a handbook for volunteers.

Diversity, Equality and Inclusion

Our existing charity values reflect the need for equality, diversity and inclusion (ED&I). We also recognise that there will always be further improvements or enhancements that we can make to maximise ED&I within the Charity. We aim to achieve the following key outcomes by working towards delivering the recommended best practice within the Charity Governance Code which will help us to build a diverse, equal and inclusive culture within the charity:-

- The principles of equality, diversity and inclusion are embedded in the organisation and help to deliver the charity's public benefit.
- Obstacles to participation are reduced, with the organisation's work designed and open for everyone included within its charitable purposes. This supports the charity to challenge inequality and achieve improved equality of outcomes.
- The Board is more effective because it reflects different perspectives, experiences and skills, including, where applicable, from current and future beneficiaries.

In 2020 we refreshed the objectives of our Staff Reference Group to include Culture which embraces equality, diversity and inclusion and for those new to the SRG we have set up specific ED&I training courses which help develop both their understanding as well as being beneficial for all of those who engage with them and the charity.

Strategic Report

Objects, Vision and Strategy

The objects of the charity are:-

- the relief in need, hardship or distress of Beneficiaries and their Families and Dependents;
- the assistance with, provision of, or contribution to the education and training of children of Beneficiaries;
- the promotion of efficiency of the Naval Service and the Auxiliaries by way of the enhancement of morale, the improvement of recruitment and retention; and
- the further relief and encouragement, of men and women who are serving in the Naval Service or the Auxiliaries.

In 2020, the trustees developed a vision for the charity which is as follows:

“A world in which our sailors, marines and their families are valued and supported, for life.”

THE ROYAL NAVY AND ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

The charity seeks to deliver these objectives (and meet the vision) in two principal ways. Firstly, by providing grants to other charities and organisations to deliver specific outcomes which address an identified need of our beneficiaries. Typically, these arrangements with particular charities are over a 3-year period. These commissioning programmes span serving, families and veterans. Secondly, we provide grants directly to individuals, and to ships and units, which seek to improve the conditions of Service for those serving. We also support the next of kin of those who die whilst serving with an immediate financial grant.

In addition to these direct forms of support, we provide business services support at no cost to a number of charities with the same categories of beneficiaries as ours. This support (covering finance, HR and grant-making processes) allows those charities to direct their resources at meeting the needs of their beneficiaries.

During 2022, we continued the 2-year transition support service pilot which started in November 2021. The service seeks to support those leaving the Service involuntarily and who are likely (as a result) to struggle transitioning into civilian life. It does so by employing a number of caseworkers who provide co-ordination and signposting functions, as well as emotional and practical support, to those leavers. During the first year of operations, the service assisted 214 people.

Our Purpose: Our purpose is to honour our vision by ensuring we:-

- provide the leadership and alignment of common purpose for our beneficiaries' needs;
- find those who need help, especially the hidden and lost, and ensure they can find us;
- respond appropriately through direct support with key partners from the naval and other charities, the health and social care sector, and the benefits system;
- work to develop an effective and sustainable access and triage system with appropriate level of case and care supervision for the entire naval family.

Our Strategic Objectives:

- We will work with other charities operating in our sector to establish a confederation in order to provide those in need within our beneficiary group with a single point of access to the totality of state and charitable support available.
- Acting with other naval charities and key stakeholders, we will ensure that our potential beneficiaries are made aware of the support that is available to those who need it.
- We will collaborate with Greenwich Hospital to agree funding priorities and secure a long-term financial commitment from Greenwich to deliver the RNRMC's charitable objects.
- We will commit to spending over 50% of our charitable expenditure on collaborative and long-term commissioning projects with other charities and organisations which seek to address underlying causes of need; and
- Recognising the need to act decisively, we will undertake bold and far-reaching plans and projects with our partners that will draw down substantially on our total net assets.

RNRMC Aims to:

- Alleviate consequences of Service; and
- Honour Service to the Nation.

We will do this by our proactive/pre-emptive themes:-

- Support to the Serving and their families
- Successful transition for all
- Combatting loneliness and isolation – building befriending and support networks

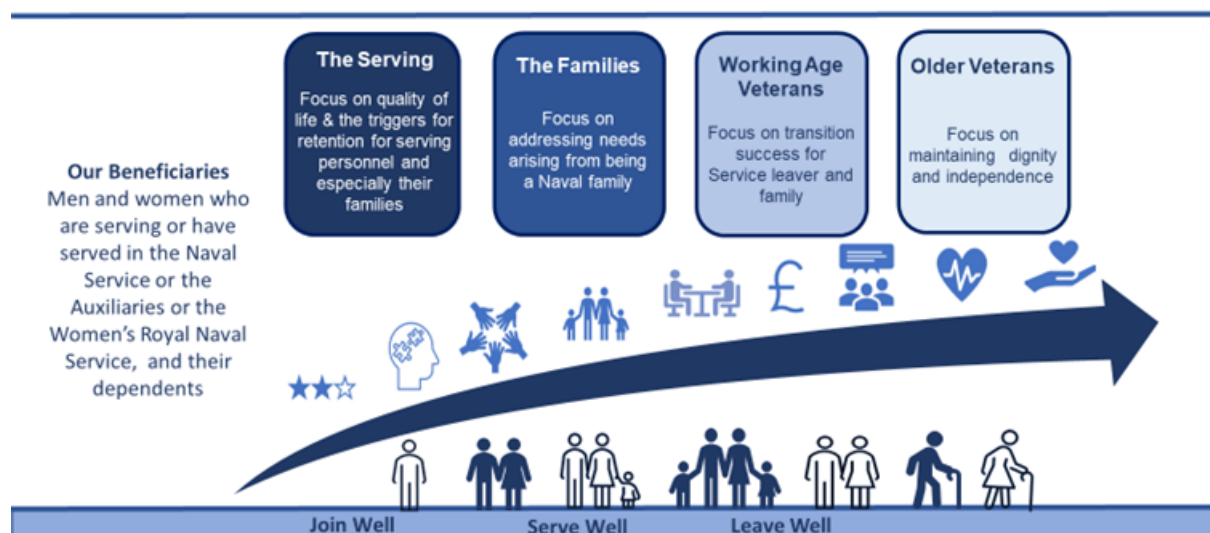
And reactive themes:-

- Caseworker network
- Independence and dignity for older/vulnerable veterans
- Benevolence support

We continually refresh our understanding of need through our partnership work and regular quantitative and qualitative monitoring information and data.

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At the centre of our practice is our engagement with beneficiaries, using their needs and experience to inform how to design and deliver projects.



In order to deliver our objectives a number of commissioned programmes, pathways and support are delivered to our beneficiaries. Further information on our activities within these areas can be found in the next section.

Efficiency throughout the Charity and the wider Community

Maintaining a low overhead ratio is core to our belief of delivering more to a wider group of beneficiaries through an effective middle and back office.

We aim to play a full role in encouraging efficiencies and effectiveness across the sector including encouraging discussions about how the naval charity sector specifically, and the wider military charity sector more generally, might gain from the benefits of closer convergence.

One of the ways this objective is achieved is through virtual grant making, namely by providing external charitable support services. These services, provided at RNRMC cost, provides Naval Family charities both inside and outside of the RNRMC group, with administrative support across finance, HR and grant making, allowing our partners to focus on our common beneficiaries.

Public Benefit

In shaping our objectives and planning our activities, the trustees have considered the Charity Commissions guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

The trustees have recognised the principles of public benefit and believe that the RNRMC meets them, namely:-

- that there must be an identifiable benefit or benefits and they must be clear, related to the aims of the RNRMC and be balanced against any detriment or harm;
- the objects of the RNRMC are to focus on the relief in need, hardship or distress of disadvantaged persons, provide education and to improve the efficiency of the Naval Service. The range of the benefits deriving from benevolence activities includes the relief of poverty and improving the efficiency of other charities through the grants made. The RNRMC also provides its beneficiaries with facilities for sport and recreation;
- that the benefit must be to the public or to a section of the public. That the beneficiaries must be appropriate to the aims and, if to a section of the public, must not be unreasonably restricted and that those in poverty must not be excluded from the opportunity to benefit; and

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- the potential beneficiary group of the RNRMC is wide and includes not just current serving personnel, but also the vast majority of our beneficiaries who are former Naval Service personnel, families and dependants. Benevolence grants are all based on need demonstrated by the charities that apply for grants and do not duplicate state funding.

In addition, the RNRMC provides public benefit by enhancing and promoting military efficiency, strengthening the moral component of the Royal Navy's and the Royal Marines' esprit de corps.

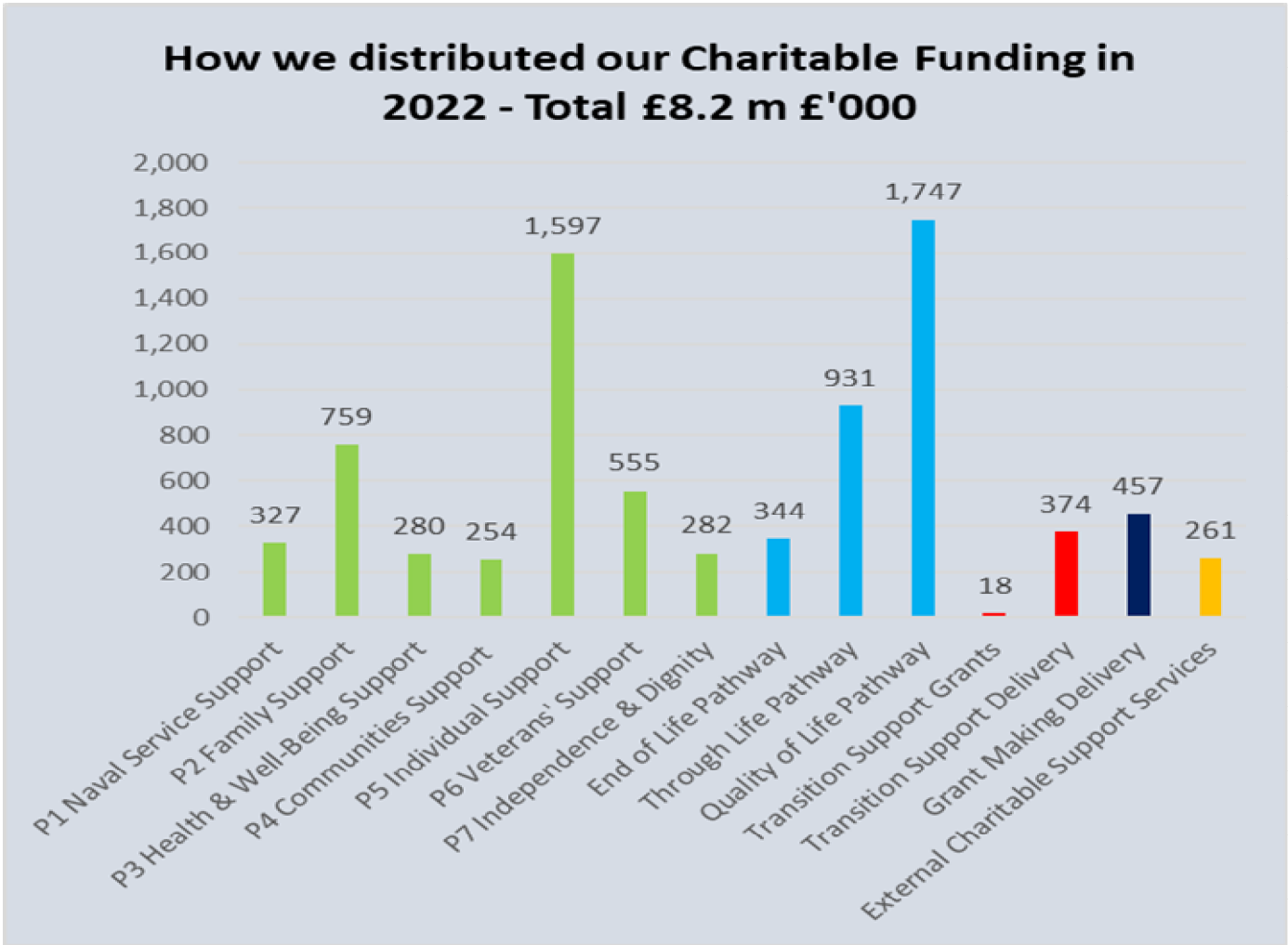
Achievements & Performance - Royal Navy and Royal Marines Charity

The achievements and performance in this section relate to the RNRMC Charity only. Individual reports for the other group entities can be found further down in this report.

During 2022, and in furtherance of our charitable objectives, the total charitable activity of RNRMC was £8.2m, excluding support costs. This includes not only the grants awarded (£7.1m) but also includes grant making delivery, transition support delivery and external charitable support services.

External charitable support services (virtual grants) relate to back-office services, for example finance or fundraising support, that are provided free of charge to Naval Charities which are either subsidiaries or are outside of our group.

The graphs below show how the total charitable output of £8.2m was distributed by the charity in 2022, both as a percentage of output and in £ terms.



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Grant Making

During 2022, £7.1m of grant making expenditure was approved through funding models focused on identifying need, early intervention, and prevention. This was achieved through a combination of:–

- 7 commissioned grant programmes
- 3 grant pathways
- one-off special grants
- transition support
- virtual grant making
- specialised restricted funds

The grant making committees approved 1,180 grants in total which was a 17% increase on 2021.

There are seven commissioning programmes and three pathways as follows:-

1. **P1 Naval Service Support £327k** – To provide support, normally infrastructure, to serving naval personnel. This year this included grant agreements for the NSSC, to provide grants to 43 RN & RM sports associations, and funds to support the establishment of The Submarine Family (TSF).
2. **P2 Family Support £759k** – To ensure that those who fall on hard times have access to financial support. This included partnering with the Kings Foundation to provide activity camps for 1,131 children during the school holidays; or partnering with Relate to provide relationship and family counselling services to over 800 beneficiaries and Home-Start, providing support for families with young children across the UK.
3. **P3 Health & Wellbeing Support £280k** – To support mental health and wellbeing of service personnel and their families, this year partnering with Portsmouth Military Health Alliance to provide gambling & addiction support to 49 RN personnel; Anchoring Minds to support families in the Solent area; a project with the Gosport and Fareham Multi Academy Trust to create a Community Services Hub; and specific project funding for Home Start to look at support for RN mothers with pre- and post-natal depression at three targeted sites.
4. **P4 Communities Support Programme £254k** – Designed as projects to combat loneliness and social isolation and extended in 2021/22 to deliver pilot projects that support all beneficiaries, this year this included funding a post with Fighting with Pride to reach into the LGBT+ community; and providing a specialist worker to work from the White Ensign Association (WEA) to support access to the Armed Forces Compensation Scheme and further support delivered on bases and units for serving personnel with Financial Awareness lectures to 1,061 beneficiaries to improve their transition to Civilian Life.
5. **P5 Individual Support £1,597k** – To ensure that those who fall on hard times have access to financial support. Notable grants this year were made to the Naval Children's Charity (NCC), the Royal Naval Benevolent Trust (RNBT), the Sailors' Children's Society (SCS) and RMA-TRMC, to provide individual benevolence support to RN & RM Beneficiaries.
6. **P6 Veterans' Support £555k** – To support the specific needs of veterans. This includes partnership with SSAFA to provide casework for the naval family of charities, in total supporting over 11,000 RN & RM Beneficiaries in 2022. Also providing funding to support employment opportunities via the Forces Employment Charity and the Poppy Factory; and support for vulnerable veterans through funding to Stoll, Alabare and Combat Stress through their specialist services that help with Accommodation, Mental Health Support and Signposting.
7. **P7 Promote Independence and Protect Dignity £282k** – To ensure that older and dependent beneficiaries have the care and support they deserve. This included funding for five military care homes throughout the UK, and support for those living overseas including Hong Kong and the Commonwealth. As well as support to digital resources for the Carers UK online platform.

For each of the programmes, but in particular for Programme 2: Family Support, and Programme 3: Health and Wellbeing, the charity has actively sought partners who can assist its understanding of existing challenges, how services could and should be developed and organisations capable of addressing particular needs. In essence, this means that the charity is operating a commissioning approach to grant funding.

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Grant making Pathways

Key achievements within the 3 pathways include:-

- **Quality of Life Pathway £1,747k** – To provide grants which improve conditions of service and further the efficiency and morale of the Royal Navy. The charity continued to provide support swiftly to the frontline in 2022 with a further 30% increase in grants at 403 against 283 in 2021. More than £600k of funding was distributed for refurbishments, and £1m specifically benefitting serving personnel. There were 257 grants provided towards morale boosting events and team building along with 137 grants provided to those on operational duties to improve quality of life.
- **Through Life Pathway £931k** – To support the welfare of serving personnel, veterans and their families. Support provided to 22 organisations across the UK and overseas, including Veterans Aid supporting homeless veterans, Reading Force connecting serving personnel and families through reading, and Improving Lives Plymouth in the South West providing a wide range of services for veterans. As well as providing grants of over £38k to assist naval service personnel in recovery with support such as speech therapy, specialist equipment, and group activity sessions.
- **End of Life Pathway £344k** – To provide grants to support the dependants of those who pass away while in service. 18 bereaved families were provided with an immediate payment of £20,000 following a death in service.

Special Grants

- **Falklands 40** - In 2022 a new funding stream was created to mark the 40th anniversary of the Falklands Conflict. Grants were made available to support comradeship and remembrance bringing serving personnel, veterans and their families together, some for the first time in 40 years. 40 organisations received funding amounting to over £104k. A successful bid to the Armed Forces Covenant Fund provided funds to support those who served in Afghan and more recent campaigns and these grants will continue to be available into 2023. The funding of these grants sits within the Through Life Pathway
- **Afghan Grants** – Funding for this programme was made available from the Armed Forces Covenant Trust fund and the Office for Veterans Affairs. The aim being to reach out to engage veterans who served in more recent conflicts into the membership organisations who could provide or signpost to support where needed. Over £140k in grants were awarded in 2022 for Afghan grants, expected to benefit around 1,300 serving personnel, veterans and their families.
- **Reward and Recognition** – There were 70 reward, recognition and respite breaks awarded to serving personnel and their families. Along with over £100k being released in annual awards to recognise serving personnel throughout 2022 and an additional 663 personnel being recognised with a Herbert Lott Award.

Transition Support Service

The RNRMC designed and established a transition support service in 2021 which went 'live' on 3rd November 2021. The transition support service has assisted 214 service users in its first year of operation with a person-centred approach to active case management. This has generated over 6,500 separate contacts for our Transition Support Guides (TSGs) as they have conducted holistic assessments to stabilise, advocate and then navigate this most vulnerable cohort to support their immediate needs on being involuntarily discharged from the RN.

We have collaborated with more than 90 organisations (military and non-military charities, local and national authorities and statutory organisations) to achieve the services and support required, where and when needed. While every case is different, there are some general areas in which these vulnerable service leavers have been supported, these include:-

- Advocacy or referrals to an organisation to assist with an Armed Forces Compensation Scheme, War Pensions, or statutory benefits.
- Support relating to alcohol and substance misuse.
- Support to further their employment prospects or enhance their educational qualifications.
- Received grants or been assisted in an application for benevolent or financial support.
- Supported or referred to other organisations to address physical or mental health issues.
- Similar support regarding social and family relationship issues.
- Assisted in accessing their entitlement to the transition process from the MoD or another organisation.

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Virtual Grant making (External Charitable Support Services)

During 2022 the RNRMC provided free of charge support services totalling £261k. The support consisted of various services including administration, grant-making support, HR & payroll processing, and accounting support ranging from transactional processing to management accounting and support with audit processes.

The benefit of the support means that charities were able to focus their resources away from overheads and into our common beneficiaries. Alignment of processes has allowed the charities to streamline and share best practice and enhance collaboration through the Naval charity sector. Alongside charities within the RNRMC group such as NSSC and RMA-TRMC, external charities have also received this support, and include the Naval Families Federation, White Ensign Association, the Royal Naval Association and the Armed Services Trauma Rehabilitation Outcome Study.

The Submarine Family

In April 2020, the inaugural meeting of the RNRMC Submarine Fund was held establishing a fund whose objectives are to promote the:-

- Welfare and well-being (which includes mental health) of all Submariners (serving and retired) and their families.
- Submarine ethos, morale of all ranks of, or serving with, the Submarine Service including the provision of recreational facilities, amenities and other goods and services not provided out of public funds.
- Submarine Heritage.

Throughout 2022 there were £36k of grants approved, and are included in the Quality of Life Pathway .

Other Funds

During 2022 we continued to develop support for two further funds assisting the mental health of Naval personnel:-

- Help - Jim's Story to raise awareness of mental health alongside the mental health programme supported by the RN ; and
- HMS Oardacious Fund supporting the mental health of submariners.

The Royal Fleet Auxiliary

Our objects include members of the Royal Fleet Auxiliary as beneficiaries. During 2022 we were delighted to receive the funds of the Royal Fleet Auxiliary Benevolent Fund as a restricted fund of the RNRMC (restricted to the support of RFA personnel only). This will allow the RNRMC to support the RFA through our usual grant making and commissioning programmes in addition to the restricted funds of their Benevolent Fund.

Raising Funds

During 2022 the fundraising of the charity resumed some of its regular activities post covid, together with continuing to maximise on some of the new ways of engaging with donors and fundraisers developed during that difficult time.

We raise funds and engage with our supporters through several income streams, ensuring we diversify our activity as much as possible to allow us to engage with all of our supporters through whatever stream appeals to them, this could be at events, or it could be volunteering their services or competing in our lottery.

We are pleased that the Navy continues to support us through their payroll giving scheme. This scheme provides vital support to our beneficiaries from serving to older and dependent veterans. Our community events are rebuilding well post covid. Our first external Charity office space was opened in Plymouth at HMS Drake during 2022 following the recruitment of a regional Engagement Officer with the objective of establishing the change from 'Community Fundraising' to 'Community Engagement' for the 'Whole' Charity. Our engagement team has shifted from a traditional community model to working strategically in how we maximise engagement opportunities within our capacity by developing fundraising hubs, Charity Champions and a volunteer network.

We have been lucky to be involved in many significant Naval events during 2022 including Trafalgar Night and Beating the Retreat at Horseguards Parade in the summer.

The year ended with our flagship event 'His Majesty's Wave Ball' on HMS QUEEN ELIZABETH which brought together friends, volunteers, staff, supporters and donors all working together to support sailors, marines and their families. This event would not have been possible without the kind support of the Royal Navy, in particular, Captain Ian Feasey's full support, allowing the RNRMC to use the carrier and create an exceptional event. Thank you to all of the crew who

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helped on the night, individuals who showcased their cars and donated fabulous prizes and the ticket holders for making this a huge success.

We work closely with all of our supporters, such as our 'extraordinary fundraisers' Stars and Spokes, Tour de Submariner and HMS Oardacious who all took part in epic challenges to raise thousands of pounds for mental health projects as well as the many fundraisers taking part in walks, runs and climbs (to name a few) for RNRMC.

The Charity continued to build partnerships with many organisations to promote engagement whilst raising funds, including the launch of 'The Galley Cookbook', which was produced with the support of our partner ESS.

As part of our strategy, the charity is reviewing sustainability and value for money and slowly introducing new ways of raising funds in an ever-changing fundraising climate. We saw an opportunity to repurpose disused life rafts and other challenging-to-recycle materials as a means for fundraising – and in doing so keep them out of landfills. The result is a range of one-of-a-kind products that not only generate funds for the RNRMC & Oarsome Chance (their charity partner) but also champion the principles of sustainability.

The fundraising collaboration been embraced as an ingenious way to bring the 2.5 tonnes of Royal Navy donated decommissioned life rafts and other materials into the circular economy. Bob Field, Head of Support Services and Engagement for RNRMC and a key architect in bringing this project to life explains:

"I knew from my last job in the Royal Navy that the MOD disposed of disused items in varying ways, including some going to landfill at a cost. Through this project we've managed to take difficult or impossible to recycle materials, materials destined for a landfill, and make incredible products with new value".

The Charity was successful in securing funding from and working with, amongst others, the following trusts, funds and foundations in support of our beneficiaries without whom we could not provide the support we do for those who need it most:-

- Greenwich Hospital
- Nuffield Trust
- Lambert Family Charitable Foundation
- Westwood Charitable Trust
- The Hintze Family Charitable Foundation
- Armed Forces Covenant Trust
- Wimbledon Foundation

The Charity also held its first ever annual 'Thankathon'. We encouraged all staff to donate some of their time to reach out to any of their contacts either by card, email or phone to say thank you for all their support, which generated many positive responses.

Much as we would like to, we can't thank all of our donors, fundraisers, corporate, trust and other supporters individually here, but we are indebted to each and every one of you for your support in 2022. We also recognise that some of our most significant donors wish to remain anonymous.

Further information relating to the financial value of fundraising can be found in the Financial Report Section.

Achievements and Performance - Royal Marines Association-The Royal Marines Charity

The full report for the RMA-TRMC can be found within their own statutory accounts, below is a summary of their key achievements and performance during 2022.

The rising complexity of need has led to increased spend by the Charity, having to put in place the people, resources and processes necessary to provide the effective first call support appropriate for our community with new appointments being made to support transition support recovery and advocacy.

We are confident that we have become increasingly effective in supporting the Corps Family: cases in 2022 were more complex, requiring multiple strands of support and enduring over longer periods as the table overleaf demonstrates.

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	2018	2019	2020	2021	2022	% incr
Individuals supported by grants	600	1058	810	633	678	7
Employment Assistance – discharged RMs	256	319	298	479	647	35
Transition Support to Vulnerable Leavers	82	96	93	131	163	24
Veteran Mental Ill-health Cases	79	92	113	102	110	8
Addiction support	NA	43	60	89	79	-11
Armed Forces Compensation Tribunal Case Support	97	117	203	198	162	-19
Total Benevolence Cases supported (includes other categories not represented above)	1404	1662	1896	2794	2690	-4

Smart working - collaboration with partners

We have worked increasingly closely with the NHS (OP Courage and the Veterans' Trauma Network), the MOD Department for Community Mental Health, and Third Sector partners with whom we have agreed formal MOUs: the Royal Navy & Royal Marines Charity, Walking With The Wounded, Supporting Wounded Veterans, the White Ensign Association, the Special Boat Service Association, High Ground, Rock to Recovery and Bootnecks In2 Business. We collaborated regularly with Combat Stress, Zero Suicide Alliance, Help For Heroes, the Defence Medical and Welfare Service, Veterans' First Point, Horseback UK, the Naval Families Federation and the Forces Employment Charity.

In our grant making we work in close partnership with SSAFA-The Armed Forces Charity, The Royal British Legion and Naval Service charities: the Royal Navy and Royal Marines Charity, Greenwich Hospital, the Royal Naval Benevolent Trust, the Naval Children's Charity and the Royal Navy Officers' Charity, with our USP being our holistic assessment of needs leading to complementary monetary and non-financial support.

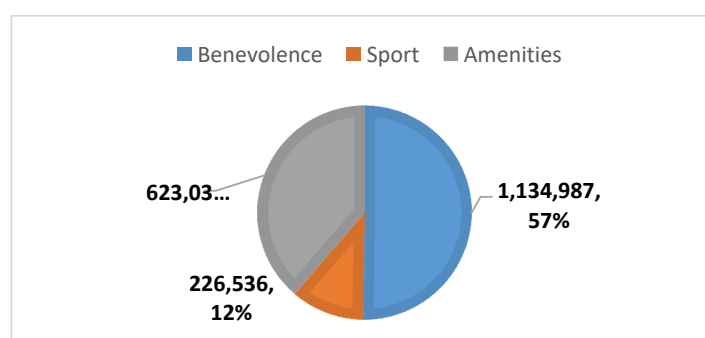
We have assisted the wider Naval charities to develop a more holistic service through embedding a RNRMC Casework Manager and three Transition Support Guides within our staff, while we have advised the Royal Naval Association, the White Ensign Association and Support Our Paras (the Parachute Regiment and Airborne Forces Charity) in the development of their services to reflect those offered to our members and beneficiaries.

Lifesaving support delivered

Since establishment of the Royal Marines Charitable Trust Fund (one of our precursor charities) in 2008, over £26.9M has been given in grants towards recovery, quality of life and through life care.

The Charity achieved expenditure in 2022 on grants payable of £1,984,560 (£1,307,674 in 2021).

Total grants 2022



The delivery of charitable support amounted to a further £1,434,200 giving a total of £3,418,760 of charitable delivery expenditure.

Increased numbers supported:-

- Total number of beneficiaries supported by charitable interventions through year: 22,372 (2021: 22,342; 2020: 20,744; 2019: 16,092).

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- Total number of beneficiaries in need supported through financial and non-financial benevolence: 2,690 individuals (excluding their dependants) (2021: 2,794; 2020: 1,896; 2019: 1,662; 2018: 1,404)
- Total amount of amenities and sports/adventure training grants: £849,573 (as against £585,617 in 2021, £341,050 in 2020, £1,192,766 in 2019 and £1,011,557 in 2018, reflecting the return of Corps life and activities following the COVID 19 pandemic).
- Number of serving Royal Marines benefitting from amenities and sports grants: 10,552.

Support outputs and impact:-

- A record number of involuntarily discharged Royal Marines and vulnerable recruit leavers – 647 (2021: 479; 2020: 298; 2019: 319; 2018: 256) – were provided with employment advice; 69 received funding grants totalling £89,000; 41 were assisted into employment worth over £1.4M in added local employment value (the Government's approved proxy value for one person being in employment for 12 months being £31,285); see the dedicated section on social value below.
- 162 War Pension and Armed Forces Compensation Scheme tribunal cases were supported.
- 79 individual addiction cases were supported, 27 serving with a replacement cost of £3.375M if they had been discharged (since it costs a minimum of £125,000 to train a new recruit), and 52 veterans.
- 126 new vulnerable leavers were supported by our Transition Support Officers.
- A slightly increased number of Veterans' Referral Plan mental health therapy cases were supported, 110 (2021: 102; 2020: 113; 2019: 92; 2018: 79; 2017: 26).
- Funding of £110,000 was provided for the coaching of 168 battling mental ill-health by Rock to Recovery (2021: 168; 2020: 194; 2019: 193; 2018: 142).
- Partner organisations were supported by funding of £286K, benefitting 532 individuals alongside pastoral work at 5 units supported by funding of £45,000 to the Dame Agnes Weston Charity.

The Gordon Messenger Centre – enabling resilience in the Corps Family

The Centre hosts welfare support, training, rehabilitation activities, briefings, employment workshops, community events for serving and veteran Royal Marines, family activities, a children's creche, charity meetings, cadet activities and support to sporting events on the adjacent sports fields. This £2.8M project, which could not be funded by the MOD, was funded through grants and donations of £1.9M, and £900K from Charity general funds. Further grants of just over £45K were made in 2022 to enhance the equipping of the Centre.

Created Social Value:

Since 2018 the Charity has been capturing metrics using government approved Themes, Outcomes and Measures (TOMS) including calculations of added social value, with the assistance of the [Social Value Portal](#).

The Social Value created by the Charity as measured through the [Social Value Portal Themes, Outcomes and Measures](#) in 2022 was £2,889,058.

This sum does not tell the whole story of what the Charity delivers, as it only captures value to wider society and not that delivered specifically to the military community. This incremental support to the serving Corps Family through funding of regimental life and evidenced retention resulting from the Charity's interventions was worth a further £4,375,000.

Therefore, the total social value created in 2022 was worth £6,486,425, meaning that every £1 donated to the Charity was turned into £2.13 of charitable value created when set against charitable spend of £3,039,758.

Achievements & Performance – The Naval Service Sports Charity

The full report for the NSSC can be found within their own statutory accounts, below is a summary of their key achievements and performance during 2022.

2022 has seen a gradual return to normal levels of sporting activity following the previous restrictions put in place during the Covid-19 pandemic. As a result our funding has supported the following activities:-

Sports Associations. The operating costs generally cover the requirements for insurance, national governing body subscriptions, membership fees, catering, hospitality, competition fees, IT support, trophies and prizes; effectively the lifeblood and viability of a sports association. With some sports associations able to carry forward unspent funds from 2020/21, of the £275,400 included in the NSSC 2022 budget £266,495 was allocated to meet the expected operating costs.

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Talented Athletes. Individuals talented enough to compete at national and international level have been supported by a generous grant of £30,000 from BAE Systems and £20,000 from NSSC funds:-

- Marine George Crotty (Boxing)
- Marine Taylor Lawrence (GB Bobsleigh)
- Sergeant Adam Baird (GB Bobsleigh Development)

The NSSC also supported 26 other athletes competing at national and international level in Hockey (England and Wales), Duathlon, Triathlon, Ironman, Kayaking, Judo, Powerlifting, Weightlifting, Cycling, Shooting, Paragliding and Rugby Union (Philippines).

Coaching and Regional Sport. Supporting grassroots development from the Coaching and Regional Sport areas.

NAVYfit Campaign. In addition to the NAVYfit Campaign which aims to recruit new members into the sports associations, investment was also made to directly support the annual RN Sports Awards and to introduce NSSC prizes for those who make an outstanding contribution to RN Sport.

Achievements & Performance - Royal Navy Officers' Charity

The RN Officers' Charity is by design very lean in terms of staff. With a small team who also lead and manage the Association of Royal Navy Officers, we achieve best in class financial ratios with over 90% of our annual expenditure dedicated to providing benefits. All of the investment income is spent on grants. We received over 700 enquiries from potential and existing beneficiaries in the course of the year and worked closely with partners such as SSAFA and RN Welfare on casework as well as conducting our own due diligence in the majority of cases in order to reliably and rapidly respond to needs. Our effectiveness and contribution were recognised when we received the Charity of the Year Award for 2022 from the Association of Charitable Organisations.

We continue to support more than 60 people in the UK and abroad with annual grants. These allow the recipients to meet the costs of day to day living. After due diligence reviewing the forecasts for utility and other costs the Trustees authorised additional payments to this population to help them keep up with the unprecedented cost of living increases. By being proactive we were able to offer quick reassurance to this group who despite living frugally were not able to keep pace with the increases. The Trustees have approved an increase for the annuity for 2023 to £3,500 pa (from £3,000).

2022 saw a doubling in the value of grants providing support with care home fees. We also noted increases in educational and training costs support, counselling, healthcare and funeral expenses. More people needed our support with rental costs and crisis grants, and debt management remains an important focus. In terms of the needs identified and addressed it was another year where the value of grants delivered exceeded £500,000 and given the ongoing issues being faced by many this is unlikely to reduce in the future.

In addition to the financial grants awarded RNOC provided continuous access by mail, email and telephone for current and potential beneficiaries. Assistance was provided to numerous widows/widowers suffering bereavement, navigating the systems and processes to get the pensions and support to which they are entitled. Many others benefit from having a point of contact to discuss their concerns and challenges. We continue to partner with Zimbabwe a National Emergency (ZANE) and Royal Commonwealth Ex-Services League (RCESL) to deliver crucial support in other jurisdictions. After many months, an application to be registered with the FCA is in the final stages. This important change will allow the team to better offer grants suited to relieving debt and other financial concerns.

A copy of the latest Impact Report can be accessed at the Charity website. www.rnoc.org.uk. The ARNO/RNOC website www.arno.org.uk is accessed on a regular basis and all IT systems are regularly monitored and checked to ensure the latest compliance. During 2022 RNOC have engaged an outside marketing company to help raise awareness of the Charity.

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Future Plans - Royal Navy and Royal Marines Charity

Acting individually, it is unlikely that any single charity will be able to deliver the totality of the need that exists within our sector. Instead, increased effectiveness is more likely to be delivered when charities (and other key stakeholders) act collaboratively to leverage off their combined resources: by pooling knowledge and expertise, establishing shared processes for identifying and dealing with needs, and directing financial resources towards common goals. Our future plans, therefore, are based around working with partners to deliver better outcomes for our beneficiaries.

Principally, we will continue to direct substantial resources towards commissioning programmes with partners that seek to deliver specific outcomes for the benefit of a particular cohort, whether that is for those who serve, their families, working-age veterans or those veterans no longer working. In establishing those partnerships, we will be particularly mindful of the need to address the underlying cause of need, rather than merely deal with the outcomes (important though that is).

At the same time, we will continue to work closely with other naval charities who also support our beneficiaries by providing them free of charge back-office services such as HR, Payroll, bookkeeping, investment management, fundraising, communications and grant giving support in order that they focus on the direct support to those in need. The governance of RNRMC is strong and is able to provide a wealth of experience and advice to our partner charities to help them and in turn help our beneficiaries.

In this regard, we are delighted that at a recent EGM, the members of the Women's Royal Naval Service Benevolent Trust (WRNS BT) resolved to seek Privy Council permission to alter the Royal Charter of the WRNS BT to make the RNRMC the sole corporate member from 1 January 2024. This means the WRNS BT will become a wholly owned subsidiary of RNRMC. The RNRMC will work closely with the WRNS BT to bring their funds under the RNRMC umbrella, whilst allowing the trustees of the WRNS BT to focus on the day to day management of the Charity utilising the resources of the RNRMC.

We are also aware that for many individuals seeking support, the number of charities and other organisations who can offer to help can be overwhelming and confusing. We plan therefore to advocate for better co-ordination between charities in the sector so that potential beneficiaries have as simple a route to access support as possible.

Having successfully reduced our reserves so that the level of reserves is consistent with that which is necessary to meet the range of risks that the trustees judge is appropriate, we plan to move to a more balanced annual budget that will ensure we continue to meet beneficiary need in the long-term. Recognising the immediacy of the ongoing fiscal challenge for many of our potential beneficiaries, we will operate a £5m deficit in 2023 (and deliver around £9m in charitable activity) but aim to reduce that deficit in subsequent years. It follows, therefore, we plan to seek additional funding to maintain charitable activity.

Trustees are satisfied that the Charity has adequate resources to continue in operational existence for the foreseeable future and therefore continues to adopt the going concern basis in preparing its financial statements.

Future Plans - Royal Marines Association-The Royal Marines Charity

In 2021 the trustees conducted a strategic review across every aspect of the Charity's delivery, resulting in timetabled new delivery and delivery improvements against measurable outcomes to be achieved by the end of 2024.

We are following a 3-year budgeted delivery programme with associated risk register based on the revised strategies, delivered by the staff but with regular reporting oversight from the sub-committees allied to the Charity's functional teams, which in turn report to the Board.

This programme will ensure that the Charity is proactive and bold, differentiated, sustainable, owned by the Corps Family, recognised by the wider community, and effective (efficient and achieving maximum impact). The programme ensures the following strategic objectives will be secured:-

1. We will enable those we serve to live by the Commando Mindset (restoring, maintaining and enhancing independence, dignity and effectiveness) through financial and non-monetary support;
2. We will promote and sustain the Royal Marines brand and esprit de corps;
3. We will increase and achieve a representative membership mix of the Corps Family and supporters, in order that the Charity and Association become the heart of the Corps Family.

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In particular, the Charity has the following desired operational outcomes by the end of 2024:-

1. To be the natural and trusted first point of contact for the Corps Family when in need of assistance;
2. To offer active and effective support to Commando Forces;
3. To be the leading UK regimental charity championing our members and enabling collaboration between major tri-service associations;
4. To number 24,000 members with a younger demographic;
5. To have an enhanced geographical footprint across the devolved nations and northern England;
6. To have better trained and enabled volunteers;
7. To enable a fully developed PR function;
8. To secure an annual net income £4M (currently £3.4M) including sustainable major donor and corporate income.

The Executive is co-operating with the wider Naval charity sector to identify:-

- likely demographic and actuarial changes of the beneficiary community in the next 5-10 years;
- the revised operational commitments of the Royal Marines;
- other accepted trends in the serving and veteran military population of the UK, with the opportunities and challenges that will be presented;

in order to ensure appropriate and effective support.

We will seek to develop the unique selling point of the Charity as the embedded Charity of the Corps, so uniquely placed to provide appropriate charitable support.

Budgeted spend to deliver necessary support in 2023 has led to the trustees approving a deficit budget of (£908,000). There are sufficient free reserves for 4-5 months of expenditure as at the time of signing, but if fundraising and other income-generating activities are not able to continue normally, the trustees will need to liquidate investments which are intended to be held for the long term in order to generate a recurring income stream for beneficiaries. Cashflow is monitored monthly, looking forward 12 months.

Future Plans - The Naval Service Sports Charity

The NSSC will endeavour to increase the level of grants to sport in the Royal Navy by a percentage equivalent to any increase in CPI or to satisfy all reasonable demands in later years. In setting the budget for 2023 and future years the NSSC has made assumptions that the size of the Royal Navy, the number of Sports Associations and the numbers accessing sport will not change significantly in the next 5 years.

As with many other charities, there are indications that maintaining income in future years will be challenging and the NSSC will need to continue to work closely with its parent charity, the RNRMC, to ensure that the outcomes of their Quality of Life Pathway grants continue to justify the defined level of grants made to the NSSC.

The NSSC continues to support the Royal Navy Sports Board by assisting Sports Associations and by employing individuals in support of naval sporting outputs. In 2023 this will see the conclusion of an RN Sports Transformation programme that includes the recruitment of 9 full-time Civil Servants, enabling 3 NSSC sports development staff on 2 year fixed term contracts to transfer to full-time publicly funded posts.

Future Plans - Royal Navy Officers' Charity

The need for benevolence for our population continues, Covid lingers in the background and the full and true consequences of the current rises in inflation and the cost of living remain unknown.

The Charity's Benevolence Sub-Committee closely monitor trends, grants and emerging cases recommending, where and when necessary, increases and additional resources.

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Financial Report RNRMC Group

Overview

The RNRMC Group closed the year with total funds valued at £76.3m, a reduction against the previous year of £14m from £90.3m. This reduction in funds was due to both the agreed spend down of our reserves continued in 2022, which resulted in a deficit of £5.2m, and net losses on investment assets of £8.9m.

Operating Income

Overall performance when compared to 2021, was positive, with income increasing by £1.5m to £13.2m (+13%), and income excluding investment income increasing by £1.6m to £11.6m (+16%). This increase in income was primarily driven by the following areas:-

Donations and Legacies – A positive increase of 13% from £6.1m to £6.9m against the prior year was seen in donations in 2022. This includes income across various fundraising areas and can be broken down as follows:-

- Donations – Following the easing of covid restrictions fundraising events were able to take place during 2022. Major fundraising events included the flagship event the carrier ball.
- Payroll Giving – During 2022 RNRMC were once again able to present to naval recruits about the payroll giving scheme, which together with the continued generous donations from serving naval personnel resulted in maintaining income levels in 2022 against a backdrop of falling naval recruitment numbers.

Income from Other Trading Activities - increased by £0.7m (+110%) as the removal of Covid restrictions resulted in the increased events such as MFM and others through RNRMC and TRMC.

Investment Income - remained broadly in line with 2021 with only a small reduction of £0.07m (-4%). However, the group operates a total returns policy, about which more information is available below.

Income from charitable activities - We are grateful to our funding partners that support us with grants to enable us to support our beneficiaries. Income remained broadly same as 2021 with a small increase of only £0.03m (+1%) at £3.2m.

Demand again outmatched income and we will continue to develop our income streams such as legacies, major donors and corporate relationships whilst utilising our reserves brought forward to meet this unmet need.

Expenditure

Total expenditure in 2022 was £18.4m (2021 £17m). This was split into the following areas:-

Raising Funds

Fundraising costs – The costs in this area continue to be tightly controlled whilst maintaining engagement through developing our marketing and communications to engage future donors and supporters. In 2022 the Group's costs (excluding Investment fees) increased from £2.5m to £3.5m an increase of £1m. This was a direct result of increased events across both the charity organisations and the trading entities post covid, and drove the overall income of £1.8m, together with investment in engagement with future donors. As a % of income excluding investments these costs were 30%.

Investment Fees – A decrease in investment fees of £85k (-14%). Investment fees are charged on a % of our portfolio value, the result of which means that reductions in total portfolio value will mean a resultant reduction in investment fees.

Charitable Expenditure

Charitable expenditure increased from £13.9m in 2021 to £14.4m in 2022, an increase of £0.5m. Of this, the charitable spend of RNRMC Charity only was £9.2m, a decrease of £0.6m against 2021 of £9.8m.

For the Group pure grant making spend fell by £0.6m, from £10.2m to £9.6m. This was mostly driven by RNRMC where exceptional capital grants in 2021 of (£1.2m) were not repeated in 2022 but were however offset by additional activity funded by AFCTF, and special grants such as Falklands 40 were made.

Charitable support costs increased to £4.6m from £3.7m, again driven by RNRMC as a result of the transition support programme having its first full year of activity and investment in more efficient grant-making took shape. Additionally

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support costs include the cost of headcount needed to provide the virtual grant making service to external charities. The Charity's strategy continued to focus on maintaining a tight cost base while continuing to support beneficiary need.

Unrestricted Funds

The value of unrestricted funds including designated funds but excluding subsidiary trading company reserves (which can be seen in more detail in note 27), reduced from £28.2m to £21.2m in 2021 a reduction of £7.1m.

Net income of £4.3m was received into unrestricted funds, an increase against 2021 of £1m. A large proportion of the increased fundraising activity was funded through the unrestricted funds resulting in an increase against the prior year also. Charitable expenditure increased by £2.5m to £4.5m as the Charity both actively reduces reserves in line with its reserves policy and spend previously held in restricted funds continues to be supported after some restricted funds were fully spent in 2021. Additionally, transfers of funds were made from unrestricted to restricted funds of £1.5m to support activity in restricted funds and relates in part to payroll giving income that is recorded as unrestricted income, this income is applied against restricted funds and supports all of our grant making programmes and pathways depending on their level of need.

There were net losses on invested assets of £2.8m relating to unrestricted investments.

Balance Sheet

Total fixed assets within the group were £76.2m at the end of 2022 which was a decrease of £12.9m. The value of fixed assets excluding investments was £1.74M, consistent with 2021 with only a small decrease in held values of £100k.

Investments in the group have decreased from £87.5m to £74.5m, a reduction of £13m. Across the group there was £8.9m of net losses on investment assets (Charity £5.7m), with the additional reduction in investment fund values due to cash drawn down from investments in accordance with the RNRMC cash policy, which is to hold a rolling 12 months activity in cash or near cash products. More information on investments can be found below.

Creditor balances decreased by £0.9m from £9.6m to £8.7m, of which, £0.6m relates to the reduction in investments of held custodian funds, with a further £0.2m relating to Grants Payable at the end of 2022. Debtor balances increased by £440k to £2.2m, as a result of accrued income relating to fundraising events at the end of the year.

During the year £3.3m was drawn as cash across the group (Charity: £2.5m) with cash of £6.4m held at year end.

Investment Policy & Performance

Investment Oversight

Sarasin Partners LLP became responsible for the investment management for the majority of the Group's funds in 2021, following a full investment manager review. This arrangement gives strength to the Group and benefits from economies of scale.

A portion of the Group's funds remain held at Cazenove, which includes the RNRMC No 2 (private equity funds) and investments held by RNOC.

The oversight of the management of the RNRMC, NSSC and RMA-TRMC's investments lies with the Investment Committee (IC). The IC meets every three months and is responsible for monitoring the performance of investment strategies approved by the respective Boards. Three independent investment advisors, Mr Alexander Crooke, of Janus Henderson Investors, Mr Bryan Burrough previously of Investec, Blackrock and Cazenove and Mr Mark Fitzgerald previously of Barclays Global Investors (BGI), Blackrock and HSBC advise the IC.

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In 2022 the following portfolios were held within the Group:-

1 - RNRMC (main portfolio)	2 - RMA:The Royal Marines Charity	3 - RN Officers' Charity	4- RNRMC (No 2 Portfolio)
• RNRMC unrestricted funds • RNRMC restricted funds (unincorporated charities) • Naval Service Sports Charity • Custodian Funds	• Separate fund managed by Sarasin	• Separate fund managed independently by a Cazenove team	• Private Equity Fund (in distribution mode) managed independently by Cazenove team

Investment Policy & Strategy

The Investment Strategy and Investment Policy for the Group IC are regularly reviewed and updated as necessary, in March 2020 with Cazenove and subsequently in April 2023 with Sarasin. The policy detail which now follows relates to the current policy. A key update to the policy this time is that RMA-TRMC have decided, post an investment manager review, to remove their funds in 2023 from Sarasin to UBS under a new agreement.

The overall investment objective is “to preserve and enhance the real capital value of the portfolio whilst supporting a sustainable withdrawal to fund current commitments”.

The Charity seeks to achieve its objective within an acceptable level of risk for their assets, the parameters of which have been agreed with Sarasin & Partners; the objective is quantified as the need to generate over the long term a return of inflation (CPI) plus 3% per annum. This should allow the real value of the assets to be maintained whilst funding regular annual expenditure.

The return target and appropriate benchmark are defined in the discretionary agreement with Sarasin & Partners, who will ensure adherence to this policy.

The Trustees are keen not to jeopardise the objective of ‘maximising risk adjusted total return’ by targeting too high an income requirement and hence have adopted a yield target of around 1.75% of starting year capital values. Any further required withdrawals will be taken by the selling of capital assets.

The Investment Manager is appointed with discretionary powers of investment under the Trustee Act 2000 and is subject to the terms of their investment management agreement. The trustees require that the Investment Manager considers the suitability of each class of investment and the need for diversification as appropriate to the circumstances of the various portfolios. The trustees have also set specific investment limits and restrictions for each portfolio, as well as appropriate benchmarks for their performance comparison.

The Trustees have considered whether they should impose any ethical restriction on the investment of the RNRMC Group assets by their investment managers. In doing so, they have concluded that they would not wish to restrict the investment managers ability to achieve their primary objective of seeking the best returns within the limits of the Group's overall investment policy. However, it is likely to be in the Group's long-term interests that its investments favour those companies that pursue ethical and socially responsible policies rather than those which do not. To that end, they have instructed the managers that they should consider this position when choosing investments for the Group accordingly.

Portfolio composite benchmark and permitted ranges

The below table outlines the composite benchmark, which was agreed with Sarasin and forms an important part of performance monitoring. It also details the lower and upper bounds for each asset class.

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Asset Class	Low	Neutral	High	Benchmark Index
Cash	-	-	10.0	-
Government Bonds	-	7.5	30.0	ICE BofAML Gilts All Stocks Index
Corporate Bonds	-	7.5		ICE BofAML Sterling Non-Gilt
Total Bonds & Cash	-	15.0	40.0	
International Equities (£ hedged)	-	20.0		MSCI All Countries World (LC) GBP
International Equities	-	50.0		MSCI All Countries World
Total Equities	60.0	70.0	80.0	
Total Property	-	5.0	10.0	MSCI All Balanced Property Fund Index – One Quarter Lagged
Total Alternatives	-	10.0	20.0	SONIA Interest Rate Benchmark +2%
Total	-	100.0	-	
Sterling Weighting	40.0	52.0	60.0	

The alternative investments are broadly diversified and include commodities, infrastructure, hedge funds, and private equity.

The RNRMC Group's base currency is sterling and currency hedging is permitted given the global nature of the investments.

2022 Main Investment Portfolio Values

The total portfolio value as held at Sarasin was £57,546,190. The below table outlines the Group asset allocation relative to the benchmark (as at 31.12.22).

Asset Allocation	£	Capital %	Benchmark %
Fixed Income	6,243,610	10.8	15.0
Equities	39,935,106	69.4	70.0
Property	2,610,813	4.5	5.0
Alternative Investments	6,100,157	10.6	10.0
Liquid Assets	2,656,504	4.6	-
Total	57,546,190	100.0	100.0

2022 Main Investment Portfolio Values for the Charity

The portfolio value as at 31st December 2022 was £47,405,255. The below table outlines the Charity's' asset allocation relative to the benchmark (as at 31.12.22).

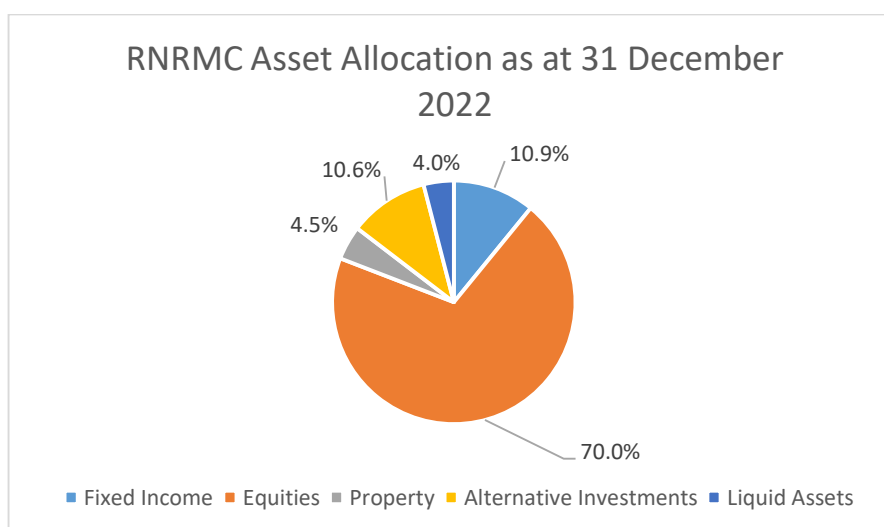
Asset Allocation	£	Capital %	Benchmark %
Fixed Income	5,157,513	10.9	15.0
Equities	33,174,949	70.0	70.0
Property	2,144,247	4.5	5.0
Alternative Investments	5,046,027	10.6	10.0
Liquid Assets	1,882,519	4.0	-
Total	47,405,255	100.0	100.0

We also detail below our rationale for each asset class:-

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- **Bonds – underweight** – inflation was still prominent and rising interest rate risks remained. This position has now been adjusted and the portfolio has a higher allocation to bonds.
- **Equities – neutral** – reflecting that upside and downside risks to economies and markets were broadly balanced. Equities have since been reduced given the strength of the recent rally and risks to company earnings in 2023.
- **Alternatives – overweight** – gold and other uncorrelated assets can be a hedge against policy error, which is particularly helpful given current macroeconomic conditions.
- **Cash – overweight** – we held more in cash to reflect heightened uncertainty but have since invested much of the cash into bonds as we felt fixed income markets are more appropriately pricing in inflationary risks and the yields on offer were compelling.

More information on the Charities' Investments can be found in Note 20 of the statutory accounts.



Performance

Sarasin Held Portfolio

During 2022, the portfolio generated a net return of -11.3%, behind the benchmark of -9.3%.

Key factors that have impacted the portfolio's performance:-

- **Asset allocation had a positive impact** – the portfolio was overweight the best-performing assets (alternatives and cash), and underweight the worst-performing asset (bonds, equities, property).
- **Bonds** – the bonds fell sharply in response to rising interest rates, but the impact of this was mitigated by the underweight position.
- **Equities** – as long-term investors, the equity allocation accounts for the largest portion of the portfolio, but was down -10.4% during the period. The returns lagged the broader global equity universe primarily due to a lack of exposure to the energy sector, which was the best performing sector in 2022.
- **Property** – fell by -4.6%, reflecting the impacts that higher interest rates and recessionary risks are having on the values of property funds.
- **Alternative investments** – we had been careful to manage the risk-exposure within the alternatives, favouring uncorrelated assets such as gold, together with renewables and other infrastructure funds which often offer inflation-linked cash flows. The alternatives increased by 1.3%.
- **Currency hedging** – the decision to hedge part of the portfolio back to sterling had a negative impact on both absolute and relative performance.

2022 as a whole

Global markets were down in 2022 – both equities and bonds were down, as we experienced a series of interest rate hikes, record-high inflation, energy shocks, war in Eastern Europe, a collapse of crypto-exchange FTX, rising tensions around Taiwan, and elevated political risks. In fact, UK government bonds saw their worst year on record. Given this

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is a long-term investment portfolio, we expect a certain degree of short-term volatility and continue to position the investments to optimise for long-term returns.

Cazenove Held Portfolios

RNRMC Investment Fund no.2 Portfolio

The no.2 portfolio, which only holds private equity, performed well. The return for the period 1st January 2022 – 31st December 2022 was 15.8% as the fund continued to move through the distribution phase of its lifecycle.

Royal Navy Officers' Charity Portfolio

Stocks and bonds suffered this year due to widespread monetary tightening, seen both at the Federal Reserve and The Bank of England. This has not been aided by continued labour shortages in many regions, especially the United States. Allayed to the energy crisis in Europe supply chains, most notably in gas and food, have been hindered. This has driven prices up for businesses and consumers. The broad global equity market, as measured by the MSCI AC World Index fell to -8.1% over the year, whilst the UK government bond market lost 23.8%.

Against that backdrop, the RNOC portfolio achieved a return of -3.0% for the year. The equities and bond holdings detracted from absolute returns, although both outperformed the indices referenced above. Commodities were one of the few sources of protection that was boosted by the strength of the US dollar and the overweight cash position was a positive.

On a total returns basis, the total return was -3.0%.

Custodian Funds

The RNRMC also holds other external funds as a custodian. These are funds with similar objects to the charity who support the same beneficiary pool and who don't have access to their own segregated investment portfolio. The capital is held and invested within the main portfolio by Sarasin who were appointed in 2021, with dividends being paid quarterly to the respective funds. Funds are held with a long term view but can be drawn down upon at any time. More information on the Custodian funds can be found in Note 23 of the statutory accounts.

Cash Policy

In 2020 the FRAC approved a new cash policy for the RNRMC that established a long-term cash reserves policy for the RNRMC to ensure that sufficient cash is held to support our beneficiaries and operations for a minimum of a rolling 12 months however during 2022 the equity markets were extremely volatile therefore we flexed the policy between 9 and 18 months in agreement with the FRAC.

Cash requirements are reviewed by both the Finance, Risk and Audit and Investment Committees, with ongoing consideration made to both internal and external factors that might affect cash requirements in the near and longer term.

Principal Risks and Uncertainties

The Trustees regularly consider the major risks to which the Charity is exposed to ensure the management of risk.

Trustee reviews are undertaken at each quarterly Board meeting when the mitigation plan for all major risks is assessed against the ability to deliver the Charity's outputs detailed in an annual delivery programme. In addition, each quarterly meeting considers detailed reports on the highest risks to ensure sufficient attention and resource is focused on treating or mitigating these risks. These mitigations are detailed on the risk register along with potential further actions that are being taken to further reduce risks where possible.

In addition, subsidiary charities within the Group make a report to each main Board meeting, including any risks that they wish to elevate to the Group Board. The Group FRAC reviews Group risk when they meet.

The Trustees recognise there remains uncertainties that could affect our risk mitigation strategy through uncontrollable, external factors such as government policy, external focus on the charity sector fundraising profile and the wider economic conditions.

The areas below remain those of the highest potential risk if not mitigated:-

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The Royal Navy and Royal Marines Charity

Risk	Mitigating Actions Taken
Financial which includes: • A significant downturn in UK prosperity • War, conflict or catastrophic event • Poor investment fund management • Not meeting our voluntary income targets • Stock market crash • Constraints on corporate and major donors giving • Loss or reduction of funding streams • Not meeting identified need through developing our commissioning approach • A paucity of infrastructure support services These risks would reduce our capacity to deliver our strategy.	• Review of fundraising and engagement capability post Covid-19 to diversify income opportunities. • Case studies of support provided by those we fund to improve success at securing major individual and corporate gifts • Systematic approach to budget setting and financial planning including cashflow with detailed monitoring. • Review of investment strategy and performance. • Regularly review reserves to combat macro-economic or strategic shocks that could impact on the Charity. • Risk Based Reserves (RBR) policy ensures we have a sufficient range of funds should a significant risk be realised. • Support additional identified need through our RBR policy funds above maximum and monitor spend closely
Governance which includes: • Complex Group governance structure and impact of inappropriate activities by subsidiaries • Lack of compliance with legal and regulatory requirements • Breach of data and/or IT breach by external agents • Lack of impact/outcome evidence may lead to sub-optimal block grant making • Increased likelihood in safeguarding issues as we deliver a direct support service These risks will impact our operational delivery and increase regulatory scrutiny, both of which will impact our ability to deliver our objectives.	• Continue to review legal structure and seek to simplify it further in the future with the Charity Commission. • Subsidiary activity overseen by the Group Board and Subsidiary Boards. • Review governance of group against CC8 governance code • Focus on data protection, GDPR regulations and cyber security. • Consent to contact campaign and registered with the Fundraising Regulator. Ensure compliance with the Charities Act 2016. • Whistle-blowing policy (freedom to speak up) known to employees. Robust process for any issues arising from a disclosure • Developed impact and monitoring for grant making and protocols for safeguarding.
Reputational which includes: • Adverse publicity of RN may affect public's perception of the Charity's need for support and funds • Lack of control of funded organisation's activities These risks would impact our reputation which is essential to keep key stakeholders, funders and beneficiaries positively engaged in assisting us delivering our outcomes.	• Work very closely with RN Comms to mitigate impact of any adverse change to the perception of the RN. • Strong terms and conditions for organisations we fund and dedicated Relationship Director maintaining contact with these charities and our key stakeholders. • Commissioning programmes and commissioning manager strengthens relationships with funded organisations. • We Regularly review policies enacted during Covid as part of the normal business of the FRAC/IC
People and Asset Risk which includes: • Inability to recruit and retain people with the required skills and expertise • Not achieving best value from expenditure • Our infrastructure not being fit for purpose These risks would reduce our effectiveness to deliver our objectives, reducing our impact.	• Recognise People are our most important asset. We review the reward policy in order to maintain and enhance retention. • Formal Talent Management Programme. • Annual staff survey and develop and implement an action plan to address key issues using a Staff Reference Group. • Review our Performance and Development Report. • Review the suitability of our financial control measures to reduce the possibility of deliberate or accidental loss. • Infrastructure includes both cloud-based storage as well as Office 365 which has meant all staff are able to work from home.

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Royal Marines Association – The Royal Marines Charity

The Charity Trustees have considered the major risks to which the Charity is exposed and review those risks and the established systems and procedures to manage those risks through oversight of a risk register at each trustee meeting. This register is directly linked to the delivery programme in order to ensure that risks which cannot be removed are mitigated against through the operations of the Charity's staff. A three-stage line of defence assurance system is in place, based on the regular checks of staff, the oversight of trustees, and the annual interrogation by the appointed auditor.

Principal risks identified as at 31 December 2022 were:-

Risk	Mitigating Actions Taken
Financial which includes:- • Not meeting our voluntary income targets; • Poor corporate and major donor support; • Loss or reduction of funding streams. These risks would reduce our capacity to deliver our strategy.	• Diversified our income generation opportunities strengthening the support of major individual and corporate donors, trusts and statutory grants. • Developing measurement of social and local economic value to demonstrate impact. • Systematic approach to budget setting and financial planning • Regular review of investment strategy and its performance managed by appointed external fund managers. • Policy of holding between 5 and 6 months of expenditure in cash reserves.
Governance which includes:- • Lack of compliance with legal and regulatory requirements; • Breach of data and/or IT breach by external agents; • Lack of impact/outcome evidence which may lead to sub-optimal block grant making. These risks will impact our operational delivery and increase regulatory scrutiny, both of which will impact our ability to deliver our objectives.	• Chair-led Governance review was completed in 2021, identifying areas of improvement for governance, skills gaps and trustee succession planning. • Review and refresh of all charity policies and for 2023. • Registered with the Fundraising Regulator to evidence compliance with the Charities Act 2016 • Extensive cyber protection provided by our internet provider. • Developed improved methods of monitoring the impact of grants made to individuals and organisations, including ensuring safeguarding protocols are in place with those we fund.
Reputational which includes:- • Poor or harmful charitable delivery. • Lack of control of membership branches and individual members. • Lack of control of funded organisations' activities. These risks would impact our reputation which is absolutely essential to keep key stakeholders, funders and beneficiaries positively engaged in assisting us delivering our outcomes.	• Welfare staff and volunteers received revised training and are subject to a rigorous safeguarding policy. • PR function which will give the capability to respond to reputational challenge, with direct links into Navy Media. • Branch and membership byelaws are subject to close committee oversight. • Regular reports to the Board of Trustees from through year funded organisations and implement MOUs where appropriate.
People which includes:- • Inability to recruit and retain people with the required skills and expertise. • Appropriate training and safeguarding for all staff. • Burnout due to increased demand for support.	• Revised Performance and Development Report to improve performance, learning and development. • Annual Training Needs Analysis, leading to staff training as appropriate, and individual education and learning needs being addressed. • Additional staffing to meet increased demand. • Employee Assistance Programme, consideration of workloads, promoting positive mental health and work-life balance.

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These risks would reduce our effectiveness to deliver our objectives, reducing our impact.	• Pay banding system and annual appraisals completed satisfactorily

The Trustees consider by reviewing accounts and cashflow at each Board meeting that they are able to manage income over expenditure effectively, whilst they are also able to seek advice from the RNRMC Group Investment and Finance Risk and Audit Committees and other specialist advisors, all of whom have a depth of relevant experience.

Expanded information for the RMA-TRMC Risk mitigation can be found in the RMA-TRMC Statutory Accounts for 2022.

The Naval Service Sports Charity

Risk	Mitigating Actions Taken
5 Year Financial Outlook. The risk is defined as exposure to poor investment performance, poor RNRMC fundraising planning, re-prioritising of RNRMC grant making and loss of operating costs funded by the RN Sports Lottery.	• Risk based reserves policy adopted in November 2020 which identified maximum/minimum reserve levels. With plans to draw down on excess reserves, if required to meet and shortfall in funding. • Collaboration with Head of Navy Sport continues to improve integrity of sports association 5-year plans to ensure valid annual grants bid that can be matched by NSSC funding. • RN Sports Lottery maintains a £1.5M reserve that guarantees the NSSC salary and insurance costs and Sports Accommodation running costs to mitigate any short-term suspension of the Lottery.
The risk is defined as a result of a stock market crash or poor Investment Fund management, funds under active management do not deliver planned capital value and income.	• Investment Management delegated to the RNRMC Investment Committee (IC), who carefully select investment managers; set realistic targets; and monitor results quarterly. • The RNRMC Trustee on the NSSC Board is Chairman of the IC and also a member of the Finance, Risk and Audit Committee (FRAC).

Expanded information for the NSSC Risk mitigation can be found in the NSSC Statutory Accounts for 2022.

Royal Navy Officers' Charity

Risk	Mitigating Actions Taken
Loss of key Staff	• Robust supersession planning • Ongoing review of records, systems, plans and projects • Internal cross desk training
Financial Viability	• Close scrutiny by FASC, Audit, Regular reviews
Compliance	• Operating in an honest and ethical manner • Monitoring changes in regulation/legislation • Ensuring high quality and timely legal advice

Reserves Policy

The Trustees have a reserves policy, which is to set aside sufficient free reserves so as to be able to meet or smooth out the unexpected fluctuations in charitable expenditure or shortfall in income so as to be able to meet the increasing needs of current beneficiaries and remain sustainable for both current and future generations, as well as meeting the needs of the wider Group entities.

As the national charity of the Royal Navy we provide the "Strategic Reserve" against future needs and we are committed to protecting the reserves for decades to come. Each legal entity within the Group has their own Reserves policy in line with their more specific strategic objectives and their reserves are excluded from our calculations below. More information about subsidiary Reserves Policies can be found within their Statutory Accounts.

The RNRMC Board have established a charity risk based reserve (RBR) policy with a minimum and maximum required reserves range, within which they aim to operate. This policy reflects the Trustees' desire to make sure it holds the reserves required to cover its agreed risks, but also allows the Board the ability to apply funding to identified need for its

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beneficiaries whilst operating safely within the minimum and maximum range which allows for the regular movements in the investment markets.

Our RBR policy is underpinned by the Group risk register and is linked with the Charity's strategic objectives and delivery programme. This policy sets out five key areas of risk which our free reserves are there to support. These key areas are:-

- Governance
- Finance
- Reputation
- Stakeholders & Relationships
- People & Assets

Our structure is complex and is made up of a high percentage of restricted funds. We have managed to mitigate risk through these restricted funds thereby allowing us to show a lower unrestricted reserve range. This policy only covers our reserve requirement within our unrestricted funds.

A full review of our RBR policy has been undertaken in early 2023. This involved a full review of all current risks and their associated risk values. It has determined that the target range of general reserves (excluding those reserves represented by restricted funds and designated reserves) required by the charity as being between £12.3m and £21.1m.

Our current unrestricted reserves for the Charity, excluding designated and trading company funds, is £20.4m, with free reserves for the Charity of £20.1m.

The RNRMC Trustee Board has, over the past three years, actively spent down on excess reserves in order to support the needs of beneficiaries and are now content the Charity is now operating within the reserves range in accordance with the RNRMC reserves policy.

The Trustees conduct an annual review of the appropriate level of general reserves, and changes to the charity's risk profile, strategy and plan will be considered as part of that review. The output of the annual review informs subsequent planning and budgeting cycles.

Policy Calculations

The total reserves for the Group as at 31 December 2022 were £76.3m (2021: £90.3m). For the Charity, unrestricted reserves formed £20.4m (2021: £27.4m) and designated funds £0.7m (2021: £0.74m). Restricted reserves were £55m (2020: £62m) with trading company reserves of £200k.

Restricted and designated reserves constitute £55.9m (2021: £63m) of the total RNRMC Group funds, this is made up of subsidiary charities managed by a separate trustee body, or restricted funds managed by relevant sub-committees. More information on the makeup of these elements can be found in the notes to the statutory accounts in note 26.

Area	Notes	Minimum Reserves Level	Maximum Reserves Level
Governance	<i>Potential cost for poor charity governance</i>	£0.4m	£1.2m
Finance	<i>Significant change in external environment amounting to income drop, or beneficiary need increase</i>	£10.7m	£16.1m
Reputation	<i>Effect on Voluntary Income</i>	£0.4m	£1.0m
Stakeholders and Relationships	<i>Relationship with Corporates / Key funders deteriorates</i>	£0.7m	£2.3m
People and Assets	<i>Significant increase in Staff Turnover and potential costs of restructure</i>	£0.1m	£0.5m
Range of Reserves Required		£12.3m	£21.1m

Statement of Trustees' Responsibilities

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

THE ROYAL NAVY AND ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

Company law requires the trustees to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:-

- select suitable accounting policies and then apply them consistently;
- comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 as amended by The Charities Accounts (Scotland) Amendment (No. 2) Regulations 2014.

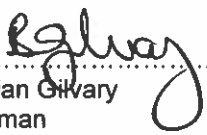
They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:-

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' Annual Report is approved by the trustees of the Charity. The Strategic Report, which forms part of the Annual Report, is approved by the trustees in their capacity as directors in company law of the Charity.

Signed on behalf of the Trustees on 17/08/2023


.....
Dr Brian Gilvary
Chairman

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE ROYAL NAVY AND ROYAL MARINES CHARITY

Opinion

We have audited the financial statements of The Royal Navy and Royal Marines Charity for the year ended 31 December 2022 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group 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) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2022 and of the group's incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended) and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the charitable company 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 charitable company'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE ROYAL NAVY AND ROYAL MARINES CHARITY

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 or the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 33, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they 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 group and parent charitable company'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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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 an auditor's report 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE ROYAL NAVY AND ROYAL MARINES CHARITY

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are The Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
THE ROYAL NAVY AND ROYAL MARINES CHARITY**

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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.

Use of this report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditor's report addressed to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



James Cross (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

Date: 18 August 2023

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

THE ROYAL NAVY AND ROYAL MARINES CHARITY
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds 2022 £	Total Funds 2021 £
INCOME & ENDOWMENTS						
Donations and legacies	4	2,488,112	4,396,696	-	6,884,808	6,091,264
Other trading activities		1,370,290	80,031	-	1,450,321	690,937
Investment income	5	361,384	1,286,654	-	1,648,038	1,716,002
		<u>4,219,786</u>	<u>5,763,381</u>	<u>-</u>	<u>9,983,167</u>	<u>8,498,203</u>
Charitable activities	6	50,000	3,181,001	-	3,231,001	3,200,991
Other income- CJRS grant		-	-	-	-	27,555
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating income		<u>4,269,786</u>	<u>8,944,382</u>	<u>-</u>	<u>13,214,168</u>	<u>11,726,749</u>
EXPENDITURE						
Raising funds	7					
Investment management fees		176,686	343,106	-	519,792	604,771
Fundraising costs		2,306,517	1,184,722	-	3,491,239	2,483,977
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cost of raising funds		2,483,203	1,527,828	-	4,011,031	3,088,748
Charitable activities	8 & 9					
Commissioned Programmes		2,717,426	2,933,749	-	5,651,175	5,579,950
Through Life Pathway		865,905	2,611,967	-	3,477,872	4,375,816
Quality of Life Pathway		705,014	3,032,126	-	3,737,140	3,085,985
Fit for Life Pathway		163,176	824,947	-	988,123	571,573
End of Life Pathway		83,794	423,623	-	507,417	324,225
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total charitable expenditure		4,535,315	9,826,412	-	14,361,727	13,937,549
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenditure		<u>7,018,518</u>	<u>11,354,240</u>	<u>-</u>	<u>18,372,758</u>	<u>17,026,297</u>
Net operating (expenditure)		(2,748,732)	(2,409,858)	-	(5,158,590)	(5,299,548)
Net gains/(losses) on investment assets		(2,755,341)	(6,122,723)	-	(8,878,064)	8,410,978
Net income/(expenditure)	15	(5,504,073)	(8,532,581)	-	(14,036,654)	3,111,430
Gross transfers between funds	16	(1,563,274)	1,563,274	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		(7,067,347)	(6,969,307)	-	(14,036,654)	3,111,430
Total funds brought forward	26	28,353,542	61,336,151	655,649	90,345,342	87,233,912
Total funds carried forward	26	<u>21,286,195</u>	<u>54,366,844</u>	<u>655,649</u>	<u>76,308,688</u>	<u>90,345,342</u>

The Charity has no recognised gains or losses for the year other than as detailed above.

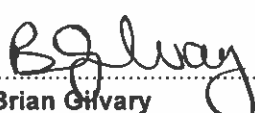
The net movements in the Charity's funds for the year arise from the Charity's continuing activities.

The Notes on pages 40 to 68 form part of these accounts.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
BALANCE SHEET – GROUP AND CHARITY
AS AT 31 DECEMBER 2022**

	Note	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Fixed assets					
Intangible assets	18	328,982	242,886	64,981	16,907
Tangible assets	19	1,412,413	1,372,997	792,840	834,703
Investments	20	74,502,514	87,546,437	44,224,778	53,417,700
		<u>76,243,909</u>	<u>89,162,320</u>	<u>45,082,599</u>	<u>54,269,310</u>
Current assets					
Stock	21	273,825	310,372	-	-
Debtors	22	2,168,480	1,728,425	1,785,655	1,270,981
Cash at bank and in hand		6,357,669	8,790,736	3,530,260	6,304,645
		<u>8,799,974</u>	<u>10,829,533</u>	<u>5,315,915</u>	<u>7,575,626</u>
Liabilities					
Creditors falling due within one year	23	(8,710,295)	(9,612,444)	(7,945,739)	(8,728,531)
Net current assets		<u>89,679</u>	<u>1,217,089</u>	<u>(2,629,824)</u>	<u>(1,152,905)</u>
Total assets less current liabilities		<u>76,333,588</u>	<u>90,379,409</u>	<u>42,452,775</u>	<u>53,116,405</u>
Creditors due in more than one year	25	(24,900)	(34,067)	-	-
Net assets		<u>76,308,688</u>	<u>90,345,342</u>	<u>42,452,775</u>	<u>53,116,405</u>
Accumulated funds					
Permanent endowment	26	655,649	655,649	655,649	655,649
Restricted funds	26	54,366,844	61,336,151	20,708,430	24,278,994
Unrestricted funds	26	20,570,991	27,608,262	20,373,492	27,436,482
Designated funds	26	715,204	745,280	715,204	745,280
Total accumulated funds		<u>76,308,688</u>	<u>90,345,342</u>	<u>42,452,775</u>	<u>53,116,405</u>

The financial statements on pages 37 to 68 were approved by the trustees on 17/08/2023 and signed on their behalf by:


Dr Brian Gilvary
Chair


Mr John Bartlett
Chair of the Finance, Risk
and Audit Committee

Company registration number 6047294

THE ROYAL NAVY AND ROYAL MARINES CHARITY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flow/(outflow) from operating activities		
Net cash (used in) operating activities	(7,950,247)	(6,051,849)
Cash flows from investing activities		
Investment income and interest received	1,648,038	1,716,002
Proceeds from disposal of fixed asset investments excluding endowment funds	55,733,923	94,093,411
Acquisition of fixed asset investments excluding endowment funds	(51,568,064)	(89,374,807)
Payments to acquire tangible fixed assets	(137,019)	(30,671)
Payments to acquire intangible fixed assets	(150,531)	(167,690)
	<u>5,526,347</u>	<u>6,236,245</u>
Cash flow/(outflow) from financing activities		
Bank loan repayments	(9,167)	(5,933)
Net increase/(decrease) in cash and cash equivalents	(2,433,067)	178,463
Cash and cash equivalents at beginning of year	8,790,736	8,612,273
Cash and cash equivalents at end of year	<u>6,357,669</u>	<u>8,790,736</u>

Reconciliation of net income/ (expenditure) to net cash flow from operating activities

	2022 £	2021 £
Net income/(expenditure) including endowments	(14,036,654)	3,111,430
Adjustments for:		
Depreciation charges	97,603	107,421
Amortisation	64,435	41,598
Net (gains)/ losses on investments	8,878,064	(8,410,978)
Investment income	(1,648,038)	(1,716,002)
Increase in stock	36,547	(60,183)
Decrease in debtors	(440,055)	944,610
Increase in creditors	(902,149)	1,819,475
Net cash (used in) operating activities	<u>(7,950,247)</u>	<u>(6,051,849)</u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements comprise the charity and its subsidiaries under Charity Commission Schemes or Uniting Directions.

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company and its subsidiaries are a public benefit group for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006 under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410), the Charities Act 2011 and Charities Accounts (Scotland) Regulations 2006 as amended by The Charities Accounts (Scotland) Amendment (No. 2) Regulations 2014.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

b) Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and have taken account of pressures on donation and investment income and likely impact of the pandemic on investment values and income, as well as expenditure. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

c) Group financial statements

These financial statements consolidate the results of the Charity and RNRMC Enterprises Limited, its wholly owned trading subsidiary, the Royal Naval Benevolent Society for Officers, as the Charity is a corporate trustee with a right of veto, the Naval Service Sports Charity, as the Charity is the sole member, and RMA - the Royal Marines Charity (including its own subsidiaries, The Royal Marines Shop Limited and TRMC Enterprises Limited), as the sole member from 1 April 2011, on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account are not presented for the Charity itself as the Charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

The corporate charity's financial statements aggregate its own results with those subsidiaries where the Charity Commission has issued a Uniting Direction for the purposes of accounting. The subsidiaries whose results are aggregated with those of the charitable company are:

Subsidiary 1 - The Naval Service Dependents' Fund (NSDF)
Subsidiary 2 - The Naval Service Benevolence Fund (NSBF)
Subsidiary 3 - The Fleet Air Arm Benevolent Trust (FAABT)

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES (continued)

Subsidiary 4 - The Naval Service Amenity Fund (NSAF)
Subsidiary 6 - The Naval Service Prizes and Awards Fund (NSPAF)
Subsidiary 7 - Queen Alexandra's Royal Naval Nursing Service Trust Fund (QARNNS)
Subsidiary 8 - Plymouth Royal Naval Aid Fund (PRNAF)
Subsidiary 9 - The Sir Donald Gosling Maritime Reserve Amenity Fund (DGMRF)
Subsidiary 10 - Naval Medical Compassionate Fund (NMcF)

Although subject to a Charity Commission Uniting Direction, the results of Subsidiary 5 - The Naval Service Sports Charity (NSSC) are not aggregated with those of the charitable company because the NSSC is a limited company and is therefore required to be treated on a consolidated basis.

d) Income

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Legacies are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy receivable can be measured reliably. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.

Income is deferred when the donor attaches conditions outside the Charity's own control or specifies that the resources are to be used in a future accounting period.

Investment income is received net of investment management fees but is grossed up in the accounts for investment management fees.

Government grants

Grants relating to revenue are recognised in income on a systematic basis over the periods in which the entity recognises the associated costs for which the grant is intended to compensate. This includes £nil (2021: £27,555) of Government assistance under the Coronavirus Job Retention Scheme (CJRS) relating to staff who were furloughed due to Covid-19.

e) Volunteers and donated services and facilities

The value of services provided by volunteers is not incorporated into these financial statements.

Where services are provided to the Charity as a donation that would normally be purchased, this contribution is included in the financial statements at an estimate based on the value of the contribution to the Charity.

f) Expenditure

Liabilities are recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity. Unconditional grant offers are accrued once the recipient has been notified of the grant award and its payment is probable. Grant awards that are subject to the recipient fulfilling performance or other conditions are accrued when the recipient has been notified of the grant and either the performance condition is met or any remaining unfulfilled condition attaching to the grant is outside of the control of the Charity.

g) Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES (continued)

h) Allocation of overhead and support costs

Overhead, support and governance costs are allocated between the cost of raising funds and charitable activities. Overhead, support and governance costs relating to charitable activities have been apportioned between activities.

i) Costs of raising funds

The costs of raising funds consist of investment management fees and other direct costs of raising funds and an apportionment of governance, overhead and support costs.

j) Charitable activities

Costs of charitable activities include grants payable and other costs directly associated with providing sports, amenities, prizes and awards, dependants' grants or benevolence to beneficiaries and an apportionment of overhead, support and governance costs.

k) Governance costs

Governance costs comprise all costs involving the public accountability and running of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit, legal fees and trustee meeting expenses together with an apportionment of overhead and support costs.

l) Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable are charged to the Statement of Financial Activities in the period to which they relate.

m) Tangible fixed assets

Individual fixed assets costing £500 or more are capitalised at cost.

Freehold land and buildings are included in the financial statement at open market value, as determined periodically by professional values. They are not depreciated as their residual values are not materially different from carrying values included in the accounts.

Tangible fixed assets are depreciated on a straight line basis over their estimated useful economic lives as follows:

Freehold property	- over 50 years straight line
Computer and office equipment	- over 3 years straight line
Leasehold improvements	- over the life of the lease

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

n) Intangible fixed assets

Intangible fixed assets are amortised on a straight line basis over their estimated useful economic lives as follows:

Website and software	- over 3 years straight line

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES (continued)

o) Fixed asset investments

Investments are initially measured at their cost and subsequently measured at their fair value at each reporting date. Fair value is based on their bid value at the balance sheet date without deduction of the estimated future selling costs.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the Statement of Financial Activities as 'gains or losses on investments' and are allocated to the appropriate fund holding or disposing of the relevant investment.

p) Realised gains and losses

All gains and losses are taken to the income and expenditure section of the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and original cost. Unrealised gains and losses are calculated as the difference between the market value at the end of the year and opening market value, or purchase date if later. Realised and unrealised gains are not separated in the Statement of Financial Activities.

q) Stock

Stock of goods for resale is stated at the lower of cost and net realisable value.

r) Heritage assets

The Charitable Group is the owner of a collection of Paintings, Silverware and other items. Many precious works are contained within messes across the Corps, which is housed and managed on behalf of the Charity by Serving Royal Marines within the Corps Secretariat. The collection is considered irreplaceable and as such it is not possible to attribute a reliable cost or value to it. It is additionally considered that the process of obtaining valuations of the collection would be disproportionate to any public benefit that might be derived and that it is impractical to apply conventional valuation techniques to the collection, due to the uniqueness of its nature.

s) Funds structure

The Charity has one permanent endowment, which requires the trustees to invest the capital in perpetuity; the income from this fund is wholly unrestricted.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. The funds of the subsidiaries noted under 1c) above are treated as restricted funds.

Unrestricted funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects.

Designated funds comprise those unrestricted funds where the trustees, at their discretion, have created a fund for a specific purpose.

t) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

u) Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES (continued)

enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 22 and 23 for the debtor and creditor notes.

v) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

w) Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements.

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

2. LEGAL STATUS OF THE CHARITY

The Charity is a company limited by guarantee and has no share capital. The members of the charity are the trustees listed on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
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3. FINANCIAL ACTIVITIES OF THE CHARITY

The financial activities shown in the consolidated statement includes those of the RNRMC and its wholly owned trading subsidiary RNRMC Enterprises limited, and the RNOC, a charity in which the RNRMC is a trustee with the right of veto, the NSSC, a charitable company of which the RNRMC is the sole member, and RMA-TRMC (including its subsidiaries RM Shop Limited and TRMC Enterprises Limited) a charitable company of which the RNRMC is the sole member. A summary of the financial activities undertaken by the RNRMC and its subsidiaries, that are the subject of Charity Commission Schemes or Uniting Directions, is set out below:

	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds 2022 £	Total Funds 2021 £
INCOME & ENDOWMENTS					
Donations and legacies	2,872,284	147,441	-	3,019,725	2,214,157
Investment income	361,384	379,970	-	741,354	975,658
	<u>3,233,668</u>	<u>527,411</u>	<u>-</u>	<u>3,761,079</u>	<u>3,189,815</u>
Charitable activities	-	2,461,779	-	2,461,779	2,709,707
	<u>3,233,668</u>	<u>2,989,190</u>	<u>-</u>	<u>6,222,858</u>	<u>5,899,522</u>
Total operating income	<u>3,233,668</u>	<u>2,989,190</u>	<u>-</u>	<u>6,222,858</u>	<u>5,899,522</u>
EXPENDITURE					
Raising funds					
Investment management fees	176,686	190,852	-	367,538	407,567
Fundraising costs	1,607,073	24,399	-	1,631,472	1,129,380
	<u>1,783,759</u>	<u>215,251</u>	<u>-</u>	<u>1,999,010</u>	<u>1,536,947</u>
Total cost of raising funds	1,783,759	215,251	-	1,999,010	1,536,947
Charitable activities					
Commissioned Programmes	1,784,204	2,062,049	-	3,846,253	4,106,603
Through Life Pathway	1,311,955	425,789	-	1,737,744	2,855,146
Quality of Life Pathway	1,231,756	1,754,294	-	2,986,050	2,447,764
Fit for Life Pathway	302,383	2,351	-	304,734	161,706
End of Life Pathway	-	345,354	-	345,354	238,615
	<u>4,630,298</u>	<u>4,589,837</u>	<u>-</u>	<u>9,220,135</u>	<u>9,809,834</u>
Total charitable expenditure	4,630,298	4,589,837	-	9,220,135	9,809,834
	<u>6,414,057</u>	<u>4,805,088</u>	<u>-</u>	<u>11,219,145</u>	<u>11,346,781</u>
Total operating expenditure	<u>6,414,057</u>	<u>4,805,088</u>	<u>-</u>	<u>11,219,145</u>	<u>11,346,781</u>
Net operating (expenditure)	(3,180,389)	(1,815,898)	-	(4,996,287)	(5,447,259)
Net gains/(losses) on investment assets					
	(2,755,343)	(2,912,000)	-	(5,667,343)	4,964,907
Net income/(expenditure)	(5,935,732)	(4,727,898)	-	(10,663,630)	(482,352)
Gross transfers between funds	(1,157,334)	1,157,334	-	-	-
	<u>(7,093,066)</u>	<u>(3,570,564)</u>	<u>-</u>	<u>(10,663,630)</u>	<u>(482,352)</u>
Net movement in funds	<u>(7,093,066)</u>	<u>(3,570,564)</u>	<u>-</u>	<u>(10,663,630)</u>	<u>(482,352)</u>
Total funds brought forward	28,181,762	24,278,994	655,649	53,116,405	53,598,757
Total funds carried forward	<u>21,088,696</u>	<u>20,708,430</u>	<u>655,649</u>	<u>42,452,775</u>	<u>53,116,405</u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
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4. VOLUNTARY INCOME

Year to 31 December 2022

	Unrestricted 2022 £	Restricted 2022 £	Endowment 2022 £	Total 2022 £
Donations	1,310,850	3,065,212	-	4,376,062
Royal Navy Payroll Giving Scheme	1,111,600	-	-	1,111,600
RM Day's Pay Giving Funds	-	535,222	-	535,222
Legacies	65,662	671,496	-	737,158
Other voluntary income	-	124,766	-	124,766
	<u>2,488,112</u>	<u>4,396,696</u>	<u>-</u>	<u>6,884,808</u>

Year to 31 December 2021

	Unrestricted 2021 £	Restricted 2021 £	Endowment 2021 £	Total 2021 £
Donations	858,999	2,779,169	-	3,638,168
Royal Navy Payroll Giving Scheme	1,114,909	-	-	1,114,909
RM Day's Pay Giving Funds	-	532,985	-	532,985
Legacies	110,876	564,107	-	674,983
Other voluntary income	-	130,219	-	130,219
	<u>2,084,784</u>	<u>4,006,480</u>	<u>-</u>	<u>6,091,264</u>

THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5. INVESTMENT INCOME

Year to 31 December 2022

	Unrestricted 2022 £	Restricted 2022 £	Endowment 2022 £	Total 2022 £
Dividends – UK equities	78,660	685,737	-	764,397
Dividends – non UK equities	172,969	281,211	-	454,180
Fixed interest – UK	46,844	108,109	-	154,953
Income on property funds	30,897	115,144	-	146,041
Unit Trusts	21,139	37,898	-	59,037
Other	4,907	44,860	-	49,767
Interest on cash deposits	5,968	11,631	-	17,599
Bank interest		2,064	-	2,064
	<u>361,384</u>	<u>1,286,654</u>	<u>-</u>	<u>1,648,038</u>

Year to 31 December 2021

	Unrestricted 2021 £	Restricted 2021 £	Endowment 2021 £	Total 2021 £
Dividends – UK equities	204,795	560,721	-	765,516
Dividends – non UK equities	88,255	219,160	-	307,415
Fixed interest – UK	14,972	48,910	-	63,882
Income on property funds	97,113	210,215	-	307,328
Unit Trusts	89,910	134,935	-	224,845
Other	4,071	41,658	-	45,729
Interest on cash deposits	872	415	-	1,287
	<u>499,988</u>	<u>1,216,014</u>	<u>-</u>	<u>1,716,002</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted 2022 £	Restricted 2022 £	Endowment 2022 £	Total 2022 £	Total 2021 £
Greenwich Hospital	-	1,375,000	-	1,375,000	1,375,000
Nuffield Trust	-	415,920	-	415,920	771,716
Armed Forces Covenant Fund Trust	-	744,186	-	744,186	352,080
Other grants received	50,000	645,895	-	695,895	702,195
	<u>50,000</u>	<u>3,181,001</u>	<u>-</u>	<u>3,231,001</u>	<u>3,200,991</u>

£3,200,991 of income from charitable activities in the year to 31 December 2021 was subject to specific restrictions imposed by the donor.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. COSTS OF RAISING FUNDS

Year to 31 December 2022	Unrestricted 2022 £	Restricted 2022 £	Endowment 2022 £	Total 2022 £
Investment management fees	176,686	343,106	-	519,792
Fund raising costs	2,306,517	1,184,722	-	3,491,239
	<u>2,483,203</u>	<u>1,527,828</u>	<u>-</u>	<u>4,011,031</u>
Year to 31 December 2021	Unrestricted 2021 £	Restricted 2021 £	Endowment 2021 £	Total 2021 £
Investment management fees	208,611	396,160	-	604,771
Fund raising costs	1,508,103	975,874	-	2,483,977
	<u>1,716,714</u>	<u>1,372,034</u>	<u>-</u>	<u>3,088,748</u>

8. ANALYSIS OF CHARITABLE EXPENDITURE

Analysis of charitable expenditure including support costs

Year to 31 December 2022

	Grants Payable 2022 £	Other Direct Costs 2022 £	Support Costs (See Note 11) 2022 £	Total 2022 £
Commissioned Programmes	3,827,913	-	1,823,262	5,651,175
Through Life Pathway	2,355,792	-	1,122,080	3,477,872
Quality of Life Pathway	2,388,503	210,976	1,137,661	3,737,140
Fit for Life Pathway	669,321	-	318,802	988,123
End of Life Pathway	343,707	-	163,710	507,417
Total	<u>9,585,236</u>	<u>210,976</u>	<u>4,565,515</u>	<u>14,361,727</u>

Year to 31 December 2021

	Grants Payable 2021 £	Other Direct Costs 2021 £	Support Costs (See Note 11) 2021 £	Total 2021 £
Commissioned Programmes	4,090,848	-	1,489,102	5,579,950
Through Life Pathway	3,208,057	-	1,167,759	4,375,816
Quality of Life Pathway	2,241,259	28,890	815,836	3,085,985
Fit for Life Pathway	419,039	-	152,534	571,573
End of Life Pathway	237,700	-	86,525	324,225
Total	<u>10,196,903</u>	<u>28,890</u>	<u>3,711,756</u>	<u>13,937,549</u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. ANALYSIS OF CHARITABLE EXPENDITURE (Continued)

Analysis of charitable expenditure by fund category including support costs

Year to 31 December 2022

	From Unrestricted Funds 2022 £	From Restricted Funds 2022 £	Total 2022 £
Commissioned Programmes	2,717,426	2,933,749	5,651,175
Through Life Pathway	865,905	2,611,967	3,477,872
Quality of Life Pathway	705,014	3,032,126	3,737,140
Fit for Life Pathway	163,176	824,947	988,123
End of Life Pathway	83,794	423,623	507,417
Total	<u>4,535,315</u>	<u>9,826,412</u>	<u>14,361,727</u>

Year to 31 December 2021

	From Unrestricted Funds 2021 £	From Restricted Funds 2021 £	Total 2021 £
Commissioned Programmes	727,642	4,852,308	5,579,950
Through Life Pathway	495,442	3,880,374	4,375,816
Quality of Life Pathway	653,028	2,432,957	3,085,985
Fit for Life Pathway	74,534	497,039	571,573
End of Life Pathway	42,280	281,945	324,225
Total	<u>1,992,926</u>	<u>11,944,623</u>	<u>13,937,549</u>

9. ANALYSIS OF GRANTS PAYABLE

Analysis of grants payable to individuals and institutions

Year to 31 December 2022

	Grants to Institutions £	Total Individuals £	Total 2022 £
Commissioned Programmes	3,827,913	-	3,827,913
Through Life Pathway	1,056,415	1,299,377	2,355,792
Quality of Life Pathway	2,061,565	326,938	2,388,503
Fit for Life Pathway	442,785	226,536	669,321
End of Life Pathway	-	343,707	343,707
Total	<u>7,388,678</u>	<u>2,196,558</u>	<u>9,585,236</u>

Year to 31 December 2021

	Grants to Institutions £	Total Individuals £	Total 2021 £
Commissioned Programmes	4,090,848	-	4,090,848
Through Life Pathway	2,069,597	1,138,460	3,208,057
Quality of Life Pathway	1,864,268	376,991	2,241,259
Fit for Life Pathway	263,403	155,636	419,039
End of Life Pathway	-	237,700	237,700
Total	<u>8,288,116</u>	<u>1,908,788</u>	<u>10,196,903</u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
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9. ANALYSIS OF GRANTS PAYABLE (continued):

Analysis of institutions receiving grants of more than £25,000:

	2022
	£
Naval Children's Charity	720,000
RNBT	512,000
Relate	299,103
Kings Foundation	255,010
SSAFA	191,088
Sailors Children Society	165,000
China Fleet	157,426
HMS Sultan	148,002
RNA	144,403
Home-Start	143,000
Aggies	130,405
The White Ensign	105,014
Alabare	100,561
Royal Navy Family & People Support	100,106
TSF	100,000
The Poppy Factory	96,000
RFEA	95,000
Veterans Outreach Support	90,000
HMS Collingwood	87,283
Royal Naval Sailing Association	71,000
HMS Duncan	67,233
Care for Veterans	66,500
The Royal Alfred Seafarers	65,000
Veterans Aid	60,000
HMS Raleigh refurb Jutland Block	59,949
Gosport & Fareham Multi Academy Trust	59,600
Erskine	50,000
KIDS	50,000
Age UK (Veterans, advice information & support Portsmouth area)	48,210
Combat Stress	48,000
Flags	45,700
Woody's Lodge	44,000
HMS Iron Duke	41,074
RNAS Culdrose	40,471
Solent NHS Trust	40,400
Broughton House	40,000
Improving Lives Plymouth	40,000
Royal Naval Winter Sports Association	37,869
HMS Excellent	34,786
HMS Lancaster	30,825
HMS Nelson	30,273
Company Of Makers	30,000
Fares4free	30,000
Royal Commonwealth Ex Service League	30,000
Stoll	30,000
Turn to Starboard	30,000
HMS Heron	29,718
The Boleh Trust	29,617
RFA	27,140
HMS St Albans	25,975
Naval Families Federation	25,500
J Walker – Evaluation	25,000
Poppyscotland	25,000

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. ANALYSIS OF GRANTS PAYABLE (continued)

Analysis of institutions receiving grants of more than £25,000:

RMA-TRMC grants:

Rock 2 Recovery CIC	117,700
Globe & Laurel	84,235
RMA Highlands Branch	83,480
Gordon Messenger Centre	47,975
Dame Agnes Weston's	47,144
HorseBack UK	27,000

10. ANALYSIS OF GOVERNANCE COSTS

	Total 2022 £	Total 2021 £
Trustee meetings	20,924	6,161
Auditor's remuneration	83,055	78,358
Legal and professional fees	47,179	76,192
Other governance costs	61	2,971
Support costs - see Note 11	1,113,293	895,264
	<u>1,264,512</u>	<u>1,058,946</u>

The Support costs above that are included within Governance costs for the Group primarily include the costs relating to the CEO and CFO plus some other staff and represent the support necessary to deliver the management and reporting requirements for the Boards within the wider Group.

11. ALLOCATION OF SUPPORT COSTS AND OVERHEADS

Year to 31 December 2022

The breakdown of support costs and how these were allocated between cost of raising funds, charitable activities and governance costs for the year to 31 December 2022 is shown below.

Cost Type	Raising Funds 2022 £	Charitable Activities 2022 £	Governance 2022 £	Total allocated 2022 £	Basis
Staff costs	721,476	2,951,494	918,242	4,591,212	Staff time
Administration	178,656	535,968	178,656	893,280	Usage
Insurance	16,395	49,185	16,395	81,975	Usage
Depreciation and amortisation	80,486	80,485	-	160,971	Usage
	<u>997,013</u>	<u>3,617,132</u>	<u>1,113,293</u>	<u>5,727,438</u>	
Direct governance costs	-	-	151,219	151,219	Actual
	<u>997,013</u>	<u>3,617,132</u>	<u>1,264,512</u>	<u>5,878,657</u>	
Allocation of governance & support costs	316,129	948,383	(1,264,512)	-	Usage
	<u>1,313,142</u>	<u>4,565,515</u>	<u>-</u>	<u>5,878,657</u>	

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
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11. ALLOCATION OF SUPPORT COSTS AND OVERHEADS (continued)

Year to 31 December 2021

The breakdown of support costs and how these were allocated between cost of raising funds, charitable activities and governance costs for the year to 31 December 2021 is shown below.

Cost Type	Raising Funds 2021 £	Charitable Activities 2021 £	Governance 2021 £	Total allocated 2021 £	Basis
Staff costs	576,570	2,358,699	733,818	3,669,087	Staff time
Administration	152,096	456,290	152,096	760,482	Usage
Insurance	9,347	28,048	9,350	46,745	Usage
Depreciation and amortisation	74,510	74,510	-	149,020	Usage
	<u>812,523</u>	<u>2,917,547</u>	<u>895,264</u>	<u>4,625,334</u>	
Direct governance costs	-	-	163,682	163,682	Actual
	<u>812,523</u>	<u>2,917,547</u>	<u>1,058,946</u>	<u>4,789,016</u>	
Allocation of governance & support costs	264,737	794,209	(1,058,946)	-	Usage
	<u>1,077,260</u>	<u>3,711,756</u>	<u>-</u>	<u>4,789,016</u>	

The total support costs including governance costs attributable to charitable activities is then apportioned based on the number of grants awarded during the year for each activity as shown below:

	Percentage of grants awarded 2022 %	2022 £	Percentage of grants awarded 2021 %	2021 £
Programme Spend	40	1,823,262	40	1,489,102
Through Life Pathway	25	1,122,080	31	1,167,759
Quality of Life Pathway	25	1,137,661	23	815,836
Fit for Life Pathway	7	318,802	4	152,534
End of Life Pathway	3	163,710	2	86,525
	<u>100</u>	<u>4,565,515</u>	<u>100</u>	<u>3,711,756</u>

12. ANALYSIS OF STAFF COSTS

	2022 £	2021 £
Salaries and wages	3,897,034	3,119,352
Social security costs	422,648	331,603
Pension costs	271,530	218,132
	<u>4,591,212</u>	<u>3,669,087</u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
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12. ANALYSIS OF STAFF COSTS (continued)

The number of employees whose emoluments (salaries, social security costs and benefits in kind) fell within the following bands:

	2022 Number	2021 Number
£100,000 - £110,000	1	1
£90,000 - £99,999	1	-
£80,000 - £89,999	1	1
£70,000 - £79,999	5	4
£60,000 - £69,999	4	5
	<u> </u>	<u> </u>

The number of employees earning £60,000 or above for whom pension contributions have been paid in the year is twelve (2021: eleven). The total pension contributions paid by the Charity during the year for employees earning more than £60,000 was £76,939 (2021: £60,290).

13. STAFF NUMBERS

The average number of full time equivalent employees (including casual and part time staff) during the period was as follows:

	2022 Number	2021 Number
Direct charitable - Sports	11	8
Direct charitable - Benevolence	31	27
Support	61	48
	<u> </u>	<u> </u>
	103	83
	<u> </u>	<u> </u>

14. TRUSTEES AND KEY MANAGEMENT PERSONNEL

No trustee received emoluments in the period (2021: none). Total travel expenses of £881 (2021: £980) were paid to six (2021: seven) trustees during the period.

Within the RNRMC there are nine unincorporated charities, six charitable companies, and one charity with a Royal Charter now integrated within the Group structure, representing the overwhelming majority of the naval charity sector. Each of these entities has a CEO or equivalent that form part of the team that we class as our key management personnel. These personnel are supported by the RNRMC Senior Leadership Team (SLT).

Therefore the Key management personnel include the Trustees, Chief Executive and the Group CEOs. The total employee benefits of the charity's key management personnel were £392,593 (2021: £371,774). No trustee received any remuneration as part of this figure.

15. MOVEMENT IN NET FUNDS FOR THE YEAR

	2022 £	2021 £
Movement in net funds is stated after charging/(crediting):		
Auditor's remuneration (including irrecoverable VAT):		
- Statutory audit (current year)	50,538	48,764
- Taxation	660	565
- Other	31,857	29,029
Depreciation - owned assets	97,603	107,421
Amortisation	64,435	41,598
	<u> </u>	<u> </u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
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16. TRANSFER BETWEEN FUNDS

Transfers between funds relate to amounts allocated by the RNRMC general funds to some its subsidiaries.

17. TAXATION

The company is a registered charity and no provision is considered necessary for taxation.

18. INTANGIBLE FIXED ASSETS - GROUP

	Website & software
Cost or valuation	£
As at 1 January 2022	458,049
Additions	150,531
Disposals	-
As at 31 December 2022	608,580
Amortisation	
As at 1 January 2022	215,163
Charge for the year	64,435
Eliminated on disposal	-
As at 31 December 2022	279,568
Net book value	
As at 31 December 2022	328,982
As at 31 December 2021	242,886

18. INTANGIBLE FIXED ASSETS - CHARITY

	Website
Cost or valuation	£
As at 1 January 2022	51,299
Additions	54,360
Disposals	-
As at 31 December 2022	105,659
Depreciation	
As at 1 January 2022	34,392
Charge for the year	6,286
Eliminated on Disposals	-
As at 31 December 2022	40,678
Net book value	
As at 31 December 2022	64,981
As at 31 December 2021	16,907

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19. TANGIBLE FIXED ASSETS – GROUP

	Leasehold Improvements	Freehold property	Office and computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
As at 1 January 2022	898,464	550,000	331,882	-	1,780,346
Additions	-	81,976	31,947	23,096	137,019
	<u>898,464</u>	<u>631,976</u>	<u>363,829</u>	<u>23,096</u>	<u>1,917,365</u>
As at 31 December 2022	898,464	631,976	363,829	23,096	1,917,365
Depreciation					
As at 1 January 2022	102,776	32,471	272,102	-	407,349
Charge for the year	36,111	13,715	41,328	6,449	97,603
	<u>138,887</u>	<u>46,186</u>	<u>313,430</u>	<u>6,449</u>	<u>504,952</u>
As at 31 December 2022	138,887	46,186	313,430	6,449	504,952
Net book value					
As at 31 December 2022	<u>759,577</u>	<u>585,790</u>	<u>50,399</u>	<u>16,647</u>	<u>1,412,413</u>
As at 31 December 2021	795,688	517,529	59,780	-	1,372,997
	<u>795,688</u>	<u>517,529</u>	<u>59,780</u>	<u>-</u>	<u>1,372,997</u>

19.TANGIBLE FIXED ASSETS – CHARITY

	Leasehold Improvements	Freehold property	Office and computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
As at 1 January 2022	889,194	-	242,568	-	1,131,762
Additions	-	-	29,792	-	29,792
	<u>889,194</u>	<u>-</u>	<u>272,360</u>	<u>-</u>	<u>1,161,554</u>
As at 31 December 2022	889,194	-	272,360	-	1,161,554
Depreciation					
As at 1 January 2022	102,776	-	194,283	-	297,059
Charge for the year	36,111	-	35,544	-	71,655
	<u>138,887</u>	<u>-</u>	<u>229,827</u>	<u>-</u>	<u>368,714</u>
As at 31 December 2022	138,887	-	229,827	-	368,714
Net book value					
As at 31 December 2022	<u>750,307</u>	<u>-</u>	<u>42,533</u>	<u>-</u>	<u>792,840</u>
As at 31 December 2021	786,418	-	48,285	-	834,703
	<u>786,418</u>	<u>-</u>	<u>48,285</u>	<u>-</u>	<u>834,703</u>

THE ROYAL NAVY AND ROYAL MARINES CHARITY
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20. FIXED ASSET INVESTMENTS

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Movements in fixed asset investments				
Market value brought forward	87,546,437	83,854,063	53,417,700	52,997,260
Additions at cost	51,568,064	89,374,807	26,455,608	67,330,262
Disposals at carrying value	(55,733,923)	(94,093,411)	(29,981,189)	(71,874,730)
Net gain/(loss) on revaluation	(8,878,064)	8,410,978	(5,667,341)	4,964,908
Market value carried forward	<u>74,502,514</u>	<u>87,546,437</u>	<u>44,224,778</u>	<u>53,417,700</u>

Analysis of market value of investments by type:

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Unlisted – RNRMC Enterprises Limited	-	-	100,000	100,000
Equities	50,067,923	61,262,759	30,269,270	37,198,815
Bonds	8,567,734	9,875,485	4,872,094	5,460,891
Alternative investments	11,434,777	13,889,763	7,420,618	8,910,199
Cash	4,432,080	2,518,430	1,562,796	1,747,795
	<u>74,502,514</u>	<u>87,546,437</u>	<u>44,224,778</u>	<u>53,417,700</u>

Analysis of market value of investments between those held within and outside the United Kingdom:

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Within the United Kingdom	21,737,416	35,618,315	12,266,515	17,448,131
Outside the United Kingdom	52,765,098	51,928,122	31,958,263	35,969,569
	<u>74,502,514</u>	<u>87,546,437</u>	<u>44,224,778</u>	<u>53,417,700</u>

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21. STOCK	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Goods for resale	273,825	310,372	-	-
	<u>273,825</u>	<u>310,372</u>	<u>-</u>	<u>-</u>
22. DEBTORS	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Naval Service assisted travel loans	16,177	2,074	16,177	2,074
Accrued income	761,178	465,049	390,024	141,643
Owed from subsidiary undertakings	-	-	234,005	67,600
Other debtors and prepayments	1,391,125	1,261,302	1,145,449	1,059,664
	<u>2,168,480</u>	<u>1,728,425</u>	<u>1,785,655</u>	<u>1,270,981</u>
23. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Bank loan	10,000	10,000	-	-
Grants payable	3,094,408	3,303,385	3,020,836	3,247,622
Taxation and social security	158,953	115,194	75,587	48,457
Accrued expenses and Custodian funds	4,498,101	5,162,986	3,868,515	4,500,696
Deferred income (see Note 24)	948,833	1,020,879	908,663	908,663
Owed to subsidiary undertakings	-	-	72,138	23,093
	<u>8,710,295</u>	<u>9,612,444</u>	<u>7,945,739</u>	<u>8,728,531</u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
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23. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

Custodian funds

The RNRMC holds custodian funds on behalf of RNRMC Welfare, UIF CTCRM (Unit Institute Fund Commando Training Centre Royal Marines), Royal Navy Association, Royal Navy Football Association, RNRMC Sports Lottery, Porth Kerris LIBOR Fund and the Globe and Laurel Magazine Fund. These amounts are included within creditors above.

Entity	Principal Object	Held	2022 £	2021 £
RNRMC Welfare	the Royal Navy's secondary (specialist) welfare service for naval service personnel and their families	Cash	£ 430	£ 430
UIF CTCRM	a registered charity whose principal object is the promotion of efficiency of the armed forces of the Crown by the provision and support of facilities and activities for the efficiency and well-being of Service personnel	Investment Portfolio with Sarasin and cash	£ 307,347	£ 350,083
Globe and Laurel Magazine Fund	a registered charity whose principal object is management, publication and sale of the Corps Journal of the Royal Marines	Investment Portfolio with Sarasin and cash	£ 237,885	£ 270,964
Royal Naval Association	a registered charity whose principal object is to foster comradeship and "esprit de corps" among those who have served or are serving in Her Majesty's Naval Forces	Investment Portfolio with Sarasin	£ 1,421,210	£ 1,838,740
The Royal Navy Football Association	a registered charity whose principal object is to promote the physical efficiency of members of the Royal Navy and Royal Marines	Investment Portfolio with Sarasin and cash	£ 95,864	£ 109,194
RNRMC Sports Lottery	a non-public fund which was set up to generate funds to support all levels of sport, adventure training and recreation in the Naval Service	Investment Portfolio with Sarasin and cash	£ 965,020	£ 1,099,205
Porth Kerris LIBOR fund	A grant received from the LIBOR fines fund to support a specific RN Project at Porth Kerris	Investment Portfolio with Sarasin	£ 300,000	£ 300,000

This activity falls within the RNRMC's principal object which is the promotion of the efficiency of the Naval Service and the Auxiliaries. By assisting these entities RNRMC's objects are being furthered allowing grants to be paid through proper financial and governance channels for RNRMC Welfare and increasing the investment income potential by benefitting from beneficial rates offered to larger portfolios. Memorandums of Understanding are in place with all three entities and all custodian funds are accounted for separately.

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24. DEFERRED INCOME

Deferred income comprises grants received for future financial periods

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Balance at 1 January	1,020,879	5,064	908,663	-
Amount released to incoming resources	(1,020,879)	(5,064)	(908,663)	-
Amount deferred in year	948,833	1,020,879	908,663	908,663
	<u>948,833</u>	<u>1,020,879</u>	<u>908,663</u>	<u>908,663</u>
Balance at 31 December	948,833	1,020,879	908,663	908,663
	<u>948,833</u>	<u>1,020,879</u>	<u>908,663</u>	<u>908,663</u>
Analysis:				
Release within one year	948,833	1,020,879	908,663	908,663
	<u>948,833</u>	<u>1,020,879</u>	<u>908,663</u>	<u>908,663</u>

25. CREDITORS:

AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Bank loan	24,900	34,067	-	-
	<u>24,900</u>	<u>34,067</u>	<u>-</u>	<u>-</u>

During the prior year the subsidiary company, TRMC Enterprises Limited, obtained a bank loan from Lloyds Bank plc under the Governments Coronavirus Bounce Back Loan scheme. Interest is payable at 2.5% from July 2021 and the loan is repayable by June 2026. The amount due in more than five years is £nil.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

26. ANALYSIS OF CHARITABLE FUNDS

Analysis of unrestricted fund movements – current year

	Balance at 01.01.2022 £	Income £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2022 £
RNRMC general funds	27,436,482	2,942,496	(5,732,954)	(1,517,191)	(2,755,341)	20,373,492
Designated						
DRUMFORK	69,393	-	-	-	-	69,393
Building 37	675,887	-	(30,076)	-	-	645,811
Group and Charity designated total	745,280	-	(30,076)	-	-	715,204
RNRMC Enterprises Limited	-	713,805	(522,437)	(191,368)	-	-
Royal Marines Shop Limited	166,332	496,484	(495,944)	200	-	167,072
TRMCE	5,448	117,001	(237,107)	145,085	-	30,427
Group unrestricted total	28,353,542	4,269,786	(7,018,518)	(1,563,274)	(2,755,341)	21,286,195

Analysis of restricted fund movements – current year

	Balance at 01.01.2022 £	Income £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2022 £
Charity						
Naval Service Benevolence Fund	-	1,297,559	(1,292,304)	84,366	(80,924)	8,697
Naval Service Dependants' Fund	10,814,327	262,293	(1,163,194)	-	(1,335,407)	8,578,019
Naval Service Amenity Fund	-	-	(1,072,967)	1,072,967	-	-
Prizes and Awards Fund	5,270,799	80,198	(199,747)	-	(614,635)	4,536,615
FAA Benevolent Trust	5,491,143	95,228	(135,664)	-	(609,268)	4,841,439
QARNNS Trust Fund	1,025,286	14,897	(24,296)	-	(112,238)	903,650
Plymouth Royal Naval Aid Fund	285,543	4,143	(5,745)	-	(31,746)	252,195
Sir Donald Gosling Naval Aid	301,227	4,523	(9,765)	-	(34,654)	261,331
Naval Medical Compassionate Fund	833,100	12,151	(9,121)	-	(93,128)	743,002
TSF	-	-	-	-	-	-
Nuffield Trust	1,146	415,921	(393,539)	-	-	23,528
The Submarine Fund	134,187	111,343	(103,201)	-	-	142,239
Armed Forces Covenant Fund - SF	41,150	79,500	(120,650)	-	-	-
Armed Forces Covenant Fund - TL	-	34,125	(32,262)	-	-	1,863
OARD	42,734	37,416	(43,243)	-	-	36,908
Helping Jim	13,310	22,701	(2,351)	-	-	33,660
Paul Morris	25,042	3,500	(17,764)	-	-	10,778
Armed Forces Covenant Fund – RO	-	420,833	(146,375)	-	-	274,458
RFA	-	59,960	-	-	-	59,960
Armed Forces Covenant Fund – RSAFC	-	32,900	(32,900)	-	-	-
Charity restricted total	24,278,994	2,989,191	(4,805,088)	1,157,333	(2,912,000)	20,708,430

THE ROYAL NAVY AND ROYAL MARINES CHARITY
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26. ANALYSIS OF CHARITABLE FUNDS (continued)

Group	Balance at 01.01.2022 £	Income £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2022 £
Naval Service Sports Charity	5,285,282	532,433	(952,578)	199,160	(587,996)	4,476,301
NSSC- RNRU fund	-	-	-	-	-	-
RNOC (RNBSO) - general funds	16,817,874	1,049,632	(695,333)	-	(1,134,959)	16,037,214
RNOC - RN Scholarship Fund	303,563	10,801	(58,116)	-	(19,335)	236,913
RMA-TRMC general funds	7,749,017	2,462,873	(1,757,118)	(157,730)	(866,834)	7,430,208
Marines museum fund	1,000,000	-	-	-	-	1,000,000
RMA	700,953	207,481	(541,448)	364,511	-	731,497
RM Benevolence Fund	1,153,650	573,826	(1,440,321)	-	(229,838)	57,317
RM Cadet Fund	140,943	1,744	(887)	-	(13,724)	128,076
RM Central Sergeants' Mess Fund	979,968	134,148	(203,160)	(28,742)	(108,313)	773,901
RM Central Unit Institute Fund	1,462,769	290,725	(186,535)	(151,374)	(132,839)	1,282,746
RM Officers' Trust Fund	1,245,919	148,026	(176,314)	(11,497)	(116,885)	1,089,249
Armed forces Covenant Trust - PP	(2,059)	1,750	-	-	-	(309)
Armed forces Covenant Trust - FFC	10,587	-	(6,639)	-	-	3,948
Armed forces Covenant Trust - SS	30,604	52,452	(44,938)	-	-	38,118
Armed forces Covenant Trust - OTM	33,932	122,626	(134,177)	-	-	22,381
RMSA	144,155	34,488	(226,536)	191,613	-	143,720
TRMC-NL-LTL	-	80,000	(53,334)	-	-	26,666
TRMC-CLODE	-	10,000	(10,000)	-	-	-
TRMC-AFGAN	-	141,888	(13,743)	-	-	128,145
TRMC-B72	-	50,000	-	-	-	50,000
CTCFC	-	50,298	(47,975)	-	-	2,323
Group Restricted Total	61,336,151	8,944,382	(11,354,240)	1,563,274	(6,122,723)	54,366,844

Analysis of permanent endowment fund movements – current year

	Balance at 01.01.2022 £	Income £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2022 £
Naval Service Benevolence Fund	655,649	-	-	-	-	655,649
Permanent Endowment Total	655,649	-	-	-	-	655,649

Analysis of unrestricted fund movements – prior year

	Balance at 01.01.2021 £	Income £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2021 £
RNRMC general funds	28,897,170	2,608,369	(2,875,605)	(3,737,006)	2,543,554	27,436,482
Designated						
DRUMFORK	69,393	-	-	-	-	69,393
Building 37	705,963	-	(30,076)	-	-	675,887
Group and Charity designated total	775,356	-	(30,076)	-	-	745,280
RNRMC Enterprises Limited	-	177,880	(139,802)	(38,078)	-	-
Royal Marines Shop Limited	180,005	465,934	(459,607)	(20,000)	-	166,332
TRMCE	-	48,355	(204,550)	161,643	-	5,448
Group unrestricted total	29,852,531	3,300,538	(3,709,640)	(3,633,441)	2,543,554	28,353,542

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26. ANALYSIS OF CHARITABLE FUNDS (continued)

Analysis of restricted fund movements – prior year

	Balance at 01.01.2021 £	Income £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2021 £
Charity						
Naval Service Benevolence Fund	-	1,389,214	(5,306,204)	3,849,702	67,288	-
Naval Service Dependants' Fund	10,619,413	218,392	(316,939)	(816,945)	1,110,406	10,814,327
Naval Service Amenity Fund	499,469	-	(1,014,468)	514,999	-	-
Prizes and Awards Fund	4,870,209	100,352	(210,836)	-	511,074	5,270,799
FAA Benevolent Trust	4,991,392	99,573	(106,436)	-	506,614	5,491,143
QARNNS Trust Fund	917,613	23,575	(9,230)	-	93,328	1,025,286
Plymouth Royal Naval Aid Fund	258,536	5,181	(4,568)	-	26,394	285,543
Sir Donald Gosling Naval Aid	276,532	5,657	(9,777)	-	28,815	301,227
Naval Medical Compassionate Fund	758,823	15,205	(18,362)	-	77,434	833,100
Nuffield Trust	28,479	771,716	(799,049)	-	-	1,146
The Submarine Fund	50,116	127,086	(43,015)	-	-	134,187
Armed Forces Covenant Fund - SF	-	220,500	(179,350)	-	-	41,150
Armed Forces Covenant Fund - TL	-	35,000	(35,000)	-	-	-
OARD	-	42,734	-	-	-	42,734
Helping Jim	-	14,513	(1,203)	-	-	13,310
Paul Morris	-	164,758	(139,716)	-	-	25,042
Charity restricted total	23,270,582	3,233,456	(8,194,153)	3,547,756	2,421,353	24,278,994
Group						
Naval Service Sports Charity	4,907,476	407,697	(622,060)	100,380	491,789	5,285,282
NSSC- RNRU fund	635	-	(635)	-	-	-
RNOC (RNBSO) - general funds	15,020,868	804,104	(785,874)	-	1,778,776	16,817,874
RNOC - RN Scholarship Fund	326,705	8,386	(43,839)	-	2,311	303,563
RMA-TRMC general funds	5,447,114	2,702,753	(1,498,112)	547,186	550,076	7,749,017
Marines museum fund	1,000,000	-	-	-	-	1,000,000
RMA	1,556,775	62,015	(368,591)	(690,334)	141,088	700,953
RM Benevolence Fund	1,537,609	427,193	(1,122,322)	126,948	184,222	1,153,650
RM Cadet Fund	128,893	2,066	(1,009)	-	10,993	140,943
RM Central Sergeants' Mess Fund	914,403	148,804	(152,416)	(17,592)	86,769	979,968
RM Central Unit Institute Fund	1,271,918	294,616	(117,530)	(92,650)	106,415	1,462,769
RM Officers' Trust Fund	1,121,116	143,422	(105,214)	(7,037)	93,632	1,245,919
Armed forces Covenant Trust - PP	33,250	-	(35,309)	-	-	(2,059)
Armed forces Covenant Trust - FFC	19,000	-	(8,413)	-	-	10,587
Armed forces Covenant Trust - SS	-	47,456	(16,852)	-	-	30,604
Armed forces Covenant Trust - OTM	-	122,624	(88,692)	-	-	33,932
RMSA	160,893	21,619	(155,636)	117,279	-	144,155
TRMC Enterprises Limited	(1,505)	-	-	1,505	-	-
Group Restricted Total	56,725,732	8,426,211	(13,316,657)	3,633,441	5,867,424	61,336,151

Analysis of permanent endowment fund movements – prior year

	Balance at 01.01.2021 £	Incoming resources £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2021 £
Naval Service Benevolence Fund	655,649	-	-	-	-	655,649
Permanent Endowment Total	655,649	-	-	-	-	655,649

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Classification of Group Funds

The RNRMC has a fund structure consisting of unrestricted, designated, restricted and one permanent endowment fund.

Unrestricted Fund – this fund represents those funds which have not been designated, and are available to support any of the objects of the parent charity.

Designated Funds – are held against known commitments as explained below and are a category of unrestricted funds:

- LIBOR – Afghanistan – the designated funds to be used to primarily support the families of the fallen and wounded, injured and sick veterans of the Afghanistan Campaign. These funds were spent in 2020.
- Drumfork – In 2015, the RNRMC received a £2m donation from HM Treasury for the refurbishment of the Drumfork club in Helensburgh, Scotland. The RNRMC designated £1m from its own funds in October 2017 to ensure the completion of the project, of which £931k has been spent. £69k remains in the designated fund for fixtures and fittings across 2022.
- Building 37 – In 2017, the Trustees designated £770k for the renovation of Buildings 37 and 35 within HMS Excellent, Portsmouth in order to give the charity a fit for purpose working environment for the next 25 years. The designated fund will be retained to depreciate the cost over the term of the lease with the MOD (25 years) and is considerably less than the commercial rental rates of £40k per annum (£1m over the lease period at today's rates).

Permanent Endowment – held separately as part of the Naval Service Benevolence Fund.

Restricted Funds - the subsidiary charities are all restricted funds and are grouped under two main headings in order to achieve the RNRMC's charitable objectives. Each subsidiary's funds are restricted by the provisions of that charity's governing instrument, whether Royal Charter*, Memorandum of Association** or Charity Commission Scheme***.

Benevolence	Promotion of Efficiency
Royal Navy Officers' Charity*	Naval Service Amenity Fund***
Naval Service Benevolence Fund***	Naval Service Prizes and Awards Fund***
Plymouth Royal Naval Aid Fund ***	Naval Service Sports Charity**
Naval Medical Compassionate Fund***	Naval Service Dependants' Fund***
	Fleet Air Arm Benevolent Trust ***
	Sir Donald Gosling Maritime Reserve Amenity Fund***
	Royal Marines Sports Association**
Charities with dual objects	
	Queen Alexandra's Royal Naval Nursing Service Trust Fund***
	The Royal Marines Association - The Royal Marines Charity **

The remaining restricted funds that are not mentioned in the table above have been received as restricted income rather than existing as separate charities merged within the RNRMC umbrella.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

27. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

As at 31 December 2022	Unrestricted* Funds £	Restricted Funds £	Endowment Funds £	2022 Total £
Tangible fixed assets	794,256	618,157	-	1,412,413
Intangible Fixed Assets	39,381	289,601	-	328,982
Fixed asset investments	19,142,835	54,704,030	655,649	74,502,514
Cash at bank and in hand	2,990,222	3,367,447	-	6,357,669
Other net current assets/(liabilities)	(1,655,599)	(4,612,391)	-	(6,267,990)
Long term liabilities	(24,900)	-	-	(24,900)
	<u>21,286,195</u>	<u>54,366,844</u>	<u>655,649</u>	<u>76,308,688</u>
As at 31 December 2021	Unrestricted* Funds £	Restricted Funds £	Endowment Funds £	2021 Total £
Tangible fixed assets	838,019	534,978	-	1,372,997
Intangible Fixed Assets	440	242,446	-	242,886
Fixed asset investments	24,574,678	62,316,110	655,649	87,546,437
Cash at bank and in hand	3,304,245	5,486,491	-	8,790,736
Other net current assets/(liabilities)	(329,773)	(7,243,874)	-	(7,573,647)
Long term liabilities	(34,067)	-	-	(34,067)
	<u>28,353,542</u>	<u>61,336,151</u>	<u>655,649</u>	<u>90,345,342</u>

28. DISCLOSURE OF SUBSIDIARIES – ROYAL NAVAL BENEVOLENT SOCIETY FOR OFFICERS

The charitable company is the trustee with right of veto of the Royal Naval Benevolent Society for Officers, known as The Royal Navy Officers' Charity (RNOC), a charity formed by Royal Charter. RNOC have objects similar to those of the RNRMC. These financial statements consolidate the accounts for the RNOC. The following is an extract of the financial statements of RNOC for the year ended 31 December 2022:

	2022 £	2021 £
Income	1,018,328	708,449
Expenditure	(711,344)	(725,672)
Gains/(losses) on investments	(1,154,294)	1,781,086
Income/ (expenditure)	<u>(847,310)</u>	<u>1,763,863</u>
Total assets	16,289,124	17,144,283
Liabilities	(15,000)	(22,849)
Net assets	<u>16,274,124</u>	<u>17,121,434</u>
Restricted funds	236,914	303,563
Unrestricted funds	16,037,210	16,817,871
	<u>16,274,124</u>	<u>17,121,434</u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

29. DISCLOSURE OF SUBSIDIARIES – NAVAL SERVICE SPORTS CHARITY

The charitable company is the sole corporate member of the Naval Service Sports Charity (NSSC), a charitable company limited by guarantee. These financial statements consolidate the accounts for the NSSC. The following is an extract of the financial statements of NSSC for the period ended 31 December 2022:

	2022	2021
	£	£
Income	759,433	527,543
Expenditure	(980,418)	(642,315)
Gains/(losses) on investments	(587,996)	429,003
Net income/(expenditure)	<u>(808,981)</u>	<u>314,231</u>
Total assets	4,704,504	5,462,950
Liabilities	(228,359)	(177,824)
Net assets	<u>4,476,145</u>	<u>5,285,126</u>
Restricted funds	-	-
Unrestricted funds	4,476,145	5,285,126
	<u>4,476,145</u>	<u>5,285,126</u>

30. DISCLOSURE OF SUBSIDIARIES – RMA-TRMC – THE ROYAL MARINES ASSOCIATION- THE ROYAL MARINES CHARITY

The charitable company became the sole corporate member of The Royal Marines Charity (TRMC), a charitable company limited by guarantee, on 1 April 2011. These financial statements consolidate the accounts for the RMC. The following is an extract of the financial statements of TRMC for year ended 31 December 2022:

	2022	2021
	£	£
Income	4,774,495	4,119,516
Expenditure	(5,048,416)	(3,833,244)
Gains/(losses) on investments	(1,468,433)	1,173,195
Net income/(expenditure)	<u>(1,742,354)</u>	<u>1,459,467</u>
Total assets	13,424,951	15,113,893
Liabilities	(516,884)	(463,472)
Net assets	<u>12,908,067</u>	<u>14,650,421</u>
Restricted funds	3,746,139	5,200,468
Unrestricted funds	9,161,928	9,449,953
	<u>12,908,067</u>	<u>14,650,421</u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

31. DISCLOSURE OF SUBSIDIARIES – RNRMC ENTERPRISES LIMITED

The RNRMC Enterprises Limited was incorporated on 5 March 2012, as the wholly owned trading subsidiary of RNRMC with a share capital of £100,000. Its results to the 31 December are consolidated in the Group accounts. The following is an extract of the financial statements of RNRMC Enterprises Limited for the year to 31 December 2022:

	2022 £	2021 £
Income	741,645	197,500
Expenditure	(522,437)	(151,811)
Net income - gift aided to RNRMC	<u>219,208</u>	<u>45,689</u>
Total assets	385,930	314,990
Liabilities	(285,930)	(214,990)
Net assets	<u>100,000</u>	<u>100,000</u>
Share Capital and retained earnings	<u>100,000</u>	<u>100,000</u>

32. DISCLOSURE OF SUBSIDIARIES – TRMC ENTERPRISES LIMITED

TRMC Enterprises Limited was incorporated on 23 February 2016, as the wholly owned trading subsidiary of RMA-TRMC with a share capital of £1. Its results to the 31 December are consolidated in the Group accounts. The following is an extract of the financial statements of TRMC Enterprises Limited for the period to 31 December 2022:

	2022 £	2021 £
Income	262,086	211,503
Expenditure	(231,659)	(204,550)
Net movement in funds	<u>30,427</u>	<u>6,953</u>
Current assets	104,184	74,331
Liabilities	(73,756)	(68,883)
Net assets	<u>30,428</u>	<u>5,448</u>
Net assets/(liabilities)	<u>30,428</u>	<u>5,448</u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

33. DISCLOSURE OF SUBSIDIARIES – ROYAL MARINES SHOP LIMITED

RMA-TRMC became the sole shareholder of Royal Marines Shop Limited on 1 April 2019 and accordingly on that date the company became a subsidiary of the group. Its results for the year to the 31 December are consolidated in the Group accounts. The following is an extract of the financial statements of Royal Marines Shop Limited for the year ended 31 December 2022:

	2022 £	2021 £
Income	496,484	411,105
Expenditure	(487,637)	(404,778)
Net movement in funds	<u>8,847</u>	<u>6,327</u>
	2022 £	2021 £
Fixed assets	2,688	3,755
Current assets	222,837	272,960
Liabilities	(58,453)	(110,283)
Net assets	<u>167,072</u>	<u>166,432</u>

34. PENSIONS AND OTHER POST-RETIREMENT BENEFIT COMMITMENTS

The Charity operates a defined contribution scheme, which is administered independently of the Charity. The cost to the Charity for the year was £271,531 (2021: £218,132). At the Balance Sheet date the amount due to the pension scheme administrators was £Nil (2021: £Nil).

35. RELATED PARTY TRANSACTIONS

In August 2009 the Royal Navy agreed to lease office space at HMS Excellent to the Charitable Company at a peppercorn rent. These support costs are difficult to quantify as they are not discrete activities because personnel and office facilities are used for other Navy Command duties. As such the value of support provided by the Ministry of Defence has not been included in the Charitable Company's Statement of Financial Activities.

During the year trustees donated £25,637 (2021: £42,479) to the charity.

During the year The Royal Navy and Royal Marines Charity made a grant to its subsidiary, The Naval Service Sports Charity, of £227,000 (2021: £120,000).

During the year The Royal Navy and Royal Marines Charity made a grant to its subsidiary, RMA - The Royal Marines Charity, of £203,600 (2021: £126,948).

During the year The Royal Navy and Royal Marines Charity charged its subsidiaries the following amounts in respect of management and administration services: RNRMC Enterprises Limited £18,408 (2021: £12,009).

During the year RNRMC Enterprises Limited donated £137,418 (2021: £45,689) to the parent charity, The Royal Navy and Royal Marines Charity.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

36. OPERATING LEASE COMMITMENTS

At the year end the charity had the following total commitments under non-cancellable operating leases:

	2022	2021
	£	£
Due within:		
1 year	43,857	46,060
2-5 years	160,317	164,164
More than 5 years	635,945	675,945
	<u>840,119</u>	<u>886,169</u>

37. NET DEBT

	1 January 2022	Cash flows 2022	31 December 2022
	£	£	£
Cash at bank	8,790,736	(2,433,067)	6,357,669
Bank loan	(44,067)	9,167	(34,900)
	<u>8,746,669</u>	<u>(2,423,900)</u>	<u>6,322,769</u>

38. ULTIMATE CONTROLLING PARTY

The charitable company is under the control of the RNRMC membership. No one member has sufficient voting rights to control the charitable company.

THE ROYAL NAVY AND ROYAL MARINES CHARITY

England & Wales - Charity number 1117794

Accounts

THE ROYAL NAVY & ROYAL MARINES CHARITY

CONSOLIDATED ANNUAL REPORT AND ACCOUNTS 2021

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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REPORT OF THE TRUSTEES

LEGAL AND ADMINISTRATIVE INFORMATION

Honorary Officers

Patron

Her Royal Highness The Princess Royal

Senior Vice Patron

Honorary Captain Sir Michael Hintze AM RNR

Vice Patrons

Mr James Pitt

Honorary Captain Lance Batchelor RNR

President

Admiral Sir Jonathon Band GCB DL

Vice Presidents

General Sir Gordon Messenger KCB DSO* OBE

Vice Admiral Sir Tim Laurence KCVO CB ADC(P)

Sir Roger Carr

Honorary Commodore The Honourable Stephen Watson RNR

Trustees, Members and Directors

Sir Bill Thomas
Dr Brian Gilvary

Chairman (outgoing) – Retired 24th June 2021
Chairman (incoming) – Appointed 24th June 2021
(Appointed as Trustee 23rd April 2020)

Commodore Andrew Jameson OBE Royal Navy (Ret'd)

Vice Chairman

Mr John Bartlett

Appointed 26th April 2022

Ms Katherine Beadle

Appointed 28th January 2021

Mr Rod Birkett

Mr Simon Black

Lieutenant Harriet Delbridge Royal Navy

Mrs Kate Phipps-Wiltshire

Mr James Pitt

Mr Mark Robinson

Brigadier Mike Tanner OBE Royal Marines

Commander Michelle Westwood Royal Navy

Surgeon Commander Jo Keogh Royal Navy

WO1 Baz Firth MBE Royal Navy

WO1 Jamie Wright

Appointed 28th July 2022

Appointed 28th July 2022

Appointed 28th July 2022

Commodore Annette Picton MBE Royal Navy (Ret'd)

Retired 28th January 2021

Mr Mark Lewthwaite

Resigned 27th January 2022

Rear Admiral James Parkin CBE Royal Navy

Retired 28th July 2022

WO1 Carl Steedman Royal Navy

Retired 28th July 2022

REPORT OF THE TRUSTEES**LEGAL AND ADMINISTRATIVE INFORMATION (continued)****Chief Executive Officer**

Mr Adrian Bell

Company Secretary

Mrs Samantha Nicolson

Company Registration Number

6047294 (England and Wales)

Registered Charity Numbers

1117794 (England and Wales)

SC041898 (Scotland)

Registered Office

Building 37, HMS Excellent, Whale Island, Portsmouth, PO2 8ER

Auditor

Moore Kingston Smith LLP, Chartered Accountants
Devonshire House, 60 Goswell Road, London, EC1M 7AD

Legal Advisors

Charles Russell Speechlys LLP
5 Fleet Place, London, EC4M 7RD

BDP Pitmans LLP

50 Broadway, London SW1H 0BL

Bankers

Holt's Military Banking
Royal Bank of Scotland plc,
200 Fowler Avenue, Fowler Business Park, Farnborough, GU14 7JP

Investment Managers

Sarasin & Partners LLP
Juxon House, 100 St. Paul's Churchyard, London, EC4M 8BU

THE ROYAL NAVY AND ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

CHAIRMAN and CEO's REPORT

Helping to alleviate the consequences of Service and honouring that service to the nation

Much of what we have done to support our beneficiaries in 2021 is outlined in our impact report. This introduction, on the other hand, focuses on what we think the future might hold and how we are working to face a set of new challenges as the world changes so rapidly around us.

This time last year, there were tangible glimmers of hope on the horizon. Yes, 2020 had been a very difficult year and we knew we weren't out of the woods yet, but the vaccination programme was being rolled out with vigour and many aspects of life appeared more recognisable.

Roll forward to now – July 2022 – and we find ourselves in a very different place. A brutal, unrelenting, and unexpected (by many of us) war in Europe with very likely far-reaching consequences that have yet to be understood; inflation on a scale not witnessed by anyone in this society under the age of 45; the prospect of increased economic squeeze due to shortages of key commodities, supply chain constrictions and international rivalries of truly frightening proportions.

Most immediately, this nation's defence and its Armed Forces now occupy a far more significant place in the government's priorities and planning and will very probably continue to do so for a very long time. This will not be without consequence for those who serve and their families who will likely witness even greater strains and stresses.

This charity is already very active in the support of Royal Navy, Royal Marines, and Royal Fleet Auxiliary personnel, and their families, and will make even greater efforts to do all it can to help ameliorate some of the more difficult challenges service to the nation entails. Naval personnel are liable to far greater periods of separation than those serving elsewhere in defence. Separation is already difficult; separation amidst times of heightened tension, at home and abroad, is all the more difficult particularly as the modern and instant ability to communicate with our loved ones which we all take for granted is understandably the first casualty of naval operations in periods of heightened tension.

We are committed to providing support to help strengthen families and we work with a network of providers including Relate, Home Start, King's Foundation, Kids, Naval Families Federation, Aggies, and others to provide support services not just in base port areas but more broadly across the United Kingdom. To this end, we are working closely with Navy Command to identify where families live acknowledging that today many families do not live close to base port areas.

We are also working hard to ensure that those who have to leave the service unexpectedly and abruptly, Early Service Leavers, are given adequate support and stability to allow them to make a fresh and positive start in civilian life. Without such help, it is our firm belief that many of these people can find post-service life overwhelming.

But our support is not just focused on the serving. We are acutely aware that many working-age and retired veterans will also find life a great deal harder and probably more demanding than the last two years and we pledge our support here as well.

Much of the work we do for veterans is with and through the full range of established naval charities. We are actively supporting the Royal Naval Association, the Royal Marines Association and the Associations within the Submarine Family to grow their membership to reinforce networks of befriending and support – so vital to combatting the loneliness and isolation that plague too many lives. We are offering that same support to any other naval associations in pursuit of the same goals.

Equally, and partly with Greenwich Hospital, we continue to provide and/or supplement funding to some of the Naval Benevolent charities – Royal Naval Benevolent Trust, Naval Children's Charity, RMA – The Royal Marines Charity, Royal Navy Officers' Charity, Special Boat Service Association – to enable them to undertake the vital work that our beneficiaries need so much. And we continue to work with care organisations to help promote independence and protect the dignity of some of our older beneficiaries.

But this is not the full extent of our work. We also offer mid- and back-office services (finance, HR, etc), as a charitable good, to several other naval charities to reap the economies of scale that allows them to focus their funds on those who matter.

Altogether this is over £8M of charitable funding and activity. Some of this comes from income and donations as well as grants received from other organisations. But we continue to draw down on our reserves to meet present needs as the Board strives to balance the needs of today's beneficiaries with those that we will need to support in the future.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
REPORT OF THE TRUSTEES**

In conclusion, this charity continues to adapt and react to the huge levels of change happening about it so that we can offer the support and services the naval family – the people of the Royal Navy, Royal Marines, and Royal Fleet Auxiliary, past and present and their immediate families – need and deserve. We don't and cannot do this in isolation and we believe the key to success in our endeavours is a naval charity sector that collaborates and cooperates seamlessly for the benefit of all.



Dr Brian Gilvary
Chairman


Mr Adrian Bell
CEO

THE ROYAL NAVY AND ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

Structure, Governance and Management

Context

The Royal Navy and Royal Marines Charity (RNRMC) is a charitable company, limited by guarantee, incorporated on 10 January 2007 and registered with the Charity Commission on 2 February 2007. The RNRMC was registered with the Office of the Scottish Charity Regulator on 17 November 2010.

The RNRMC Group structure was created to provide a strong voice for naval charity through close ties and working relationships. Ever stronger links are being forged with the family of naval charities and veterans' associations, together with cross-sector working with those charities supporting soldiers and air personnel.

Governance

The RNRMC is controlled solely by its Members, who are also its Trustees and make up the Board of Trustees. The Charity is governed by its Memorandum and Articles of Association, initially dated 6 December 2006 (the Articles of Association having been revised and adopted by Special Resolution on 30th January 2020) and is subject to the requirements and the protection of both charity and company law.

Board of Trustees

The Trustees, whom are all volunteers, represent a blend of competence and experience and include those with experience of military service along with those with diverse civilian backgrounds. They are selected through a formal interview process and appointed for an initial term of three years. In accordance with good practice they would normally serve a maximum of three terms.

On 24th June 2021 after serving his full 6 years as Chairman, Sir Bill Thomas stood down as chair of the RNRMC Board, he was succeeded by Dr Brian Gilvary.

Board and Committee Meetings

The Board delegates certain powers in connection with the Charity's management and administration, as set out below. This delegation is controlled by requiring the committees to report back at the next Board meeting. All committees provide meeting minutes which are kept as part of the statutory records.

The Board meets at least three times a year. The RNRMC has encouraged closer communication with Group charities by taking up its option to nominate a trustee to the Boards of The Royal Navy Officers' Charity (RNOC), Royal Marines Association - The Royal Marines Charity (RMA-TRMC) and the Naval Service Sports Charity (NSSC).

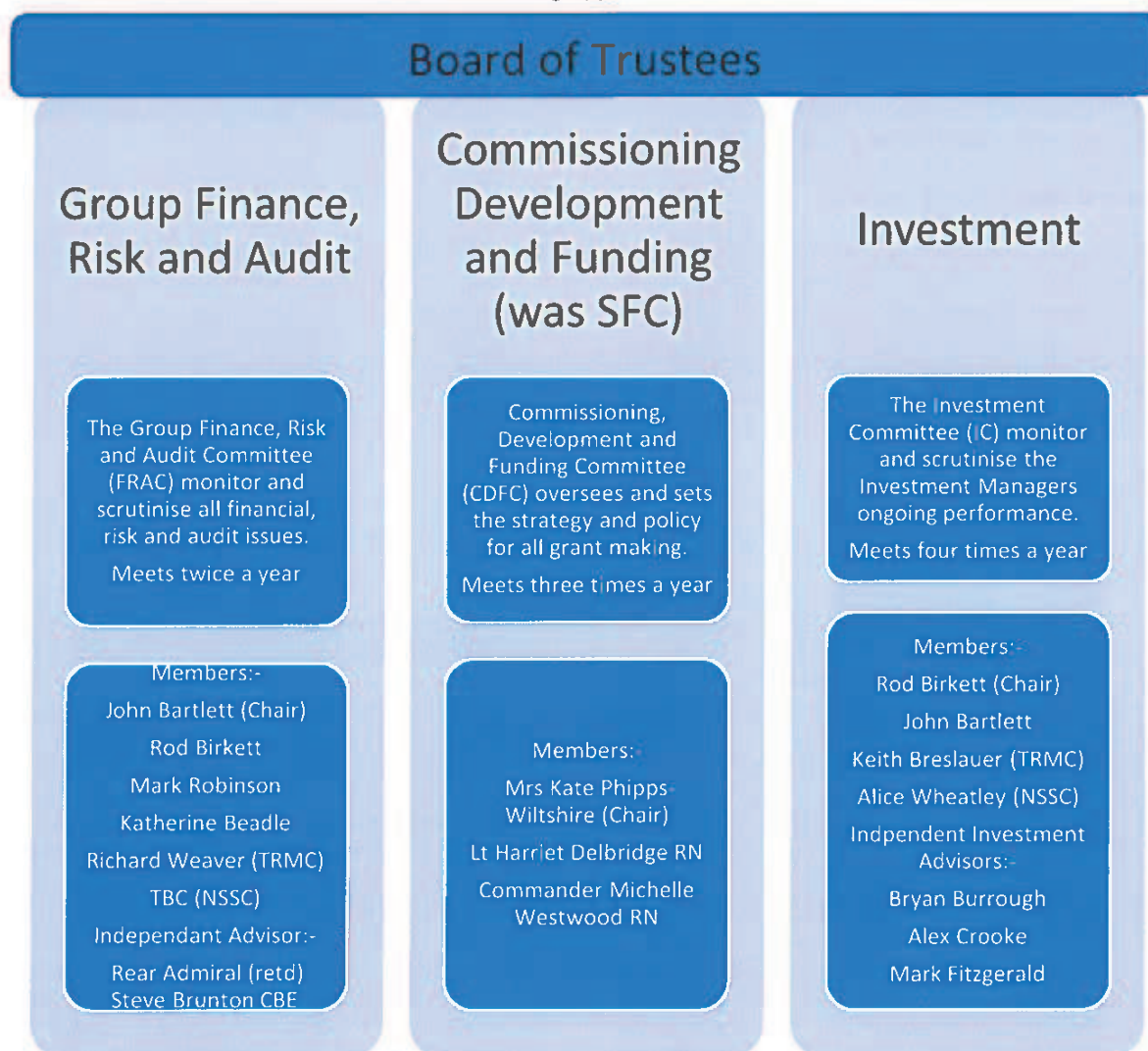
Group Entities

From the 1st April 2019 there are now nine unincorporated charities, three charitable companies, and one charity with a Royal Charter integrated within the Group structure. There are three trading subsidiaries.

- **The Royal Naval Benevolent Society for Officers, known as The Royal Navy Officers' Charity (RNOC)** retains its own trustees, who are responsible for the administration of the charity and the management of their own funds. The RNRMC is entitled to appoint a trustee and as the corporate member it also has a legal power of veto in general meetings. The RNRMC is represented by Commander Michelle Westwood Royal Navy who took over from retired Commodore Annette Picton in January 2021. The relationship between the charities, although 'arm's length', is a close one.
- **The Naval Service Sports Charity (NSSC)** is a charitable company, governed by a Board of Trustees. The RNRMC Board has overall control, as sole member, since they may resolve by ordinary resolution to amend the minimum and maximum numbers of trustees, to appoint or remove trustees and to change the Memorandum and Articles of Association. The RNRMC is represented on the NSSC board by Mr Rod Birkett.
- **Royal Marines Association - The Royal Marines Charity (RMA-TRMC)** is a charitable company, governed by a Board of Trustees. The RNRMC Board, under its authority as the sole member, may resolve by ordinary resolution to amend the minimum and maximum numbers of trustees and has the right to appoint or remove trustees and to change the Memorandum and Articles of Association after prior consultation with the RMA-TRMC Board. The RNRMC is represented by Mr Mark Robinson.

THE ROYAL NAVY AND ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

- **RNRMC Enterprises Limited** is the trading subsidiary for the Group, which is used to conduct appropriate parts of the Group's merchandising and Royal Marine Band Service trading activities. The Company was established by way of share capital from the RNRMC, which is the sole shareholder. The directors of the company are trustee, Mr Mark Lewthwaite (Chairman), the RNRMC Chief Executive, Mr Adrian Bell, and Mr Jonathan Ball, the Chief Executive of the Royal Marines Association - The Royal Marines Charity.
- **TRMC Enterprises Limited** is the trading subsidiary for RMA-TRMC which was initially established on 23 February 2016 in order to enable a single building project which was completed in 2017, it has since then completed several further projects supporting beneficiaries across the RM family.
- **Royal Marines Shop Limited** is the trading subsidiary of RMA-TRMC, brought in as part of the RMA-TRMC merger on 1 April 2019. Since September 2021 the RM Shop also fulfils online merchandise sales for the RNRMC.
- **Unincorporated charities** - the RNRMC Board has overall responsibility for their management and administration and delegates day-to-day operations to management committees through terms of reference. A number of these management committees are chaired by an RNRMC Trustee. The role of the management committee is to scrutinise and prioritise grant applications in line with their objects and provide oversight to the minor grants programme.
- RNRMC Sub-Committees of the Board, including apportionment of Trustees:-



THE ROYAL NAVY AND ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

People

People Committee (PC)
manage the Board and
senior staff succession plan
and staff remuneration.
Meets 3 times per year

Members:-

Dr Brian Gilvary (Chair)
Cdre Andrew Jameson OBE RN
(Retd)
Brig Mike Tanner OBE RM
Cdr Michelle Westwood RN

Fundraising and Marketing

Fundraising and Marketing
Committee (FMC) oversee the
expansion of activities in these
areas and the execution of the
agreed management plan
Meets 3 times a year

Members:-

Simon Black (Chair)
RAdm James Parkin CBE
James Pitt
Adrian Bell (CEO)

- In early 2022 we renamed the Strategic Funding Committee (SFC) as the Commissioning, Development and Funding Committee (CDFC), so that we could incorporate oversight of the work we are doing on Development and Research into the needs of our beneficiaries.
- In 2021 we continued with our 2 grant pathways as sub committees of the Commissioning Development and Funding Committee and their members can be found in the table below:-

Through Life

Through Life Committee
(TLC) oversight scrutiny and
approval of grants for
Benevolence
Meets 4 times a year

Members:-

Kate Phipps-Wiltshire (Chair)
Kim Richardson OBE
Chris Banks
Sarah Ayton
Duncan Lamb
Surg Cdr Jo Keogh RN
Chic Stewart
Sara Field
Nicola Thompson

Quality of Life

Quality of Life Committee (QLC)
oversight scrutiny and approval
of grants for Amenities
Meets 4 times a year

Members:-

Lt Harriet Delbridge RN (Chair)
Lt Nicolas Toms RN
WO1 Carl Steedman RN
WO2 Ian Davies MBE RM
WO1 RSM Rick Angrove RM
WO1 Pony Moore RN
WO1 Mick Turnbull RN
WO1 Ian Wilson RN
WO2 Andy Vercoe RN
CPR(SR) Stephen Doyle RN
LWTR Elizabeth Wingate RN
LET Liam Pickford RN
LSET Niall Lauder RN
LD Stuart Farden RN
CPL Maxine Cruise RN

THE ROYAL NAVY AND ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

Management and Administration

The policies and principles included within this Trustees Annual Report are those belonging to the Group, however individual charities can adopt / adapt these policies and principles to suit their own circumstances as disclosed within their individual statutory accounts.

Employees

The RNRMC Group employs over 105 staff, with 55 in the RNRMC, predominantly based on Whale Island, Hampshire, with a small number based elsewhere. The day-to-day control and administration of the RNRMC is delegated to the Chief Executive Officer, whose senior staff manage functional departments.

The RNRMC is committed to the training, career and personal development of all employees. Each employee has an annual appraisal where their performance is assessed against the Charity's objectives alongside personal achievements within their specific roles. A training programme is devised that meets both the Charity's needs and also enhances the individual's potential towards their professional development.

We are proud to hold the Silver Award for the Employee Recognition Scheme under the Armed Forces Covenant, which supports the transition of serving members of the Armed Forces into employment.

Remuneration

The Charity does not remunerate its Trustees. The Trustees are responsible for setting the remuneration of the Charity's Chief Executive and the remaining staff are paid via an agreed remuneration framework that sits within the overall reward policy that is agreed annually.

RNRMC's Reward Policy, introduced in 2018 has four principal pillars, comprising remuneration, benefits, recognition and learning and development. The framework is underpinned by a robust job evaluation process for each role within the charity which has been validated by our external Human Resource advisors. Senior Management salaries are reported annually to the People Sub-Committee.

Hierarchy is kept to the minimum to be effective and as a consequence the charity has a pay ratio of 3.2:1 between the Chief Executive's salary and the average for the charity staff. The sector average for a medium sized charity is 5:1. Further details of employee remuneration are disclosed in Notes 12-14 to the accounts.

General Data Protection Legislation (GDPR)

RNRMC in 2018 implemented a suite of tools and staff training packages to monitor and ensure ongoing compliance to GDPR. We continue to endeavour to ensure that all the personal information that we need in running the charity is properly protected, correctly used and safely stored and all staff receive training at point of induction and annually. Our privacy policy and other associated policy changes can all be accessed from our website to ensure transparency and assurance and are reviewed regularly. We work closely with our IT managed service provider to monitor and ensure the security and compliance of our IT systems.

Fundraising Principles

The RNRMC and RMA-TRMC both have established fundraising programmes across similar income streams.

The RNOC's income portfolio is historically derived largely from investment income and therefore there was no requirement to fundraise albeit during the past year the charity has spent all allocated reserves and has realised additional income through sale of assets. RNOC are now actively fundraising via the Association Royal Navy Officers' (ARNO) membership and other initiatives. NSSC's income is derived largely from investment income and grants received (including from the RNRMC) and there is therefore no requirement to fundraise.

The Royal Navy and Royal Marines Charity and RMA-TRMC are registered with the Fundraising Regulator and adhere to the standards of the Fundraising Codes of Practice and to Charity Commission guidelines, particularly CC20 (Charity fundraising: a guide to trustee duties).

No complaints about fundraising activity were received by the RNRMC or RMA-TRMC in 2021 and therefore there was no requirement for escalation to the Regulator. We have our own procedures in place for dealing with complaints. The

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complaints process is open and transparent and easy to access from our respective websites. Within the process, we publish a clear procedure for escalation and timescales when supporters can expect a response.

Anyone who is kind enough to consider support for the RNRMC can be assured that:-

- we never sell personal data to other organisations or charities. We do sometimes ask third party organisations to help process our data but they will act under our instruction. We never allow these organisations to use RNRMC supporter data for their own purposes and the data remains our legal responsibility: we ensure that it is treated with the same level of care as if we were handling it directly.
- it is our policy never to undertake any telephone fundraising or 'cold calling'.
- all of our electronic communications to supporters includes information on how to opt out of future communications.
- we do not undertake door-to-door fundraising.

We display the Fundraising Regulator badge on our websites and fundraising collateral to demonstrate our commitment to best practice. We work with the Fundraising, Mail and Telephone Preference Services to ensure that those who choose not to receive specific types of communication do not have to.

Volunteer fundraising is fundamental to the efforts of both the RNRMC and RMA-TRMC and we would be unable to achieve the level of voluntary income we do without the support of Service and civilian volunteers. Normally in the Summer event season when we are not faced with the consequences caused by the pandemic environment, we rely on a pool of people who give their time freely to directly collect money, organise and assist at events, or make connections with local businesses. Those volunteers collecting money *'on behalf of'* the RNRMC and RMA-TRMC are doing so with the prior knowledge of the charities and receive a volunteer induction, have a dedicated staff 'Line Manager' and have a signed Volunteer Agreement with the respective charity. Those volunteers who collect *'in aid of'* the RNRMC and RMA-TRMC are often acting on their own initiative and we are consequently unaware until we receive the money that has been raised. Official collections are always made with sealed RNRMC and RMA-TRMC collecting bins. Collectors in public places require permission from local authorities or, if within its district, the Metropolitan Police. These licenses are applied for and recorded by the RNRMC and RMA-TRMC Fundraising teams. We regularly review and update our Volunteering policies.

Volunteers and Related Parties

All Trustees and members of the management committees of the subsidiaries give their services voluntarily and received no remuneration for their activities, other than travel and incidental expenses where claimed. The serving members of the Board undertake their RNRMC duties as volunteers in addition to their normal line duties. The RNRMC continues to develop and expand its group of volunteers to assist in all areas of the Charity. These volunteers are supported by staff members as well as specific policies and procedures which includes a handbook for volunteers.

Diversity, Equality and Inclusion

Our existing charity values reflect the need for diversity, equality, and inclusion (DE&I). We also recognise that there will always be further improvements or enhancements that we can make to maximise DE&I within the Charity. We aim to achieve the following key outcomes by working towards delivering the recommended best practice within the Charity Governance Code which will help us to build a diverse, equal and inclusive culture within the charity:-

- The principles of equality, diversity and inclusion are embedded in the organisation and help to deliver the charity's public benefit.
- Obstacles to participation are reduced, with the organisation's work designed and open for everyone included within its charitable purposes. This supports the charity to challenge inequality and achieve improved equality of outcomes.
- The board is more effective because it reflects different perspectives, experiences and skills, including, where applicable, from current and future beneficiaries.

In 2020 we refreshed the objectives of our Staff Reference Group to include Culture which embraces equality, diversity and inclusion and for those new to the SRG we have set up specific DE&I training courses which help develop both their understanding as well as being beneficial for all of those who engage with them and the charity.

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Trustees' Report

Strategic Report

The Trustee Board last reviewed our strategy and refreshed our strategic objectives during 2020 confirming our vision and mission in the process.

Our Vision: A world in which our sailors, marines, and their families are valued and supported for life.

Our Purpose: Our purpose is to honour our vision by ensuring we:-

- Provide the leadership and alignment of common purpose for our beneficiaries' needs;
- Find those who need help, especially the hidden and lost, and ensure they can find us;
- Respond appropriately through direct support with key partners from the naval and other charities, the health and social care sector, and the benefits system;
- Work to develop an effective and sustainable access and triage system with appropriate level of case and care supervision for the entire naval family.

Our Strategic Objectives:

- We will work with other charities operating in our sector to establish a confederation in order to provide those in need within our beneficiary group with a single point of access to the totality of state and charitable support available;
- Acting with other naval charities and key stakeholders, we will ensure that our potential beneficiaries are made aware of the support that is available to those who need it;
- We will collaborate with Greenwich Hospital to agree funding priorities, and secure a long-term financial commitment from Greenwich to deliver the RNRMC's charitable objects;
- We will commit to spending over 50% of our charitable expenditure on collaborative and long-term commissioning projects with other charities and organisations which seek to address underlying causes of need; and
- Recognising the need to act decisively, we will undertake bold and far-reaching plans and projects with our partners that will draw-down substantially on our total net assets.

Our Values:

- Beneficiary-focussed – we will use the best evidence available to achieve maximum impact on the lives and morale of those who serve today or who have served, and their families.
- Integrity – we will act with honesty and transparency in all our activities.
- Inclusiveness – we will recognise and celebrate diversity in the sector.
- Teamwork – we will always behave in a way that strengthens the organisation.
- Commitment – we will demonstrate the highest ambition and commitment for our cause.

During 2021, and in furtherance of these RNRMC strategic objectives, the CDFC approved £8.9m of RNRMC charitable expenditure through a funding model focused on identifying need, early intervention and prevention. £8.2m was achieved through a combination of:

- **Programmes** – which focus on a particular beneficiary group or community and respond to identified needs.
- **Pathways** – which ensure we remain by the side of all beneficiaries from their first day in the Royal Navy and for decades after their Service ends; and
- **A Hardship Fund** (started in 2020 and continued in 2021) to respond to the unique pressures resulting from the coronavirus pandemic.

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Commissioned Programmes

Funding for the commissioning programmes in 2021 was split between seven programmes, the aim of each of each is: -

1. **Naval Service Support** - To provide support, normally infrastructure, to serving naval personnel. This year significant funds were allocated for the SBSA Resilience Centre with support with a grant from The Nuffield Trust.
2. **Family Support** – To provide support to naval families of serving personnel, e.g., partnering with the Kings Foundation to provide activity camps for children during the school holidays; or partnering with Relate to provide relationship and family counselling services and Home-Start, providing support for families with young children.
3. **Health & Wellbeing Support** – To support mental health and wellbeing of service personnel and their families, e.g., partnering with Portsmouth Military Health Alliance to provide gambling & addiction support, Anchoring Minds to support families; a project with the Gosport and Fareham Multi Academy Trust to create a Community Services Hub on site and additional support for RN mothers with pre- and post-natal depression.
4. **Communities Support Programme** – Originally designed as projects to combat loneliness and social isolation and extended this year to deliver pilot projects that support all beneficiaries and enhance existing provision, e.g., funding a post with Fighting with Pride to reach into the LGBT+ community; and providing a specialist worker to work from the White Ensign Association to support access to the Armed Forces Compensation scheme.
5. **Individual Support** – To ensure that those who fall on hard times have access to financial support, notably through grants to the Naval Children's Charity, the Royal Naval Benevolent Trust, the Sailors' Children's Society and Royal Marines Association (The Royal Marines Charity).
6. **Veterans' Support** – To support the specific needs of veterans, e.g., partnership with SSAFA to provide casework for the naval family of charities and the RFEA to support veterans into employment.
7. **Promote Independence and Protect Dignity** – To ensure that older and dependent beneficiaries have the care and support they deserve. e.g., funding for military care homes and innovative approaches like Sparko TV connecting people to comrades and families from their own home.

A number of activities in programme commissioning plans were suspended during the pandemic and plans to expand pilot projects were curtailed for 2021; this is reflected in the variance between the budget allocation and the actual grant awards. The 20% of additional grant making was mainly to support programme areas of unplanned need.

Pathways

During 2021, we operated 2 pathways which, jointly, seek to deliver on our vision to support our sailors and marines, and their families, for life:

- **Quality of Life Pathway** – To provide grants which improve conditions of service and further the efficiency & morale of the Royal Navy, typically as a result from a funding bid from an individual ship, establishment or unit, e.g., refurbishment of mess spaces, contribution to team building/social events, or prizes and awards. With a global deployment for the Royal Navy in 2021, the charity has provided support swiftly to the frontline; in 2020, 182 minor grants were made to ships and units; in 2021, this rose to 283, a 55% increase.
- **Through Life Pathway** – To support the welfare of serving personnel, veterans and their families, typically by partnering with other charities to provide services, e.g., Veterans Aid supporting homeless Veterans and centres like Woody's Lodge, providing a wide range of services for Veterans in Wales.

Hardship Fund

The Hardship Fund, which was established during 2020 in response to the coronavirus pandemic and seeks to provide relief arising from the hardship caused by the pandemic, continued throughout 2021 e.g., virtual community activities for deployed families, support for provision of accommodation for visiting families from the Commonwealth caught up in the pandemic and a focus on supporting efficiency and morale activities when shore leave was not possible for those deployed.

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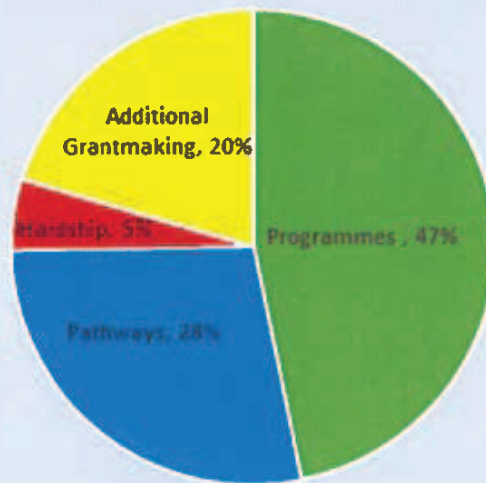
Contingent Spend

Additional Grantmaking of £1.671m was approved and spent in 2021. This spend supported the SBSA Resilience Centre (£1.3m), of which £700k was RNRMC funds and we received a grant of £600k from The Nuffield Trust to support this project. Other grants included: RBLI (£100k), White Ensign (£51k), RNBT (146k) and SCS (£74k).

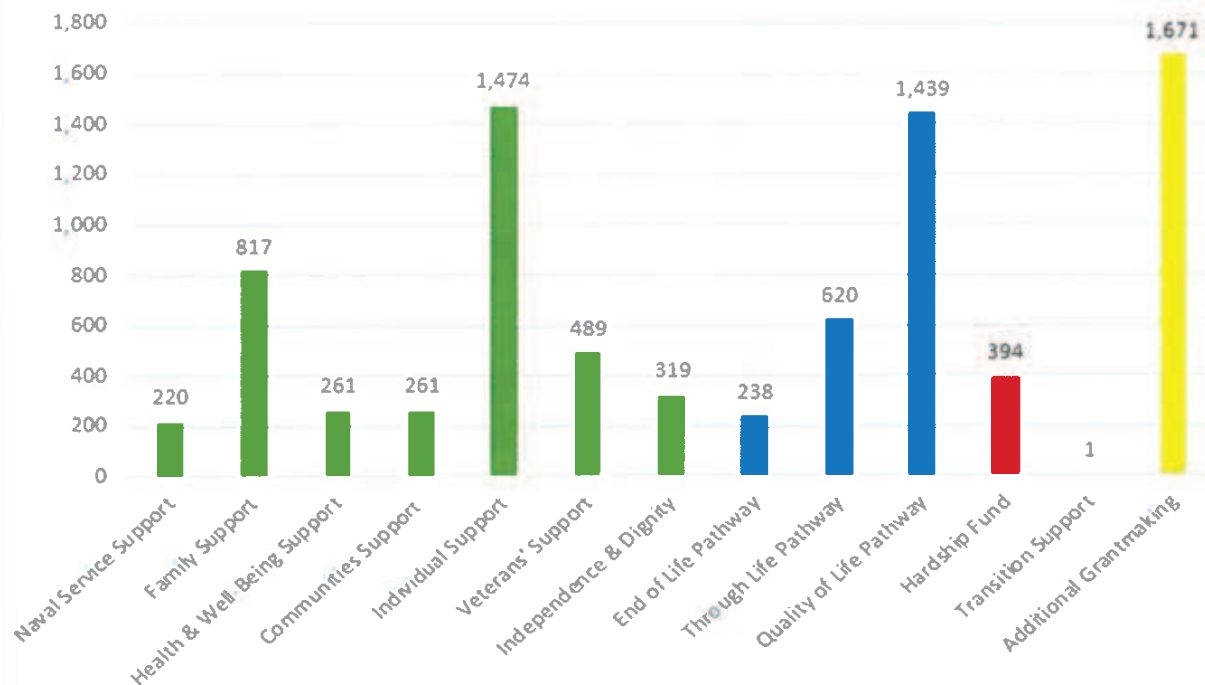
Summary

The graph below shows how the £8.2m spent by the charity in 2021 was distributed between the programmes, pathways, and hardship fund described above:

How we distributed our funds in 2021 - Total £8.2m



How we distributed Funds in 2021 - Total £8.2m £'000



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Grant making Policy

The RNRMC continues to adhere to its Framework of Funding principles, which provides the template for good partnership working and sets out our future funding ambitions for the RNRMC. The framework is further supported by the annual revision and publication of the charity's outcomes which describes the difference we wish to achieve for our beneficiaries. The key aim of these two documents is to enable the military charitable sector and civilian organisations to play a significant role in delivering innovative, diverse and responsive services for all our beneficiaries, including those serving on board ships, units and personnel of the Naval Service and the Auxiliaries, their families and the veteran community.

BlackBaud Grant Management System

The Grants department began the implementation and development of the new grants management system in 2020 to ensure it meets all the requirements of our grant making across numerous funds and associated criteria. Throughout 2021, the system has developed to begin to utilise more of the features available and extend usage to process grants across all pathways and programmes. The online portal is now fully utilised for all our grants.

The monitoring questions formulated in 2020 have now been built into Blackbaud and will enable applicants to complete monitoring returns via the online portal. Having this information stored within Blackbaud will enable us to easily measure the quantitative impact of grants, as well as storing qualitative data to assist in the impact measurement across all Pathways and Programmes.

The reporting functionality has also been developed throughout 2021, with automated reports built to show activity, output and outstanding tasks not only for Grants; bespoke reports have been created for Marketing, Communications and Finance, which is making this a useful tool across the whole charity.

Almonisation

The centralised nature of the RNRMC support structure allows extensive almonisation (sharing) of funds by a small grants department. This team has access to most of the funds within the RNRMC Group and also the allocation made to the Naval Service by the Nuffield Trust and shares information with other Navy Command funds thus maximising the efficiency of distribution.

Commissioned Grants

In response to the 2019 RNRMC Need Report with its identified cross-cutting themes, the RNRMC developed 6 programmes to proactively address the needs of its beneficiaries with a seventh added in 2021. A new Funding Model set out the intended response to identified need with key programmes alongside the existing pathways. The ability to flex and amend service delivery in response to improved understanding of need and lessons learnt is a major benefit of having longer-term funding agreements in place rather than annual grants.

For each of the programmes, but in particular for Programme 2: Family Support, and Programme 3: Health and Wellbeing, the charity has actively sought partners who can assist its understanding of existing challenges, how services could and should be developed and organisations capable of addressing particular needs. In essence, this means that the charity is operating a commissioning approach to funding.

The diagram below illustrates the commissioning cycle as recognised by health and social care sectors across the UK. Whilst there are differences for the charitable sector, the majority of the process and concepts are useful to the RNRMC in progressing good practice in our grant making.

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Commissioning Cycle

“making the best use of all available resources to produce the best outcomes of our beneficiaries.”



Our grants pathways are publicised widely, and all bids receive expert peer review and assessment. During 2021 we continued to review our application process to include a liquidity questionnaire (which covered both reserves and sustainability) which enabled us to understand the financial position better for all applications and is based on current as well as historic financial data. This method of assessment allows both us and our applicants to ensure our combined reserves are used to support those who need it most when they need it and this included those partner charities whose finances were significantly hit during the pandemic. All successful grants are reviewed at least 6 monthly for evidence of the achievement of intended outcomes.

The charity sector, rightly, continues to be the subject of increasing regulation and oversight. In recent times the GDPR legislation has required considerable effort to ensure personal data is managed in a safe and compliant manner. This effort follows additional enhancements to fundraising regulations, safeguarding policy and a new Code of Governance issued by the Charity Commission. It is important that these improvements are fully integrated into all of the charity's business but balanced with a drive to keep overheads as low as possible so that this additional bureaucracy does not prevent our primary objective of providing maximum support to our beneficiaries.

Safeguarding

Prior to the introduction of the Transition Support Service in November 2021, RNRMC had a Safeguarding Policy Statement rather than a comprehensive policy and guidance document. This policy statement was presented to and agreed by the Trustee Board in January 2019. Advice was sought from NCVO who agreed that as the organisation was not involved in individual or direct support to beneficiaries that this statement was both proportionate and relevant. This is no longer the case now that the organisation has commenced direct support to individuals as part of the Transition Support pilot. Prior to the pilot commencing, all case workers underwent safeguarding training and full safeguarding guidance was issued by the charity. This new policy document covers the existing statement for grant making and staff not involved in direct support of beneficiaries and as a 'capping' document for the comprehensive guidance provided to those involved in Transition Support.

The new element of the policy deals with the direct support of beneficiaries. As such, the RNRMC believes that it is always unacceptable for a child or vulnerable adult to suffer abuse of any kind and recognises its responsibility to safeguard the welfare of all people it encounters, by a commitment to practice which protects them. We understand that the welfare and safety of the person at risk is paramount. The purpose of the policy and the associated and more comprehensive guidance document is to:

- Provide protection for children and vulnerable adults who come into contact with our charity.
- Provide guidance to staff and volunteers to recognise, respond to and report abuse appropriately.

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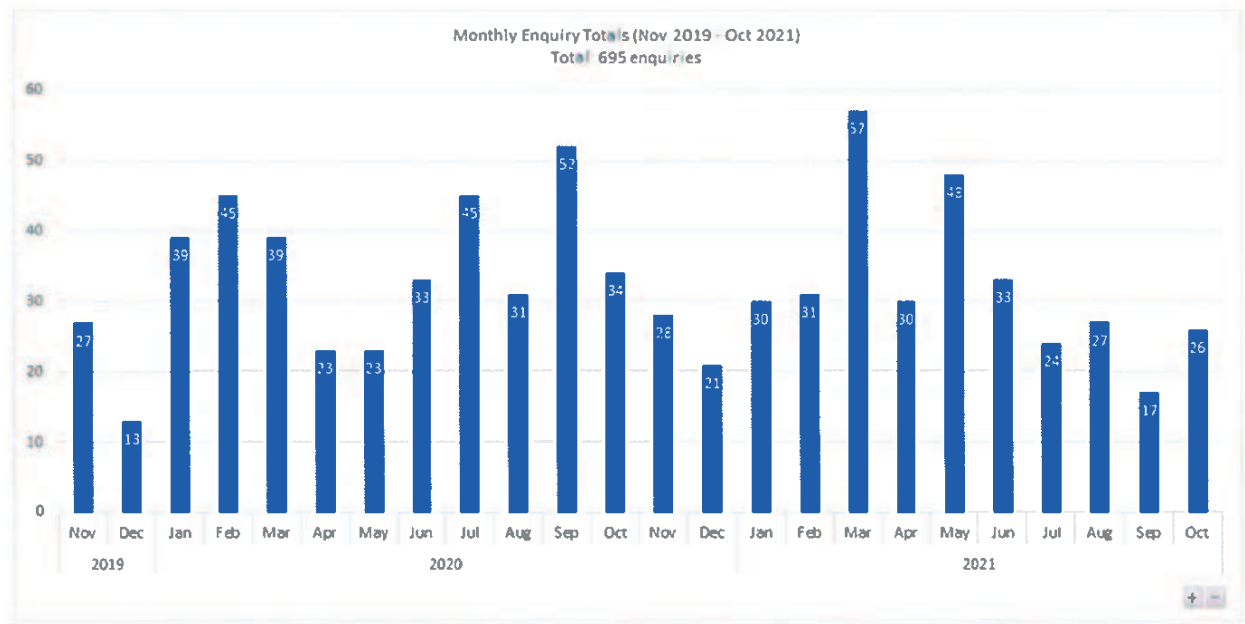
- Create a culture of openness within the organisation and ensure staff feel supported to talk candidly about suspected abuse.

The organisation now has a Trustee responsible for safeguarding and a qualified member of staff as the designated safeguarding lead. In addition, each element of the policy has a lead within the relevant department or function, and this includes a lead within the Senior Leadership Team.

The Support Line

Set up towards the end of 2019, the Support Line was open Monday to Friday from 08.30 – 16.30 via a dedicated phone, email and online enquiry function enabling beneficiaries to contact us through the most convenient channel.

The Support Line had been staffed by the Grants Department and a team of staff who were volunteers until the end of October. In November 2021 this function was taken into the Transition Support service (Project Dynamo). Beneficiaries will continue to be signposted to sources of support and those that are particularly in need of urgent support or are distressed will be able to speak to a Transition Support Guide.



Projection for next 3 years

Demand and Need

The huge variety and complexity of Need was articulated in the RNRMC's comprehensive need report presented to Trustees at the beginning of 2019. These themes and golden threads remain the drivers of our funding delivery and development ambition.

The Beneficiary Cross-Cutting Themes were identified as:-

- Debt and financial management.
- Alcohol and addiction support.
- Mental health support.
- Loneliness and social isolation.
- Household and general living costs.
- Relationship support.
- Community facilities with running costs.
- On-line toolkits for a range of issues.
- Health and wellbeing.
- Support for carers.
- Social exclusion

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This year we have seen an increasing awareness of the need to address gambling and the consequences it can bring. We are looking at how the service developed in the Portsmouth region can be widened to other areas.

Golden Threads

The following golden threads were heard at workshops and from each of the 8 workstreams:-

- Charities need to work together to support beneficiaries.
- A One Stop Shop for naval family beneficiaries should be considered.
- Communicating Naval Sector Charity offer requires improvement.

We will continue to work with providers and partners to scope the provision of more holistic services based on successful pilot programmes.

Demographics

We have explored the changing profile of Royal Navy and Royal Marines beneficiaries. Whilst we know the veteran demographic is declining – most especially the aged veteran community (and we will work hard to meet their needs toward the end of their lives) - the serving population and their families will remain at the current level or gently increase.

- Work is underway with the Maritime Charities group to refresh the themes of need identified in the publication Navigating change which was last refreshed in 2019.
- Work with Professor Matt Kiernan at Northumbria University pulls together identified need shared by a host of military charities and shared by Cobseo.

Working Together to Meet Need and Measure Impact

The charitable objects of the RNRMC are broad, our grants application and monitoring processes provide a primary source of data to determine need and demonstrate impact. Partnership working with funded charities to explore our joint impact continues to mature in addition to the delivery of workshops to consolidate thinking and the delivery of joined up solutions to address presented need.

All grant holding Organisations are required to provide key monitoring information against the outcomes they have identified at the point of application. The returns are carefully scrutinised to inform further allocation of funding and shaping of grant funded provision. The grants team have introduced monitoring that will be captured via Blackbaud Grant Management system directly linked to the funding outcomes. An outcomes report will be produced in the spring of each year in the future.

A trial run of an outcomes report was produced in the spring of 2021, this provided key insights into the difference made for beneficiaries. As a result of this report the grants team will be offering workshops to funded partners to support them to identify and evidence their work so that we can report meaningfully on outcomes in the spring of 2023 and every year going forward.

RNRMC Grant Making Policy – Projection

In the last five years, the RNRMC has distributed c£35.6m in charitable funding as well as working closely with other charities to almonise financial support to our beneficiaries. In the past, most charitable expenditure has been way of grant-making, based on demand and by application. This is a reactive service that allows charities and organisations with similar aims and desired outcomes to bid for money to support their work. However, this year we continued to adopt a more proactive approach, seeking to tackle the causes of need, often through long-term partnerships with other charities. We call this 'commissioning', and in 2020 we spent time investing in our partnership work to improve the offer for beneficiaries and we employed a commissioning manager to lead this area of work under the Director of Relationships and Funding.

Trustees committed to spend much of our charitable expenditure on collaborative programmes addressing unmet need. 47% of our grant budget was allocated across the 7-programmes, with a further 20% of additional grantmaking, working with a range of charity and State (NHS) partners. This forms the basis for developing relationships and re-shaping service design with existing organisations and also to explore in some areas new opportunities.

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The Commissioning approach to grant making will provide the means to address the needs of our beneficiaries in the next few years. Need is always difficult to predict and following a pandemic this is less uncertain, however, we know some of the challenges our community faces are changing and greatly influence our future plans.

The RNRMC has continued to distribute charitable funding to a wide range of organisations working closely with other charities to almonise financial support to our beneficiaries. The development of our commissioned grants and three-year funding agreement have enabled targeted support to meet the most compelling needs where and when needed. The role of Commissioning Manager is now embedded supported by a small commissioning team to drive innovation in service design and partnership working within the 7 maturing programmes.

Workshops with partners in 2021 will contribute to updating our understanding of need post pandemic and to assist in the renegotiation of funding agreements which are due to expire at the end of 2022. Trustees have committed to spend down reserves to maintain levels of funding available in the next couple of year.

Achievements and Performance

Achievements And Performance – RNRMC – Delivering the Plan

The work we have done on 'Need' has sharpened our focus on our beneficiaries, sailors, marines, their families, and veterans. We are reviewing our processes and structures, and this has already released a store of energy and enquiry that has led us to better understand need and allocate our resources to meet that need. We remain firmly of the opinion that collaboration, co-operation and possibly convergence are not only highly desirable in meeting the needs of our beneficiaries but also necessary to remove duplication and reduce inefficiency, whilst balancing the retention of proud brands in the sector. We are a leading player in this debate and are working with our partners to move the agenda forward.

We are focused on:-

- Being proactive and, where necessary, pre-emptive
- Intervening early and seek to get "upstream" of identified need and problems wherever possible promoting independence, preserving dignity and protecting individuals
- Being ambitious but pragmatic with our fundraising goals
- Developing an enthusiastic workforce motivated and skilled to deliver
- Investing in our communications, accessibility and digital ability
- Maintaining a resilient, sustainable and compliant organisation which is financially healthy

Funding highlights in 2021

New 3-year funding agreements for RNBT, NCC, SCS were signed with the RNRMC and Greenwich Hospital, as well as 3- year commitments between the RNRMC and RMA(TRMC) and also the Naval Service Sports Charity.

A safety net was provided for a veteran who needed considerable help following a life changing accident. This involved a significant building project and negotiation with statutory partners and funding charities to enable him to return home to his family.

Support for Associations to ensure they can reach out to support those suffering from loneliness and isolation continued to be a focus, a substantial increase in membership for the RNA was the result of funding to remove cost of membership.

We have continued to work with the Royal Navy including the Reserves Forces and the Royal Fleet Auxiliary to understand need and identify funding priorities for those on the frontline.

The RNRMC supports families in many ways and through a broad church of delivery partners. Support for families is provided through the award of Quality of Life and amenities grants, and through annual benevolence grants. Where we are looking to address underlying causes of need, we are developing a longer-term strategic partnership with other charities and organisations whilst continuing to make other grants as the need arises. Our commissioning plans reflect the charities strategic objectives and commitment that the RNRMC will undertake bold and far-reaching plans and projects with our partners where needed.

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Through monitoring and evaluation of key metrics provided by funded partners we are able to keep our understanding of need current and up to date whilst reacting quickly where support is needed most.

The Commissioning plans for Programme 2 – Family Support and Programme 3 – Mental Health and Wellbeing Support were presented to the CDFC at the March meeting. These plans demonstrate the development and future intentions for these two key themes for Serving Personnel and their families. The pandemic has impacted significantly on the implementation, but the commissioning approach has served us well in being able to respond to the changing environment. Our mental health pilot work in the wider Portsmouth area will provide a starting point to provide these projects in Faslane and the Southwest.

During 2021 we have formed new partnerships including The Submarine Family, to support the submarine community past and present and their families, as well as working with the Royal Fleet Auxiliary to support, in the first instance, those currently serving in recognition of the intrinsic nature of the work of the RFA in supporting the Royal Navy. The formation of the 'Get Paul Home' fund which successfully delivered an updated home environment for Paul to enable him to return home to his family after a significant time apart and 'Help - Jim's Fund' to raise awareness of mental health alongside the mental health programme supported by the RN and "HMS Oardacious Fund" supporting the mental health of submariners also began to take shape in 2021 with the aim to raise significant funds or awareness into the future.

Project Dynamo and Development

Project Dynamo was created as the exploration and discovery phase of our future development phase. 2021 began with a focus on operationalising some of the recommendations from this initial phase with the stated priorities as follows:-

- Successful roll-out of Transition Support Service pilot
- Continue to refine need driven by data and evidence collection and by building relationships across sector charities, stakeholders and relevant others
- Investigate a Single Point of Entry and Triage function
- Investigate a case recording system, differentiated by pathways of support intensity, to enable an active case navigation solution to provide better outcomes for more of our beneficiaries
- Continue to build RNA / RNRMC partnership to develop befriending and hidden and lost capability
- Look for opportunities to strengthen the Naval Sector Alliance
- Develop a concept to provide a much clearer understanding of beneficiary's appetite to engage with Armed Forces and Naval Charitable sectors

We recruited a Data Manager in January 2021 who immediately set about adapting a Case Recording Information System that had been developed by a partner organisation. In March we successfully recruited a Case Manager for the Transition Support team and completed recruiting the remaining 3 case workers by early autumn (based in Scotland, the SW and, the South). All case workers were recent retirees from the RN. During this period we also started the process of creating the processes and documentation to enable safe working in the direct support of this vulnerable of our beneficiary population. This included the generation of a new safeguarding policy and a revised structure within the charity to oversee this policy, including the election of a Trustee with specific responsibility for safeguarding.

Prior to go-live of the Service we visited all the RN units that would likely lead in providing referrals into this new service once it had started, as well as establishing a network of contacts in organisations that we would probably be referring our service into for specific support needs. The Service went live on 3rd November and by the end of the year we have dealt with 50 Service Users, many of whom have fairly complex or time critical needs. Early trends from the data we have collected suggest we are seeing a higher proportion of women that was envisaged, immediate accommodation needs on discharge are a problem and the support needs are more complex than we had anticipated, meaning that case workers cannot handle more than 15 live cases at once without a reduction in the service level we wish to provide.

We have continued to adopt a beneficiary first approach in looking at our other developmental priorities and have continued to engage regularly with numerous organisations and research hubs throughout the year to understand how best to deliver the role of beneficiary advocacy within the very complex environment of the armed forces charity sector. This has enabled us to align our plans with the progress and evolution across the sector whilst also highlighting gaps in provision as well as best practice in specific areas of delivery. We remain focused on easing access to services or support and ensuring as simple a journey and as positive an outcome as possible, whilst always allowing the beneficiary to have choice in the path they wish to steer.

We were invited to participate in the transformation programme for RN Family and People Support (RNFPS) towards the end of the year and this coincided with much close engagement with the RN's digital portal development for families, the 'RN Forum'. We are keen to utilise this forum as a solution or part-solution to our search for a One-Stop-Shop or

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single point of contact for all our beneficiaries when reaching into the sector for support. This work will continue into 2022 and beyond.

By the end of 2021 we have turned our focus to setting up a triage pathway so that we can link low level persistent contact that association provide to the more crisis orientated active case management that the Transition Support Service is providing. We will commence this effort in earnest in 2022 with the recruitment of a Triage and Research Coordinator within the team.

Finally, we have continued to work closely with the Royal Naval Association in exploring options that will treat the lonely and isolated need. As anticipated this is leading to a resurgence in what has been a 20 year decline in membership with 3,000+ new members over the course of the year. We remain open to providing a similar level of support to other naval membership organisations as research is clear that the resilience and camaraderie that such networks provide is crucial in combating loneliness and isolation, as well as acting as a preventative and early intervention tool in the armoury of reducing the downward spiral of our beneficiaries into complex or crises situations. As part of its renewed strategy, we are positively supporting the RNA to build befriending and mentoring services to attract a greater population of working age veterans.

Raising Funds

2021 started with a revised Staffing Structure for the Fundraising and Communications team. Introducing a Fundraising Database Officer who is experienced in our Raiser's Edge CRM database. Critically this role supports fundraising with data imports, analysis, and financial reconciliations. In the first part of the year, it was fundamental to exploit all engagement and event opportunities, launching a series of virtual events such as our popular 'View from a Bridge' and 'Virtual field gun' fundraiser. This was a new avenue for the RNRMC and one which has developed and grown since.

Individual giving was bolstered by the charity launching bespoke free Will-writing services and an 'In Memory' micro site developed by Just Giving. These pro-active efforts are seeing positive results, such as a legacy pledger specifying that the RNRMC's receives a significant share of their estate, a single large 'In Memory' donation of £35,000 and a £80,000 legacy received towards the end of the year. Regular Giving Income ran behind budget as PRG donors leaving the RN was not replaced by new joiners due to the inability to hold face to face recruitment presentations due to covid restrictions. Civilian PRG, Standing Orders and Online regular donations all remained on budget.

Community fundraising was the income stream that suffered the most from the impact of the Covid pandemic. The 3 service charities were given 5 days of collections and concession stand donations at the 2021 Royal Ascot meeting. During the meeting the betting and Gaming Council also selected the charities to benefit (with 3 others) from the profits of the Britannia Stakes. HMS Oardacious continue to support the RNRMC, securing a £400k sponsorship from the Elba Foundation over the next 3 years.

Corporate income remained stable, and the year ended with a successful Trafalgar Night Dinner and the launch of the first RN and RNRMC cookbook 'Galley' which was fully sponsored by our Platinum Partners ESS. Commercial activities expanded with the RN Shop website going live and Wyatt & Jack agreeing to produce a line of items making the most of disused Life Rafts, Lifejackets and once only suits. These items are dual branded and sold via the Wyatt & Jack website with the option of RNRMC obtaining items to sell via our channels.

Management of money

In working towards the delivery of our refreshed strategy, in line with our vision, the Board agreed to continue to draw down on its identified available free reserves (more detail can be found later in our risk-based reserves policy) to support our beneficiaries.

This commitment will enable us to:-

- spend over 50% of our charitable expenditure on collaborative and long-term commissioning projects with other charities and organisations which seek to address underlying causes of need; and
- act decisively, undertaking bold and far-reaching plans and projects with our partners which will support key areas of need

In 2021 we committed 67% of our charitable expenditure, including additional spend, to our programmes. We continued with our Project Dynamo, a Pilot Programme to support an identified key area of need.

A simplification application to the Charities Commission of our fund structure was planned for 2020 however the impact of the pandemic meant that a closer focus was applied to cash flow planning and reserve management in the first

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instance instead. The simplification project remains in the delivery plan but for a later date. In line with the simplification plan we continue prioritising the spending down of restricted funds whilst maintaining beneficiary support through unrestricted funding which allows far more grant flexibility in the future without penalising our beneficiaries.

National voice

We have worked with a record number of charity partners over the course of the past year, to improve the quality of life for all those who serve and their families, as well as promoting independence wherever we can among our veteran community. The Royal Navy is championed by a range of naval charities, each with their own specific area of support. Our collective aim is to cooperate and collaborate as closely as possible so that together we can best meet the need of our beneficiaries. In particular, all naval charities are focused of working together to tackle missed and unmet need. In 2020 we dedicated the homepage of our website to presenting a support wheel of the family of naval charities, a summary of their services and direct links to their websites.

Show efficiency

Maintaining a low overhead ratio is core to our belief of delivering more to a wider group of beneficiaries through an effective middle and back office.

In addition to the management of our own funds we have worked with other naval charities and funds to deliver back-office services across all departments at RNRMC, primarily focused on finance and operations, for free to enable them to focus their efforts on direct support for beneficiaries whilst we assist them through our professionally qualified staff in providing those areas of administration that can deflect smaller charities from their core business.

In 2021 we continued to provide services to the RMA- The Royal Marines Charity RNOC and NSSC as well as several new partners such as the RNA and the Naval Families Federation who are not part of the RNRMC group but who deliver direct support to our beneficiaries, this had a value of £150k in 2021.

We aim to play a full role in encouraging efficiencies and effectiveness across the sector including encouraging discussions about how the naval charity sector specifically, and the wider military charity sector more generally, might gain from the benefits of closer convergence.

ACHIEVEMENTS AND PERFORMANCE - RMA–The Royal Marines Charity

Response to COVID-19

Our first priority was to provide support to the most vulnerable members of our community, those suffering from the downturn in the economy and the social impact of Coronavirus and particularly those who suffered more due to the social distancing measures imposed. Whilst not front line, we are confident that we have alleviated significant pressure on the NHS and government, as we continued to address the following crucial areas where COVID-19 impacted our community significantly:-

- Mental ill-health across our community;
- Family stresses across our community;
- Medical discharges of serving Royal Marines;
- Unemployment among veterans and dependants.

We are confident that we have become increasingly effective in supporting the Corps Family despite the challenges of the pandemic which ran throughout 2020 and 2021:-

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>% incr</u>
Employment Assistance – discharged RMs	256	319	298	479	61
Addiction support	NA	43	60	89	48
Transition Support to Vulnerable Leavers	82	96	93	131	41
Armed Forces Compensation Tribunal Case Support	97	117	203	198	-2.5
Veteran Mental Health Referral Cases	79	92	113	102	-10
Total Benevolence Cases supported	1404	1662	1896	2794	47

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The pandemic removed a significant proportion of our fundraising capability in 2020 and had a significant impact on the first half of 2021, recovering in the latter part of the year such that an expected £400K deficit was turned into a £275K+ surplus. This was due partly to lower demand for grants and administration costs, but also to increased regular giving, grants received and a successful London Guildhall Dinner in November.

Smart working - collaboration with partners

We have worked increasingly closely with the NHS (OP Courage), the MOD Department for Community Mental Health and Third Sector partners with whom we have agreed formal MOUs: the Royal Navy & Royal Marines Charity, Walking With The Wounded, Supporting Wounded Veterans, the White Ensign Association, the Special Boat Service Association, Heropreneurs, High Ground, Rock to Recovery and Bootnecks In2 Business. We collaborated regularly in 2021 with Combat Stress, Help For Heroes and the Regular Forces Employment Association.

In our grant making we work in close partnership with SSAFA-The Armed Forces Charity, The Royal British Legion and Naval Service charities: the Royal Navy and Royal Marines Charity, Greenwich Hospital, the Royal Naval Benevolent Trust, the Naval Children's Charity and the Royal Navy Officers' Charity, with our USP being our holistic assessment of needs leading to complementary monetary and non-financial support.

We have assisted the wider Naval charities to develop a more holistic service through embedding a RNRMC Casework Manager and three Transition Support Guides within our staff, while we are advising the Royal Naval Association, the White Ensign Association and Support Our Paras (the Parachute Regiment and Airborne Forces Charity) in the development of their services to reflect those offered to our members and beneficiaries.

Rising need

Our outputs are driven by need. We have monitored need systematically over the last 5 years and can evidence that the need continues to rise; hence our work outputs continue to increase. In particular:-

- Bucking the previous trend, in 2021 need rose faster in the serving community (numbers supported doubled) than in the veteran community (a rise of one third);
- it rose particularly in those requiring alcohol addiction support due to pressures of isolation arising from the COVID pandemic;
- the numbers of involuntarily discharged personnel supported with Employment advice rose steeply, but principally due to our newly gained ability to engage with all vulnerable leavers, including those warned off for medical discharge and all recruit leavers;
- there was a small decline in need in the veteran mental health sphere since the classic gestation period for PTSD is 7-10 years, meaning that we have most likely reached the peak in presentation following the 10th anniversary of the most bitter fighting in Afghanistan.

This rising need has led to increased spend by the Charity, having to put in place the people, resources and processes necessary to provide the effective first call support appropriate for our community.

Social and Local Economic Value added

Since 2018 the Charity has been capturing metrics using government approved Themes, Outcomes and Measures (TOMS) including calculations of added social value, with the assistance of the Social Value Portal. Government TOMS are concerned with jobs and skills, and societal and community development, to work out appropriate. There are 75 metrics captured monthly.

Areas where extra value was added were as follows:-

- Family members supported through Association events;
- Veterans attending parades;
- Discharged RM assisted into full time employment;
- Hours dedicated to supporting RMs into work by providing career mentoring, including mock interviews, CV advice, and careers guidance;
- Unpaid work experience provided by employer partnerships;
- Time dedicated to supporting divorcing families;
- Increase in lump sum and pension won following the tribunal and pension advice service.

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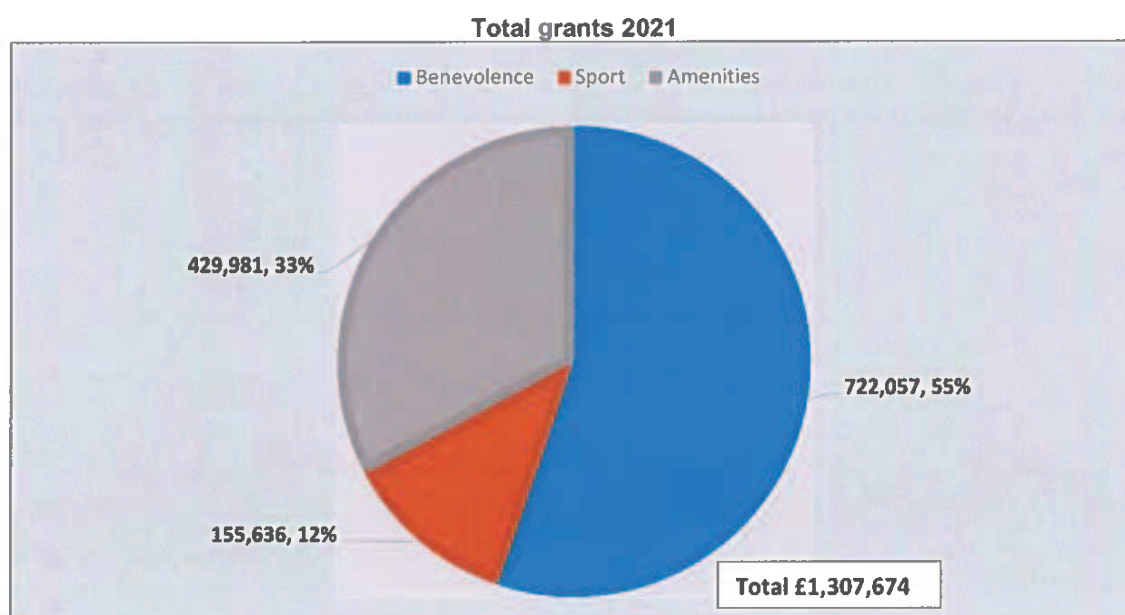
The Social Value created by the Charity as measured through the Social Value Portal Themes, Outcomes and Measures in 2021 was £3,167,756.

This sum does not tell the whole story of what the Charity delivers, as it only captures value to wider society and not that delivered specifically to the military community. This incremental support to the serving Corps Family not captured in SVP was £155,636, while the value added to the Corps through evidenced retention resulting from the Charity's interventions was worth a further £4,375,000. Therefore, the total social value created in 2021 was worth £7,698,392, meaning that every £1 donated to the Charity was turned into £3.17 of charitable value created when set against charitable spend of £2,423,161.

Lifesaving support delivered

Since establishment of the Royal Marines Charitable Trust Fund (one of our precursor charities) in 2008, over £24.9M has been given in grants towards recovery, quality of life and through life care.

The Charity achieved expenditure in 2021 on grants payable of £1,307,674.



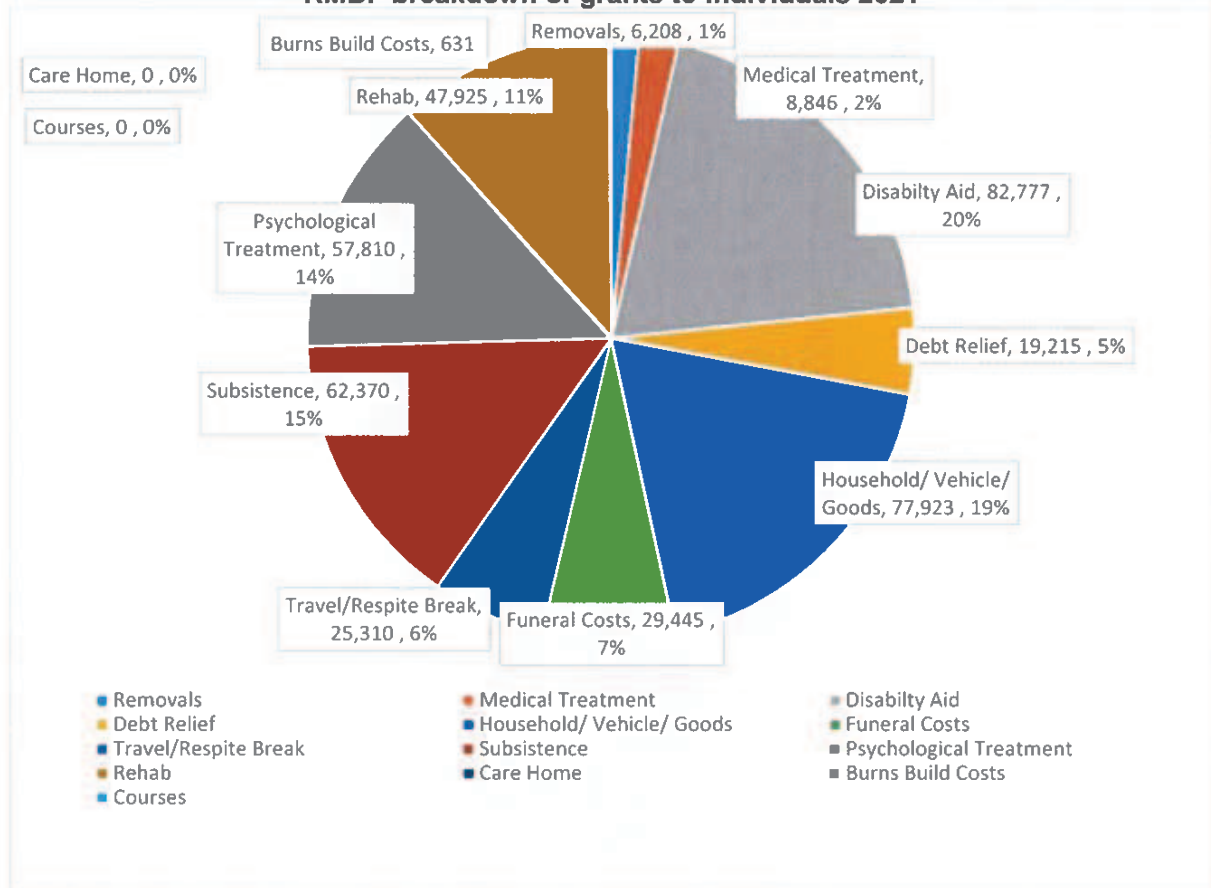
The delivery of support amounted to a further £1,115,487 giving a total of £2,423,161 of charitable delivery expenditure.

Increased numbers supported

- Total number of beneficiaries supported by charitable interventions through year: 22,342 (2020: 20,744, 2019: 16,092).
- Total number of beneficiaries in need supported through financial and non-financial benevolence: 2,794 individuals (excluding their dependants) (2020: 1,896; 2019: 1,662; 2018: 1,404).

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RMBF breakdown of grants to individuals 2021



Support outputs and impact:

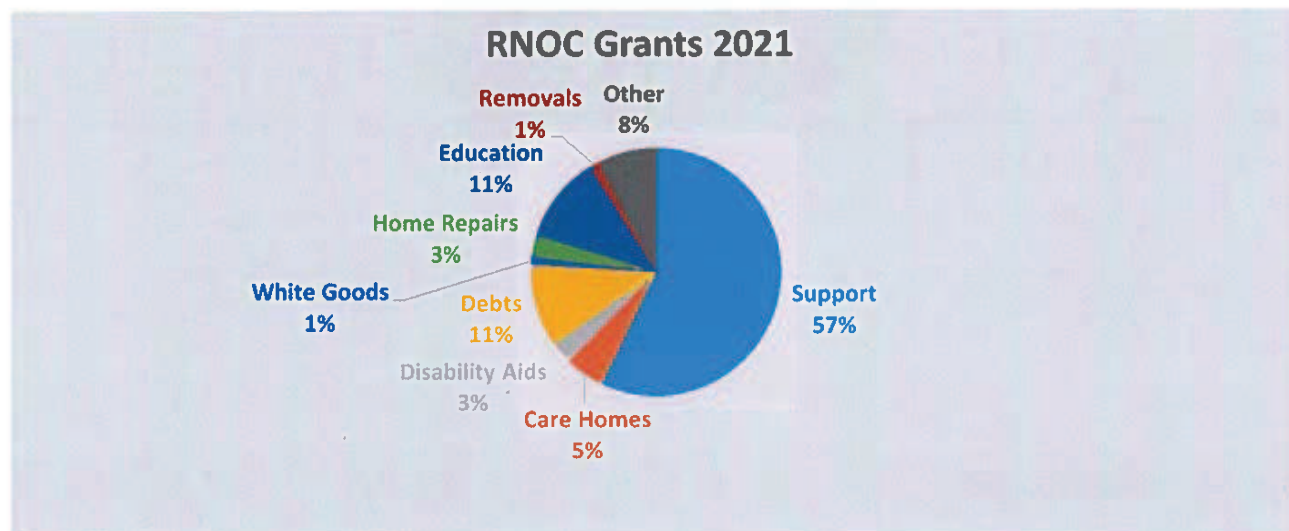
- A record number of involuntarily discharged Royal Marines and vulnerable recruit leavers – 479 (2020: 298, 2019: 319, 2018: 256) – were provided with employment advice; 51 received funding grants totalling £73,000; 34 were assisted into employment worth over £1.4M in added local employment value (the Government's approved proxy value for one person being in employment for 12 months being £30,353); see the dedicated section on social value below.
- 198 War Pension and Armed Forces Compensation Scheme tribunal cases were supported, of which 172 were new in year (2020: 203, 2019: 117, 2018: 97).
- 89 individual addiction cases were supported (2020: 60, 2019: 43), 35 serving with a replacement cost of £4.375M if they had been discharged (since it costs a minimum of £125,000 to train a new recruit), and 54 veterans.
- 131 new vulnerable leavers were supported by our Transition Support Officers (2020: 93, 2019: 96, 2018: 62).
- A slightly reduced number of Veterans' Referral Plan mental health therapy cases were supported, 102 (2020: 113, 2019: 92, 2018: 79, 2017: 26).
- Funding of £92,780 was provided for the coaching of 110 battling mental ill-health by Rock to Recovery (2020: 194, 2019: 193, 2018: 142).
- 19 other partner organisations were supported by funding of £395K, benefitting 147 individuals (double the financial support and double the numbers benefitting over 2020) alongside pastoral work at 4 units supported by funding of £45,000 to the Dame Agnes Weston Charity.

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ACHIEVEMENTS AND PERFORMANCE - The Royal Naval Benevolent Society for Officers (RNBSO), known as The Royal Navy Officers' Charity (RNOC)

2021 continued to present many challenges. We were glad to be able to support a wide range of beneficiaries with grants in excess of £500,000, a new high water mark. Grants are covered from investment received from the RNOC investment portfolio and no additional block funding is received from any other organization.

We support in the region of 70 people on an ongoing basis by way of an annuity that allows them to meet the costs of day to day living expenses and all of them find the additional funding (£3,000 pa in 2021) hugely impactful in terms of their quality of life. Additionally under the heading of Support Grants we made a number of one off grants in 2021 to individuals which allowed them to meet specific needs for them and their families during times of particular stress. These cover, for example, costs incurred when setting up separate homes following relationships ending, or when an unexpected illness or accident occurs. In 2021 the number and value of education related grants increased, while the amount contributed to care home costs remained stable, albeit the population of beneficiaries for this support evolved significantly ("joiners and leavers"). Contributing to the cost of disability aids and adaptations or rehabilitation and respite care has allowed several beneficiaries to remain living at home. Although the total spent on consolidating and repaying debts is less in 2021 than the prior year this remains a significant area requiring our support.



In addition to the financial grants awarded the RNOC provided continuous access by mail, email and telephone for current and potential beneficiaries. Assistance was provided to numerous widows/widowers suffering bereavement, navigating the systems and processes to get the pensions and support to which they are entitled. Many others benefit from having a point of contact to discuss their concerns and challenges. We continue to partner with Zimbabwe a National Emergency (ZANE) and Royal Commonwealth Ex-Services League (RESL) to deliver crucial support in other jurisdictions, and with SAIL (Seafarers Advice Information Line) to resolve debt related issues.

In view of the continuing challenges people faced due to the pandemic, we maintained a higher tempo of communications on-line and in hard copy to ensure that we could reach those not as digitally active.

All of the above delivered swiftly and with minimum of fuss, by a team of one person with the support of Trustees and partners in like-minded organisations.

ACHIEVEMENTS AND PERFORMANCE - Naval Service Sports Charity (NSSC)

2021 has continued to be subject to the changing restrictions put in place by the Government in response to the Covid-19 pandemic. This has resulted in significant changes to the planned sports programme within the RN and wider Armed Forces that meant much of what has taken place has been compressed into the second half of 2021.

Despite the impact of the Covid-19 pandemic, our funding has supported the following activities:

Sports Associations. The RN Sports Staff and the NSSC Director of Operations review the annual bids of the 45 Sports Associations to support their operating costs for the following year, with a focus being on sustaining a broad menu of

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opportunity, grass roots development and inclusivity, whilst also supporting the RN's ability to compete and win at representative level. The operating costs generally cover the requirements for insurance, National Governing Body subscriptions, membership fees, catering, hospitality, competition fees, IT support, trophies and prizes; effectively the lifeblood and viability of a sports association. With Sports Associations able to carry forward unspent funds from 2020, the £270k included in the NSSC 2021 budget was reduced to £182k to meet the expected operating costs, and this was reduced further to £132,100 as Covid-19 continued to limit the opportunities for Sports Associations to hold events.

Talented Athletes. Once again those sportsmen/women who are talented enough to compete at national and international level have been supported by a generous grant of £30,000 from BAE Systems.

This has enabled the NSSC to continue to support the following individuals in full time national sports training:

Marine G Crotty (Boxing) - won the RN Sportsman of the Year Award for 2021.

Steward B Wild (Para-Skiing) – Brett Wild is the sighted guide for GB Para-Skier Millie Knight who won 11 Gold, 5 Silver and 5 Bronze medals in the 2017 World Cup Championships and 2 Silver and 1 Bronze medal in the 2018 Paralympics. Having been selected for the 2022 Winter Paralympics in Beijing they recently won 2 Gold medals in the Super Combined and the Super-G races in the 2021 World Championships before winning a Bronze medal in the Paralympics Downhill.

Marine T Lawrence (GB 4 Man Bobsleigh) - recently won a Silver medal and placed 4th overall in World Cup events before being selected for the Winter Olympics that took place in February 2022.

Marine A Baird and Leading Physical Trainer M Haslam (GB Men and Women's Bobsleigh Development Teams).

The NSSC also supported 8 other athletes competing at national and international level in kayaking, ski-cross, judo, triathlon, duathlon, powerlifting and hockey.

Coaching and Regional Sport. With the Covid-19 restrictions reducing the amount of sport that could be played the demand for financial support for coaching and regional sport was also reduced from the budgeted £150k to £74k.

NAVYFit Campaign. In 2021 the NSSC focussed its NAVYFit Campaign support in 3 areas: an Operational Fitness League open to naval personnel deployed overseas and at home; 8 establishment events in the Autumn term and a hugely successful RN Sports Awards event held at Lords Cricket Ground in December. The Sports Awards celebrated individual and team achievements in 2020 and 2021 and also included recognition of lifetime achievements.

Plans for Future Periods

FUTURE PLANS – Royal Navy and Royal Marines Charity (RNRMC)

Our thinking has obviously been greatly influenced by Covid19 which has not only caused significant turmoil in society but has also served to highlight some of the marked inequalities that will increasingly affect some of our beneficiaries. A snapshot of the sort of challenges that face us all include:-

- An ageing population
 - Increasing frailty and multiple health conditions
 - Greater complexity in their care.
- Longer lives
 - Rise in caring responsibilities amongst spouses, partners and family members
 - Currently, three in five people will be carers at some point in their lives.
- Challenges in social wellbeing including loneliness
 - Issue across all age groups but particularly amongst the 16-24 age group, who now experience the highest levels of loneliness of any age demographic.
- Continued growth in mental health issues
 - Particularly amongst young people
 - Including depression, anxiety and conduct disorder.
 - 1 in 10 children and young people are affected by mental health problems and 70% will not receive appropriate interventions at a sufficiently early age.
- Reduced financial wellbeing
 - The cost of living continues to outpace income growth.

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- 46% of UK adults display one or more characteristics of financial vulnerability and are at risk of falling into severe debt.
- Domestic abuse
 - "... an epidemic beneath a pandemic"
 - Over 2.5 million people in the UK experienced domestic abuse in the last year.
- Rising 'unmet' need
 - Pressures on statutory health and social services
 - Waiting times for services are lengthening, and thresholds for receiving care are rising.

In the light of this and Covid19, the Board reviewed our Strategic Objectives and desired outcomes which were agreed in early 2020 and are detailed below. Both the objectives and outcomes were firmly endorsed.

Our Strategic Objectives:

- We will work with other charities operating in our sector to establish a confederation or alliance in order to provide those in need within our beneficiary group with a single point of access to the totality of state and charitable support available;
- Acting with other naval charities and key stakeholders, we will ensure that our potential beneficiaries are made aware of the support that is available to those who need it;
- We will collaborate with Greenwich Hospital to agree funding priorities, and secure a long-term financial arrangement from Greenwich to deliver the RNRMC's charitable objects;
- We will commit to spending over 50% of our charitable expenditure on collaborative and long-term commissioning projects with other charities and organisations which seek to address underlying causes of need, whilst continuing to make other grants as the need arises; and
- Recognising the need to act decisively, we will undertake bold and far-reaching plans and projects with our partners that will draw-down substantially on our total net assets

Our Expected Outcomes:

1. An explicit focus on the needs of RNRMC beneficiaries – promoting resilience, the lived experience, independence, and dignity.
2. Increased support to more beneficiaries
3. Increased likelihood of finding the hidden, lost and lonely and them being able to find the support they need
4. Strategic alignment of the RN Charity Sector through a single triage/support/navigation system
5. Increased credibility and reputation of all Naval charities
6. The potential of increased retention of serving personnel

We are working to ensure that we are suitably prepared to meet the challenges articulated above wherever they might impact on beneficiaries. This includes the commissioning of services, partnering with other specialist organisations, grant-funding projects, and securing a healthy and sustainable financial future. We are particularly concerned about the challenges to fundraising and the capacity and appetite of society to support charitable causes to the same extent it did before Covid-19. We are therefore looking at how our funds are put to best use, the level of reserves we must maintain, reduction in costs where appropriate, and the avoidance of duplication of costs across the charitable sector. To this end, we are working with Greenwich Hospital, with whom we share purpose, charitable objects and beneficiaries, to find ways of working together effectively and efficiently in order to be best placed to support beneficiaries.

We will continue to use evidence to drive our beneficiary focussed development. Our Key Drivers to enable this will be:-

- PRIMARY - Beneficiary First – improving access, journey and experience.
- SECONDARY - Enhance understanding of need through research and evidence to provide a more proactive balance in supporting preventative and early intervention services.
- TERTIARY - Collaboration through infrastructure provision

The primary driver will only be achieved effectively and efficiently if significant progress is made in the secondary and tertiary drivers i.e. progress is inter-dependent. Access can only be improved if the sector can collaborate towards the use of a single point of entry/referral. The journey for beneficiaries will only improve if navigators / guides are provided for complex cases and advice, information and guidance is available at the point of entry for all enquiries (one-stop-shop and triage). Experience will be good if referral partners and the consistency of service/support are all assured and need is understood by maintaining a data / evidence base that can incorporate or include data from across the sector. Combined, these capabilities form the infrastructure necessary to deliver for our beneficiaries to a level that honours our

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vision, and will drive down overheads across the sector which will provide more funds for tomorrow whilst looking after those who present today.

Our Transition Support Service pilot will enable us to test concepts, build an evidence base and improve our understanding of beneficiary advocacy using a person-centred approach. This, combined with a Case Recording system to collect evidence and the creation of a signposting application will enable us to understand the infrastructure required to support such a holistic approach. But, we will only achieve success if we collaborate ever more closely across the sector and into local government via the Armed Forces Covenant.

The infrastructure is likely to contain 4 separate but inter-dependent pillars:-

- A triage facility for all beneficiaries, accessed from a single point of entry/referral into a one-stop-shop for advice, information and guidance (AIG) which will be grown from the lessons established by the Transition pilot and will likely involve collaboration with other existing portals.
- A regional case working organisation for all beneficiaries that can be integrated into the Transition Support Service, and probably involving several other existing case working organisations.
- A portal supported by a Decision Tree (algorithm) to enable effective Triage and AIG, and in due course a facility to allow open access to a version of the algorithm to enable self-help by any beneficiary.
- A data warehouse that captures and/or can integrate sector-wide data to enable a more complete data set and thus assured evidence to improve proactive and holistic support provision to our whole beneficiary population.

We are also very concerned about the deleterious effects of social isolation and loneliness. At the start of 2021 we partnered with the Royal Navy Association in a bold project to increase membership by subsidising head office costs and thus negating the need for subscriptions from members, as part of a campaign to promote a befriending network beyond the RNA membership. Embedded within this is an innovative project with a commercial partner, Sparko TV, which looks to provide interactive TVs in the homes of those who are housebound, remote, or isolated which offer a range of interactive opportunities and the chance to talk to friends and relatives remotely and easily. We are looking to spread this work into other naval associations and are actively pursuing this presently.

As well as these new partnerships we will continue to work closely with other naval charities who also support our beneficiaries by providing them free of charge back-office services such as HR, Payroll, bookkeeping, investment management, fundraising, communications and grant giving support in order that they focus on the direct support to those in need.

The Governance of RNRMC is strong and is able to provide a wealth of experience and advice to our partner charities to help them and in turn help our beneficiaries.

FUTURE PLANS – RMA – The Royal Marines Charity

Strategy and Programme 2022-24

In 2021 the Trustees conducted a strategic review across every aspect of the Charity's delivery, resulting in timetabled new delivery and delivery improvements against measurable outcomes to be achieved by the end of 2024.

We are following a 3-year budgeted delivery programme with associated risk register based on the revised strategies, delivered by the staff but with regular reporting oversight from the sub-committees allied to the Charity's functional teams, which in turn report to the Board.

This programme will ensure that the charity is proactive and bold, differentiated, sustainable, owned by the Corps Family, recognised by the wider community, and effective (efficient, cost-effective and achieving maximum impact). The programme ensures the following strategic objectives will be secured:

1. We will enable those we serve to live by the Commando Mindset (restoring, maintaining and enhancing independence, dignity and effectiveness) through financial and non-monetary support;
2. We will promote and sustain the Royal Marines brand and esprit de corps;
3. We will increase and achieve a representative membership mix of the Corps Family and supporters, in order that the Charity and Association become the heart of the Corps Family.

In particular, the Charity has the following desired operational outcomes by the end of 2024:

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1. To be the natural and trusted first point of contact for the Corps Family
2. To offer active and effective support to Commando Forces
3. To be the leading UK regimental charity championing our members and enabling collaboration between major tri-service associations
4. To number 24,000 members with a younger demographic
5. To have an enhanced geographical footprint
6. To have better trained and enabled volunteers
7. To enable a fully developed PR function to enable advocacy
8. To secure an annual net income £5m (currently £3m) including sustainable Major Donor and Corporate Income

The Executive has commenced further work to identify likely demographic and actuarial changes of the beneficiary community in the next 5-10 years, the revised operational commitments of the Royal Marines, and other accepted trends in the serving and veteran military population of the UK, with the opportunities and challenges that will be presented in order to ensure appropriate and effective support. We will seek to develop the Unique Selling Point of the charity as the embedded charity of the Corps, so uniquely placed to provide appropriate charitable support.

Budgeted spend to deliver necessary support in 2022 has led to the trustees approving a deficit budget of (£530,000). There are sufficient free reserves for 10 months of expenditure as at the time of signing, but if fundraising and other income-generating activities are not able to continue normally, the trustees will need to liquidate investments which are intended to be held for the long term in order to generate a recurring income stream for beneficiaries. Cashflow is monitored monthly, looking forward 12 months. Based on the revised forecasts the Trustees are satisfied that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

FUTURE PLANS – The Royal Naval Benevolent Society for Officers (RNBSO), known as The Royal Navy Officers' Charity (RNO)

The need for benevolence continues and the full and true consequences of the pandemic remain unknown. The charity's Benevolence Sub-Committee will closely monitor trends, grants and emerging cases recommending, where and when necessary, increases and additional resources.

The standard annuity grant for 2021 was £3,000 pa. During 2022 the Benevolence subcommittee will review the level of grant using data from the Rowntree Foundation along with evidence from casework making any necessary observations and recommendations to the board.

FUTURE PLANS – Naval Service Sports Charity (NSSC)

The NSSC will endeavour to increase the level of grants to sport in the Royal Navy by a percentage equivalent to any increase in CPI or to satisfy all reasonable demands in later years. In setting the budget for 2022 and future years the NSSC has made assumptions that the size of the Royal Navy, the number of Sports Associations and the numbers accessing sport will not change significantly in the next 5 years.

As with many other charities, there are indications that maintaining income in future years will be challenging and the NSSC will need to continue to work closely with its parent charity, the RNRMC, to ensure that the outcomes of their Quality of Life grants pathway continue to justify the defined level of grants made to the NSSC.

The NSSC continues to support the Royal Navy Sports Board by assisting Sports Associations and, where public funding is unable to maintain staffing levels, by employing individuals in support of naval sporting outputs. In 2022 this will include 4 new sports development posts on 2 year fixed term contracts that will focus on improving delivery at the grassroots level and in support of those RN personnel on the frontline.

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Financial Review RNRMC Group

Overview

The RNRMC Group closed the year with total funds valued at £90.3m, an increase against the previous year of £3.1m. The agreed spend down of our reserves continued in 2021 which resulted in a deficit of £5.3m before net gains on investment assets of £8.4m.

Overall performance when compared to 2020, when taking into account the challenging effects of Covid-19, was positive, with operating income increasing by £0.3m to £11.7m and income excluding Investment income increasing by £0.9m to £10m.

While charitable expenditure was reduced from £15.1m in 2020 to £13.9m in 2021, a reduction of £1.2m, grant making activity continued to grow while support costs held at £3.7m, as the charity sought to maintain a tight cost base while continuing to support beneficiary need. The successful programme of commissioning continued to receive investment in 2021 as spend in this area grew from £4.7m in 2020 to £5.6m in 2021.

Unrestricted Funds

The value of Unrestricted Funds including designated funds (which can be seen in more detail in note 26), reduced from £29.7m to £28.2m a decrease of £1.5m. Income of £2.6m was received into unrestricted funds and there were investment gains of £2.5m. This was offset by resources expended from unrestricted funds of £6.6m, of which £3.7m were transfers to restricted funds. This transfer relates in part to payroll giving income that is recorded as unrestricted income, this income is applied against restricted funds and supports all of our grant making programmes and pathways depending on their level of need.

Income

The total income of the Group was £11.7m, an increase of £0.3m (+3%) from 2020. Key variances are:-

1. Donations and Legacy income increased by 8% from £5.6m to £6.1m against the prior year.
2. Income from Other Trading Activities reduced by £0.3m (-34%) as Covid restrictions resulted in the cancellation of the ticketed MFM event that took place in 2020.
3. Investment Income reduced by £0.6m (-25%) because of market performance due to Covid-19. However, the group operates a total returns policy, of which, more information is available below.
4. Income from charitable activities increased by £0.9m (+40%) due to additional grants received from Nuffield trust, to support the SBSA Resilience Centre and from the Armed Forces Covenant Trust Fund.

Donations & Legacies

- **Donations** – A difficult landscape due to Covid-19 meant that fundraising events continued to be cancelled throughout 2021. However, increases in community fundraising meant that there was growth against the prior year. While not back to pre-pandemic levels, there was an increase of £0.2m.
- **Payroll Giving** – The Covid-19 impact of not being able to present directly to new entrants took effect in 2021 due to the time it takes to process new members. However, through generous donations from serving Naval Personnel, the Navy's Payroll Giving scheme only fell slightly (-5%) against the year before
- **Legacies** – In 2021 legacies received were £0.7m an increase of 0.5m on the prior year.

Demand again outmatched income and we will continue to develop our income streams such as legacies, major donors and corporate relationships whilst utilising our reserves brought forward to meet this unmet need.

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Expenditure

Total expenditure in 2021 was £17m in 2021(2020 £18m). This was split into the following areas.

Raising Funds

Fundraising costs – The costs in this area continue to be tightly controlled whilst maintaining engagement through developing our marketing and communications to engage future donors and supporters. In 2020, the Group's costs increased only very slightly from £2.4 to £2.5m in 2021. These costs, as a % of Donations & Legacies decreased from 42% in 2020 to 41% in 2021, demonstrating control on costs as the fundraising department sought new ways of fundraising during the continued difficult landscape.

- **Investment Fees** – An increase in investment fees of £22k (+4%) was seen in the 2021 year partly due to a change in investment manager during the year.

While overall charitable spend fell in 2021 from £15.1m in 2020 to £13.9m in 2021 (-8%), 2020 included a grant for the Gordon Messenger Centre for £2.8m. Comparing the prior year expenditure net of the GMC grant, there is an increase in Charitable spend of £1.6m (+13%) in 2021, demonstrating the following;

- Commitment of significant Commissioning Programmes, year 3 of 3 in partnership with Charities both inside and outside of the military sector.
- Commitment to uphold our total grant making during and post the pandemic to ensure our beneficiaries remain supported through increasingly difficult times

Grant Making

The RNRMC Group remains committed to supporting its beneficiaries with £10.2m distributed through grant making (2019 £11.4m).

The RNRMC continued to enhance grants through its commissioning pathways established in 2019 with spend for the year at £4.1m, an increase of £0.5m on 2020. An additional £0.9m of grants were made in support of the Spend for Through Life Pathway against the previous year. Further information on the breakdown of Grants can be found at notes 8 & 9.

Balance Sheet

Total Fixed Assets within the group increased by £3.7m to £89.2m for 2021, of which the value of Fixed Assets excluding Investments was £1.6m. Investments in website and IT infrastructure, to improve beneficiary experience and improve efficiency, resulted in a small increase of £0.1m in held values at the year end.

Investments in the group had increased from £83.9m to £87.5m, an increase of £3.6m. Across the group there was £8.34m of net gains on investment assets (charity £5m), with the offsetting reduction in fund values due to cash drawn down investments in accordance with the RNRMC Cash Policy, which is to hold a rolling 12 months activity as well as an identified amount to support potential contingent grants required by partner charities in cash or near cash products.

Both Debtor and Creditor balances saw an increase in 2021. This was due to a large debtor balance for Grants received, where cash receipts are due in 2022, offset by creditor balances for Grants payments due to be made in 2022.

During the year £4.5m was drawn as cash across the group, all related to the RNRMC charity and is reflected in the cash balance below.

Cash in the group increased from £8.6m at the end of 2020 to £8.8m (charity £6.3m) at the end of 2021, with the amount of cash held reflecting the RNRMC Cash Policy and is offset by spend in other areas within the Group.

Principal Risks and Uncertainties

The Trustees regularly consider the major risks to which the charity is exposed and a three-tiered system is used to manage risk.

First tier - regular management by the Senior Management Team

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Second tier - quarterly oversight by the Trustees.

Third tier - annual review by the Auditor as part of the audit process.

Trustee reviews are undertaken at each quarterly Board meeting when the mitigation plan for all major risks is assessed against the ability to deliver the charity's outputs detailed in the annual Delivery Programme. In addition, each quarterly meeting considers detailed reports on the highest risks to ensure sufficient attention and resource is focused on treating or mitigating these risks. These mitigations are detailed on the risk register along with potential further actions that are being taken to further reduce risks where possible.

In addition, subsidiary charities within the Group make a report to each main Board meeting, including any risks that they wish to elevate to the Group Board. The Group FRAC reviews Group risk when they meet.

As Trustees we recognise there remain uncertainties that could affect our risk mitigation strategy through uncontrollable, external factors such as government policy, external focus on the charity sector fundraising profile and the wider economic conditions.

The areas below remain those of the highest potential risk if not mitigated:

The Royal Navy and Royal Marines Charity

Risk	Mitigation
Financial which includes: • A significant downturn in UK prosperity • War, conflict or catastrophic event • Poor investment fund management • Not meeting our Voluntary Income targets • Stock market Crash • Constraints on Corporate and Major Donors giving • Loss or reduction of funding streams • Not meeting identified need through developing our commissioning approach • A paucity of infrastructure support services These risks would reduce our capacity to deliver our strategy.	• We are reviewing our fundraising and engagement capability post Covid-19 to diversify our income opportunities as much as possible. • We have developed case studies of support provided by those we fund to improve our success at securing major individual and corporate gifts • We have a systematic approach to budget setting and financial planning including cashflow with detailed monthly monitoring during the year and quarterly forecasts are used to mitigate any budget/income pressures that arise during the year. • We regularly review our investment strategy and its performance managed by appointed external fund managers who are reviewed regularly. • We regularly review our reserves to combat macro-economic as well as other strategic shocks that could impact on the charity. • We have introduced a risk based reserves (RBR) policy to ensure we have a sufficient range of funds should a significant risk be realised. • We support additional identified need through our RBR policy funds above maximum and monitor spend closely • Project Dynamo investigates, using evidence and pilot projects, to provide insight as to how to reinforce the infrastructure from a beneficiary perspective.
Governance which includes: • Complex Group governance structure and impact of inappropriate activities by subsidiaries • Lack of compliance with legal and regulatory requirements • Breach of data and/or IT breach by external agents • Lack of impact/outcome evidence may lead to sub-optimal block grant making	• We continue to review our legal structure and will seek to simplify it further in the future with the Charity Commission. • Activities of subsidiaries are overseen by regular reports to the Group Board and Group Trustees sitting on Subsidiary Boards. • We review governance of group against CC8 governance code

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Risk	Mitigation
These risks will impact our operational delivery and increase regulatory scrutiny, both of which will impact our ability to deliver our objectives.	• We continue to focus on data protection following the introduction of GDPR regulations in May 2018 and cyber security. • We have developed and implemented a consent to contact campaign and are registered with the Fundraising Regulator to evidence our compliance with the Charities Act 2016. • We have a whistle-blowing policy (freedom to speak up) that is known to employees. There is a robust process for any issues arising from a disclosure to be dealt with promptly and properly. • We continue to develop an impact and monitoring capability of the grants we make, including ensuring safeguarding protocols are in place with those we fund.
Reputational which includes: • Adverse publicity of RN may affect public's perception of the charity's need for support and funds • Lack of control of funded organisation's activities These risks would impact our reputation which is absolutely essential to keep key stakeholders, funders and beneficiaries positively engaged in assisting us delivering our outcomes.	• We work very closely with RN Comms to mitigate the impact of any adverse change to the perception of the RN. • We have strong terms and conditions for those outside organisations we fund and we have a dedicated Relationship Director who maintains regular contact with these charities as well as our key stakeholders. • Through commissioning programmes and our commissioning manager we are strengthening the relationships we have with funded organisations. • We regularly review policies enacted during Covid as part of the normal business of the FRAC/IC
People and Asset Risk which includes: • Inability to recruit and retain people with the required skills and expertise • Not achieving best value from expenditure • Our infrastructure not being fit for purpose These risks would reduce our effectiveness to deliver our objectives, reducing our impact.	• People are our most important asset. We have reviewed the reward policy we have for all our employees in order to maintain and enhance retention. • Introduction of formal Talent Management Programme. • We carry out an annual staff survey and, from this, develop and implement an action plan to address key issues using a Staff Reference Group. • We have reviewed our Performance and Development Report to improve our performance and focus on learning and development. • We continue to review the suitability of our financial control measures to reduce the possibility of deliberate or accidental loss. • We have significantly refreshed our IT infrastructure during 2019 and introduced both cloud based storage as well as Office 365 which has meant all staff are able to work from home, a key requirement during the pandemic.

Royal Navy Officers' Charity

Risk	Mitigation
Loss of key Staff	Robust supersession planning Ongoing review of records, systems, plans and projects Internal cross desk training
Financial Viability	Close scrutiny by FASC, Audit, Regular reviews
Compliance	Operating in an honest and ethical manner Monitoring changes in regulation/legislation Ensuring high quality and timely legal advice

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Royal Marines Association - The Royal Marines Charity

Risk	Mitigation
Financial which includes: • Not meeting our Voluntary Income targets; • Constraining Corporate and Major Donors; • Loss or reduction of funding streams. These risks would reduce our capacity to deliver our strategy.	• We have diversified our income generation opportunities as much as possible, focusing particularly on strengthening the support of major individual and corporate donors, trusts and statutory grants. • In the COVID-19 context this means identifying companies, donors, trusts and foundations which have proved resilient in the economic downturn. • We are further developing measurement of whole social value to demonstrate impact to donors, and our marketing function in order better to promote case studies • We have a systematic approach to budget setting and financial planning with detailed monthly sequencing and monitoring during the year, with monthly cashflow projections and quarterly forecasts used to mitigate any budget/income pressures that arise during the year. • We regularly review our investment strategy and its performance managed by appointed external fund managers. • The Board has adopted a policy of holding between 5 and 6 months of expenditure in cash reserves, increased from 2-3 previously. • We have reviewed our insurance needs and provider to ensure financial losses are minimised.
Governance which includes: • Lack of compliance with legal and regulatory requirements; • Breach of data and/or IT breach by external agents; • Lack of impact/outcome evidence may lead to sub-optimal block grant making. These risks will impact our operational delivery and increase regulatory scrutiny, both of which will impact our ability to deliver our objectives.	• A Chair-led comprehensive governance review was completed in 2021, identifying areas of improvement for governance, skills gaps and trustee succession planning. • We have reviewed all Charity policies and ensured that all required Board level policies have been refreshed for 2022. • We are registered with the Fundraising Regulator to evidence our compliance with the Charities Act 2016 and comply with regulations; no complaints were received in 2021. • We benefit from the extensive cyber protection provided by our internet provider. • We have developed improved methods of monitoring the impact of grants made to individuals and organisations, including ensuring safeguarding protocols are in place with those we fund.
Reputational which includes: • Lack of control of funded organisations' activities; • Lack of control of membership branches and individual members. These risks would impact our reputation which is absolutely essential to keep key stakeholders, funders and beneficiaries positively engaged in assisting us delivering our outcomes.	• We are developing a PR function which will give the capability to respond to reputational challenge, with direct links into Navy Media. • We expect regular reports to the Board of Trustees from through year funded organisations and implement MOUs where appropriate. • We have revised terms and conditions for those outside organisations. • Our branch and membership byelaws are subject to close oversight from the Membership Committee.
People which includes: • Inability to recruit and retain people with the required skills and expertise; • Appropriate training and safeguarding for all staff;	• We have introduced a revised Performance and Development Report to improve our performance and focus on learning and development.

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Risk	Mitigation
Burnout due to increased demand for support. These risks would reduce our effectiveness to deliver our objectives, reducing our impact.	- We conduct an annual Training Needs Analysis, leading to whole staff training as appropriate, and individual education and learning needs being addressed. - We have built extra staffing resource to face increased demand. - We have introduced an Employee Assistance Programme and regularly consider staff workloads, promoting positive mental health and work-life balance.

The Naval Service Sports Charity

Risk	Mitigation
The risk is defined as a result of a stock market crash or poor Investment Fund management, funds under active management do not deliver planned capital value and income.	Investment Management is delegated to the RNRMC Investment Committee (IC) who carefully select investment managers; set realistic targets; and monitor results quarterly. The RNRMC Trustee on the NSSC Board is Chairman of the IC and also a member of the Finance, Risk and Audit Committee (FRAC). The RNRMC concluded a review of Investment Managers in May 2021 that resulted in a change of Investment Manager from Cazenove Capital Management to Sarasin & Partners with the transition completing on 30 June 2021.

Custodian Funds

The Royal Navy and Royal Marines Charity also holds other external funds as a custodian. These are funds with similar objects to the charity who support the same beneficiary pool and who don't have access to their own segregated investment portfolio. The capital is held and invested within the main portfolio by Sarasin who were appointed in 2021, with dividends being paid quarterly to the respective funds. Funds are held with a long term view but can be drawn down upon at any time. More information on the Custodian funds can be found in Note 23 of the statutory accounts.

Public Benefit

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commissions guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

The trustees have recognised the two principles of public benefit and believe that the RNRMC meets them, namely:-

- That there must be an identifiable benefit or benefits and they must be clear, related to the aims of the RNRMC and be balanced against any detriment or harm;
- The objects of the RNRMC are to focus on the relief in need, hardship or distress of disadvantaged persons, provide education and to improve the efficiency of the Naval Service. The range of the benefits deriving from benevolence activities includes the relief of poverty and improving the efficiency of other charities through the grants made. The RNRMC also provides its beneficiaries with facilities for sport and recreation.
- That the benefit must be to the public or to a section of the public. That the beneficiaries must be appropriate to the aims and, if to a section of the public, must not be unreasonably restricted and that those in poverty must not be excluded from the opportunity to benefit.
- The potential beneficiary group of the RNRMC is wide and includes not just current serving personnel, but also the vast majority of our beneficiaries who are former Naval Service personnel, families and dependants. Benevolence grants are all based on need demonstrated by the charities that apply for grants and do not duplicate state funding.

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In addition, the RNRMC provides public benefit by enhancing and promoting military efficiency, strengthening the moral component of the Royal Navy's and the Royal Marines' esprit de corps, which in turn brings tangible benefits to the public:-

1. the maintenance of maritime security with regard to the UK home bases and their people;
2. the Naval Service's global commitment to the furtherance of world peace and stability;
3. the protection of lawful maritime trade and the prevention of unlawful acts upon the high seas;
4. the contribution to enhanced morale and retention of Naval Service personnel.

INVESTMENT POLICY AND PERFORMANCE

Investment Oversight

During 2021 Sarasin Partners LLP became responsible for the investment management for the majority of the Group's funds, following a full investment management review. This arrangement gives strength to the Group and benefits from economies of scale.

A portion of the Group's funds remain held at Cazenove, which includes the RNRMC No 2 (private equity funds) and investments held by RNOG.

The oversight of the management of the RNRMC, NSSC and Royal Marines Association - The Royal Marines Charity's investments lies with the Investment Committee (IC). The IC meets every three months and is responsible for monitoring the performance of investment strategies approved by the respective Boards. Three independent investment advisors, Mr Alexander Crooke, of Janus Henderson Investors, Mr Bryan Burrough previously of Investec, Blackrock and Cazenove and Mr Mark Fitzgerald previously of Barclays Global Investors (BGI), Blackrock and HSBC advise the IC.

Every 5 years a formal review of the Investment Manager's performance over the period is to be carried out. In January 2021 a formal review was held and Sarasin was appointed as the new group investment manager after detailed scrutiny and review by the IC and its advisors. The Group Investment Policy was updated as a result of the review.

Transfers of the portfolio from Cazenove to Sarasin were made starting in June 21 and as at 31 Dec 2021 Sarasin held 79% of the total value of the investments (£70M) with the balance of £18m (21%) held by Cazenove.

In 2021 the following portfolios were held within the Group:-

1 - RNRMC (main portfolio)	2 - RMA The Royal Marines Charity	3 - RN Officers' Charity	4- RNRMC (No 2 Portfolio)
• RNRMC unrestricted funds • RNRMC restricted funds (unincorporated charities) • Naval Service Sports Charity • Custodian Funds	• Separate fund managed by same Sarasin team	• Separate fund managed independently by a Cazenove team	• Private Equity Fund (in distribution mode) managed independently by Cazenove team

Investment Policy & Strategy

The Investment Strategy and Investment Policy for the Group IC are regularly reviewed and updated as necessary, in March 2020 with Cazenove and subsequently in June 2021 with Sarasin. The policy detail which now follows relates to the current policy.

The overall investment objective is "to preserve and enhance the real capital value of the portfolio whilst supporting a sustainable withdrawal to fund current commitments".

The Charity seeks to achieve its objective within an acceptable level of risk for their assets, the parameters of which have been agreed with Sarasin & Partners; the objective is quantified as the need to generate over the long term a

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return of inflation (CPI) plus 3% per annum. This should allow the real value of the assets to be maintained whilst funding regular annual expenditure.

The return target and appropriate benchmark are defined in the discretionary agreement with Sarasin & Partners, who will ensure adherence to this policy.

The Trustees are keen not to jeopardise the objective of 'maximising risk adjusted total return' by targeting too high an income requirement and hence have adopted a yield target of around 1.75% of starting year capital values. Any further required withdrawals will be taken by the selling of capital assets.

Portfolio composite benchmark and permitted ranges

The below table outlines the composite benchmark, which was agreed with Sarasin and forms an important part of performance monitoring. It also details the lower and upper bounds for each asset class.

Asset Class	Low	Neutral	High	Benchmark Index
Cash	-	-	10.0	-
Government Bonds	-	7.5	30.0	ICE BofAML Gilts All Stocks Index
Corporate Bonds	-	7.5	-	ICE BofAML Sterling Non-Gilt
Total Bonds & Cash	-	15.0	40.0	
International Equities (£ hedged)	-	20.0	-	MSCI All Countries World (LC) GBP
International Equities	-	50.0	-	MSCI All Countries World
Total Equities	60.0	70.0	80.0	
Total Property	-	5.0	10.0	MSCI All Balanced Property Fund Index – One Quarter Lagged
Total Alternatives	-	10.0	20.0	SONIA Interest Rate Benchmark +2%
Total	-	100.0	-	
Sterling Weighting	40.0	52.0	60.0	

The alternative investments are broadly diversified and include commodities, infrastructure, hedge funds, and private equity.

The RNRMC Group's base currency is Sterling and currency hedging is permitted given the global nature of the investments.

2021 Main Investment Portfolio Values

The total portfolio value as held at Sarasin was £69,610,487

The below table outlines the Group asset allocation relative to the benchmark (as at 31.12.21):

Asset Allocation	£	Capital %	Benchmark %
Fixed Income	5,879,440	8.4	15.0
Equities	49,538,326	71.2	70.0
Property	4,076,856	5.9	5.0
Alternative Investments	7,763,212	11.2	10.0
Liquid Assets	2,352,654	3.4	-
Total	69,610,487	100.0	100.0

2021 Main Investment Portfolio Values for the Charity

The portfolio value as at 31st December 2021 was £57,416,303.

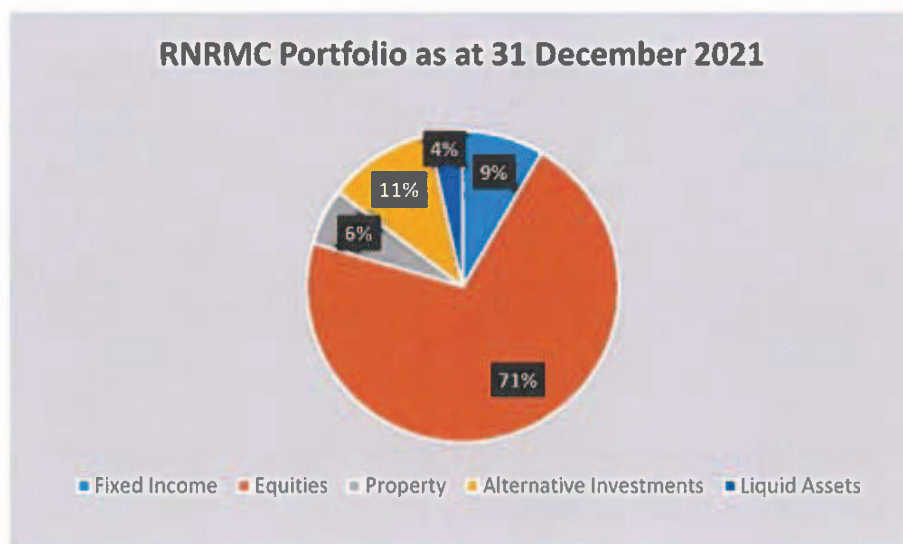
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The below table outlines the charity's' asset allocation relative to the benchmark (as at 31.12.21):

Asset Allocation	£	Capital %	Benchmark %
Fixed Income	4,874,342	8.5	15.0
Equities	40,751,351	71.0	70.0
Property	3,380,444	5.9	5.0
Alternative Investments	6,380,690	11.1	10.0
Liquid Assets	2,029,476	3.5	-
Total	57,416,303	100.0	100.0

We also detail below our rationale for each asset class:

- **Bonds – underweight** – global inflationary pressures are elevated and rising interest rate risks remain.
- **Equities – neutral** – reflecting monetary policy tightening and slowdown in economic growth.
- **Alternatives – overweight** – gold and other uncorrelated assets can be a hedge against policy error, while infrastructure and renewable investments offer inflation-linked returns.
- **Cash – overweight** – prefer cash given heightened uncertainty and risk of capital loss in bonds. Will seek to invest into risk-assets should our tactical view on markets become more positive.



More information on the Charities' Investments can be found in Note 20 of the statutory accounts.

Investment Restrictions

The Investment Manager is appointed with discretionary powers of investment under the Trustee Act 2000 and is subject to the terms of their investment management agreement. The trustees require that the Investment Manager pays attention to the standard investment criteria, namely the suitability of each class of investment and the need for diversification as appropriate to the circumstances of the various portfolios. The trustees have also set specific investment limits and restrictions for each portfolio, as well as appropriate benchmarks for their performance comparison.

The Trustees have considered whether they should impose any ethical restriction on the investment of the RNRMC Group assets by their investment managers. In doing so, they have concluded that they would not wish to restrict the investment managers ability to achieve their primary objective of seeking the best returns within the limits of the Group's overall investment policy. However, it is likely to be in the Group's long-term interests that its investments favour those companies that pursue ethical and socially responsible policies rather than those which do not. To that end, they have instructed the managers that they should consider this position when choosing investments for the Group accordingly.

Trustees recognises that its investments have wider impacts and seeks to align its investment strategy with its aims, reflecting the views of its stakeholders and taking into account broader public benefit. Trustees expect its investment managers to integrate Environmental, Social and Governance (ESG) considerations into the normal investment process

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and to fulfil the requirements of the UK Stewardship Code, actively engaging with the companies in which they invest to promote best practice corporate behaviour and sustainable business practices. Given its limited staff resources, it is not practical for the Charity to engage directly with individual companies, but it does expect its investment managers to report annually on their engagement activities and results. The Trustees expect its investment managers to apply ESG considerations to both segregated holdings and pooled holdings, taking account of the extent to which suitable alternative investment vehicles are available and bearing in mind de minimis considerations. The Charity will only appoint managers who are signatories to the UN Principles of Responsible Investment (UN PRI) and will take into account the ranking assigned to those managers by the UN PRI. The Charity may exclude certain stocks or sectors where these are seen to be in direct conflict with its objects and activities. Equally, where consistent with the financial objectives, the Charity seeks to invest in areas with positive environmental and / or social impact, such as clean energy and various areas of new technology. The Trustees recognise that climate change is a key challenge for the next decade and that limiting global temperature rises will require significant change in business, investment, technology development and fossil fuel use. The Charity monitors the carbon emissions of its main equity investment portfolio and through its investment managers seeks to reduce these emissions over time.

- No direct equity investment should exceed 5% of the total value of each portfolio.
- No direct investment in a regulated third-party fund (OEIC) should exceed 10% of the total value of each RNRMC Group portfolio during the period of investment.
- No direct investment in an unregulated third-party fund should exceed 2.5% of the total value of each RNRMC Group portfolio during the period of investment.
- The total amount in unregulated funds should not exceed 5% of each RNRMC Group's portfolio during the period of investment.
- Total investments in third party funds (regulated and unregulated) should not exceed 30% of the total value of each RNRMC Group portfolio during the period of investment.
- Total investments in third-party funds should not exceed 10% of each third-party fund's total value.
- Cash balances should be deposited with institutions with a minimum rating of A- or invested in a diversified money market fund. Deposits should be spread by counterparty, subject to a minimum of two counterparties, unless express permission is given by the IC.
- The portfolios are permitted to have indirect exposure to derivatives within the Funds, otherwise no unquoted stocks, derivatives, futures or underwriting are permitted. There will be no stock lending from directly held assets but stock lending within third party funds held will be accepted, provided the manager can display sufficiently robust risk controls to manage the stock lending process.

Performance

Sarasin Held Portfolio

During H2 2021, the portfolio generated a net return of +4.9%, slightly behind the benchmark of 5.7%.

Key factors that have impacted the portfolio's performance:-

- **Asset allocation had a positive impact** – the portfolio was overweight the best-performing assets (equities, property, alternatives), and underweight the worst-performing asset (bonds).
- **Bonds** – have fallen in value but the impact of this was mitigated by the significant underweight position we hold, with just 8.5% allocated to fixed income.
- **Equities** – as long-term investors, the equity allocation accounts for the largest portion of the portfolio and was up by 5.9% during the period. The returns lagged the broader global equity universe primarily due to stock selection in the health care sector.
- **Property** –experienced robust gains, up 9.6%, as demand for commercial property and rents have risen over the last year.
- **Alternative investments** – we had been careful to manage the risk-exposure within the alternatives, favouring uncorrelated assets such as gold, together with renewables and other infrastructure funds which often offer inflation-linked cash flows. The alternatives increased by 2.4%.

2021 as a whole

Global stock markets finished last year on a high, led once again by the United States, with Europe and to a lesser extent the UK providing support. Bond markets were dogged by the twin threats of inflation and rising interest rates, while alternative investments produced mixed results. When taken together, 2021 has turned out to be another good year for our investments.

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RNRMC Investment Fund no.2 Portfolio

The no.2 portfolio, which only holds private equity, performed well. The return for the period 1st Jan 2021 – 31st Dec 2021 was 26.6% as the fund continued to move through the distribution phase of its lifecycle.

RNOC portfolio

The RNOC portfolio, also held for the year to 31st Dec 2021, performed well too. Equities contributed the most with returns of 18.2%, North America being the strongest region over the year with a 26.8% return. Multi-asset funds and Alternatives also gave solid returns with 12.4% and 14.3% respectively. On the negative side, bonds proved a drag on the portfolio with only a 1.1% return. Overall, the portfolio achieved a return of 14.4% for the year.

On a total returns basis, the total return was 11.96%.

Cash Policy

In 2020 the FRAC approved a new cash policy for the RNRMC that established a long-term cash reserves policy for the RNRMC to ensure that funding agreed grant activity for the next 12 months was guaranteed. This policy applies to the RNRMC and acts as advice for the Group as necessary.

The Proposal: Sufficient cash is held to support our beneficiaries and operations for a minimum of 12 months. This would be based on a range between our forecast cash flow and the 'downside/contingent' cash flow forecast. In time the aim is to hold three years of our net cash requirement in cash or near cash instruments.

Reserves Policy

The Trustees have a reserves policy, which is to set aside sufficient free reserves so as to be able to meet or smooth out the unexpected fluctuations in charitable expenditure or shortfall in income so as to be able to meet the increasing needs of current beneficiaries and remain sustainable for both current and future generations, as well as meeting the needs of the wider Group entities.

As the national charity of the Royal Navy we provide the "Strategic Reserve" against future needs and we are committed to protecting the reserves for decades to come. The reserves of the RNRMC are complex. The restructure and merger with related charities has led to the amalgamation of previously separate funds into a more integrated and manageable organisational structure. Each legal entity within the Group has their own Reserves policy in line with their more specific strategic objectives and their Reserves are excluded from our calculations below. The individual reserves policies have all previously been based on calculated free reserves and a minimum required time period for coverage of expenditure. These policies excluded investments as non-liquid reserves.

The RNRMC Board have established a Group risk-based reserve policy with a minimum and maximum required reserves range in which they aim to operate. The change in calculation of reserves was made to reflect the Trustees desire to make sure it only holds the reserves required to cover its agreed risks which allowed the Board the ability to apply more funding to identified need for its current beneficiaries whilst not penalising its beneficiaries in the future.

Our risk-based reserves policy is underpinned by the group risk register and is linked with the charity's Strategic Objectives and Delivery Programme. This policy sets out five key areas of risk which our free reserves are there to support. These key areas are:-

- Governance
- Finance
- Reputation
- Stakeholders & Relationships
- People & Assets

Our structure is complex and is made up of a high percentage of restricted funds. We have managed to mitigate risk through these restricted funds thereby allowing us to show a lower unrestricted reserve range. This policy only covers our reserve requirement within our unrestricted funds.

A full review of our risk-based reserves policy has been undertaken in early 2022. This involved a full review of all current risks and their associated risk values. This has resulted in changes in the reserves we now need to hold. These changes have primarily been driven by the strategic direction of delivering more to our beneficiaries, and therefore when

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applying monetary values to risks, results the need to hold more funds. It has determined that the target range of general reserves (excluding those reserves represented by restricted funds and designated reserves) required by the charity as being between £14.6m and £23.4m.

Our current unrestricted and free reserves balance for the Charity stands at £27.4m.

The Trustees appreciate that this exceeds the current upper target reserves level by £3.2m therefore they have made the excess available for additional grant making over the next few year but this is heavily dependent on the challenges we face in both demand and also in sustainable income. The RNRMC Board are reviewing the spend down on the excess reserve against the expected increased need as a result of Covid-19 and the cost of living challenges and remain committed to meeting the requirement of the beneficiaries, which is likely to include additional support over the next couple of years.

The trustees conduct an annual review of the appropriate level of general reserves, and changes to the charity's risk profile, strategy and plan will be considered as part of that review. The output of the annual review informs subsequent planning and budgeting cycles.

Policy Calculations:

The total reserves for the charity as at 31 Dec 2021 were £90.3m (2020: £87.2m). For the Charity, unrestricted reserves formed £27.4m (2020: £28.9m) and Designated funds £0.75m (2020: £0.78m). Restricted reserves were £62.2m (2020: £57.6m).

Restricted and Designated reserves constitute £63m (2020: £58.3) of the total RNRMC group funds, this is made up of Subsidiary Charities managed by a separate Trustee body, or Restricted funds managed by relevant Sub Committees. More information on the makeup of these elements can be found in the notes to the Statutory accounts in note 26.

Area	Notes	Minimum Reserves Level	Maximum Reserves Level
Governance	<i>Potential cost for poor charity governance</i>	£0.5m	£1.4m
Finance	<i>Significant change in external environment amounting to income drop, or beneficiary need increase</i>	£12.8m	£18.4m
Reputation	<i>Effect on Voluntary Income</i>	£0.4m	£1.1m
Stakeholders and Relationships	<i>Relationship with Corporates / Key funders deteriorates</i>	£0.7m	£2.0m
People and Assets	<i>Significant increase in Staff Turnover and potential costs of restructure</i>	£0.2m	£0.5m
Range of Reserves Required		£14.6m	£23.4m

THE ROYAL NAVY AND ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

Acknowledgements

We Would Like To Thank You

With ongoing restrictions and remote working continuing in 2021, we had to be especially creative in how we communicated with our supporters and provided imaginative opportunities for them to get involved. Thanks to the technical wizardry of the studio team at CTN and the interviewing virtuosity of our Vice President Stephen Watson, our virtual 'View from the Bridge' series has gone from strength to strength, with candid conversations and insights into the global defence landscape from senior Royal Navy officers broadcast live into living rooms. Other digital firsts for the charity, included a free online will-writing service and our inaugural Virtual Field Gun Challenge, in which participants were challenged to train like a field gunner and run, row, lift or ride the number of nautical miles from Portsmouth to Port Elizabeth (the site where the Royal Navy Field Gun originated).

When circumstances allowed, our supporters came together for 'Stand Easy' coffee mornings and 165 people answered the call to host their own Trafalgar Night Dinners at home. Prodigious fundraiser Chief Petty Officer Andy "Gibbo" Gibbs spearheaded a Service-wide 'Charity Champions' initiative, recruiting serving personnel to help raise awareness of the RNRMC and the support it offers to sailors, marines and their families in ships, units and across the naval estate. We have continued to explore creative collaborations with a number of partners, including long-standing Platinum corporate partner ESS Defence, whose support enabled the publication of Galley, a unique collection of recipes from Royal Navy chefs interspersed with fascinating snippets of history and tradition with all the proceeds benefiting the RNRMC. Much as we would like to, we can't thank all of our donors, fundraisers, corporate, trust and other supporters individually here, but we are indebted to each and every one of you for your support in 2021. We also recognise that some of our most significant donors wish to remain anonymous

Leave a Gift in your Will

Every time someone leaves a gift to the Royal Navy and Royal Marines Charity in their Will, they help us to ensure that the United Kingdom's naval family are supported, for life. Every gift, of every size, has a lasting impact. We are indebted to all those who choose to support us in this way.

If you are moved to support the Royal Navy and Royal Marines Charity, the most wonderful gift you could ever make to support the nation's sailors, marines and their families won't cost you a penny in your lifetime but will help us transform lives in the future and for generations to come. The RNRMC offer two free Will options to suit all our supporters, either face to face or online.

To start a conversation about leaving a gift in your Will, please contact fundraising@nrnmc.org.uk or speak to a member of our friendly team on 023 9387 1520.

THE ROYAL NAVY AND ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

Statement of Trustees' Responsibilities

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

Company law requires the trustees to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 as amended by The Charities Accounts (Scotland) Amendment (No. 2) Regulations 2014.

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' Annual Report is approved by the trustees of the Charity. The Strategic Report, which forms part of the Annual Report, is approved by the trustees in their capacity as directors in company law of the Charity.

Signed on behalf of the Trustees on .28th July 2022.....



Dr Brian Gilvary
Chairman

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE ROYAL NAVY AND ROYAL MARINES CHARITY

Opinion

We have audited the financial statements of The Royal Navy and Royal Marines Charity for the year ended 31 December 2021 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group 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) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2021 and of the group's incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended) and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the charitable company 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 charitable company'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE ROYAL NAVY AND ROYAL MARINES CHARITY

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 or the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 47, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they 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 group and parent charitable company'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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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 an auditor's report 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE ROYAL NAVY AND ROYAL MARINES CHARITY

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are The Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
THE ROYAL NAVY AND ROYAL MARINES CHARITY**

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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.

Use of this report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditor's report addressed to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

Date: 15 August 2022

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds 2021 £	Total Funds 2020 £
INCOME & ENDOWMENTS						
Donations and legacies	4	2,084,784	4,006,480	-	6,091,264	5,643,152
Other trading activities		690,937	-	-	690,937	1,039,709
Investment income	5	499,988	1,216,014	-	1,716,002	2,286,071
		<u>3,275,709</u>	<u>5,222,494</u>	<u>-</u>	<u>8,498,203</u>	<u>8,968,932</u>
Charitable activities	6		3,200,991	-	3,200,991	2,292,673
Other income- CJRS grant		24,829	2,726	-	27,555	122,111
		<u>24,829</u>	<u>2,726</u>	<u>-</u>	<u>27,555</u>	<u>122,111</u>
Total operating income		<u>3,300,538</u>	<u>8,426,211</u>	<u>-</u>	<u>11,726,749</u>	<u>11,383,716</u>
EXPENDITURE						
Raising funds	7					
Investment management fees		208,611	396,160	-	604,771	583,069
Fundraising costs		1,508,103	975,874	-	2,483,977	2,356,929
		<u>1,716,714</u>	<u>1,372,034</u>	<u>-</u>	<u>3,088,748</u>	<u>2,939,998</u>
Total cost of raising funds		<u>1,716,714</u>	<u>1,372,034</u>	<u>-</u>	<u>3,088,748</u>	<u>2,939,998</u>
Charitable activities	8 & 9					
Commissioned Programmes		727,642	4,852,288	-	5,579,950	4,706,123
Through Life Pathway		495,442	3,880,374	-	4,375,816	3,057,023
Quality of Life Pathway		653,028	2,432,957	-	3,085,985	6,393,768
Fit for Life Pathway		74,534	497,039	-	571,573	658,321
End of Life Pathway		42,280	281,945	-	324,225	280,371
		<u>1,992,926</u>	<u>11,944,623</u>	<u>-</u>	<u>13,937,549</u>	<u>15,095,607</u>
Total charitable expenditure		<u>1,992,926</u>	<u>11,944,623</u>	<u>-</u>	<u>13,937,549</u>	<u>15,095,607</u>
Total operating expenditure		<u>3,709,640</u>	<u>13,316,657</u>	<u>-</u>	<u>17,026,297</u>	<u>18,035,605</u>
Net operating (expenditure)		<u>(409,102)</u>	<u>(4,890,446)</u>	<u>-</u>	<u>(5,299,548)</u>	<u>(6,651,889)</u>
Net gains/(losses) on investment assets		<u>2,543,554</u>	<u>5,867,424</u>	<u>-</u>	<u>8,410,978</u>	<u>(4,434,300)</u>
Net income/(expenditure)	15	<u>2,134,452</u>	<u>976,978</u>	<u>-</u>	<u>3,111,430</u>	<u>(11,086,189)</u>
Gross transfers between funds	16	<u>(3,633,441)</u>	<u>3,633,440</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>(1,498,989)</u>	<u>4,610,419</u>	<u>-</u>	<u>3,111,430</u>	<u>(11,086,189)</u>
Total funds brought forward	26	<u>29,852,531</u>	<u>56,725,732</u>	<u>655,649</u>	<u>87,233,912</u>	<u>98,320,098</u>
Total funds carried forward	26	<u>28,353,542</u>	<u>61,336,151</u>	<u>655,649</u>	<u>90,345,342</u>	<u>87,233,909</u>

The Charity has no recognised gains or losses for the year other than as detailed above.

The net movements in the Charity's funds for the year arise from the Charity's continuing activities.

The Notes on pages 53 to 81 form part of these accounts.

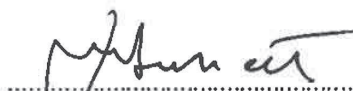
**THE ROYAL NAVY AND ROYAL MARINES CHARITY
BALANCE SHEET – GROUP AND CHARITY
AS AT 31 DECEMBER 2021**

	Note	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Fixed assets					
Intangible assets	18	242,886	116,794	16,907	9,032
Tangible assets	19	1,372,997	1,449,747	834,703	892,445
Investments	20	87,546,437	83,854,063	53,417,700	52,997,260
		<u>89,162,320</u>	<u>85,420,604</u>	<u>54,269,310</u>	<u>53,898,737</u>
Current assets					
Stock	21	310,372	250,189	-	-
Debtors	22	1,728,425	783,815	1,270,981	488,255
Cash at bank and in hand		8,790,736	8,612,273	6,304,645	6,152,605
		<u>10,829,533</u>	<u>9,646,277</u>	<u>7,575,626</u>	<u>6,640,860</u>
Liabilities					
Creditors falling due within one year	23	(9,612,444)	(7,787,969)	(8,728,531)	(6,940,840)
Net current assets		<u>1,217,089</u>	<u>1,858,308</u>	<u>(1,152,905)</u>	<u>(299,980)</u>
Total assets less current liabilities		<u>90,379,409</u>	<u>87,298,912</u>	<u>53,116,405</u>	<u>53,598,757</u>
Creditors due in more than one year	25	(34,067)	(45,000)	-	-
Net assets		<u>90,345,342</u>	<u>87,233,912</u>	<u>53,116,405</u>	<u>53,598,757</u>
Accumulated funds					
Permanent endowment	26	655,649	655,649	655,649	655,649
Restricted funds	26	61,336,151	56,725,732	24,278,994	23,270,582
Unrestricted funds	26	27,608,262	29,077,175	27,436,482	28,897,170
Designated funds	26	745,280	775,356	745,280	775,356
Total accumulated funds		<u>90,345,342</u>	<u>87,233,912</u>	<u>53,116,405</u>	<u>53,598,757</u>

The financial statements on pages 50 to 81 were approved by the trustees on 28th July 2022..... and signed on their behalf by:



Dr Brian Gilvary
Chair



Mr John Bartlett
Chair of the Finance, Risk
and Audit Committee

Company registration number 6047294

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
Cash flow/(outflow) from operating activities		
Net cash (used in) operating activities	(6,051,849)	(5,575,675)
Cash flows from investing activities		
Investment income and interest received	1,716,002	2,286,071
Proceeds from disposal of fixed asset investments excluding endowment funds	94,093,411	24,917,594
Acquisition of fixed asset investments excluding endowment funds	(89,374,807)	(17,899,823)
Payments to acquire tangible fixed assets	(30,671)	(916,870)
Payments to acquire intangible fixed assets	(167,690)	(107,767)
	<u>6,236,245</u>	<u>8,279,205</u>
Cash flow/(outflow) from financing activities		
New bank loan	(5,933)	50,000
Net increase/(decrease) in cash and cash equivalents	178,463	2,753,530
Cash and cash equivalents at beginning of year	8,612,273	5,858,743
Cash and cash equivalents at end of year	<u><u>8,790,736</u></u>	<u><u>8,612,273</u></u>

Reconciliation of net income/ (expenditure) to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure) including endowments	3,111,430	(11,086,186)
Adjustments for:		
Depreciation charges	107,421	119,089
Amortisation	41,598	9,032
Grant to MOD- fixed asset disposal	-	2,740,335
Loss on disposal of fixed asset	-	33,805
Net (gains)/ losses on investments	(8,410,978)	4,434,297
Investment income	(1,716,002)	(2,286,071)
Increase in stock	(60,183)	(27,659)
Decrease in debtors	944,610	477,250
Increase in creditors	1,819,475	10,433
Net cash (used in) operating activities	<u><u>(6,051,849)</u></u>	<u><u>(5,575,675)</u></u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements comprise the charity and its subsidiaries under Charity Commission Schemes or Uniting Directions.

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company and its subsidiaries are a public benefit group for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006 under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410), the Charities Act 2011 and Charities Accounts (Scotland) Regulations 2006 as amended by The Charities Accounts (Scotland) Amendment (No. 2) Regulations 2014.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

b) Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements and have considered the potential ongoing impact of the Covid-19 pandemic. In particular the trustees have considered the charity's forecasts and projections and have taken account of pressures on donation and investment income and likely impact of the pandemic on investment values and income, as well as expenditure. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

c) Group financial statements

These financial statements consolidate the results of the Charity and RNRMC Enterprises Limited, its wholly owned trading subsidiary, the Royal Naval Benevolent Society for Officers, as the Charity is a corporate trustee with a right of veto, the Naval Service Sports Charity, as the Charity is the sole member, and RMA - the Royal Marines Charity (including its own subsidiaries, The Royal Marines Shop Limited and TRMC Enterprises Limited), as the sole member from 1 April 2011, on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account are not presented for the Charity itself as the Charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

The corporate charity's financial statements aggregate its own results with those subsidiaries where the Charity Commission has issued a Uniting Direction for the purposes of accounting. The subsidiaries whose results are aggregated with those of the charitable company are:

Subsidiary 1 - The Naval Service Dependents' Fund (NSDF)
Subsidiary 2 - The Naval Service Benevolence Fund (NSBF)
Subsidiary 3 - The Fleet Air Arm Benevolent Trust (FAABT)

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. ACCOUNTING POLICIES (continued)

Subsidiary 4 - The Naval Service Amenity Fund (NSAF)
 Subsidiary 6 - The Naval Service Prizes and Awards Fund (NSPAF)
 Subsidiary 7 - Queen Alexandra's Royal Naval Nursing Service Trust Fund (QARNNS)
 Subsidiary 8 - Plymouth Royal Naval Aid Fund (PRNAF)
 Subsidiary 9 - The Sir Donald Gosling Maritime Reserve Amenity Fund (DGMRF)
 Subsidiary 10 - Naval Medical Compassionate Fund (NMCF)

Although subject to a Charity Commission Uniting Direction, the results of Subsidiary 5 - The Naval Service Sports Charity (NSSC) are not aggregated with those of the charitable company because the NSSC is a limited company and is therefore required to be treated on a consolidated basis.

d) Income

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Legacies are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy receivable can be measured reliably. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.

Income is deferred when the donor attaches conditions outside the Charity's own control or specifies that the resources are to be used in a future accounting period.

Investment income is received net of investment management fees but is grossed up in the accounts for investment management fees.

Government grants

Grants relating to revenue are recognised in income on a systematic basis over the periods in which the entity recognises the associated costs for which the grant is intended to compensate. This includes £27,555 (2020: £122,111) of Government assistance under the Coronavirus Job Retention Scheme (CJRS) relating to staff who were furloughed due to Covid-19.

e) Volunteers and donated services and facilities

The value of services provided by volunteers is not incorporated into these financial statements.

Where services are provided to the Charity as a donation that would normally be purchased, this contribution is included in the financial statements at an estimate based on the value of the contribution to the Charity.

f) Expenditure

Liabilities are recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity. Unconditional grant offers are accrued once the recipient has been notified of the grant award and its payment is probable. Grant awards that are subject to the recipient fulfilling performance or other conditions are accrued when the recipient has been notified of the grant and either the performance condition is met or any remaining unfulfilled condition attaching to the grant is outside of the control of the Charity.

g) Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. ACCOUNTING POLICIES (continued)

h) Allocation of overhead and support costs

Overhead, support and governance costs are allocated between the cost of raising funds and charitable activities. Overhead, support and governance costs relating to charitable activities have been apportioned between activities.

i) Costs of raising funds

The costs of raising funds consist of investment management fees and other direct costs of raising funds and an apportionment of governance, overhead and support costs.

j) Charitable activities

Costs of charitable activities include grants payable and other costs directly associated with providing sports, amenities, prizes and awards, dependants' grants or benevolence to beneficiaries and an apportionment of overhead, support and governance costs.

k) Governance costs

Governance costs comprise all costs involving the public accountability and running of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit, legal fees and trustee meeting expenses together with an apportionment of overhead and support costs.

l) Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable are charged to the Statement of Financial Activities in the period to which they relate.

m) Tangible fixed assets

Individual fixed assets costing £500 or more are capitalised at cost.

Freehold land and buildings are included in the financial statement at open market value, as determined periodically by professional valuers. They are not depreciated as their residual values are not materially different from carrying values included in the accounts.

Tangible fixed assets are depreciated on a straight line basis over their estimated useful economic lives as follows:

Freehold property	- over 50 years straight line
Computer and office equipment	- over 3 years straight line
Leasehold improvements	- over the life of the lease

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

n) Intangible fixed assets

Intangible fixed assets are amortised on a straight line basis over their estimated useful economic lives as follows:

Website and software	- over 3 years straight line

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. ACCOUNTING POLICIES (continued)

o) Fixed asset investments

Investments are initially measured at their cost and subsequently measured at their fair value at each reporting date. Fair value is based on their bid value at the balance sheet date without deduction of the estimated future selling costs.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the Statement of Financial Activities as 'gains or losses on investments' and are allocated to the appropriate fund holding or disposing of the relevant investment.

p) Realised gains and losses

All gains and losses are taken to the income and expenditure section of the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and original cost. Unrealised gains and losses are calculated as the difference between the market value at the end of the year and opening market value, or purchase date if later. Realised and unrealised gains are not separated in the Statement of Financial Activities.

q) Stock

Stock of goods for resale is stated at the lower of cost and net realisable value.

r) Heritage assets

The Charitable Group is the owner of a collection of Paintings, Silverware and other items. Many precious works are contained within messes across the Corps, which is housed and managed on behalf of the Charity by Serving Royal Marines within the Corps Secretariat. The collection is considered irreplaceable and as such it is not possible to attribute a reliable cost or value to it. It is additionally considered that the process of obtaining valuations of the collection would be disproportionate to any public benefit that might be derived and that it is impractical to apply conventional valuation techniques to the collection, due to the uniqueness of its nature.

s) Funds structure

The Charity has one permanent endowment, which requires the trustees to invest the capital in perpetuity; the income from this fund is wholly unrestricted.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. The funds of the subsidiaries noted under 1c) above are treated as restricted funds.

Unrestricted funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects.

Designated funds comprise those unrestricted funds where the trustees, at their discretion, have created a fund for a specific purpose.

t) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

u) Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES (continued)

enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 22 and 23 for the debtor and creditor notes.

v) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

w) Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements.

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

2. LEGAL STATUS OF THE CHARITY

The Charity is a company limited by guarantee and has no share capital. The members of the charity are the trustees listed on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. FINANCIAL ACTIVITIES OF THE CHARITY

The financial activities shown in the consolidated statement includes those of the RNRMC and its wholly owned trading subsidiary RNRMC Enterprises limited, and the RNOC, a charity in which the RNRMC is a trustee with the right of veto, the NSSC, a charitable company of which the RNRMC is the sole member, and RMA-TRMC (including its subsidiaries RM Shop Limited and TRMC Enterprises Limited) a charitable company of which the RNRMC is the sole member. A summary of the financial activities undertaken by the RNRMC and its subsidiaries, that are the subject of Charity Commission Schemes or Uniting Directions, is set out below:

	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds 2021 £	Total Funds 2020 £
INCOME & ENDOWMENTS					
Donations and legacies	2,166,079	48,078	-	2,214,157	3,300,168
Investment income	499,988	475,670	-	975,658	1,401,354
	2,666,067	523,748	-	3,189,815	4,701,522
Charitable activities		2,709,707	-	2,709,707	1,775,180
Other income- CJRS	-	-	-	-	54,547
Total operating income	2,666,061	3,233,455	-	5,899,522	6,531,249
EXPENDITURE					
Raising funds					
Investment management fees	208,611	198,956	-	407,567	413,847
Fundraising costs	1,112,378	17,002	-	1,129,380	1,063,124
Total cost of raising funds	1,320,989	215,958	-	1,536,947	1,476,971
Charitable activities					
Commissioned Programmes	-	4,106,603	-	4,106,603	3,721,137
Through Life Pathway	786,050	2,069,096	-	2,855,146	1,699,876
Quality of Life Pathway	883,883	1,563,881	-	2,447,764	2,688,072
Fit for Life Pathway	161,706	-	-	161,706	281,090
End of Life Pathway	-	238,615	-	238,615	209,904
Total charitable expenditure	1,831,639	7,978,195	-	9,809,834	8,600,079
Total operating expenditure	3,152,628	8,194,153	-	11,346,781	10,077,050
Net operating (expenditure)	(486,561)	(4,960,698)	-	(5,447,259)	(3,545,801)
Net gains/(losses) on investment assets	2,543,554	2,241,353	-	4,964,907	(2,908,704)
Net income/(expenditure)	2,056,993	(2,539,345)	-	(482,352)	(6,454,505)
Gross transfers between funds	(3,547,757)	3,547,757	-	-	-
Net movement in funds	(1,490,764)	1,008,412	-	(482,352)	(6,454,505)
Total funds brought forward	29,672,526	23,270,582	655,649	53,598,757	60,053,262
Total funds carried forward	28,181,762	24,278,994	655,649	53,116,405	53,598,757

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. VOLUNTARY INCOME

Year to 31 December 2021

	Unrestricted 2021 £	Restricted 2021 £	Endowment 2021 £	Total 2021 £
Donations	858,999	2,779,169	-	3,638,168
Royal Navy Payroll Giving Scheme	1,114,909	-	-	1,114,909
RM Day's Pay Giving Funds	-	532,985	-	532,985
Legacies	110,876	564,107	-	674,983
Other voluntary income	-	130,219	-	130,219
	<u>2,084,784</u>	<u>4,006,480</u>	<u>-</u>	<u>6,091,264</u>

Year to 31 December 2020

	Unrestricted 2020 £	Restricted 2020 £	Endowment 2020 £	Total 2020 £
Other donations	1,637,300	1,843,694	-	3,480,994
Royal Navy Payroll Giving Scheme	1,169,234	-	-	1,169,234
RM Corps subscriptions	-	525,373	-	525,373
Legacies	45,520	171,964	-	217,484
Other voluntary income	107,228	142,839	-	250,067
	<u>2,959,282</u>	<u>2,683,870</u>	<u>-</u>	<u>5,643,152</u>

THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5. INVESTMENT INCOME

Year to 31 December 2021

	Unrestricted 2021 £	Restricted 2021 £	Endowment 2021 £	Total 2021 £
Dividends – UK equities	204,795	560,721	-	765,516
Dividends – non UK equities	88,255	219,160	-	307,415
Fixed interest – UK	14,972	48,910	-	63,882
Income on property funds	97,113	210,215	-	307,328
Unit Trusts	89,910	134,935	-	224,845
Other	4,071	41,658	-	45,729
Interest on cash deposits	872	415	-	1,287
	<u>499,988</u>	<u>1,216,014</u>	<u>-</u>	<u>1,716,002</u>

Year to 31 December 2020

	Unrestricted 2020 £	Restricted 2020 £	Endowment 2020 £	Total 2020 £
Dividends – UK equities	224,873	867,546	-	1,092,419
Dividends – non UK equities	31,272	41,939	-	73,211
Fixed interest – UK	55,774	76,577	-	132,351
Income on property funds	105,920	122,918	-	228,838
Unit Trusts	357,481	401,333	-	758,814
Interest on cash deposits	162	276	-	438
	<u>775,482</u>	<u>1,510,589</u>	<u>-</u>	<u>2,286,071</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted 2021 £	Restricted 2021 £	Endowment 2021 £	Total 2021 £	Total 2020 £
Greenwich Hospital	-	1,375,000	-	1,375,000	1,375,000
Nuffield Trust	-	771,716	-	771,716	170,680
Armed Forces Covenant Fund Trust	-	352,080	-	352,080	210,750
Other grants received	-	702,195	-	702,195	536,243
	<u>-</u>	<u>3,200,991</u>	<u>-</u>	<u>3,200,991</u>	<u>2,292,673</u>

£2,221,673 of income from charitable activities in the year to 31 December 2020 was subject to specific restrictions imposed by the donor.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. COSTS OF RAISING FUNDS

Year to 31 December 2021	Unrestricted 2021 £	Restricted 2021 £	Endowment 2021 £	Total 2021 £
Investment management fees	208,611	396,160	-	604,771
Fund raising costs	1,508,103	975,874	-	2,483,977
	<u>1,716,714</u>	<u>1,372,034</u>	<u>-</u>	<u>3,088,748</u>
Year to 31 December 2020	Unrestricted 2020 £	Restricted 2020 £	Endowment 2020 £	Total 2020 £
Investment management fees	229,723	353,346	-	583,069
Fund raising costs	1,554,147	802,782	-	2,356,929
	<u>1,783,870</u>	<u>1,156,128</u>	<u>-</u>	<u>2,939,998</u>

8. ANALYSIS OF CHARITABLE EXPENDITURE

Analysis of charitable expenditure including support costs

Year to 31 December 2021

	Grants Payable 2021 £	Other Direct Costs 2021 £	Support Costs (See Note 11) 2021 £	Total 2021 £
Commissioned Programmes	4,090,848	-	1,489,102	5,579,950
Through Life Pathway	3,208,057	-	1,167,759	4,375,816
Quality of Life Pathway	2,241,259	28,890	815,836	3,085,985
Fit for Life Pathway	419,039	-	152,534	571,573
End of Life Pathway	237,700	-	86,525	324,225
Total	<u>10,196,903</u>	<u>28,890</u>	<u>3,711,756</u>	<u>13,937,549</u>

Year to 31 December 2020

	Grants Payable 2020 £	Other Direct Costs 2020 £	Support Costs (See Note 11) 2020 £	Total 2020 £
Commissioned Programmes	3,562,684	-	1,143,439	4,706,123
Through Life Pathway	2,314,263	-	742,761	3,057,024
Quality of Life Pathway	4,836,384	5,152	1,552,232	6,393,768
Fit for Life Pathway	498,370	-	159,951	658,321
End of Life Pathway	212,250	-	68,121	280,371
Total	<u>11,423,951</u>	<u>5,152</u>	<u>3,666,504</u>	<u>15,095,607</u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. ANALYSIS OF CHARITABLE EXPENDITURE (Continued)

Analysis of charitable expenditure by fund category including support costs

Year to 31 December 2021	From Unrestricted Funds 2021 £	From Restricted Funds 2021 £	Total 2021 £
Commissioned Programmes	727,642	4,852,308	5,579,950
Through Life Pathway	495,442	3,880,374	4,375,816
Quality of Life Pathway	653,028	2,432,957	3,085,985
Fit for Life Pathway	74,534	497,039	571,573
End of Life Pathway	42,280	281,945	324,225
Total	1,992,926	11,944,623	13,937,549

Year to 31 December 2020	From Unrestricted Funds 2020 £	From Restricted Funds 2020 £	Total 2020 £
Commissioned Programmes	515,835	4,190,288	4,706,123
Through Life Pathway	714,416	2,342,608	3,057,024
Quality of Life Pathway	1,197,695	5,196,073	6,393,768
Fit for Life Pathway	80,573	577,748	658,321
End of Life Pathway	34,315	246,056	280,371
Total	2,542,834	12,552,773	15,095,607

9. ANALYSIS OF GRANTS PAYABLE

Analysis of grants payable to individuals and institutions

Year to 31 December 2021	Grants to Institutions £	Total Individuals £	Total 2021 £
Commissioned Programmes	4,090,848	-	4,090,848
Through Life Pathway	2,069,597	1,138,460	3,208,057
Quality of Life Pathway	1,864,268	376,991	2,241,259
Fit for Life Pathway	263,403	155,636	419,039
End of Life Pathway	-	237,700	237,700
Total	8,288,116	1,908,788	10,196,903

Year to 31 December 2020	Grants to Institutions £	Total Individuals £	Total 2020 £
Commissioned Programmes	3,562,684	-	3,562,684
Through Life Pathway	1,338,282	975,981	2,314,263
Quality of Life Pathway	4,559,919	276,465	4,836,384
Fit for Life Pathway	472,483	25,887	498,370
End of Life Pathway	-	212,250	212,250
Total	9,933,368	1,490,583	11,423,951

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. ANALYSIS OF GRANTS PAYABLE (continued):

Analysis of institutions receiving grants of more than £25,000:

	2021
	£
Resilience Centre	1,300,000
Naval Children's Charity	720,000
RNBT	634,500
Kings Foundation	330,222
Sailors Children Society	239,000
Relate	229,700
SSAFA	181,648
RNA	144,817
TSF	131,732
Aggies	130,136
NSSC	120,000
HMS Drake	100,800
RBLI Village	100,000
CTCRM	96,901
The Poppy Factory	96,633
RFEA	93,636
YMCA	86,288
Broughton House	85,000
Alabare	81,535
Veterans Outreach Support	80,000
HMS Sultan	79,488
Portsmouth Military Mental Health Alliance	77,717
Royal Navy Family & People Support	76,263
HMS Spey	75,288
HMS Raleigh refurb Jutland Block	69,146
Care for Veterans	66,500
The Royal Alfred Seafarers	65,000
Home-Start	63,500
Gosport & Fareham Multi Academy Trust	62,000
Sparko	60,560
Defence Medical Welfare Services	60,000
Navy Mental Health Training	60,000
Veterans Aid	60,000
Combat Stress	55,000
Naval Families Federation	53,000
The White Ensign	51,000
Erskine	50,000
KIDS	50,000
Age UK (Veterans, advice information & support Portsmouth area)	45,799
Woody's Lodge	44,000
HMS Hurworth	43,821
Improving Lives Plymouth	40,000
RNAS Yeovilton	39,507
HMS Heron	38,180
Fighting With Pride	36,529
HMS Somerset	32,725
HMS Queen Elizabeth	31,285
Commonwealth Ex Service League	30,000
Fares4free	30,000
Prof Walker	30,000
Stoll	30,000
Turn to Starboard	30,000
Royal Navy Human Performance	25,760
Poppyscotland	25,000
Portsmouth Naval Gliding Centre	25,000
Winter Sports Association	25,000

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. ANALYSIS OF GRANTS PAYABLE (continued)

Analysis of institutions receiving grants of more than £25,000:

RMA-TRMC grants:

Globe & Laurel	84,126
Rock 2 Recovery CIC	78,820
Dame Agnes Weston's	45,321
Human Performance Operating Centre	32,229
Commando Training Centre Royal Marines	25,022

10. ANALYSIS OF GOVERNANCE COSTS

	Total 2021 £	Total 2020 £
Trustee meetings	6,161	7,524
Auditor's remuneration	78,358	74,588
Legal and professional fees	76,192	87,454
Other governance costs	2,971	5,613
Support costs - see Note 11	895,264	885,104
	<u>1,058,946</u>	<u>1,060,283</u>

The Support costs above that are included within Governance costs for the Group primarily include the costs relating to the CEO and CFO plus some other staff and represent the support necessary to deliver the management and reporting requirements for the Boards within the wider Group.

11. ALLOCATION OF SUPPORT COSTS AND OVERHEADS

Year to 31 December 2021

The breakdown of support costs and how these were allocated between cost of raising funds, charitable activities and governance costs for the year to 31 December 2021 is shown below.

Cost Type	Raising Funds 2021 £	Charitable Activities 2021 £	Governance 2021 £	Total allocated 2021 £	Basis
Staff costs	576,570	2,358,699	733,818	3,669,087	Staff time
Administration	152,096	456,290	152,096	760,482	Usage
Insurance	9,347	28,048	9,350	46,745	Usage
Depreciation and amortisation	74,510	74,510	-	149,020	Usage
	<u>812,523</u>	<u>2,917,547</u>	<u>895,264</u>	<u>4,625,334</u>	
Direct governance costs	-	-	163,682	163,682	Actual
	<u>812,523</u>	<u>2,917,547</u>	<u>1,058,946</u>	<u>4,789,016</u>	
Allocation of governance & support costs	264,737	794,209	(1,058,946)	-	Usage
	<u>1,077,260</u>	<u>3,711,756</u>	<u>-</u>	<u>4,789,016</u>	

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. ALLOCATION OF SUPPORT COSTS AND OVERHEADS (continued)

Year to 31 December 2020

The breakdown of support costs and how these were allocated between cost of raising funds, charitable activities and governance costs for the year to 31 December 2020 is shown below.

Cost Type	Raising Funds 2020 £	Charitable Activities 2020 £	Governance 2020 £	Total allocated 2020 £	Basis
Staff costs	557,043	2,278,812	708,963	3,544,818	Staff time
Administration	168,887	506,665	161,889	844,441	Usage
Insurance	7,251	21,754	7,252	36,257	Usage
Depreciation and amortisation	64,060	64,061	-	128,121	Usage
	<u>797,241</u>	<u>2,871,292</u>	<u>885,104</u>	<u>4,553,637</u>	
Direct governance costs	-	-	175,179	175,179	Actual
	<u>797,241</u>	<u>2,871,292</u>	<u>1,060,283</u>	<u>4,728,816</u>	
Allocation of governance & support costs	265,071	795,212	(1,060,283)	-	Usage
	<u>1,062,312</u>	<u>3,666,504</u>	<u>-</u>	<u>4,728,816</u>	

The total support costs including governance costs attributable to charitable activities is then apportioned based on the number of grants awarded during the year for each activity as shown below:

	Percentage of grants awarded		Percentage of grants awarded	
	2021	2021	2020	2020
	%	£	%	£
Programme Spend	40	1,489,102	31	1,143,439
Through Life Pathway	31	1,167,759	20	742,761
Quality of Life Pathway	11	815,836	42	1,552,232
Fit for Life Pathway	4	152,534	4	159,951
End of Life Pathway	2	86,525	2	68,121
	<u>100</u>	<u>3,711,756</u>	<u>100</u>	<u>3,666,504</u>

12. ANALYSIS OF STAFF COSTS

	2021 £	2020 £
Salaries and wages	3,119,352	3,006,617
Social security costs	331,603	320,584
Pension costs	218,132	217,617
	<u>3,669,087</u>	<u>3,544,818</u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
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12. ANALYSIS OF STAFF COSTS (continued)

The number of employees whose emoluments (salaries, social security costs and benefits in kind) fell within the following bands:

	2021 Number	2020 Number
£100,000 - £110,000	1	-
£90,000 - £99,999	-	1
£80,000 - £89,999	1	1
£70,000 - £79,999	4	3
£60,000 - £69,999	5	4
	<u>11</u>	<u>10</u>

The number of employees earning £60,000 or above for whom pension contributions have been paid in the year is eleven (2020: nine). The total pension contributions paid by the Charity during the year for employees earning more than £60,000 was £60,290 (2020: £45,834).

13. STAFF NUMBERS

The average number of full time equivalent employees (including casual and part time staff) during the period was as follows:

	2021 Number	2020 Number
Direct charitable - Sports	8	8
Direct charitable - Benevolence	27	22
Support	48	42
	<u>83</u>	<u>72</u>

14. TRUSTEES AND KEY MANAGEMENT PERSONNEL

No trustee received emoluments in the period (2020: none). Total travel expenses of £980 (2020: £324) were paid to seven (2020: two) trustees during the period.

Within the RNRMC there are nine unincorporated charities, six charitable companies, and one charity with a Royal Charter now integrated within the Group structure, representing the overwhelming majority of the naval charity sector. Each of these entities has a CEO or equivalent that form part of the team that we class as our key management personnel. These personnel are supported by the RNRMC Senior Leadership Team (SLT).

Therefore the Key management personnel include the Trustees, Chief Executive and the Group CEOs. The total employee benefits of the charity's key management personnel were £371,774 (2020: £373,266). No trustee received any remuneration as part of this figure.

15. MOVEMENT IN NET FUNDS FOR THE YEAR

	2021 £	2020 £
Movement in net funds is stated after charging/(crediting):		
Auditor's remuneration (including irrecoverable VAT):		
- Statutory audit (current year)	48,764	44,040
- Taxation	565	1,045
- Other	29,029	29,503
Depreciation - owned assets	107,421	119,089
Amortisation	41,598	-
	<u>187,377</u>	<u>193,677</u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
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16. TRANSFER BETWEEN FUNDS

Transfers between funds relate to amounts allocated by the RNRMC general funds to some its subsidiaries.

17. TAXATION

The company is a registered charity and no provision is considered necessary for taxation.

18. INTANGIBLE FIXED ASSETS - GROUP

	Website & software
Cost or valuation	£
As at 1 January 2021	290,359
Additions	167,690
Disposals	-
As at 31 December 2021	458,049
Amortisation	
As at 1 January 2021	173,565
Charge for the year	41,598
Eliminated on disposal	-
As at 31 December 2021	215,163
Net book value	
As at 31 December 2021	242,886
As at 31 December 2020	116,794

18. INTANGIBLE FIXED ASSETS - CHARITY

	Website
Cost or valuation	£
As at 1 January 2021	34,392
Additions	16,907
Disposals	-
As at 31 December 2021	51,299
Depreciation	
As at 1 January 2021	25,360
Charge for the year	9,032
Eliminated on Disposals	-
As at 31 December 2021	34,392
Net book value	
As at 31 December 2021	16,907
As at 31 December 2020	9,032

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19. TANGIBLE FIXED ASSETS - GROUP

	Leasehold Improvements	Freehold property	Office and computer equipment	Total
Cost or valuation	£	£	£	£
As at 1 January 2021	898,464	550,000	301,211	1,749,675
Additions	-	-	30,671	30,671
Disposals	-	-	-	-
As at 31 December 2021	<u>898,464</u>	<u>550,000</u>	<u>331,882</u>	<u>1,780,346</u>
Depreciation				
As at 1 January 2021	67,671	20,484	211,773	299,928
Charge for the year	35,105	11,987	60,329	107,421
Eliminated on disposal	-	-	-	-
As at 31 December 2021	<u>102,776</u>	<u>32,471</u>	<u>272,102</u>	<u>407,349</u>
Net book value				
As at 31 December 2021	<u>795,688</u>	<u>517,529</u>	<u>59,780</u>	<u>1,372,997</u>
As at 31 December 2020	<u>830,793</u>	<u>529,516</u>	<u>89,438</u>	<u>1,449,747</u>

19. TANGIBLE FIXED ASSETS – CHARITY

	Leasehold Improvements	Freehold property	Office and computer equipment	Total
Cost or valuation	£	£	£	£
As at 1 January 2021	888,594	-	215,899	1,104,493
Additions	600	-	26,669	27,269
Disposals	-	-	-	-
As at 31 December 2021	<u>889,194</u>	<u>-</u>	<u>242,568</u>	<u>1,131,762</u>
Depreciation				
As at 1 January 2021	67,671	-	144,377	212,048
Charge for the year	35,105	-	49,906	85,011
Eliminated on disposal	-	-	-	-
As at 31 December 2021	<u>102,776</u>	<u>-</u>	<u>194,283</u>	<u>297,059</u>
Net book value				
As at 31 December 2021	<u>786,418</u>	<u>-</u>	<u>48,285</u>	<u>834,703</u>
As at 31 December 2020	<u>820,923</u>	<u>-</u>	<u>71,522</u>	<u>892,445</u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
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20. FIXED ASSET INVESTMENTS

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Movements in fixed asset investments				
Market value brought forward	83,854,063	95,306,131	52,997,260	61,504,028
Additions at cost	89,374,807	17,899,823	67,330,262	10,873,561
Disposals at carrying value	(94,093,411)	(24,917,594)	(71,874,730)	(16,471,619)
Net gain/(loss) on revaluation	8,410,978	(4,434,297)	4,964,908	2,908,710
Market value carried forward	<u>87,546,437</u>	<u>83,854,063</u>	<u>53,417,700</u>	<u>52,997,260</u>

Analysis of market value of investments by type:

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Unlisted – RNRMC Enterprises Limited	-	-	100,000	100,000
Equities	61,262,759	58,591,459	37,198,815	38,023,012
Bonds	9,875,485	9,718,381	5,460,891	6,339,768
Alternative investments	13,889,763	14,484,383	8,910,199	8,111,180
Cash	2,518,430	1,059,840	1,747,795	423,300
	<u>87,546,437</u>	<u>83,854,063</u>	<u>53,417,700</u>	<u>52,997,260</u>

Analysis of market value of investments between those held within and outside the United Kingdom:

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Within the United Kingdom	35,618,315	68,331,319	17,448,131	48,402,188
Outside the United Kingdom	51,928,122	15,522,744	35,969,569	4,595,072
	<u>87,546,437</u>	<u>83,854,063</u>	<u>53,417,700</u>	<u>52,997,260</u>

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21. STOCK	Group 2021 £	Group 2020 £	Charity 2020 £	Charity 2019 £
Goods for resale	310,372	250,189	-	-

22. DEBTORS	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Naval Service assisted travel loans	2,074	791	2,074	791
Accrued income	465,049	321,544	141,643	153,482
Owed from subsidiary undertakings	-	-	67,600	129,357
Other debtors and prepayments	1,261,302	461,480	1,059,664	204,625
	<u>1,728,425</u>	<u>783,815</u>	<u>1,270,981</u>	<u>488,255</u>

23. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Bank loan	10,000	5,000	-	-
Grants payable	3,303,385	2,863,869	3,247,622	2,688,720
Taxation and social security	115,194	106,454	48,457	35,534
Accrued expenses and Custodian funds	5,162,986	4,807,582	4,500,696	4,137,838
Deferred income (see Note 24)	1,020,879	5,064	908,663	-
Owed to subsidiary undertakings	-	-	23,093	78,748
	<u>9,612,444</u>	<u>7,787,969</u>	<u>8,728,531</u>	<u>6,940,840</u>

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23. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

Custodian funds

The RNRMC holds custodian funds on behalf of RNRM Welfare, UIF CTCRM (Unit Institute Fund Commando Training Centre Royal Marines), Royal Navy Association, Royal Navy Football Association, RNRM Sports Lottery, Porth Kerris LIBOR Fund and the Globe and Laurel Magazine Fund. These amounts are included within creditors above.

Entity	Principal Object	Held	2021 £	2020 £
RNRM Welfare	the Royal Navy's secondary (specialist) welfare service for naval service personnel and their families	Cash	£ 430	£ 430
UIF CTCRM	a registered charity whose principal object is the promotion of efficiency of the armed forces of the Crown by the provision and support of facilities and activities for the efficiency and well-being of Service personnel	Investment Portfolio with Sarasin and cash	£ 350,083	£ 319,872
Globe and Laurel Magazine Fund	a registered charity whose principal object is management, publication and sale of the Corps Journal of the Royal Marines	Investment Portfolio with Sarasin and cash	£ 270,964	£ 247,579
Royal Naval Association	a registered charity whose principal object is to foster comradeship and "esprit de corps" among those who have served or are serving in Her Majesty's Naval Forces	Investment Portfolio with Sarasin	£ 1,838,740	£ 1,680,054
The Royal Navy Football Association	a registered charity whose principal object is to promote the physical efficiency of members of the Royal Navy and Royal Marines	Investment Portfolio with Sarasin and cash	£ 109,194	£ 99,771
RNRM Sports Lottery	a non-public fund which was set up to generate funds to support all levels of sport, adventure training and recreation in the Naval Service	Investment Portfolio with Sarasin and cash	£ 1,099,205	£ 1,004,341
Porth Kerris LIBOR fund	A grant received from the LIBOR fines fund to support a specific RN Project at Porth Kerris	Investment Portfolio with Sarasin	£ 300,000	£ 300,000

This activity falls within the RNRMC's principal object which is the promotion of the efficiency of the Naval Service and the Auxiliaries. By assisting these entities RNRMC's objects are being furthered allowing grants to be paid through proper financial and governance channels for RNRM Welfare and increasing the investment income potential by benefitting from beneficial rates offered to larger portfolios. Memorandums of Understanding are in place with all three entities and all custodian funds are accounted for separately.

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24. DEFERRED INCOME

Deferred income comprises grants received for future financial periods

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Balance at 1 January	5,064	69,766	-	-
Amount released to incoming resources	(5,064)	(69,766)	-	-
Amount deferred in year	1,020,879	5,064	908,663	-
Balance at 31 December	<u>1,020,879</u>	<u>5,064</u>	<u>908,663</u>	<u>-</u>
Analysis:				
Release within one year	<u>1,020,879</u>	<u>5,064</u>	<u>908,663</u>	<u>-</u>
	<u>1,020,879</u>	<u>5,064</u>	<u>908,663</u>	<u>-</u>

25. CREDITORS:

AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Bank loan	34,067	45,000	-	-
	<u>34,067</u>	<u>45,000</u>	<u>-</u>	<u>-</u>

During the prior year the subsidiary company, TRMC Enterprises Limited, obtained a bank loan from Lloyds Bank plc under the Governments Coronavirus Bounce Back Loan scheme. Interest is payable at 2.5% from July 2021 and the loan is repayable by June 2026. The amount due in more than five years is £5,000.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
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26. ANALYSIS OF CHARITABLE FUNDS

Analysis of unrestricted fund movements – current year

	Balance at 01.01.2021 £	Income £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2021 £
RNRMC general funds	28,897,170	2,608,369	(2,875,605)	(3,737,006)	2,543,554	27,436,482
Designated						
DRUMFORK	69,393	-	-	-	-	69,393
Building 37	705,963	-	(30,076)	-	-	675,887
Group and Charity designated total	775,356	-	(30,076)	-	-	745,280
RNRMC Enterprises Limited	-	177,880	(139,802)	(38,078)	-	-
Royal Marines Shop Limited	180,005	465,934	(459,607)	(20,000)	-	166,332
TRMCE	-	48,355	(204,550)	161,643	-	5,448
Group unrestricted total	29,852,531	3,300,538	(3,709,640)	(3,633,441)	2,543,554	28,353,542

Analysis of restricted fund movements – current year

	Balance at 01.01.2021 £	Income £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2021 £
Charity						
Naval Service Benevolence Fund	-	1,389,214	(5,306,204)	3,849,702	67,288	-
Naval Service Dependents' Fund	10,619,413	218,392	(316,939)	(816,945)	1,110,406	10,814,327
Naval Service Amenity Fund	499,469	-	(1,014,468)	514,999	-	-
Prizes and Awards Fund	4,870,209	100,352	(210,836)	-	511,074	5,270,799
FAA Benevolent Trust	4,991,392	99,573	(106,436)	-	506,614	5,491,143
QARNNS Trust Fund	917,613	23,575	(9,230)	-	93,328	1,025,286
Plymouth Royal Naval Aid Fund	258,536	5,181	(4,568)	-	26,394	285,543
Sir Donald Gosling Naval Aid	276,532	5,657	(9,777)	-	28,815	301,227
Naval Medical Compassionate Fund	758,823	15,205	(18,362)	-	77,434	833,100
Nuffield Trust	28,479	771,716	(799,049)	-	-	1,146
The Submarine Fund	50,116	127,086	(43,015)	-	-	134,187
Armed Forces Covenant Fund - SF	-	220,500	(179,350)	-	-	41,150
Armed Forces Covenant Fund - TL	-	35,000	(35,000)	-	-	-
OARD	-	42,734	-	-	-	42,734
Helping Jim	-	14,513	(1,203)	-	-	13,310
Paul Morris	-	164,758	(139,716)	-	-	25,042
Charity restricted total	23,270,582	3,233,456	(8,194,153)	3,547,756	2,421,353	24,278,994

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26. ANALYSIS OF CHARITABLE FUNDS (continued)

Group	Balance at 01.01.2021 £	Income £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2021 £
Naval Service Sports Charity	4,907,476	407,697	(622,060)	100,380	491,789	5,285,282
NSSC- RNRU fund	635	-	(635)	-	-	-
RNOC (RNBSO) - general funds	15,020,868	804,104	(785,874)	-	1,778,776	16,817,874
RNOC - RN Scholarship Fund	326,705	8,386	(43,839)	-	2,311	303,563
RMA-TRMC general funds	5,447,114	2,702,753	(1,498,112)	547,186	550,076	7,749,017
Marines museum fund	1,000,000	-	-	-	-	1,000,000
RMA	1,556,775	62,015	(368,591)	(690,334)	141,088	700,953
RM Benevolence Fund	1,537,609	427,193	(1,122,322)	126,948	184,222	1,153,650
RM Cadet Fund	128,893	2,066	(1,009)	-	10,993	140,943
RM Central Sergeants' Mess Fund	914,403	148,804	(152,416)	(17,592)	86,769	979,968
RM Central Unit Institute Fund	1,271,918	294,616	(117,530)	(92,650)	106,415	1,462,769
RM Officers' Trust Fund	1,121,116	143,422	(105,214)	(7,037)	93,632	1,245,919
Armed forces Covenant Trust - PP	33,250	-	(35,309)	-	-	(2,059)
Armed forces Covenant Trust - FFC	19,000	-	(8,413)	-	-	10,587
Armed forces Covenant Trust - SS	-	47,456	(16,852)	-	-	30,604
Armed forces Covenant Trust - OTM	-	122,624	(88,692)	-	-	33,932
RMSA	160,893	21,619	(155,636)	117,279	-	144,155
TRMC Enterprises Limited	(1,505)	-	-	1,505	-	-
Group Restricted Total	56,725,732	8,426,211	(13,316,657)	3,633,441	5,867,424	61,336,151

Analysis of permanent endowment fund movements – current year

	Balance at 01.01.2021 £	Incoming resources £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2021 £
Naval Service Benevolence Fund	655,649	-	-	-	-	655,649
Permanent Endowment Total	655,649	-	-	-	-	655,649

Analysis of unrestricted fund movements – prior year

	Balance at 01.01.2020 £	Income £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2020 £
RNRMC general funds	33,151,671	3,876,942	(3,324,259)	(3,095,104)	(1,712,080)	28,897,170
Designated						
DRUMFORK	145,831	-	(76,438)	-	-	69,393
LIBOR- Afghanistan	91,629	19	(3,350)	(88,298)	-	-
Building 37	736,039	-	(30,076)	-	-	705,963
Group and Charity designated total	973,499	19	(109,864)	(88,298)	-	775,356
RNRMC Enterprises Limited	-	581,859	(472,711)	(109,148)	-	-
Royal Marines Shop Limited	139,376	460,499	(419,870)	-	-	180,005
Group unrestricted total	34,264,546	4,919,319	(4,326,704)	(3,292,550)	(1,712,080)	29,852,531

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26. ANALYSIS OF CHARITABLE FUNDS (continued)

Analysis of restricted fund movements – prior year

	Balance at 01.01.2020 £	Income £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2020 £
Charity						
Naval Service Benevolence Fund	-	1,420,420	(4,528,096)	3,141,080	(33,404)	-
Naval Service Dependants' Fund	11,023,709	289,179	(290,180)	-	(403,295)	10,619,413
Naval Service Amenity Fund	1,286,844	139,799	(930,665)	276,063	(272,572)	499,469
Naval Service Prizes and Awards Fund	5,119,758	140,375	(197,519)	-	(192,405)	4,870,209
FAA Benevolent Trust	5,188,192	133,657	(118,268)	-	(212,189)	4,991,392
QARNNS Trust Fund	938,470	29,451	(15,249)	-	(35,059)	917,613
Plymouth Royal Naval Aid Fund	264,449	6,884	(3,927)	-	(8,870)	258,536
Sir Donald Gosling Maritime Reserve Amenity Fund	286,646	7,490	(6,945)	-	(10,659)	276,532
Naval Medical Compassionate Fund	772,738	20,144	(5,888)	-	(28,171)	758,823
Nuffield Trust	3,192	171,938	(146,651)	-	-	28,479
Naval Service Recovery Pathway Fund	-	-	-	-	-	-
SMBF	10,000	1,486	(10,318)	48,948	-	50,116
LIBOR 2016	-	-	77,483	(77,483)	-	-
LIBOR 2017	378,445	9,166	(111,546)	(276,065)	-	-
Armed forces Covenant Trust Fund	-	158,500	-	(158,500)	-	-
Charity restricted total	25,272,443	2,528,489	(6,287,769)	2,954,043	(1,196,624)	23,270,582
Group						
Naval Service Sports Charity	5,203,194	418,319	(703,150)	178,350	(189,282)	4,907,476
NSSC- RNRU fund	635	-	-	-	-	635
NSSC-Talented Athlete fund	400	-	(400)	-	-	-
RNOC (RNBSO) - general funds	15,829,511	551,508	(699,812)	-	(660,339)	15,020,868
RNOC - RN Scholarship Fund	356,345	9,282	(15,000)	-	(13,922)	336,705
RMA-TRMC general funds	6,671,707	1,565,022	(4,098,202)	1,588,825	(280,238)	5,447,114
Marines museum fund	1,000,000	-	-	-	-	1,000,000
RMA-TRMC LIBOR Fund	537,422	-	-	(537,422)	-	-
RMA	1,815,694	173,584	(381,044)	(3,313)	(48,146)	1,556,775
RM Benevolence Fund	2,376,874	501,499	(1,169,619)	-	(171,145)	1,537,609
RM Cadet Fund	132,844	2,859	(833)	-	(5,977)	128,893
RM Central Sergeants' Mess Fund	938,315	161,178	(107,863)	(29,455)	(47,772)	914,403
RM Central Unit Institute Fund	1,291,056	291,192	(97,337)	(155,132)	(57,861)	1,271,918
RM Officers' Trust Fund	1,069,470	148,173	(33,834)	(11,782)	(50,911)	1,121,116
TRIM4Veterans Fund	832,705	55,018	(3,477)	(884,246)	-	-
CTC Family Centre	3,687	-	-	(3,687)	-	-
Armed forces Covenant Trust Fund - PP	-	33,250	-	-	-	33,250
Armed forces Covenant Trust Fund - FFC	-	19,000	-	-	-	19,000
RMSA	67,601	6,024	(109,101)	196,369	-	160,893
TRMC Enterprises Limited	-	-	(1,505)	-	-	(1,505)
Group Restricted Total	63,399,903	6,464,397	(13,708,901)	3,283,960	(2,722,217)	56,725,732
	Balance at 01.01.2020 £	Incoming resources £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2020 £
Naval Service Benevolence Fund	655,649	-	-	-	-	655,649
Permanent Endowment Total	655,649	-	-	-	-	655,649

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Classification of Group Funds

The RNRMC has a fund structure consisting of unrestricted, designated, restricted and one permanent endowment fund.

Unrestricted Fund – this fund represents those funds which have not been designated, and are available to support any of the objects of the parent charity.

Designated Funds – are held against known commitments as explained below and are a category of unrestricted funds:

- LIBOR – Afghanistan – the designated funds to be used to primarily support the families of the fallen and wounded, injured and sick veterans of the Afghanistan Campaign. These funds were spent in 2020.
- Drumfork – In 2015, the RNRMC received a £2m donation from HM Treasury for the refurbishment of the Drumfork club in Helensburgh, Scotland. The RNRMC designated £1m from its own funds in October 2017 to ensure the completion of the project, of which £931k has been spent. £69k remains in the designated fund for fixtures and fittings across 2022.
- Building 37 – In 2017, the Trustees designated £770k for the renovation of Buildings 37 and 35 within HMS Excellent, Portsmouth in order to give the charity a fit for purpose working environment for the next 25 years. The designated fund will be retained to depreciate the cost over the term of the lease with the MOD (25 years) and is considerably less than the commercial rental rates of £40k per annum (£1m over the lease period at today's rates).

Permanent Endowment – held separately as part of the Naval Service Benevolence Fund.

Restricted Funds - the subsidiary charities are all restricted funds and are grouped under two main headings in order to achieve the RNRMC's charitable objectives. Each subsidiary's funds are restricted by the provisions of that charity's governing instrument, whether Royal Charter*, Memorandum of Association** or Charity Commission Scheme***.

Benevolence	Promotion of Efficiency
Royal Navy Officers' Charity*	Naval Service Amenity Fund***
Naval Service Benevolence Fund***	Naval Service Prizes and Awards Fund***
Plymouth Royal Naval Aid Fund ***	Naval Service Sports Charity**
Naval Medical Compassionate Fund***	Naval Service Dependants' Fund***
	Fleet Air Arm Benevolent Trust ***
	Sir Donald Gosling Maritime Reserve Amenity Fund***
	Royal Marines Sports Association**
Charities with dual objects	
	Queen Alexandra's Royal Naval Nursing Service Trust Fund***
	The Royal Marines Association - The Royal Marines Charity **

The remaining restricted funds that are not mentioned in the table above have been received as restricted income rather than existing as separate charities merged within the RNRMC umbrella.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

27. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

As at 31 December 2021	Unrestricted* Funds £	Restricted Funds £	Endowment Funds £	2021 Total £
Tangible fixed assets	838,019	534,978	-	1,372,997
Intangible Fixed Assets	440	242,446	-	242,886
Fixed asset investments	24,574,678	62,316,110	655,649	87,546,437
Cash at bank and in hand	3,304,245	5,486,491	-	8,790,736
Other net current assets/(liabilities)	(329,773)	(7,243,874)	-	(7,573,647)
Long term liabilities	(34,067)	-	-	(34,067)
	<u>28,353,542</u>	<u>61,336,151</u>	<u>655,649</u>	<u>90,345,342</u>

As at 31 December 2020	Unrestricted* Funds £	Restricted Funds £	Endowment Funds £	2020 Total £
Tangible fixed assets	895,781	553,966	-	1,449,747
Intangible Fixed Assets	9,032	107,762	-	116,794
Fixed asset investments	27,733,106	55,465,299	655,649	83,854,054
Cash at bank and in hand	2,552,607	6,059,649	-	8,612,276
Other net current assets/(liabilities)	(1,337,999)	(5,415,940)	-	(6,753,939)
Long term liabilities	-	(45,000)	-	(45,000)
	<u>29,852,531</u>	<u>56,725,732</u>	<u>655,649</u>	<u>87,233,912</u>

28. DISCLOSURE OF SUBSIDIARIES – ROYAL NAVAL BENEVOLENT SOCIETY FOR OFFICERS

The charitable company is the trustee with right of veto of the Royal Naval Benevolent Society for Officers, known as The Royal Navy Officers' Charity (RNOC), a charity formed by Royal Charter. RNOC have objects similar to those of the RNRMC. These financial statements consolidate the accounts for the RNOC. The following is an extract of the financial statements of RNOC for the year ended 31 December 2021:

	2021 £	2020 £
Income	708,449	496,771
Expenditure	(725,672)	(650,794)
Gains/(losses) on investments	1,781,086	(674,261)
Income/ (expenditure)	<u>1,763,863</u>	<u>(828,284)</u>
Total assets	17,144,283	15,421,843
Liabilities	(22,849)	(64,272)
Net assets	<u>17,121,434</u>	<u>15,357,751</u>
Restricted funds	303,563	336,705
Unrestricted funds	16,817,871	15,020,866
	<u>17,121,434</u>	<u>15,357,751</u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

29. DISCLOSURE OF SUBSIDIARIES – NAVAL SERVICE SPORTS CHARITY

The charitable company is the sole corporate member of the Naval Service Sports Charity (NSSC), a charitable company limited by guarantee. These financial statements consolidate the accounts for the NSSC. The following is an extract of the financial statements of NSSC for the period ended 31 December 2021:

	2021 £	2020 £
Income	527,543	617,519
Expenditure	(642,315)	(724,355)
Gains/(losses) on investments	429,003	(126,496)
Net income/(expenditure)	314,231	(233,332)
 Total assets	 5,462,950	 5,160,426
Liabilities	(177,824)	(189,531)
Net assets	5,285,126	4,970,865
 Restricted funds	 -	 636
Unrestricted funds	5,285,126	4,970,259
	5,285,126	4,970,865

30. DISCLOSURE OF SUBSIDIARIES – RMA-TRMC – THE ROYAL MARINES ASSOCIATION- THE ROYAL MARINES CHARITY

The charitable company became the sole corporate member of The Royal Marines Charity (TRMC), a charitable company limited by guarantee, on 1 April 2011. These financial statements consolidate the accounts for the RMC. The following is an extract of the financial statements of TRMC for year ended 31 December 2021:

	2021 £	2020 £
Income	4,119,516	3,184,557
Expenditure	(3,833,244)	(6,001,309)
Gains/(losses) on investments	1,173,195	(662,050)
Net income/(expenditure)	1,459,467	(3,478,802)
 Total assets	 15,113,893	 13,863,627
Liabilities	(463,472)	(672,673)
Net assets	14,650,421	13,190,954
 Restricted funds	 5,200,468	 5,187,083
Unrestricted funds	9,449,953	8,003,871
	14,650,421	13,190,954

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

31. DISCLOSURE OF SUBSIDIARIES – RNRMC ENTERPRISES LIMITED

The RNRMC Enterprises Limited was incorporated on 5 March 2012, as the wholly owned trading subsidiary of RNRMC with a share capital of £100,000. Its results to the 31 December are consolidated in the Group accounts. The following is an extract of the financial statements of RNRMC Enterprises Limited for the year to 31 December 2021:

	2021 £	2020 £
Income	197,500	598,505
Expenditure	(151,811)	(487,615)
Net income - gift aided to RNRMC	<u>45,689</u>	<u>110,890</u>
Total assets	314,990	238,357
Liabilities	(214,990)	(138,357)
Net assets	<u>100,000</u>	<u>100,000</u>
Share Capital and retained earnings	<u>100,000</u>	<u>100,000</u>

32. DISCLOSURE OF SUBSIDIARIES – TRMC ENTERPRISES LIMITED

TRMC Enterprises Limited was incorporated on 23 February 2016, as the wholly owned trading subsidiary of RMA-TRMC with a share capital of £1. Its results to the 31 December are consolidated in the Group accounts. The following is an extract of the financial statements of TRMC Enterprises Limited for the period to 31 December 2021:

	2021 £	2020 £
Income	211,503	739,544
Expenditure	(204,550)	(741,050)
Net movement in funds	<u>6,953</u>	<u>(1,506)</u>
Current assets	74,331	291,748
Liabilities	(68,883)	(293,253)
Net assets	<u>5,448</u>	<u>(1,505)</u>
Net assets/(liabilities)	<u>5,448</u>	<u>(1,505)</u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
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33. DISCLOSURE OF SUBSIDIARIES – ROYAL MARINES SHOP LIMITED

RMA-TRMC became the sole shareholder of Royal Marines Shop Limited on 1 April 2019 and accordingly on that date the company became a subsidiary of the group. Its results for the year to the 31 December are consolidated in the Group accounts. The following is an extract of the financial statements of Royal Marines Shop Limited for the year ended 31 December 2021:

	2021 £	2020 £
Income	411,105	441,200
Expenditure	(404,778)	(382,513)
Net movement in funds	<u>6,327</u>	<u>58,687</u>

	2021 £	2020 £
Fixed assets	3,755	3,336
Current assets	272,960	259,659
Liabilities	(110,283)	(82,890)
Net assets	<u>166,432</u>	<u>180,105</u>

34. PENSIONS AND OTHER POST-RETIREMENT BENEFIT COMMITMENTS

The Charity operates a defined contribution scheme, which is administered independently of the Charity. The cost to the Charity for the year was £218,132 (2020: £217,617). At the Balance Sheet date the amount due to the pension scheme administrators was £Nil (2020: £18,683).

35. RELATED PARTY TRANSACTIONS

In August 2009 the Royal Navy agreed to lease office space at HMS Excellent to the Charitable Company at a peppercorn rent. These support costs are difficult to quantify as they are not discrete activities because personnel and office facilities are used for other Navy Command duties. As such the value of support provided by the Ministry of Defence has not been included in the Charitable Company's Statement of Financial Activities.

During the year trustees donated £42,479 (2020: £27,192) to the charity.

During the year The Royal Navy and Royal Marines Charity made a grant to its subsidiary, The Naval Service Sports Charity, of £120,000 (2020: £195,000).

During the year The Royal Navy and Royal Marines Charity made a grant to its subsidiary, RMA - The Royal Marines Charity, of £126,948 (2020: £100,000).

During the year The Royal Navy and Royal Marines Charity charged its subsidiaries the following amounts in respect of management and administration services: RNRMC Enterprises Limited £12,009 (2020: £14,908).

During the year RNRMC Enterprises Limited donated £45,689 (2020: £110,890) to the parent charity, The Royal Navy and Royal Marines Charity.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

36. OPERATING LEASE COMMITMENTS

At the year end the charity had the following total commitments under non-cancellable operating leases:

	2021	2020
	£	£
Due within:		
1 year	46,060	46,967
2-5 years	164,164	170,224
More than 5 years	675,945	715,945
	<u>866,169</u>	<u>933,136</u>

37. NET DEBT

	1 January 2021 £	Cash flows 2021 £	31 December 2021 £
Cash at bank	8,612,273	178,463	8,790,736
Bank loan	(50,000)	5,933	(44,067)
	<u>8,567,273</u>	<u>184,396</u>	<u>8,746,669</u>

38. ULTIMATE CONTROLLING PARTY

The charitable company is under the control of the RNRMC membership. No one member has sufficient voting rights to control the charitable company.

THE ROYAL NAVY AND ROYAL MARINES CHARITY

England & Wales - Charity number 1117794

Accounts

THE ROYAL NAVY & ROYAL MARINES CHARITY

CONSOLIDATED ANNUAL REPORT AND ACCOUNTS 2020

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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REPORT OF THE TRUSTEES

LEGAL AND ADMINISTRATIVE INFORMATION

Honorary Officers

Patron

Her Royal Highness The Princess Royal

Senior Vice Patron

Honorary Captain Sir Michael Hintze AM RNR

Vice Patrons

Mr James Pitt

Honorary Commander Lance Batchelor RNR

President

Admiral Sir Jonathon Band GCB DL

Vice Presidents

General Sir Gordon Messenger KCB DSO* OBE

Vice Admiral Sir Tim Laurence KCVO CB ADC(P)

Sir Roger Carr

Honorary Commodore The Honourable Stephen Watson RNR

Trustees, Members and Directors

Sir Bill Thomas

Dr Brian Gilvary

Chairman (outgoing) – Retired 24th June 2021

Chairman (incoming) – Appointed 24th June 2021
(Appointed as Trustee 23rd April 2020)

Commodore Andrew Jameson OBE (Ret'd)

Mr Rod Birkett

Mr Mark Lewthwaite

Rear Admiral James Parkin CBE

Mr James Pitt

Brigadier Mike Tanner OBE Royal Marines

WO1 Carl Steedman Royal Navy

Lieutenant Harriet Delbridge Royal Navy

Mr Mark Robinson

Mr Simon Black

Mrs Katherine Phipps-Wiltshire

Commander Michelle Westwood Royal Navy

Ms Katherine Beadle

Vice Chairman

Appointed 10th March 2020

Appointed 23rd April 2020

Appointed 22nd October 2020

Appointed 22nd October 2020

Appointed 22nd October 2020

Appointed 28th January 2021

Mr Jamie Webb

Mr Willy Stocks BEM

WO1 Nick Sharland RN

WO1 MEM (SM) Gary Nicolson MBE RN

Ms Jenny Rowe CB

Commodore Annette Picton MBE Royal Navy (Ret'd)

Resigned 30th January 2020

Resigned 30th January 2020

Resigned 30th January 2020

Retired 23rd April 2020

Retired 22nd October 2020

Retired 28th January 2021

Chief Executive Officer

Mr Adrian Bell

Company Secretary

Mrs Samantha Nicolson

Company Registration Number

6047294 (England and Wales)

Registered Charity Numbers

1117794 (England and Wales)

SC041898 (Scotland)

Registered Office

Building 37, HMS Excellent, Whale Island, Portsmouth, PO2 8ER

Auditor

Moore Kingston Smith LLP, Chartered Accountants
Devonshire House, 60 Goswell Road, London, EC1M 7AD

Legal Advisors

Charles Russell Speechlys LLP
5 Fleet Place, London, EC4M 7RD

BDP Pitmans LLP

50 Broadway, London SW1H 0BL

Bankers

Holt's Military Banking
Royal Bank of Scotland plc,
200 Fowler Avenue, Fowler Business Park, Farnborough, GU14 7JP

Investment Managers

Sarasin & Partners LLP
Juxon House, 100 St. Paul's Churchyard, London, EC4M 8BU

THE ROYAL NAVY AND ROYAL MARINES CHARITY

REPORT OF THE TRUSTEES

CHAIRMAN and CEO's REPORT

A year like no other

It is difficult to sum up 2020 but it is probably fair to say that what we have experienced, and continue to experience, will resonate for a long, long time – and a lot of that will not be for the good. Global and national inequalities have been highlighted like never before and the fragility and frailties of the systems we live in and rely on exposed in a dramatic and sobering fashion. The effects of this pandemic are being felt across all areas of our lives and it is very difficult to gauge what this might mean in the years ahead.

In turn, working out what this might mean for a charity like the Royal Navy and Royal Marines Charity and the people it serves is not easy. The experiences of most of our beneficiaries will be diverse and for the most part detrimental. For some it was a year of educational disruption, forced isolation and unimaginable grief and loss. For others within our community, 2020 was spent at the vanguard of the national response to Covid-19, or contending with even longer periods of family separation, or even facing financial uncertainty and job loss.

For us, this points towards an even greater need for agility to meet the needs of beneficiaries as well as reducing costs and overheads wherever possible. One of the reasons that the RNRMC undertakes much of the fundraising for the naval charity sector is to allow fellow charities to focus their funds on beneficiaries. Equally, we are taking ever greater responsibility for the administrative functions in a number of those charities in a push for greater efficiency and economy. Our overall aim is to maximise income to support the full range of charitable outputs from all naval charities and beyond, from individual benevolence to amenities, and from proactive commissioning and partnering to the support of the welfare infrastructure across the wider military charity sector on which all beneficiaries rely.

As part of our strategic journey, we continue to focus on prevention and early intervention. 2020 was always going to be something of a watershed year for the RNRMC as we moved to operating as a commissioning agent rather than just a traditional grant maker. It was the year in which we launched six specially developed funding programmes for the communities we serve, born out of the findings of the 2019 RNRMC Need Report. The ability to flex and amend service delivery in response to improved understanding of need and lessons learnt is a major benefit of the commissioning approach and the advantages of this responsiveness was put to the test by the sudden onset of Covid-19. At the same time, we rapidly expanded and tailored out existing support in response to the pandemic's devastating impact on the wellbeing of all those in our community.

At the outset of the pandemic last March, RNRMC Trustees approved the creation of a Hardship Fund to support those beneficiaries of the Charity adversely affected by the crisis whose needs could not otherwise be met by emergency funds or measures put in place by local and central government, or by other charities.

To date, some 190 separate grants totalling in excess of £ 600,000 have been paid out through the Hardship Fund providing a genuine lifeline for some and making life more bearable for those contending with lockdown with a serving partner deployed on operations. As a result of the grants we have made, computer equipment has been provided to enable the children from low-income beneficiary families to participate in virtual home learning; thermal imaging equipment has been purchased and installed to help to keep veteran care homes safe whilst enabling precious visits by loved ones; the purchase of small electrical items has enabled Royal Navy veterans in sheltered housing to prepare meals in their own rooms whilst communal kitchens remain off-limits; passing out parades have been livestreamed to proud family members unable to attend in person; and, very sadly, our contribution to the costs of Covid-19 related funerals has helped to give affected Royal Navy families the time and space to grieve properly and to come to terms with the terrible and tragic impact of this disease.

The role of the charity sector in fostering cohesion, individual wellbeing and bridging social divides will be critical to the national recovery. The Government's £750 million rescue package for charities was an important step, but it was never going to be enough to safeguard their long-term survival. Charities form the glue that binds communities together at the toughest of times, and they have an absolutely critical role to play in supporting the most vulnerable, whose suffering is amplified in times of crisis. The RNRMC is a firm advocate of ever closer working and greater collaboration not only to profit from efficiency but also to enhance the visibility and voice of the naval charity sector. We will continue to explore ways to provide a better experience for our beneficiaries to access and then navigate the support on offer.

Greenwich Hospital and the Royal Navy and Royal Marines Charity continue to work together to better manage financial demand and grant-making. Greenwich Hospital is represented on all RNRMC significant charitable committees and

THE ROYAL NAVY AND ROYAL MARINES CHARITY

REPORT OF THE TRUSTEES

Demand for charitable services continues to rise. Much of the current research and development work we are involved in is about helping us to better understand the landscape beneficiaries inhabit, the challenges they face or might face, and assisting us to explore what might or will be required and allow us to get upstream of problems by more preventative and early intervention programmes before issues become crises.

The context that we are working in may have changed completely, but our commitment to support every serving and veteran sailor, marine and their dependants remains undiminished. It may have been a year like no other, but this has only served to strengthen our resolve to deliver the life-long support that our beneficiaries and supporters count on us to provide.



.....
Dr Brian Gilvary
Chairman



.....
Mr Adrian Bell
CEO

THE ROYAL NAVY AND ROYAL MARINES CHARITY

REPORT OF THE TRUSTEES

Structure, Governance and Management

Context

The Royal Navy and Royal Marines Charity (RNRMC) is a charitable company, limited by guarantee, incorporated on 10 January 2007 and registered with the Charity Commission on 2 February 2007. The RNRMC was registered with the Office of the Scottish Charity Regulator on 17 November 2010.

The RNRMC Group structure was created to provide a strong voice for naval charity through close ties and working relationships. Ever stronger links are being forged with the family of naval charities and veterans' associations, together with cross-sector working with those charities supporting soldiers and air personnel.

Governance

The RNRMC is controlled solely by its Members, who are also its Trustees and make up the Board of Trustees. The Charity is governed by its Memorandum and Articles of Association, initially dated 6 December 2006 (the Articles of Association having been revised and adopted by Special Resolution on 30th January 2020) and is subject to the requirements and the protection of both charity and company law.

Board of Trustees

The Trustees, whom are all volunteers, represent a blend of competence and experience and include those with experience of military service along with those with diverse civilian backgrounds. They are selected through a formal interview process and appointed for an initial term of three years. In accordance with good practice they would normally serve a maximum of three terms.

On 24th June 2021 after serving his full 6 years as Chairman, Sir Bill Thomas stood down as chair of the RNRMC Board, he was succeeded by Dr Brian Gilvary.

Board and Committee Meetings

The Board delegates certain powers in connection with the Charity's management and administration, as set out below. This delegation is controlled by requiring the committees to report back at the next Board meeting. All committees provide meeting minutes which are kept as part of the statutory records.

The Board meets at least four times a year. The RNRMC has encouraged closer communication with Group charities by taking up its option to nominate a trustee to the Boards of The Royal Navy Officers' Charity (RNOC), Royal Marines Association - The Royal Marines Charity (RMA-TRMC) and the Naval Service Sports Charity (NSSC).

Group Entities

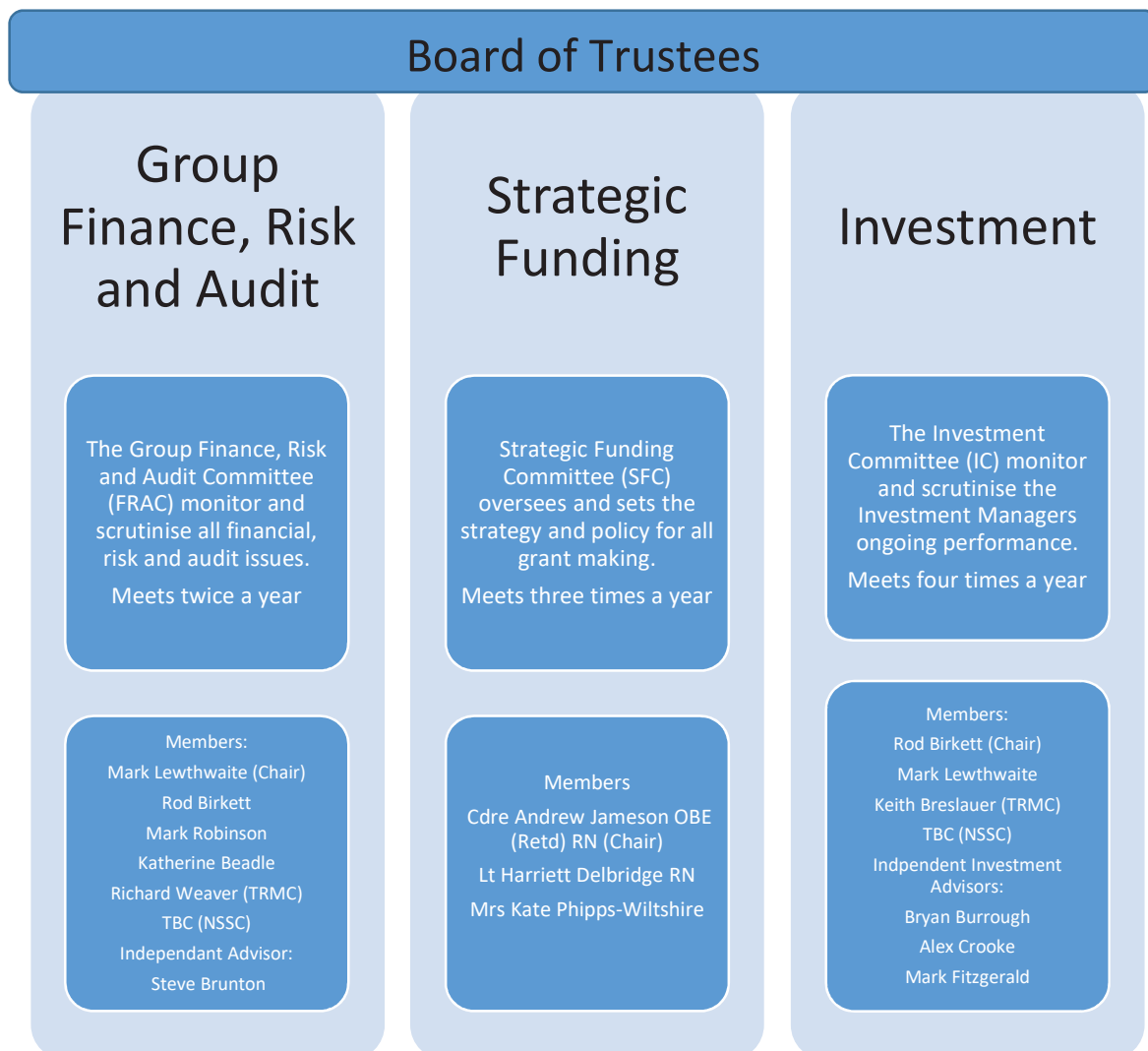
From the 1st April 2019 there are now nine unincorporated charities, four charitable companies, and one charity with a Royal Charter integrated within the Group structure. There are three trading subsidiaries.

- **The Royal Naval Benevolent Society for Officers, known as The Royal Navy Officers' Charity (RNOC)** retains its own trustees, who are responsible for the administration of the charity and the management of their own funds. The RNRMC is entitled to appoint a trustee and as the corporate member it also has a legal power of veto in general meetings. The RNRMC is represented by Commander Michelle Westwood Royal Navy who took over from Commodore Annette Picton in January 2021. The relationship between the charities, although 'arm's length', is a close one.
- **The Naval Service Sports Charity (NSSC)** is a charitable company, governed by a Board of Trustees. The RNRMC Board has overall control, as sole member, since they may resolve by ordinary resolution to amend the minimum and maximum numbers of trustees, to appoint or remove trustees and to change the Memorandum and Articles of Association. The RNRMC is represented on the NSSC board by Mr Rod Birkett.
- **Royal Marines Association - The Royal Marines Charity (RMA-TRMC)** is a charitable company, governed by a Board of Trustees. From 1 April 2019 TRMC acquired the Royal Marines Association and became RMA-The Royal Marines Charity (RMA-TRMC). The RNRMC Board, under its authority as the sole member, may resolve by ordinary resolution to amend the minimum and maximum numbers of trustees and has the right to appoint or remove trustees and to change the Memorandum and Articles of Association after prior consultation with the RMA-TRMC Board. The RNRMC is represented by Mr Mark Robinson.

THE ROYAL NAVY AND ROYAL MARINES CHARITY

REPORT OF THE TRUSTEES

- **RNRMC Enterprises Limited** is the trading subsidiary for the Group, which is used to conduct appropriate parts of the Group's merchandising and Royal Marine Band Service trading activities. The Company was established by way of share capital from the RNRMC, which is the sole shareholder. The directors of the company are trustee, Mr Mark Lewthwaite (Chairman), the Chief Executive, Mr Adrian Bell, and Mr Jamie Zuppinger, trustee of Royal Marines Association - The Royal Marines Charity.
- **TRMC Enterprises Limited** is the trading subsidiary for RMA-TRMC which was initially established on 23 February 2016 in order to enable a single building project which was completed in 2017, it has since then completed several further projects supporting beneficiaries across the RM family.
- **Royal Marines Shop Limited** is the trading subsidiary of RMA-TRMC, brought in as part of the RMA-TRMC merger on 1 April 2019.
- **Unincorporated charities** - the RNRMC Board has overall responsibility for their management and administration and delegates day-to-day operations to management committees through terms of reference. A number of these management committees are chaired by an RNRMC Trustee. The role of the management committee is to scrutinise and prioritise grant applications in line with their objects and provide oversight to the minor grants programme.
- RNRMC Sub-Committees of the Board, including apportionment of Trustees:



THE ROYAL NAVY AND ROYAL MARINES CHARITY

REPORT OF THE TRUSTEES

People

People Committee (PC) manage the Board and senior staff succession plan and staff remuneration.
Meets 3 times per year

Members:

Dr Brian Gilvary (Chair)
Cdre Andrew Jameson OBE RN (Retd)
Brig Mike Tanner OBE RM
Cdr Michelle Westwood RN

Fundraising and Marketing

Fundraising and Marketing Committee (FMC) oversee the expansion of activities in these areas and the execution of the agreed management plan.
Meets 4 times a year

Members:

Simon Black (Chair)
RAdm James Parkin CBE
James Pitt
Adrian Bell (CEO)

- In 2020 we also recognised the 2 grant pathways as sub committees of the Strategic Funding Committee and their members can be found in the table below:

Through Life

Through Life Committee (TLC) oversight scrutiny and approval of grants for Benevolence
Meets 4 times a year

Members:

Kate Phipps Wiltshire (Chair)
Kim Richardson OBE
Chris Banks
Sarah Ayton
Duncan Lamb
Surg Cdr Jo Keogh RN
Chic Stewart
Sara Field
Nicola Thompson

Quality of Life

Quality of Life Committee (QLC) oversight scrutiny and approval of grants for Amenities
Meets 4 times a year

Members

Lt Harriet Delbridge RN (Chair)
Lt Nicolas Toms RN
WO2 Carl Steedman RN
WO2 Ian Davies MBE RM
WO1 RSM Rick Angrove RM
WO1 Pony Moore RN
WO1 Mick Turnbull RN
WO1 Ian Wilson RN
WO2 Andy Vercoe RN
CPR(SR) Stephen Doyle RN
LWTR Elizabeth Wingate RN
LET Liam Pickford RN
LSET Niall Lauder RN
LD Stuart Farden RN
CPL Maxine Cruise RN

THE ROYAL NAVY AND ROYAL MARINES CHARITY

REPORT OF THE TRUSTEES

Management and administration

The policies and principles included within this Trustees Annual Report are those belonging to the Group, however individual charities can adopt / adapt these policies and principles to suit their own circumstances as disclosed within their individual statutory accounts.

Employees

The RNRMC Group employs over 70 staff, with the 39 RNRMC staff based on Whale Island, Hampshire. The day-to-day control and administration of the RNRMC is delegated to the Chief Executive Officer, whose senior staff manage functional departments.

During 2020 RNRMC restructured its staffing model post Covid-19 to ensure that it remained fit for purpose and focussed on support for beneficiaries especially as the demand post Covid-19 for support is likely to increase over the next few years. Included in this staffing review was a change in structure to the senior leadership team which saw a new post of Director of Development created to lead the Pilot Transition Support Project, this post was created by combining 2 previous senior support roles for finance and operations into a single support role.

The RNRMC is committed to the training, career and personal development of all employees. Each employee has an annual appraisal where their performance is assessed against the Charity's objectives alongside personal achievements within their specific roles. A training programme is devised that meets both the Charity's needs and also enhances the individual's potential towards their professional development. Further work in 2021 aims to develop a Talent Management Programme for formal development of staff.

We are proud to hold the Silver Award for the Employee Recognition Scheme under the Armed Forces Covenant, which supports the transition of serving members of the Armed Forces into employment.

Remuneration

The Charity does not remunerate its Trustees. The Trustees are responsible for setting the remuneration of the Charity's Chief Executive and the remaining staff are paid via an agreed remuneration framework that sits within the overall reward policy that is agreed annually.

RNRMC's Reward Policy, introduced in 2018 has four principal pillars, comprising remuneration, benefits, recognition and learning and development. The framework is underpinned by a robust job evaluation process for each role within the charity which has been validated by our external Human Resource advisors. Senior Management salaries are reported annually to the People Sub-Committee.

Hierarchy is kept to the minimum to be effective and as a consequence the charity has a pay ratio of 2.92:1 between the Chief Executive's salary and the average for the charity staff. The sector average for a medium sized charity is 5:1. Further details of employee remuneration are disclosed in Notes 12-14 to the accounts.

General Data Protection Legislation (GDPR)

RNRMC in 2018 implemented a suite of tools and staff training packages to monitor and ensure ongoing compliance to GDPR. We continue to endeavour to ensure that all the personal information that we need in running the charity is properly protected, correctly used and safely stored and all staff receive training at point of induction and annually. Our privacy policy and other associated policy changes can all be accessed from our website to ensure transparency and assurance and are reviewed regularly.

Fundraising Principles

The RNOC's income portfolio is historically derived largely from investment income and therefore there was no requirement to fundraise albeit during the past year the charity has spent all allocated reserves and has realised additional income through sale of assets. RNOC are now actively fundraising via the Association Royal Navy Officers' (ARNO) membership and other initiatives. NSSC's income is derived largely from investment income and grants received (including from the RNRMC) and there is therefore no requirement to fundraise. The RNRMC and RMA-TRMC both have established fundraising programmes across similar income streams.

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The Royal Navy and Royal Marines Charity and RMA-TRMC are registered with the Fundraising Regulator and adhere to the standards of the Fundraising Codes of Practice.

No complaints about fundraising activity were received by the RNRMC or RMA-TRMC in 2020 and therefore there was no requirement for escalation to the Regulator. We have our own procedures in place for dealing with complaints. The complaints process is open and transparent and easy to access from our respective websites. Within the process, we publish a clear procedure for escalation and timescales when supporters can expect a response.

Anyone who is kind enough to consider support for the RNRMC can be assured that:

- we never sell personal data to other organisations or charities. We do sometimes ask third party organisations to help process our data but they will act under our instruction. We never allow these organisations to use RNRMC supporter data for their own purposes and the data remains our legal responsibility: we ensure that it is treated with the same level of care as if we were handling it directly.
- it is our policy never to undertake any telephone fundraising or 'cold calling'.
- all of our electronic communications to supporters includes information on how to opt out of future communications.
- we do not undertake door-to-door fundraising.

We display the Fundraising Regulator badge on our websites and fundraising collateral to demonstrate our commitment to best practice. We work with the Fundraising, Mail and Telephone Preference Services to ensure that those who choose not to receive specific types of communication do not have to.

Volunteer fundraising is fundamental to the efforts of both the RNRMC and RMA-TRMC and we would be unable to achieve the level of voluntary income we do without the support of Service and civilian volunteers. Normally in the Summer event season when we are not faced with the consequences caused by the pandemic environment, we rely on a pool of people who give their time freely to directly collect money, organise and assist at events, or make connections with local businesses. Those volunteers collecting money *'on behalf of'* the RNRMC and RMA-TRMC are doing so with the prior knowledge of the charities and receive a volunteer induction, have a dedicated staff 'Line Manager' and have a signed Volunteer Agreement with the respective charity. Those volunteers who collect *'in aid of'* the RNRMC and RMA-TRMC are often acting on their own initiative and we are consequently unaware until we receive the money that has been raised. Official collections are always made with sealed RNRMC and RMA-TRMC collecting bins. Collectors in public places require permission from local authorities or, if within its district, the Metropolitan Police. These licenses are applied for and recorded by the RNRMC and RMA-TRMC Fundraising teams. In 2019 we reviewed and updated our Volunteering policies.

Volunteers and Related Parties

All Trustees and members of the management committees of the subsidiaries give their services voluntarily and received no remuneration for their activities, other than travel and incidental expenses where claimed. The serving members of the Board undertake their RNRMC duties as volunteers in addition to their normal line duties. The RNRMC continues to develop and expand its group of volunteers to assist in all areas of the Charity. These volunteers are supported by staff members as well as specific policies and procedures which includes a handbook for volunteers.

Diversity, Equality and Inclusion

Our existing charity values reflect the need for diversity, equality, and inclusion (DE&I). We also recognise that there will always be further improvements or enhancements that we can make to maximise DE&I within the Charity. We aim to achieve the following key outcomes by working towards delivering the recommended best practice within the Charity Governance Code which will help us to build a diverse, equal and inclusive culture within the charity

- The principles of equality, diversity and inclusion are embedded in the organisation and help to deliver the charity's public benefit.
- Obstacles to participation are reduced, with the organisation's work designed and open for everyone included within its charitable purposes. This supports the charity to challenge inequality and achieve improved equality of outcomes.
- The board is more effective because it reflects different perspectives, experiences and skills, including, where applicable, from current and future beneficiaries.

In 2020 we refreshed the objectives of our Staff Reference Group to include Culture which embraces equality, diversity and inclusion and for those new to the SRG we have set up specific DE&I training courses which help develop both their understanding as well as being beneficial for all of those who engage with them and the charity.

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Trustees' Report

Strategic Report

The Trustee Board reviewed our strategy and refreshed our strategic objectives during 2020 confirming our vision and mission in the process.

Our Vision: A world in which our sailors, marines, and their families are valued and supported for life.

Our Purpose: Our purpose is to honour our vision by ensuring we:

- Provide the leadership and alignment of common purpose for our beneficiaries' needs;
- Find those who need help, especially the hidden and lost, and ensure they can find us;
- Respond appropriately through direct support with key partners from the naval and other charities, the health and social care sector, and the benefits system;
- Work to develop an effective and sustainable access and triage system with appropriate level of case and care supervision for the entire naval family.

Our Strategic Objectives:

- We will work with other charities operating in our sector to establish a confederation in order to provide those in need within our beneficiary group with a single point of access to the totality of state and charitable support available;
- Acting with other naval charities and key stakeholders, we will ensure that our potential beneficiaries are made aware of the support that is available to those who need it;
- We will collaborate with Greenwich Hospital to agree funding priorities, and secure a long-term financial commitment from Greenwich to deliver the RNRMC's charitable objects;
- We will commit to spending over 50% of our charitable expenditure on collaborative and long-term commissioning projects with other charities and organisations which seek to address underlying causes of need; and
- Recognising the need to act decisively, we will undertake bold and far-reaching plans and projects with our partners that will draw-down substantially on our total net assets.

Our Values:

- Beneficiary-focussed – we will use the best evidence available to achieve maximum impact on the lives and morale of those who serve today or who have served, and their families.
- Integrity – we will act with honesty and transparency in all our activities.
- Inclusiveness – we will recognise and celebrate diversity in the sector.
- Teamwork – we will always behave in a way that strengthens the organisation.
- Commitment – we will demonstrate the highest ambition and commitment for our cause.

During 2020, and in furtherance of these RNRMC strategic objectives, the SFC approved £7.1m of RNRMC charitable expenditure through a funding programme focused on identifying need, early intervention and prevention. This was achieved through a combination of:

- **Programmes** – which focus on a particular beneficiary group or community and respond to identified needs.
- **Pathways** – which ensure we remain by the side of all beneficiaries from their first day in the Royal Navy and for decades after their Service ends; and
- **A Hardship Fund** (new in 2020) to respond to the unique pressures resulting from the coronavirus pandemic.

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Commissioning Programmes

Funding for the commissioning programmes in 2020 was split between six programmes, the aim of each of which is: -

- 1) **Naval Service Support** - To provide support to serving naval personnel, e.g., the refurbishment of the new recruits' leisure space (Limers' Bar) at HMS RALEIGH; or the upgrade of the outdoor play area at the Drumfork Community Centre, HMNB Clyde, both of these projects were funded in 2019 but delivered in 2020 which is why there was no spend against this programme in 2020. Other major grants were funded through the Quality of Life pathway below. Exceptional grants to support the Royal Navy will be recorded in programme 1.
- 2) **Family Support** – To provide support to naval families, e.g., partnering with the Kings Foundation to provide camps for children during the school holidays; or partnering with Relate to provide relationship and family counselling services
- 3) **Health & Wellbeing Support** – To support mental health and wellbeing of service personnel and their families, e.g., contribution to the Portsmouth Military Health Alliance which provides gambling & addiction support and other mental health services; or a project with the Gosport and Fareham Multi Academy Trust to create a Community Services Hub at the academy
- 4) **Communities Support Programme** – To combat loneliness and social isolation, e.g., support to the 'Helping Hands' project which trains volunteers to provide a range of activities through the Naval Service Family & People Support organisation; or support to Age UK Portsmouth to help elderly veterans in the Portsmouth area
- 5) **Individual Support** – To ensure that those who fall on hard times have access to financial support, notably through financial grants to the Naval Children's Charity, the Royal Naval Benevolent Fund, and the Sailors Children's Society
- 6) **Veterans' Support** – To support the specific needs of veterans, e.g., partnership with SSAFA who provide a first point of contact for beneficiaries; or a partnership with the Poppy Factory to provide employability support for wounded, injured and sick veterans.

During 2020 a 7th programme was introduced

- 7) **To Promote Independence and Protect Dignity** - To support the need of our older and dependent beneficiaries who need residential care, specialist rehabilitation, access to resources for carers, as well as aid for those overseas in former British Territories.

Pathways

During 2020, we operated 4 pathways which, collectively, seek to deliver on our vision to support our sailors and marines, and their families, for life:

- 1) **Quality of Life Pathway** – To provide grants (often in conjunction with other charities) which improve conditions of service and further the efficiency & morale of the Royal Navy, typically as a result from a funding bid from an individual ship, establishment or unit, e.g., refurbishment of mess spaces; contribution to team building/social events; or prizes & awards
- 2) **Fit for Life Pathway** – To improve the morale and efficiency of the Royal Navy through sport and adventurous training, specifically through a grant to the Naval Service Sports Charity which exists to encourage and promote sport and adventurous training through e.g., the provision of sports facilities; or financial assistance to enable participation in adventurous training
- 3) **Through Life Pathway** – To support the welfare of serving personnel & their families, and veterans, typically by partnering with other charities to provide services, e.g., with Care for Veterans who provide nursing care and rehabilitation for veterans; or with the Royal Alfred Seafarers' Society who care for people living with dementia

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- 4) **End of Life Pathway** – To ease the burden and stress falling on dependants immediately following the death of a service person, notably by paying an immediate financial grant to the next-of-kin as soon as possible after the reported death

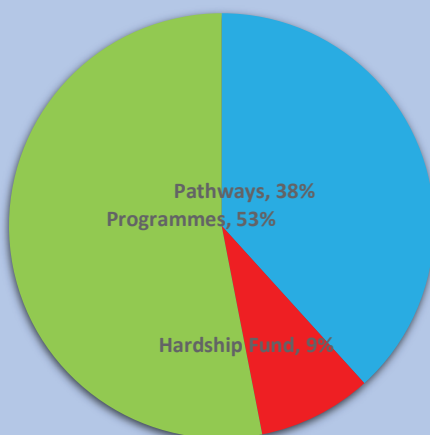
Hardship Fund

The Hardship was established during 2020 in response to the coronavirus pandemic and seeks to provide relief arising from the particular hardship caused by the pandemic, e.g., live streaming of passing-out parades for those families unable to attend; or food delivery services to veterans who are shielding.

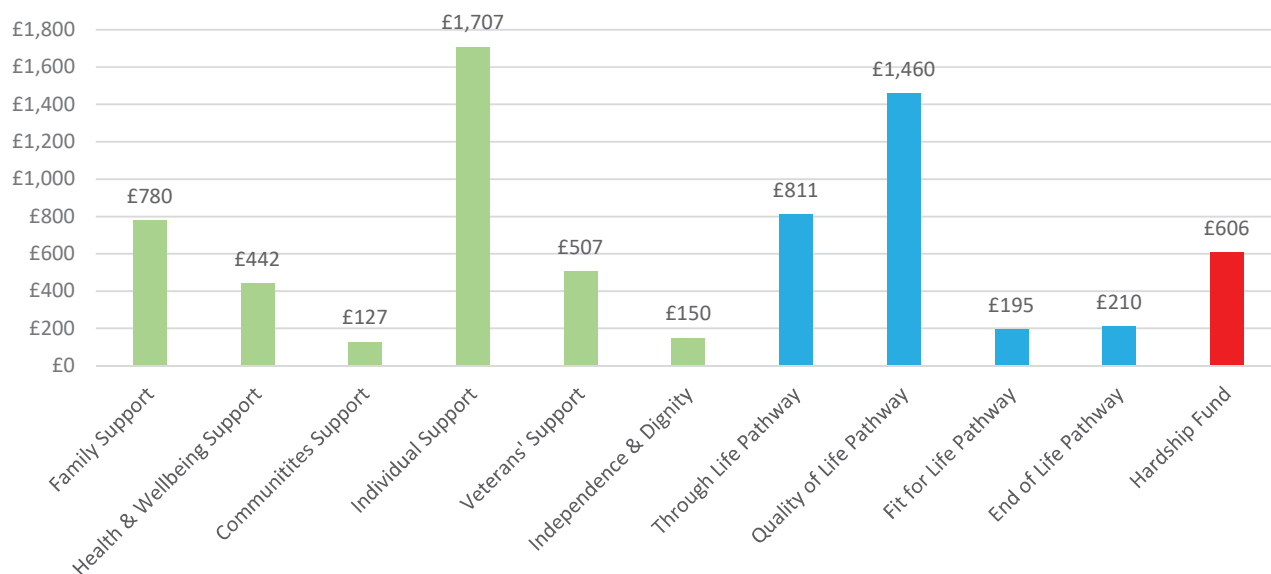
Summary

The graphs below show how the £7m spent by the charity in 2020 was distributed between the programmes, pathways, and hardship fund described above:

How we distributed our funds in 2020 - Total £7m



How RNRMC distributed funds in 2020 - Total £7m
£'000



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Project Dynamo

As part of our new ambitious Strategy, 2020 saw the creation of Project Dynamo: the exploration and discovery phase of our refreshed strategy which aims to enhance the manner in which RNRMC honours its vision to value and support the whole Navy Family, for life. It is based upon and rooted in the holistic welfare work so ably demonstrated by RMA-TRMC, SBSA, RAFBF and Nautilus to name but a few. It is an evidence led project with a singular focus on beneficiaries. Its aim is to build on our understanding of need by identifying gaps and overlaps to develop a blueprint for holistic support through an enhanced and confederated provision of welfare across the Naval Charity Sector, and in partnership with other military charities, as well as others, including state departments. In simple terms, we are trying to improve the access, journey and experience of our beneficiaries to achieve more and achieve better outcomes.

From the initial findings and summary of this project we have chosen to focus upon:

- Understanding the triggers for retention for serving personnel and especially their families.
- The successful transition of early/vulnerable service leavers into the working age veteran population.
- Use of existing membership networks to reduce loneliness and isolation across all ages but especially for late years veterans.
- The value to be gained (for beneficiaries) of tracking/supporting welfare navigation.
- Ensuring the state is playing its role and all appropriate support is accessed i.e. holding to account via the Armed Forces Covenant.

The ability to move to a proactive approach without misallocating resources needs a clear understanding of need. However, the combined existential threats of Brexit and Covid-19 during 2020 have impacted upon; the ability of personnel to transition successfully; families who were already or close to being financially stressed; and working age veterans who are already or subsequently become unemployed. In addition, the imperative to find the hidden and lost is increasingly urgent if we are to assist them before many sadly pass over the next decade.

Grant making Policy

The RNRMC continues to adhere to its Framework of Funding principles, which provides the template for good partnership working and sets out our future funding ambitions for the RNRMC. The framework is further supported by the annual revision and publication of the charity's outcomes which describes the difference we wish to achieve for our beneficiaries. The key aim of these two documents is to enable the military charitable sector and civilian organisations to play a significant role in delivering innovative, diverse and responsive services for all our beneficiaries, including those serving on board ships, units and personnel of the Naval Service and the Auxiliaries, their families and the veteran community.

The RNRMC journey is supporting a shift to a stronger focus on understanding need, achieving value for money and clear outcomes for beneficiaries. This work is supported by the implementation of BlackBaud Grant Management System and development of outcomes monitoring across all our funding channels. Prevention and early intervention are key drivers to ensure needs can be addressed at the earliest opportunity.

Individual grants are not routinely made by the RNRMC, nor is casework conducted by the RNRMC but we work closely with grant makers and caseworkers from other qualified charities in order to verify the validity of our grants when appropriate to do so and closely monitor the impact and value of our investment. However, the introduction of project Dynamo will require RNRMC to casework for the first time to support those in transition, a service not currently operated by naval charities.

The centralised nature of the RNRMC support structure allows extensive almonisation (sharing) of funds by a small grants department. This team has access to most of the funds within the RNRMC Group and also the allocation made to the Naval Service by the Nuffield Trust and shares information with other Navy Command funds thus maximising the efficiency of distribution. The introduction in 2020 of a Commissioning Manager strengthens the charities' ability to target and respond to unmet need. And deliver the commissioning cycle endorsed by the RNRMC Strategic Funding Committee: -

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Commissioning Cycle

“making the best use of all available resources to produce the best outcomes of our beneficiaries.”



At the end of 2020 the Strategic Funding Committee took the decision to reduce the governance of the 4 pathways into 2. Fit for Life was absorbed into Quality of Life and End of Life taken into Through Life. The membership of both these panels was reviewed and refreshed and these combined pathways were approved by the Trustee Board as sub committees of the Strategic Funding Committee.

Our grants pathways are publicised widely, and all bids receive expert peer review and assessment. During 2020 we also reviewed our application process to include a liquidity questionnaire (which covered both reserves and sustainability) which enabled us to understand the financial position better for all applications and is based on current as well as historic financial data. This method of assessment allows both us and our applicants to ensure our combined reserves are used to support those who need it most when they need it and this included those partner charities whose finances were significantly hit during the pandemic. All successful grants are reviewed at least 6 monthly for evidence of the achievement of intended outcomes.

The charity sector, rightly, continues to be the subject of increasing regulation and oversight. In recent times the GDPR legislation has required considerable effort to ensure personal data is managed in a safe and compliant manner. This effort follows additional enhancements to fundraising regulations, safeguarding policy and a new Code of Governance issued by the Charity Commission. It is important that these improvements are fully integrated into all of the charity's business but balanced with a drive to keep overheads as low as possible so that this additional bureaucracy does not prevent our primary objective of providing maximum support to our beneficiaries.

Safeguarding

The RNRMC does not currently work directly with vulnerable groups but two of its subsidiaries, RMA:TRMC and RNOC do, as well as other organisations that RNRMC funds.

On 31st January 2019, following consultation with NCVO, COBSEO (The Confederation of Service Charities) and our legal partners, the RNRMC Board of Trustees approved and adopted a revised new Safeguarding Policy Statement.

All funded organisations are required to submit their safeguarding policy, named lead Trustee and evidence of implementation to the Director of Relationships and Funding.

As part of our delivery of our new strategy, the Transition Support Team are developing a full safeguarding guidance document to be used, initially by those within the Transition Support Team, but that will be rolled out more broadly in 2021/22 to those staff who work directly in support of our beneficiaries. As part of this move of our service delivery into individual benevolence we will be aiming to nominate a safeguarding Trustee prior to the Transition Support Team commencing its first caseloads in Q4 2021. Our Safeguarding Trustee will be Kate Phipps-Wiltshire.

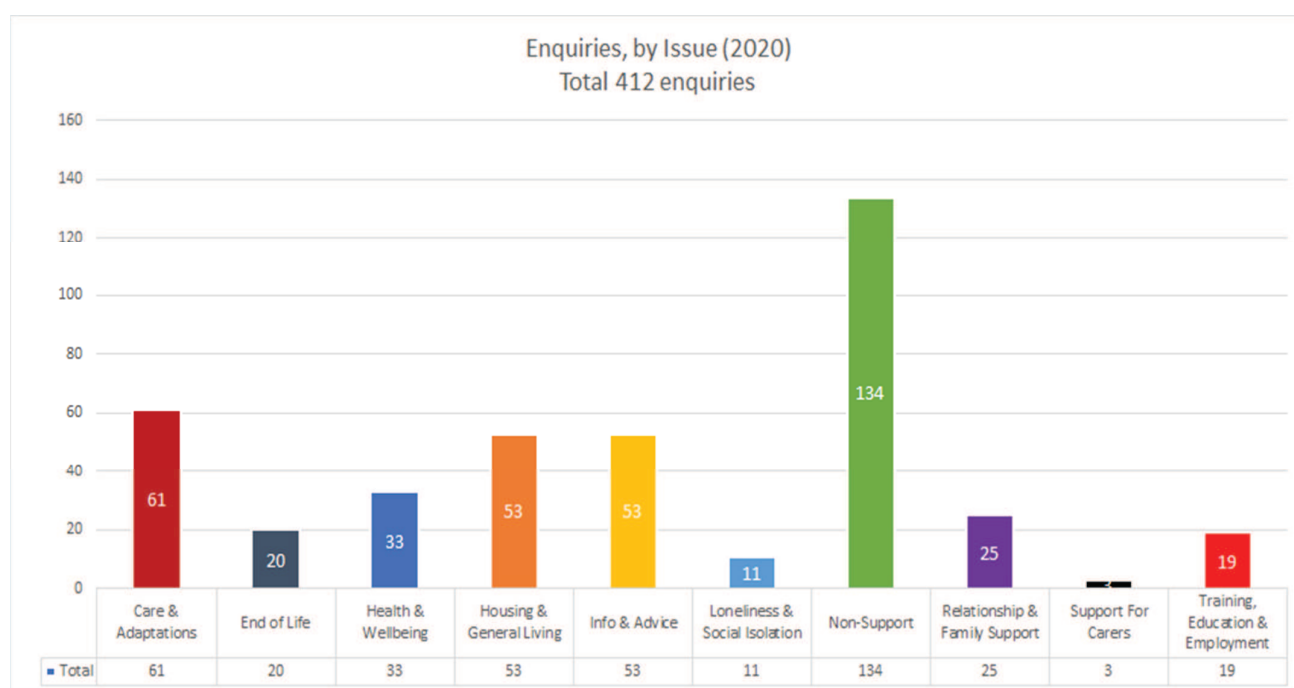
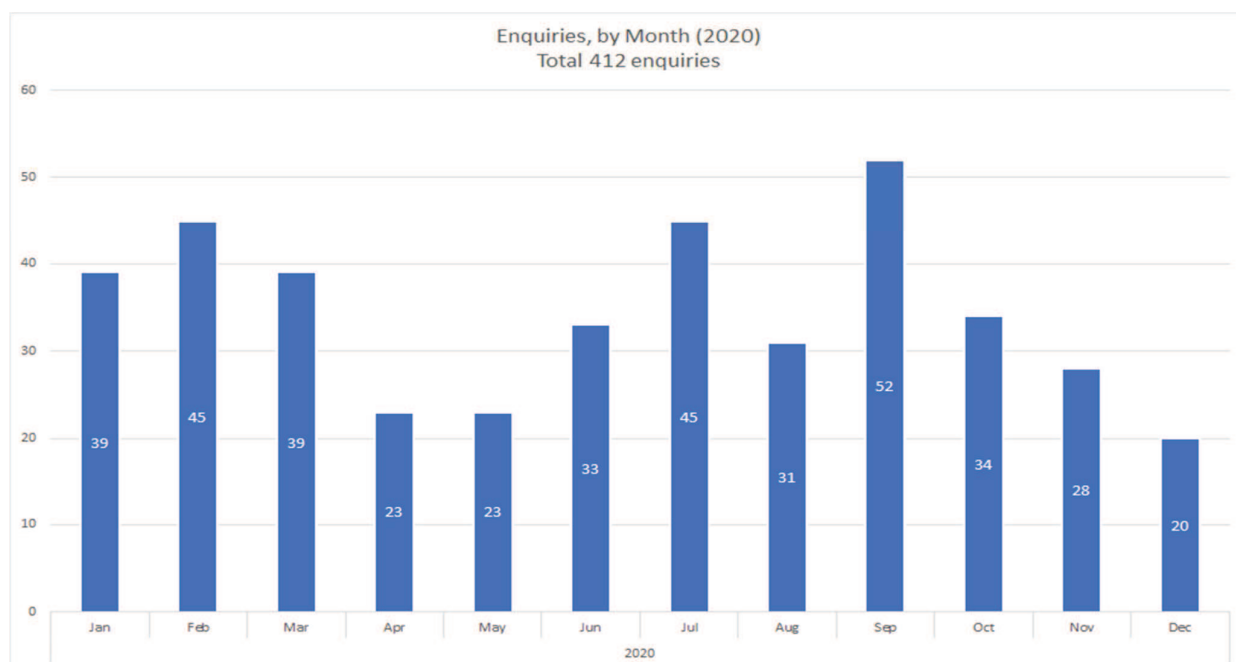
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Support Line

Introduced at the end of 2019 the role of the support line was crucial as the UK entered lockdown in March 2020. A support line officer was employed and continued to be supported by a rota of staff volunteers signposting those who needed help and sometimes just providing a listening ear and compassionate response.

The pandemic has seen an improvement in online guidance and support available from other naval charities and so the demands on our service have reduced in 2021. The numbers of enquiries remain currently relatively low, the provision is in place as a safety net for those who have not been able to find the support they need. All staff who take calls are supported by an RNRMC manager on duty to debrief with specialist support in place.



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Projection for next 3 years

Demand and Need

The huge variety and complexity of Need was articulated in the RNRMC's comprehensive need report presented to Trustees at the beginning of 2019. These themes and golden threads remain the drivers of our funding delivery and development ambition.

The Beneficiary Cross-Cutting Themes were identified as; -

- Debt and financial management.
- Alcohol and addiction support.
- Mental health support.
- Loneliness and social isolation.
- Household and general living costs.
- Relationship support.
- Community facilities with running costs.
- On-line toolkits for a range of issues.
- Health and wellbeing.
- Support for carers.
- Social exclusion

Golden Threads

The following golden threads were heard at workshops and from each of the 8 workstreams:

- Charities need to work together to support beneficiaries.
- A One Stop Shop for naval family beneficiaries should be considered.
- Communicating Naval Sector Charity offer requires improvement.

We will continue to work with providers and partners to scope the provision of more holistic services based on successful pilot programmes.

Demographics

We have explored the changing profile of Royal Navy and Royal Marines beneficiaries. Whilst we know the veteran demographic is declining – most especially the aged veteran community (and we will work hard to meet their needs toward the end of their lives) - the serving population and their families will remain at the current level or gently increase.

Working Together to Meet Need and Measure Impact

The charitable objects of the RNRMC are broad, our grants application and monitoring processes provide a primary source of data to determine need and demonstrate impact. Partnership working with funded charities to explore our joint impact continues to mature in addition to the delivery of workshops to consolidate thinking and the delivery of joined up solutions to address presented need.

All grant holding Organisations are required to provide key monitoring information against the outcomes they have identified at the point of application. The returns are carefully scrutinised to inform further allocation of funding and shaping of grant funded provision. The grants team have introduced monitoring that will be captured via Blackbaud Grant Management system directly linked to the funding outcomes. An outcomes report will be produced in the spring of each year in the future.

RNRMC Grant Making Policy – Projection

In the last five years, the RNRMC has distributed c£37.5m in charitable funding as well as working closely with other charities to almonise financial support to our beneficiaries. In the past, most charitable expenditure has been way of grant-making, based on demand and by application. This is a reactive service that allows charities and organisations

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with similar aims and desired outcomes to bid for money to support their work. However, this year we continued to adopt a more proactive approach, seeking to tackle the causes of need, often through long-term partnerships with other charities. We call this 'commissioning', and in 2020 we spent time investing in our partnership work to improve the offer for beneficiaries and we employed a commissioning manager to lead this area of work under the Director of Relationships and Funding.

Trustees committed to spend much of our charitable expenditure on collaborative programmes addressing unmet need. 53% of our grant budget was allocated across the 7-programmes working with a range of charity and State (NHS) partners. This forms the basis for developing relationships and re-shaping service design with existing organisations and also to explore in some areas new opportunities.

The Commissioning approach to our grant making will provide the means to address the needs of our beneficiaries in the next few years. Need is always difficult to predict and following a pandemic this is less uncertain, however, we know some of the challenges our community faces are changing and greatly influence our future plans, further details can be found on p28 of this report : -

Achievements and Performance

ACHIEVEMENTS AND PERFORMANCE – RNRMC – Delivering the Plan

The work we have done on 'Need' has sharpened our focus on our beneficiaries, sailors, marines, their families, and veterans. We are reviewing our processes and structures, and this has already released a store of energy and enquiry that has led us to better understand need and allocate our resources to meet that need. We remain firmly of the opinion that collaboration, co-operation and possibly convergence are not only highly desirable in meeting the needs of our beneficiaries but also necessary to remove duplication and reduce inefficiency, whilst balancing the retention of proud brands in the sector. We are a leading player in this debate and are working with our partners to move the agenda forward.

We are focused on:

- Being proactive and, where necessary, pre-emptive
- Intervening early and seek to get "upstream" of identified need and problems wherever possible promoting independence, preserving dignity and protecting individuals
- Being ambitious but pragmatic with our fundraising goals
- Developing an enthusiastic workforce motivated and skilled to deliver
- Investing in our communications, accessibility and digital ability
- Maintaining a resilient, sustainable and compliant organisation which is financially healthy

Understanding Need

We have continued to work with the Royal Navy including the Reserves Forces and the Royal Fleet Auxiliary to understand need and identify funding priorities for those on the frontline.

Through monitoring and evaluation of key metrics provided by funded partners we are able to keep our understanding of need current and up to date whilst reacting quickly where support is needed most.

The Commissioning plans for Programme 2 – Family Support and Programme 3 – Mental Health and Wellbeing Support were presented to the SFC at the March meeting. These plans demonstrate the development and future intentions for these two key themes for Serving Personnel and their families. The pandemic has impacted significantly on the implementation, but the commissioning approach has served us well in being able to respond to the changing environment. Our mental health pilot work in the wider Portsmouth area will provide a starting point to provide these projects in Faslane and the Southwest.

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Project Dynamo

We started the first pilot project as 2021 commenced with an aim of supporting those vulnerable Service leavers (and their families) who are required to transition from the Service at little or no notice. This 2-year initial pilot (approved by Trustees in October 2020) is now moving towards full operational implementation (expected in Q4 2021). This is the first occasion the charity has undertaken direct beneficiary support and we have recruited specialist case managers to form the Transition Support Team. In addition, a Case Management System has been adapted from a partner organisation to not only enable a holistic support caseload but also provide the evidence to indicate how this might be scaled up to support other key groups of beneficiaries in the future.

At the same time we have also been working closely with other Naval Associations, especially the RNA, to explore options and programmes that will treat the lonely and isolated need, as well as improving our networks to find the hidden and lost beneficiaries within our Navy Family. With a grant to support free membership by April 2021 this initiative directly led to a 10% increase in RNA membership with 1000 new members joining since January 2021.

Raising Funds

2020 started well with a large donation received from the Headley Court Trust and 6 days of events held onboard HMS Prince of Wales whilst alongside in Liverpool. Sadly, the ensuing global Covid-19 pandemic then had a huge impact on the established income streams for the remainder of 2020. Following the national lockdown of 23rd March 2020, the RNRMC took the difficult decision to furlough 5 members of the fundraising staff, 2 decided not to return and the remaining were back working from home by 29th July 2020. The pandemic resulted in all RNRMC and third-Party events to be cancelled resulting in a loss of community income. The impact of Covid-19 also meant that physical briefs, including Payroll Giving briefs to Royal Navy new entrants was not possible and although not immediate it did have an impact on regular income generation as individuals left the RN whilst we were not able to recruit new supporters. Despite 2020 being a difficult year for everyone there were positives, The online shop broke all records for sales and Individual Giving also had a better year than expected. We also experienced organic growth of supporters who chose the RNRMC to be their charity when planning fundraisers in the wake of Captain Tom, these included individuals walking from Portsmouth to Plymouth, the Collingwood RM Band Virtual VE75 challenge, and HMS Argyll's Highland Games which raised over £7K to name a few. Looking forward into 2021 and with a view to mitigate the issues of the pandemic the RNRMC began looking at planning events and virtual alternatives as well as the development of new platforms and offerings to supporters who are keen to help when possible. The formation of the 'Get Paul Home' fund and 'Help - Jim's Fund' also began to take shape late in 2020 with the aim to raise significant funds into the future.

Grant making

We have made great progress in our ambition to meet needs, this has been reflected in our positive move to become a commissioning grant maker. We will continue to develop our grant making policy and funding priorities as we continue to become more proactive in our response to beneficiary need. The introduction of Blackbaud Grant Management System will provide the platform to develop a focus on monitoring, evaluation, and the demonstration of impact.

Management of money

In working towards the delivery of our refreshed strategy, in line with our vision, the Board agreed to continue to draw down on its identified available free reserves (more detail can be found later in our risk-based reserves policy) over the next 7 – 10 years.

This commitment will enable us to -

- spend over 50% of our charitable expenditure on collaborative and long-term commissioning projects with other charities and organisations which seek to address underlying causes of need; and
- act decisively, undertaking bold and far-reaching plans and projects with our partners which will support key areas of need

In 2020 we committed 53% of our charitable expenditure to our programmes and the Board approved the new transition, Project Dynamo, Pilot Programme to support an identified key area of need. A simplification application to the Charities Commission of our fund structure was planned for 2020 however the impact of the pandemic meant that a closer focus was applied to cash flow planning and reserve management in the first instance instead. The

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simplification project remains in the delivery plan but for a later date. In line with the simplification plan we continue prioritising the spending down of restricted funds whilst maintaining beneficiary support through unrestricted funding which allows far more grant flexibility in the future without penalising our beneficiaries.

National voice

We have worked with a record number of charity partners over the course of the past year, to improve the quality of life for all those who serve and their families, as well as promoting independence wherever we can among our veteran community. The Royal Navy is championed by a range of naval charities, each with their own specific area of support. Our collective aim is to cooperate and collaborate as closely as possible so that together we can best meet the need of our beneficiaries. In particular, all naval charities are focused of working together to tackle missed and unmet need. In 2020 we dedicated the homepage of our website to presenting a support wheel of the family of naval charities, a summary of their services and direct links to their websites.

Show efficiency

Maintaining a low overhead ratio is core to our belief of delivering more to a wider group of beneficiaries through an effective middle and back office.

In addition to the management of our own funds we have worked with other naval charities and funds to deliver back-office services across all departments at RNRMC, primarily focused on finance and operations, for free to enable them to focus their efforts on direct support for beneficiaries whilst we assist them through our professionally qualified staff in providing those areas of administration that can deflect smaller charities from their core business.

In 2020 we progressed with the merger of services for our subsidiary The Royal Marines Charity and the Royal Marines Association as well as several new partners such as the RNA and the Naval Families Federation who are not part of the RNRMC group but who deliver direct support to our beneficiaries.

We aim to play a full role in encouraging efficiencies and effectiveness across the sector including encouraging discussions about how the naval charity sector specifically, and the wider military charity sector more generally, might gain from the benefits of closer convergence.

ACHIEVEMENTS AND PERFORMANCE - RMA–The Royal Marines Charity

Response to COVID-19

We are confident that we have become increasingly effective in supporting the Corps Family despite the challenges of the pandemic:

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Increase 2019-20</u>
Welfare Cases provided with funding support	545	665	810	22%
Employment Assistance – discharged RMs	55	71	75	5.5%
Armed Forces Compensation Tribunal Case Support	97	117	126	7.7%
Transition Support to Vulnerable Leavers	82	96	93	
Veteran Mental Health Referral Cases	79	92	113	23%
Addiction support	NA	43	60	40%

Smart working - collaboration with partners

We have worked increasingly closely with the NHS (the Veterans' Transition Intervention and Liaison Service and Complex Treatment Service), the Office for Veterans' Affairs and Third Sector partners, with a number of whom we have now agreed formal MOUs: the Royal Navy & Royal Marines Charity, Walking With The Wounded, the White Ensign Association, the Special Boat Service Association, Heropreneurs and High Ground. We collaborate regularly with Combat Stress, Help For Heroes, the Regular Forces Employment Association, the Poppy Factory, Royal British Legion Industries, Poppy Scotland, Blesma and Supporting Wounded Veterans. The NHS and Combat Stress refer beneficiaries to the Charity because of overstretch or under-resourcing.

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We work in close partnership with SSAFA-The Armed Forces Charity, and other Naval Service charities (the Royal Navy and Royal Marines Charity, Greenwich Hospital, the Royal Naval Benevolent Trust, the Naval Children's Charity, the Royal Navy Officers' Charity and the Naval Service Sports Charity) in our grant making work, with our USP being our holistic assessment of needs leading to complementary monetary and non-financial support. We are currently assisting the wider naval charities to develop a more holistic service (mirroring our own) through embedding a RN casework Manager and two Transition Support Guides within our staff, while we are advising the Royal Naval Association in the development of its membership offer and services to reflect those offered to our members.

Rising need

Our outputs are driven by need. We have monitored need systematically over the last 5 years and can evidence that the need continues to rise; hence our work outputs continue to increase. In particular:

- need is rising faster in the veteran community than in the serving Corps
- it is rising especially quickly in the veteran mental health sphere since the classic gestation period for PTSD is 7-10 years, meaning we will most likely be facing this rise for 3-4 years yet from veterans who served in Afghanistan.

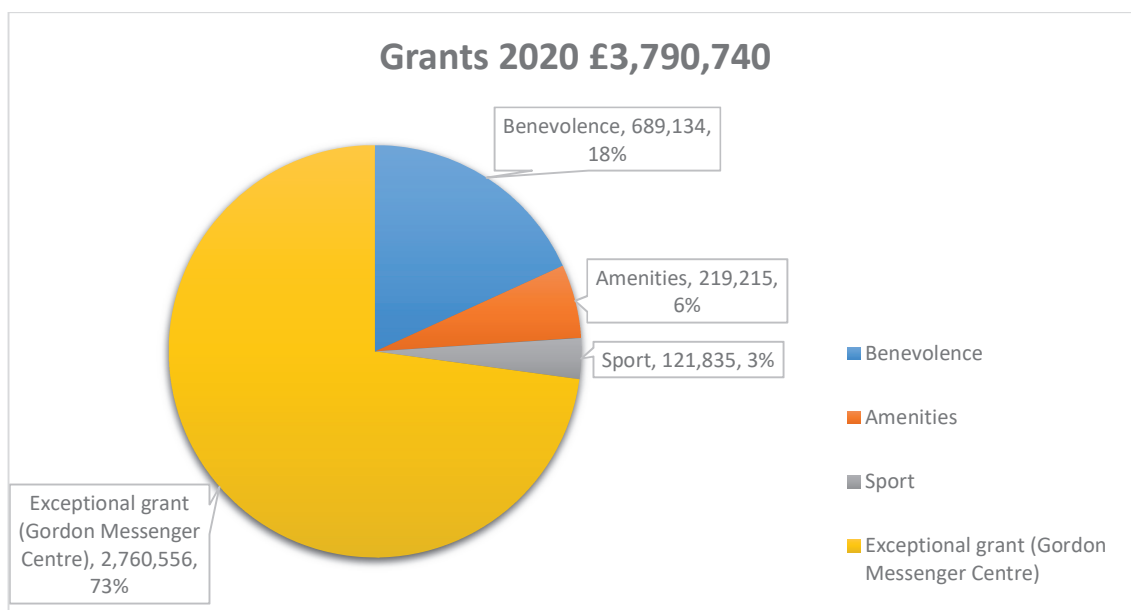
This rising need has led to increased spend by the Charity, having to put in place the people, resources, structures and processes necessary to provide effective first call support appropriate for our community:

- The appointment of a Casework Manager – providing more effective triaging to ensure better holistic support;
- The creation of Transition Support Officers South and North, and Alcohol Education Adviser posts i.e., safeguards for vulnerable leavers, enabling early intervention to stave off later interventions and increased spend; this creates a virtuous circle whereby the beneficiary does not need further intervention;
- The recruitment of two part-time Clinical Care Managers (responsible for veterans' mental health referrals to accredited therapists) and two Armed Forces Compensation Scheme & War Pensions Advisers (responsible for appeals to secure higher lump sum and ongoing pensions payments) taken onto staff because of the rising volume of cases;
- The implementation of a 'Lifting the Lid' suicide prevention campaign in the latter half of 2020 which was praised by the NHS, Samaritans and Zero Suicide Alliance.

Lifesaving support delivered

Since establishment of the Royal Marines Charitable Trust Fund (one of our precursor charities) in 2010, over £22.7M has been given in grants towards recovery, quality of life and through life care.

The Charity achieved expenditure in 2020 on grants payable of £3,790,740 a rise of over £1M on 2019 (due primarily to the exceptional grant of the Gordon Messenger Centre to the Corps).



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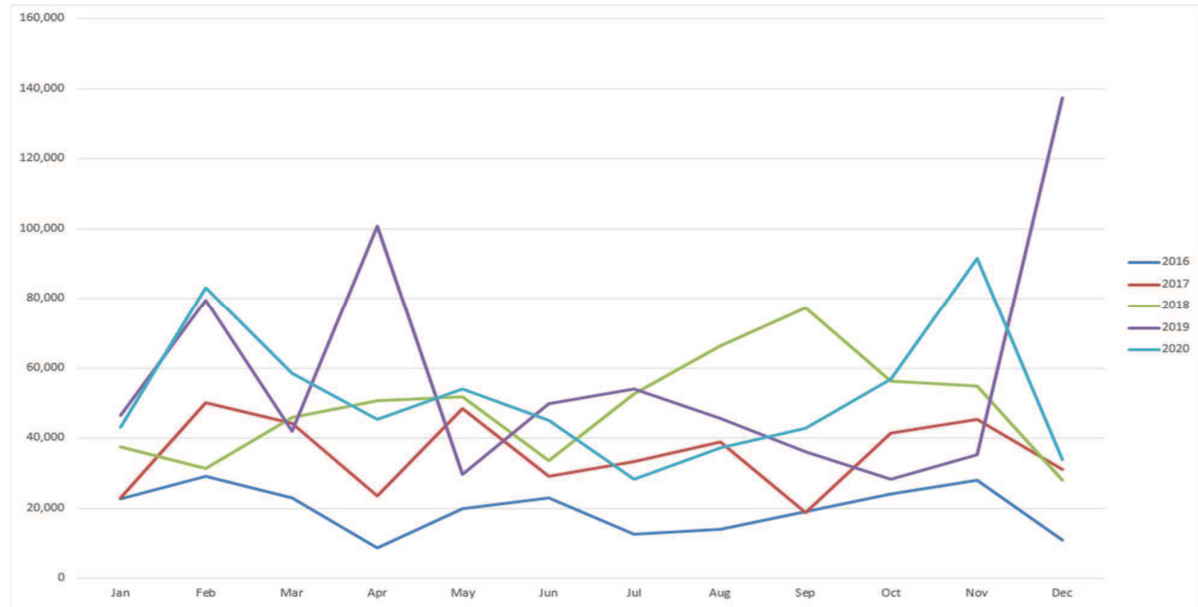
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The delivery of support amounted to a further £801,166, giving a total of £4,591,906 of charitable expenditure.

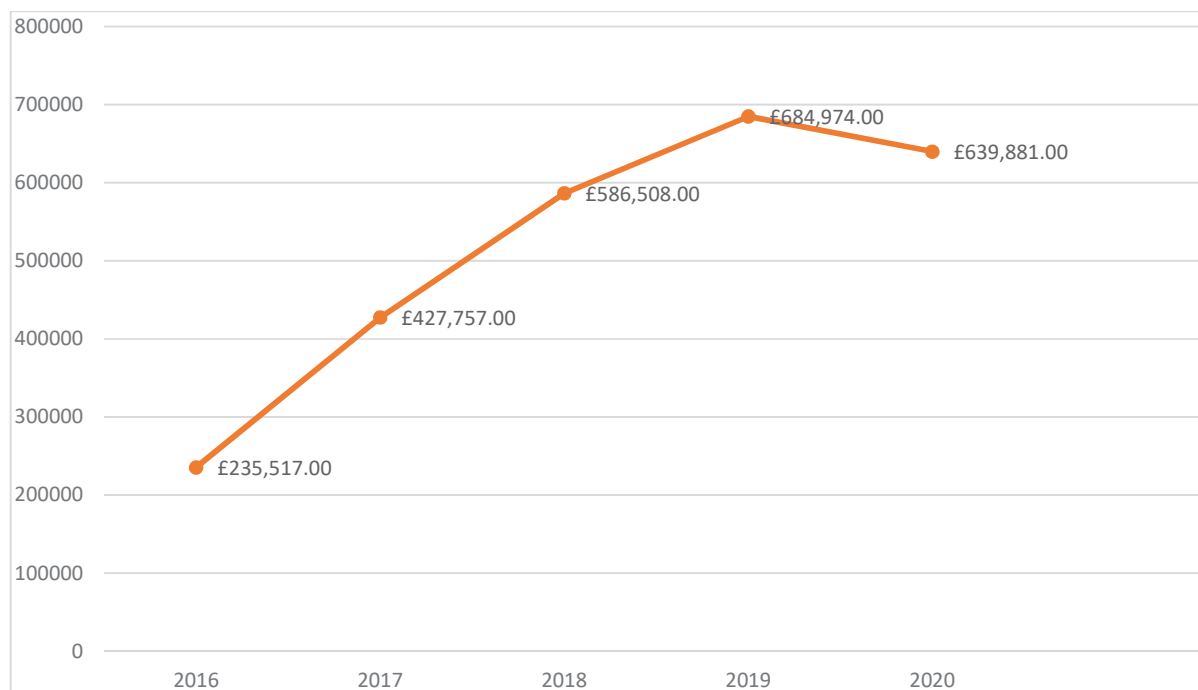
Increased numbers supported

- Total number of beneficiaries supported by charitable interventions through year: 20,744 (2019: 16,092).
- Total number of beneficiaries in need supported through financial and non-financial benevolence: 1,896 individuals (excluding their dependants) (2019: 1,662; 2018:1,404).

Annual comparison of welfare grants to individuals 2016-20

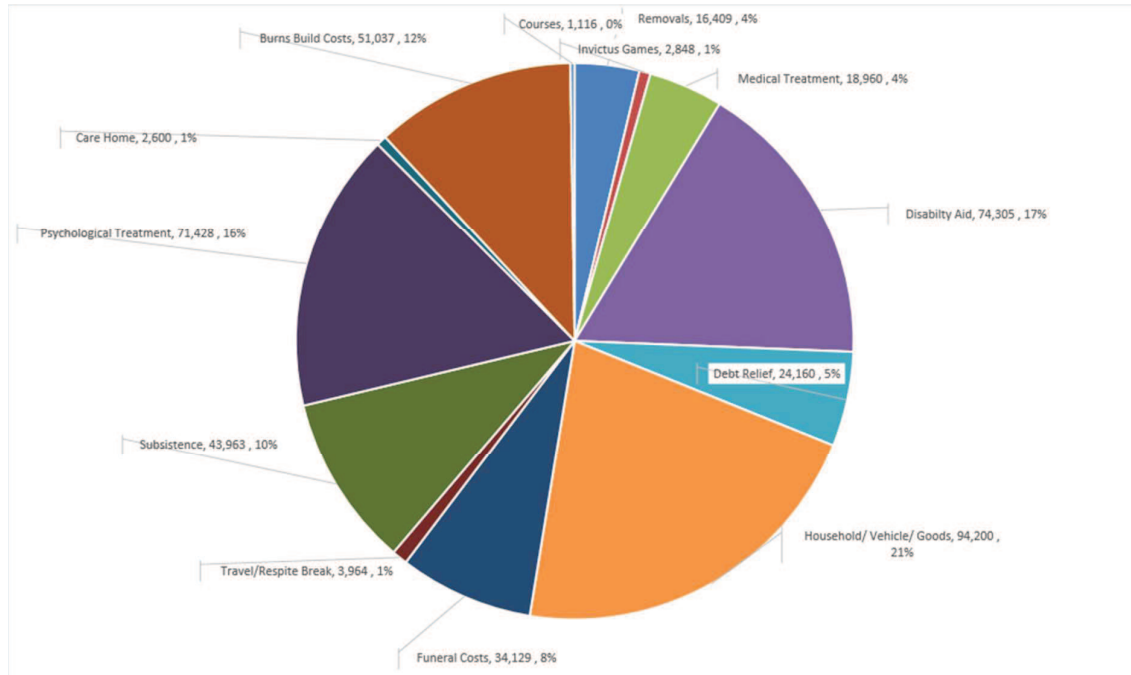


RMBF Spend on Welfare Grants to Individuals for the year to 31 December 2020



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The build costs referred to above represent half of the costs of an extension to a severely wounded beneficiary's home approved in 2019, which could only commence in late 2020.

- Total amount of amenities and sports/adventure training grants: £341,050 (as against £1,192,766 in 2019 and £1,011,557 in 2018, reflecting the impact of COVID-19 on Corps life and activities).
- Number of serving Royal Marines benefitting from amenities and sports grants: 18,893 (2019: 14,430).

Support outputs and impact:

- A record number of discharged Royal Marines – 75 (2019: 71, 2018: 55) – were assisted into employment worth over £2.1M in added local employment value (the Government's approved proxy value for one person being in employment for 12 months is £28,758); see the dedicated section on social value below. 298 were advised in total (of whom 48 were funded).
- 203 War Pension and Armed Forces Compensation Scheme tribunal cases were supported (2019: 117, 2018: 97).
- All 10 major Royal Marines units were visited to be given alcohol education advice, received by universal chain of command praise, 60 individual addiction cases were supported (2019: 43), 28 serving with a replacement cost of £3.5M if they had been discharged (since it costs a minimum of £125,000 to train a new recruit), and 32 veterans.
- A larger number of Veterans' Referral Plan mental health therapy cases were supported, 113 (2019: 92, 2018: 79, 2017: 26).
- 93 new vulnerable leavers were supported by our Transition Support Officer (2019: 96, 2018: 62).
- Funding of £110,820 was provided for the coaching of 194 battling mental ill-health by Rock to Recovery (2019: 193, 2018: 142).
- 9 other partner organisations were supported by funding of £52,934, benefitting 30 individuals directly alongside pastoral work at 3 units.

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The Gordon Messenger Centre – enabling resilience in the Corps Family



The Charity has completed a seven-year project to deliver a state of the art welfare and community facility at the heart of the Corps, the Gordon Messenger Centre for Resilience, which opened in December for welfare support, training, rehabilitation activities, briefings, employment workshops, community events for serving and veteran Royal Marines, family activities, a children's creche, charity meetings, cadet activities and support to sporting events on the adjacent sports fields. Named after the Patron of the Charity, General Sir Gordon Messenger, the centre has a large hall, cafeteria and kitchen area, meeting room, office, indoor and outdoor play areas. This £2.8M project, which could not be funded by the MOD has been paid for through grants and donations of £1.9M, and £1M from Charity general funds. The MOD has agreed to fund ongoing running and routine maintenance costs. It is expected it will provide charitable benefit up to 50,000 personnel and dependants over the next 30 years. A local management committee on which the Charity is represented will oversee use in accordance with the charitable objects of the Charity, and will capture feedback to the Corps and trustees annually.

The trustees have determined that the most appropriate treatment of the project for accounting purposes (since the land reverts to MOD at the 30-year point and therefore the building), is to deem it a capital charitable grant, therefore the building's value has been removed from our balance sheet.

Created Social Value:

Through 2020, the Charity has been capturing metrics using government approved Themes, Outcomes and Measures (TOMS) including calculations of added social value, with the assistance of the [Social Value Portal](#). Government TOMS are concerned with jobs and skills, and societal and community development, to work out appropriate. There were 65 metrics captured.

Areas where extra value was added were as follows:

- Family members supported through Association events;
- Veterans attending parades;
- Discharged RM assisted into full time employment;
- Hours dedicated to supporting RMs into work by providing career mentoring, including mock interviews, CV advice, and careers guidance;
- Unpaid work experience provided by employer partnerships;
- Time dedicated to supporting divorcing families;
- Increase in lump sum and pension won following the tribunal and pension advice service.

The Social Value created by the Charity as measured through the Social Value Portal Themes, Outcomes and Measures in 2020 was £4,590,876 (2019: £4,005,099, 2018: £4,007.636).

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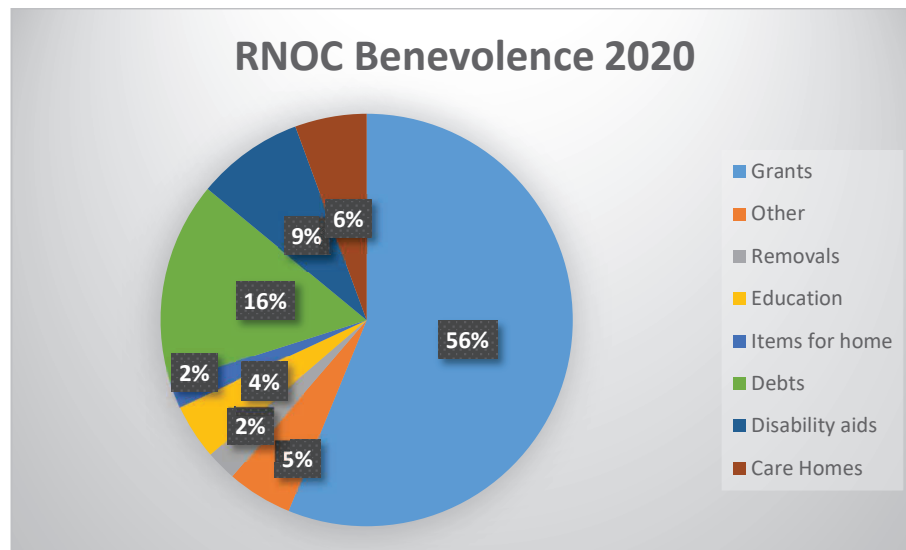
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ACHIEVEMENTS AND PERFORMANCE - The Royal Naval Benevolent Society for Officers (RNBSO), known as The Royal Navy Officers' Charity (RNOC)

The RNBSO continues to meet the need of all beneficiaries from its own investment income albeit during the past year the charity has spent all allocated Reserves and have needed to realise additional income through sale of assets. The Charity is hoping to recover these shortfalls and are actively fundraising via the ARNO membership and other initiatives. In addition to regular beneficiaries, the number of new applicants continues to increase and in some cases applications are particularly complex. Applications are normally dealt with within 3 working days although in emergency cases can be resolved within 24 hours. A copy of the latest Impact report can be accessed at the charity website. www.rnoc.org.uk. The recently updated ARNO/RNOC website www.arno.org.uk is being visited on a regular basis and all IT systems have been updated to ensure the latest compliance.

Last year was challenging for everyone. We were glad to be able to support a wide range of beneficiaries with grants in excess of £450,000.

To reflect the diversity of needs, and especially in response to the pandemic, our grants support beneficiaries of all ages and backgrounds, including: nursing and care home fees, mobility aids, education, household adaptations for family members, training and transition, repayment of debts, end of life care and funeral costs.



In addition to the financial grants awarded the RNOC provided continuous access by mail, email and telephone for current and potential beneficiaries. Assistance was provided to numerous widows/widowers suffering bereavement, navigating the systems and processes to get the pensions and support to which they are entitled. Many others benefit from having a point of contact to discuss their concerns and challenges. We continue to partner with Zimbabwe a National Emergency (ZANE) and Royal Commonwealth Ex-Services League (RESL) to deliver crucial support in other jurisdictions, and with SAIL (Seafarers Advice Information Line) to resolve debt related issues.

In view of the challenges people faced due to the pandemic, some new initiatives were successfully delivered. On-line weekly zoom calls were established to help combat isolation and loneliness, a telephone service was established to connect potentially isolated veterans (76 individuals continue to use this service), and assistance was provided to arrange the repatriation of a veteran stranded overseas due to Covid.

All of the above delivered swiftly and with minimum of fuss, by a team of two.

ACHIEVEMENTS AND PERFORMANCE - Naval Service Sports Charity (NSSC)

2020 has been blighted by the necessary Government response to the Covid-19 pandemic that saw a UK wide lockdown in March, national lockdowns, and national tier based restrictions through the remainder of the year. This resulted in the cessation of the majority of amateur sport both nationally and within the military, and whilst the NSSC 2020 budget had

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funds ready to support a full RN sporting programme much of the activity and beneficiary need has been put on hold pending the restrictions being lifted and normal levels of sporting activity being resumed.

Despite the impact of the Covid-19 pandemic, our funding has supported the following activities:

1. **Sports Associations.** The RN Sports Staff and the NSSC Director of Operations review the annual bids of the 43 Sports Associations to support their operating costs for the following year, with a focus being on sustaining a broad menu of opportunity, grass roots development and inclusivity, whilst also supporting the RN's ability to compete and win at representative level. The operating costs generally cover the requirements for insurance, National Governing Body subscriptions, membership fees, catering, hospitality, competition fees, IT support, trophies and prizes; effectively the lifeblood and viability of a sports association. This year, we distributed grants to RN Sports Associations of £265,750. In addition, whilst RN Rugby Union does not normally seek financial support from the NSSC, as a result of their annual Army versus Navy match at Twickenham being cancelled and RFU Community Board funding being cut, they approached the NSSC for a grant of up to £63k. With the Director of Operations having reviewed RN Rugby Union's financial position and costed options for their future playing season, the NSSC approved out of committee a grant of £63k which, combined with a £50k loan from the RN Sports Lottery, will help underpin a planned 2020-21 playing season that despite cutting costs significantly resulted in a Rugby Union budget deficit of £113k.
2. **Talented Athletes.** Once again those sportsmen/women who are talented enough to compete at national and international level have been supported by a generous grant of £30,000 from BAE Systems.

This has enabled the NSSC to continue to support the following individuals in full time national sports training:

Marine G Crotty (Boxing) - won Silver in the 2019 English Boxing Championships and was hopeful of being selected for the 2020 Olympic Games in Tokyo that were postponed as a result of the Covid-19 pandemic.

Steward B Wild (Para-Skiing) – Brett Wild is the sighted guide for GB Para-Skier Millie Knight who, having won 11 Gold, 5 Silver and 5 Bronze medals in World Cup Championships and 2 Silver and 1 Bronze medal in the 2018 Paralympics, has continued to train in Europe and following the resumption of World Cup competition won a Bronze medal in January 2021 and continues to train for the next Paralympics.

In Autumn 2020 the Naval Service Sports Board approved the assignment of three athletes to train full time with the GB Bobsleigh Squads: Marines Lawrence and Baird in the Men's Squad and Leading Physical Trainer Haslam in the Women's Squad.

Plans for Future Periods

FUTURE PLANS – Royal Navy and Royal Marines Charity (RNRMC)

Our thinking has obviously been greatly influenced by Covid19 which has not only caused significant turmoil in society but has also served to highlight some of the marked inequalities that will increasingly affect some of our beneficiaries. A snapshot of the sort of challenges that face us all include:

- An ageing population
 - Increasing frailty and multiple health conditions
 - Greater complexity in their care.
- Longer lives
 - Rise in caring responsibilities amongst spouses, partners and family members
 - Currently, three in five people will be carers at some point in their lives.
- Challenges in social wellbeing including loneliness
 - Issue across all age groups but particularly amongst the 16-24 age group, who now experience the highest levels of loneliness of any age demographic.
- Continued growth in mental health issues
 - Particularly amongst young people
 - Including depression, anxiety and conduct disorder.
 - 1 in 10 children and young people are affected by mental health problems and 70% will not receive appropriate interventions at a sufficiently early age.
- Reduced financial wellbeing
 - The cost of living continues to outpace income growth.
 - 46% of UK adults display one or more characteristics of financial vulnerability and are at risk of falling into severe debt.

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- Domestic abuse
 - "... an epidemic beneath a pandemic"
 - Over 2.5 million people in the UK experienced domestic abuse in the last year.
- Rising 'unmet' need
 - Pressures on statutory health and social services
 - Waiting times for services are lengthening, and thresholds for receiving care are rising.

In the light of this and Covid19, the Board reviewed our Strategic Objectives and desired outcomes which were agreed in early 2020 and are detailed below. Both the objectives and outcomes were firmly endorsed.

Our Strategic Objectives:

- We will work with other charities operating in our sector to establish a confederation or alliance in order to provide those in need within our beneficiary group with a single point of access to the totality of state and charitable support available;
- Acting with other naval charities and key stakeholders, we will ensure that our potential beneficiaries are made aware of the support that is available to those who need it;
- We will collaborate with Greenwich Hospital to agree funding priorities, and secure a long-term financial arrangement from Greenwich to deliver the RNRMC's charitable objects;
- We will commit to spending over 50% of our charitable expenditure on collaborative and long-term commissioning projects with other charities and organisations which seek to address underlying causes of need, whilst continuing to make other grants as the need arises; and
- Recognising the need to act decisively, we will undertake bold and far-reaching plans and projects with our partners that will draw-down substantially on our total net assets

Our Expected Outcomes:

1. An explicit focus on the needs of RNRMC beneficiaries – promoting resilience, the lived experience, independence, and dignity.
2. Increased support to more beneficiaries
3. Increased likelihood of finding the hidden, lost and lonely and them being able to find the support they need
4. Strategic alignment of the RN Charity Sector through a single triage/support/navigation system
5. Increased credibility and reputation of all Naval charities
6. The potential of increased retention of serving personnel

We are working to ensure that we are suitably prepared to meet the challenges articulated above wherever they might impact on beneficiaries. This includes the commissioning of services, partnering with other specialist organisations, grant-funding projects, and securing a healthy and sustainable financial future. We are particularly concerned about the challenges to fundraising and the capacity and appetite of society to support charitable causes to the same extent it did before Covid19. We are therefore looking at how our funds are put to best use, the level of reserves we must maintain, reduction in costs where appropriate, and the avoidance of duplication of costs across the charitable sector. To this end, we are working with Greenwich Hospital, with whom we share purpose, charitable objects and beneficiaries, to find ways of working together effectively and efficiently in order to be best placed to support beneficiaries.

We are also exploring key work strands where we believe proactive interventions will have greatest effect. Having identified transition from service life to either other employment or retirement as a key element of preventative activity, we are shortly bringing a Transition Support Service into being over a two-year trial period. We recognise that most of the serving population receives a wholly adequate career transition service but understand those who experience an abrupt and unplanned end to their career through, for example, medical, administrative or disciplinary discharge, can

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face huge challenges which, if not addressed swiftly and effectively, can lead to difficult and turbulent lives for individuals and their families. Connected with this, we are exploring with a partner charity, The White Ensign Association, the funding of an Armed Forces Compensation Scheme Advisor to assist those who have to access the scheme.

We are also very concerned about the deleterious effects of social isolation and loneliness. At the start of 2021 we partnered with the Royal Navy Association in a bold project to increase membership by subsidising head office costs and thus negating the need for subscriptions from members, as part of a campaign to promote a befriending network beyond the RNA membership. Embedded within this is an innovative project with a commercial partner, Sparko TV, which looks to provide interactive TVs in the homes of those who are housebound, remote, or isolated which offer a range of interactive opportunities and the chance to talk to friends and relatives remotely and easily. We are looking to spread this work into other naval associations and are actively pursuing this presently.

Finally, we are working on new partnerships to support the submarine community, past and present, through the Submarine Family Fund, as well as working with the Royal Fleet Auxiliary to support, in the first instance, those currently serving in recognition of the intrinsic nature of the work of the RFA in supporting the Royal Navy.

As well as these new partnerships we continue to work closely with other naval charities who also support our beneficiaries by providing them free of charge back-office services such as HR, Payroll, bookkeeping, investment management, fundraising, communications and grant giving support in order that they focus on the direct support to those in need.

The Governance of RNRMC is strong and is able to provide a wealth of experience and advice to our partner charities to help them and in turn help our beneficiaries. In 2020 the cost of this support was over £200k and we regard this cost as charitable support to others.

FUTURE PLANS – RMA – The Royal Marines Charity

Covid-19

The impact of Covid-19 has been considered on the company's future plans and budgeting processes, as the effect of the outbreak will be a significant risk for the year to 31 December 2021 and it is estimated, 2-3 years beyond.

The crisis resulted in the Charity staff ceasing office-based operations and moving to remote working from home; this was achieved seamlessly due to a major IT migration programme undertaken in late 2019. Staff have continued to deliver most aspects of welfare support, though it must be conducted remotely, but all membership events were cancelled in year; it is hoped that staff will return to office by mid-2021 and that events will recommence in September.

Our first priority was and will be to continue to provide support to the vulnerable members of our community, those suffering from the downturn in the economy and the social impact of Coronavirus and particularly those who may have even greater troubles due to the social distancing measures imposed. Whilst not front line, we are confident that we have alleviated significant pressure on the NHS and government, as we continue to address the following crucial areas where Covid-19 is impacting our community significantly:

- Mental ill-health across our community;
- Family stresses across our community;
- Medical discharges of serving Royal Marines;
- Unemployment among veterans and dependants.

Even before Covid-19, the Charity faced a significant challenge in fundraising:

- LIBOR bank fine funds are exhausted and will not be replaced;
- There is no potential government funding apart from Armed Forces Covenant Fund Trust grants;
- Brexit anxieties which have not yet restored business confidence;
- No public campaigning by the Royal Marines meaning that the military are out of mind.

The pandemic removed a significant proportion of our fundraising capability in 2020 and has a significant impact on the first two thirds of 2021. We have planned accordingly, but in order to ensure that essential services continue to be provided, the trustees approved a projected deficit budget of £400K.

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There are sufficient free reserves for 10 months of expenditure as at the time of signing, but if fundraising and other income-generating activities are not able to recover, the trustees will need to liquidate investments which are intended to be held for the long term in order to generate a recurring income stream for beneficiaries. Cashflow is monitored monthly, looking forward 12 months. Based on the revised forecasts the Trustees are satisfied that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

Strategy and Programme 2021-30

In 2020 the Membership strategy was reviewed and revised for implementation in the first half of 2021, which completed the revision of all the charity's functional strategies.

We continue to follow a 3-year budgeted delivery programme with associated risk register based on the revised strategies, delivered by the staff but with regular reporting oversight from the sub-committees allied to the Charity's functional teams, which in turn report to the Board.

This programme will ensure that the charity is proactive and bold, differentiated, sustainable, owned by the Corps Family, recognised by the wider community, and effective (efficient, cost-effective and achieving maximum impact).

The programme ensures the following objectives will be secured:

1. We will enable those we serve to live by the Commando Mindset (restoring, maintaining and enhancing independence, dignity and effectiveness) through financial and non-monetary support;
2. We will promote and sustain the Royal Marines brand and esprit de corps;
3. We will increase and achieve a representative membership mix of the Corps Family and supporters, in order that the Charity and Association become the heart of the Corps Family.

This year the charity celebrates the 75th anniversary of the founding of the Royal Marines Association in 1946, which will be the focus for membership events and community fundraising initiatives.

The Board and Executive have commenced further work to improve the charity's delivery in the 2022-24 period; and further to review the whole strategy of the charity for 2025-30 against the projected demographic changes of the beneficiary community, operational commitments of the Royal Marines, and other accepted trends in the serving and veteran military population of the UK, with the opportunities and challenges that will be presented. We will seek to develop the Unique Selling Point of the charity as the embedded charity of the Corps, so uniquely placed to provide appropriate charitable support.

FUTURE PLANS – The Royal Naval Benevolent Society for Officers (RNBSO), known as The Royal Navy Officers' Charity (RNOC)

The need for benevolence continues to grow with casework becoming increasingly complex. While greater almonisation of funding across partner agencies has become the norm, RNOC continues to maintain a keen eye on generation of income with which to meet the demand, the trends that drive this, and potential areas of unmet need.

The standard annuity grant for 2020 was £2500 p.a. During 2020 the Benevolence subcommittee will review the level of grants using data from the Rowntree Foundation. Taking this data into consideration, along with the withdrawal of some assistance from other charity providers, the additional cost of TV licences and the extra expenditure required to cope with the pandemic the committee recommended an increase to £3000 p.a. This was agreed by Trustees and implemented with effect from 1 January 2021.

FUTURE PLANS – Naval Service Sports Charity (NSSC)

The NSSC will endeavour to increase the level of grants to support sport in the Royal Navy by a percentage equivalent to any increase in CPI or to satisfy all reasonable demands in later years. In setting the budget for 2021 and future years in the NSSC has made assumptions that the size of the Royal Navy, the number of Sports Associations and the numbers accessing sport will not change significantly in the next 5 years.

As with many other charities, there are indications that maintaining income in future years will be challenging and the NSSC will need to continue to work closely with its parent charity, the RNRMC, to ensure that the outcomes of their Fit for Life grants pathway continue to justify the defined level of grants made to the NSSC against competing Quality of Life, Through Life and End of Life bids.

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Financial Review RNRMC Group

Overview

The RNRMC Group closed the year with total funds valued at £87.2m, a reduction of £11.13m in 2020 due to the reduction in value of our investments as well as the agreed spend down of our reserves which resulted in a £6.7m deficit before the unrealised losses of £4.5m on investments. Overall our performance when compared to 2019 and taking into account the effects of Covid-19, income was down £6.7m (however £2.6m of income in 2019 related to exceptional income on the merger of RMA with TRMC and RNRMC Group), charitable expenditure is up from £13.5m in 2019 to £15.1m in 2020 with direct grant awards of £11.4m an increase of 6% against 2019. Our commitment to commissioning has more than doubled since last year.

More information on the impact of Covid-19 within the Charities investments can be found in the investment section of this report on page 39.

Unrestricted Funds

The value of Unrestricted Funds including designated funds, reduced from £34.2m to £29.4m a decrease of £4.8m. This decrease is due to unrealised investment losses of £2.1m and a transfer of unrestricted funds to support restricted grant making. This transfer relates to payroll giving income that is recorded as unrestricted income, this income is applied against restricted funds and supports all of our grant making programmes and pathways depending on their level of need.

Income

The total income of the Group was £11.4m, a decrease of £5m (-30%) from 2019. This decrease in income mainly related to the following three areas:

1. 2019 income included a one-off transfer in of Assets from the Royal Marines Association of £2.6m which relates to Investment assets and a fixed asset building held in Deal, Kent.
2. Investment income reduced by £1m (-30%) because of market performance due to Covid-19.
3. Donations and legacies income fell by £1.13m (-17%) as a result of a reduction in Legacies and cancelled fundraising events due to Covid-19.

Donations & Legacies

- **Donations** – A difficult landscape due to Covid-19 meant that fundraising events were cancelled and donations were decreased. The result being a reduction of £0.6m (-17%) against 2019.
- **Payroll Giving** - Through generous donations from serving Naval Personnel, the Navy's Payroll Giving scheme grew by another 6% to £1.17m. Although the overall number of donors had decreased there was a real increase in the average donation per donor. The Covid-19 impact of not being able to present directly to new entrants is likely to take effect in 2021 due to the time it takes to process new members.
- **Legacies** – There was a reduction of £0.58m (-73%) against 2019 in 2020.

Demand again outmatched income and we will continue to develop our income streams such as legacies, major donors and corporate relationships whilst utilising our reserves brought forward to meet this unmet need.

Expenditure

Total expenditure was in line with the 2019 results at £18.0m (2019 £17.9m) however the breakdown in costs reflected the downturn in fundraising (cancelled events) against an increase in beneficiary need.

- Commitment of significant Commissioning Programmes, year 2 of 3 in partnership with Charities both inside and outside of the military sector.
- Commitment to uphold our total grant making during and post the pandemic to ensure our beneficiaries remain supported through increasingly difficult times

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Grant Making

The RNRMC Group remains committed to supporting its beneficiaries with £11.4m distributed through grant making (2019 £10.6m).

Included as part of this increase is an exceptional grant through RMA-TRMC for the Gordon Messenger Centre, the build of which (£1.8m) had previously been capitalised in 2019 and has now been recognised as a Grant of £2.8m.

The RNRMC continued to enhance grants through its commissioning pathways established in 2019.

Raising Funds

- **Fundraising costs** – The costs in this area continue to be tightly controlled whilst maintaining engagement through developing our marketing and communications to engage future donors and supporters. In 2019, the Group's costs decreased from £3.7m in 2019 to £2.4m in 2020. Along with cost control, this decrease is directly linked to the cancellation of fundraising events throughout the year due to Covid-19, and offsets in part the shortfalls in related fundraising income.
- **Investment Fees** – A small decrease in investment fees of £67k (-10%) was seen in the 2020 year. A full investment manager review was completed in 2021 which should see a further reduction in fees in 2021.

Balance Sheet

Tangible fixed assets within the group have decreased due to charitable grant of the Gordon Messenger Centre to the MOD for the Corps by RMA-TRMC. To the end of 2019 £1.8m had been capitalised, and this was released as a Grant in 2020.

Investments in the group had decreased from £95.3m to £83.9m, a reduction of £11.5m. The majority of this reduction is due to the introduction of the 2020 RNRMC Cash Policy to hold 12 months activity as well as an identified amount to support potential contingent grants required by partner charities in cash or near cash products.

During the year £6.26m was drawn as cash across the group (£5m RNRMC Charity) and is reflected in the cash balance detailed below.

Cash in the group increased from £5.9m at the end of 2019 to £8.6m at the end of 2020, this reflects the funds draw down from investments to meet the RNRMC Cash Policy and is offset by spend in other areas within the Group.

The unrealised losses from investments at the year end were £4.5m.

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Principal Risks and Uncertainties

The Trustees regularly consider the major risks to which the charity is exposed and a three-tiered system is used to manage risk.

First tier - regular management by the Senior Management Team

Second tier - quarterly oversight by the Trustees.

Third tier - annual review by the Auditor as part of the audit process.

Trustee reviews are undertaken at each quarterly Board meeting when the mitigation plan for all major risks is assessed against the ability to deliver the charity's outputs detailed in the annual Delivery Programme. In addition, each quarterly meeting considers detailed reports on the highest risks to ensure sufficient attention and resource is focused on treating or mitigating these risks. These mitigations are detailed on the risk register along with potential further actions that are being taken to further reduce risks where possible.

In addition, subsidiary charities within the Group make a report to each main Board meeting, including any risks that they wish to elevate to the Group Board. The Group FRAC reviews Group risk when they meet.

As Trustees we recognise there remain uncertainties that could affect our risk mitigation strategy through uncontrollable, external factors such as government policy, external focus on the charity sector fundraising profile and the wider economic conditions. Indeed Covid-19 is a perfect example of this. In response to the crisis caused by Covid-19 in March the Board acknowledged and reviewed the Covid-19 specific risks which are detailed below before the detailed risk table.

It is important to note that the test that Covid-19 presented us with has proved that we were able to mitigate the risks, in particular the financial impact of the risks which became issues, through the introduction of our risk bases reserves policy.

Covid – 19 Risks

1. **Cause:** Covid – 19 pandemic, leading to significant change in beneficiary need landscape and government intervention that prevent 'normal' business activities.
2. **Effects:** These can be categorised into the following broad categories:
 1. Increased and changing need of our beneficiary population (short and long term)
 2. Those we fund may need increased resource to meet commitments
 3. Maintaining the well-being of our own staff, especially those identified with underlying health problems
 4. Maintaining business continuity as far as reasonably practicable, including our events programme
 5. Volatile investment markets may reduce our assets (reserves) in the short term.
3. **Consequences:** Of the 5 broad effects above:
 1. We may be overmatched on our support line to deal with increased enquiries and we may need to provide individual benevolence as a last resort.
 2. Benevolence organisations we support may not be able to change their processes or have the resources to meet the increased demand.
 3. The need to continue to isolate those staff with underlying health problems and provide capability for all staff to work remotely for a longer period.
 4. charity events and other key outputs may be severely disrupted in a way to reduce the ability of the organisation to operate effectively.
 5. Only significant if the market adjustment impacts the organisation's ability to maintain a healthy cash-flow during the outbreak.

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Mitigate, Treat, Tolerate

Risk 1 and 2.

The Board reacted to the immediate need by approving the creation of the Hardship fund as well as the setting up of the beneficiary support line, primarily to signpost those in need to direct support. Future enhanced beneficiary support is being addressed through Project Dynamo - the transition support pilot as well as through ongoing review of funding requirements with our partner charities. Direct support lines through benevolence charities are now well established.

At the same time the RNRMC is working closely with the team at Greenwich Hospital to build the existing partnership to create a much stronger sector so that some good may come from this unheralded situation.

Risk 3.

Has been mitigated by directing all staff to work remotely from home. Each staff member has a home office set up with both furniture and IT equipment. Significantly enhanced contact protocols have been introduced to ensure no member of staff feels unduly isolated. A pastoral support line has been created as well as HR calls on a regular basis. Department video Teams calls are scheduled at least weekly, and a fortnightly electronic staff survey has commenced to maintain a duty of care and maintain a close monitor of morale. Staff have been able to return to the office on a limited basis, carefully controlled to ensure all staff are working in a safe environment.

Risk 4 and 5.

Many events have been cancelled and fundraising income has been severely affected during the outbreak. This was foreseen as a consequence at the outset of planning once it became clear that 'normal' business and 'routine' life would be severely affected by the outbreak. The budget has been re-forecast, a cash policy introduced and a coherent communications programme has been introduced reflecting the work we are doing in response to Covid-19. These new ways of working have been built into our regular business as usual work.

The areas below remain those of the highest potential risk if not mitigated:

The Royal Navy and Royal Marines Charity

Risk	Mitigation
Financial which includes: • A significant downturn in UK prosperity • Not meeting our Voluntary Income targets • Constraining Corporate and Major Donors • Loss or reduction of funding streams • Not meeting identified need through developing our commissioning approach • A paucity of infrastructure support services These risks would reduce our capacity to deliver our strategy.	• We are reviewing our fundraising and engagement capability post Covid-19 to diversify our income opportunities as much as possible. • We have developed case studies of support provided by those we fund to improve our success at securing major individual and corporate gifts • We have a systematic approach to budget setting and financial planning including cashflow with detailed monthly monitoring during the year and quarterly forecasts are used to mitigate any budget/income pressures that arise during the year. • We regularly review our investment strategy and its performance managed by appointed external fund managers who are reviewed regularly. • We regularly review our reserves to combat macro-economic as well as other strategic shocks that could impact on the charity. • We have introduced a risk based reserves (RBR) policy to ensure we have a sufficient range of funds should a significant risk be realised. • We support additional identified need through our RBR policy funds above maximum and monitor spend closely • Project Dynamo pilot is focused on reviewing specific areas of infrastructure support for key beneficiaries

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Governance which includes: • Complex Group governance structure and impact of inappropriate activities by subsidiaries • Lack of compliance with legal and regulatory requirements • Breach of data and/or IT breach by external agents • Lack of impact/outcome evidence may lead to sub-optimal block grant making These risks will impact our operational delivery and increase regulatory scrutiny, both of which will impact our ability to deliver our objectives.	• We continue to review our legal structure and will seek to simplify it further in the future with the Charity Commission. • Activities of subsidiaries are overseen by regular reports to the Group Board and Group Trustees sitting on Subsidiary Boards. • We continue to focus on data protection following the introduction of GDPR regulations in May 2018 and cyber security. • We have developed and implemented a consent to contact campaign and are registered with the Fundraising Regulator to evidence our compliance with the Charities Act 2016. • We have a whistle-blowing policy (freedom to speak up) that is known to employees. There is a robust process for any issues arising from a disclosure to be dealt with promptly and properly. • We continue to develop an impact and monitoring capability of the grants we make, including ensuring safeguarding protocols are in place with those we fund.
Reputational which includes: • Adverse publicity of RN may affect public's perception of the charity's need for support and funds • Lack of control of funded organisation's activities These risks would impact our reputation which is absolutely essential to keep key stakeholders, funders and beneficiaries positively engaged in assisting us delivering our outcomes.	• We work very closely with RN Comms to mitigate the impact of any adverse change to the perception of the RN. • We have strong terms and conditions for those outside organisations we fund and we have a dedicated Relationship Director who maintains regular contact with these charities as well as our key stakeholders. • Through commissioning programmes and our commissioning manager we are strengthening the relationships we have with funded organisations.
People and Asset Risk which includes: • Inability to recruit and retain people with the required skills and expertise • Not achieving best value from expenditure • Our infrastructure not being fit for purpose These risks would reduce our effectiveness to deliver our objectives, reducing our impact.	• People are our most important asset. We have reviewed the reward policy we have for all our employees in order to maintain and enhance retention. • We carry out an annual staff survey and, from this, develop and implement an action plan to address key issues using a Staff Reference Group. • We have reviewed our Performance and Development Report to improve our performance and focus on learning and development. • We continue to review the suitability of our financial control measures to reduce the possibility of deliberate or accidental loss. • We have significantly refreshed our IT infrastructure during 2019 and introduced both cloud based storage as well as Office 365 which has meant all staff are able to work from home, a key requirement during the pandemic.

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Royal Navy Officers' Charity

Risk	Mitigation
Loss of key Staff	Robust supersession planning Ongoing review of records, systems, plans and projects. Internal cross desk training.
Financial Viability	Close scrutiny by FASC, Audit, Regular reviews
Compliance	Operating in an honest and ethical manner Monitoring changes in regulation/legislation Ensuring high quality and timely legal advice

Royal Marines Association - The Royal Marines Charity

Risk	Mitigation
Financial which includes: - Not meeting our Voluntary Income targets; - Constraining Corporate and Major Donors; - Loss or reduction of funding streams. These risks would reduce our capacity to deliver our strategy.	- We have diversified our income generation opportunities as much as possible, focusing particularly on strengthening the support of major individual and corporate donors, trusts and foundations. - In the Covid-19 context this means identifying companies, donors, trusts and foundations which have proved resilient in the economic downturn. - We are further developing measurement of whole social value to demonstrate impact to donors, and our marketing function in order better to promote case studies - We have a systematic approach to budget setting and financial planning with detailed monthly sequencing and monitoring during the year, with monthly cashflow projections and quarterly forecasts used to mitigate any budget/income pressures that arise during the year. - We regularly review our investment strategy and its performance managed by appointed external fund managers. - The Board has adopted a policy of holding between 5 and 6 months of expenditure in cash reserves, increased from 2-3 previously. - We have reviewed our insurance needs and provider to ensure financial losses are minimised.
Governance which includes: - Lack of compliance with legal and regulatory requirements; - Breach of data and/or IT breach by external agents; - Lack of impact/outcome evidence may lead to sub-optimal block grant making. These risks will impact our operational delivery and increase regulatory scrutiny, both of which will impact our ability to deliver our objectives.	- A full Chair-led governance review will have been completed by mid-2021, identifying areas of improvement for governance, skills gaps and trustee succession planning. - We have reviewed all Charity policies and ensured that all required Board level policies have been refreshed for 2021. - We are registered with the Fundraising Regulator to evidence our compliance with the Charities Act 2016 and comply with regulations; no complaints were received in 2020. - We benefit from the extensive cyber protection provided by our internet provider. - We have a whistle-blowing policy that is known to employees. There is a robust process for any issues arising from a disclosure to be dealt with promptly and properly. - We have developed improved methods of monitoring the impact of grants made to individuals and organisations,

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	including ensuring safeguarding protocols are in place with those we fund.
Reputational which includes: • Adverse publicity concerning the Royal Marines may affect public's perception of the charity's need for support and funds; • Lack of control of funded organisations' activities; • Lack of control of membership branches and individual members. These risks would impact our reputation which is absolutely essential to keep key stakeholders, funders and beneficiaries positively engaged in assisting us delivering our outcomes.	• We are developing a PR function which will give the capability to respond to reputational challenge, with direct links into Navy Media. • We expect regular reports to the Board of Trustees from through year funded organisations and implement MOUs where appropriate. • We have revised terms and conditions for those outside organisations. • Our branch and membership byelaws are subject to close oversight from the Membership Committee.
People which includes: • Inability to recruit and retain people with the required skills and expertise; • Appropriate training and safeguarding for all staff; • Burnout due to increased demand for support. These risks would reduce our effectiveness to deliver our objectives, reducing our impact.	• We have reviewed and agreed a new staffing structure for the charity, alongside revised role descriptions and improved means of regular whole staff communication to improve retention and enhance retention. • We have introduced a revised Performance and Development Report to improve our performance and focus on learning and development. • We conduct an annual Training Needs Analysis, leading to whole staff training as appropriate, and individual education and learning needs being addressed. • We have introduced an Employee Assistance Programme and regularly consider staff workloads, promoting positive mental health and work-life balance.

The Naval Service Sports Charity

Risk	Mitigation
Investment Management. Risk is defined as exposure to poor investment performance or a Stock Market crash whereby funds under management do not deliver expected levels of capital and/or income.	The NSSC has delegated management of its investments to the RNRMC Investment Committee (IC) who carefully select investment managers, set realistic targets and closely monitor activity. With NSSC investment capital having grown from £3.7m in 2007 to £4.8m in 2019 and investment income growing from £115k in 2011 to £173k in 2019. The global impact of Covid-19 and BREXIT uncertainty has resulted in a stock market realignment that reduced income in 2020 to £128k, and reduced capital to £4.67M (3.39%). The resilience and diversity of the TNRMC Group assets should mitigate the impact of the decline in Capital Value. The RNRMC have conducted an investment manager review resulting in a change of investment management.

Custodian Funds

The Royal Navy and Royal Marines Charity also holds other external funds as a custodian. These are funds with similar objects to the charity who support the same beneficiary pool and who don't have access to their own segregated investment portfolio. The capital is held and invested within the main portfolio by Cazenove in 2020 and subsequently Sarasin (appointed in 2021), with dividends being paid quarterly to the respective funds. Funds are held with a long term view, but can be drawn down upon at any time. More information on the Custodian funds can be found in Note 23 of the statutory accounts.

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Public Benefit

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commissions guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

The trustees have recognised the two principles of public benefit and believe that the RNRMC meets them, namely:

- That there must be an identifiable benefit or benefits and they must be clear, related to the aims of the RNRMC and be balanced against any detriment or harm;
- The objects of the RNRMC are to focus on the relief in need, hardship or distress of disadvantaged persons, provide education and to improve the efficiency of the Naval Service. The range of the benefits deriving from benevolence activities includes the relief of poverty and improving the efficiency of other charities through the grants made. The RNRMC also provides its beneficiaries with facilities for sport and recreation.
- That the benefit must be to the public or to a section of the public. That the beneficiaries must be appropriate to the aims and, if to a section of the public, must not be unreasonably restricted and that those in poverty must not be excluded from the opportunity to benefit.
- The potential beneficiary group of the RNRMC is wide and includes not just current serving personnel, but also the vast majority of our beneficiaries who are former Naval Service personnel, families and dependants. Benevolence grants are all based on need demonstrated by the charities that apply for grants and do not duplicate state funding.

In addition, the RNRMC provides public benefit by enhancing and promoting military efficiency, strengthening the moral component of the Royal Navy's and the Royal Marines' esprit de corps, which in turn brings tangible benefits to the public:

1. the maintenance of maritime security with regard to the UK home bases and their people;
2. the Naval Service's global commitment to the furtherance of world peace and stability;
3. the protection of lawful maritime trade and the prevention of unlawful acts upon the high seas;
4. the contribution to enhanced morale and retention of Naval Service personnel.

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INVESTMENT POLICY AND PERFORMANCE

Investment Oversight

Cazenove Capital Management are responsible for the investment management of the Group's funds. This arrangement gives strength to the Group with flexibility and economies of scale.

In 2020 Cazenove held 3 separate portfolios for funds within the Group:

1 - RNRMC (main portfolio)	2 - RMA: The Royal Marines Charity	3 - RN Officers' Charity
• RNRMC unrestricted funds • RNRMC restricted funds (unincorporated charities) • Naval Service Sports Charity • Custodian Funds • Private Equity fund (in distribution mode)	• Separate fund managed by same Cazenove team	• Separate fund managed independently by a Cazenove team

The oversight of the management of the RNRMC, NSSC and Royal Marines Association - The Royal Marines Charity's investments lies with the Investment Committee (IC). The IC meets biannually formally and biannually informally and is responsible for monitoring the performance of investment strategies approved by the respective Boards. Three independent investment advisors, Mr Alexander Crooke, of Janus Henderson Investors, Mr Bryan Burrough previously of Investec, Blackrock and Cazenove and Mr Mark Fitzgerald previously of Barclays Global Investors (BGI), Blackrock and HSBC advise the IC.

Every 5 years a formal review of the Investment Manager's performance over the period is to be carried out. In January 2021 a formal review was held and Sarasin was appointed as the new group investment manager after detailed scrutiny and review by the IC and its advisors. The Group Investment Policy was updated as a result of the review.

Investment Policy & Strategy

The Investment Strategy and Investment Policy for the Group IC are regularly reviewed and updated as necessary, in March 2020 with Cazenove and subsequently in June 2021 with Sarasin. The policy detail which now follows relates to the current 2021 policy.

The overall investment objective of the RNRMC is "To preserve and enhance the real capital value of the portfolio whilst supporting a sustainable withdrawal to fund current commitments".

The Charity seeks to achieve its objective within an acceptable level of risk for their assets, the parameters of which have been agreed with the Manager; the objective is quantified as the need to generate over the long term a return of inflation (CPI) plus 3% per annum. This should allow the real value of the assets to be maintained whilst funding regular annual expenditure.

The return target and appropriate benchmark are defined in the discretionary agreement with the Manager, who will ensure adherence to this policy.

The Trustees are keen not to jeopardise the objective of 'maximising risk adjusted total return' by targeting too high an income requirement and hence have adopted a yield target of around 1.75% of starting year capital values. Any further required withdrawals will be taken by the selling of capital assets.

Funds' Composite Benchmark & permitted ranges

The overall objective is to produce a total return of inflation plus 3% (net of fees) over the long term and the asset allocation below, shown on a capital-weighted basis, has been set to achieve that.

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Given the global nature of the portfolio, it has been agreed that a portion of non-sterling assets will be hedged back to sterling. The neutral exposure to sterling across the portfolio is circa 50%, of which global equities account for twenty percentage points (as shown in Table 1).

Table 1: Composite Benchmark (2021)

Asset Class	Low %	Neutral Allocation %	High %
Cash	-	-	10
Government Bonds	0.0	7.5	30
Corporate Bonds		7.5	
Total Bonds & Cash	-	15.0	40
Global Equities		50.0	
Global Equities £ Hedged		20.0	
Total Equities	60	70	80
Property	-	5	10
Alternatives*	-	10	20
Total		100	

***Alternative** investments are supplemental strategies to traditional long-only positions in stocks, bonds and cash. Alternatives span a wide range of investments, including: hedge funds, private equity, venture capital, infrastructure and commodities, among others.

The composite benchmark is agreed with the Manager and forms an important part of performance monitoring.

In respect of Portfolio 3, no new commitments, beyond any outstanding calls, will be made to the private equity funds held in this portfolio.

2020 Main Investment Portfolio Values

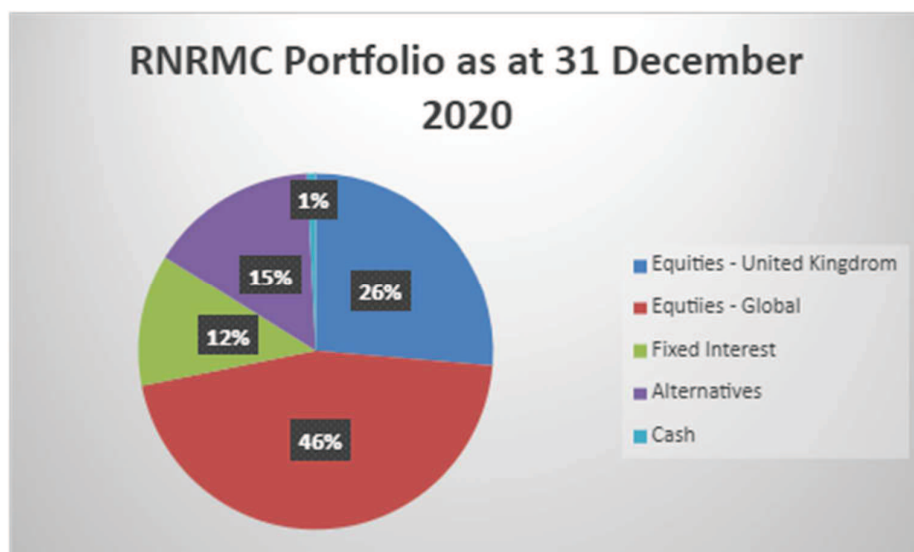
The table and pie chart below show the RNRMC main investment portfolio values as at 31 December 2020 compared to the 2020 Cazenove tactical ranges. These figures include both Custodian Funds as well as NSSC Investment funds in the balance.

RNRMC Investment Fund (excl. Private Equity)

Description	Market Value £	Portfolio	Strategy	Strategic Ranges
Equities	41,336,470	71.8%	70.0%	50-90%
United Kingdom	15,145,646	26.3%	40.0%	25-55%
Overseas	26,190,824	45.5%	30.0%	15-45%
Bonds	6,903,637	12.0%	15.0%	10-30%
United Kingdom	6,903,637	12.0%	15.0%	0-15% Gilt/0-15% Corp
Alternatives	8,832,601	15.4%	13.0%	0-25%
Cash	460,949	0.8%	2.0%	0-15%
Total	57,533,657	100.0%	100.0%	

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More information on the Charities Investments can be found in Note 20 of the statutory accounts.

Investment Restrictions

The Investment Manager is appointed with discretionary powers of investment under the Trustee Act 2000 and is subject to the terms of their investment management agreement. The trustees require that the Investment Manager pays attention to the standard investment criteria, namely the suitability of each class of investment and the need for diversification as appropriate to the circumstances of the various portfolios. The trustees have also set specific investment limits and restrictions for each portfolio, as well as appropriate benchmarks for their performance comparison.

The Trustees have considered whether they should impose any ethical restriction on the investment of the RNRMC Group assets by their investment managers. In doing so, they have concluded that they would not wish to restrict the investment managers ability to achieve their primary objective of seeking the best returns within the limits of the Group's overall investment policy. However, it is likely to be in the Group's long-term interests that its investments favour those companies that pursue ethical and socially responsible policies rather than those which do not. To that end, they have instructed the managers that they should consider this position when choosing investments for the Group accordingly.

Trustees recognises that its investments have wider impacts and seeks to align its investment strategy with its aims, reflecting the views of its stakeholders and taking into account broader public benefit. Trustees expect its investment managers to integrate Environmental, Social and Governance (ESG) considerations into the normal investment process and to fulfil the requirements of the UK Stewardship Code, actively engaging with the companies in which they invest to promote best practice corporate behaviour and sustainable business practices. Given its limited staff resources, it is not practical for the Charity to engage directly with individual companies, but it does expect its investment managers to report annually on their engagement activities and results. The Trustees expect its investment managers to apply ESG considerations to both segregated holdings and pooled holdings, taking account of the extent to which suitable alternative investment vehicles are available and bearing in mind de minimis considerations. The Charity will only appoint managers who are signatories to the UN Principles of Responsible Investment (UN PRI) and will take into account the ranking assigned to those managers by the UN PRI. The Charity may exclude certain stocks or sectors where these are seen to be in direct conflict with its objects and activities. Equally, where consistent with the financial objectives, the Charity seeks to invest in areas with positive environmental and / or social impact, such as clean energy and various areas of new technology. The Trustees recognise that climate change is a key challenge for the next decade and that limiting global temperature rises will require significant change in business, investment, technology development and fossil fuel use. The Charity monitors the carbon emissions of its main equity investment portfolio and through its investment managers seeks to reduce these emissions over time.

- No direct equity investment should exceed 5% of the total value of each portfolio.
- No direct investment in a regulated third-party fund (OEIC) should exceed 10% of the total value of each RNRMC Group portfolio during the period of investment.

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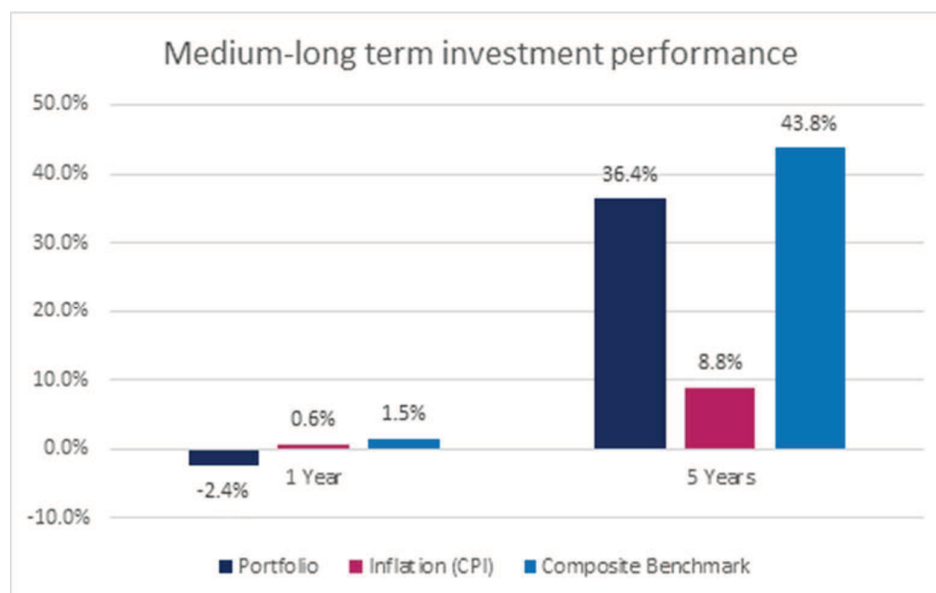
- No direct investment in an unregulated third-party fund should exceed 2.5% of the total value of each RNRMC Group portfolio during the period of investment.
- The total amount in unregulated funds should not exceed 5% of each RNRMC Group's portfolio during the period of investment.
- Total investments in third party funds (regulated and unregulated) should not exceed 30% of the total value of each RNRMC Group portfolio during the period of investment.
- Total investments in third-party funds should not exceed 10% of each third-party fund's total value.
- Cash balances should be deposited with institutions with a minimum rating of A- or invested in a diversified money market fund. Deposits should be spread by counterparty, subject to a minimum of two counterparties, unless express permission is given by the IC.
- The portfolios are permitted to have indirect exposure to derivatives within the Funds, otherwise no unquoted stocks, derivatives, futures or underwriting are permitted. There will be no stock lending from directly held assets but stock lending within third party funds held will be accepted, provided the manager can display sufficiently robust risk controls to manage the stock lending process.

Investment Performance

It was a tumultuous year for financial markets, as February and March saw sell-offs across all asset classes, before intervention from central banks provided support initially to government bonds and then subsequently across asset classes and into equities. The first 10 months of the year were dominated by sharply diverging fortunes between companies ravaged by Covid-19 and those deemed better equipped to deal with the fallout from the pandemic. In particular, large technology stocks fared well whilst more cyclical areas of the market such as energy, financial and travel stocks suffered. The announcement of positive developments with vaccines towards the end of the year helped fuel a recovery in some of the more unloved areas of the market, but over the full year they remained significantly behind.

The result was that the cyclically focussed UK market, as measured by the FTSE All-Share, produced a return of -9.8%. In contrast, global equities as measured by the MSCI AC World index, produced a return of 12.7% in sterling terms.

The main investment fund returned -2.4% for the calendar year 2020. The portfolio's significant allocation to the UK – and particularly to the "value" investment style within its UK allocation which had notable exposure to areas such as energy and financials, hindered returns. In contrast, the fixed income positions provided robust defensive stability and the overseas equities – particularly in the US and Emerging Markets – provided strong double-digit returns.



THE ROYAL NAVY AND ROYAL MARINES CHARITY**REPORT OF THE TRUSTEES****Portfolio income**

In 2020 the portfolio was managed by Cazenove to generate an income yield of around 2.7% although the total value of income generated by the investment portfolio over the year was below the original budget. The income yield target has been reviewed and is now closer to 1.7%. The portfolio invests in a diversified spread of assets incorporating equities, bonds, property and cash, which is designed to maintain the real capital value whilst generating a stable and sustainable level of income to fund grant-making. As a result, the portfolio has a lower projected level of volatility (or risk) than an all-equity portfolio.

Cash Policy

In 2020 the FRAC approved a new cash policy for the RNRMC that established a long-term cash reserves policy for the RNRMC to ensure that funding agreed grant activity for the next 12 months was guaranteed. This policy applies to the RNRMC and acts as advice for the Group as necessary.

The Proposal: Sufficient cash is held to support our beneficiaries and operations for a minimum of 12 months. This would be based on a range between our forecast cash flow and the 'downside/contingent' cash flow forecast. In time the aim is to hold three years of our net cash requirement in cash or near cash instruments.

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Reserves Policy

The Trustees have a reserves policy, which is to set aside sufficient free reserves so as to be able to meet or smooth out the unexpected fluctuations in charitable expenditure or shortfall in income so as to be able to meet the increasing needs of current beneficiaries and remain sustainable for both current and future generations, as well as meeting the needs of the wider Group entities.

As the national charity of the Royal Navy we provide the “Strategic Reserve” against future needs and we are committed to protecting the reserves for decades to come. The reserves of the RNRMC are complex. The restructure and merger with related charities has led to the amalgamation of previously separate funds into a more integrated and manageable organisational structure. Each legal entity within the Group has their own Reserves policy in line with their more specific strategic objectives and their Reserves are excluded from our calculations below. The individual reserves policies have all previously been based on calculated free reserves and a minimum required time period for coverage of expenditure. These policies excluded investments as non-liquid reserves.

The RNRMC Board have established a Group risk-based reserve policy with a minimum and maximum required reserves range in which they aim to operate. The change in calculation of reserves was made to reflect the Trustees desire to make sure it only holds the reserves required to cover its agreed risks which allowed the Board the ability to apply more funding to identified need for its current beneficiaries whilst not penalising its beneficiaries in the future.

Our risk-based reserves policy is underpinned by the group risk register and is linked with the charity’s Strategic Objectives and Delivery Programme. This policy sets out five key areas of risk which our free reserves are there to support. These key areas are:-

- Governance
- Finance
- Reputation
- Stakeholders & Relationships
- People & Assets

Our structure is complex and is made up of a high percentage of restricted funds. We have managed to mitigate risk through these restricted funds thereby allowing us to show a lower unrestricted reserve range. This policy only covers our reserve requirement within our unrestricted funds.

Therefore this has determined that the target range of general reserves (excluding those reserves represented by restricted funds, fixed assets and designated reserves) required by the charity as being between £7.7m and £14.7m.

Our current unrestricted reserves balance stands at £29.1m of which £0.9m related to tangible fixed assets, leaving our general free reserves at £28.2m.

The Trustees appreciate that this exceeds the current upper target reserves level by £13.5m therefore they have made the excess available for additional grant making over the next 5-10 years but this is heavily dependent on the challenges we face in both demand and also in sustainable income.

The impact of Covid-19 on the economy saw a reduction in our investment reserves which means it is currently more likely that this excess will be spent over the next 3 – 5 years. However the RNRMC Board are reviewing the spend down on the excess reserve against the expected increased need as a result of Covid-19 and remain committed to meeting the requirement of the beneficiaries, which is likely to include additional support over the next couple of years.

The trustees conduct an annual review of the appropriate level of general reserves, and changes to the charity’s risk profile, strategy and plan will be considered as part of that review. The output of the annual review informs subsequent planning and budgeting cycles.

Policy Calculations:

The total reserves for the charity as at 31 Dec 2020 were £87.2m (2019: £98.3m). Unrestricted reserves formed £29.1m (2019: £33.3m), Designated funds £0.8m (2019: £0.97m) and restricted reserves £56.7m (2019: £64.1m).

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Restricted and Designated reserves constitute £57.5m of the total RNRMC group funds, this is made up of Subsidiary Charities managed by a separate Trustee body, or Restricted funds managed by relevant Sub Committees. More information on the makeup of these elements can be found in the notes to the Statutory accounts in note 25.

Area	Notes	Minimum Reserves Level	Maximum Reserves Level
Governance	<i>Potential cost for poor charity governance</i>	£0.4m	£1.0m
Finance	<i>Significant change in external environment amounting to income drop, or beneficiary need increase</i>	£5.9m	£9.5m
Reputation	<i>Effect on Voluntary Income</i>	£0.3m	£0.8m
Stakeholders and Relationships	<i>Relationship with Corporates / Key funders deteriorates</i>	£0.9m	£3.0m
People and Assets	<i>Significant increase in Staff Turnover and potential costs of restructure</i>	£0.2m	£0.4m
Range of Reserves Required		£7.7m	£14.7m

Volunteering and Fundraising

The RNRMC and RMA –The Royal Marines Charity both have established fundraising programmes across similar income streams.

Our core income generating streams are:

- **Community fundraising** – in an ordinary year the RNRMC has a presence at Open Days at all major Naval establishments, Bournemouth Air Festival and at Families Days and Ship homecomings nationwide. In 2020 sadly the Covid-19 pandemic impacted all activity and we were only able to attend a week of events onboard HMS Prince of Wales in Liverpool before lockdown.
- **Regular giving (largely payroll giving or PRG)** – the RNRMC administers the Diamond award-winning Royal Navy Payroll Giving Scheme. A separate scheme exists for the Royal Marine cadre. In 2020 when the pandemic struck, we were no longer allowed access to potential supporters and this did have an impact on the number of personnel donating through their pay. This coupled with the fact individuals who did support the RNRMC still left the Royal Navy meant numbers did drop over the year from 15,096 in January 2020 to 14,943 in December 2020.
- **Individual giving** – This includes In Memoriam gifts, Gifts in Celebration and Foreign Coin collections. One-off online donations, particularly through Facebook, continued to gain traction in 2020 and the introduction of the RNRMC Lottery also grew steadily. Sadly we did see a large rise in in memoriam gifts during the year which is likely to be linked to the Covid-19 pandemic.
- **Major partnerships (individual and corporate)** – From the corporate friends scheme The Bridge Partnership and Commando Challenge to Nelson's Company, we have established affinity and stewardship programmes for individual and corporate supporters.
- **Trusts and foundations** – The RNRMC is grateful for the long-standing support it receives from the likes of the Royal Edinburgh Military Tattoo (Charities) Limited, Nuffield Foundation and Wimbledon Foundation. **Legacies** – both RNRMC and RMA The Royal Marines Charity are fortunate enough to receive pecuniary and residuary legacy bequests.
- **Events** – All fundraising events were cancelled in 2020 due to the ongoing pandemic.
- **Trading** – The RM Shop and RMRMC event merchandise help to promulgate the Charities' brand.

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Acknowledgements

We Would Like To Thank You

It was no ordinary year. By early 2020, people all over the world were forced to contend with a new normal: lockdowns, social distancing, economic crises, and travel bans. Serving personnel were separated from their nearest and dearest for even longer. Some of our most vulnerable beneficiaries, hidden and lonely before lockdown, simply vanished from view. Many within our communities became ill with coronavirus or lost loved ones because of it. Many more people still lost their jobs or struggled to make ends meet. But through it all, our supporters remained resolutely by our side.

None of the great work which the Royal Navy and Royal Marines Charity collaborated and helped to positively affect the lives of servicemen and women, veterans and Royal Navy families throughout a turbulent and temperamental twelve months would have been possible without the kindness and generosity of our fundraisers, individual donors, corporate, trust and other supporters. The fact that there was no disruption to our Grants programme in 2020 is testimony to your continued support. Sadly, we can't thank everyone individually here, but we are indebted to each and every one of those who played their part.

Leave a Gift in your Will

Every time someone leaves a gift to the Royal Navy and Royal Marines Charity in their Will, they help us to ensure that the United Kingdom's naval family are supported, for life. Every gift, of every size, has a lasting impact. We are indebted to all those who choose to support us in this way.

If you are moved to support the Royal Navy and Royal Marines Charity, the most wonderful gift you could ever make to support the nation's sailors, marines and their families won't cost you a penny in your lifetime but will help us transform lives in the future and for generations to come. The RNRMC offer two free Will options to suit all our supporters, either face to face or online.

To start a conversation about leaving a gift in your Will, please contact Jo Miles, who'll be happy to help you. Jo Miles@rnrmc.org.uk or 023 9387 4677 or alasdair.akass@rnrmc.org.uk or 023 9387 1538

THE ROYAL NAVY AND ROYAL MARINES CHARITY

REPORT OF THE TRUSTEES

Statement of Trustees' Responsibilities

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

Company law requires the trustees to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 as amended by The Charities Accounts (Scotland) Amendment (No. 2) Regulations 2014.

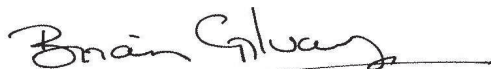
They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' Annual Report is approved by the trustees of the Charity. The Strategic Report, which forms part of the Annual Report, is approved by the trustees in their capacity as directors in company law of the Charity.

Signed on behalf of the Trustees on 13 September 2021



Dr Brian Gilvary
Chairman

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE ROYAL NAVY AND ROYAL MARINES CHARITY

Opinion

We have audited the financial statements of The Royal Navy and Royal Marines Charity for the year ended 31 December 2020 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group 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) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2020 and of the group's incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended) and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the charitable company 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 charitable company'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE ROYAL NAVY AND ROYAL MARINES CHARITY

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 or the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 47, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they 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 group and parent charitable company'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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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 an auditor's report 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE ROYAL NAVY AND ROYAL MARINES CHARITY

risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are The Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
THE ROYAL NAVY AND ROYAL MARINES CHARITY**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of this report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditor's report addressed to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Date: 16 September 2021

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

THE ROYAL NAVY AND ROYAL MARINES CHARITY
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds 2020 £	Total Funds 2019 £
INCOME & ENDOWMENTS						
Donations and legacies	4	2,959,282	2,683,870	-	5,643,152	6,774,952
RMA transfer of funds		-	-	-	-	2,605,944
Other trading activities		1,039,709	-	-	1,039,709	1,119,383
Investment income	5	775,482	1,510,589	-	2,286,071	3,274,425
		4,774,473	4,194,459	-	8,968,932	13,774,704
Charitable activities	6	71,000	2,221,673	-	2,292,673	2,573,697
Other income- CJRS grant		73,846	48,265	-	122,111	-
Total operating income		4,919,319	6,464,397	-	11,383,716	16,348,401
EXPENDITURE						
Raising funds						
Investment management fees	7	229,723	353,346	-	583,069	646,796
Fundraising costs		1,554,147	802,782	-	2,356,929	3,782,936
Total cost of raising funds		1,783,870	1,156,128	-	2,939,998	4,429,732
Charitable activities						
Commissioned Programmes	8 & 9	515,835	4,190,288	-	4,706,123	2,298,409
Through Life Pathway		714,416	2,342,608	-	3,057,024	5,941,673
Quality of Life Pathway		1,197,695	5,196,073	-	6,393,768	3,597,815
Fit for Life Pathway		80,573	577,748	-	658,321	1,471,754
End of Life Pathway		34,315	246,056	-	280,371	201,914
Total charitable expenditure		2,542,834	12,552,773	-	15,095,607	13,511,565
Total operating expenditure		4,326,706	13,708,901	-	18,035,605	17,941,297
Net operating income/(expenditure)		592,615	(7,244,504)	-	(6,651,889)	(1,592,896)
Net (losses)/gains on investment assets		(1,712,080)	(2,722,217)	-	(4,434,297)	7,348,558
Net (expenditure)/income	15	(1,119,465)	(9,966,721)	-	(11,086,186)	5,755,662
Gross transfers between funds	16	(3,292,550)	3,292,550	-	-	-
Net movement in funds		(4,412,055)	(6,674,171)	-	(11,086,186)	5,755,662
Total funds brought forward	26	34,264,546	63,399,903	655,649	98,320,098	92,564,436
Total funds carried forward	26	29,852,531	56,725,732	655,649	87,233,912	98,320,098

The Charity has no recognised gains or losses for the year other than as detailed above.

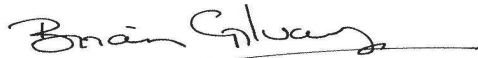
The net movements in the Charity's funds for the year arise from the Charity's continuing activities.

The Notes on pages 55 to 83 form part of these accounts.

THE ROYAL NAVY AND ROYAL MARINES CHARITY
BALANCE SHEET – GROUP AND CHARITY
AS AT 31 DECEMBER 2020

	Note	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Fixed assets					
Intangible assets	18	116,794	18,059	9,032	18,064
Tangible assets	19	1,449,747	3,258,106	892,445	845,628
Investments	20	83,854,063	95,306,131	52,997,260	61,504,028
		<u>85,420,604</u>	<u>98,582,296</u>	<u>53,898,737</u>	<u>62,367,720</u>
Current assets					
Stock	21	250,189	222,530	-	-
Debtors	22	783,815	1,261,065	488,255	883,339
Cash at bank and in hand		8,612,273	5,858,743	6,152,605	3,359,655
		<u>9,646,277</u>	<u>7,342,338</u>	<u>6,640,860</u>	<u>4,242,994</u>
Liabilities					
Creditors falling due within one year	23	(7,787,969)	(7,604,536)	(6,940,840)	(6,557,452)
Net current assets		<u>1,858,308</u>	<u>(262,198)</u>	<u>(299,980)</u>	<u>(2,314,458)</u>
Total assets less current liabilities		<u>87,298,912</u>	<u>98,320,098</u>	<u>53,598,757</u>	<u>60,253,262</u>
Creditors due in more than one year	25	(45,000)	-	-	-
Net assets		<u>87,233,912</u>	<u>98,320,098</u>	<u>53,598,757</u>	<u>60,253,262</u>
Accumulated funds					
Permanent endowment	26	655,649	655,649	655,649	655,649
Restricted funds	26	56,725,732	63,399,903	23,270,582	25,272,443
Unrestricted funds	26	29,077,175	33,291,047	28,897,170	33,151,671
Designated funds	26	775,356	973,499	775,356	973,499
Total accumulated funds		<u>87,233,912</u>	<u>98,320,098</u>	<u>53,598,757</u>	<u>60,053,262</u>

The financial statements on pages 52 to 83 were approved by the trustees on 13 September 2021... and signed on their behalf by:



Dr Brian Gilvary
Chairman



Mr Mark Lewthwaite
Chairman of the Finance, Risk
and Audit Committee

Company registration number 6047294

THE ROYAL NAVY AND ROYAL MARINES CHARITY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Cash flow/(outflow) from operating activities		
Net cash (used in) operating activities	(5,575,675)	(2,958,327)
Cash flows from investing activities		
Investment income and interest received	2,286,071	3,274,425
Proceeds from disposal of fixed asset investments excluding endowment funds	24,917,594	13,806,340
Acquisition of fixed asset investments excluding endowment funds	(17,899,823)	(15,324,120)
Proceeds from disposal of tangible fixed assets	-	206,554
Payments to acquire tangible fixed assets	(916,870)	(2,513,887)
Payments to acquire intangible fixed assets	(107,767)	(13,836)
	<u>8,279,205</u>	<u>(564,524)</u>
Cash flow/(outflow) from financing activities		
New bank loan	50,000	-
Net increase/(decrease) in cash and cash equivalents	2,753,533	(3,522,851)
Cash and cash equivalents at beginning of year	5,858,743	9,381,594
Cash and cash equivalents at end of year	<u>8,612,276</u>	<u>5,858,743</u>

Reconciliation of net income/ (expenditure) to net cash flow from operating activities

	2020 £	2019 £
Net (expenditure)/ income including endowments	(11,086,186)	5,775,662
Adjustments for:		
Depreciation charges	119,089	79,773
Amortisation	9,032	13,388
Grant to MOD- fixed asset disposal (see note 19)	2,740,335	-
Loss on disposal of fixed asset	33,805	7,328
Net losses/ (gains) on investments	4,434,297	(7,348,558)
Investment income	(2,286,071)	(3,274,425)
Increase in stock	(27,659)	(115,497)
Decrease in debtors	477,250	91,755
Increase in creditors	10,433	1,832,247
Net cash (used in) operating activities	<u>(5,575,675)</u>	<u>(2,958,327)</u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements comprise the charity and its subsidiaries under Charity Commission Schemes or Uniting Directions.

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company and its subsidiaries are a public benefit group for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006 under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410), the Charities Act 2011 and Charities Accounts (Scotland) Regulations 2006 as amended by The Charities Accounts (Scotland) Amendment (No. 2) Regulations 2014.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

b) Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements and have considered the potential impact of the Covid-19 pandemic. In particular the trustees have considered the charity's forecasts and projections and have taken account of pressures on donation and investment income and likely impact of the pandemic on investment values and income, as well as expenditure. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

c) Group financial statements

These financial statements consolidate the results of the Charity and RNRMC Enterprises Limited, its wholly owned trading subsidiary, the Royal Naval Benevolent Society for Officers, as the Charity is a corporate trustee with a right of veto, the Naval Service Sports Charity, as the Charity is the sole member, and RMA - the Royal Marines Charity (including its own subsidiaries, The Royal Marines Shop Limited and TRMC Enterprises Limited), as the sole member from 1 April 2011, on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account are not presented for the Charity itself as the Charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

The corporate charity's financial statements aggregate its own results with those subsidiaries where the Charity Commission has issued a Uniting Direction for the purposes of accounting. The subsidiaries whose results are aggregated with those of the charitable company are:

Subsidiary 1 - The Naval Service Dependents' Fund (NSDF)
Subsidiary 2 - The Naval Service Benevolence Fund (NSBF)
Subsidiary 3 - The Fleet Air Arm Benevolent Trust (FAABT)

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES (continued)

Subsidiary 4 - The Naval Service Amenity Fund (NSAF)
 Subsidiary 6 - The Naval Service Prizes and Awards Fund (NSPAF)
 Subsidiary 7 - Queen Alexandra's Royal Naval Nursing Service Trust Fund (QARNNS)
 Subsidiary 8 - Plymouth Royal Naval Aid Fund (PRNAF)
 Subsidiary 9 - The Sir Donald Gosling Maritime Reserve Amenity Fund (DGMRF)
 Subsidiary 10 - Naval Medical Compassionate Fund (NMCF)

Although subject to a Charity Commission Uniting Direction, the results of Subsidiary 5 - The Naval Service Sports Charity (NSSC) are not aggregated with those of the charitable company because the NSSC is a limited company and is therefore required to be treated on a consolidated basis.

d) Income

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Legacies are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy receivable can be measured reliably. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.

Income is deferred when the donor attaches conditions outside the Charity's own control or specifies that the resources are to be used in a future accounting period.

Investment income is received net of investment management fees but is grossed up in the accounts for investment management fees.

Government grants

Grants relating to revenue are recognised in income on a systematic basis over the periods in which the entity recognises the associated costs for which the grant is intended to compensate. This includes £122,111 of Government assistance under the Coronavirus Job Retention Scheme (CJRS) relating to staff who were furloughed due to Covid-19.

e) Volunteers and donated services and facilities

The value of services provided by volunteers is not incorporated into these financial statements.

Where services are provided to the Charity as a donation that would normally be purchased, this contribution is included in the financial statements at an estimate based on the value of the contribution to the Charity.

f) Expenditure

Liabilities are recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity. Unconditional grant offers are accrued once the recipient has been notified of the grant award and its payment is probable. Grant awards that are subject to the recipient fulfilling performance or other conditions are accrued when the recipient has been notified of the grant and either the performance condition is met or any remaining unfulfilled condition attaching to the grant is outside of the control of the Charity.

g) Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES (continued)

h) Allocation of overhead and support costs

Overhead, support and governance costs are allocated between the cost of raising funds and charitable activities. Overhead, support and governance costs relating to charitable activities have been apportioned between activities.

i) Costs of raising funds

The costs of raising funds consist of investment management fees and other direct costs of raising funds and an apportionment of governance, overhead and support costs.

j) Charitable activities

Costs of charitable activities include grants payable and other costs directly associated with providing sports, amenities, prizes and awards, dependants' grants or benevolence to beneficiaries and an apportionment of overhead, support and governance costs.

k) Governance costs

Governance costs comprise all costs involving the public accountability and running of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit, legal fees and trustee meeting expenses together with an apportionment of overhead and support costs.

l) Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable are charged to the Statement of Financial Activities in the period to which they relate.

m) Tangible fixed assets

Individual fixed assets costing £500 or more are capitalised at cost.

Freehold land and buildings are included in the financial statement at open market value, as determined periodically by professional values. They are not depreciated as their residual values are not materially different from carrying values included in the accounts.

Tangible fixed assets are depreciated on a straight line basis over their estimated useful economic lives as follows:

Freehold property	- over 50 years straight line
Computer and office equipment	- over 3 years straight line
Leasehold improvements	- over the life of the lease

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

n) Intangible fixed assets

Intangible fixed assets are amortised on a straight line basis over their estimated useful economic lives as follows:

Website and software	- over 3 years straight line

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES (continued)

o) Fixed asset investments

Investments are initially measured at their cost and subsequently measured at their fair value at each reporting date. Fair value is based on their bid value at the balance sheet date without deduction of the estimated future selling costs.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the Statement of Financial Activities as 'gains or losses on investments' and are allocated to the appropriate fund holding or disposing of the relevant investment.

p) Realised gains and losses

All gains and losses are taken to the income and expenditure section of the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and original cost. Unrealised gains and losses are calculated as the difference between the market value at the end of the year and opening market value, or purchase date if later. Realised and unrealised gains are not separated in the Statement of Financial Activities.

q) Stock

Stock of goods for resale is stated at the lower of cost and net realisable value.

r) Heritage assets

The Charitable Group is the owner of a collection of Paintings, Silverware and other items. Many precious works are contained within messes across the Corps, which is housed and managed on behalf of the Charity by Serving Royal Marines within the Corps Secretariat. The collection is considered irreplaceable and as such it is not possible to attribute a reliable cost or value to it. It is additionally considered that the process of obtaining valuations of the collection would be disproportionate to any public benefit that might be derived and that it is impractical to apply conventional valuation techniques to the collection, due to the uniqueness of its nature.

s) Funds structure

The Charity has one permanent endowment, which requires the trustees to invest the capital in perpetuity; the income from this fund is wholly unrestricted.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. The funds of the subsidiaries noted under 1c) above are treated as restricted funds.

Unrestricted funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects.

Designated funds comprise those unrestricted funds where the trustees, at their discretion, have created a fund for a specific purpose.

t) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

u) Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
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1. ACCOUNTING POLICIES (continued)

enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 22 and 23 for the debtor and creditor notes.

v) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

w) Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements.

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

2. LEGAL STATUS OF THE CHARITY

The Charity is a company limited by guarantee and has no share capital. The members of the charity are the trustees listed on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
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3. FINANCIAL ACTIVITIES OF THE CHARITY

The financial activities shown in the consolidated statement includes those of the RNRMC and its wholly owned trading subsidiary RNRMC Enterprises limited, and the RNOC, a charity in which the RNRMC is a trustee with the right of veto, the NSSC, a charitable company of which the RNRMC is the sole member, and RMA-TRMC (including its subsidiaries RMA Limited, RM Shop Limited and TRMC Enterprises Limited) a charitable company of which the RNRMC is the sole member. A summary of the financial activities undertaken by the RNRMC and its subsidiaries, that are the subject of Charity Commission Schemes or Uniting Directions, is set out below:

	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds 2020 £	Total Funds 2019 £
INCOME & ENDOWMENTS					
Donations and legacies	3,101,732	198,436	-	3,300,168	2,934,161
Investment income	775,482	625,872	-	1,401,354	2,071,248
	<u>3,877,214</u>	<u>824,308</u>	<u>-</u>	<u>4,701,522</u>	<u>5,005,409</u>
Charitable activities	71,000	1,704,180	-	1,775,180	2,006,056
Other income- CJRS	54,547	-	-	54,547	-
	<u>4,002,761</u>	<u>2,528,488</u>	<u>-</u>	<u>6,531,249</u>	<u>7,011,465</u>
Total operating income					
EXPENDITURE					
Raising funds					
Investment management fees	229,723	184,124	-	413,847	452,064
Fundraising costs	1,062,868	256	-	1,063,124	1,231,354
	<u>1,292,591</u>	<u>184,380</u>	<u>-</u>	<u>1,476,971</u>	<u>1,683,418</u>
Total cost of raising funds					
Charitable activities					
Commissioned Programmes	-	3,721,137	-	3,721,137	1,868,282
Through Life Pathway	864,551	835,325	-	1,699,876	3,581,999
Quality of Life Pathway	1,251,049	1,437,023	-	2,688,072	3,017,326
Fit for Life Pathway	281,090	-	-	281,090	383,611
End of Life Pathway	-	209,904	-	209,904	159,190
	<u>2,396,690</u>	<u>6,203,389</u>	<u>-</u>	<u>8,600,079</u>	<u>9,010,409</u>
Total charitable expenditure					
	<u>3,689,281</u>	<u>6,387,769</u>	<u>-</u>	<u>10,077,050</u>	<u>10,693,827</u>
Total operating expenditure					
Net operating income/ (expenditure)	313,480	(3,859,281)	-	(3,545,801)	(3,682,362)
Net (losses)/gains on investment assets	(1,712,080)	(1,196,624)	-	(2,908,704)	4,401,357
Net (expenditure)/income	(1,398,600)	(5,055,905)	-	(6,454,505)	718,995
Gross transfers between funds	(3,054,044)	3,054,044	-	-	-
	<u>(4,452,644)</u>	<u>(2,001,861)</u>	<u>-</u>	<u>(6,454,505)</u>	<u>718,995</u>
Net movement in funds					
Total funds brought forward	34,125,170	25,272,443	655,649	60,053,262	59,334,267
Total funds carried forward	<u>29,672,526</u>	<u>23,270,582</u>	<u>655,649</u>	<u>53,598,757</u>	<u>60,053,262</u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. VOLUNTARY INCOME

Year to 31 December 2020

	Unrestricted 2020 £	Restricted 2020 £	Endowment 2020 £	Total 2020 £
Other donations	1,637,300	1,843,694	-	3,480,994
Payroll giving	1,169,234	-	-	1,169,234
RM Corps subscriptions	-	525,373	-	525,373
Legacies	45,520	171,964	-	217,484
Other voluntary income	107,228	142,839	-	250,067
	<u>2,959,282</u>	<u>2,683,870</u>	<u>-</u>	<u>5,643,152</u>

Year to 31 December 2019

	Unrestricted 2019 £	Restricted 2019 £	Endowment 2019 £	Total 2019 £
Other donations	1,189,467	2,982,385	-	4,171,852
Royal Navy Payroll Giving Scheme	1,102,819	-	-	1,102,819
RM Corps subscriptions	-	522,561	-	522,561
Legacies	246,137	548,068	-	794,205
Donated Services	-	31,500	-	31,500
Other voluntary income	95,084	56,931	-	152,015
	<u>2,633,507</u>	<u>4,141,445</u>	<u>-</u>	<u>6,774,952</u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

5. INVESTMENT INCOME

Year to 31 December 2020

	Unrestricted 2020 £	Restricted 2020 £	Endowment 2020 £	Total 2020 £
Dividends – UK equities	224,873	867,546	-	1,092,419
Dividends – non UK equities	31,272	41,939	-	73,211
Fixed interest – UK	55,774	76,577	-	132,351
Income on property funds	105,920	122,918	-	228,838
Unit Trusts	357,481	401,333	-	758,814
Interest on cash deposits	162	276	-	438
	<u>775,482</u>	<u>1,510,589</u>	<u>-</u>	<u>2,286,071</u>

Year to 31 December 2019

	Unrestricted 2019 £	Restricted 2019 £	Endowment 2019 £	Total 2019 £
Dividends – UK equities	491,193	1,010,373	-	1,501,566
Dividends – non UK equities	33,782	149,188	-	182,970
Fixed interest – UK	13,057	69,422	-	82,479
Income on property funds	139,427	278,349	-	417,776
Unit Trusts	393,817	610,758	-	1,004,575
Other	-	62,520	-	62,520
Interest on cash deposits	9,351	13,188	-	22,539
	<u>1,080,627</u>	<u>2,193,798</u>	<u>-</u>	<u>3,274,425</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted 2020 £	Restricted 2020 £	Endowment 2020 £	Total 2020 £	Total 2019 £
Greenwich Hospital grant received	-	1,375,000	-	1,375,000	1,375,000
Nuffield Trust	-	170,680	-	170,680	517,056
Armed Forces Covenant Fund Trust	-	210,750	-	210,750	-
Other grants received	71,000	465,243	-	536,243	681,641
	<u>71,000</u>	<u>2,221,673</u>	<u>-</u>	<u>2,292,673</u>	<u>2,573,697</u>

All income from charitable activities in the year to 31 December 2019 was subject to specific restrictions imposed by the donor.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. COSTS OF RAISING FUNDS

Year to 31 December 2020	Unrestricted	Restricted	Endowment	Total
	2020	2020	2020	2020
	£	£	£	£
Investment management fees	229,723	353,346	-	583,069
Fund raising costs	1,554,147	802,782	-	2,356,929
	<u>1,783,870</u>	<u>1,156,128</u>	<u>-</u>	<u>2,939,998</u>
Year to 31 December 2019	Unrestricted	Restricted	Endowment	Total
	2019	2019	2019	2019
	£	£	£	£
Investment management fees	234,370	412,426	-	646,796
Fund raising costs	2,071,439	1,711,497	-	3,782,936
	<u>2,305,809</u>	<u>2,123,923</u>	<u>-</u>	<u>4,429,732</u>

8. ANALYSIS OF CHARITABLE EXPENDITURE

Analysis of charitable expenditure including support costs

Year to 31 December 2020

	Grants Payable 2020	Other Direct Costs 2020	Support Costs (See Note 11) 2020	Total 2020
	£	£	£	£
Commissioned Programmes	3,562,684	-	1,143,439	4,706,123
Through Life Pathway	2,314,263	-	742,761	3,057,024
Quality of Life Pathway	4,836,384	5,152	1,552,232	6,393,768
Fit for Life Pathway	498,370	-	159,951	658,321
End of Life Pathway	212,250	-	68,121	280,371
Total	<u>11,423,951</u>	<u>5,152</u>	<u>3,666,504</u>	<u>15,095,607</u>

Year to 31 December 2019

	Grants Payable 2019	Other Direct Costs 2019	Support Costs (See Note 11) 2019	Total 2019
	£	£	£	£
Commissioned Programmes	1,809,906	-	488,503	2,298,409
Through Life Pathway	4,678,833	-	1,262,840	5,941,673
Quality of Life Pathway	2,808,726	31,000	758,089	3,597,815
Fit for Life Pathway	1,158,948	-	312,806	1,471,754
End of Life Pathway	159,000	-	42,914	201,914
Total	<u>10,615,413</u>	<u>31,000</u>	<u>2,865,152</u>	<u>13,511,565</u>

THE ROYAL NAVY AND ROYAL MARINES CHARITY
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8. ANALYSIS OF CHARITABLE EXPENDITURE (Continued)

Analysis of charitable expenditure by fund category including support costs

Year to 31 December 2020	From Unrestricted Funds 2020 £	From Restricted Funds 2020 £	Total 2020 £
Commissioned Programmes	515,835	4,190,288	4,706,123
Through Life Pathway	714,416	2,342,608	3,057,024
Quality of Life Pathway	1,197,695	5,196,073	6,393,768
Fit for Life Pathway	80,573	577,748	658,321
End of Life Pathway	34,315	246,056	280,371
Total	2,542,834	12,552,773	15,095,607

Year to 31 December 2019	From Unrestricted Funds 2019 £	From Restricted Funds 2019 £	Total 2019 £
Commissioned Programmes	244,939	2,053,470	2,298,409
Through Life Pathway	787,645	5,154,028	5,941,673
Quality of Life Pathway	596,617	3,001,198	3,597,815
Fit for Life Pathway	156,843	1,314,911	1,471,754
End of Life Pathway	21,517	180,397	201,914
Total	1,807,561	11,704,004	13,511,565

9. ANALYSIS OF GRANTS PAYABLE

Analysis of grants payable to individuals and institutions

Year to 31 December 2020	Grants to Institutions £	Total Individuals £	Total 2020 £
Commissioned Programmes	3,562,684	-	3,562,684
Through Life Pathway	1,338,282	975,981	2,314,263
Quality of Life Pathway	4,559,919	276,465	4,836,384
Fit for Life Pathway	472,483	25,887	498,370
End of Life Pathway	-	212,250	212,250
Total	9,933,368	1,490,583	11,423,951

Year to 31 December 2019	Grants to Institutions £	Total Individuals £	Total 2019 £
Commissioned Programmes	1,809,906	-	1,809,906
Through Life Pathway	3,203,040	1,475,793	4,678,833
Quality of Life Pathway	2,336,675	472,051	2,808,726
Fit for Life Pathway	1,016,025	142,923	1,158,948
End of Life Pathway	-	159,000	159,000
Total	8,365,646	2,249,767	10,615,413

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
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9. ANALYSIS OF GRANTS PAYABLE (continued)

Analysis of institutions receiving grants of more than £25,000:

	2020 £
MOD- Gordon messenger Centre	2,760,556
RNRM Childrens Fund	900,026
RNBT	585,800
Kings Foundation	362,998
Gosport & Fareham Multi Academy Trust	310,375
HMS Raleigh refurb Jutland Block	304,163
Sailors Children Society	278,020
NSSC Grant	195,000
Home-Start	183,500
RNA	173,000
Portsmouth Military Mental Health Alliance	151,171
RBLI Village	150,000
SSAFA	145,875
HMS Queen Elizabeth	133,000
Rock to Recovery	110,820
Relate	107,878
HMS Richmond	104,171
The Poppy Factory	94,503
Alabare	93,140
RFEA	91,800
Veterans Outreach Support	90,000
Aggies	86,055
Globe & Laurel	85,315
HMS Dauntless	85,126
RNAS Culdrose	80,379
J Burns	79,036
Drumfork Community Centre	68,237
NSFPS	67,000
The Royal Alfred Seafarers Society	65,000
HMS Trent	63,962
Care for Veterans	63,858
HMS Tamar	62,587
Defence Medical Welfare Services	60,455
Veterans Aid	60,000
Combat Stress	55,000
Erskine	50,000
HMS Heron	48,482
HMS Protector	47,936
KIDS	47,000
Age UK (Veterans, advice information & support Portsmouth area)	45,254
Woody's Lodge	44,000
HMS Sultan	43,773
Carers UK	40,000
Improving Lives Plymouth	40,000
HMS Portland	35,787
Naval Families Federation	34,000
Company of Makers	33,400
Broughton House	30,473
Fares4free	30,000
Stoll	30,000
The Royal Commonwealth Ex services League	30,000
HMS Drake	27,735
Poppyscotland	25,000

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. ANALYSIS OF GOVERNANCE COSTS

	Total 2020 £	Total 2019 £
Trustee meetings	7,524	26,027
Auditor's remuneration	74,588	66,084
Legal and professional fees	87,454	229,718
Other governance costs	5,613	267
Support costs - see Note 11	885,104	858,078
	<u>1,060,283</u>	<u>1,180,174</u>

The Support costs above that are included within Governance costs for the Group primarily include the costs relating to the CEO and CFO plus some other staff and represent the support necessary to deliver the management and reporting requirements for the Boards within the wider Group.

11. ALLOCATION OF SUPPORT COSTS AND OVERHEADS

Year to 31 December 2020

The breakdown of support costs and how these were allocated between cost of raising funds, charitable activities and governance costs for the year to 31 December 2020 is shown below.

Cost Type	Raising Funds 2020 £	Charitable Activities 2020 £	Governance 2020 £	Total allocated 2020 £	Basis
Staff costs	557,043	2,278,812	708,963	3,544,818	Staff time
Administration	168,887	506,665	161,889	844,441	Usage
Insurance	7,251	21,754	7,252	36,257	Usage
Depreciation and amortisation	64,060	64,061	-	128,121	Usage
	<u>797,241</u>	<u>2,871,292</u>	<u>885,104</u>	<u>4,553,637</u>	
Direct governance costs	-	-	175,179	175,179	Actual
	<u>797,241</u>	<u>2,871,292</u>	<u>1,060,283</u>	<u>4,728,816</u>	
Allocation of governance & support costs	265,071	795,212	(1,060,283)	-	Usage
	<u>1,062,312</u>	<u>3,666,504</u>	<u>-</u>	<u>4,728,816</u>	

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. ALLOCATION OF SUPPORT COSTS AND OVERHEADS (continued)

Year to 31 December 2019

The breakdown of support costs and how these were allocated between cost of generating funds, charitable activities and governance costs for the year to 31 December 2019 is shown below.

Cost Type	Raising Income 2019 £	Charitable Activities 2019 £	Governance 2019 £	Total allocated 2019 £	Basis
Staff costs	1,180,404	1,483,937	708,242	3,372,583	Staff time
Administration	142,862	428,588	142,863	714,313	Usage
Insurance	6,972	20,919	6,973	34,864	Usage
Depreciation and amortisation	46,578	46,578	-	93,156	Usage
	<u>1,376,816</u>	<u>1,980,022</u>	<u>858,078</u>	<u>4,214,916</u>	
Direct governance costs	-	-	322,096	322,096	Actual
	<u>1,376,816</u>	<u>1,980,022</u>	<u>1,180,174</u>	<u>4,537,012</u>	
Allocation of governance & support costs	295,044	885,130	(1,180,174)	-	Usage
	<u>1,671,860</u>	<u>2,865,152</u>	<u>-</u>	<u>4,537,012</u>	

The total support costs including governance costs attributable to charitable activities is then apportioned based on the number of grants awarded during the year for each activity as shown below:

	Percentage of grants awarded		Percentage of grants awarded	
	2020	2020	2019	2019
	%	£	%	£
Programme Spend	31	1,143,439	17	488,503
Through Life Pathway	20	742,761	44	1,262,840
Quality of Life Pathway	42	1,552,232	26	758,089
Fit for Life Pathway	4	159,951	11	312,806
End of Life Pathway	2	68,121	1	42,914
	<u>100</u>	<u>3,666,504</u>	<u>100</u>	<u>2,865,152</u>

12. ANALYSIS OF STAFF COSTS

	2020 £	2019 £
Salaries and wages	3,006,617	2,889,604
Social security costs	320,584	297,858
Pension costs	217,617	185,121
	<u>3,544,818</u>	<u>3,372,583</u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
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12. ANALYSIS OF STAFF COSTS (continued)

The number of employees whose emoluments (salaries, social security costs and benefits in kind) fell within the following bands:

	2020 Number	2019 Number
£100,000 - £110,000	-	1
£90,000 - £99,999	1	-
£80,000 - £89,999	1	1
£70,000 - £79,999	3	3
£60,000 - £69,999	4	1
	<u> </u>	<u> </u>

The number of employees earning £60,000 or above for whom pension contributions have been paid in the year is nine (2019: six). The total pension contributions paid by the Charity during the year for employees earning more than £60,000 was £45,834 (2019: £31,381).

13. STAFF NUMBERS

The average number of full time equivalent employees (including casual and part time staff) during the period was as follows:

	2020 Number	2019 Number
Direct charitable - Sports	8	7
Direct charitable - Benevolence	22	20
Support	42	53
	<u> </u>	<u> </u>
	<u>72</u>	<u>79</u>

14. TRUSTEES AND KEY MANAGEMENT PERSONNEL

No trustee received emoluments in the period (2019: none). Total travel expenses of £324 (2019: £1,956) were paid to two (2019: seven) trustees during the period.

Within the RNRMC there are nine unincorporated charities, six charitable companies, and one charity with a Royal Charter now integrated within the Group structure, representing the overwhelming majority of the naval charity sector. Each of these entities has a CEO or equivalent that form part of the team that we class as our key management personnel. These personnel are supported by the RNRMC Senior Leadership Team (SLT).

Therefore the Key management personnel include the Trustees, Chief Executive and the Group CEOs. The total employee benefits of the charity's key management personnel were £373,266 (2019: £345,350). No trustee received any remuneration as part of this figure.

15. MOVEMENT IN NET FUNDS FOR THE YEAR

	2020 £	2019 £
Movement in net funds is stated after charging/(crediting):		
Auditor's remuneration (including irrecoverable VAT):		
- Statutory audit (current year)	44,040	43,127
- Taxation	1,045	1,184
- Other	29,503	21,773
Depreciation - owned assets	119,089	79,773
	<u> </u>	<u> </u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
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16. TRANSFER BETWEEN FUNDS

Transfers between funds relate to amounts allocated by the RNRMC general funds to some its subsidiaries.

17. TAXATION

The company is a registered charity and no provision is considered necessary for taxation.

18. INTANGIBLE FIXED ASSETS - GROUP

	Website & software
Cost or valuation	£
As at 1 January 2020	182,592
Additions	107,767
Disposals	-
As at 31 December 2020	290,359
Amortisation	
As at 1 January 2020	164,533
Charge for the year	9,032
Eliminated on disposal	-
As at 31 December 2020	173,565
Net book value	
As at 31 December 2020	116,794
As at 31 December 2019	18,059

18. INTANGIBLE FIXED ASSETS - CHARITY

	Website
Cost or valuation	£
As at 1 January 2020	34,392
Additions	-
Disposals	-
As at 31 December 2020	34,392
Depreciation	
As at 1 January 2020	16,328
Charge for the year	9,032
Eliminated on Disposals	-
As at 31 December 2020	25,360
Net book value	
As at 31 December 2020	9,032
As at 31 December 2019	18,064

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
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19. TANGIBLE FIXED ASSETS - GROUP

	Leasehold Improvements	Freehold property	Office and computer equipment	Total
Cost or valuation	£	£	£	£
As at 1 January 2020	2,590,850	550,000	352,495	3,493,345
Additions	1,047,949	-	36,921	1,084,870
Disposals	(2,740,335)	-	(88,205)	(2,828,540)
As at 31 December 2020	<u>898,464</u>	<u>550,000</u>	<u>301,211</u>	<u>1,749,675</u>
Depreciation				
As at 1 January 2020	37,595	-	197,644	235,239
Charge for the year	30,076	20,484	68,529	119,089
Eliminated on disposal	-	-	(54,400)	(54,400)
As at 31 December 2020	<u>67,671</u>	<u>20,484</u>	<u>211,773</u>	<u>299,928</u>
Net book value				
As at 31 December 2020	<u>830,793</u>	<u>529,516</u>	<u>89,438</u>	<u>1,449,747</u>
As at 31 December 2019	<u>2,553,255</u>	<u>550,000</u>	<u>154,851</u>	<u>3,258,106</u>

During the year the subsidiary charity, RMA-TRMC, granted a 30 year lease to the Ministry of Defence (MOD) in respect of the Gordon Messenger Centre, a leasehold property. At the end of the lease control of the property reverts to the MOD. This has been treated as a disposal and charitable grant to the MOD.

19. TANGIBLE FIXED ASSETS – CHARITY

	Leasehold Improvements	Freehold property	Office and computer equipment	Total
Cost or valuation	£	£	£	£
As at 1 January 2020	751,897	-	273,580	1,025,477
Additions	136,697	-	30,524	167,221
Disposals	-	-	(88,205)	(88,205)
As at 31 December 2020	<u>888,594</u>	<u>-</u>	<u>215,899</u>	<u>1,104,493</u>
Depreciation				
As at 1 January 2020	37,595	-	142,254	179,849
Charge for the year	30,076	-	56,523	86,599
Eliminated on disposal	-	-	(54,400)	(54,500)
As at 31 December 2020	<u>67,671</u>	<u>-</u>	<u>144,377</u>	<u>212,048</u>
Net book value				
As at 31 December 2020	<u>820,923</u>	<u>-</u>	<u>71,522</u>	<u>892,445</u>
As at 31 December 2019	<u>714,302</u>	<u>-</u>	<u>131,326</u>	<u>845,628</u>

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20. FIXED ASSET INVESTMENTS	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Movements in fixed asset investments				
Market value brought forward	95,306,131	86,439,793	61,504,028	57,304,589
Additions at cost	17,899,823	15,324,120	10,873,561	9,884,696
Disposals at carrying value	(24,917,594)	(13,806,340)	(16,471,619)	(10,086,614)
Net gain/(loss) on revaluation	(4,434,297)	7,348,558	(2,908,710)	4,401,357
Market value carried forward	<u>83,854,063</u>	<u>95,306,131</u>	<u>52,997,260</u>	<u>61,504,028</u>

Analysis of market value of investments by type:

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Unlisted – RNRMC Enterprises Limited	-	-	100,000	100,000
Equities	58,591,459	65,288,173	37,960,229	43,217,592
Bonds	9,718,381	10,661,010	6,402,551	6,760,565
Alternative investments	14,484,383	15,801,383	8,111,180	8,936,768
Cash	1,059,840	3,555,565	423,300	2,489,103
	<u>83,854,063</u>	<u>95,306,131</u>	<u>52,997,260</u>	<u>61,504,028</u>

Analysis of market value of investments between those held within and outside the United Kingdom:

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Within the United Kingdom	68,331,319	82,510,714	48,402,188	56,993,190
Outside the United Kingdom	15,522,744	12,795,417	4,595,072	4,510,838
	<u>83,854,063</u>	<u>95,306,131</u>	<u>52,997,260</u>	<u>61,504,028</u>

The trustees consider that the following individual investment holdings are material, each representing more than 5% of the total investment portfolio (Charity only):

	Market Value £
Trojan Income Fund	6,766,696
Fidelity Global Dividend Fund	5,305,382
HSBC FTSE All-World Index Fund	<u>4,998,425</u>

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21. STOCK	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Goods for resale	250,189	222,530	-	-

22. DEBTORS	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Naval Service assisted travel loans	791	6,384	791	6,384
Accrued income	321,544	617,989	153,482	396,945
Owed from subsidiary undertakings	-	-	129,357	147,198
Other debtors and prepayments	461,480	636,692	204,625	332,812
	<u>783,815</u>	<u>1,261,065</u>	<u>488,255</u>	<u>883,339</u>

Included within other debtors and prepayments of the charity and the group is an amount of £nil (2019: £85,000) in respect of a grant debtor that is expected to be received after more than one year.

23. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Bank loan	5,000	-	-	-
Grants payable	2,863,869	2,341,983	2,688,720	2,085,043
Taxation and social security	106,454	166,249	35,534	91,708
Accrued expenses and Custodian funds	4,807,582	5,026,538	4,137,838	4,278,649
Deferred income (see Note 24)	5,064	69,766	-	-
Owed to subsidiary undertakings	-	-	78,748	102,052
	<u>7,787,969</u>	<u>7,604,536</u>	<u>6,940,840</u>	<u>6,557,452</u>

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23. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

Custodian funds

The RNRMC holds custodian funds on behalf of RNRMC Welfare, UIF CTRM (Unit Institute Fund Commando Training Centre Royal Marines), Royal Navy Association, Royal Navy Football Association, RNRMC Sports Lottery, Porth Kerris LIBOR Fund and the Globe and Laurel Magazine Fund. These amounts are included within creditors above.

Entity	Principal Object	Held	2020 £	2019 £
RNRMC Welfare	the Royal Navy's secondary (specialist) welfare service for naval service personnel and their families	Cash	£ 430	£ 430
UIF CTRM	a registered charity whose principal object is the promotion of efficiency of the armed forces of the Crown by the provision and support of facilities and activities for the efficiency and well-being of Service personnel	Investment Portfolio with Cazenove and cash	£ 319,872	£ 336,028
Globe and Laurel Magazine Fund	a registered charity whose principal object is management, publication and sale of the Corps Journal of the Royal Marines	Investment Portfolio with Cazenove and cash	£ 247,579	£ 260,086
Royal Naval Association	a registered charity whose principal object is to foster comradeship and "esprit de corps" among those who have served or are serving in Her Majesty's Naval Forces	Investment Portfolio with Cazenove	£ 1,680,054	£ 1,970,285
The Royal Navy Football Association	a registered charity whose principal object is to promote the physical efficiency of members of the Royal Navy and Royal Marines	Investment Portfolio with Cazenove and cash	£ 99,771	£ 104,810
RNRMC Sports Lottery	a non-public fund which was set up to generate funds to support all levels of sport, adventure training and recreation in the Naval Service	Investment Portfolio with Cazenove and cash	£ 1,004,341	£ 1,055,074
Porth Kerris LIBOR fund	A grant received from the LIBOR fines fund to support a specific RN Project at Porth Kerris	Investment Portfolio with Cazenove	£ 300,000	£ 300,000

This activity falls within the RNRMC's principal object which is the promotion of the efficiency of the Naval Service and the Auxiliaries. By assisting these entities RNRMC's objects are being furthered allowing grants to be paid through proper financial and governance channels for RNRMC Welfare and increasing the investment income potential by benefitting from beneficial rates offered to larger portfolios. Memorandums of Understanding are in place with all three entities and all custodian funds are accounted for separately.

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24. DEFERRED INCOME

Deferred income comprises grants received for future financial periods

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Balance at 1 January	69,766	52,820	-	-
Amount released to incoming resources	(69,766)	(52,820)	-	-
Amount deferred in year	5,064	69,766	-	-
	<u>5,064</u>	<u>69,766</u>	<u>-</u>	<u>-</u>
Balance at 31 December	5,064	69,766	-	-
	<u>5,064</u>	<u>69,766</u>	<u>-</u>	<u>-</u>
Analysis:				
Release within one year	5,064	69,766	-	-
	<u>5,064</u>	<u>69,766</u>	<u>-</u>	<u>-</u>

25. CREDITORS:

AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Bank loan	45,000	-	-	-
	<u>45,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

During the year the subsidiary company, TRMC Enterprises Limited, obtained a bank loan from Lloyds Bank plc under the Governments Coronavirus Bounce Back Loan scheme. Interest is payable at 2.5% from July 2021 and the loan is repayable by June 2026. The amount due in more than five years is £5,000.

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26. ANALYSIS OF CHARITABLE FUNDS

Analysis of unrestricted fund movements- current year

	Balance at 01.01.2020 £	Income £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2020 £
RNRMC general funds	33,151,671	3,876,942	(3,324,259)	(3,095,104)	(1,712,080)	28,897,170
Designated						
DRUMFORK	145,831	-	(76,438)	-	-	69,393
LIBOR- Afghanistan	91,629	19	(3,350)	(88,298)	-	-
Building 37	736,039	-	(30,076)	-	-	705,963
Group and Charity designated total	973,499	19	(109,864)	(88,298)	-	775,356
RNRMC Enterprises Limited	-	581,859	(472,711)	(109,148)	-	-
Royal Marines Shop Limited	139,376	460,499	(419,870)	-	-	180,005
Group unrestricted total	34,264,546	4,919,319	(4,326,704)	(3,292,550)	(1,712,080)	29,852,531

Analysis of restricted fund movements- current year

	Balance at 01.01.2020 £	Income £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2020 £
Charity						
Naval Service Benevolence Fund	-	1,420,420	(4,528,096)	3,141,080	(33,404)	-
Naval Service Dependents' Fund	11,023,709	289,179	(290,180)	-	(403,295)	10,619,413
Naval Service Amenity Fund	1,286,844	139,799	(930,665)	276,063	(272,572)	499,469
Naval Service Prizes and						
Awards Fund	5,119,758	140,375	(197,519)	-	(192,405)	4,870,209
FAA Benevolent Trust	5,188,192	133,657	(118,268)	-	(212,189)	4,991,392
QARNNS Trust Fund	938,470	29,451	(15,249)	-	(35,059)	917,613
Plymouth Royal Naval Aid Fund	264,449	6,884	(3,927)	-	(8,870)	258,536
Sir Donald Gosling Maritime						
Reserve Amenity Fund	286,646	7,490	(6,945)	-	(10,659)	276,532
Naval Medical Compassionate						
Fund	772,738	20,144	(5,888)	-	(28,171)	758,823
Nuffield Trust	3,192	171,938	(146,651)	-	-	28,479
Naval Service Recovery Pathway						
Fund	-	-	-	-	-	-
SMBF	10,000	1,486	(10,318)	48,948	-	50,116
LIBOR 2016	-	-	77,483	(77,483)	-	-
LIBOR 2017	378,445	9,166	(111,546)	(276,065)	-	-
Armed forces Covenant Trust Fund	-	158,500	-	(158,500)	-	-
Charity restricted total	25,272,443	2,528,489	(6,287,769)	2,954,043	(1,196,624)	23,270,582

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26. ANALYSIS OF CHARITABLE FUNDS (continued)

Group						
Naval Service Sports Charity	5,203,194	418,319	(703,150)	178,350	(189,282)	4,907,476
NSSC- RNRU fund	635	-	-	-	-	635
NSSC-Talented Athlete fund	400	-	(400)	-	-	-
RNOC (RNBSO) - general funds	15,829,511	551,508	(699,812)	-	(660,339)	15,020,868
RNOC - RN Scholarship Fund	356,345	9,282	(15,000)	-	(13,922)	336,705
RMA-TRMC general funds	6,671,707	1,565,022	(4,098,202)	1,588,825	(280,238)	5,447,114
Marines museum fund	1,000,000	-	-	-	-	1,000,000
RMA-TRMC LIBOR Fund	537,422	-	-	(537,422)	-	-
RMA	1,815,694	173,584	(381,044)	(3,313)	(48,146)	1,556,775
RM Benevolence Fund	2,376,874	501,499	(1,169,619)	-	(171,145)	1,537,609
RM Cadet Fund	132,844	2,859	(833)	-	(5,977)	128,893
RM Central Sergeants' Mess Fund	938,315	161,178	(107,863)	(29,455)	(47,772)	914,403
RM Central Unit Institute Fund	1,291,056	291,192	(97,337)	(155,132)	(57,861)	1,271,918
RM Officers' Trust Fund	1,069,470	148,173	(33,834)	(11,782)	(50,911)	1,121,116
TRiM4Veterans Fund	832,705	55,018	(3,477)	(884,246)	-	-
CTC Family Centre	3,687	-	-	(3,687)	-	-
Armed forces Covenant Trust Fund - PP	-	33,250	-	-	-	33,250
Armed forces Covenant Trust Fund - FFC	-	19,000	-	-	-	19,000
RMSA	67,601	6,024	(109,101)	196,369	-	160,893
TRMC Enterprises Limited	-	-	(1,505)	-	-	(1,505)
Group Restricted Total	63,399,903	6,464,397	(13,708,901)	3,283,960	(2,722,217)	56,725,732

Analysis of permanent endowment fund movements- current year

	Balance at 01.01.2020 £	Incoming resources £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2020 £
Naval Service Benevolence Fund	655,649	-	-	-	-	655,649
Permanent Endowment Total	655,649	-	-	-	-	655,649

Analysis of unrestricted fund movements- prior year

	Balance at 01.01.2019 £	Income £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2019 £
RNRMC general funds	17,094,737	3,701,954	(2,839,199)	12,898,611	2,295,568	33,151,671
Designated						
Naval Service Amenity Fund	11,900,000	-	-	(11,900,000)	-	-
DRUMFORK	290,907	10,702	(154,350)	(1,428)	-	145,831
LIBOR- Afghanistan	393,148	1,478	(154,449)	(148,548)	-	91,629
Building 37	766,115	-	(30,076)	-	-	730,039
Group and Charity designated total	13,350,170	12,180	(338,875)	(12,049,976)	-	973,499
RNRMC Enterprises Limited	-	628,635	(512,504)	(116,131)	-	-
Royal Marines Shop Limited	-	562,168	(422,792)	-	-	139,376
Group unrestricted total	30,444,907	4,904,937	(4,113,370)	732,504	2,295,568	34,264,546

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26. ANALYSIS OF CHARITABLE FUNDS (continued)

Analysis of restricted fund movements- prior year

	Balance at 01.01.2019 £	Income £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2019 £
Charity						
Naval Service Benevolence Fund	1,710,053	1,483,597	(3,673,532)	350,387	129,495	-
Naval Service Dependents' Fund	10,271,251	383,932	(245,697)	(202,908)	817,131	11,023,709
Naval Service Amenity Fund	3,267,390	220,211	(1,508,170)	(907,510)	214,923	1,286,844
Naval Service Prizes and Awards Fund	4,940,040	193,579	(174,724)	(226,984)	387,847	5,119,758
FAA Benevolent Trust	4,894,031	184,434	(125,343)	(155,015)	390,085	5,188,192
QARNNS Trust Fund	869,402	35,296	(23,294)	(12,200)	69,266	938,470
Plymouth Royal Naval Aid Fund	242,159	8,781	(1,928)	(3,324)	18,761	264,449
Sir Donald Gosling Maritime Reserve Amenity Fund	276,314	10,220	(8,846)	(12,858)	21,816	286,646
Naval Medical Compassionate Fund	714,314	26,606	(14,810)	(9,837)	56,465	772,738
Nuffield Trust	30,415	522,150	(549,373)	-	-	3,192
Naval Service Recovery Pathway Fund	3,074	-	-	(3,074)	-	-
SMBF	-	10,000	-	-	-	10,000
LIBOR 2016	225,604	1,856	(232,433)	4,973	-	-
LIBOR 2017	789,664	13,096	(424,315)	-	-	378,445
Charity restricted total	28,233,711	3,093,758	(6,982,465)	(1,178,350)	2,105,789	25,272,443
	Balance at 01.01.2019 £	Income £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2019 £
Group						
Naval Service Sports Charity	4,860,403	425,055	(755,843)	303,560	370,019	5,203,194
NSSC-RNRU fund	8,400	10,000	(17,765)	-	-	635
NSSC-Talented Athlete fund	8,400	30,000	(29,600)	-	-	400
RNOC (RNBSO) - general funds	14,180,051	752,075	(729,560)	-	1,577,039	15,829,511
RNOC - RN Scholarship Fund	370,675	12,195	(10,000)	-	33,377	356,345
RMA-TRMC general funds	5,580,169	3,434,034	(1,791,254)	(900,922)	349,680	6,671,707
Marines museum fund	-	-	-	1,000,000	-	1,000,000
RMA-TRMC LIBOR Fund	536,083	1,339	-	-	-	537,422
RMA	536,083	2,347,104	(677,477)	-	146,067	1,815,694
RM Benevolence Fund	3,355,010	372,385	(1,589,807)	-	239,286	2,376,874
RM Cadet Fund	121,438	4,070	(1,217)	-	8,553	132,844
RM Central Sergeants' Mess Fund	872,548	174,176	(175,958)	-	67,549	938,315
RM Central Unit Institute Fund	1,146,963	302,572	(241,267)	-	82,788	1,291,056
RM Officers' Trust Fund	997,730	158,635	(159,738)	-	72,843	1,069,470
TRiM4Veterans Fund	-	3,687	(33,834)	-	-	832,705
CTC Family Centre	757,440	109,099	-	-	-	3,687
RMSA	443,255	213,280	(632,142)	43,208	-	67,601
TRMC Enterprises Limited	-	-	-	-	-	-
Group Restricted Total	61,463,880	11,443,464	(13,827,927)	(732,504)	5,052,990	63,399,903
	Balance at 01.01.2019 £	Incoming resources £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2019 £
Naval Service Benevolence Fund	655,649	-	-	-	-	655,649
Permanent Endowment Total	655,649	-	-	-	-	655,649

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Classification of Group Funds

The RNRMC has a fund structure consisting of unrestricted, designated, restricted and one permanent endowment fund.

Unrestricted Fund – this fund represents those funds which have not been designated, and are available to support any of the objects of the parent charity.

Designated Funds – are held against known commitments as explained below and are a category of unrestricted funds:

- LIBOR – Afghanistan – the designated funds to be used to primarily support the families of the fallen and wounded, injured and sick veterans of the Afghanistan Campaign. These funds were spent in 2020.
- Drumfork – In 2015, the RNRMC received a £2m donation from HM Treasury for the refurbishment of the Drumfork club in Helensburgh, Scotland. The RNRMC designated £1m from its own funds in October 2017 to ensure the completion of the project, of which £931k has been spent. £69k remains in the designated fund for fixtures and fittings across 2021.
- Building 37 – In 2017, the Trustees designated £770k for the renovation of Buildings 37 and 35 within HMS Excellent, Portsmouth in order to give the charity a fit for purpose working environment for the next 25 years. The designated fund will be retained to depreciate the cost over the term of the lease with the MOD (25 years) and is considerably less than the commercial rental rates of £40k per annum (£1m over the lease period at today's rates).

Permanent Endowment – held separately as part of the Naval Service Benevolence Fund.

Restricted Funds - the subsidiary charities are all restricted funds and are grouped under two main headings in order to achieve the RNRMC's charitable objectives. Each subsidiary's funds are restricted by the provisions of that charity's governing instrument, whether Royal Charter*, Memorandum of Association** or Charity Commission Scheme***.

Benevolence	Promotion of Efficiency
Royal Navy Officers' Charity*	Naval Service Amenity Fund***
Naval Service Benevolence Fund***	Naval Service Prizes and Awards Fund***
Plymouth Royal Naval Aid Fund ***	Naval Service Sports Charity**
Naval Medical Compassionate Fund***	Naval Service Dependants' Fund***
	Fleet Air Arm Benevolent Trust ***
	Sir Donald Gosling Maritime Reserve Amenity Fund***
	Royal Marines Sports Association**
Charities with dual objects	
	Queen Alexandra's Royal Naval Nursing Service Trust Fund***
	The Royal Marines Association - The Royal Marines Charity **

The remaining restricted funds that are not mentioned in the table above have been received as restricted income rather than existing as separate charities merged within the RNRMC umbrella.

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27. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

As at 31 December 2020	Unrestricted* Funds £	Restricted Funds £	Endowment Funds £	2020 Total £
Tangible fixed assets	895,781	553,966	-	1,449,747
Intangible Fixed Assets	9,032	107,762	-	116,794
Fixed asset investments	27,329,550	55,868,864	655,649	86,854,063
Cash at bank and in hand	2,552,627	6,059,649	-	8,612,276
Other net current assets/(liabilities)	(934,456)	(5,819,509)	-	(6,753,965)
Long term liabilities	-	(45,000)	-	(45,000)
	<u>29,852,531</u>	<u>56,725,732</u>	<u>655,649</u>	<u>87,233,912</u>

As at 31 December 2019	Unrestricted* Funds £	Restricted Funds £	Endowment Funds £	2019 Total £
Tangible fixed assets	847,671	2,410,435	-	3,258,106
Intangible Fixed Assets	18,059	-	-	18,059
Fixed asset investments	32,800,656	61,849,826	655,649	95,306,131
Cash at bank and in hand	1,445,750	4,413,013	-	5,858,743
Other net current assets/(liabilities)	(709,415)	(5,661,526)	-	(6,120,941)
	<u>34,402,701</u>	<u>62,261,748</u>	<u>655,649</u>	<u>98,320,098</u>

28. DISCLOSURE OF SUBSIDIARIES – ROYAL NAVAL BENEVOLENT SOCIETY FOR OFFICERS

The charitable company is the trustee with right of veto of the Royal Naval Benevolent Society for Officers, known as The Royal Navy Officers' Charity (RNOC), a charity formed by Royal Charter. RNOC have objects similar to those of the RNRMC. These financial statements consolidate the accounts for the RNOC. The following is an extract of the financial statements of RNOC for the year ended 31 December 2020:

	2020 £	2019 £
Income	496,771	647,417
Expenditure	(650,794)	(622,708)
Gains/(losses) on investments	(674,261)	1,610,416
Net (expenditure)/ income	<u>(828,284)</u>	<u>1,635,125</u>
Total assets	15,421,843	16,203,907
Liabilities	(64,272)	(18,052)
Net assets	<u>15,357,751</u>	<u>16,185,855</u>
Restricted funds	336,705	356,345
Unrestricted funds	15,020,866	15,829,510
	<u>15,357,751</u>	<u>16,185,855</u>

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29. DISCLOSURE OF SUBSIDIARIES – NAVAL SERVICE SPORTS CHARITY

The charitable company is the sole corporate member of the Naval Service Sports Charity (NSSC), a charitable company limited by guarantee. These financial statements consolidate the accounts for the NSSC. The following is an extract of the financial statements of NSSC for the period ended 31 December 2020:

	2020 £	2019 £
Income	617,519	810,129
Expenditure	(724,355)	(844,722)
Gains/(losses) on investments	(126,496)	370,019
Net (expenditure)/ income	<u>(233,332)</u>	<u>335,426</u>
Total assets	5,160,426	5,372,211
Liabilities	(189,531)	(167,984)
Net assets	<u>4,970,865</u>	<u>5,204,227</u>
Restricted funds	636	1,035
Unrestricted funds	4,970,259	5,203,192
	<u>4,970,895</u>	<u>5,204,227</u>

30. DISCLOSURE OF SUBSIDIARIES – RMA-TRMC – THE ROYAL MARINES ASSOCIATION- THE ROYAL MARINES CHARITY

The charitable company became the sole corporate member of The Royal Marines Charity (TRMC), a charitable company limited by guarantee, on 1 April 2011. These financial statements consolidate the accounts for the RMC. The following is an extract of the financial statements of TRMC for year ended 31 December 2020:

	2020 £	2019 £
Income	3,184,557	7,130,386
Expenditure	(6,001,309)	(4,794,759)
Gains/(losses) on investments	(662,050)	966,766
Net (expenditure)/income	<u>(3,478,802)</u>	<u>3,302,393</u>
Total assets	13,863,627	17,424,840
Liabilities	(672,673)	(755,084)
Net assets	<u>13,190,954</u>	<u>16,669,756</u>
Restricted funds	5,187,083	6,644,951
Unrestricted funds	8,003,871	10,024,805
	<u>13,190,954</u>	<u>16,669,756</u>

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31. DISCLOSURE OF SUBSIDIARIES – RNRMC ENTERPRISES LIMITED

The RNRMC Enterprises Limited was incorporated on 5 March 2012, as the wholly owned trading subsidiary of RNRMC with a share capital of £100,000. Its results to the 31 December are consolidated in the Group accounts. The following is an extract of the financial statements of RNRMC Enterprises Limited for the year to 31 December 2020:

	2020 £	2019 £
Income	598,505	666,183
Expenditure	(487,615)	(534,732)
Net income - gift aided to RNRMC	<u>110,890</u>	<u>131,451</u>
Total assets	238,357	352,916
Liabilities	(138,357)	(252,916)
Net assets	<u>100,000</u>	<u>100,000</u>
Share Capital and retained earnings	<u>100,000</u>	<u>100,000</u>

32. DISCLOSURE OF SUBSIDIARIES – TRMC ENTERPRISES LIMITED

TRMC Enterprises Limited was incorporated on 23 February 2016, as the wholly owned trading subsidiary of RMA-TRMC with a share capital of £1. Its results to the 31 December are consolidated in the Group accounts. The following is an extract of the financial statements of TRMC Enterprises Limited for the period to 31 December 2020:

	2020 £	2019 £
Income	739,544	1,484,605
Expenditure	(741,050)	(1,484,605)
Net movement in funds	<u>(1,506)</u>	<u>-</u>
Current assets	291,748	160,509
Liabilities	(293,253)	(160,508)
Net assets	<u>(1,505)</u>	<u>1</u>
Net assets	<u>(1,505)</u>	<u>1</u>

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33. DISCLOSURE OF SUBSIDIARIES – ROYAL MARINES SHOP LIMITED

RMA-TRMC the sole shareholder of Royal Marines Shop Limited on 1 April 2019 and accordingly on that date the company became a subsidiary of the group. Its results from 1 April to the 31 December are consolidated in the Group accounts. The following is an extract of the financial statements of Royal Marines Shop Limited for the year ended 31 December 2020:

	2020 £	2019 £
Income	441,200	594,331
Expenditure	(382,513)	(557,548)
Net movement in funds	58,687	36,783
	2020 £	2019 £
Fixed assets	3,336	2,042
Current assets	259,659	179,130
Liabilities	(82,890)	(59,754)
Net assets	180,105	121,418

34. PENSIONS AND OTHER POST-RETIREMENT BENEFIT COMMITMENTS

The Charitable Group operates a defined contribution scheme, which is administered independently of the Group charities. The cost to the Group for the year was £128,204 (2019: £182,922). At the Balance Sheet date the amount due to the pension scheme administrators was £18,683 (2019: £23,260).

35. RELATED PARTY TRANSACTIONS

In August 2009 the Royal Navy agreed to lease office space at HMS Excellent to the Charitable Company at a peppercorn rent. These support costs are difficult to quantify as they are not discrete activities because personnel and office facilities are used for other Navy Command duties. As such the value of support provided by the Ministry of Defence has not been included in the Charitable Company's Statement of Financial Activities.

During the year trustees donated £27,192 (2019: £25,790) to the charity.

During the year The Royal Navy and Royal Marines Charity made a grant to its subsidiary, The Naval Service Sports Charity, of £195,000 (2019: £310,000).

During the year The Royal Navy and Royal Marines Charity made a grant to its subsidiary, RMA - The Royal Marines Charity, of £100,000 (2019: £177,491).

During the year The Royal Navy and Royal Marines Charity charged its subsidiaries the following amounts in respect of management and administration services: The Royal Marines Charity, £nil (2019: £50,000) and RNRMC Enterprises Limited £14,908 (2019: £20,000).

During the year RMA - The Royal Marines Charity made a grant to its subsidiary, The Royal Marines Sports Association, of £nil (2019: £74,208)

During the year RNRMC Enterprises Limited donated £110,890 (2019: £131,451) to the parent charity, The Royal Navy and Royal Marines Charity.

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36. OPERATING LEASE COMMITMENTS

At the year end the charity had the following total commitments under non-cancellable operating leases:

	2020	2019
	£	£
Due within:		
1 year	46,967	46,697
2-5 years	170,224	205,749
More than 5 years	715,945	560,024
	<u>933,136</u>	<u>812,740</u>

37. NET DEBT

	1 January 2020 £	Cash flows 2020 £	31 December 2020 £
Cash at bank	5,858,743	2,753,533	8,612,276
Bank loan	-	(45,000)	(45,000)
	<u>5,858,743</u>	<u>2,708,533</u>	<u>8,567,276</u>

38. ULTIMATE CONTROLLING PARTY

The charitable company is under the control of the RNRMC membership. No one member has sufficient voting rights to control the charitable company.

39. CAPITAL COMMITMENTS

At the balance sheet date the group had capital commitments of £nil (2019: £480,780)