

ROYAL NAVY RUGBY UNION

England & Wales · Charity number 1165153

Details

Other names	RNRU
Status	Registered
Legal form	Charitable company
Company number	09760575
Registered	2016-01-13
Register	View on the Charity Commission register

Contact

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Activities

Objects: (A) PROMOTING THE PHYSICAL EFFICIENCY OF MEMBERS OF THE ROYAL NAVY, THE ROYAL MARINES, THE NAVAL RESERVE FORCES AND ALL OTHER FORCES AS DEFINED IN THE QUEEN'S REGULATIONS FOR THE ROYAL NAVY AS BELONGING TO THE NAVAL SERVICE BY PROVIDING FACILITIES AND OTHER ENCOURAGEMENT FOR ALL RANKS THEREOF TO PARTICIPATE IN THE GAME OF RUGBY FOOTBALL. (B) MAKING GRANTS FOR CHARITABLE PURPOSES THAT BENEFIT EITHER DIRECTLY OR INDIRECTLY MEMBERS BOTH PAST AND PRESENT OF THE NAVAL SERVICE. (C) PROMOTING AMATEUR SPORT FOR THE BENEFIT OF THE PUBLIC IN PARTICULAR BY ENCOURAGING PARTICIPATION OF YOUNG PEOPLE IN THE GAME OF RUGBY FOOTBALL.

Activities: The over-riding aim is to 'promote and foster' the game of rugby within the Naval Service by: Promoting the physical efficiency of members of the Naval Service by providing facilities and other encouragement to participate in the game of rugby football; Making grants for charitable purposes; Promoting amateur sport.

Classification

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

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-09-30	£647,121	£503,669	£1,116,027	4
2024-09-30	£499,071	£358,504	-	-
2023-09-30	£1,385,194	£1,100,974	£832,009	4
2022-09-30	£1,361,842	£1,111,724	£547,789	5
2021-09-30	£197,672	£219,469	-	-
2020-09-30	£353,605	£613,021	-	-

Trustees

Name	Role	Appointed
REAR ADM MATTHEW JOHN PARR CB	Chair	2017-02-09
ANGUS BUJALSKI		2018-01-01
Capt RN Ralph Aidan Riley		2025-08-21
Cdr Kirsty Marlor		2020-05-03
Emma Sinden		2024-04-23
James Godfrey Higham		2025-02-01
Sarah Ellen Oakley		2018-12-24
William Andrew Reid		2022-09-27

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England & Wales - Charity number 1165153

Accounts

REGISTERED COMPANY NUMBER: 09760575 (England and Wales)

REGISTERED CHARITY NUMBER: 1165153

**REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025
FOR**

ROYAL NAVY RUGBY UNION

Gibson Whitter
Chartered Accountants
and Tax Advisers
Larch House
Parklands Business Park
Denmead
Hampshire
PO7 6XP

ROYAL NAVY RUGBY UNION

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FOR THE YEAR ENDED 30 SEPTEMBER 2025**

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ROYAL NAVAL RUGBY UNION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2025

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 September 2025. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

CHAIR'S OVERVIEW

The year to 30 September 2025 marked a period of strong progress and continued development across the Royal Navy Rugby Union's Representative programme, with teams achieving notable milestones both domestically and overseas. The U23s set the standard with an exemplary campaign, securing the Inter-Service Championship following a composed and well-executed victory over the Army. The Senior Men mirrored this success with two outstanding performances against the RAF and the Army, earning the Inter-Service title and demonstrating the increasing strength, discipline and cohesion within the squad. The Mariners continued to demonstrate commitment and resilience throughout their campaign, building further experience across the squad as they look ahead to future seasons. The Senior Women also showed determination and competitive spirit in challenging fixtures, with valuable game time gained against teams featuring several international-standard players. The Sharks maintained their important role within the player-development pathway, representing the Royal Navy at major domestic tournaments, and the season concluded with a significant milestone as the Senior Men undertook their first overseas tour since 2018, travelling to the United States to face the US Naval Academy and the US Marine Corps, an experience that further enhanced the profile and progression of Navy rugby.

The 2025 season reflected both growth and ongoing development needs within Community rugby. Strong progress was evident across the Women's Development Squad, the Academy Team and 7's programmes, all of which continued to expand participation and strengthen player pathways. In addition, the efforts of the Rugby Development Officer since 2024 have yielded significant returns, with 49 new England Rugby Coaching Award (ERCA) qualified coaches now supporting delivery across the Royal Navy rugby community.

At the same time, challenges persisted around player availability, declining unit and regional engagement, and the lack of clear accountability for forming unit teams and establishing Regional Training Support Groups. While the Royal Marines and Fleet Air Arm consistently fulfilled their fixtures, other regions found it more difficult to field competitive sides, resulting in a reduced number of entries into the Navy Cup and a scaled-down Inverdale Challenge. Addressing these structural issues remains a priority, and work will continue into 2026 to refine competition formats, clarify responsibilities and strengthen local engagement to ensure a sustainable and accessible community rugby offer.

Financial stability for the RNRU was sustained through prudent management and disciplined oversight, supported by the continued strength of our flagship Army v Navy event and a renewed uplift in sponsorship. Consolidated income increased to £1.42m with expenditure of £1.28m, delivering a surplus of £143k and marking a fourth consecutive year of building reserves. Matchday attendance at Twickenham improved to 49,000, and our trading subsidiary's profits rose, enabling increased distributions to the charity. We continued to prioritise investment in rugby delivery across both Representative and Community programmes while maintaining a resilient balance sheet, with net assets rising to £1.12m and unrestricted reserves strengthening. Looking

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ahead, we remain committed to careful cost control, deepening commercial partnerships, and progressing towards our long-term ambition of a full-capacity Allianz stadium, underpinned by a sustainable financial model.

Trustee succession planning remains a vital component of good governance, ensuring the Board retains the breadth of skills, experience and perspectives required to guide the charity effectively. During the year, the Chair of the Executive Committee stepped down and the Vice-Chair was nominated to take on the role, resulting in the appointment of a new Vice-Chair who, as a serving member of the Royal Navy, joins the Board as a Trustee by virtue of their position. We were also pleased to welcome an additional new Trustee into a vacant role, a former senior officer who retired after 35 years of distinguished service in the Royal Navy. Their combined expertise has already strengthened the Board's capability and enhanced the diversity of thought essential for robust and effective decision-making.

We also undertook a comprehensive governance review to ensure the charity continues to operate effectively, in line with its purpose, and with structures suited to the growth and change experienced across the Union, particularly in relation to the evolving demands of the Inter-Service competition. The recommendations from this review have been translated into a formal action plan, now a standing agenda item for the Board, and we look forward to implementing and monitoring progress against these actions. Through continued diligence, oversight and commitment to strong governance, the Trustees remain confident in the charity's ability to respond appropriately to future challenges while maintaining a firm foundation for sustained success.

OBJECTIVES AND ACTIVITIES

Objectives and Aims

The explicit objectives endorsed by the RNRU support the over-riding aim to 'promote and foster' the game within the Royal Navy, and its local communities, as follows:

- Promoting the physical efficiency of members of the Naval Service by providing facilities and other encouragement for all ranks thereof to participate in the game of rugby football;
- Making grants for charitable purposes that benefit either directly or indirectly members both past and present of the Naval Service;
- Promoting amateur sport for the benefit of the public in particular by encouraging the participation of young people in the game of rugby football.

Achievements and Performance Against Objectives

A summary of the RNRU's achievements against our objectives and future plans as outlined in last year's Report and Accounts can be found in the table below.

We said that we would do	We achieved
Maintain strong governance: Undertake a governance review to ensure continued compliance with all relevant laws and regulations. Renew the 5-year strategy in alignment with the RFU's overarching game development strategy to ensure the charity	• We undertook a comprehensive governance review to ensure that the Union's organisational structure remains relevant, compliant and fit for purpose following a period of significant growth and increased operational demands, particularly

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remains fit for purpose and appropriately structured for future growth.	around the Inter-Service competition. • A detailed, step-by-step action plan has been created to implement the review's recommendations, and this is now a standing agenda item for the Board to ensure structured oversight, clear accountability and timely delivery. • Work to renew the Union's 5-year strategy is ongoing, as we have intentionally aligned this process with the RFU's own governance and game-development strategy review cycle, which has been evolving in recent years to strengthen compliance expectations, reshape community game priorities and re-emphasise accountability and safeguarding across all Constituent Bodies. • Aligning with the RFU's revised strategic framework ensures our future direction reflects national standards, supports best practice, and places the RNRU in a strong position to respond to future changes in the regulatory and competitive landscape.
Develop Structures and Facilities: Prioritise the refurbishment and maintenance of key facilities such as clubhouses and training grounds and produce a comprehensive infrastructure plan outlining required upgrades, timelines and funding strategies.	• We are working with key stakeholders at Military establishments to try and advance planned works in their estates including improvements to washing facilities, storage and re-surfacing of 3G pitches.
Strengthen competitive performance across Representative Rugby: Implement targeted training programmes, coaching clinics and enhanced support structures to improve senior team performance, with the aim of regaining the Inter-Service Championship title for the Senior Men and increasing the competitiveness of the Senior Women as part of a five-year ambition to secure their first Inter-Service Championship win.	• Senior Men's Team: Delivered two high quality Inter-Service wins to claim the Championship. • U23 Team: Secured the Inter-Service Championship following a composed victory over the Army after a draw with the RAF, evidencing the strength of the development pathway. • Mariners (Over 35s): Built further squad experience across the season, consolidating depth and leadership following last year's title win. • Sharks 7s: Continued to showcase Service rugby at high-level domestic tournaments, broadening competitive opportunities and the development environment. • Women's Senior Team: Maintained commitment and resilience through

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	challenging fixtures, gaining experience against squads containing multiple international players and sustaining the long-term objective of increased competitiveness.
Enhance Women's Player Pathway: Expand player pathway programmes and provide additional coaching and financial support to develop depth across all levels of the women's game.	- Continued with Support for Top Tier Players in Premiership Women's Rugby by providing bursaries and contracts. - Consolidated the Women's Development Squad increasing pathway clarity and alignment with representative selection and strengthening links to the Senior Women. - Invested in coaching and support resources across the women's programme, with continued emphasis on player welfare, retention and progression into higher-level competition. - Maintained visibility through high-profile fixtures, including AvN match at Allianz Stadium, underpinning long-term ambitions for competitiveness and championship contention within five years.
Promote Rugby Participation and Enjoyment: Continue expanding grassroots rugby programmes and revising community competition formats to make them more accessible, engaging and aligned with operational constraints.	- Expanded activity across community programmes, with revised competition formats piloted to improve accessibility and alignment with Naval Service operational constraints. - Strengthened delivery capacity through the appointment of a Rugby Development Officer (full-year impact) and the qualification of 49 new ERCA-accredited coaches since 2024, increasing the quality and reach of grassroots provision. - Sustained engagement through festivals and outreach initiatives, with targeted support for Stingrays and Makos (7's), both of which recorded notable growth and improved pathway connections into representative squads. - Continued emphasis on volunteer support and recognition, underpinning local delivery and safeguarding standards.

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Purpose of the RNRU

The Royal Navy Rugby Union has a long and distinguished history dating back to 1906. On its formation rugby was fairly embryonic, with ratings and other ranks not eligible to play. However, the Officers saw the game's value to Naval Service ethos and after the RN were able to select from all their personnel in 1920 there was a burgeoning of service rugby clubs, including Devonport Services and United Services Portsmouth, formed to provide playing opportunities in RFU league structures. Whilst in the early years these clubs were restricted to the use of service personnel approximately 30 years ago membership was opened to the local civilian community, who now form a significant element of the clubs, providing a valuable opportunity for outreach to the local community through sport.

The adult section of the clubs supports 3 senior male teams (DSRFC) and 2 senior male teams (USPRFC), one Colts team plus a vibrant youth section from U7 to U16. In addition, Devonport Services maintain a women's team and a female youth team. RN ships and units are also active and engage in matches around the globe whilst the Union supports five representative teams (Senior Men, Senior Women, U23, Veterans and Sevens) to provide the pinnacle of Navy sport. In the modern day the Union remains relevant, upholds the values of the Royal Navy in building partnerships with other navies around the world in support of RFU initiatives.

As both a registered charity and National Constituent Body of the Rugby Football Union, we are committed to promoting participation and enjoyment of rugby at all levels within the Naval Service. We are consolidating our position, having professionalised much of what we do, with success in the long running Inter Service Championship particularly at the annual fixture against the Army at Allianz Stadium, Twickenham, which now incorporates both Men's and Women's Senior Teams, remaining a central pillar of our strategy. At the same time, we are developing our structures and facilities and investing in grass roots and community rugby, as this will provide the foundation upon which we can grow our representative teams. The provision of a Women's Development side is providing increased opportunities for emerging players who otherwise would not be sufficiently proficient to break into the hitherto single female representative side. Elsewhere, the provision of coaching and refereeing courses is resulting in greater exposure to sport for all age groups.

Public Benefit

The charity exists to support the military efficiency of the Naval Service as a key component of the nation's Armed Forces and thereby to the defence of the nation. The Trustees have complied with the duty in Section 17 of the Charities Act 2011 and given due regard to the Charity Commission guidance on public benefit. In addition, the RNRU provides public benefit by enhancing and promoting military efficiency, strengthening the moral component of the Royal Navy's and Royal Marines' esprit de corps, which in turn brings tangible benefit to the public:

- the maintenance of maritime security with regard to the UK home bases and their people;
- the Naval Service's global commitment to the furtherance of world peace and stability;
- the protection of lawful maritime trade and the prevention of unlawful acts upon the high seas;

- the contribution to enhanced morale and retention of Naval Service personnel.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2025

FINANCIAL REVIEW

Financial Position

The charitable activities are overseen by the Royal Navy Rugby Union (RNRU). Navy Rugby Ltd (NRL), a wholly owned subsidiary of the RNRU, manages the trading activities. These accounts cover the 12-month period ending on 30 September 2025. This is the fourth full year of operations and rugby since the pandemic, and the accounts continue to reflect the charity's primary objective of facilitating rugby while building a reserve for any future destabilising events.

Statement of Financial Activities (SOFA)

The Consolidated SOFA for the 12-month period ended on 30 September 2025, with the main fundraising activity remaining the Army v Navy matches at Allianz Stadium, Twickenham. The income for 2025 was £1,420k, an increase of £232k from the £1,188k generated in 2024. Expenditure also increased by £229k to £1,277k compared to £1,048k in 2024. Both changes were predominantly linked to the Army vs. Navy match but there has also been an increase of sponsorship. Overall, annual income exceeded expenditure by £143k (£141k in 2024), marking the fourth consecutive year of income growth for the RNRU rather than consuming reserves.

The financial activities of the charity, as detailed in Note 2 to the Consolidated Financial Statements, show a significant increase in income of £647k for 2025 compared with £499k for 2024. Income is primarily derived from distributions from NRL trading activities, which saw an increase in profit to £519k from £360k the previous year. Expenditure, which included an overseas tour, stood at £504k, an increase over the previous year (£359k), with 95.4% of that expenditure attributable to charitable activities (Royal Navy Rugby and Community Rugby), which is similar to prior years. Overall, net income was £143k, like the previous year's £141k.

Balance Sheet

The consolidated group's net assets increased by £143k, rising from £973k on 30 September 2024 to £1,116k at 30 September 2025. This change is reflected in the net current assets, with debtors increasing by £155k mainly due to sponsorship (received since year end) and prepaid tour expenses. Cash also increased due to the surplus for year although offset by a decrease in funds held as custodian of £98k. Creditors increase by £37k due deferred income and VAT on new sponsorship income less the decrease in funds held as custodian.

The increase in debtors on the charity's standalone balance sheet is due to the increase in distribution. Creditors have increased due to funds held as custodian noted for group above and tour cost creditors.

As of 30 September 2025, net assets of £1,116k comprise general unrestricted funds of £706k (compared to £585k on 30 September 2024) and designated funds of £409k (compared to £387k on 30 September 2024) (see note 21 for details).

Review of the Year

This was the fourth full rugby season since the pandemic when no rugby was played, including the show-case event, the Army Navy Matches at Allianz Stadium, Twickenham. It is now established (4th year) that the Women play immediately after the Men on the Allianz pitch. The event at Twickenham

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remains the most significant occasion and the primary source of income for the Charity. Although ticket sales fell in 2024, ticket sales picked up in 2025 to approximately 44,000 (paying) and 49,000 attendees (including complimentary tickets).

The charity no longer has any support for personnel costs previously covered by the Naval Service Sports Charity (NSSC) or Royal Navy. The RFU Constituent Body grant and Regional Development Officer funding continue to provide guaranteed income. Overall, donations, legacies, and other trading income (excluding Inter Service match income and international ticket sales) were lower than in 2024 linked directly to the end of support for personnel costs. All sponsors returned to support the Charity, and new sponsors were found, resulting in an income increase to £227k from £178k. Patron income remained constant at £19k, though it is relatively small compared to other sources.

For direct costs of charitable activities (Note 9), Community Rugby and Representative Rugby expenditure was higher this year by £131k (71%) to £316k, although like-for-like rugby expenditure (excluding foreign tours) was higher by £49k (32%) to £243k (£185k in 24/25), aligning with budget expectations. The representative RNRU rugby teams played the French Marine Nationale matches in the UK this year. Community Rugby expenditure increased again by 22% to £47k, partly due to employing a new Rugby Development Officer for the entire year with no wage support from NSSC.

Overall, cash reserves have been refreshed for the fourth year, specifically due to a successful AvN Match Day and increased sponsorship. The RNRU has sufficient cash funds to support the 2025/26 rugby season without requiring additional grants or loans. The outstanding Sports Lottery loan was again partially repaid (£5k) and is budgeted for full repayment over the next six years although this might now be reduced to two years.

Going concern

The budget for 2025/26 was approved in September 2025 at the Trustees' Board Meeting. The RNRU budget was later adjusted in Jan 2026 once the NRL distribution became clearer. It was revised as follows:

Income: £617k (£470k in FY 23/24)

Expenditure: £573k (£444k in FY 23/24)

Surplus: £44k

The RNRU is also looking to recruit a new employee as an events coordinator which will be a cost of up to £36k pa (less this FY). The RNRU will still run a surplus budget without relying on reserves, grants, or loans. Additionally, the budget includes a loan repayment of £5k (leaving a balance of £25k) and designates further funds of £50k for reserves and £30k for tours. This means that the total cash resources of the charity at 30 Sep 26 are forecast to be approximately £130k in cash, a designated Tour fund of £62k, and a designated reserve of £422k.

The Trustee Board anticipates that the Army Navy match will continue to be played again this year and future years at Allianz Stadium, Twickenham as a new four-year contract is being negotiated. An inter-services committee, manager and new marketing team are now in place to plan this event. Based on the experience of the last few years, the ticket plan is to sell 50,000 tickets in 2-tiers of the stadium (with a capacity of 60,000 rather than open the whole of the stadium of 78,000). At this stage, this is considered a realistic forecast of attendance, and using just 2-tiers of the stadium helps control costs; the long-term goal is to see the match return to full stadium capacity. If successful in 2026, an

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estimated £500k will be received as a distribution that will allow rugby to continue fully next year and provide surplus funds for designated reserves and future tours.

Based on cash flow forecasts over the next two years, both entities are expected to be able to meet their current ongoing financial commitments until at least September 2027. The Trustee Board, based on the above information, has concluded that it remains appropriate to prepare these financial statements on the going concern basis.

Governance and Administration

The Trustee Board, guided by the Investment Finance and Audit Committee (IFAC), approves the annual budget set by the Executive Committee. The accounting services for the RNRU and NRL (excluding payroll and pensions) are managed in-house at HMS TEMERAIRE using our finance officer and Xero accountancy software.

Risk

Financial risks are assessed by the Executive Committee, the IFAC, and the Trustee Board. A primary risk relates to the ability to successfully hold the Army v Navy match at Allianz Stadium, as it is the main source of income. The cancellation of this match in 2020 and 2021 had a substantial impact on the RNRU's income. During this period, the Charity relied heavily on its reserves and received significant support from sponsors, the RN & RM Sports Lottery for salaries, and the Naval Service Sports Charity, which provided both a grant and a loan (now being repaid). This is why the RNRU has been building a new designated reserve since and we will continue to strengthen this reserve over the next few years.

Since 2022, the Army v Navy match has been successfully held at Allianz Stadium, Twickenham, although attendance has not yet reached pre-pandemic levels. Over the past few years, attendance has fallen to a low of 46k in 2024; we believe that it has however turned the tide and 2025 saw 49k attendance. Efforts continue to increase ticket sales especially with better advertising and seeking a wider audience. The Trustee Board, IFAC, and Executive Committee will closely monitor this risk and adapt operating plans as necessary.

Investments

The RNRU currently has a single investment of £100k in the trading subsidiary NRL. A long-term investment policy is reviewed periodically and may be re-established in the future if sufficient excess funds are generated. At present, the focus is on building a reserve, which currently stands at £425k.

Due to the financial and operational impacts experienced by NRL in recent years, the Trustee Board has annually evaluated whether the charity's £100k investment in NRL should be impaired as of 30 September 2025. The trustees have reviewed NRL's forecasts and anticipate that the Army Navy match will take place at Twickenham in 2026, with ticket sales expected to cover costs and generate an operating profit for the financial year 26/27.

Investment Restrictions

The Trustee Board does not consider ethical investment restrictions necessary or conflicting with RNRU's objectives. They believe this aligns with the updated guidance to CC14 provided by the Charity Commission.

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Reserves Policy

The Trustee Board maintains a reserves policy to allocate adequate free reserves for the needs of current beneficiaries, specifically the RNRU charity budget, while ensuring sustainability for future generations. These designated funds are "cash reserves" specifically earmarked to cover anticipated tour costs in future years and to fund a complete rugby season should the AvN match not occur. Free reserves of £500k are necessary to manage cash flows throughout the year, as income is primarily derived from a single source – the distribution from NRL in arrears. This approach provides sufficient assurance that the charity can achieve its objectives and mitigate any unexpected fluctuations in charitable expenditure or income shortfalls.

The Trustee Board initially agreed upon the current reserves policy in April 2018, based on free reserves that would cover the costs of a basic rugby season. The policy was revised in 2019 to establish a minimum free reserves level of £300k and a maximum of £500k. The policy is reviewed at least annually. A separate account for reserves has been established for several years now and at 30 Sep 25 the balance was £373k. An additional £50k will be added in Jan 2026 in the new financial year.

The charity's free reserves are calculated by taking total unrestricted funds and deducting designated reserves, designated funds, long-term investments, and operational tangible fixed assets. The calculation of free reserves as of 30 September 2025 is shown in the table below:

	30 Sep 21	30 Sep 22	30 Sep 23	30 Sep 24	30 Sep 25
	£'000	£'000	£'000	£'000	£'000
Total unrestricted funds	298	548	832	973	1,116
Less: Designated fund for tours	0	(20)	(50)	(77)	(37)
Less: Designated reserves	0	(60)	(111)	(275)	(343)
Less: Loan (Designated reserves)			(40)	(35)	(30)
Less: Long term investments (NRL)	(100)	(100)	(100)	(100)	(100)
Less: Operational tangible fixed assets	(5)	(3)	(2)	(1)	(1)
Free Reserves	193	365	529	485	605

With adequate income once again flowing into the RNRU, the Trustee Board will continue to build designated reserves while ensuring that the charity meets its charitable objectives. The Trustee Board acknowledges that one year of designated reserves may be insufficient and is committed to prudently increasing the reserve levels in the future to mitigate identified risks. They are reviewing the reserves policy in the year ahead to ensure it remains appropriate to meet the needs of the Charity.

PLANS FOR THE FUTURE

The Royal Navy Rugby Union will continue to focus on strengthening performance, governance, participation, and financial sustainability across the 2025/26 season. Our priorities reflect the direction set at the 2025 AGM and build on the progress made across Representative and Community rugby this year.

We will deepen our investment in Representative Rugby by supporting the Senior Men, U23s, Mariners, and Senior Women with enhanced training environments, improved coaching structures and more robust performance support. A priority remains the retention of the U23 Championship,

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securing back-to-back Inter-Service victories for the Senior Men, and delivering year-on-year progress for the Senior Women as part of the long-term strategy to achieve an Inter-Service win within five years.

Community rugby development will remain central to our mission. Efforts will focus on increasing participation, clarifying accountability for regional and unit-level sport, and strengthening the Women's Development Squad, Academy, Stingrays and Makos programmes. We will continue to build community coaching capacity following the successful qualification of 49 ERCA coaches this year, while reviewing and refining competition formats to ensure they remain accessible and deliverable within operational constraints.

Financial resilience and growth remain key. We will build on improved Allianz Stadium, Twickenham attendance, strengthen commercial partnerships, and diversify revenue streams through Navy Rugby Ltd. The onboarding of new sponsors such as Vodafone, along with the continued development of the Inter-Service competition, will support long-term financial sustainability.

Facility development will focus on supporting upgrades across RNRU-affiliated sites, and working closely with partner clubs and establishments to ensure pitches, training environments and clubhouses remain safe, functional and fit for purpose.

Governance and structural resilience will continue to be strengthened through the implementation of the governance review action plan and the renewal of the RNRU's 5-year strategy. This work will align with the RFU's new England Rugby Strategy to ensure the charity remains compliant, well-structured and strategically aligned with the wider game.

We will also focus on communications and volunteer support by expanding the communications team, improving grassroots coverage, and strengthening the volunteer base through targeted recruitment, succession planning, and continued recognition programmes.

Together, these priorities aim to secure the RNRU's long-term success, enhance the player and supporter experience, and ensure rugby continues to thrive across the Naval Service.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational Structure

The RNRU is a regulatory body, which on behalf of the President, directs, controls, administers and promotes the sport of Rugby Football Union within the Royal Navy. The objectives of the RNRU are reviewed by the Trustees and specific targets and objectives, which are compatible with those laid down by the Rugby Football Union (RFU) as the governing body for the sport, are set. The aim of the RNRU is to promote and foster the game of Rugby Union in the Royal Navy and its local communities in accordance with the Laws of the Game promulgated by World Rugby and the rules, regulations and bye laws issued by the RFU. The governing body of the RNRU is the Board of Trustees, which comprises up to 8 members and meets twice a year to review charitable objectives, strategy, risk register and performance. Trustees are elected or appointed for a three-year term, and may, subject to Board approval, serve for further three-year terms. New appointees' induction training is personalised to meet the requirements of the appointee. The President is invited to attend, and the Company Secretary has attended all Board of Trustees meetings.

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The Board is supported by an Investment, Finance and Audit Committee (IFAC) sub-committee, with specific terms of reference and functions delegated by the Board and with a Trustee as Chair, appointed by the Board. An independent member (qualified accountant) attends all meetings together with the Executive Committee Vice Chair.

The Board decide on the strategy of the Union, with implementation of strategy and day-to-day operational management of activity in support of its objectives delegated by the Board to the Executive Committee. The Executive separately, and independently, act as the delivery arm of NRL.

The Executive Committee consist of the following appointments:

Chair	Company Secretary
Vice Chair	Treasurer
RFU Council Member	Commercial Director
Director of Rugby	Director of Communications
Director of Community Rugby	
Volunteers Manager (non-voting)	

The majority of RNRU officials are serving Royal Navy/Royal Marines personnel, who undertake the roles on a voluntary basis on top of their high-pressure military appointments. The exception is the RNRU Secretariat and Community Rugby team which are operated by 4 permanent paid members of staff; the Company Secretary, Business Manager, Finance Officer and Rugby Development Officer who are funded by the charity. The RNRU Sports Development Officer, a full-time MOD Civil Servant, retired during the year. A replacement has not been appointed due to the ongoing moratorium on civil service recruitment. All vacancies within the RNRU are advertised on the RNRU website inviting volunteers, both serving and civilians, to be considered for selection; all Executive Committee appointments are re-appointed at the AGM.

Management and Administration

The day-to-day control and administration of the RNRU is delegated to the Chair of the Executive Committee. The Executive Committee are tasked with achieving the objectives set by the trustees in their strategic plans.

Volunteers and Related Parties

The Trustees all gave their services voluntarily and received no remuneration for their activities, other than travel and incidental expenses. The serving members of the Board undertake their RNRU duties as volunteers in addition to their normal line duties.

Navy Rugby Limited

Navy Rugby Limited (NRL) operates as a separate but wholly owned subsidiary of the Royal Navy Rugby Union (RNRU). It is a VAT registered company whose objective is to generate income for the RNRU through trading activities including, but not limited to, receipts from ticket sales to Navy Rugby games, the sale of merchandise associated with Navy Rugby and the support of RNRU sponsors. NRL has three

ROYAL NAVAL RUGBY UNION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2025

directors: the shareholding director (a member of the Trustee Board of the RNRU), a managing director (the member of the RNRU Executive Committee responsible for Commercial matters) and an independent Chair. The RNRU Company Secretary and Treasurer also perform the appropriate professional duties for NRL, which has a separate bank account and operates as a separate entity in legal and financial terms from the RNRU. Established with a £100,000 share issue from which all trading activity is resourced, all its operating profits are donated to the RNRU on completion of its annual audit. The NRL Board of Directors meet at least twice a year, and oversight is maintained on the RNRU Board of Trustees by inviting the Chair to report its activities at Trustee Board meetings. In addition, the managing director of NRL reports to the RNRU Trustee Board's Investment, Finance and Audit sub-committee.

Governing Document

The RNRU is controlled by its governing document, its Memorandum and Articles of Association dated 3 September 2015, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company Number

09760575 (England and Wales)

Registered Charity Number 1165153

Registered Office

HMS Temeraire
Burnaby Road
Portsmouth
Hampshire
PO1 2HB

Patron

The Royal Navy Rugby Union does not currently have a patron.

President

Vice Admiral Andrew Burns CB OBE

Resigned 5 September 2025

Vice Admiral Steve Moorhouse CBE

From 5 September 2025

Trustees

The Trustees in this period were:

Rear Admiral M J Parr CB (Chair)

Mr A Bujalski

Rear Admiral S M Moorhouse CBE

Resigned 25 June 2025

Commander K Marlor

Commodore S E Oakley

Mr W Reid

Mrs E Sinden

Rear Admiral J Higham CB OBE

From 1 February 2025

Captain A Riley Royal Navy

From 21 August 2025

ROYAL NAVAL RUGBY UNION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2025

REFERENCE AND ADMINISTRATIVE DETAILS (continued)

Auditors

Gibson Whitter
Chartered Accountants
And Chartered Tax Advisers
Larch House
Parklands Business Park
Denmead
Hampshire
PO7 6XP

Legal Advisors

Wilsons Solicitors LLP
Alexandra House
St Johns Street
Salisbury
SP1 2SB

Bankers

National Westminster Bank PLC
130 Commercial Road
Portsmouth
Hampshire
PO1 2EJ

ACKNOWLEDGEMENTS

The Board wish to place on record their gratitude to all those who have contributed to the on-going success of the RNRU. These are too numerous to mention in full and the list that follows is just a representative sample of our growing band of supporters.

Activision	Babcock International Group PLC
BMT	ESS (part of the Compass Group UK)
MBDA	Peter Cooper Motor Group
Qinetiq	Rohde and Schwarz
Rolls Royce	SA Group
SAAB	Thales
ThinkLogical	Ultra Maritime
Vodafone	VX3

ROYAL NAVAL RUGBY UNION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2025

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Royal Navy Rugby Union for the purposes of company law) 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 year which 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;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the 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. 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 auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Gibson Whitter Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 26 March 2026 and signed on its behalf by:

Rear Admiral M J Parr CB - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ROYAL NAVY RUGBY UNION

Opinion

We have audited the financial statements of Royal Navy Rugby Union (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 30 September 2025 which comprise the Consolidated Statement of Financial Activities, the consolidated Balance Sheet, the consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 September 2025 and 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 requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 group and parent 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ROYAL NAVY RUGBY UNION

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ROYAL NAVY RUGBY UNION

- We obtained an understanding of the legal and regulatory framework in which the company operates. The key laws considered included the Companies Act 2006. We have corroborated our enquiries through review of Board minutes.
- We have evaluated management incentives and opportunities for fraudulent manipulation of the financial statements including management override of controls and the application of revenue recognition at cut-off and considered that the principal risk was related to the posting of inappropriate journal entries to improve the result before the year end. We have addressed this by assessing journal entries as part of our planning audit approach.
- We have enquired of management and those charge with governance in respect of known or suspected instances of non-compliance with laws and regulations.
- We have also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our 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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Gavin Whitter (Senior Statutory Auditor)
for and on behalf of Gibson Whitter Limited
Statutory Auditors
Larch House
Parklands Business Park
Denmead
Hampshire
PO7 6XP

Date: 23 April 2026

ROYAL NAVY RUGBY UNION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 SEPTEMBER 2025

		Year ended 30.9.25 Unrestricted funds £	Year ended 30.9.24 Total funds £
	Notes		
INCOME AND ENDOWMENTS FROM			
Donations and legacies	3	34,495	57,790
Charitable activities	6		
Royal Navy Rugby		36,100	22,550
Community Rugby		7,000	7,685
Other trading activities	4	1,328,880	1,090,294
Investment income	5	13,492	10,074
Total		1,419,967	1,188,393
EXPENDITURE ON			
Raising funds	7	796,066	711,325
Charitable activities	8		
Royal Navy Rugby		344,857	244,592
Community Rugby		<u>135,592</u>	<u>91,909</u>
Total		1,276,515	1,047,826
NET INCOME/(EXPENDITURE)		143,452	140,567
RECONCILIATION OF FUNDS			
Total funds brought forward		972,576	832,009
TOTAL FUNDS CARRIED FORWARD		<u>1,116,028</u>	<u>972,576</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

ROYAL NAVY RUGBY UNION

**CONSOLIDATED BALANCE SHEET
AT 30 SEPTEMBER 2025**

	Notes	Group 30.9.25 £	Group 30.9.24 £	Charity 30.9.25 £	Charity 30.9.24 £
FIXED ASSETS					
Intangible assets	15	-	-	-	-
Tangible assets	16	1,318	1,942	1,040	1,387
Investments	17	-	-	100,000	100,000
		<u>1,318</u>	<u>1,942</u>	<u>101,040</u>	<u>101,387</u>
CURRENT ASSETS					
Debtors	18	240,499	85,143	569,965	392,249
Cash at bank		<u>1,208,471</u>	<u>1,187,706</u>	<u>602,987</u>	<u>592,276</u>
		<u>1,448,970</u>	<u>1,272,849</u>	<u>1,172,952</u>	<u>984,525</u>
CREDITORS					
Amounts falling due within one year	19	(304,260)	(267,215)	(127,965)	(78,337)
		<u>1,144,710</u>	<u>1,005,634</u>	<u>1,044,987</u>	<u>906,188</u>
NET CURRENT ASSETS					
		<u>1,144,710</u>	<u>1,005,634</u>	<u>1,044,987</u>	<u>906,188</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,146,028</u>	<u>1,007,576</u>	<u>1,146,027</u>	<u>1,007,575</u>
CREDITORS					
Amounts falling due after more than one year	20	(30,000)	(35,000)	(30,000)	(35,000)
NET ASSETS		<u>1,116,028</u>	<u>972,576</u>	<u>1,116,027</u>	<u>972,575</u>
FUNDS	21				
Unrestricted funds		<u>1,116,028</u>	<u>972,576</u>	<u>1,116,027</u>	<u>972,575</u>
TOTAL FUNDS		<u>1,116,028</u>	<u>972,576</u>	<u>1,116,027</u>	<u>972,575</u>

ROYAL NAVY RUGBY UNION

**BALANCE SHEET - CONTINUED
AT 30 SEPTEMBER 2025**

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board of Trustees and authorised for issue on 26 March 2026 and were signed on its behalf by:

Rear Admiral M J Parr CB- Trustee

ROYAL NAVY RUGBY UNION

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2025

	Notes	Year ended 30.9.25 £	Year ended 30.9.24 £
Cash flows from operating activities:			
Cash generated from operations	1	110,091	119,851
Net cash provided by (used in) operating activities		110,091	119,851
Cash flows from investing activities:			
Purchase of tangible fixed assets		-	(834)
Interest received		13,492	10,074
Net cash provided by (used in) investing activities		13,492	9,240
Cash flows from financing activities:			
Movement in cash held as custodian		(97,818)	152,517
Loan repaid in year		(5,000)	(5,000)
		(102,818)	147,517
Net cash provided by (used in) financing activities		-	-
Change in cash and cash equivalents in the reporting period		20,765	276,608
Cash and cash equivalents at the beginning of the reporting period		1,187,706	911,098
Cash and cash equivalents at the end of the reporting period		1,208,471	1,187,706

ROYAL NAVY RUGBY UNION

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2025**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Year ended 30.9.25 £	Year ended 30.9.24 £
Net income/ (expenditure) for the reporting period (as per the statement of financial activities)	143,452	140,567
Adjustments for:		
Depreciation and amortisation charges	624	4,662
Interest received	(13,492)	(10,074)
(Increase) in debtors	(155,356)	(50,449)
Increase in creditors	<u>134,863</u>	<u>35,145</u>
Net cash provided by operating activities	<u><u>110,091</u></u>	<u><u>119,851</u></u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.10.24	Cash flow	Other non-cash changes	At 30.9.25
Net cash				
Cash at bank and in hand	<u>1,187,706</u>	<u>20,765</u>	<u>-</u>	<u>1,208,471</u>
Debt				
Debts falling due within one year	-	-	-	-
Debts falling due after one year	<u>(35,000)</u>	<u>5,000</u>	<u>-</u>	<u>(30,000)</u>
	<u>(35,000)</u>	<u>5,000</u>	<u>-</u>	<u>(30,000)</u>
Total	<u><u>1,152,706</u></u>	<u><u>25,765</u></u>	<u><u>-</u></u>	<u><u>1,178,471</u></u>

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the charitable company and its subsidiary.

The financial statements of the subsidiary undertaking included within the consolidated figures are adjusted where appropriate, to conform to Group accounting policies.

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.

Significant judgements and estimates

In preparing these financial statements, the trustee directors have made the following judgements:

- Determine whether financial instruments such as intra-group loans are basic or complex. These decisions depend on an assessment of the terms of the financial instrument.

Income

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of a general nature are recognised where there is entitlement, the receipt is probable and the amount can be measured with sufficient reliability. Such income is only deferred when:

- the donor specifies that the grant or donation must only be used in future accounting periods; or
- the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from activities to generate funds, such as sponsorship, merchandise sales, patrons scheme, Army v Navy match, Navy v RAF match and investment income are recognised on a receivable basis.

Income from charitable activities relates to Community Rugby grants and courses. Such income is only deferred when:

- the donor specifies that the grant must only be used in future accounting periods; or
- the donor has imposed conditions which must be met before the charity has unconditional entitlement.

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

1. ACCOUNTING POLICIES- continued

Volunteers and donated services

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

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

Expenditure

Expenditure is recognised when a liability is incurred. Contractual arrangements are recognised as goods or services are supplied.

- Raising fund costs are those costs incurred in attracting voluntary income.
- Charitable activities include expenditure associated with the Royal Navy's rugby union teams (first XV, under 23s, women's, veterans and sevens teams) and community rugby activities and include both the direct costs and support costs relating to those activities.
- Support costs and governance costs include central functions and have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Intangible fixed asset

Intangible fixed assets includes websites and databases. Websites have been capitalised where they are capable of directly generating income. Websites and databases are amortised, using the straight line basis, over their estimated useful lives of three and five years respectively.

Tangible fixed assets

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

Player training equipment	- 20% on cost
Motor vehicles	- 25% on reducing balance
Medical Equipment	- 20% on cost
Computer Equipment	- 33% on cost

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

Taxation

The charity is exempt from corporation tax on its charitable activities.

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2025

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity.

Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

Pension costs and other post-retirement benefits

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

2. FINANCIAL ACTIVITIES OF THE CHARITY

The financial activities shown in the consolidated statement includes those of the Royal Navy Rugby Union and its wholly owned trading subsidiary Navy Rugby Limited.

A summary of the financial activities undertaken by the Royal Navy Rugby Union, is set out below:

	Year ended 30.9.25 £	Year ended 30.9.24 £
Total income	647,121	499,071
Expenditure		
Raising funds	(23,220)	(22,003)
Charitable - Royal Navy Rugby	(353,381)	(244,592)
Charitable - Community Rugby	(127,068)	(91,909)
Net income	143,452	140,567
Total funds brought forward	972,575	832,008
Total funds carried forward	<u>1,116,027</u>	<u>972,575</u>

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2025

3. DONATIONS AND LEGACIES

	Year ended 30.9.25 £	Year ended 30.9.24 £
RFU Constituent Body income	15,495	14,086
RN Sports Lottery - salary contributions	-	34,704
Donated goods and services	18,000	9,000
Donations	<u>1,000</u>	<u>-</u>
	<u>34,495</u>	<u>57,790</u>

Donated goods and services represent kit given to the charity by the kit supplier. The costs of which is included in team costs.

4. OTHER TRADING ACTIVITIES

	Year ended 30.9.25 £	Year ended 30.9.24 £
Army v Navy match income	974,994	845,403
Navy v RAF match income	25,473	7,835
Kit sales commission	18,000	22,000
Sponsorship	226,850	178,000
International ticket sales	64,977	18,386
Patrons scheme income	<u>18,586</u>	<u>18,670</u>
	<u>1,328,880</u>	<u>1,090,294</u>

5. INVESTMENT INCOME

	Year ended 30.9.25 £	Year ended 30.9.24 £
Bank interest	<u>13,492</u>	<u>10,074</u>

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2025

6. INCOME FROM CHARITABLE ACTIVITIES

	Year ended 30.9.25 Royal Navy Rugby £	Year ended 30.9.25 Community Rugby £	Year ended 30.9.25 Total activities £	Year ended 30.9.24 Total activities £
Grants	19,100	-	19,100	19,087
Personal contributions	14,000	-	14,000	-
RFU - RDO contribution	-	7,000	7,000	7,000
RFU - Targeted delivery	3,000	-	3,000	4,148
	<u>36,100</u>	<u>7,000</u>	<u>43,100</u>	<u>30,235</u>

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

	Year ended 30.9.25 £	Year ended 30.9.24 £
The Nuffield Trust for the Forces of the Crown	-	3,402
RNRMC	-	10,000
RN RM Sports Lottery	19,100	5,685
	<u>19,100</u>	<u>19,087</u>

7. RAISING FUNDS

Other trading activities

	Year ended 30.9.25 £	Year ended 30.9.24 £
Army v Navy match expenditure	579,186	550,885
Navy v RAF match expenditure	28,304	9,053
Marketing and hospitality	71,861	51,855
Patrons scheme costs	4,967	5,160
International ticket costs	79,076	31,719
Website and other trading costs	14,419	45,810
Support costs (see note 10)	18,253	16,843
	<u>796,066</u>	<u>711,325</u>

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2025

8. CHARITABLE ACTIVITIES COSTS

	Direct costs (see note 9)	Support costs (see note 10)	Totals
	£	£	£
Royal Navy Rugby	235,337	109,520	344,857
Community Rugby	<u>80,831</u>	<u>54,761</u>	<u>135,592</u>
	<u>316,168</u>	<u>164,281</u>	<u>480,449</u>

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	Year ended 30.9.25 £	Year ended 30.9.24 £
Staff costs (see note 13)	33,852	2,740
Senior Men's team costs	93,801	88,255
Mariners team costs	6,054	7,577
Women's team costs	21,927	19,659
Under 23 team costs	9,663	2,906
Sevens team costs	8,984	5,351
Refereeing costs	2,962	2,918
Marine Nationale	19,266	16,868
Foreign tours	72,680	-
Community Rugby expenditure	<u>46,979</u>	<u>38,639</u>
	<u>316,168</u>	<u>184,913</u>

10. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Other trading activities	16,775	1,478	18,253
Royal Navy Rugby	100,647	8,873	109,520
Community Rugby	<u>50,323</u>	<u>4,438</u>	<u>54,761</u>
	<u>167,745</u>	<u>14,789</u>	<u>182,534</u>

Activity Basis of allocation

Management Staff hours

Governance costs Staff hours

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

ROYAL NAVY RUGBY UNION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2025**

10. SUPPORT COSTS- CONTINUED

Management

	Other trading activities £	Royal Navy Rugby £	Community Rugby £	Year ended 30.9.25 Total activities £	Year ended 30.9.24 Total activities £
Wages (see note 13)	12,985	77,908	38,954	129,847	125,954
Social security (see note 13)	700	4,197	2,099	6,995	7,361
Pensions (see note 13)	909	5,454	2,727	9,090	8,019
General insurance	27	164	82	273	1,447
Staff healthcare	133	796	397	1,326	-
Postage, stationery and other costs	245	1,474	738	2,457	1,675
Executive expenses	86	516	258	860	1,267
Director of Rugby expenses	325	1,950	975	3,250	4,776
Bank charges	289	1,735	868	2,892	2,742
Communications	1,041	6,245	3,122	10,408	8,901
Depreciation	35	208	104	347	904
	<u>16,775</u>	<u>100,647</u>	<u>50,323</u>	<u>167,745</u>	<u>163,046</u>

Governance costs

	Other trading activities £	Royal Navy Rugby £	Community Rugby £	Year ended 30.9.25 Total activities £	Year ended 30.9.24 Total activities £
Auditors remuneration	564	3,384	1,692	5,640	5,280
Other governance costs	914	5,489	2,746	9,149	105
	<u>1,478</u>	<u>8,873</u>	<u>4,438</u>	<u>14,789</u>	<u>5,385</u>

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2025

11. NET INCOME/(EXPENDITURE)

	Year ended 30.9.25	Year ended 30.9.24
Auditors remuneration - RNRU	5,640	5,280
Depreciation - owned assets	624	1,181
Amortisation intangible assets	-	3,481
	<u> </u>	<u> </u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 September 2025 nor for the period ended 30 September 2024.

Trustees' expenses

During the year no trustees were reimbursed expenses by the charity for travel, subsistence and training totalling £nil (30.9.24: one trustee £nil).

13. STAFF COSTS

	Year ended 30.9.25	Year ended 30.9.24
	£	£
Wages and salaries	161,347	128,454
Social security costs	7,510	7,601
Other pension costs	10,927	8,019
	<u> </u>	<u> </u>
	<u>179,784</u>	<u>144,074</u>

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

	Year ended 30.9.25	Year ended 30.9.24
Charitable staff	2.5	2.0
Support staff	2.0	2.0
	<u> </u>	<u> </u>
	<u>4.5</u>	<u>4.0</u>

No employees received emoluments in excess of £60,000.

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2025

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	57,790
Charitable activities	
Royal Navy Rugby	22,550
Community Rugby	7,685
Other trading activities	1,090,294
Investment income	10,074
Total	1,188,393
EXPENDITURE ON	
Raising funds	711,325
Charitable activities	
Royal Navy Rugby	244,592
Community Rugby	91,909
Total	1,047,826
NET INCOME/(EXPENDITURE)	140,567
Total funds brought forward	832,009
TOTAL FUNDS CARRIED FORWARD	972,576

15. INTANGIBLE FIXED ASSETS - GROUP AND CHARITY

	Website and database £
COST	
At 1 October 2024	27,080
Additions	-
At 30 September 2025	27,080
AMORTISATION	
At 1 October 2024	23,599
Charge for year	-
At 30 September 2025	23,599
NET BOOK VALUE	
At 30 September 2025	-
At 30 September 2024	3,481

ROYAL NAVY RUGBY UNION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2025**

16. TANGIBLE FIXED ASSETS - GROUP

	Computer equipment £	Player training equipment £	Motor vehicles and cycles £	Medical equipment £	Totals £
COST					
At 1 October 2024	832	14,974	14,895	3,584	34,285
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 30 September 2025	<u>832</u>	<u>14,974</u>	<u>14,895</u>	<u>3,584</u>	<u>34,285</u>
DEPRECIATION					
At 1 October 2024	277	14,974	13,508	3,584	32,343
Charge for year	277	-	347	-	624
Eliminated on disposal	-	-	-	-	-
At 30 September 2025	<u>277</u>	<u>14,974</u>	<u>13,855</u>	<u>3,584</u>	<u>32,967</u>
NET BOOK VALUE					
At 30 September 2025	<u>555</u>	<u>-</u>	<u>1,040</u>	<u>-</u>	<u>1,318</u>
At 30 September 2024	<u>-</u>	<u>-</u>	<u>1,387</u>	<u>-</u>	<u>1,942</u>
TANGIBLE FIXED ASSETS - CHARITY					
		Player training equipment £	Motor vehicles and cycles £	Medical equipment £	Totals £
COST					
At 1 October 2024		14,974	14,895	3,584	33,453
Additions		-	-	-	-
Disposals		-	-	-	-
At 30 September 2025		<u>14,974</u>	<u>14,895</u>	<u>3,584</u>	<u>33,453</u>
DEPRECIATION					
At 1 October 2024		14,974	13,508	3,584	32,066
Charge for year		-	347	-	347
Eliminated on disposal		-	-	-	-
At 30 September 2025		<u>14,974</u>	<u>13,855</u>	<u>3,584</u>	<u>32,413</u>
NET BOOK VALUE					
At 30 September 2025		<u>-</u>	<u>1,040</u>	<u>-</u>	<u>1,040</u>
At 30 September 2024		<u>-</u>	<u>1,387</u>	<u>-</u>	<u>1,387</u>

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2025

17. FIXED ASSET INVESTMENTS - CHARITY ONLY

	Share in Group undertakings
	£
MARKET VALUE	
At 1 October 2024 and 30 September 2025	<u>100,000</u>
NET BOOK VALUE	
At 30 September 2025	<u>100,000</u>
At 30 September 2024	<u>-</u>

This represents 100,000 £1 shares in the charity's wholly owned subsidiary, Navy Rugby Limited (Company number: 10259113).

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 30.9.25 £	Group 30.9.24 £	Charity 30.9.25 £	Charity 30.9.24 £
Trade debtors	142,426	7,616	-	727
Other debtors	<u>98,073</u>	<u>77,527</u>	<u>569,965</u>	<u>391,522</u>
	<u>240,499</u>	<u>85,143</u>	<u>569,965</u>	<u>392,249</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 30.9.25 £	Group 30.9.24 £	Charity 30.9.25 £	Charity 30.9.24 £
Trade creditors	13,986	4,707	13,459	285
PAYE and national insurance	6,301	7,792	6,301	7,792
VAT	32,411	-	-	-
Other creditors	37,040	12,735	33,515	9,075
Funds held as custodian	92,122	189,940	60,662	38,690
Deferred income (see below)	<u>122,400</u>	<u>52,041</u>	<u>14,028</u>	<u>22,495</u>
	<u>304,260</u>	<u>267,215</u>	<u>127,965</u>	<u>78,337</u>

Funds held as custodian for HMS Temeraire Sports Development Fund of £60,662 (30.09.24: £38,690) and for Army V Navy Matchday Committee of £31,460 (30.09.24: £151,250). These are represented by cash at bank.

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2025

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR- Continued

Deferred income

Deferred income relates to sale of international tickets, sponsorship agreements and grants relating to a future financial period.

	Group 30.9.25 £	Group 30.9.24 £	Charity 30.9.25 £	Charity 30.9.24 £
Balance brought forward	52,041	21,086	22,495	21,086
Amount released to incoming resources	(52,041)	(21,086)	(22,495)	(21,086)
Amount deferred in the period	<u>122,400</u>	<u>52,041</u>	<u>14,028</u>	<u>22,495</u>
Balance carried forward	<u>122,400</u>	<u>52,041</u>	<u>14,028</u>	<u>22,495</u>

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 30.9.25 £	Group 30.9.24 £	Charity 30.9.25 £	Charity 30.9.24 £
Other loans	<u>30,000</u>	<u>35,000</u>	<u>30,000</u>	<u>35,000</u>

Other loans above is in respect of a loan from RN Sports Lottery which will only become repayable when the charity has sufficient cashflow to do so.

21. MOVEMENT IN FUNDS CHARITY ONLY

	At 1.10.24 £	Net movement in funds £	Transfer between funds £	At 30.9.25 £
Unrestricted funds				
General fund	585,295	143,452	(22,022)	706,725
CNRC and Tours fund	77,241	-	(40,530)	36,711
Reserves build up	310,039	-	62,552	372,591
	<u>972,575</u>	<u>143,452</u>	<u>-</u>	<u>1,116,027</u>
TOTAL FUNDS	<u>972,575</u>	<u>143,452</u>	<u>-</u>	<u>1,116,027</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	647,121	(503,669)	143,452
	<u>647,121</u>	<u>(503,669)</u>	<u>143,452</u>
TOTAL FUNDS	<u>647,121</u>	<u>(503,669)</u>	<u>143,452</u>

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2025

22. RELATED PARTY DISCLOSURES

There were no related party transactions for the period ended 30 September 2025 (30.09.24: None).

23. ULTIMATE CONTROLLING PARTY

The charity is controlled by its board of trustees acting in concert.

24. SHARE CAPITAL AND LIABILITY OF MEMBERS

The charitable company is a company limited by guarantee and its members have undertaken to contribute to the assets of the company in the event of it being wound up such amounts as may be required not exceeding £1.

ROYAL NAVY RUGBY UNION

England & Wales - Charity number 1165153

Accounts

REGISTERED COMPANY NUMBER: 09760575 (England and Wales)
REGISTERED CHARITY NUMBER: 1165153

**REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024
FOR
ROYAL NAVY RUGBY UNION**

Gibson Whitter
Chartered Accountants
and Tax Advisers
Larch House
Parklands Business Park
Denmead
Hampshire
PO7 6XP

ROYAL NAVY RUGBY UNION

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FOR THE YEAR ENDED 30 SEPTEMBER 2024**

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ROYAL NAVAL RUGBY UNION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2024

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 September 2024. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

CHAIR'S OVERVIEW

This report covers the year to 30 September 2024. This is the third full year of operating since the pandemic and for our Representative teams there were many successes on the pitch. This season, the Mariners delivered an impressive array of performances and won the Inter-Service Championship for the first time in nine years. The Senior Men's team demonstrated resilience and skill throughout and produced a final showcase of Military rugby at the Army v Navy fixture at Twickenham. They dominated the Army in the first half but the Army came back strong in the second, resulting in blockbuster entertainment for the crowds but heartbreak for our team, who were narrowly beaten in the final minutes. The Women's Senior team had a competitive encounter with the RAF and finished the season playing at Twickenham Stadium for the third time but despite the best efforts of those involved, the Army dominated the match.

For the community area, we saw an increase in grassroots rugby participation, across various sessions and festivals, marking a significant rise from the previous year. The introduction of new competitions, such as the Tri-Service 7s, and the continued success of existing ones like Beach Rugby, have enhanced community engagement and participation. However, there was a reduction in the number of unit and regional fixtures played, which can be attributed to player availability and operational commitments. Therefore, we will continue to review and revise competition formats to make them more accessible and seek to increase engagement.

Financial stability for the RNRU was maintained through prudent management, despite lower-than-expected revenue from our key fixture at Twickenham. The effects of the pandemic are still evident with ticket sales falling again this year resulting in only two of the three stadium tiers being used. Nevertheless, we remain determined to challenge the current trajectory and are continuing to pursue our long-term ambition of returning to a sell-out stadium.

Trustee succession planning is a sign of good governance and is key in ensuring the Board of Trustees has a diverse range of skills, experience and knowledge to enable it to continue to be highly effective. We welcomed a new trustee this year and have benefited significantly from the new skills that they have brought to the board. The Trustees have continued to review expenditure, and through good governance, diligence and planning continue to ensure the charity can appropriately respond to any financial challenges presented. Notwithstanding that, we believe that it remains appropriate to plan on a going concern basis. Despite the challenges faced, we have made significant progress and laid a strong foundation for future success.

OBJECTIVES AND ACTIVITIES

Objectives and Aims

The explicit objectives endorsed by the RNRU support the over-riding aim to 'promote and foster' the game within the Royal Navy, and its local communities, as follows:

- Promoting the physical efficiency of members of the Naval Service by providing facilities and other encouragement for all ranks thereof to participate in the game of rugby football;
- Making grants for charitable purposes that benefit either directly or indirectly members both past and present of the Naval Service;
- Promoting amateur sport for the benefit of the public in particular by encouraging the participation of young people in the game of rugby football.

ROYAL NAVAL RUGBY UNION

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2024

OBJECTIVES AND ACTIVITIES (continued)

Achievements and Performance Against Objectives

A summary of the RNRU's achievements against our objectives and future plans as outlined in last year's Report and Accounts can be found in the table below.

We said that we would do	We achieved
Maintain strong governance: ensure the governance of the charity remains robust while renewing the 5-year strategy in alignment with the RFU's overarching strategy for game development.	• Governance and Compliance: The RNRU maintained strong governance practices, with audits confirming compliance with RFU regulations, • Financial Management: The organization managed its finances prudently, with a focus on maintaining reserves and ensuring funds for future rugby activities. • Volunteer Engagement: Continued efforts to recognize and support volunteers, essential for the organization's operations.
Develop Structures and Facilities: Invest in grassroots and community rugby by developing our structures and facilities to support the growth of our representative teams	• Infrastructure Improvements: New LED floodlights and a new hot water and central heating boiler were installed at the Rectory Ground. • Financial Stability: Despite lower-than-expected revenues from the Army Navy match, the organization maintained a healthy cash balance and continued to invest in facilities and grassroots rugby.
Strengthen Championship Position: Achieve back-to-back success in the annual Senior Men's fixture against the Army at Twickenham to consolidate our position in the Inter Service Championship.	• Senior Men's Team: The team had a strong season, with a notable win against the RAF but a narrow loss to the Army in the final minutes. • U23 Team: Achieved a significant victory against the Army but lost to the RAF, impacting their championship position. • Mariners (Over 35s): Successfully won the Inter-Service Championship for the first time in nine years. • Sharks 7s: Demonstrated strong performance in various tournaments, including winning the Cup at Cheltenham 7s. • Women's Senior Team: Faced challenges with player availability and injuries but remained determined to improve. Number of RNRU Women players selected for UKAF team continues to increase.
Enhance Women's Player Pathway: Expand and develop the Women's player pathway to further the achievements in the Women's Game.	• Women's Development Squad: Successfully integrated new players and planned fixtures to increase visibility and participation. • Support for Top Tier Players: Efforts to support players in Premiership Women's Rugby with bursaries and contracts.

ROYAL NAVAL RUGBY UNION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2024

Promote Rugby Participation and Enjoyment: Enhance the participation and enjoyment of rugby at all levels within the Naval Service.	• Grassroots Rugby: Participation increased significantly, with 377 participants in various sessions and festivals, up by 163 from the previous year. • Community Competitions: Despite some cancellations, new competitions like the Tri-Service 7s were introduced, and existing ones like the Beach Rugby saw increased participation. • Women's Development Squad: Continued growth with new players joining and a full set of fixtures planned.
--	--

Purpose of the RNRU

The Royal Navy Rugby Union has a long and distinguished history dating back to 1906. On its formation rugby was fairly embryonic, with ratings and other ranks not eligible to play. However, the Officers saw the game's value to Naval Service ethos and after the RN were able to select from all their personnel in 1920 there was a burgeoning of service rugby clubs, including Devonport Services and United Services Portsmouth, formed to provide playing opportunities in RFU league structures. Whilst in the early years these clubs were restricted to the use of service personnel approximately 30 years ago membership was opened to the local civilian community, who now form a significant element of the club, providing a valuable opportunity for outreach to the local community through sport.

The adult section of both clubs supports 3 senior sides and one Colts team plus a vibrant youth section from U7 to U16. In addition, Devonport Services maintain a Ladies Youth team. RN ships and units are also active and engage in matches around the globe whilst the Union supports five representative teams (Senior Men, Senior Women, U23, Veterans and Sevens) to provide the pinnacle of Navy sport. In the modern day the Union remains relevant, upholds the values of the Royal Navy in building partnerships with other navies around the world in support of RFU initiatives.

As both a registered charity and National Constituent Body of the Rugby Football Union, we are committed to promoting participation and enjoyment of rugby at all levels within the Naval Service. We are consolidating our position, having professionalised much of what we do, with success in the long running Inter Service Championship particularly at the annual fixture against the Army at Twickenham, which now incorporates both Men's and Women's Senior Teams, remaining a central pillar of our strategy. At the same time, we are developing our structures and facilities and investing in grass roots and community rugby, as this will provide the foundation upon which we can grow our representative teams. The provision of a Women's Development side is providing increased opportunities for emerging players who otherwise would not be sufficiently proficient to break into the hitherto single female representative side. Elsewhere, the provision of coaching and refereeing courses is resulting in greater exposure to sport for all age groups.

ROYAL NAVAL RUGBY UNION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2024

Public Benefit

The charity exists to support the military efficiency of the Naval Service as a key component of the nation's Armed Forces and thereby to the defence of the nation. The Trustees have complied with the duty in Section 17 of the Charities Act 2011 and given due regard to the Charity Commission guidance on public benefit. In addition, the RNRU provides public benefit by enhancing and promoting military efficiency, strengthening the moral component of the Royal Navy's and Royal Marines' esprit de corps, which in turn brings tangible benefit to the public:

- the maintenance of maritime security with regard to the UK home bases and their people;
- the Naval Service's global commitment to the furtherance of world peace and stability;
- the protection of lawful maritime trade and the prevention of unlawful acts upon the high seas;
- the contribution to enhanced morale and retention of Naval Service personnel.

FINANCIAL REVIEW

Financial Position

The charitable activities are overseen by the Royal Navy Rugby Union (RNRU). Navy Rugby Ltd (NRL), a wholly-owned subsidiary of the RNRU, manages the trading activities. These accounts cover the 12-month period ending on 30 September 2024. This is the third full year of operations and rugby since the pandemic, and the accounts reflect the charity's primary objective of facilitating rugby while rebuilding a reserve for any future destabilizing events.

Statement of Financial Activities (SOFA)

The Consolidated SOFA for the 12-month period ended on 30 September 2024, with the main fundraising activity remaining the Army v Navy matches at Twickenham. The income for 2024 was £1,188k, a decrease of £197k from the £1,385k generated in 2023. Expenditure also slightly decreased by £53k to £1,048k compared to £1,101k in 2023. Both changes were predominantly linked to the Army vs. Navy match. Overall, annual income exceeded expenditure by £141k (£284k in 2023), marking the third consecutive year of income growth for the RNRU rather than consuming reserves.

The financial activities of the charity, as detailed in Note 2 to the Consolidated Financial Statements, show significantly lower income of £499k for 2024 compared with £642k for 2023. Income is primarily derived from distributions from NRL trading activities, which saw a reduction in profit to £360k from £462k the previous year. Expenditure stood at £358k, consistent with the previous year (£357k), with 94% of that expenditure attributable to charitable activities (Royal Navy Rugby and Community Rugby), as in prior years. Overall, net income was £141k, half of the previous year's £284k, due to a fall in income of £143k.

Balance Sheet

The consolidated group's net assets increased by £141k, rising from £832k on 30 September 2023 to £973k at 30 September 2024. This change is reflected in the net current assets, with cash balances increasing by £277k due to income received in advance, which is included in current liabilities. Additionally, funds held as custodian for Navy Sports Development (£39k) and Army v Navy Match Committee (£151k) contribute to this increase (as per Note 19).

The movement on the charity's standalone balance sheet reflects that of the group mentioned above. The high level of current asset debtors is due to the distribution not being transferred by this date. It is less than at 30 September 2023 due to lower distribution from Navy Rugby Ltd. Bank balance has increased due to the surplus for year and effect of the reduction in debtors. Creditors are comparable year on year.

As of 30 September 2024, net assets of £973k comprise unrestricted funds of £585k (compared to £631k on 30 September 2023) and designated funds of £387k (compared to £201k on 30 September 2023) (see note 21 for details).

ROYAL NAVAL RUGBY UNION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2024

FINANCIAL REVIEW (continued)

Review of the Year

This was the third full rugby season since the pandemic, including the show-case event, the Army Navy Matches at Twickenham. It is now established (3rd year) that the Women play immediately after the Men on the Twickenham pitch. The event at Twickenham remains the most significant occasion and the primary source of income for the Charity. Despite this, the pandemic's effects are still evident, with ticket sales falling to approximately 42,000 (paying), resulting in only two of the three stadium tiers being used compared to a sell-out crowd pre-pandemic.

Only one of the five personnel costs (24%) continued to be covered by the Naval Service Sports Charity (NSSC), with another paid for by the Royal Navy. All sponsors returned to support the Charity, and new sponsors contributed, resulting in an income increase to £178k from £156k. Patron income remained constant at £18.7k, though it is relatively small compared to other sources. The RFU Constituent Body grant and Regional Development Officer funding continue to provide guaranteed income. Overall, donations, legacies, and other trading income (excluding Inter Service match income and international ticket sales) were slightly lower than in 2023.

Community Rugby and Representative Rugby expenditure was slightly lower this year by 4%, although like-for-like rugby expenditure was higher, aligning with budget expectations. The representative RNRU rugby teams played the French Marine Nationale matches in France this year. Community Rugby expenditure increased again by 24% to £38k, partly due to having a new Regional Development Officer for the entire year.

Overall, cash reserves have been refreshed for the third year, specifically due to a partially successful AvN Match Day. The RNRU has sufficient cash funds to support the 2024/25 rugby season without requiring additional grants or loans. The outstanding Sports Lottery loan was partially repaid (£5k) and is budgeted for full repayment over the next seven years.

Going concern

The budget for 2024/25 was approved in September 2024 at the Trustees' Board Meeting. The RNRU budget was later adjusted once the NRL distribution became clearer, and additional pay inflation was factored in. It was revised as follows:

Income:	£446k (£538k in FY 23/24)
Expenditure:	£441k (£519k)
Surplus:	£5k

The RNRU will run a surplus budget without relying on reserves, grants, or loans. Additionally, the budget includes a loan repayment of £5k (leaving a balance of £35k) but does not designate any further funds for CNRC or reserves (although £50k will be moved from current cash to reserves in the first quarter). This means that the total cash resources of the charity at 30 Sep 25 are forecast to be approximately £105k in cash, a designated CNRC & Tour fund of £77k, and a designated reserve of £360k.

The Trustee Board anticipates that the Army Navy match will be played again this year at Twickenham in May 2025. An inter-services manager is now employed to plan this event, along with a marketing team. Based on the experience of the last two years, the initial ticket plan is to sell 50,000 tickets in 2-tiers of the stadium (with a capacity of 60,000 rather than the whole stadium of 78,000). At this stage, this is considered a realistic forecast of attendance, and using just 2-tiers of the stadium helps control costs; the long-term goal is to see the match return to full stadium capacity. If successful in 2025, an estimated £400k will be received as a distribution that will allow rugby to continue fully next year and provide surplus funds for designated reserves and future tours.

Based on cash flow forecasts over the next two years, both entities are expected to be able to meet their current ongoing financial commitments until at least September 2026.

The Trustee Board, based on the above information, has concluded that it remains appropriate to prepare these financial statements on the going concern basis.

ROYAL NAVAL RUGBY UNION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2024

Governance and Administration

The Trustee Board, guided by the Investment Finance and Audit Committee (IFAC), approves the annual budget set by the Executive Committee. The accounting services for the RNRU and NRL (excluding salary and pensions) are managed in-house at HMS TEMERAIRE using our finance officer and Xero accountancy software.

Risk

Financial risks are assessed by the Executive Committee, the IFAC, and the Trustee Board. A primary risk is the successful hosting of the Army Navy match, as it is the main source of income. The cancellation of this match in 2020 and 2021 had a substantial impact on the RNRU's operations. To mitigate this, activities were minimized, allowing the Charity to continue operating by drawing on reserves. During this period, the Charity relied heavily on its reserves and received significant support from sponsors, the RN RM Sports Lottery for salaries and tours, and the NSSC, which provided both a grant and a loan (now being repaid).

Since 2022, the Army v Navy match has been successfully held at Twickenham, although attendance has not reached pre-pandemic levels. Efforts are underway to address this issue. The Trustee Board, IFAC, and Executive Committee will closely monitor this risk and adapt operating plans as necessary.

Investments

The RNRU currently has a single investment of £100k in the trading subsidiary NRL. A long-term investment policy is reviewed periodically and may be re-established in the future if sufficient excess funds are generated. At present, the focus is on building a reserve, which currently stands at £310k.

Due to the financial and operational impacts experienced by NRL in recent years, the Trustee Board has annually evaluated whether the charity's £100k investment in NRL should be impaired as of 30 September 2024. The trustees have reviewed NRL's forecasts and anticipate that the Army Navy match will take place at Twickenham in 2025, with ticket sales expected to cover costs and generate an operating profit for the financial year 25-26.

Investment Restrictions

The Trustee Board does not consider ethical investment restrictions necessary or conflicting with RNRU's objectives. They believe this aligns with the updated guidance to CC14 provided by the Charity Commission.

Reserves Policy

The Trustee Board maintains a reserves policy to allocate adequate free reserves for the needs of current beneficiaries, specifically the RNRU charity budget, while ensuring sustainability for future generations. These designated funds are "cash reserves" specifically earmarked to cover anticipated tour costs in future years and to fund a complete rugby season should the AvN match not occur. Free reserves of £500k are necessary to manage cash flows throughout the year, as income is primarily derived from a single source – the distribution from NRL in arrears. This approach provides sufficient assurance that the charity can achieve its objectives and mitigate any unexpected fluctuations in charitable expenditure or income shortfalls.

The Trustee Board initially agreed upon the current reserves policy in April 2018, based on free reserves that would cover the costs of a basic rugby season. The policy was revised in 2019 to establish a minimum free reserves level of £300k and a maximum of £500k. The policy is reviewed at least annually, with the most recent review in September 2024 setting an objective of holding a designated reserve of £500k in a separate savings account. This account has been established and currently holds £310k (£275k plus a £35k loan). An additional £50k will be added by December 2024 in the next financial year.

ROYAL NAVAL RUGBY UNION

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2024

The charity's free reserves are calculated by taking total unrestricted funds and deducting designated reserves, designated funds, long-term investments, and operational tangible fixed assets. The calculation of free reserves as of 30 September 2024 is shown in the table below:

	30 Sep 21	30 Sep 22	30 Sep 23	30 Sep 24
	£'000	£'000	£'000	£'000
Total unrestricted funds	298	548	832	973
Less: Designated fund for CNRC & tours	0	(20)	(50)	(77)
Less: Designated reserves	0	(60)	(111)	(275)
Less: Loan			(40)	(35)
Less: Long term investments (NRL)	(100)	(100)	(100)	(100)
Less: Operational tangible fixed assets	(5)	(3)	(2)	(1)
Free Reserves	193	365	529	485

With adequate income once again flowing into the RNRU, the Trustee Board will continue to rebuild designated reserves while ensuring that the charity meets its charitable objectives. The Trustee Board acknowledges that one year of designated reserves may be insufficient and is committed to prudently increasing the reserve levels in the future to mitigate identified risks.

PLANS FOR THE FUTURE

Continue to promote the participation and enjoyment of rugby at all levels within the Naval Service. by expanding grassroots rugby programmes and revising and enhancing community competition formats to make them more accessible and engaging ensuring they fit within the operational constraints of the Naval Service

Strengthen competitive performance by implementing targeted training programmes, coaching clinics and support structures to enhance the performance of our senior teams with a focus on regaining the Inter-Service Championship title for the men and for the women to become more competitive to achieve a first IS Championship in the next 5-years.

Confirm financial stability and target growth by continuing to invest heavily in the marketing and promotion of the Army v Navy fixture and enhancing the fan experience, as well as the expansion of the overall Inter-Service Championship, to include holding the Navy v RAF fixture at a Premiership Rugby ground. Additionally, we will carry on diversifying our revenue streams and actively seek new sponsorship opportunities as well as strengthening our relationships with our existing sponsors to secure more financial support.

Continue to develop our structures and facilities by prioritizing the refurbishment and maintenance of key facilities, including clubhouses and training grounds and by developing a comprehensive infrastructure plan outlining necessary upgrades and improvements, along with a timeline and funding strategy.

Continue to enhance women's rugby by expanding player pathway programmes and providing additional resources in terms of coaching and financial support.

The governance element of the charity continues to be a significant focus and the Union is now in the process of carrying out a governance review to ensure we remain compliant with all relevant laws and regulations. We are also in the process of renewing our 5-year strategy, aligned with the RFU's overarching strategy for game development, to ensure the charity remains fit for purpose.

By focusing on these key plans, we aim to build on our successes, address our challenges, and ensure the continued growth and development of rugby within the Naval Service.

ROYAL NAVAL RUGBY UNION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational Structure

The RNRU is a regulatory body, which on behalf of the President, directs, controls, administers and promotes the sport of Rugby Football Union within the Royal Navy. The objectives of the RNRU are reviewed by the Trustees and specific targets and objectives, which are compatible with those laid down by the Rugby Football Union (RFU) as the governing body for the sport, are set. The aim of the RNRU is to promote and foster the game of Rugby Union in the Royal Navy and its local communities in accordance with the Laws of the Game promulgated by World Rugby and the rules, regulations and bye laws issued by the RFU. The governing body of the RNRU is the Board of Trustees, which comprises up to 8 members and meets twice a year to review charitable objectives, strategy, risk register and performance. Trustees are elected or appointed for a three-year term, and may, subject to Board approval, serve for further three-year terms. New appointees' induction training is personalised to meet the requirements of the appointee. The President and Secretary attend all Board of Trustees meetings.

The Board is supported by an Investment, Finance and Audit Committee (IFAC) sub-committee, with specific terms of reference and functions delegated by the Board and with a Trustee as Chair, appointed by the Board. An independent member (qualified accountant) attends all meetings together with the Executive Committee Vice Chair.

The Board decide on the strategy of the Union, with implementation of strategy and day-to-day operational management of activity in support of its objectives delegated by the Board to the Executive Committee. The Executive separately, and independently, act as the delivery arm of NRL.

The Executive Committee consist of the following appointments:

Chair	Company Secretary
Vice Chair	Treasurer
RFU Council Member	Commercial Director
Director of Rugby	Director of Communications
Director of Community Rugby	Sports Development Officer (non-voting)
Volunteers Manager	

The majority of RNRU officials are serving Royal Navy/Royal Marines personnel, who undertake the roles on a voluntary basis on top of their high-pressure military appointments. The exception is the RNRU Secretariat and Community Rugby team which are operated by 5 permanent paid members of staff; the RNRU Sports Development Officer is a full-time MOD Civil Servant and the Company Secretary, Business Manager, Finance Officer and Rugby Development Officer are funded by the charity. Due to the financial impact of Covid19, the salary for the Finance Officer and Rugby Development Officer were continued to be underwritten by the NSSC for this financial year. All vacancies within the RNRU are advertised on the RNRU website inviting volunteers, both serving and civilians, to be considered for selection; all Executive Committee appointments are re-appointed at the AGM.

ROYAL NAVAL RUGBY UNION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2024

Management and Administration

The day-to-day control and administration of the RNRU is delegated to the Chair of the Executive Committee. The Executive Committee are tasked with achieving the objectives set by the trustees in their strategic plans.

Volunteers and Related Parties

The Trustees all gave their services voluntarily and received no remuneration for their activities, other than travel and incidental expenses. The serving members of the Board undertake their RNRU duties as volunteers in addition to their normal line duties.

Navy Rugby Limited

Navy Rugby Limited (NRL) operates as a separate but wholly owned subsidiary of the Royal Navy Rugby Union (RNRU). It is a VAT registered company whose objective is to generate income for the RNRU through trading activities including, but not limited to, receipts from ticket sales to Navy Rugby games, the sale of merchandise associated with Navy Rugby and the support of RNRU sponsors. NRL has three directors: the shareholding director (currently gapped) (a member of the Trustee Board of the RNRU), a managing director (the member of the RNRU Executive Committee responsible for Marketing) and an independent Chair. The RNRU Company Secretary and Treasurer also perform the appropriate professional duties for NRL, which has a separate bank account and operates as a separate entity in legal and financial terms from the RNRU. Established with a £100,000 share issue from which all trading activity is resourced, all its operating profits are donated to the RNRU on completion of its annual audit. The NRL Board of Directors meet at least twice a year and oversight is maintained on the RNRU Board of Trustees by inviting the Chair to report its activities at Trustee Board meetings. In addition, the managing director of NRL reports to the RNRU Trustee Board's Investment, Finance and Audit sub-committee.

Governing Document

The RNRU is controlled by its governing document, its Memorandum and Articles of Association dated 3 September 2015, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company Number

09760575 (England and Wales)

Registered Charity Number

1165153

Registered Office

HMS Temeraire
Burnaby Road
Portsmouth
Hampshire
PO1 2HB

Patron

The Royal Navy Rugby Union is honoured to have had Her Majesty Queen Elizabeth II as our Patron.

President

Vice Admiral Andrew Burns CB, OBE

Trustees

The Trustees in this period were:

Rear Admiral M J Parr CB (Chair)

Mr A Bujalski

Rear Admiral S M Moorhouse CBE

Commander K Marlor Royal Navy

Captain S E Oakley Royal Navy

Mr W Reid

Mrs E Sinden From 23 April 2024

ROYAL NAVAL RUGBY UNION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2024

REFERENCE AND ADMINISTRATIVE DETAILS (continued)

Auditors

Gibson Whitter
Chartered Accountants
And Chartered Tax Advisers
Larch House
Parklands Business Park
Denmead
Hampshire
PO7 6XP

Legal Advisors

Wilsons Solicitors LLP
Alexandra House
St Johns Street
Salisbury
SP1 2SB

Bankers

National Westminster Bank PLC
130 Commercial Road
Portsmouth
Hampshire
PO1 2EJ

ACKNOWLEDGEMENTS

The Board wish to place on record their gratitude to all those who have contributed to the on-going success of the RNRU. These are too numerous to mention in full and the list that follows is just a representative sample of our growing band of supporters.

Babcock International Group PLC	ESS (part of the Compass Group UK)
Rolls Royce	Thales
SA Group	Rohde and Schwarz
Qinetiq	SAAB
MBDA	Peter Cooper Motor Group
BMT	Activision
VX3	Accenture
ThinkLogical	Palantir

ROYAL NAVAL RUGBY UNION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Royal Navy Rugby Union for the purposes of company law) 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 year which 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;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the 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. 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 auditors are unaware;
and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Gibson Whitter Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 3 March 2025 and signed on its behalf by:

Rear Admiral M J Parr CB - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ROYAL NAVY RUGBY UNION

Opinion

We have audited the financial statements of Royal Navy Rugby Union (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 30 September 2024 which comprise the Consolidated Statement of Financial Activities, the consolidated Balance Sheet, the consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 September 2024 and 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 requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 group and parent 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ROYAL NAVY RUGBY UNION

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ROYAL NAVY RUGBY UNION

- We obtained an understanding of the legal and regulatory framework in which the company operates. The key laws considered included the Companies Act 2006. We have corroborated our enquiries through review of Board minutes.
- We have evaluated management incentives and opportunities for fraudulent manipulation of the financial statements including management override of controls and the application of revenue recognition at cut-off and considered that the principal risk was related to the posting of inappropriate journal entries to improve the result before the year end. We have addressed this by assessing journal entries as part of our planning audit approach.
- We have enquired of management and those charge with governance in respect of known or suspected instances of non-compliance with laws and regulations.
- We have also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our 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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Gavin Whitter (Senior Statutory Auditor)
for and on behalf of Gibson Whitter Limited
Statutory Auditors
Larch House
Parklands Business Park
Denmead
Hampshire
PO7 6XP

Date: 31 March 2025

ROYAL NAVY RUGBY UNION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2024

		Year ended 30.9.24 Unrestricted funds £	Year ended 30.9.23 Total funds £
	Notes		
INCOME AND ENDOWMENTS FROM			
Donations and legacies	3	57,790	124,564
Charitable activities	6		
Royal Navy Rugby		22,550	8,796
Community Rugby		7,685	11,592
Other trading activities	4	1,090,294	1,239,036
Investment income	5	10,074	1,206
Total		1,188,393	1,385,194
 EXPENDITURE ON			
Raising funds	7	711,325	745,096
Charitable activities	8		
Royal Navy Rugby		244,592	261,218
Community Rugby		91,909	94,660
Total		1,047,826	1,100,974
NET INCOME/(EXPENDITURE)		140,567	284,220
 RECONCILIATION OF FUNDS			
Total funds brought forward		832,009	547,789
TOTAL FUNDS CARRIED FORWARD		<u>972,576</u>	<u>832,009</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

ROYAL NAVY RUGBY UNION

**CONSOLIDATED BALANCE SHEET
AT 30 SEPTEMBER 2024**

	Notes	Group 30.9.24 £	Group 30.9.23 £	Charity 30.9.24 £	Charity 30.9.23 £
FIXED ASSETS					
Intangible assets	15	-	3,481	-	-
Tangible assets	16	1,942	2,291	1,387	2,291
Investments	17	-	-	100,000	100,000
		<u>1,942</u>	<u>5,772</u>	<u>101,387</u>	<u>102,291</u>
CURRENT ASSETS					
Debtors	18	85,143	34,694	392,249	490,826
Cash at bank		<u>1,187,706</u>	<u>911,098</u>	<u>592,276</u>	<u>353,170</u>
		<u>1,272,849</u>	<u>945,792</u>	<u>984,525</u>	<u>843,996</u>
CREDITORS					
Amounts falling due within one year	19	(267,215)	(79,555)	(78,337)	(74,279)
		<u>1,005,634</u>	<u>866,237</u>	<u>906,188</u>	<u>769,717</u>
NET CURRENT ASSETS					
		<u>1,007,576</u>	<u>872,009</u>	<u>1,007,575</u>	<u>872,008</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>972,576</u>	<u>832,009</u>	<u>972,575</u>	<u>832,008</u>
CREDITORS					
Amounts falling due after more than one year	20	(35,000)	(40,000)	(35,000)	(40,000)
NET ASSETS		<u>972,576</u>	<u>832,009</u>	<u>972,575</u>	<u>832,008</u>
FUNDS	21				
Unrestricted funds		<u>972,576</u>	<u>832,009</u>	<u>972,575</u>	<u>832,008</u>
TOTAL FUNDS		<u>972,576</u>	<u>832,009</u>	<u>972,575</u>	<u>832,008</u>

ROYAL NAVY RUGBY UNION

**BALANCE SHEET - CONTINUED
AT 30 SEPTEMBER 2024**

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board of Trustees and authorised for issue on 3 March 2025 and were signed on its behalf by:

Rear Admiral M J Parr CB- Trustee

ROYAL NAVY RUGBY UNION

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Notes	Year ended 30.9.24 £	Year ended 30.9.23 £
Cash flows from operating activities:			
Cash generated from operations	1	119,851	297,652
Net cash provided by (used in) operating activities		119,851	297,652
Cash flows from investing activities:			
Purchase of intangible fixed assets		-	-
Purchase of tangible fixed assets		(834)	-
Interest received		10,074	1,206
Net cash provided by (used in) investing activities		9,240	1,206
Cash flows from financing activities:			
Movement in cash held as custodian		152,517	(9,373)
Interest paid		-	-
Loan repaid in year		(5,000)	(10,000)
		147,517	(19,373)
Net cash provided by (used in) financing activities		-	-
Change in cash and cash equivalents in the reporting period		276,608	279,485
Cash and cash equivalents at the beginning of the reporting period		911,098	631,613
Cash and cash equivalents at the end of the reporting period		1,187,706	911,098

The notes form part of the financial statements

ROYAL NAVY RUGBY UNION

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Year ended 30.9.24 £	Year ended 30.9.23 £
Net income/ (expenditure) for the reporting period (as per the statement of financial activities)	140,567	284,220
Adjustments for:		
Depreciation and amortisation charges	4,662	4,539
Interest received	(10,074)	(1,206)
(Increase) in debtors	(50,449)	74,031
Increase in creditors	35,145	(63,932)
Net cash provided by operating activities	<u>119,851</u>	<u>297,652</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.10.23	Cash flow	Other non-cash changes	At 30.9.24
Net cash				
Cash at bank and in hand	<u>911,098</u>	<u>276,608</u>	<u>-</u>	<u>1,187,706</u>
Debt				
Debts falling due within one year	-	-	-	-
Debts falling due after one year	<u>(40,000)</u>	<u>5,000</u>	<u>-</u>	<u>(35,000)</u>
	<u>(40,000)</u>	<u>5,000</u>	<u>-</u>	<u>(35,000)</u>
Total	<u>871,098</u>	<u>281,608</u>	<u>-</u>	<u>1,152,706</u>

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the charitable company and its subsidiary.

The financial statements of the subsidiary undertaking included within the consolidated figures are adjusted where appropriate, to conform to Group accounting policies.

Significant judgements and estimates

In preparing these financial statements, the trustee directors have made the following judgements:

- Determine whether financial instruments such as intra-group loans are basic or complex. These decisions depend on an assessment of the terms of the financial instrument.

Income

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of a general nature are recognised where there is entitlement, the receipt is probable and the amount can be measured with sufficient reliability. Such income is only deferred when:

- the donor specifies that the grant or donation must only be used in future accounting periods; or
- the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from activities to generate funds, such as sponsorship, merchandise sales, patrons scheme, Army v Navy match, Navy v RAF match and investment income are recognised on a receivable basis.

Income from charitable activities relates to Community Rugby grants and courses. Such income is only deferred when:

- the donor specifies that the grant must only be used in future accounting periods; or
- the donor has imposed conditions which must be met before the charity has unconditional entitlement.

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

1. ACCOUNTING POLICIES- continued

Volunteers and donated services

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

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

Expenditure

Expenditure is recognised when a liability is incurred. Contractual arrangements are recognised as goods or services are supplied.

- Raising fund costs are those costs incurred in attracting voluntary income.
- Charitable activities include expenditure associated with the Royal Navy's rugby union teams (senior mens, under 23s, women's, veterans and sevens teams) and community rugby activities and include both the direct costs and support costs relating to those activities.
- Support costs and governance costs include central functions and have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Intangible fixed asset

Intangible fixed assets includes websites and databases. Websites have been capitalised where they are capable of directly generating income. Websites and databases are amortised, using the straight line basis, over their estimated useful lives of three and five years respectively.

Tangible fixed assets

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

Player training equipment	- 20% on cost
Motor vehicles	- 25% on reducing balance
Medical Equipment	- 20% on cost
Computer Equipment	- 33% on cost

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

Taxation

The charity is exempt from corporation tax on its charitable activities.

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2024

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity.

Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

Pension costs and other post-retirement benefits

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

2. FINANCIAL ACTIVITIES OF THE CHARITY

The financial activities shown in the consolidated statement includes those of the Royal Navy Rugby Union and its wholly owed trading subsidiary Navy Rugby Limited.

A summary of the financial activities undertaken by the Royal Navy Rugby Union, is set out below:

	Year ended 30.9.24 £	Year ended 30.9.23 £
Total income	499,071	641,750
Expenditure		
Raising funds	(22,003)	(20,817)
Charitable - Royal Navy Rugby	(244,592)	(248,627)
Charitable - Community Rugby	<u>(91,909)</u>	<u>(88,087)</u>
Net income	140,567	284,219
Total funds brought forward	<u>832,008</u>	<u>547,789</u>
Total funds carried forward	<u><u>972,575</u></u>	<u><u>832,008</u></u>

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2024

3. DONATIONS AND LEGACIES

	Year ended 30.9.24 £	Year ended 30.9.23 £
RFU Constituent Body income	14,086	12,806
RN Sports Lottery - salary contributions	34,704	85,469
Donated goods and services	9,000	26,289
	<u>57,790</u>	<u>124,564</u>

Donated goods and services represent kit given to the charity by the kit supplier. The costs of which is included in team costs.

4. OTHER TRADING ACTIVITIES

	Year ended 30.9.24 £	Year ended 30.9.23 £
Army v Navy match income	845,403	975,940
Navy v RAF match income	7,835	10,751
Kit sales commission	22,000	15,536
Sponsorship	178,000	156,000
International ticket sales	18,386	62,288
Patrons scheme income	<u>18,670</u>	<u>18,521</u>
	<u>1,090,294</u>	<u>1,239,036</u>

5. INVESTMENT INCOME

	Year ended 30.9.24 £	Year ended 30.9.23 £
Bank interest	<u>10,074</u>	<u>1,206</u>

ROYAL NAVY RUGBY UNION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

6. INCOME FROM CHARITABLE ACTIVITIES

	Year ended 30.9.24	Year ended 30.9.24	Year ended 30.9.24	Year ended 30.9.23
	Royal Navy Rugby	Community Rugby	Total activities	Total activities
	£	£	£	£
Grants	18,402	685	19,087	4,592
RFU - RDO contribution	-	7,000	7,000	7,000
RFU - Targeted delivery	4,148	-	4,148	8,796
	<u>22,550</u>	<u>7,685</u>	<u>30,235</u>	<u>20,388</u>

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

	Year ended 30.9.24	Year ended 30.9.23
	£	£
The Nuffield Trust for the Forces of the Crown	3,402	-
RNRMC	10,000	-
RN RM Sports Lottery	5,685	4,592
	<u>19,087</u>	<u>4,592</u>

7. RAISING FUNDS

Other trading activities

	Year ended 30.9.24	Year ended 30.9.23
	£	£
Army v Navy match expenditure	550,885	595,593
Navy v RAF match expenditure	9,053	15,142
Marketing and hospitality	51,855	17,013
Patrons scheme costs	5,160	4,965
International ticket costs	31,719	80,874
Website and other trading costs	45,810	13,467
Support costs (see note 10)	16,843	18,042
	<u>711,325</u>	<u>745,096</u>

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2024

8. CHARITABLE ACTIVITIES COSTS

	Direct costs (see note 9)	Support costs (see note 10)	Totals
	£	£	£
Royal Navy Rugby	143,534	101,058	244,592
Community Rugby	41,379	50,530	91,909
	<u>184,913</u>	<u>151,588</u>	<u>336,501</u>

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	Year ended 30.9.24 £	Year ended 30.9.23 £
Staff costs (see note 13)	2,740	9,472
Senior Men's team costs	88,255	110,318
Mariners team costs	7,577	5,069
Women's team costs	19,659	6,774
Under 23 team costs	2,906	5,908
Sevens team costs	5,351	5,374
Refereeing costs	2,918	5,705
Marine Nationale	16,868	13,815
Community Rugby expenditure	38,639	31,059
	<u>184,913</u>	<u>193,494</u>

10. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Other trading activities	16,305	538	16,843
Royal Navy Rugby	97,827	3,231	101,058
Community Rugby	48,914	1,616	50,530
	<u>163,046</u>	<u>5,385</u>	<u>168,431</u>

Activity **Basis of allocation**
Management Staff hours
Governance costs Staff hours
Support costs, included in the above, are as follows:

ROYAL NAVY RUGBY UNION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

10. SUPPORT COSTS- CONTINUED

Management

	Other trading activities £	Royal Navy Rugby £	Community Rugby £	Year ended 30.9.24 Total activities £	Year ended 30.9.23 Total activities £
Wages (see note 13)	12,596	75,572	37,786	125,954	123,843
Social security (see note 13)	736	4,417	2,208	7,361	7,138
Pensions (see note 13)	802	4,811	2,406	8,019	8,669
Motor and travel expenses	-	-	-	-	12,881
General insurance	145	868	434	1,447	1,190
Telephone	-	-	-	-	552
Postage, stationery and other costs	167	1,005	503	1,675	3,600
Executive expenses	127	760	380	1,267	1,939
Director of Rugby expenses	477	2,866	1,433	4,776	4,442
Bank charges	274	1,645	823	2,742	2,025
Communications	890	5,341	2,670	8,901	7,083
Depreciation	91	542	271	904	1,057
	<u>16,305</u>	<u>97,827</u>	<u>48,914</u>	<u>163,046</u>	<u>174,419</u>

Governance costs

	Other trading activities £	Royal Navy Rugby £	Community Rugby £	Year ended 30.9.24 Total activities £	Year ended 30.9.23 Total activities £
Auditors remuneration	528	3,168	1,584	5,280	5,840
Other governance costs	10	63	32	105	167
	<u>538</u>	<u>3,231</u>	<u>1,616</u>	<u>5,385</u>	<u>6,007</u>

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2024

11. NET INCOME/(EXPENDITURE)

	Year ended 30.9.24	Year ended 30.9.23
Auditors remuneration - RNRU	5,280	5,840
Depreciation - owned assets	1,181	1,057
Amortisation intangible assets	<u>3,481</u>	<u>3,482</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 September 2024 nor for the period ended 30 September 2023.

Trustees' expenses

During the year no trustees were reimbursed expenses by the charity for travel, subsistence and training totalling £nil (30.9.23: one trustee £167).

13. STAFF COSTS

	Year ended 30.9.24	Year ended 30.9.23
	£	£
Wages and salaries	128,454	131,925
Social security costs	7,601	7,962
Other pension costs	<u>8,019</u>	<u>9,235</u>
	<u>144,074</u>	<u>149,122</u>

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

	Year ended 30.9.24	Year ended 30.9.23
Charitable staff	2	2
Support staff	<u>2</u>	<u>2</u>
	<u>4</u>	<u>4</u>

No employees received emoluments in excess of £60,000.

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2024

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	124,564
Charitable activities	
Royal Navy Rugby	8,796
Community Rugby	11,592
Other trading activities	1,239,036
Investment income	1,206
Total	1,385,194
EXPENDITURE ON	
Raising funds	745,096
Charitable activities	
Royal Navy Rugby	261,218
Community Rugby	94,660
Total	1,100,974
NET INCOME/(EXPENDITURE)	284,220
Total funds brought forward	547,789
TOTAL FUNDS CARRIED FORWARD	832,009

15. INTANGIBLE FIXED ASSETS - GROUP AND CHARITY

	Website and database £
COST	
At 1 October 2023	27,080
Additions	-
At 30 September 2024	27,080
AMORTISATION	
At 1 October 2023	23,599
Charge for year	3,481
At 30 September 2024	27,080
NET BOOK VALUE	
At 30 September 2024	-
At 30 September 2023	3,481

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2024

16. TANGIBLE FIXED ASSETS - GROUP

	Computer equipment £	Player training equipment £	Motor vehicles and cycles £	Medical equipment £	Totals £
COST					
At 1 October 2023	-	14,974	14,895	3,584	33,453
Additions	832	-	-	-	832
Disposals	-	-	-	-	-
At 30 September 2024	<u>832</u>	<u>14,974</u>	<u>14,895</u>	<u>3,584</u>	<u>34,285</u>
DEPRECIATION					
At 1 October 2023	-	14,974	13,046	3,142	31,162
Charge for year	277	-	462	442	1,181
Eliminated on disposal	-	-	-	-	-
At 30 September 2024	<u>277</u>	<u>14,974</u>	<u>13,508</u>	<u>3,584</u>	<u>32,343</u>
NET BOOK VALUE					
At 30 September 2024	<u>555</u>	<u>-</u>	<u>1,387</u>	<u>-</u>	<u>1,942</u>
At 30 September 2023	<u>-</u>	<u>-</u>	<u>1,849</u>	<u>442</u>	<u>2,291</u>
TANGIBLE FIXED ASSETS - CHARITY					
		Player training equipment £	Motor vehicles and cycles £	Medical equipment £	Totals £
COST					
At 1 October 2023		14,974	14,895	3,584	33,453
Additions		-	-	-	-
Disposals		-	-	-	-
At 30 September 2024		<u>14,974</u>	<u>14,895</u>	<u>3,584</u>	<u>33,453</u>
DEPRECIATION					
At 1 October 2023		14,974	13,046	3,142	31,162
Charge for year		-	462	442	904
Eliminated on disposal		-	-	-	-
At 30 September 2024		<u>14,974</u>	<u>13,508</u>	<u>3,584</u>	<u>32,066</u>
NET BOOK VALUE					
At 30 September 2024		<u>-</u>	<u>1,387</u>	<u>-</u>	<u>1,387</u>
At 30 September 2023		<u>-</u>	<u>1,849</u>	<u>442</u>	<u>2,291</u>

ROYAL NAVY RUGBY UNION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

17. FIXED ASSET INVESTMENTS - CHARITY ONLY

	Share in Group undertakings
	£
MARKET VALUE	
At 1 October 2023 and 30 September 2024	<u>100,000</u>
NET BOOK VALUE	
At 30 September 2024	<u><u>100,000</u></u>
At 30 September 2023	<u><u>-</u></u>

This represents 100,000 £1 shares in the charity's wholly owned subsidiary, Navy Rugby Limited (Company number: 10259113).

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 30.9.24 £	Group 30.9.23 £	Charity 30.9.24 £	Charity 30.9.23 £
Trade debtors	7,616	7,646	727	7,000
Other debtors	<u>77,527</u>	<u>27,048</u>	<u>391,522</u>	<u>483,826</u>
	<u><u>85,143</u></u>	<u><u>34,694</u></u>	<u><u>392,249</u></u>	<u><u>490,826</u></u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 30.9.24 £	Group 30.9.23 £	Charity 30.9.24 £	Charity 30.9.23 £
Trade creditors	4,707	-	285	-
PAYE and national insurance	7,792	7,500	7,792	7,500
Other creditors	12,735	11,012	9,075	5,736
Funds held as custodian	189,940	39,957	38,690	39,957
Deferred income (see below)	<u>52,041</u>	<u>21,086</u>	<u>22,495</u>	<u>21,086</u>
	<u><u>267,215</u></u>	<u><u>79,555</u></u>	<u><u>78,337</u></u>	<u><u>74,279</u></u>

Funds held as custodian for HMS Temeraire Sports Development Fund of £38,690 and for Army V Navy Matchday Committee of £151,250. These are represented by cash at bank.

ROYAL NAVY RUGBY UNION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR- Continued

Deferred income

Deferred income relates to sale of international tickets and grants relating to a future financial period.

	Group 30.9.24 £	Group 30.9.23 £	Charity 30.9.24 £	Charity 30.9.23 £
Balance brought forward	21,086	76,619	21,086	12,806
Amount released to incoming resources	(21,086)	(76,619)	(21,086)	(12,806)
Amount deferred in the period	<u>52,041</u>	<u>21,086</u>	<u>22,495</u>	<u>21,086</u>
Balance carried forward	<u>52,041</u>	<u>21,086</u>	<u>22,495</u>	<u>21,086</u>

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 30.9.24 £	Group 30.9.23 £	Charity 30.9.24 £	Charity 30.9.23 £
Other loans	<u>35,000</u>	<u>40,000</u>	<u>35,000</u>	<u>40,000</u>

Other loans above is in respect of a loan from RN Sports Lottery which will only become repayable when the charity has sufficient cashflow to do so.

21. MOVEMENT IN FUNDS CHARITY ONLY

	At 1.10.23 £	Net movement in funds £	Transfer between funds £	At 30.9.24 £
Unrestricted funds				
General fund	631,008	140,567	(186,280)	585,295
CNRC and Tours fund	50,000	-	27,241	77,241
Reserves build up	151,000	-	159,039	310,039
	<u>832,008</u>	<u>140,567</u>	<u>-</u>	<u>972,575</u>
TOTAL FUNDS	<u>832,008</u>	<u>140,567</u>	<u>-</u>	<u>972,575</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	499,071	(358,504)	140,567
	<u>499,071</u>	<u>(358,504)</u>	<u>140,567</u>
TOTAL FUNDS	<u>499,071</u>	<u>(358,504)</u>	<u>140,567</u>

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2024

22. RELATED PARTY DISCLOSURES

There were no related party transactions for the period ended 30 September 2024 (30.09.23: None).

23. ULTIMATE CONTROLLING PARTY

The charity is controlled by its board of trustees acting in concert.

24. SHARE CAPITAL AND LIABILITY OF MEMBERS

The charitable company is a company limited by guarantee and its members have undertaken to contribute to the assets of the company in the event of it being wound up such amounts as may be required not exceeding £1.

Accounts

REGISTERED COMPANY NUMBER: 09760575 (England and Wales)
REGISTERED CHARITY NUMBER: 1165153

**REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023
FOR
ROYAL NAVY RUGBY UNION**

Gibson Whitter
Chartered Accountants
and Tax Advisers
Larch House
Parklands Business Park
Denmead
Hampshire
PO7 6XP

ROYAL NAVY RUGBY UNION

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FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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ROYAL NAVY RUGBY UNION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 30 SEPTEMBER 2023

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 September 2023. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

CHAIR'S OVERVIEW

This report covers the year to 30 September 2023.

This year was the second full year of operating since the pandemic and for our Representative teams it was one of the most successful in recent times. This season produced another full programme of events which culminated in a emphatic win for the Senior Men's team at the showcase Army v Navy fixture and with the Women's Senior team playing at Twickenham Stadium for the second time and closing the gap on our Inter-Service opponents. The income stream from a condensed two-tier capacity crowd at Twickenham has allowed the union to start to build up its financial reserve and invest more heavily into rugby related activity nevertheless, the ambition is to see the match return to a full stadium capacity event. The community area has continued to regain momentum with double the number of teams participating in the Navy Cup compared to last season. Unfortunately, other community competitions have been hampered by player availability due to operational commitments and the format of these competitions are now under review as a result. Sponsorship remains buoyant with most sponsors committing to longer term deals, which makes financial forecasting and planning somewhat easier in the short term. A replacement clothing supplier was appointed in the summer of last year, and they also provide an online shop facility, selling RNRU merchandise on our behalf. This partnership was established to de-risk us from having large amounts of cash tied up in stock and the staff time required to process orders. Trustee succession planning is a sign of good governance and is key in ensuring the Board of Trustees has a diverse range of skills, experience and knowledge to enable it to continue to be highly effective. We welcomed two new trustees last year and have benefited significantly from the vast experience they have brought to the board. The Trustees have continued to review expenditure, and through good governance, diligence and planning continue to ensure the charity can appropriately respond to any financial challenges presented. Notwithstanding that, we believe that it remains appropriate to plan on a going concern basis.

ROYAL NAVY RUGBY UNION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 30 SEPTEMBER 2023

OBJECTIVES AND ACTIVITIES

Objectives and Aims

The explicit objectives endorsed by the RNRU support the over-riding aim to 'promote and foster' the game within the Royal Navy, and its local communities, as follows:

- Promoting the physical efficiency of members of the Naval Service by providing facilities and other encouragement for all ranks thereof to participate in the game of rugby football;
- Making grants for charitable purposes that benefit either directly or indirectly members both past and present of the Naval Service;
- Promoting amateur sport for the benefit of the public in particular by encouraging the participation of young people in the game of rugby football.

Achievements and Performance Against Objectives

A summary of the RNRU's achievements against our strategic plan as outlined in last year's Report and Accounts can be found in the table below.

We said that we would do

Deliver assured governance and regulation, with the financial strength to maintain and increase investment in the game to drive performance and community participation.

Continue to reinvigorate community level rugby wherever Royal Navy personnel are serving around the globe.

Continue delivering activities that help to build greater strength in depth to ensure there are sufficient players of the required quality to enable us to be competitive at Inter-Service level competitions.

Consolidate the major gains made in the Women's game post a first appearance at Twickenham, a RNRU tour to South Africa and a UKAF tour to New Zealand;

We achieved

All areas of governance and finance are still feeling the effects of COVID-19 to some degree. The Army v Navy fixture took place again in 2023, but attendance was approximately 31,000 less than pre-pandemic levels. The current economic climate has also had a negative impact on ticket sales with 7,000 less tickets being sold than in 2022. Despite revenue being less than planned, the match day costs and stadium hire were lower than expected which generated a higher profit margin than in 2022 which was a significant achievement. Our financial reserves have been strengthened as a result and there are sufficient funds to support a full season of rugby in 2023/24.

We wanted to reach as many men and women as was practically possible at grass roots level to give them a taste of the game. There has been a noticeable increase in participation particularly across the Navy Cup this season with a 135% increase in the no. of teams participating which suggests Community rugby is recovering to pre pandemic levels.

With both players and training support groups adopting a professional mindset and an increased number of athletes playing at the highest level, the Senior Men were virtually unbeaten in a season that culminated in a brilliant victory over the Army at Twickenham. Additionally, the Under 23 team regained their own Inter-Service trophy in Nov 2022 emphatic style with a record margin of victory over the Army.

The women achieved one of their best results against the Marine Nationale and had a very close encounter with the RAF. The team scored their first try since 2013 against the Army at Twickenham, which was a small improvement on previous years. The balance in possession and territory during the match highlights the progress that continues to be made as does the selection of 8 senior women for the UKAF squad this season.

ROYAL NAVY RUGBY UNION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2023

OBJECTIVES AND ACTIVITIES (continued)

Achievements and Performance Against Objectives (continued)

We said that we would do

Continue to provide enhanced duty of care for protection for players at all levels;

We achieved

Player welfare remains a key priority within the RNRU and we have continued to provide an excellent level of medical provision for all players representing the Royal Navy. The RNRU has funded 5 personnel through the Pre-Hospital Immediate Care in Sport (PHICIS) Level 2 course to ensure that all fixtures have suitably qualified personnel who can provide immediate medical care at point of need. This includes a minimum of one qualified doctor and physio at all representative fixtures. The RNRU has invested in new medical equipment and all representative teams have a Trauma bag, defibrillator and spinal boards ; this is similar to the medical provision at level 3 fixtures. All representative players are mandated to undergo Headcase training to ensure that they are able to recognise the signs and symptoms of concussion. In the Community area we utilised RFU targeted funding for 10 individuals from Devonport Services RFC and United Services Portsmouth to attend a Rugby First Aid course, this was well received and ensured both our accredited clubs were able to support medically. In addition to the above, the Community budget was increased by £3k to support the Academy XV and Women's Development Squad with appropriate medical care during fixtures.

Wherever possible, as part of that growth path we will look for further opportunities to share financial benefits within the broader church of Services' sport, with appropriate checks and balances in place to evidence how those benefits are used.

As for the previous reporting period, the overall financial position of the RNRU precluded making any grants to other sports associations, however this is something that will be rectified once our major income stream is back on track. Smaller annual donations were made to both United Services Portsmouth and Devonport Services Rugby Clubs.

Purpose of the RNRU

The Royal Navy Rugby Union has a long and distinguished history dating back to 1906. On its formation rugby was fairly embryonic, with ratings and other ranks not eligible to play. However, the Officers saw the games' value to Naval Service ethos and after the RN were able to select from all their personnel in 1920 there was a burgeoning of service rugby clubs, including Devonport Services and United Services Portsmouth, formed to provide playing opportunities in RFU league structures. Whilst in the early years these clubs were restricted to the use of service personnel approximately 30 years ago membership was opened to the local civilian community, who now form a significant element of the club, providing a valuable opportunity for outreach to the local community through sport.

The adult section of both clubs supports 3 senior sides and one Colts team plus a vibrant youth section from U7 to U16. In addition, Devonport Services maintain a Ladies Youth team. RN ships and units are also active and engage in matches around the globe whilst the Union supports five representative teams (Senior Men, Senior Women, U23, Veterans and Sevens) to provide the pinnacle of Navy sport. In the modern day the Union remains relevant, upholds the values of the Royal Navy in building partnerships with other navies around the world in support of RFU initiatives.

ROYAL NAVY RUGBY UNION

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2023

Purpose of the RNRU continued

As both a registered charity and National Constituent Body of the Rugby Football Union, we are committed to promoting participation and enjoyment of rugby at all levels within the Naval Service. We are consolidating our position, having professionalised much of what we do, with success in the long running Inter Services Championship particularly at the annual fixture against the Army at Twickenham, which now incorporates both Men's and Women's Senior Teams, remaining a central pillar of our strategy. At the same time we are developing our structures and facilities and investing in grass roots and community rugby, as this will provide the foundation upon which we can grow our representative teams. The provision of a Women's Development side is providing increased opportunities for emerging players who otherwise would not be sufficiently proficient to break into the hitherto single female representative side. Elsewhere, the provision of coaching and refereeing courses is resulting in greater exposure to sport for all age groups.

Public Benefit

The charity exists to support the military efficiency of the Naval Service as a key component of the nation's Armed Forces and thereby to the defence of the nation. The Trustees have complied with the duty in Section 17 of the Charities Act 2011 and given due regard to the Charity Commission guidance on public benefit. In addition, the RNRU provides public benefit by enhancing and promoting military efficiency, strengthening the moral component of the Royal Navy's and Royal Marines' esprit de corps, which in turn brings tangible benefit to the public:

- the maintenance of maritime security with regard to the UK home bases and their people;
- the Naval Service's global commitment to the furtherance of world peace and stability;
- the protection of lawful maritime trade and the prevention of unlawful acts upon the high seas;
- the contribution to enhanced morale and retention of Naval Service personnel.

FINANCIAL REVIEW

Financial position

The charitable activities are managed by the RNRU. Navy Rugby Ltd (NRL), a totally owned subsidiary of the charity RNRU, operates the trading activities.

These accounts cover the 12-month period to the 30 September 2023. This is the fifth discrete 12-month period since the financial year (FY) end was moved to 30 September, in 2018. It is also the second full year of operating and rugby since the pandemic.

Statement of Financial Activities (SOFA)

The Consolidated SOFA for the 12-month period ended 30 September 2023. The main fund-raising event remains the Army Navy matches at Twickenham. The income for 2023 was £1,385k, slightly higher than £1,362k generated in 2022. Expenditure slightly reduced to £1,101k compared to £1,112k in 2022, as rugby activities returned to normal levels. Overall, annual income was £284k more than expenditure, returning the RNRU back to income growth for a second year rather than consuming reserves.

The financial activities of the charity, the RNRU, shows slightly higher income of £642k for 2023 compared with £638k for 2022 (Note 2 to the Consolidated Financial Statements). Income is normally and primarily derived from the distribution from NRL trading activities and this year saw another increase in profit to £462k from £400k the previous year. Expenditure at £357k was also lower than last year (£388k) with 94% of that expenditure attributable to charitable activities (Royal Navy Rugby and Community Rugby), as in previous years. Overall, Net Income at £284k was higher than last year's £250k.

ROYAL NAVY RUGBY UNION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 30 SEPTEMBER 2023

Balance Sheet

The consolidated group's net assets again increased by £284k from £548k on 30 September 2022 to £832k at 30 September 2023. The movement is reflected in net current assets with cash balances increasing by £279k due principally to income received in advance which is included in current liabilities plus funds held as custodian for Navy Sports Development (£40k as per Note 20).

The movement on the charity's standalone balance sheet reflects that of the group noted above; only with current asset debtors much higher due to the much larger distribution not having moved across at this date.

On 30 September 2023 net assets of £832k were made up of unrestricted funds of £631k (£468k at 30 September 2022) and £201k (£80k at 30 September 2022) of designated funds (see note 21 for details).

Review of the Year

This was the second full rugby season since the pandemic including the show-case event, the Army Navy Matches at Twickenham. For the second time the Women played straight after the Men on the Twickenham pitch. The playing of this game at Twickenham remains as the most significant event and the main source of income for the Charity; even so, the effects since the pandemic are still evident with an effect on ticket sales resulting in only two of the three stadium tiers being used (and not at full capacity); compare this with sell-out crowds pre-pandemic.

A significant proportion of the personnel costs (78% for three of five posts) continued to be covered by the Naval Service Sports Charity (NSSC). All sponsors returned to support the Charity and we picked up a few new ones resulting in £156k income (up from £143k). Patron income remained constant at £18.5k but it's relatively small in comparison to the other income. The RFU Constituent Body grant and Regional Development Officer funding continue to offer guaranteed income. Overall, the current year's cash inflow was slightly higher than that of 2022.

Both Community Rugby and Representative rugby expenditure was significantly higher again this year, excluding the previous year's one-off events of international competition and an overseas tour; all expenditure was in line with budget expectations. Representative rugby expenditure increased again and the RNRU teams hosted the French Marine Nationale match. Community Rugby expenditure more than doubled to £31k.

Overall, cash reserves have now been refreshed for a second year, specifically by a successful AvN Match Day. The RNRU has again sufficient cash funds to support a full 2023/24 rugby season without the need for additional grants or loans; the Sports Lottery loan was partly repaid and is budgeted for full repayment over the next four years.

Going concern

The budget for 2023/24 was agreed in September 2023 at the Trustees' Meeting. The budget was set as follows:

Income	£538k
Expenditure	£519k
Surplus	£20k

Again, the RNRU will run a surplus budget and not rely on utilising the reserve, grants or loans. In addition, the budget includes a loan repayment of £10k (leaving a balance of £30k) and designated funds for CNRC of £25k (totalling £75k for the event in Sep/Oct 24), and most importantly adding £100k to the separate reserve which will total £211k; these cash amounts will be held in a different account. This means that the total cash resources of the charity at 30 Sep 24 (less the loan) will be cash of c.£160k and designated funds of £211k even before the next distribution from NRL.

ROYAL NAVY RUGBY UNION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 30 SEPTEMBER 2023

FINANCIAL REVIEW (continued)

The Trustee Board are optimistic that the Army Navy match will be played again this year at Twickenham in May 2024. Based on the experience of the last two years, the initial ticket plan is for 2-tiers, with capacity of 60,000 rather than the whole stadium (78,000). At this stage this is deemed a realistic forecast of attendance and helps controls costs. The aspiration is to see the match return to a full stadium capacity event. If successful, an estimated £450k will be received as a distribution that will allow rugby to continue fully next year; it will also provide surplus funds to allow a significant reserve to be saved again for future events that would otherwise disrupt this rugby model.

So, based on cashflow forecasts over the next two years, both entities are expected to be able to fulfil their current ongoing financial commitments until at least September 2025.

The Trustee Board, based on the above, have therefore concluded that it remains appropriate to prepare these financial statements on the going concern basis.

Governance and Administration

The Trustee Board guided by the Investment Finance and Audit Committee (IFAC) approve the annual budget set by the Executive Committee. The accounting services for the RNRU and NRL (less salary and pensions) are provided in-house at HMS TEMERAIRE using our own finance officer and Xero accountancy software.

Risk

The Executive Committee, the IFAC and the Trustee Board consider financial risks. The key risk remains the hosting of a successful Army Navy match, as the primary bearer of all income streams. As clearly demonstrated in 2020 and 2021, the loss of this match and the associated revenues had a significant impact on the operation of the RNRU over those two years. The mitigating action taken during 2020-2021 to reduce all activities to a minimal level enabled the Charity to continue to operate whilst drawing on reserves. The Charity drew heavily upon its reserves during this time but was also generously supported by: its Sponsors; the RN RM Sports Lottery towards salaries and a tour; and the NSSC, who have provided both a grant and a loan (now being repaid). In 2022 and 2023 the Army v Navy match was once again successfully held at Twickenham although this remains far from a maximum crowd as pre-pandemic. The Trustee Board, IFAC and Executive Committee will continue to monitor this risk closely and will adapt the operating plans accordingly.

Investments

The RNRU has a single investment, £100k invested in the trading subsidiary NRL. A long-term investment policy is kept under review and could be re-established in the future if sufficient excess funds have been generated.

As a continued result of the financial and operating impact that COVID-19 has had on NRL, the Trustee Board have annually considered whether the charity's investment in NRL of £100k should be impaired at 30 September 2023. The trustees have reviewed the forecasts prepared by NRL and they remain optimistic that the Army Navy match will again be played at Twickenham in 2024 and ticket sales will be on a level to cover costs and provide an operating profit for financial year 24-25.

Investment Restrictions

The Trustee Board do not consider ethical investment restrictions to be appropriate or in conflict with the objectives of the RNRU. They believe this confirms with the updated guidance to CC14 provided by Charity Commission.

ROYAL NAVY RUGBY UNION

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2023

FINANCIAL REVIEW (continued)

Reserves Policy

The Trustee Board has a reserves policy to set aside sufficient free reserves to meet the needs of current beneficiaries, whilst remaining sustainable for future generations. The reserves should give sufficient comfort that the charity can pursue its objectives and smooth out any unexpected fluctuations in charitable expenditure or shortfalls in income. The Trustee Board agreed a new reserves policy in April 2018 based on free reserves that would cover the costs of a basic season's rugby. The policy was amended in 2019 to have a minimum free reserves level of £300k and a maximum of £500k. The policy has been reviewed at least annually and the last review in Sep 23 moved towards an objective of having a free reserve of £500k held in a separate savings account; this has now been set up and currently holds £151k (£111k plus £40k loan); another £100k will be added by Apr 24.

The charity's free reserves are calculated by taking total unrestricted funds and deducting designated reserves, investments held for the long term and operational tangible fixed assets. The calculation of free reserves at 30 September 2023 is shown in the table below:

	30 Sep 21	30 Sep 22	30 Sep 23
	£'000	£'000	£'000
Total unrestricted Funds	298	548	832
Less: Designated Fund for CNRC	0	(20)	(50)
Less: Designated Fund for reserves build up	0	(60)	(151)
Less: Long term Investments	(100)	(100)	(100)
Less: Operational Tangible Fixed Assets	(5)	(3)	(2)
Free Reserves	193	365	529

The reserves policy has again not been adjusted as now that sufficient income is flowing in to the RNRU, the Trustee Board will continue to rebuild reserves whilst continuing to be mindful of ensuring that the charity fulfils its charitable objectives. In rebuilding these reserves, the trustees are also now looking to hold a minimum level equal to a year's expenditure on Rugby throughout the year, given that Charity's dependence on a single event for its annual income. This will continue in FY 24/25 when another £100k will be designated to the reserve increasing it to £311k and keeping it set aside from free reserves. Recognising the experience of the last 5 years, and that one year of designated reserves may not be sufficient, the trustees are determined to increase the level of reserves further, in the future, on a prudent basis to mitigate the risks identified.

FINANCIAL REVIEW (continued)

Principal Risks and Uncertainties

The Trustees of the RNRU monitor the principal risks faced by the Charity via a risk matrix that is scrutinised by the IFAC and discussed by the Board at least annually. In the opinion of the Trustees, the Charity has established systems that, under normal circumstances, should allow the risks identified by them to be mitigated to acceptable levels.

The risk matrix identifies major risks to which the RNRU is exposed under the following headings: Strategic; Financial; and Operational. Controls have been identified to limit each of these risks. The top three risks and the mitigation for them are detailed in the table below. All are high impact risks and, because of the continuing uncertainty following the covid-19 pandemic, one remains high impact despite the mitigation measures in place. The second is considered reduced to medium level, and the third risk is a new risk that has been raised this year following lessons identified during the pandemic highlighting risk to the RNRU business model through income generation reliance on a single event.

ROYAL NAVY RUGBY UNION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2023

FINANCIAL REVIEW (continued)

Principal Risks and Uncertainties matrix

Risk	Mitigation
There is a risk that the Army/Navy game may no longer be at Twickenham (RFU/Met Police do not allow the match to be held at Twickenham or it is not cost effective to hold the match there).	1. Contractual arrangement between RFU, A/N Match Committee, Babcock (sponsor) under review at present (summer 2023). New contract with RFU signed in 2023 for a 3 year term. 2. The RNRU should always retain at least one season running cost (circa £235k) and Reserves Policy is to increase Reserves to £500k – to be reviewed annually. 3. Maintain a firm grip/continued development of the Marketing Strategy for the A v N such that we continue to draw the crowds and the general public are aware of the fixture, the costs and why it is such good VfM. 4. Maintain a healthy and proactive relationship with Twickenham HQ to keep the RNRU in their sights (for all the right reasons). 5. Maintain a proactive Single Service public perception. 6. Work with Met Police, RFU and Richmond Council to mitigate concerns of all parties. 7. Review Reserves Policy/Investment Strategy in order that RNRU activity could continue if our revenue was seriously impacted by changes to the A v N match day (and associated revenues). 8. Recommendations from Army Inspectorate report implemented.
There is a risk that the Trading Company proves ineffective due to lack of income generation.	1. Review all expenditure to minimum essential spend including review of 3rd party contracts. 2. NSSB for grant to cover the cost of delivery of RNRU activity. 3. Sports Lottery long-term loan to aid cash flow and facilitate rugby activity. 4. NRL and Charity “insolvency” figures investigated– i.e. minimum balance required to enable winding up before becoming insolvent. 5. Navy Sports Board appetite for further grants in next FY investigated. There is nil appetite for further loans to RNRU.
There is a risk that the RNRU business model is overly reliant on one major income stream (revenue from annual AvN match held at Twickenham).	1. Alternative income streams to offset reliance on single event inc. sponsors, patrons’ scheme, Navy Sports Board support, sponsorship, merchandise sales. 2. Insurance to cover loss of income from cancellation of match. Does not include force majeure. 3. Reserves Policy to ensure sufficient capital is available to cover 1 – 2 years future running costs. 4. Ensure we continue to work within the Charity Governance rules and regulations. 5. Maximise all ticket sales opportunities and closely monitor costs and ticket prices to ensure sufficient income is generated.

ROYAL NAVY RUGBY UNION
REPORT OF THE TRUSTEES
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PLANS FOR THE FUTURE

- Continue to promote the participation and enjoyment of rugby at all levels within the Naval Service.
- Consolidate our position in the long running Inter Service Championship particularly with a back-to-back success at the annual Senior's Mens' fixture against the Army at Twickenham.
- Continue to develop our structures and facilities and invest in grass roots and community rugby, which will provide the foundation upon which we can grow our representative teams.
- Continue to grow and develop the Women's player pathway to enhance the achievements being made in the Women's Game.

The governance element of the charity continues on a solid footing, and the Union is now in the final year of its 5-year strategy (which is under review and will be reissued from year 1), aligned with the RFU's overarching strategy for game development, it is determined that the head marks set out in the charity remain fit for purpose.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational Structure

The RNRU is a regulatory body, which on behalf of the President, directs, controls, administers and promotes the sport of Rugby Football Union within the Royal Navy. The objectives of the RNRU are reviewed by the Trustees and specific targets and objectives, which are compatible with those laid down by the Rugby Football Union (RFU) as the governing body for the sport, are set. The aim of the RNRU is to promote and foster the game of Rugby Union in the Royal Navy and its local communities in accordance with the Laws of the Game promulgated by World Rugby and the rules, regulations and bye laws issued by the RFU. The governing body of the RNRU is the Board of Trustees, which comprises up to 8 members and meets twice a year to review charitable objectives, strategy, risk register and performance. Trustees are elected or appointed for a three-year term, and may, subject to Board approval, serve for further three-year terms. New appointee's induction training is personalised to meet the requirements of the appointee. The President and Secretary are able to attend all Board of Trustees meetings.

The Board is supported by an Investment, Finance and Audit Committee (IFAC) sub-committee, with specific terms of reference and functions delegated by the Board and with a Trustee as Chair, appointed by the Board. An independent member (qualified accountant) attends all meetings together with the Executive Committee Vice Chair.

The Board decide on the strategy of the Union, with implementation of strategy and day-to-day operational management of activity in support of its objectives delegated by the Board to the Executive Committee. The Executive separately, and independently, act as the delivery arm of NRL.

The Executive Committee consist of the following appointments:

Chair	Treasurer
Vice Chair	Director of Marketing
RFU Council Member	Director of Communications
Director of Rugby	Director of Community Rugby
Company Secretary & Director of Operations	Sports Development Officer (non-voting)
Volunteers Manager	

ROYAL NAVY RUGBY UNION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational Structure (continued)

The majority of RNRU officials are serving Royal Navy/Royal Marines personnel, who undertake the roles on a voluntary basis on top of their high-pressure military appointments. The exception is the RNRU Secretariat and Community Rugby team which are operated by 5 permanent paid members of staff; the RNRU Sports Development Officer is a full-time MOD Civil Servant and the Company Secretary, Business Manager, Finance Officer and Rugby Development Officer are funded by the charity. Due to the financial impact of Covid19, salary for the Company Secretary, Finance Officer and Rugby Development Officer were underwritten by the NSSC, however, as the Rugby Development Officer post was vacant from December 22 until September 23 no payments were made for this post during this period. All vacancies within the RNRU are advertised on the RNRU website inviting volunteers, both serving and civilians, to be considered for selection; all Executive Committee appointments are re-appointed at the AGM.

Management and Administration

The day to day control and administration of the RNRU is delegated to the Chair of the Executive Committee. The Executive Committee are tasked with achieving the objectives set by the trustees in their strategic plans.

Volunteers and Related Parties

The Trustees all gave their services voluntarily and received no remuneration for their activities, other than travel and incidental expenses. The serving members of the Board undertake their RNRU duties as volunteers in addition to their normal line duties.

Navy Rugby Limited

Navy Rugby Limited (NRL) operates as a separate but wholly owned subsidiary of the Royal Navy Rugby Union (RNRU). It is a VAT registered company whose objective is to generate income for the RNRU through trading activities including, but not limited to, receipts from ticket sales to Navy Rugby games, the sale of merchandise associated with Navy Rugby and the support of RNRU sponsors. NRL has three directors: the shareholding director (a member of the Trustee Board of the RNRU), a managing director (the member of the RNRU Executive Committee responsible for Marketing) and an independent Chair. The RNRU Company Secretary and Treasurer also perform the appropriate professional duties for NRL, which has a separate bank account and operates as a separate entity in legal and financial terms from the RNRU. Established with a £100,000 share issue from which all trading activity is resourced, all its operating profits are donated to the RNRU on completion of its annual audit. The NRL Board of Directors meet at least twice a year and oversight is maintained on the RNRU Board of Trustees by inviting the Chair to report its activities at Trustee Board meetings. In addition, the managing director of NRL reports to the RNRU Trustee Board's Investment, Finance and Audit sub-committee.

Governing Document

The RNRU is controlled by its governing document, its Memorandum and Articles of Association dated 3 September 2015, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

ROYAL NAVY RUGBY UNION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company Number

09760575 (England and Wales)

Registered Charity Number

1165153

Registered Office

HMS Temeraire
Burnaby Road
Portsmouth
Hampshire
PO1 2HB

Patron

The Royal Navy Rugby Union is honoured to have had Her Majesty Queen Elizabeth II as our Patron

President

Admiral Sir Ben Key KCB CBE ADC

Trustees

The Trustees in this period were:

Rear Admiral M J Parr CB (Chair)

Mr A Bujalski

Rear Admiral S M Moorhouse CBE

Commander K Marlor Royal Navy

Captain S E Oakley Royal Navy

Mr M H Connolly

Resigned 3 September 2023

Mr J M Saunders Watson

Resigned 25 January 2023

Mr W Reid

Appointed 25 January 2023

Mr P Reed OBE

Resigned 12 January 2024

Auditors

Gibson Whitter

Chartered Accountants

and Chartered Tax Advisers

Larch House

Parklands Business Park

Denmead

Hampshire

PO7 6XP

ROYAL NAVY RUGBY UNION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2023

REFERENCE AND ADMINISTRATIVE DETAILS (continued)

Legal Advisors

Wilsons Solicitors LLP
Alexandra House
St Johns Street
Salisbury
SP1 2SB

Bankers

National Westminster Bank PLC
130 Commercial Road
Portsmouth
Hampshire
PO1 2EJ

ACKNOWLEDGEMENTS

The Board wish to place on record their gratitude to all those who have contributed to the on-going success of the RNRU. These are too numerous to mention in full and the list that follows is just a representative sample of our growing band of supporters.

Babcock International Group PLC	ESS (part of the Compass Group UK)
Rolls Royce	Thales
SA Group	Rohde and Schwarz
Qinetiq	SAAB
SA-Group	MBDA
BMT	Activision
VX3	Accenture
ThinkLogical	Peter Cooper Motor Group
Palantir	

ROYAL NAVY RUGBY UNION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Royal Navy Rugby Union for the purposes of company law) 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 year which 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;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the 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. 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 auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Gibson Whitter Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 14 June 2024 and signed on its behalf by:

Rear Admiral M J Parr CB - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ROYAL NAVY RUGBY UNION

Opinion

We have audited the financial statements of Royal Navy Rugby Union (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 30 September 2023 which comprise the Consolidated Statement of Financial Activities, the consolidated Balance Sheet, the consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 September 2023 and 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 requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 group and parent 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ROYAL NAVY RUGBY UNION

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ROYAL NAVY RUGBY UNION

- We obtained an understanding of the legal and regulatory framework in which the company operates. The key laws considered included the Companies Act 2006. We have corroborated our enquiries through review of Board minutes.
- We have evaluated management incentives and opportunities for fraudulent manipulation of the financial statements including management override of controls and the application of revenue recognition at cut-off and considered that the principal risk was related to the posting of inappropriate journal entries to improve the result before the year end. We have addressed this by assessing journal entries as part of our planning audit approach.
- We have enquired of management and those charge with governance in respect of known or suspected instances of non-compliance with laws and regulations.
- We have also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our 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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Gavin Whitter (Senior Statutory Auditor)
for and on behalf of Gibson Whitter Limited
Statutory Auditors
Larch House
Parklands Business Park
Denmead
Hampshire
PO7 6XP

Date: 17 June 2024

ROYAL NAVY RUGBY UNION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

		Year ended 30.9.23 Unrestricted funds £	Year ended 30.9.22 Total funds £
	Notes		
INCOME AND ENDOWMENTS FROM			
Donations and legacies	3	124,564	99,463
Charitable activities	6		
Royal Navy Rugby		8,796	94,951
Community Rugby		11,592	25,170
Other trading activities	4	1,239,036	1,142,258
Investment income	5	1,206	-
Total		1,385,194	1,361,842
 EXPENDITURE ON			
Raising funds	7	745,096	718,359
Charitable activities	8		
Royal Navy Rugby		261,218	292,271
Community Rugby		94,660	101,094
Total		1,100,974	1,111,724
NET INCOME/(EXPENDITURE)		284,220	250,118
 RECONCILIATION OF FUNDS			
Total funds brought forward		547,789	297,671
TOTAL FUNDS CARRIED FORWARD		<u>832,009</u>	<u>547,789</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

ROYAL NAVY RUGBY UNION

**CONSOLIDATED BALANCE SHEET
AT 30 SEPTEMBER 2023**

	Notes	Group 30.9.23 £	Group 30.9.22 £	Charity 30.9.23 £	Charity 30.9.22 £
FIXED ASSETS					
Intangible assets	15	3,481	6,963	-	-
Tangible assets	16	2,291	3,348	2,291	3,348
Investments	17	-	-	100,000	100,000
		<u>5,772</u>	<u>10,311</u>	<u>102,291</u>	<u>103,348</u>
CURRENT ASSETS					
Debtors	18	34,694	108,725	490,826	426,983
Cash at bank		<u>911,098</u>	<u>631,613</u>	<u>353,170</u>	<u>149,986</u>
		<u>945,792</u>	<u>740,338</u>	<u>843,996</u>	<u>576,969</u>
CREDITORS					
Amounts falling due within one year	19	(79,555)	(152,860)	(74,279)	(82,529)
		<u>866,237</u>	<u>587,478</u>	<u>769,717</u>	<u>494,440</u>
NET CURRENT ASSETS					
		866,237	587,478	769,717	494,440
TOTAL ASSETS LESS CURRENT LIABILITIES		872,009	597,789	872,008	597,788
CREDITORS					
Amounts falling due after more than one year	20	(40,000)	(50,000)	(40,000)	(50,000)
NET ASSETS		<u>832,009</u>	<u>547,789</u>	<u>832,008</u>	<u>547,788</u>
FUNDS	21				
Unrestricted funds		<u>832,009</u>	<u>547,789</u>	<u>832,008</u>	<u>547,788</u>
TOTAL FUNDS		<u>832,009</u>	<u>547,789</u>	<u>832,008</u>	<u>547,788</u>

ROYAL NAVY RUGBY UNION

**BALANCE SHEET - CONTINUED
AT 30 SEPTEMBER 2023**

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board of Trustees and authorised for issue on 14 June 2024 and were signed on its behalf by:

Rear Admiral M J Parr CB- Trustee

ROYAL NAVY RUGBY UNION

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Notes	Year ended 30.9.23 £	Year ended 30.9.22 £
Cash flows from operating activities:			
Cash generated from operations	1	298,858	269,575
Net cash provided by (used in) operating activities		298,858	269,575
Cash flows from investing activities:			
Purchase of intangible fixed assets		-	-
Purchase of tangible fixed assets		-	-
Interest received		-	-
Net cash provided by (used in) investing activities		-	-
Cash flows from financing activities:			
Movement in cash held as custodian		(9,373)	49,330
Interest paid		-	(904)
Loan repaid in year		(10,000)	(50,000)
		(19,373)	(1,574)
Net cash provided by (used in) financing activities		-	-
Change in cash and cash equivalents in the reporting period		279,485	268,001
Cash and cash equivalents at the beginning of the reporting period		631,613	363,612
Cash and cash equivalents at the end of the reporting period		911,098	631,613

The notes form part of the financial statements

ROYAL NAVY RUGBY UNION

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Year ended 30.9.23 £	Year ended 30.9.22 £
Net income/ (expenditure) for the reporting period (as per the statement of financial activities)	284,220	250,118
Adjustments for:		
Depreciation and amortisation charges	4,539	4,743
Interest paid	-	904
Decrease in stocks	-	24,762
(Increase) in debtors	74,031	(28,475)
Increase in creditors	<u>(63,932)</u>	<u>17,523</u>
Net cash provided by operating activities	<u><u>298,858</u></u>	<u><u>269,575</u></u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.10.22	Cash flow	Other non-cash changes	At 30.9.23
Net cash				
Cash at bank and in hand	<u>631,613</u>	<u>279,485</u>	<u>-</u>	<u>911,098</u>
Debt				
Debts falling due within one year	-	-	-	-
Debts falling due after one year	<u>(50,000)</u>	<u>10,000</u>	<u>-</u>	<u>(40,000)</u>
	<u>(50,000)</u>	<u>10,000</u>	<u>-</u>	<u>(40,000)</u>
Total	<u><u>581,613</u></u>	<u><u>289,485</u></u>	<u><u>-</u></u>	<u><u>871,098</u></u>

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the charitable company and its subsidiary.

The financial statements of the subsidiary undertaking included within the consolidated figures are adjusted where appropriate, to conform to Group accounting policies.

Significant judgements and estimates

In preparing these financial statements, the trustee directors have made the following judgements:

- Determine whether financial instruments such as intra-group loans are basic or complex. These decisions depend on an assessment of the terms of the financial instrument.

Income

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of a general nature are recognised where there is entitlement, the receipt is probable and the amount can be measured with sufficient reliability. Such income is only deferred when:

- the donor specifies that the grant or donation must only be used in future accounting periods; or
- the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from activities to generate funds, such as sponsorship, merchandise sales, patrons scheme, Army v Navy match, Navy v RAF match and investment income are recognised on a receivable basis.

Income from charitable activities relates to Community Rugby grants and courses. Such income is only deferred when:

- the donor specifies that the grant must only be used in future accounting periods; or
- the donor has imposed conditions which must be met before the charity has unconditional entitlement.

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

1. ACCOUNTING POLICIES- continued

Volunteers and donated services

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

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

Expenditure

Expenditure is recognised when a liability is incurred. Contractual arrangements are recognised as goods or services are supplied.

- Raising fund costs are those costs incurred in attracting voluntary income.
- Charitable activities include expenditure associated with the Royal Navy's rugby union teams (first XV, under 23s, women's, veterans and sevens teams) and community rugby activities and include both the direct costs and support costs relating to those activities.
- Support costs and governance costs include central functions and have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Intangible fixed asset

Intangible fixed assets includes websites and databases. Websites have been capitalised where they are capable of directly generating income. Websites and databases are amortised, using the straight line basis, over their estimated useful lives of three and five years respectively.

Tangible fixed assets

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

Player training equipment	- 20% on cost
Motor vehicles	- 25% on reducing balance
Medical Equipment	- 20% on cost

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

Taxation

The charity is exempt from corporation tax on its charitable activities.

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2023

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity.

Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

Pension costs and other post-retirement benefits

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

2. FINANCIAL ACTIVITIES OF THE CHARITY

The financial activities shown in the consolidated statement includes those of the Royal Navy Rugby Union and its wholly owned trading subsidiary Navy Rugby Limited.

A summary of the financial activities undertaken by the Royal Navy Rugby Union, is set out below:

	Year ended 30.9.23 £	Year ended 30.9.22 £
Total income	641,750	637,929
Expenditure		
Raising funds	(20,817)	(18,002)
Charitable - Royal Navy Rugby	(248,627)	(278,897)
Charitable - Community Rugby	(88,087)	(90,912)
Net income	284,219	250,118
Total funds brought forward	547,788	297,670
Total funds carried forward	832,007	547,788

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2023

3. DONATIONS AND LEGACIES

	Year ended 30.9.23 £	Year ended 30.9.22 £
RFU Constituent Body income	12,806	17,015
RN Sports Lottery - salary contributions	85,469	82,448
Donated goods and services	26,289	-
	<u>124,564</u>	<u>99,463</u>

Donated goods and services represent kit given to the charity by the kit supplier. The costs of which is included in team costs.

4. OTHER TRADING ACTIVITIES

	Year ended 30.9.23 £	Year ended 30.9.22 £
Army v Navy match income	975,940	893,486
Navy v RAF match income	10,751	-
Merchandise sales	-	24,280
Kit sales commission	15,536	-
Sponsorship	156,000	142,500
International ticket sales	62,288	63,507
Patrons scheme income	18,521	18,485
	<u>1,239,036</u>	<u>1,142,258</u>

5. INVESTMENT INCOME

	Year ended 30.9.23 £	Year ended 30.9.22 £
Bank interest	<u>1,206</u>	<u>-</u>

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2023

6. INCOME FROM CHARITABLE ACTIVITIES

	Year ended 30.9.23 Royal Navy Rugby £	Year ended 30.9.23 Community Rugby £	Year ended 30.9.23 Total activities £	Year ended 30.9.22 Total activities £
Grants	-	4,592	4,592	99,823
Personal contributions	-	-	-	13,298
RFU - RDO contribution	-	7,000	7,000	7,000
RFU - Targeted delivery	8,796	-	8,796	-
	<u>8,796</u>	<u>11,592</u>	<u>20,388</u>	<u>120,121</u>

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

	Year ended 30.9.23 £	Year ended 30.9.22 £
NSSC	-	43,000
Babcock International re CNRC	-	17,500
RNRMC	-	2,000
Rugby Football Development	-	2,000
RN RM Sports Lottery	4,592	35,323
	<u>4,592</u>	<u>99,823</u>

7. RAISING FUNDS

Other trading activities

	Year ended 30.9.23 £	Year ended 30.9.22 £
Merchandise purchases	-	24,805
Army v Navy match expenditure	595,593	563,633
Navy v RAF match expenditure	15,142	7,765
Marketing and hospitality	17,013	12,781
Patrons scheme costs	4,965	2,850
International ticket costs	80,874	74,890
Fulfilment and other trading costs	13,467	13,864
Support costs (see note 10)	18,042	17,771
	<u>745,096</u>	<u>718,359</u>

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2023

8. CHARITABLE ACTIVITIES COSTS

	Direct costs (see note 9)	Support costs (see note 10)	Totals
	£	£	£
Royal Navy Rugby	152,963	108,255	261,218
Community Rugby	<u>40,531</u>	<u>54,129</u>	<u>94,660</u>
	<u>193,494</u>	<u>162,384</u>	<u>355,878</u>

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	Year ended 30.9.23 £	Year ended 30.9.22 £
Staff costs (see note 13)	9,472	35,275
First XV team costs	110,318	45,869
Mariners team costs	5,069	2,395
Women's team costs	6,774	2,572
Under 23 team costs	5,908	2,401
Sevens team costs	5,374	3,311
Refereeing costs	5,705	1,620
Marine Nationale	13,815	19,667
CNRC Costs	-	44,335
Foreign tours	-	63,480
Community Rugby expenditure	<u>31,059</u>	<u>12,508</u>
	<u>193,494</u>	<u>233,433</u>

10. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Other trading activities	17,441	601	18,042
Royal Navy Rugby	104,651	3,604	108,255
Community Rugby	<u>52,327</u>	<u>1,802</u>	<u>54,129</u>
	<u>174,419</u>	<u>6,007</u>	<u>180,426</u>

Activity Basis of allocation

Management Staff hours

Governance costs Staff hours

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

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2023

10. SUPPORT COSTS- CONTINUED

Management

	Other trading activities	Royal Navy Rugby	Community Rugby	Year ended 30.9.23 Total activities	Year ended 30.9.22 Total activities
	£	£	£	£	£
Wages (see note 13)	12,384	74,306	37,153	123,843	124,322
Social security (see note 13)	714	4,283	2,141	7,138	8,670
Pensions (see note 13)	867	5,201	2,601	8,669	7,930
Motor and travel expenses	1,288	7,729	3,864	12,881	16,127
General insurance	119	714	357	1,190	1,161
Telephone	55	331	166	552	1,587
Postage, stationery and other costs	360	2,160	1,080	3,600	2,108
Executive expenses	194	1,163	582	1,939	1,090
Director of Rugby expenses	444	2,665	1,333	4,442	2,677
Bank charges	202	1,215	608	2,025	2,189
Communications	708	4,250	2,125	7,083	4,343
Depreciation	106	634	317	1,057	1,262
	<u>17,441</u>	<u>104,651</u>	<u>52,327</u>	<u>174,419</u>	<u>173,466</u>

Governance costs

	Other trading activities	Royal Navy Rugby	Community Rugby	Year ended 30.9.23 Total activities	Year ended 30.9.22 Total activities
	£	£	£	£	£
Auditors remuneration	584	3,504	1,752	5,840	4,000
Independent examiner' fees	-	-	-	-	-
Legal and professional fees	-	-	-	-	-
Other governance costs	17	100	50	167	237
	<u>601</u>	<u>3,604</u>	<u>1,802</u>	<u>6,007</u>	<u>4,237</u>

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2023

11. NET INCOME/(EXPENDITURE)

	Year ended 30.9.23	Year ended 30.9.22
Auditors remuneration - RNRU	5,840	4,000
Depreciation - owned assets	1,057	1,262
Amortisation intangible assets	<u>3,482</u>	<u>3,481</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 September 2023 nor for the period ended 30 September 2022.

Trustees' expenses

During the year one trustee was reimbursed expenses by the charity for travel, subsistence and training totalling £167 (30.9.22: two trustees £175).

13. STAFF COSTS

	Year ended 30.9.23	Year ended 30.9.22
	£	£
Wages and salaries	131,925	155,111
Social security costs	7,962	11,001
Other pension costs	<u>9,235</u>	<u>10,085</u>
	<u>149,122</u>	<u>176,197</u>

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

	Year ended 30.9.23	Year ended 30.9.22
Charitable staff	2	3
Support staff	<u>2</u>	<u>2</u>
	<u>4</u>	<u>5</u>

No employees received emoluments in excess of £60,000.

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2023

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

Unrestricted
funds
£

INCOME AND ENDOWMENTS FROM

Donations and legacies 99,463

Charitable activities

Royal Navy Rugby 94,951

Community Rugby 25,170

Other trading activities 1,142,258

Investment income -

Total 1,361,842

EXPENDITURE ON

Raising funds 718,359

Charitable activities

Royal Navy Rugby 292,271

Community Rugby 101,094

Total 1,111,724

NET INCOME/(EXPENDITURE) 250,118

Total funds brought forward 297,671

TOTAL FUNDS CARRIED FORWARD 547,789

15. INTANGIBLE FIXED ASSETS - GROUP AND CHARITY

Website
and database
£

COST

At 1 October 2022 27,080

Additions -

At 30 September 2023 27,080

AMORTISATION

At 1 October 2022 20,117

Charge for year 3,482

At 30 September 2023 23,599

NET BOOK VALUE

At 30 September 2023 3,481

At 30 September 2022 6,963

ROYAL NAVY RUGBY UNION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

16. TANGIBLE FIXED ASSETS - GROUP AND CHARITY

	Player training equipment £	Motor vehicles and cycles £	Medical equipment £	Totals £
COST				
At 1 October 2022	14,974	14,895	3,584	33,453
Additions	-	-	-	-
Disposals	-	-	-	-
At 30 September 2023	<u>14,974</u>	<u>14,895</u>	<u>3,584</u>	<u>33,453</u>
DEPRECIATION				
At 1 October 2022	14,974	12,430	2,701	30,105
Charge for year	-	616	441	1,057
Eliminated on disposal	-	-	-	-
At 30 September 2023	<u>14,974</u>	<u>13,046</u>	<u>3,142</u>	<u>31,162</u>
NET BOOK VALUE				
At 30 September 2023	<u>-</u>	<u>1,849</u>	<u>442</u>	<u>2,291</u>
At 30 September 2022	<u>-</u>	<u>2,465</u>	<u>883</u>	<u>3,348</u>

17. FIXED ASSET INVESTMENTS - CHARITY ONLY

	Share in Group undertakings £
MARKET VALUE	
At 1 October 2022 and 30 September 2023	<u>100,000</u>
NET BOOK VALUE	
At 30 September 2023	<u>100,000</u>
At 30 September 2022	<u>-</u>

This represents 100,000 £1 shares in the charity's wholly owned subsidiary, Navy Rugby Limited (Company number: 10259113).

ROYAL NAVY RUGBY UNION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 30.9.23 £	Group 30.9.22 £	Charity 30.9.23 £	Charity 30.9.22 £
Trade debtors	7,646	42,840	7,000	17,500
Other debtors	<u>27,048</u>	<u>65,885</u>	<u>483,826</u>	<u>409,483</u>
	<u>34,694</u>	<u>108,725</u>	<u>490,826</u>	<u>426,983</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 30.9.23 £	Group 30.9.22 £	Charity 30.9.23 £	Charity 30.9.22 £
Trade creditors	-	7,665	-	7,147
PAYE and national insurance	7,500	3,879	7,500	3,879
Other creditors	11,012	12,367	5,736	9,367
Funds held as custodian	39,957	49,330	39,957	49,330
Deferred income (see below)	<u>21,086</u>	<u>79,619</u>	<u>21,086</u>	<u>12,806</u>
	<u>79,555</u>	<u>152,860</u>	<u>74,279</u>	<u>82,529</u>

Funds held as custodian for HMS Temeraire Sports Development Fund. This is represented by cash at bank.

Deferred income

Deferred income relates to sale of international tickets and grants relating to a future financial period.

	Group 30.9.23 £	Group 30.9.22 £	Charity 30.9.23 £	Charity 30.9.22 £
Balance brought forward	79,619	76,925	12,806	55,805
Amount released to incoming resources	(79,619)	(76,925)	(12,806)	(55,805)
Amount deferred in the period	<u>21,086</u>	<u>79,619</u>	<u>21,086</u>	<u>12,806</u>
Balance carried forward	<u>21,086</u>	<u>79,619</u>	<u>21,086</u>	<u>12,806</u>

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2023

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 30.9.23 £	Group 30.9.22 £	Charity 30.9.23 £	Charity 30.9.22 £
Other loans	40,000	50,000	40,000	50,000

Other loans above is in respect of a loan from RN Sports Lottery which will only become repayable when the charity has sufficient cashflow to do so.

21. MOVEMENT IN FUNDS CHARITY ONLY

	At 1.10.22 £	Net movement in funds £	Transfer between funds £	At 30.9.23 £
Unrestricted funds				
General fund	467,788	284,220	(121,000)	631,008
CNRC fund	20,000	-	30,000	50,000
Reserves build up	60,000	-	91,000	151,000
	<u>547,788</u>	<u>284,220</u>	<u>-</u>	<u>832,008</u>
TOTAL FUNDS	<u>547,788</u>	<u>284,220</u>	<u>-</u>	<u>832,008</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	641,750	(357,530)	284,220
	<u>641,750</u>	<u>(357,530)</u>	<u>284,220</u>
TOTAL FUNDS	<u>641,750</u>	<u>(357,530)</u>	<u>284,220</u>

22. RELATED PARTY DISCLOSURES

There were no related party transactions for the period ended 30 September 2023 (30.09.22: None).

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2023

23. ULTIMATE CONTROLLING PARTY

The charity is controlled by its board of trustees acting in concert.

24. SHARE CAPITAL AND LIABILITY OF MEMBERS

The charitable company is a company limited by guarantee and its members have undertaken to contribute to the assets of the company in the event of it being wound up such amounts as may be required not exceeding £1.

ROYAL NAVY RUGBY UNION

England & Wales - Charity number 1165153

Accounts

REGISTERED COMPANY NUMBER: 09760575 (England and Wales)

REGISTERED CHARITY NUMBER: 1165153

**REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022
FOR**

ROYAL NAVY RUGBY UNION

Gibson Whitter
Chartered Accountants
and Tax Advisers
Larch House
Parklands Business Park
Denmead
Hampshire
PO7 6XP

ROYAL NAVY RUGBY UNION

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FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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ROYAL NAVY RUGBY UNION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 September 2022. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

CHAIR'S OVERVIEW

This report covers the year to 30 September 2022.

This year saw the return of rugby in all forms and the RNRU certainly made the most of the opportunities that arose from all remaining pandemic restrictions being lifted. The community area contested both the Navy Cup and the Inverdale Competition and the hugely successful beach rugby competition in Weymouth witnessed record entries with over 25 teams taking part, and for the first time there was both competitive male and female leagues. The representative area also had a full programme which culminated with the Army v Navy fixtures and the Women's Senior XV playing at Twickenham Stadium for the first time in history.

The return of the Inter-Service competition came with great relief as it meant a reinstatement of a much-needed income stream from gate receipts. This income will allow the union to start to rebuild its financial reserve and invest more heavily into rugby related activity. Sponsorship is buoyant with most sponsors committing to longer term deals, which makes financial forecasting and planning somewhat easier in the short-term. A replacement clothing supplier was appointed in the summer, and they will also be providing an online shop facility, selling RNRU merchandise on our behalf. This partnership will de-risk us from having large amounts of cash tied up in stock and the staff time required to process orders. Trustee succession planning is a sign of good governance and is key in ensuring the Board of Trustees has a diverse range of skills, experience and knowledge to enable it to continue to be highly effective. To support this, we welcome William Reid and Peter Reed OBE to the Board and look forward to benefitting from the immense experience they bring in their respective fields.

The Trustees have continued to review expenditure, and through good governance, diligence and planning continue to ensure the charity can appropriately respond to any financial challenges presented. Notwithstanding that, we believe that it remains appropriate to plan on a going concern basis.

ROYAL NAVY RUGBY UNION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 30 SEPTEMBER 2022

OBJECTIVES AND ACTIVITIES

Objectives and Aims

The explicit objectives endorsed by the RNRU support the over-riding aim to 'promote and foster' the game within the Royal Navy, and its local communities, as follows:

- Promoting the physical efficiency of members of the Naval Service by providing facilities and other encouragement for all ranks thereof to participate in the game of rugby football;
- Making grants for charitable purposes that benefit either directly or indirectly members both past and present of the Naval Service;
- Promoting amateur sport for the benefit of the public in particular by encouraging the participation of young people in the game of rugby football.

Achievements and Performance Against Objectives

A summary of the RNRU's achievements against our strategic plan as outlined in last year's Report and Accounts can be found in the table below.

We said that we would do

Deliver assured governance and regulation, with the financial strength to maintain and increase investment in the game to drive performance and community participation.

By the end of the 5 years we will have introduced Services rugby, at grass roots level, to 7000 more men and 700 more women whilst creating a player pathway from club level to the highest representative level.

Additionally, we aim to be the Services' leading rugby team, across the Senior XV, U23 and Sevens sides by 2022, with the Women's side achieving parity with at least the RAF.

We will simultaneously deliver and host the best rugby events, including the Commonwealth Nations Rugby Cup, and other competitions throughout the structured season.

We achieved

All areas of governance and finance are still feeling the effects of COVID-19. The Army v Navy fixture did take place in 2022 however attendance was approximately 24,000 less than for the 2019 fixture. This has resulted in a third year of loss of income related to the fixture and means that yet again expenditure will have to be reduced to compensate for the loss of income. Our financial reserve has now been exhausted and plans are in place for it to be replenished over the next 2-4 financial years.

Both targets were reviewed and due to the impact on all team sports as a result of deployments and a busier navy, no target figure was placed. We wanted to reach as many men and women as was practically possible at grass roots level to give them a taste of the game. When team sports do eventually equalise our targets will be reviewed.

Although the 2022 Inter-Service Rugby Competition did take place, results didn't exactly go to plan for the U23s or the Senior Women. The Women had a very close encounter with the RAF(W) however the Army Women were far too strong. The Senior Men scored a victory against the RAF Men at Ealing and came up just short in a cracking display of rugby against the Army Men.

This year's Navy Cup, Inverdale Challenge and the Marine Nationale fixtures did all go ahead and were enjoyed by all that participated in them.

ROYAL NAVY RUGBY UNION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 30 SEPTEMBER 2022

OBJECTIVES AND ACTIVITIES (continued)

Achievements and Performance Against Objectives (continued)

We said that we would do

Wherever possible, as part of that growth path we will look for further opportunities to share financial benefits within the broader church of Services' sport, with appropriate checks and balances in place to evidence how those benefits are used.

We achieved

As for the previous reporting period, the overall financial position of the RNRU precluded making any grants to other sports associations, however this is something that will be rectified once our major income stream is back on track. Smaller annual donations were made to both United Services Portsmouth and Devonport Services Rugby Clubs.

Purpose of the RNRU

The Royal Navy Rugby Union has a long and distinguished history dating back to 1906. On its formation rugby was fairly embryonic, with ratings and other ranks not eligible to play. However, the Officers saw the games' value to Naval Service ethos and after the RN were able to select from all their personnel in 1920 there was a burgeoning of service rugby clubs, including Devonport Services and United Services Portsmouth, formed to provide playing opportunities in RFU league structures. Whilst in the early years these latter clubs were restricted to the use of service personnel approximately 30 years ago membership was opened to the local civilian community, who now form a significant element of the club, providing a valuable opportunity for outreach to the local community through sport. The adult section of both clubs supports 3 senior sides and one Colts team plus a vibrant youth section from U7 to U16. In addition, Devonport Services maintain a Ladies Youth team. RN ships and units are also active and engage in matches around the globe whilst the Union supports five representative teams (Senior Men, Senior Women, U23, Veterans and Sevens) to provide the pinnacle of Navy sport. In the modern day the Union remains relevant, upholds the values of the Royal Navy in building partnerships with other navies around the world in support of RFU initiatives.

As both a registered charity and National Constituent Body of the Rugby Football Union, we are committed to promoting participation and enjoyment of rugby at all levels within the Naval Service. We are consolidating our position, having professionalised much of what we do, with success in the long running Inter Services Championship (particularly in the U23 area), and specifically the annual fixture against the Army at Twickenham, which now incorporates both Men's and Women's Senior Teams, remaining a central pillar of our strategy. At the same time we are developing our structures and facilities and investing in grass roots and community rugby, as this will provide the foundation upon which we can grow our representative teams. The provision of a Women's Development side is providing increased opportunities for emerging players who otherwise would not be sufficiently proficient to break into the hitherto single female representative side. Elsewhere, the provision of coaching and refereeing courses is resulting in greater exposure to sport for all age groups.

Public Benefit

The charity exists to support the military efficiency of the Naval Service as a key component of the nation's Armed Forces and thereby to the defence of the nation. The Trustees have complied with the duty in Section 17 of the Charities Act 2011 and given due regard to the Charity Commission guidance on public benefit. In addition, the RNRU provides public benefit by enhancing and promoting military efficiency, strengthening the moral component of the Royal Navy's and Royal Marines' esprit de corps, which in turn brings tangible benefit to the public:

- the maintenance of maritime security with regard to the UK home bases and their people;
- the Naval Service's global commitment to the furtherance of world peace and stability;
- the protection of lawful maritime trade and the prevention of unlawful acts upon the high seas;
- the contribution to enhanced morale and retention of Naval Service personnel.

ROYAL NAVY RUGBY UNION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2022

FINANCIAL REVIEW

Financial position

This is the sixth year of the new structure of the Charity; the charitable activities are managed by the RNRU and Navy Rugby Ltd (NRL), a totally owned subsidiary of the charity RNRU, operates the trading activities.

These accounts cover the 12-month period to the 30 September 2022. This is the fourth discrete 12-month period since the financial year (FY) end was moved to 30 September, in 2018.

Statement of Financial Activities (SOFA)

The Consolidated SOFA for the 12-month period ended 30 September 2022 reflects the return to rugby and in particular the main fund-raising event of the Army Navy matches at Twickenham. The income for 2022 was £1,362k, which was significantly higher than £198k generated in 2021. Expenditure also increased to £1,112k compared to £219k in 2021, as more activities happened once again. Overall, annual income was £250k more than expenditure, returning the RNRU back to income growth rather than consuming reserves.

The financial activities of the charity, the RNRU, shows income of £638k for 2022 compared with £121k for 2021 and £143k in 2020 (Note 2 to the Consolidated Financial Statements). Income is normally and primarily derived from the distribution from NRL trading activities and this year saw a leap in profit to £400k from £27k the previous year. Expenditure at £388k was higher than last year (£143k) with >95% of that expenditure attributable to charitable activities (Royal Navy Rugby and Community Rugby), as in previous years.

Balance Sheet

The consolidated group's net assets increased by £250k from £298k on 30 September 2021 to £548k at 30 September 2022. The movement is reflected in net current assets with cash balances increasing by £268k due principally to income received in advance which is included in current liabilities plus funds held as custodian for Navy Sports Development (£49k as per Note 21).

The movement on the charity's standalone balance sheet reflects that of the group noted above; only with current asset debtors much higher due to the much larger distribution not having moved across at this date.

On 30 September 2022 net assets of £548k were made up of unrestricted funds of £468k (£298k at 30 September 2021) and £80k (£nil at 30 September 2021) of designated funds (see note 23 for details).

Review of the Year

With the end of the pandemic restrictions all rugby resumed in full including the show-case event, the Army Navy Matches at Twickenham. For the first time the Women played straight after the Men on the Twickenham pitch. The playing of this game was massively significant considering that this is the main source of income for the Charity; even so, the effects of the pandemic were evident with a 5/8 capacity crowd compared to pre-pandemic sell-out crowds.

A significant proportion of the personnel costs continued to be covered by the Naval Service Sports Charity (NSSC), and the remainder of the grant was spent assisting with resuming playing rugby. All sponsors returned to support the Charity and we picked up a few new ones resulting in £142.5k income (up from £60k). Patron income remained constant at £18.5k but it's relatively small in comparison to the other income. The RFU Constituent Body grant and Regional Development Officer funding increased slightly on the previous year. Overall, the current year's cash inflow was ten times that of 2021/22 due to the resumption of the Army Navy Match.

Both Community Rugby and Representative rugby expenditure was significantly higher again upon resumption of playing rugby; all expenditure was in line with budget expectations. Representative rugby spend increased back to more normal levels and the RNRU teams attended the French Marine Nationale match, the Women toured South Africa and the RNRU hosted the Commonwealth Navies Rugby Cup (CNRC) tournament.

ROYAL NAVY RUGBY UNION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2022

FINANCIAL REVIEW (continued)

Overall, whilst drawing on reserves, the cashflow has been resilient to enable a whole season of rugby. What's more, the cash reserves have now been refreshed by a successful AvN Match Day. There are now sufficient funds in reserve to support a full 2022/23 rugby season without the need for further grants or loans; the bounce back loan has been repaid and the Sports Lottery loan is budgeted for part repayment in 2023.

Going concern

The budget for 2022/23 was agreed in September 2022 at the Trustees' Meeting. The budget was set as follows:

	£
Income	474,502
Expenditure	472,018
Surplus	2,484

This is the first year in three to have a surplus budget and not rely on utilising the reserve, grants or loans. In addition, the budget includes a loan repayment of £20k (leaving a balance of £30k) and designated funds for CNRC of £45k (£20k more than budget), Tours £5k and most importantly a separate reserve of £110k (up from a budget of £50k); these cash amounts will be held in a different account. This means that the total cash resources of the charity at 30 Sep 23 (less the loan) will be cash of c.£90k and designated funds of £160k even before the next distribution from NRL.

The Trustee Board are optimistic that the Army Navy match will be able to be played again this year in front of a reasonable crowd at Twickenham in May 2023; the plan is for 2-tiers capacity of 60,000 rather than the whole stadium which is more realistic and reduces costs. If successful, an estimated £500k plus will be received as a distribution that will allow rugby to continue fully next year; it will also provide surplus funds to both repay the loan and allow a significant reserve to be saved for future events that would otherwise disrupt this rugby model.

So, based on cashflow forecasts over the next two years, both entities are expected to be able to fulfil their current ongoing financial commitments until at least September 2024.

The Trustee Board, based on the above, have therefore concluded that it remains appropriate to prepare these financial statements on the going concern basis.

Governance and Administration

The Trustee Board guided by the Investment Finance and Audit Committee (IFAC) approve the annual budget set by the Executive Committee. The accounting services for the RNRU and NRL (less salary and pensions) are provided in-house at HMS TEMERAIRE using our own finance officer and Xero accountancy software.

Risk

The Executive Committee, the IFAC and the Trustee Board consider financial risks. The key risk remains the hosting of a successful Army Navy match, as the primary bearer of all income streams. As clearly demonstrated in 2019-2021, the loss of this match and the associated revenues had a significant impact on the operation of the RNRU over those two years. The mitigating action taken during 2019-2021 to reduce all activities to a minimal level enabled the Charity to continue to operate whilst drawing on reserves. The Charity has drawn heavily on its reserves during this time but has also been generously supported by: its Sponsors; the RN RM Sports Lottery, towards salaries and tour; and the NSSC, who have provided both a loan and grant. In 2022 the Army v Navy match was once again successfully held at Twickenham although this was far from a maximum crowd as pre-pandemic. The Trustee Board, Executive Committee and the IFAC will continue to monitor this risk closely and will adapt the operating plans accordingly.

ROYAL NAVY RUGBY UNION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 30 SEPTEMBER 2022

FINANCIAL REVIEW (continued)

Investments

The RNRU has a single investment, £100k invested in the trading subsidiary NRL. A long-term investment policy is kept under review and could be re-established in the future if sufficient excess funds have been generated.

As a continued result of the financial and operating impact that COVID-19 has had on NRL, the Trustee Board have again considered whether the charity's investment in NRL of £100k should be impaired at 30 September 2022. The trustees have reviewed the forecasts prepared by NRL and they remain optimistic that the Army Navy match will again be played at Twickenham in 2023 and ticket sales will be on a level to cover costs and provide an operating profit for financial year 23-24.

Investment Restrictions

The Trustee Board do not consider ethical investment restrictions to be appropriate or in conflict with the objectives of the RNRU.

Reserves Policy

The Trustee Board has a reserves policy to set aside sufficient free reserves to meet the needs of current beneficiaries, whilst remaining sustainable for future generations. The reserves should give sufficient comfort that the charity can pursue its objectives and smooth out any unexpected fluctuations in charitable expenditure or shortfalls in income. The Trustee Board agreed a new reserves policy in April 2018 based on free reserves that would cover the costs of a basic season's rugby. The policy was amended in 2019 to have a minimum free reserves level of £300k and a maximum of £500k.

However, before 2020, free reserves were never true savings in the sense of being kept aside but were partially consumed over the financial year together with direct income and then replenished from the NRL distribution at the end of the year.

Over the past 3 years, including when the pandemic stopped all rugby (2020-2021), the reserves bolstered by other grants and loans ensured that the RNRU could continue operating as a going-concern. So, during this time the reserves have fulfilled the function they were intended for and allowed the RNRU to continue to operate; during this year ahead (FY22/23), we will start growing the reserves again plus designate funds for the next CNRC, overseas tours and build a true reserve for future pandemic type events.

The charity's free reserves are calculated by taking total unrestricted funds and deducting designated reserves, investments held for the long term and operational tangible fixed assets. The calculation of free reserves at 30 September 2022 is shown in the table below:

	30 Sep 19	30 Sep 20	30 Sep 21	30 Sep 22
	£'000	£'000	£'000	£'000
Total unrestricted Funds	579	319	298	548
Less: Designated Fund for CNRC	(32)	0	0	(20)
Less: Designated Fund for Overseas Tours	(18)	0	0	0
Less: Designated Reserves (held separately)	0	0	0	(60)
Less: Long term Investments	(100)	(100)	(100)	(100)
Less: Operational Tangible Fixed Assets	(10)	(7)	(5)	(3)
Free Reserves	419	212	193	365

The reserves policy has again not been adjusted as once sufficient income flows in then the Trustee Board will start to rebuild reserves whilst continuing to be mindful of ensuring that the charity fulfils its charitable objectives. In rebuilding these reserves, the trustees are also now looking to hold a minimum level equal to a year's expenditure on Rugby throughout the year, given that Charity's dependence on a single event for its annual income. This will start in FY 23/24 when a designated reserve of £110k will be set aside from free reserves. Recognising that having one year of designated reserves may not be sufficient, the trustees may also be determined to increase the level of reserves further to higher levels in the future.

ROYAL NAVY RUGBY UNION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2022

FINANCIAL REVIEW (continued)

Principal Risks and Uncertainties

The Trustees of the RNRU monitor the principal risks faced by the Charity via a risk matrix that is scrutinised by the IFAC and discussed by the Board at least annually. In the opinion of the Trustees, the Charity has established systems that, under normal circumstances, should allow the risks identified by them to be mitigated to acceptable levels.

The risk matrix identifies major risks to which the RNRU is exposed under the following headings: Strategic; Financial; and Operational. Controls have been identified to limit each of these risks. The top three risks and the mitigation for them are detailed in the table below. All are high impact risks and because of the continuing uncertainty generated by the covid-19 pandemic, two remain high impact despite the mitigation measures in place and the third is considered reduced to medium level.

Risk	Mitigation
There is a risk that the Trading Company proves ineffective due to lack of income generation.	1. Review all expenditure to minimum essential spend including review of 3rd party contracts. 2. Approach NSSC for grant to cover the cost of delivery of RNRU activity. 3. Approach Sports Lottery for a long-term loan to aid cash flow and facilitate rugby activity. 4. Investigate NRL and Charity "insolvency" figures – i.e. minimum balance required to enable winding up before becoming insolvent. 5. Investigate Navy Sports Board appetite for further grants in next FY.
There is a risk that the Army/Navy game may no longer be at Twickenham (RFU/Met Police do not allow the match to be held at Twickenham or it is not cost effective to hold the match there).	1. Contractual arrangement between RFU, A/N Match Committee, Babcock (sponsor) reviewed in 2022, proposed 3+2 year contract to be in place from 2023 with options for either party to withdraw annually. Decision point for Babcock is Nov 22 if they want to continue beyond the 2023 fixture. 2. The RNRU should always retain at least one season running cost (circa £300k) and Reserves Policy is to increase Reserves to £500k – to be reviewed annually. 3. Maintain a firm grip/continued development of the Marketing Strategy for the A v N such that we continue to draw the crowds and the general public are aware of the fixture, the costs and why it is such good VfM. 4. Maintain a healthy and proactive relationship with Twickenham HQ to keep the RNRU in their sights (for all the right reasons). 5. Maintain a proactive Single Service public perception. 6. Work with Met Police, RFU and Richmond Council to mitigate concerns of all parties. 7. Review Reserves Policy/Investment Strategy in order that RNRU activity could continue if our revenue was seriously impacted by changes to the A v N match day (and associated revenues).
There is a risk that sponsors will withdraw all/most sponsorship financial/non-cash support.	1. Maintain a strong communications link to demonstrate the value of the relationship. 2. Attractive and rewarding sponsorship opportunities. 3. Contract Letters (who gets what) have been reissued – DoM. 4. Clear parameters for return and maintain optimum number (12) and minimum amount (£5K). 5. Ability to encourage sponsors to commit to 3 yr contracts – ongoing. 6. Letter from RNRU President thanking Sponsors for their continued support of the RNRU in these challenging times.

ROYAL NAVY RUGBY UNION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2022

PLANS FOR THE FUTURE

- Continue to reinvigorate community level rugby wherever Royal Navy personnel are serving around the globe;
- Consolidate the major gains made in the Women's game post a first appearance at Twickenham, a RNRU tour to South Africa and a UKAF tour to New Zealand;
- Continue to provide enhanced duty of care for protection for players at all levels;
- Continue delivering activities that help to build greater strength in depth to ensure there are sufficient players of the required quality to enable us to be competitive at Inter-Service level competitions.

The governance element of the charity continues on a solid footing, and the Union is now in the final year of its 5-year strategy (which is under review and will be reissued from year 1), aligned with the RFU's overarching strategy for game development, it is determined that the head marks set out in the charity remain fit for purpose.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational Structure

The RNRU is a regulatory body, which on behalf of the President, directs, controls, administers and promotes the sport of Rugby Football Union within the Royal Navy. The objectives of the RNRU are reviewed by the Trustees and specific targets and objectives, which are compatible with those laid down by the Rugby Football Union (RFU) as the governing body for the sport, are set.

The aim of the RNRU is to promote and foster the game of Rugby Union in the Royal Navy and its local communities in accordance with the Laws of the Game promulgated by World Rugby and the rules, regulations and bye laws issued by the RFU.

The governing body of the RNRU is the Board of Trustees, which comprises up to 8 members and meets twice a year to review charitable objectives, strategy, risk register and performance. Trustees are elected or appointed for a three-year term, and may, subject to Board approval, serve for further three-year terms. New appointee's induction training is personalised to meet the requirements of the appointee. The President and Secretary attend all Board of Trustees meetings.

The Board is supported by an Investment, Finance and Audit Committee (IFAC) sub-committee, with specific terms of reference and functions delegated by the Board and with a Trustee as Chair, appointed by the Board. An independent member (qualified accountant) attends all meetings together with the Executive Committee Vice Chair.

The Board decide on the strategy of the Union, with implementation of strategy and day-to-day operational management of activity in support of its objectives delegated by the Board to the Executive Committee. The Executive separately, and independently, act as the delivery arm of NRL.

The Executive Committee consist of the following appointments:

Chair	Treasurer
Vice Chair	Director of Marketing
RFU Council Member	Director of Communications
Director of Rugby	Project Officers (non-voting)
Company Secretary & Director of Operations	Director of Community Rugby
Sports Development Officer (non-voting)	

ROYAL NAVY RUGBY UNION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational Structure (continued)

The majority of RNRU officials are serving Royal Navy/Royal Marines personnel, who undertake the roles on a voluntary basis on top of their high-pressure military appointments. The exception is the RNRU Secretariat and Community Rugby team which are operated by 4 permanent paid members of staff; the RNRU Sports Development Officer is a full-time MOD Civil Servant and the Company Secretary, Business Manager, Finance Officer and Rugby Development Officer are funded by the charity. Due to the ongoing financial impact of Covid-19, salary for the Company Secretary, Finance Officer and Rugby Development Officer are being underwritten by the NSSC. All vacancies within the RNRU are advertised on the RNRU website inviting volunteers, both serving and civilians, to be considered for selection; all Executive Committee appointments are re-appointed at the AGM.

Management and Administration

The day to day control and administration of the RNRU is delegated to the Chair of the Executive Committee. The Executive Committee are tasked with achieving the objectives set by the trustees in their current five-year strategic plans.

Volunteers and Related Parties

The Trustees all gave their services voluntarily and received no remuneration for their activities, other than travel and incidental expenses. The serving members of the Board undertake their RNRU duties as volunteers in addition to their normal line duties.

Navy Rugby Limited

Navy Rugby Limited (NRL) operates as a separate but wholly owned subsidiary of the Royal Navy Rugby Union (RNRU). It is a VAT registered company whose objective is to generate income for the RNRU through trading activities including, but not limited to, receipts from ticket sales to Navy Rugby games, the sale of merchandise associated with Navy Rugby and the support of RNRU sponsors. NRL has three directors: the shareholding director (a member of the Trustee Board of the RNRU), a managing director (the member of the RNRU Executive Committee responsible for Marketing) and an independent Chair. The RNRU Company Secretary and Treasurer also perform the appropriate professional duties for NRL, which has a separate bank account and operates as a separate entity in legal and financial terms from the RNRU. Established with a £100,000 share issue from which all trading activity is resourced, all its operating profits are donated to the RNRU on completion of its annual audit. The NRL Board of Directors meet at least twice a year and oversight is maintained on the RNRU Board of Trustees by inviting the Chair to report its activities at Trustee Board meetings. In addition, the managing director of NRL reports to the RNRU Trustee Board's Investment, Finance and Audit sub-committee.

Governing Document

The RNRU is controlled by its governing document, its Memorandum and Articles of Association dated 3 September 2015, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

ROYAL NAVY RUGBY UNION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company Number

09760575 (England and Wales)

Registered Charity Number

1165153

Registered Office

HMS Temeraire
Burnaby Road
Portsmouth
Hampshire
PO1 2HB

Patron

The Royal Navy Rugby Union is honoured to have had Her Majesty Queen Elizabeth II as our Patron

President

Admiral Sir Ben Key KCB CBE ADC

Trustees

The Trustees in this period were:

Rear Admiral M J Parr CB (Chair)

Mr A Bujalski

Mr M H Connolly

Mr J M R Saunders Watson

Mr J B Inverdale

Resigned 2 August 2022

Mr W Reid

Appointed 27 September 2022

Mr P Reed OBE

Appointed 1 September 2022

Rear Admiral S M Moorhouse CBE

Appointed 6 July 2022

Commander K Marlor Royal Navy

Commodore R Readwin ADC Royal Navy

Resigned 6 July 2022

Captain S E Oakley Royal Navy

Auditors

Gibson Whitter

Chartered Accountants

and Chartered Tax Advisers

Larch House

Parklands Business Park

Denmead

Hampshire

PO7 6XP

ROYAL NAVY RUGBY UNION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2022

REFERENCE AND ADMINISTRATIVE DETAILS (continued)

Legal Advisors

Wilsons Solicitors LLP
Alexandra House
St Johns Street
Salisbury
SP1 2SB

Bankers

National Westminster Bank PLC
130 Commercial Road
Portsmouth
Hampshire
PO1 2EJ

ACKNOWLEDGEMENTS

The Board wish to place on record their gratitude to all those who have contributed to the on-going success of the RNRU. These are too numerous to mention in full and the list that follows is just a representative sample of our growing band of supporters.

Babcock International Group PLC
Rolls Royce
Qinetiq
SA-Group
BMT
VX3
ThinkLogical
MLS

ESS (part of the Compass Group UK)
Thales
SAAB
MBDA
Canterbury of New Zealand Limited
Accenture
Peter Cooper Motor Group

ROYAL NAVY RUGBY UNION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Royal Navy Rugby Union for the purposes of company law) 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 year which 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;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the 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. 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 auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Gibson Whitter Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 30 May 23.. and signed on its behalf by:

Rear Admiral M J Parr CB - Trustee



REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ROYAL NAVY RUGBY UNION

Opinion

We have audited the financial statements of Royal Navy Rugby Union (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 30 September 2022 which comprise the Consolidated Statement of Financial Activities, the consolidated Balance Sheet, the consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 September 2022 and 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 requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 group and parent 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ROYAL NAVY RUGBY UNION

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We designed audit procedures to respond to the risk, recognising that 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, for example, forgery, misrepresentations or through collusion.

Procedures performed by the audit team included:

- Discussions with management regarding known or suspected instances of non-compliance with laws and regulations; and
- Assessing journals entries as part of our planned audit approach. Evaluation of management incentives and opportunities for fraudulent manipulation of the financial statements including management override, and considering that the principal risk were related to the posting of inappropriate journal entries to improve the result for the year.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ROYAL NAVY RUGBY UNION

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our 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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Gavin Whitter (Senior Statutory Auditor)
for and on behalf of Gibson Whitter Limited
Statutory Auditors
Larch House
Parklands Business Park
Denmead
Hampshire
PO7 6XP

Date:

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

		Year ended 30.9.22 Unrestricted funds £	Year ended 30.9.21 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies	3	99,463	22,101
Charitable activities	6		
Royal Navy Rugby		94,951	-
Community Rugby		25,170	43,235
Other trading activities	4	1,142,258	122,450
Investment income	5	-	-
Other income	7	-	9,886
Total		1,361,842	197,672
 EXPENDITURE ON			
Raising funds	8	718,359	90,278
Charitable activities	9		
Royal Navy Rugby		292,271	67,197
Community Rugby		101,094	61,994
Total		1,111,724	219,469
 NET INCOME/(EXPENDITURE)		250,118	(21,797)
 RECONCILIATION OF FUNDS			
Total funds brought forward		297,671	319,468
 TOTAL FUNDS CARRIED FORWARD		547,789	297,671

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

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ROYAL NAVY RUGBY UNION

**CONSOLIDATED BALANCE SHEET
AT 30 SEPTEMBER 2022**

	Notes	Group 30.9.22 £	Group 30.9.21 £	Charity 30.9.22 £	Charity 30.9.21 £
FIXED ASSETS					
Intangible assets	16	6,963	10,444	-	-
Tangible assets	17	3,348	4,610	3,348	4,610
Investments	18	-	-	100,000	100,000
		10,311	15,054	103,348	104,610
CURRENT ASSETS					
Stocks	19	-	24,762	-	-
Debtors	20	108,725	80,250	426,983	50,954
Cash at bank		631,613	363,612	149,986	261,741
		740,338	468,624	576,969	312,695
CREDITORS					
Amounts falling due within one year	21	(152,860)	(95,405)	(82,529)	(69,635)
NET CURRENT ASSETS					
		587,478	373,219	494,440	243,060
TOTAL ASSETS LESS CURRENT LIABILITIES					
		597,789	388,273	597,788	347,670
CREDITORS					
Amounts falling due after more than one year	22	(50,000)	(90,602)	(50,000)	(50,000)
NET ASSETS					
		<u>547,789</u>	<u>297,671</u>	<u>547,788</u>	<u>297,670</u>
FUNDS					
Unrestricted funds	23	<u>547,789</u>	<u>297,671</u>	<u>547,788</u>	<u>297,670</u>
TOTAL FUNDS					
		<u>547,789</u>	<u>297,671</u>	<u>547,788</u>	<u>297,670</u>

The notes form part of the financial statements

ROYAL NAVY RUGBY UNION

**BALANCE SHEET - CONTINUED
AT 30 SEPTEMBER 2022**

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board of Trustees and authorised for issue on 30 May 23..... and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'MJ Parr', followed by a long horizontal stroke.

Rear Admiral M J Parr CB- Trustee

ROYAL NAVY RUGBY UNION

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Notes	Year ended 30.9.22 £	Year ended 30.9.21 £
Cash flows from operating activities:			
Cash generated from operations	1	269,575	38,433
Net cash provided by (used in) operating activities		269,575	38,433
Cash flows from investing activities:			
Purchase of intangible fixed assets		-	-
Purchase of tangible fixed assets		-	-
Interest received		-	-
Net cash provided by (used in) investing activities		-	-
Cash flows from financing activities:			
Movement of cash held as custodian		49,330	
Interest paid		(904)	-
Loan repaid in year		(50,000)	-
		(1,574)	-
Net cash provided by (used in) financing activities		-	-
Change in cash and cash equivalents in the reporting period		268,001	38,433
Cash and cash equivalents at the beginning of the reporting period		363,612	325,179
Cash and cash equivalents at the end of the reporting period		631,613	363,612

The notes form part of the financial statements

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Year ended 30.9.22 £	Year ended 30.9.21 £
Net income/ (expenditure) for the reporting period (as per the statement of financial activities)	250,118	(21,797)
Adjustments for:		
Depreciation and amortisation charges	4,743	5,486
Interest paid	904	-
Decrease in stocks	24,762	17,270
(Increase) in debtors	(28,475)	(11,942)
Increase in creditors	<u>17,523</u>	<u>49,416</u>
Net cash provided by operating activities	<u><u>269,575</u></u>	<u><u>38,433</u></u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.10.21	Cash flow	Other non-cash changes	At 30.9.22
Net cash				
Cash at bank and in hand	<u>363,612</u>	<u>268,001</u>	<u>-</u>	<u>631,613</u>
Debt				
Debts falling due within one year	(9,398)	9,398	-	-
Debts falling due after one year	<u>(90,602)</u>	<u>40,602</u>	<u>-</u>	<u>(50,000)</u>
	<u>(100,000)</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Total	<u><u>263,612</u></u>	<u><u>318,001</u></u>	<u><u>-</u></u>	<u><u>581,613</u></u>

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the charitable company and its subsidiary.

The financial statements of the subsidiary undertaking included within the consolidated figures are adjusted where appropriate, to conform to Group accounting policies.

Significant judgements and estimates

In preparing these financial statements, the trustee directors have made the following judgements:

- Determine whether financial instruments such as intra-group loans are basic or complex. These decisions depend on an assessment of the terms of the financial instrument.

Income

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of a general nature are recognised where there is entitlement, the receipt is probable and the amount can be measured with sufficient reliability. Such income is only deferred when:

- the donor specifies that the grant or donation must only be used in future accounting periods; or
- the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from activities to generate funds, such as sponsorship, merchandise sales, patrons scheme, Army v Navy match, Navy v RAF match and investment income are recognised on a receivable basis.

Income from charitable activities relates to Community Rugby grants and courses. Such income is only deferred when:

- the donor specifies that the grant must only be used in future accounting periods; or
- the donor has imposed conditions which must be met before the charity has unconditional entitlement.

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. ACCOUNTING POLICIES- continued

Volunteers and donated services

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

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

Expenditure

Expenditure is recognised when a liability is incurred. Contractual arrangements are recognised as goods or services are supplied.

- Raising fund costs are those costs incurred in attracting voluntary income.
- Charitable activities include expenditure associated with the Royal Navy's rugby union teams (first XV, under 23s, women's, veterans and sevens teams) and community rugby activities and include both the direct costs and support costs relating to those activities.
- Support costs and governance costs include central functions and have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Intangible fixed asset

Intangible fixed assets includes websites and databases. Websites have been capitalised where they are capable of directly generating income. Websites and databases are amortised, using the straight line basis, over their estimated useful lives of three and five years respectively.

Tangible fixed assets

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

Player training equipment	- 20% on cost
Motor vehicles	- 25% on reducing balance
Medical Equipment	- 20% on cost

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

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is computed on the first in first out basis. Net realisable value is the estimated proceeds from the sale of stock less any future costs to be incurred.

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. ACCOUNTING POLICIES - continued

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity.

Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

Pension costs and other post-retirement benefits

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

2. FINANCIAL ACTIVITIES OF THE CHARITY

The financial activities shown in the consolidated statement includes those of the Royal Navy Rugby Union and its wholly owed trading subsidiary Navy Rugby Limited.

A summary of the financial activities undertaken by the Royal Navy Rugby Union, is set out below:

	Year ended 30.9.22 £	Year ended 30.9.21 £
Total income	637,929	121,231
Expenditure		
Raising funds	(18,002)	(13,710)
Charitable - Royal Navy Rugby	(278,897)	(67,713)
Charitable - Community Rugby	(90,912)	(61,606)
Net income	250,118	(21,798)
Total funds brought forward	297,670	319,468
Total funds carried forward	<u>547,788</u>	<u>297,670</u>

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2022

3. DONATIONS AND LEGACIES

	Year ended 30.9.22 £	Year ended 30.9.21 £
RFU Constituent Body income	17,015	6,403
RN Sports Lottery - salary contributions	<u>82,448</u>	<u>15,698</u>
	<u>99,463</u>	<u>22,101</u>

4. OTHER TRADING ACTIVITIES

	Year ended 30.9.22 £	Year ended 30.9.21 £
Army v Navy match income	893,486	14,506
Merchandise sales	24,280	27,600
Sponsorship	142,500	60,000
International ticket sales	63,507	524
Patrons scheme income	18,485	18,570
Government grants	<u>-</u>	<u>1,250</u>
	<u>1,142,258</u>	<u>122,450</u>

5. INVESTMENT INCOME

	Year ended 30.9.22 £	Year ended 30.9.21 £
Bank interest	<u>-</u>	<u>-</u>

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2022

6. INCOME FROM CHARITABLE ACTIVITIES

	Year ended 30.9.22 Royal Navy Rugby £	Year ended 30.9.22 Community Rugby £	Year ended 30.9.22 Total activities £	Year ended 30.9.21 Total activities £
Grants	81,653	18,170	99,823	39,735
Personal contributions	13,298	0	13,298	0
RFU - RDO contribution	-	7,000	7,000	3,500
	<u>94,951</u>	<u>25,170</u>	<u>120,121</u>	<u>43,235</u>

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

	Year ended 30.9.22 £	Year ended 30.9.21 £
NSSC	43,000	22,000
Babcock International re CNRC	17,500	-
RNRMC	2,000	-
Rugby Football Development	2,000	-
RN RM Sports Lottery	<u>35,323</u>	<u>17,735</u>
	<u>99,823</u>	<u>39,735</u>

7. OTHER INCOME

	Year ended 30.9.22 £	Year ended 30.9.21 £
Coronavirus Job Retention Scheme grants	<u>-</u>	<u>9,886</u>

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2022

8. RAISING FUNDS

Other trading activities

	Year ended 30.9.22 £	Year ended 30.9.21 £
Merchandise purchases	24,805	19,875
Army v Navy match expenditure	563,633	-
Navy v RAF match expenditure	7,765	-
Marketing and hospitality	12,781	4,580
Patrons scheme costs	2,850	4,933
International ticket costs	74,890	-
Fulfilment and other trading costs	13,864	51,986
Support costs (see note 11)	17,771	8,904
	<u>718,359</u>	<u>90,278</u>

9. CHARITABLE ACTIVITIES COSTS

	Direct costs (see note 10) £	Support costs (see note 11) £	Totals £
Royal Navy Rugby	185,650	106,621	292,271
Community Rugby	<u>47,783</u>	<u>53,311</u>	<u>101,094</u>
	<u>233,433</u>	<u>159,932</u>	<u>393,365</u>

10. DIRECT COSTS OF CHARITABLE ACTIVITIES

	Year ended 30.9.22 £	Year ended 30.9.21 £
Staff costs (see note 14)	35,275	34,965
First XV team costs	45,869	10,784
Mariners team costs	2,395	-
Women's team costs	2,572	38
Under 23 team costs	2,401	2,343
Sevens team costs	3,311	613
Refereeing costs	1,620	-
Marine Nationale	19,667	-
CNRC Costs	44,335	-
Foreign tours	63,480	-
Community Rugby expenditure	12,508	318
	<u>233,433</u>	<u>49,061</u>

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2022

11. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Other trading activities	17,347	424	17,771
Royal Navy Rugby	104,079	2,542	106,621
Community Rugby	52,040	1,271	53,311
	<u>173,466</u>	<u>4,237</u>	<u>177,703</u>

Activity	Basis of allocation
Management	Staff hours
Governance costs	Staff hours

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

ROYAL NAVY RUGBY UNION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

11. SUPPORT COSTS- CONTINUED

Management

	Other	Royal		Year	Year
	trading	Navy	Community	ended	ended
	activities	Rugby	Rugby	30.9.22	30.9.21
	£	£	£	Total	Total
				activities	activities
				£	£
Wages (see note 14)	12,432	74,593	37,297	124,322	43,919
Social security (see note 14)	867	5,202	2,601	8,670	2,535
Pensions (see note 14)	793	4,758	2,379	7,930	2,759
Motor and travel expenses	1,613	9,676	4,838	16,127	14,451
General insurance	116	697	348	1,161	932
Telephone	159	952	476	1,587	1,643
Postage, stationery and other costs	211	1,265	632	2,108	2,404
Executive expenses	109	654	327	1,090	-
Director of Rugby expenses	268	1,606	803	2,677	2,416
Management accounts	-	-	-	-	3,000
Bank charges	219	1,313	657	2,189	2,042
Communications	434	2,606	1,303	4,343	8,074
Depreciation	126	757	379	1,262	2,004
	<u>17,347</u>	<u>104,079</u>	<u>52,040</u>	<u>173,466</u>	<u>86,179</u>

Governance costs

	Other	Royal		Year	Year
	trading	Navy	Community	ended	ended
	activities	Rugby	Rugby	30.9.22	30.9.21
	£	£	£	Total	Total
				activities	activities
				£	£
Auditors remuneration	400	2,400	1,200	4,000	-
Independent examiner' fees	-	-	-	-	2,220
Legal and professional fees	-	-	-	-	515
Other governance costs	24	142	71	237	120
	<u>424</u>	<u>2,542</u>	<u>1,271</u>	<u>4,237</u>	<u>2,855</u>

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2022

12. NET INCOME/(EXPENDITURE)

	Year ended 30.9.22	Year ended 30.9.21
Independent examination - RNRU	-	2,220
Auditors remuneration - RNRU	4,000	-
Depreciation - owned assets	1,262	2,004
Amortisation intangible assets	<u>3,481</u>	<u>3,482</u>

13. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 September 2022 nor for the period ended 30 September 2021.

Trustees' expenses

During the year two trustee was reimbursed expenses by the charity for travel, subsistence and training totalling £175 (30.9.21: two trustees £182).

14. STAFF COSTS

	Year ended 30.9.22	Year ended 30.9.21
	£	£
Wages and salaries	155,111	74,708
Social security costs	11,001	4,556
Other pension costs	<u>10,085</u>	<u>4,914</u>
	<u>176,197</u>	<u>84,178</u>

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

	Year ended 30.9.22	Year ended 30.9.21
Charitable staff	3	2
Support staff	<u>2</u>	<u>1</u>
	<u>5</u>	<u>3</u>

No employees received emoluments in excess of £60,000.

ROYAL NAVY RUGBY UNION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

15. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	22,101
Charitable activities	
Royal Navy Rugby	-
Community Rugby	43,235
Other trading activities	122,450
Investment income	-
Other income	9,886
Total	197,672
EXPENDITURE ON	
Raising funds	90,278
Charitable activities	
Royal Navy Rugby	67,197
Community Rugby	61,994
Total	219,469
NET INCOME/(EXPENDITURE)	(21,797)
Total funds brought forward	319,468
TOTAL FUNDS CARRIED FORWARD	297,671

16. INTANGIBLE FIXED ASSETS - GROUP AND CHARITY

	Website and database £
COST	
At 1 October 2021	27,080
Additions	-
At 30 September 2022	27,080
AMORTISATION	
At 1 October 2021	16,636
Charge for year	3,481
At 30 September 2022	20,117
NET BOOK VALUE	
At 30 September 2022	6,963
At 30 September 2021	10,444

ROYAL NAVY RUGBY UNION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

17. TANGIBLE FIXED ASSETS - GROUP AND CHARITY

	Player training equipment £	Motor vehicles and cycles £	Medical equipment £	Totals £
COST				
At 1 October 2021	14,974	14,895	3,584	33,453
Additions	-	-	-	-
Disposals	-	-	-	-
At 30 September 2022	<u>14,974</u>	<u>14,895</u>	<u>3,584</u>	<u>33,453</u>
DEPRECIATION				
At 1 October 2021	14,974	11,609	2,260	28,843
Charge for year	-	821	441	1,262
Eliminated on disposal	-	-	-	-
At 30 September 2022	<u>14,974</u>	<u>12,430</u>	<u>2,701</u>	<u>30,105</u>
NET BOOK VALUE				
At 30 September 2022	<u>-</u>	<u>2,465</u>	<u>883</u>	<u>3,348</u>
At 30 September 2021	<u>-</u>	<u>3,286</u>	<u>1,324</u>	<u>4,610</u>

18. FIXED ASSET INVESTMENTS - CHARITY ONLY

	Share in Group undertakings £
MARKET VALUE	
At 1 October 2021 and 30 September 2022	<u>100,000</u>
NET BOOK VALUE	
At 30 September 2022	<u>100,000</u>
At 30 September 2021	<u>-</u>

This represents 100,000 £1 shares in the charity's wholly owned subsidiary, Navy Rugby Limited (Company number: 10259113).

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2022

19. STOCK

	Group 30.9.22 £	Group 30.9.21 £	Charity 30.9.22 £	Charity 30.9.21 £
Merchandise stock	<u>-</u>	<u>24,762</u>	<u>-</u>	<u>-</u>

The stock was written down to nil during the year because the process for selling merchandise has changed and the stock brought forward is not compatible with the new process.

20. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 30.9.22 £	Group 30.9.21 £	Charity 30.9.22 £	Charity 30.9.21 £
Trade debtors	42,840	17,575	17,500	4,114
Other debtors	<u>65,885</u>	<u>62,675</u>	<u>409,483</u>	<u>46,840</u>
	<u>108,725</u>	<u>80,250</u>	<u>426,983</u>	<u>50,954</u>

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 30.9.22 £	Group 30.9.21 £	Charity 30.9.22 £	Charity 30.9.21 £
Bank loans	-	9,398	-	-
Trade creditors	7,665	3,905	7,147	3,703
PAYE and national insurance	3,879	-	3,879	-
Other creditors	12,367	5,177	9,367	10,127
Funds held as custodian	49,330	-	49,330	-
Deferred income (see below)	<u>79,619</u>	<u>76,925</u>	<u>12,806</u>	<u>55,805</u>
	<u>152,860</u>	<u>95,405</u>	<u>82,529</u>	<u>69,635</u>

Funds held as custodian for HMS Temeraire Sports Development Fund. This is represented by cash at bank.

Deferred income

Deferred income relates to sale of international tickets and grants relating to a future financial period.

	Group 30.9.22 £	Group 30.9.21 £	Charity 30.9.22 £	Charity 30.9.21 £
Balance brought forward	76,925	-	55,805	-
Amount released to incoming resources	(76,925)	-	(55,805)	-
Amount deferred in the period	<u>79,619</u>	<u>76,925</u>	<u>12,806</u>	<u>55,805</u>
Balance carried forward	<u>79,619</u>	<u>76,925</u>	<u>12,806</u>	<u>55,805</u>

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2022

22. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 30.9.22 £	Group 30.9.21 £	Charity 30.9.22 £	Charity 30.9.21 £
Bank loans	-	40,602	-	-
Other loans	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
	<u>50,000</u>	<u>90,602</u>	<u>50,000</u>	<u>50,000</u>

Bank loans above is in respect of a Bounce Back loan. This was repaid during the year.

Other loans above is in respect of a loan from RN Sports Lottery which will only become repayable when the charity has sufficient cashflow to do so.

23. MOVEMENT IN FUNDS CHARITY ONLY

	At 1.10.21 £	Net movement in funds £	Transfer between funds £	At 30.9.22 £
Unrestricted funds				
General fund	297,670	250,118	(80,000)	467,788
CNRC fund	-	-	20,000	20,000
Reserves build up	-	-	60,000	60,000
	<u>297,670</u>	<u>250,118</u>	<u>-</u>	<u>547,788</u>
TOTAL FUNDS	<u>297,670</u>	<u>250,118</u>	<u>-</u>	<u>547,788</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	637,929	(387,811)	250,118
	<u>637,929</u>	<u>(387,811)</u>	<u>250,118</u>
TOTAL FUNDS	<u>637,929</u>	<u>(387,811)</u>	<u>250,118</u>

24. RELATED PARTY DISCLOSURES

There were no related party transactions for the period ended 30 September 2022 (30.09.21: None).

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2022

25. ULTIMATE CONTROLLING PARTY

The charity is controlled by its board of trustees acting in concert.

26. SHARE CAPITAL AND LIABILITY OF MEMBERS

The charitable company is a company limited by guarantee and its members have undertaken to contribute to the assets of the company in the event of it being wound up such amounts as may be required not exceeding £1.

Accounts

REGISTERED COMPANY NUMBER: 09760575 (England and Wales)
REGISTERED CHARITY NUMBER: 1165153

**REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021
FOR**

ROYAL NAVY RUGBY UNION

Gibson Whitter
Chartered Accountants
and Tax Advisers
Larch House
Parklands Business Park
Denmead
Hampshire
PO7 6XP

ROYAL NAVY RUGBY UNION

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FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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ROYAL NAVY RUGBY UNION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 September 2021. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

CHAIRMAN'S OVERVIEW

This report covers the year to 30 September 2021.

In terms of impact felt because of COVID-19, this financial year has been as limited as the last by means of rugby output. Restrictions imposed by the Service, Government and National Governing Body continue to be adhered to and the Union is now following the RFUs 'Return to Rugby Road Map' for the Community Game. We did eventually see some rugby played over the summer months with the RNRU Sevens team, the Sharks, competing in the GB Super Seven Series, achieving some very credible victories. The Trustees remain committed to maximise the delivery of rugby, in its many formats, at all levels.

Regrettably for the second year running the annual Army v Navy fixture at Twickenham was cancelled. This cancellation severely limits the cash flow of the union and will further stretch our financial reserve. On a positive note our sponsors have stood by us and continue to support us financially, and we will be forever grateful. Their support has meant that the levels of support and governance imposed during the previous financial year has been maintained throughout this one. Income generation from merchandise sales remains a challenge. Historically the Army v Navy fixture generated visits to our website and led to increased merchandise sales, without the fixture these visits to the website and subsequently the web shop have been curtailed.

The Trustees have continued to curtail expenditure in order to meet our contractual commitments. No further loans or financial support has been required from outside agencies although the Royal Navy Sports Lottery stands by to provide support if and when required. The Trustees keep the situation under constant review and through good governance, diligence and planning continues to ensure the charity can appropriately respond to any challenges presented.

The landscape regarding COVID-19 is forever changing however the future looks positive. Return to Rugby is happening throughout the Community Game, not just in the Royal Navy but in clubs across the country. The challenge now is to ensure that those who have 'filled' the hole created by the cancellation of sport with other hobbies and pastimes come back to our game. Notwithstanding that, the trustees continue to exercise informed governance and believe that it remains appropriate to plan on a going concern basis.

ROYAL NAVY RUGBY UNION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 30 SEPTEMBER 2021

OBJECTIVES AND ACTIVITIES

Objectives and Aims

The explicit objectives endorsed by the RNRU support the over-riding aim to 'promote and foster' the game within the Royal Navy, and its local communities, as follows:

- Promoting the physical efficiency of members of the Naval Service by providing facilities and other encouragement for all ranks thereof to participate in the game of rugby football;
- Making grants for charitable purposes that benefit either directly or indirectly members both past and present of the Naval Service;
- Promoting amateur sport for the benefit of the public in particular by encouraging the participation of young people in the game of rugby football.

Achievements and Performance Against Objectives

A summary of the RNRU's achievements against our strategic plan as outlined in last year's Report and Accounts can be found in the table below.

We said that we would do

Deliver assured governance and regulation, with the financial strength to maintain and increase investment in the game to drive performance and community participation.

By the end of the 5 years we will have introduced Services rugby, at grass roots level, to 7000 more men and 700 more women whilst creating a player pathway from club level to the highest representative level.

Additionally, we aim to be the Services' leading rugby team, across the Senior XV, U23 and Sevens sides by 2022, with the Women's side achieving parity with at least the RAF.

We will simultaneously deliver and host the best rugby events, including the Commonwealth Nations Rugby Cup, and other competitions throughout the structured season.

We achieved

All areas of governance and finance continue to be impacted by the after affects of COVID-19. The Army v Navy fixture did not take place for the second year in a row and the continued loss of income related to the fixture meant that we yet again had to severely reduce our expenditure to compensate for the loss of income from the fixture. Our financial reserve has done exactly what it was there for, although it has had to stretch for 2 years and not the one year it was intended for.

Both targets will need to be reviewed. This is another area that has been affected by the cancellation of sport in the community area. The RNRU continues to follow the RFU 'Return to Rugby' pathway with a target of the 21/22 season to be delivering back at full capacity.

COVID-19 continued to impact sport at all levels and for an unprecedented second year, the Inter-Service Rugby Competition for 2021 was cancelled. This does not detract from our stated aims, although, as for 19/20, we may amend the timeframe to reflect the impact that COVID has had.

This year's Navy Cup, Inverdale Challenge and the Marine Nationale fixture were once again all cancelled due to COVID-19 and we look forward to reinvigorating them during the 21/22 season.

ROYAL NAVY RUGBY UNION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2021

OBJECTIVES AND ACTIVITIES (continued)

Achievements and Performance Against Objectives (continued)

We said that we would do

Wherever possible, as part of that growth path we will look for further opportunities to share financial benefits within the broader church of Services' sport, with appropriate checks and balances in place to evidence how those benefits are used.

We achieved

The overall financial position of the RNRU precluded making any grants to other sports associations, however this is something that will be rectified once our major income stream is back on track. Smaller annual donations were made to both United Services Portsmouth and Devonport Services Rugby Clubs.

Purpose of the RNRU

The Royal Navy Rugby Union has a long and distinguished history dating back to 1906. On its formation rugby was fairly embryonic, with ratings and other ranks not eligible to play. However, the Officers saw the games' value to Naval Service ethos and after the RN were able to select from all their personnel in 1920 there was a burgeoning of service rugby clubs, including Devonport Services and United Services Portsmouth, formed to provide playing opportunities in RFU league structures. Whilst in the early years these latter clubs were restricted to the use of service personnel approximately 30 years ago membership was opened to the local civilian community, who now form a significant element of the club, providing a valuable opportunity for outreach to the local community through sport. The adult section of both clubs supports 3 senior sides and one Colts team plus a vibrant youth section from U7 to U16. In addition, Devonport Services maintain a Ladies Youth team. RN ships and units are also active and engage in matches around the globe whilst the Union supports five representative teams (Senior Men, Senior Women, U23, Veterans and Sevens) to provide the pinnacle of Navy sport. In the modern day the Union remains relevant, upholds the values of the Royal Navy in building partnerships with other navies around the world in support of RFU initiatives.

As both a registered charity and Constituent Body of the Rugby Football Union, we are committed to promoting participation and enjoyment of rugby at all levels within the Naval Service. We are consolidating our position, having professionalised much of what we do, with success in the long running Inter Services Championship (particularly in the U23 area), and specifically the annual fixture against the Army at Twickenham remaining a central pillar of our strategy. At the same time we are developing our structures and facilities and investing heavily in grass roots and community rugby, as this will provide the foundation upon which we can grow our representative teams. The provision of a Women's Development side is providing increased opportunities for emerging players who otherwise would not be sufficiently proficient to break into the hitherto single female representative side. Elsewhere, the provision of coaching and refereeing courses is resulting in greater exposure to sport for all age groups.

Public Benefit

The charity exists to support the military efficiency of the Naval Service as a key component of the nation's Armed Forces and thereby to the defence of the nation. The Trustees have complied with the duty in Section 17 of the Charities Act 2011 and given due regard to the Charity Commission guidance on public benefit. In addition, the RNRU provides public benefit by enhancing and promoting military efficiency, strengthening the moral component of the Royal Navy's and Royal Marines' esprit de corps, which in turn brings tangible benefit to the public:

- the maintenance of maritime security with regard to the UK home bases and their people;
- the Naval Service's global commitment to the furtherance of world peace and stability;
- the protection of lawful maritime trade and the prevention of unlawful acts upon the high seas;
- the contribution to enhanced morale and retention of Naval Service personnel.

ROYAL NAVY RUGBY UNION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 30 SEPTEMBER 2021

FINANCIAL REVIEW

Financial position

The structure of the Charity has now been in operation for five years; the charitable activities are managed by the RNRU and Navy Rugby Ltd (NRL), a totally owned subsidiary of the charity RNRU, operates the trading activities.

These accounts cover the 12-month period to the 30 September 2021. This is the third discrete 12-month period since the financial year (FY) end was moved to 30 September, in 2018.

Statement of Financial Activities (SOFA)

The Consolidated SOFA for the 12-month period ended 30 September 2021 reflects the impact of the Covid-19 pandemic and accounts for the difference to prior years. The income for 2021 was £198k, which was significantly lower than £353k generated in 2020, as a result of the cancellation of all rugby, including the Army Navy Match at Twickenham. Expenditure also reduced to £219k compared to £613k in 2020, as more activities were cancelled due to the pandemic. However, in spite of this reduction, expenditure was still £22k more than the annual income, although significantly less than the over-expenditure of £259k in 2020.

The financial activities of the charity, the RNRU, shows income of £118k for 2021 compared with £143k in 2020 and £614k for 2019 (Note 2 to the Consolidated Financial Statements). Income is normally and primarily derived from the distribution from NRL but this year only a small profit of £27k was generated for distribution from trading activities. Expenditure at £146k was lower than last year (£402k) with >90% of that expenditure attributable to charitable activities (Royal Navy Rugby and Community Rugby), as in previous years. The charity was also supported by utilisation of the Coronavirus Job Retention Scheme (furlough scheme).

Balance Sheet

The consolidated group's net assets decreased by £22k from £319k on 30 September 2020 to £298k at 30 September 2021. The movement is reflected in net current assets with cash balances increasing by £38k due principally to income received in advance which is included in current liabilities.

The movement on the charity's standalone balance sheet reflects that of the group noted above.

On 30 September 2021 net assets of £298k were made up entirely of general charitable funds (£319k at 30 September 2020) with no designated funds.

Review of the Year

The on-going COVID-19 pandemic during 2021 has continued to impact the RNRU and NRL, with all rugby cancelled until the summer when 7s rugby partly resumed. This again resulted in a loss of >90% of the pre-pandemic income. Several long running contracts were not renewed during 2021, which assisted the cashflow. A significant proportion of the personnel costs were covered by the Naval Service Sports Charity (NSSC), which also provided a substantial grant to assist with resuming playing rugby. Four sponsors continued to support the Charity throughout the pandemic to the tune of £60k. Patron income remained constant but is relatively small in comparison to the other income. The RFU Constituent Body grant and Regional Development Officer funding was also reduced compared to previous years as a result of the pandemic. Overall, the current year's cash inflow was 30% of that in 2018/19. However, there was sufficient funds to enable the Charity to survive the current crisis and have reserves to move forward into the next financial year when it is hoped rugby will resume.

Both Community Rugby and Representative rugby expenditure was significantly lower than in previous years, due to the crisis and this was accounted for in the budget process. All expenditure was in line with expectations. The cancellation of the Army Navy match at Twickenham, for a second year, resulted in the loss of the main source of income for the Charity, and although this was a known risk, it was not possible to insure against this loss. The main match sponsor, Babcock International, continued to support both Unions and also made a charity donation to Richmond Council. The RNRU is extremely grateful to them and all the sponsors who have continued to show financial support during this period.

Overall, whilst drawing on reserves, the cashflow has been resilient. There remain sufficient funds in reserve to support a full 2021/22 rugby season, however, this will be on a more modest budget than in pre-pandemic years.

ROYAL NAVY RUGBY UNION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2021

FINANCIAL REVIEW (continued)

Going concern

The impact of COVID-19 for a second year on both the charity and its trading subsidiary has been noted elsewhere in this report.

The Trustee Board and the Directors of NRL have implemented cost reductions over a second financial year across both entities to ensure that they are able to continue to operate through this difficult period to a time; no rugby has been played this year, but these financial measures have ensured that rugby can pick up again and be watched by large crowds.

Over the past two years, the focus has been on reducing ongoing financial commitments together with careful management of the grants and loans received. Based on cashflow forecasts over the next two years, both entities are expected to be able to fulfil their current ongoing financial commitments until at least September 2023.

The Trustee Board were optimistic that the Army Navy match would be able to be played again after a two-year absence, in front of a capacity crowd at Twickenham in April 2022. We are pleased to report that the Army Navy match went ahead as planned at Twickenham with a reduced crowd.

The 2022 Army Navy match went ahead with c.23,000 navy tickets sold rather than 35,000 tickets and this affected the overall profit considerably. However, a healthy profit was still realised from this singular fund-raising match and the future distribution from Navy Rugby Limited should be ample to both pay for the 2022/23 season and allow for the rebuilding of reserves to commence.

It is hoped that reserves will be able to be built back up quickly over the coming few years.

The Trustee Board, based on the above, have therefore concluded that it remains appropriate to prepare these financial statements on the going concern basis.

Governance and Administration

The Trustee Board guided by the Investment Finance and Audit Committee (IFAC) approve the annual budget set by the Executive Committee. The accounting services for the RNRU are now in-house at HMS TEMERAIRE using a newly appointed finance officer and Xero accountancy software.

Risk

The Executive Committee, the IFAC and the Trustee Board consider financial risks. The key risk remains the hosting of a successful Army v Navy match, as the primary bearer of all income streams. As clearly demonstrated in 2020 the loss of this match, and the associated revenues, has had a significant impact on the operation of the RNRU. The mitigating action taken during 2020 to reduce all activities to a minimal level has enabled the Charity to continue to operate whilst drawing on reserves. Given the cancellation of the 2021 Army v Navy match the Charity will again draw on reserves to run a reduced programme with the expectation that a successful Army v Navy match is held in 2022 (this expectation has now been met). The Trustee Board, Executive Committee and the IFAC will continue to monitor this risk closely and will adapt the operating plans depending on how the rules change as the Country emerges from the Covid -19 pandemic.

Investments

The RNRU has a single investment, £100k invested in the trading subsidiary NRL. A long-term investment policy is kept under review and could be re-established in the future if sufficient excess funds have been generated.

As a result of the financial and operating impact COVID-19 has continued to have on NRL, the Trustee Board have considered whether the charity's investment in NRL of £100k is still an ongoing concern and agree it should not be impaired. The trustees have reviewed the forecasts prepared by NRL and they remained optimistic that the Army Navy match would return to Twickenham in 2022 which has now happened. The return of this key event in 2022 should see the NRL return to donating profits to the charity of at least a similar amount as before COVID-19.

ROYAL NAVY RUGBY UNION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 30 SEPTEMBER 2021

FINANCIAL REVIEW (continued)

Investment Restrictions

The Trustee Board do not consider ethical investment restrictions to be appropriate or in conflict with the objectives of the RNRU.

Reserves Policy

Prior to COVID-19 the Trustee Board had a reserves policy to set aside sufficient free reserves to meet the needs of current beneficiaries, whilst remaining sustainable for future generations. The reserves should give sufficient comfort that the charity can pursue its objectives and smooth out any unexpected fluctuations in charitable expenditure or shortfalls in income. The Trustee Board agreed a new reserves policy in April 2018 based on free reserves that would cover the costs of a basic season's rugby. The policy was amended in 2019 to have a minimum free-reserves level of £300k and a maximum of £500k.

However, before 2020, Free Reserves were never true savings in the sense of being kept aside but were partially consumed over the financial year together with direct income and then replenished from the NRL distribution at the end of the year.

During the past two years, when the COVID-19 pandemic stopped all rugby, the reserves bolstered by other grants and loans have ensured that the RNRU can continue operating as a going-concern into the foreseeable future. The result is that the reserves have fulfilled the function they were intended for and will allow the RNRU to continue to operate through FY21/22; during this year ahead, we expect to start growing the reserves again.

The charity's free reserves are calculated by taking total unrestricted funds and deducting designated reserves, investments held for the long term and operational tangible fixed assets. The calculation of free reserves at 30 September 2021 is shown in the table below:

	30 Sep 19	30 Sep 20	30 Sep 21
	£'000	£'000	£'000
Total unrestricted Funds	579	319	298
Less: Designated Fund for CNRC	(32)	0	0
Less: Designated Fund for Overseas Tours	(18)	0	0
Less: Long term Investments	(100)	(100)	(100)
Less: Operational Tangible Fixed Assets	(10)	(7)	(5)
Free Reserves	419	212	193

The reserves policy has not been adjusted as it is expected that once sufficient income flows in, expected from 2022, then the Trustee Board will rebuild reserves whilst continuing to be mindful of ensuring that the charity fulfils its charitable objectives. The impact of COVID-19 on the charity's main income sources has highlighted that having one year of reserves may not be sufficient and therefore it may be determined to increase the level of reserves held over time to levels higher than before. In rebuilding this reserve, the trustees are also now looking to hold a minimum level of reserves equal to a year's expenditure on Rugby throughout the year, given that the Charity dependence on a single event for its annual income.

ROYAL NAVY RUGBY UNION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2021

FINANCIAL REVIEW (continued)

Principal Risks and Uncertainties

The Trustees of the RNRU monitor the principal risks faced by the Charity via a risk matrix that is scrutinised by the IFAC and discussed by the Board at least annually. In the opinion of the Trustees, the Charity has established systems that, under normal circumstances, should allow the risks identified by them to be mitigated to acceptable levels.

However, the COVID-19 pandemic which continued into 2021 was not normal circumstances and the RNRU found one of their principal risks became an issue – the Army v Navy match could not be held at Twickenham (and was in fact cancelled for the second year in a row). The lack of income generated from the Army v Navy match had significant consequences for the financial situation of the RNRU and for the trading company Navy Rugby Ltd. The risk register was updated to reflect the increase in this risk.

The risk matrix identifies major risks to which the RNRU is exposed under the following headings: Strategic; Financial; and Operational. Controls have been identified to limit each of these risks. The top three risks and the mitigation for them are detailed in the table below. All are high impact risks and because of the continuing uncertainty generated by the covid-19 pandemic, two remain high impact despite the mitigation measures in place and the third is considered reduced to medium level.

Risk	Mitigation
There is a risk that the Trading Company proves ineffective due to lack of income generation.	1. Review all expenditure to minimum essential spend including review of 3rd party contracts. 2. Approach NSSB for grant to cover the cost of delivery of RNRU activity. 3. Approach Sports Lottery for a long-term loan to aid cash flow and facilitate rugby activity. 4. Investigate NRL and Charity “insolvency” figures – i.e. minimum balance required to enable winding up before becoming insolvent. 5. Investigate Navy Sports Board appetite for further grants in next FY.
There is a risk that the Army/Navy game may no longer be at Twickenham (RFU/Met Police do not allow the match to be held at Twickenham or it is not cost effective to hold the match there).	1. Contractual arrangement between RFU, A/N Match Committee, Babcock (sponsor) reviewed in 2018, 4 year contract is in place from 2019 with options for either party to withdraw annually. Decision point for Babcock is Nov 22 if they want to continue beyond the 2023 fixture. 2. The RNRU should always retain at least one season running cost (circa £235k and Reserves Policy is to increase Reserves to £525k – to be reviewed annually. 3. Maintain a firm grip/continued development of the Marketing Strategy for the A v N such that we continue to draw the crowds and the general public are aware of the fixture, the costs and why it is such good VfM. 4. Maintain a healthy and proactive relationship with Twickenham HQ to keep the RNRU in their sights (for all the right reasons). 5. Maintain a proactive Single Service public perception. 6. Work with Met Police, RFU and Richmond Council to mitigate concerns of all parties. 7. Review Reserves Policy/Investment Strategy in order that RNRU activity could continue if our revenue was seriously impacted by changes to the A v N match day (and associated revenues).

ROYAL NAVY RUGBY UNION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2021

FINANCIAL REVIEW (continued)

Principal Risks and Uncertainties (continued)

Risk	Mitigation
There is a risk that sponsors will withdraw all/most sponsorship financial/non-cash support.	1. Maintain a strong communications link to demonstrate the value of the relationship. 2. Attractive and rewarding sponsorship opportunities. 3. Contract Letters (who gets what) have been reissued – DoM. 4. Clear parameters for return and maintain optimum number (12) and minimum amount (£5K). 5. Ability to encourage sponsors to commit to 3 yr contracts – ongoing. 6. Letter from RNRU President thanking Sponsors for their continued support of the RNRU in these challenging times.

PLANS FOR THE FUTURE

- After a 2-year pause, reinvigorate community level rugby wherever Royal Navy personnel are serving around the globe;
- Consolidate the small gains made in the Women's game and plan to hold an inaugural Women's rugby tour in 2022;
- Continue to provide enhanced duty of care for protection for players at all levels;
- Reintroduce contingency planning to help build greater strength in depth to ensure there are sufficient players of the required quality to enable us to be competitive at Inter-Service level competitions.

The governance element of the charity continues on a solid footing, and the Union is now in the fourth year of its 5 year strategy (which will be reviewed during the next financial year and reissued from year 1), aligned with the RFU's overarching strategy for game development, it is determined that the head marks set out in the charity remain fit for purpose:

Delivering assured governance and regulation, with the financial strength to maintain and increase investment in the game to drive performance and community participation, such that by the end of the 5 years we will have introduced Services rugby, at grass roots level, to 7000 more men and 700 more women whilst creating a player pathway from club level to the highest representative level. Additionally, we aim to be the Services' leading rugby team, across the Senior Men, U23 and Sevens sides by 2022, with the Senior Women's side achieving parity with at least the RAF. We will do this whilst, simultaneously, delivering and hosting the best rugby events, including the Commonwealth Nations Rugby Cup, and other competitions throughout the structured seasons. Wherever possible, as part of that growth path we will look for further opportunities to share the financial benefits with a broader church of Services' sport, with appropriate checks and balances in place to evidence how those benefits are used.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational Structure

The RNRU is a regulatory body, which on behalf of the President, directs, controls, administers and promotes the sport of Rugby Football Union within the Royal Navy. The objects of the RNRU are reviewed by the Trustees and specific targets and objectives, which are compatible with those laid down by the Rugby Football Union (RFU) as the governing body for the sport, are set.

The aim of the RNRU is to promote and foster the game of Rugby Union in the Royal Navy and its local communities in accordance with the Laws of the Game promulgated by World Rugby and the rules, regulations and bye laws issued by the RFU.

ROYAL NAVY RUGBY UNION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 30 SEPTEMBER 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational Structure (continued)

The governing body of the RNRU is the Board of Trustees, which comprises up to 8 members and meets twice a year to review charitable objectives, strategy, risk register and performance. Trustees are elected or appointed for a three-year term, and may, subject to Board approval, serve for further three-year terms. New appointee's induction training is personalised to meet the requirements of the appointee. The President and Secretary attend all Board of Trustees meetings.

The Board is supported by an Investment, Finance and Audit Committee (IFAC) sub-committee, with specific terms of reference and functions delegated by the Board and with a Trustee as Chairman, appointed by the Board. An independent member (qualified accountant) attends all meetings together with the Executive Committee Vice Chair.

The Board decide on the strategy of the Union, with implementation of strategy and day-to-day operational management of activity in support of its objectives delegated by the Board to the Executive Committee. The Executive separately, and independently, act as the delivery arm of NRL.

The Executive Committee consist of the following appointments:

Chairman	Treasurer
Vice Chair	Director of Marketing
RFU Council Member	Director of Communications
Director of Rugby	Project Officers (non-voting)
Director of Community Rugby	Sports Development Officer (non-voting)
Company Secretary & Director of Operations	

The majority of RNRU officials are serving Royal Navy/Royal Marines personnel, who undertake the roles on a voluntary basis on top of their high-pressure military appointments. The exception is the RNRU Secretariat and Community Rugby team which is staffed by 3 permanent staff; the Secretary is a full-time MOD Civil Servant and the Company Secretary, Assistant Secretary and Rugby Development Officer are funded by the charity. Due to the ongoing financial impact of Covid-19, salary for the Company Secretary and Rugby Development Officer are being underwritten by the NSSC. All vacancies within the RNRU are advertised on the RNRU website inviting volunteers, both serving and civilians, to be considered for selection; all Executive Committee appointments are re-appointed at the AGM.

Management and Administration

The day to day control and administration of the RNRU is delegated to the Chair of the Executive Committee. The Executive Committee are tasked with achieving the objectives set by the trustees in their current five-year strategic plans.

Volunteers and Related Parties

The Trustees all gave their services voluntarily and received no remuneration for their activities, other than travel and incidental expenses. The serving members of the Board undertake their RNRU duties as volunteers in addition to their normal line duties.

ROYAL NAVY RUGBY UNION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2021

STRUCTURE, GOVERNANCE & MANAGEMENT

Navy Rugby Limited

Navy Rugby Limited (NRL) has now operated for six full accounting periods as a separate but wholly owned subsidiary of the Royal Navy Rugby Union (RNRU). It is a VAT registered company whose objective is to generate income for the RNRU through trading activities including, but not limited to, receipts from ticket sales to Navy Rugby games, the sale of merchandise associated with Navy Rugby and the support of RNRU sponsors. NRL has three directors: the shareholding director (a member of the Trustee Board of the RNRU), a managing director (the member of the RNRU Executive Committee responsible for Marketing) and an independent Chairman. The RNRU Company Secretary and Treasurer also perform the appropriate professional duties for NRL, which has a separate bank account and operates as a separate entity in legal and financial terms from the RNRU. Established with a £100,000 share issue from which all trading activity is resourced, all its operating profits are donated to the RNRU on completion of its annual audit. The NRL Board of Directors meet at least twice a year and oversight is maintained on the RNRU Board of Trustees by inviting the Chairman to report its activities at Trustee Board meetings. In addition, the managing director of NRL reports to the RNRU Trustee Board's Investment, Finance and Audit sub-committee.

Governing Document

The RNRU is controlled by its governing document, its Memorandum and Articles of Association dated 3 September 2015, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company Number

09760575 (England and Wales)

Registered Charity Number

1165153

Registered Office

HMS Temeraire
Burnaby Road
Portsmouth
Hampshire
PO1 2HB

Patron

HM The Queen

President

Vice Admiral Sir Ben Key KCB CBE ADC

Trustees

The Trustees in this period were:

Rear Admiral M J Parr CB (Chairman)

Mr A Bujalski

Mr M H Connolly

Mr J M R Saunders Watson

Mr J B Inverdale

Commander K Marlor Royal Navy

Captain R Readwin ADC Royal Navy

Captain S E Oakley Royal Navy

Captain A Kellett MBE Royal Navy

Appointed 10 May 2021

Resigned 10 May 2021

ROYAL NAVY RUGBY UNION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2021

REFERENCE AND ADMINISTRATIVE DETAILS (continued)

Independent examiner

Gibson Whitter
Chartered Accountants
and Chartered Tax Advisers
Larch House
Parklands Business Park
Denmead
Hampshire
PO7 6XP

Legal Advisors

Wilsons Solicitors LLP
Alexandra House
St Johns Street
Salisbury
SP1 2SB

Bankers

National Westminster Bank PLC
130 Commercial Road
Portsmouth
Hampshire
PO1 2EJ

ACKNOWLEDGEMENTS

The Board wish to place on record their gratitude to all those who have contributed to the on-going success of the RNRU. These are too numerous to mention in full and the list that follows is just a representative sample of our growing band of supporters.

Peter Cooper VW	MBDA
Babcock International Group PLC	BMT
ESS (part of the Compass Group UK)	Rolls Royce
MLS	Qinetiq
SAAB	Thales
SA-Group	Canterbury of New Zealand Limited
i-Pro	

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

Rear Admiral M J Parr CB - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ROYAL NAVY RUGBY UNION

Independent examiner's report to the trustees of Royal Navy Rugby Union ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30 September 2021.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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

Gavin Whitter
ICAEW
Gibson Whitter
Chartered Accountants
and Chartered Tax Advisers
Larch House
Parklands Business Park
Denmead
Hampshire
PO7 6XP

Date:

ROYAL NAVY RUGBY UNION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 SEPTEMBER 2021

		Year ended 30.9.21 Unrestricted funds £	Year ended 30.9.20 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies	3	22,101	26,172
Charitable activities	6		
Royal Navy Rugby		-	-
Community Rugby		43,235	14,300
Other trading activities	4	122,450	272,723
Investment income	5	-	10
Other income	7	9,886	40,400
Total		197,672	353,605
EXPENDITURE ON			
Raising funds	8	90,278	232,764
Charitable activities	9		
Royal Navy Rugby		67,197	199,537
Community Rugby		61,994	180,720
Total		219,469	613,021
NET INCOME/(EXPENDITURE)		(21,797)	(259,416)
RECONCILIATION OF FUNDS			
Total funds brought forward		319,468	578,884
TOTAL FUNDS CARRIED FORWARD		297,671	319,468

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

ROYAL NAVY RUGBY UNION

**CONSOLIDATED BALANCE SHEET
AT 30 SEPTEMBER 2021**

	Notes	Group 30.9.21 £	Group 30.9.20 £	Charity 30.9.21 £	Charity 30.9.20 £
FIXED ASSETS					
Intangible assets	16	10,444	13,926	-	-
Tangible assets	17	4,610	6,614	4,610	6,614
Investments	18	-	-	100,000	100,000
		<u>15,054</u>	<u>20,540</u>	<u>104,610</u>	<u>106,614</u>
CURRENT ASSETS					
Stocks	19	24,762	42,032	-	-
Debtors	20	80,250	68,308	50,954	76,799
Cash at bank		<u>363,612</u>	<u>325,179</u>	<u>261,741</u>	<u>212,245</u>
		<u>468,624</u>	<u>435,519</u>	<u>312,695</u>	<u>289,044</u>
CREDITORS					
Amounts falling due within one year	21	(95,405)	(36,591)	(69,635)	(26,191)
		<u>373,219</u>	<u>398,928</u>	<u>243,060</u>	<u>262,853</u>
NET CURRENT ASSETS					
		373,219	398,928	243,060	262,853
TOTAL ASSETS LESS CURRENT LIABILITIES		388,273	419,468	347,670	369,467
CREDITORS					
Amounts falling due after more than one year	22	(90,602)	(100,000)	(50,000)	(50,000)
NET ASSETS		<u>297,671</u>	<u>319,468</u>	<u>297,670</u>	<u>319,467</u>
FUNDS	23				
Unrestricted funds		<u>297,671</u>	<u>319,468</u>	<u>297,670</u>	<u>319,467</u>
TOTAL FUNDS		<u>297,671</u>	<u>319,468</u>	<u>297,670</u>	<u>319,467</u>

ROYAL NAVY RUGBY UNION

**BALANCE SHEET - CONTINUED
AT 30 SEPTEMBER 2021**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 September 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

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

Rear Admiral M J Parr CB- Trustee

ROYAL NAVY RUGBY UNION

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Notes	Year ended 30.9.21 £	Year ended 30.9.20 £
Cash flows from operating activities:			
Cash generated from operations	1	38,433	(288,979)
Net cash provided by (used in) operating activities		38,433	(288,979)
Cash flows from investing activities:			
Purchase of intangible fixed assets		-	(17,408)
Purchase of tangible fixed assets		-	-
Interest received		-	10
Net cash provided by (used in) investing activities		-	(17,398)
Cash flows from financing activities:			
New loans in the year		-	100,000
Net cash provided by (used in) financing activities		-	100,000
Change in cash and cash equivalents in the reporting period		38,433	(206,377)
Cash and cash equivalents at the beginning of the reporting period		325,179	531,556
Cash and cash equivalents at the end of the reporting period		363,612	325,179

The notes form part of the financial statements

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Year ended 30.9.21 £	Year ended 30.9.20 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(21,797)	(259,416)
Adjustments for:		
Depreciation and amortisation charges	5,486	7,102
Interest received	-	(10)
Decrease/(increase) in stocks	17,270	8,180
(Increase)/decrease in debtors	(11,942)	23,345
(Decrease)/increase in creditors	49,416	(68,180)
Net cash (used in)/provided by operating activities	<u>38,433</u>	<u>(288,979)</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.10.20	Cash flow	Other non-cash changes	At 30.9.21
Net cash				
Cash at bank and in hand	<u>325,179</u>	<u>38,433</u>	<u>-</u>	<u>363,612</u>
Debt				
Debts falling due within one year	-	-	(9,398)	(9,398)
Debts falling due after one year	<u>(100,000)</u>	<u>-</u>	<u>9,398</u>	<u>(90,602)</u>
	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>
Total	<u>225,179</u>	<u>38,433</u>	<u>-</u>	<u>263,612</u>

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Going Concern

The charity has for a second year been impact by the global pandemic as noted in more detail in the Trustees Annual Report.

Since the balance sheet date the 2022 Army v Navy match has taken place at Twickenham albeit with a reduced crowd. This has generated sufficient profits for Navy Rugby Limited that a sizeable distribution will be received by the charity in respect of the year ended 30 September 2022. This will mean that the charity will be able to meet its planned expenditure for the year ended 30 September 2023 and begin rebuilding its reserves.

The Trustee Board, based on the above, have therefore concluded that it remains appropriate to prepare these financial statements on the going concern basis.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the charitable company and its subsidiary.

The financial statements of the subsidiary undertaking included within the consolidated figures are adjusted where appropriate, the conform to Group accounting policies.

Significant judgements and estimates

In preparing these financial statements, the trustee directors have made the following judgements:

- Determine whether financial instruments such as intra-group loans are basic or complex. These decisions depend on an assessment of the terms of the financial instrument.

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. ACCOUNTING POLICIES- continued

Income

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of a general nature are recognised where there is entitlement, the receipt is probable and the amount can be measured with sufficient reliability. Such income is only deferred when:

- the donor specifies that the grant or donation must only be used in future accounting periods; or
- the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from activities to generate funds, such as sponsorship, merchandise sales, patrons scheme, Army v Navy match, Navy v RAF match and investment income are recognised on a receivable basis.

Income from charitable activities relates to Community Rugby grants and courses. Such income is only deferred when:

- the donor specifies that the grant must only be used in future accounting periods; or
- the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Volunteers and donated services

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

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

Expenditure

Expenditure is recognised when a liability is incurred. Contractual arrangements are recognised as goods or services are supplied.

- Raising fund costs are those costs incurred in attracting voluntary income.
- Charitable activities include expenditure associated with the Royal Navy's rugby union teams (first XV, under 23s, women's, veterans and sevens teams) and community rugby activities and include both the direct costs and support costs relating to those activities.
- Support costs and governance costs include central functions and have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. ACCOUNTING POLICIES - continued

Intangible fixed asset

Intangible fixed assets includes websites and databases. Websites have been capitalised where they are capable of directly generating income. Websites and databases are amortised, using the straight line basis, over their estimated useful lives of three and five years respectively.

Tangible fixed assets

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

Player training equipment	- 20% on cost
Motor vehicles	- 25% on reducing balance
Medical Equipment	- 20% on cost

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

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is computed on the first in first out basis. Net realisable value is the estimated proceeds from the sale of stock less any future costs to be incurred.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity.

Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

Pension costs and other post-retirement benefits

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

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2021

2. FINANCIAL ACTIVITIES OF THE CHARITY

The financial activities shown in the consolidated statement includes those of the Royal Navy Rugby Union and its wholly owed trading subsidiary Navy Rugby Limited.

A summary of the financial activities undertaken by the Royal Navy Rugby Union, is set out below:

	Year ended 30.9.21 £	Year ended 30.9.20 £
Total income	118,231	143,002
Expenditure		
Raising funds	(14,009)	(22,157)
Charitable - Royal Navy Rugby	(69,513)	(221,581)
Charitable - Community Rugby	(62,506)	(158,680)
Net income	(27,797)	(259,416)
Total funds brought forward	319,467	578,883
Total funds carried forward	<u>291,670</u>	<u>319,467</u>

3. DONATIONS AND LEGACIES

	Year ended 30.9.21 £	Year ended 30.9.20 £
RFU Constituent Body income	6,403	26,172
RN Sports Lottery - salary contributions	15,698	-
	<u>22,101</u>	<u>26,172</u>

4. OTHER TRADING ACTIVITIES

	Year ended 30.9.21 £	Year ended 30.9.20 £
Army v Navy match income	14,506	64,776
Navy V RAF match income	-	18,641
Merchandise sales	27,600	37,671
Sponsorship	60,000	109,750
International ticket sales	524	22,335
Patrons scheme income	18,570	19,550
Government grants	1,250	-
	<u>122,450</u>	<u>272,723</u>

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2021

5. INVESTMENT INCOME

	Year ended 30.9.21 £	Year ended 30.9.20 £
Bank interest	<u>-</u>	<u>10</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	Year ended 30.9.21 Royal Navy Rugby £	Year ended 30.9.21 Community Rugby £	Year ended 30.9.20 Total activities £
Grants	-	39,735	3,800
RFU - RDO contribution	<u>-</u>	<u>3,500</u>	<u>10,500</u>
	<u>-</u>	<u>43,235</u>	<u>14,300</u>

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

	Year ended 30.9.21 £	Year ended 30.9.20 £
NSSC	22,000	2,000
RNRMC	-	1,800
RN RM Sports Lottery	<u>17,735</u>	<u>-</u>
	<u>39,735</u>	<u>3,800</u>

7. OTHER INCOME

	Year ended 30.9.21 £	Year ended 30.9.20 £
Coronavirus Job Retention Scheme grants	<u>9,886</u>	<u>40,400</u>

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2021

8. RAISING FUNDS

Other trading activities

	Year ended 30.9.21 £	Year ended 30.9.20 £
Merchandise purchases	19,875	27,242
Army v Navy match expenditure	-	27,319
Navy v RAF match expenditure	-	27,737
Marketing and hospitality	4,580	4,153
Patrons scheme costs	4,933	4,933
International ticket costs	-	30,161
Fulfilment and other trading costs	51,986	93,994
Support costs (see note 11)	8,904	9,204
	<u>90,278</u>	<u>224,743</u>

9. CHARITABLE ACTIVITIES COSTS

	Direct costs (see note 10) £	Support costs (see note 11) £	Totals £
Royal Navy Rugby	13,778	53,419	67,197
Community Rugby	<u>35,283</u>	<u>26,711</u>	<u>61,994</u>
	<u>49,061</u>	<u>80,130</u>	<u>129,191</u>

10. DIRECT COSTS OF CHARITABLE ACTIVITIES

	Year ended 30.9.21 £	Year ended 30.9.20 £
Staff costs (see note 14)	34,965	94,385
First XV team costs	10,784	55,026
Mariners team costs	-	2,480
Women's team costs	38	7,838
Under 23 team costs	2,343	9,555
Sevens team costs	613	2,395
Refereeing costs	-	6,396
IDRC costs	-	10,000
Foreign tours	-	7,013
Community Rugby expenditure	318	31,657
Presidents XV costs	-	5,373
Stakeholder manager costs	-	225
	<u>49,061</u>	<u>232,343</u>

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2021

11. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Other trading activities	8,619	285	8,904
Royal Navy Rugby	51,706	1,713	53,419
Community Rugby	25,854	857	26,711
	<u>86,179</u>	<u>2,855</u>	<u>89,034</u>

Activity	Basis of allocation
Management	Staff hours
Governance costs	Staff hours

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

ROYAL NAVY RUGBY UNION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

11. SUPPORT COSTS- CONTINUED

Management

	Other	Royal		Year	Year
	trading	Navy	Community	ended	ended
	activities	Rugby	Rugby	30.9.21	30.9.20
	£	£	£	Total	Total
				activities	activities
				£	£
Wages (see note 14)	4,392	26,351	13,176	43,919	71,600
Social security (see note 14)	253	1,521	761	2,535	5,203
Pensions (see note 14)	276	1,655	828	2,759	5,012
Motor and travel expenses	1,445	8,671	4,335	14,451	12,179
General insurance	93	559	280	932	934
Telephone	165	986	492	1,643	2,300
Postage, stationery and other costs	241	1,442	721	2,404	2,118
Executive expenses	-	-	-	-	1,270
Director of Rugby expenses	241	1,450	725	2,416	3,501
Management accounts	300	1,800	900	3,000	11,500
Bank charges	204	1,225	613	2,042	2,173
Communications	808	4,844	2,422	8,074	32,794
Donations	-	-	-	-	5,000
Depreciation	201	1,202	601	2,004	3,620
	<u>8,619</u>	<u>51,706</u>	<u>25,854</u>	<u>86,179</u>	<u>159,204</u>

Governance costs

	Other	Royal		Year	Year
	trading	Navy	Community	ended	ended
	activities	Rugby	Rugby	30.9.21	30.9.20
	£	£	£	Total	Total
				activities	activities
				£	£
Independent examiner' fees	222	1,332	666	2,220	2,050
Legal and professional fees	51	309	155	515	2,435
Other governance costs	12	72	36	120	661
	<u>285</u>	<u>1,713</u>	<u>857</u>	<u>2,855</u>	<u>5,146</u>

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2021

12. NET INCOME/(EXPENDITURE)

	Year ended 30.9.21	Year ended 30.9.20
Independent examination - RNRU	2,220	2,050
Depreciation - owned assets	2,004	3,620
Amortisation intangible assets	<u>3,482</u>	<u>3,482</u>

13. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 September 2021 nor for the period ended 30 September 2020.

Trustees' expenses

During the year two trustee was reimbursed expenses by the charity for travel, subsistence and training totalling £182 (30.9.20: one trustee £316).

14. STAFF COSTS

	Year ended 30.9.21	Year ended 30.9.20
	£	£
Wages and salaries	74,708	154,526
Social security costs	4,556	10,857
Other pension costs	<u>4,914</u>	<u>10,817</u>
	<u>84,178</u>	<u>176,200</u>

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

	Year ended 30.9.21	Year ended 30.9.20
Charitable staff	2	4
Support staff	<u>1</u>	<u>2</u>
	<u>3</u>	<u>6</u>

No employees received emoluments in excess of £60,000.

ROYAL NAVY RUGBY UNION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

15. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	26,172
Charitable activities	
Royal Navy Rugby	-
Community Rugby	14,300
Other trading activities	272,723
Investment income	10
Other income	40,400
Total	353,605
EXPENDITURE ON	
Raising funds	232,764
Charitable activities	
Royal Navy Rugby	199,537
Community Rugby	180,720
Total	613,021
NET INCOME/(EXPENDITURE)	(259,416)
Total funds brought forward	578,884
TOTAL FUNDS CARRIED FORWARD	319,468

16. INTANGIBLE FIXED ASSETS - GROUP AND CHARITY

	Website and database £
COST	
At 1 October 2020	27,080
Additions	-
At 30 September 2021	27,080
AMORTISATION	
At 1 October 2020	13,154
Charge for year	3,482
At 30 September 2021	16,636
NET BOOK VALUE	
At 30 September 2021	10,444
At 30 September 2020	13,926

ROYAL NAVY RUGBY UNION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

17. TANGIBLE FIXED ASSETS - GROUP AND CHARITY

	Player training equipment £	Motor vehicles and cycles £	Medical equipment £	Totals £
COST				
At 1 October 2020	14,974	15,895	3,584	34,453
Additions	-	-	-	-
Disposals	-	(1,000)	-	-
At 30 September 2021	<u>14,974</u>	<u>14,895</u>	<u>3,584</u>	<u>34,453</u>
DEPRECIATION				
At 1 October 2020	14,505	11,514	1,820	27,839
Charge for year	469	1,095	440	2,004
Eliminated on disposal	-	(1,000)	-	-
At 30 September 2021	<u>14,974</u>	<u>11,609</u>	<u>2,260</u>	<u>29,843</u>
NET BOOK VALUE				
At 30 September 2021	<u>-</u>	<u>3,286</u>	<u>1,324</u>	<u>4,610</u>
At 30 September 2020	<u>469</u>	<u>4,381</u>	<u>1,764</u>	<u>6,614</u>

18. FIXED ASSET INVESTMENTS - CHARITY ONLY

	Share in Group undertakings £
MARKET VALUE	
At 1 October 2020 and 30 September 2021	<u>100,000</u>
NET BOOK VALUE	
At 30 September 2021	<u>100,000</u>
At 30 September 2020	<u>-</u>

This represents 100,000 £1 shares in the charity's wholly owned subsidiary, Navy Rugby Limited (Company number: 10259113).

ROYAL NAVY RUGBY UNION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

19. STOCK

	Group 30.9.21 £	Group 30.9.20 £	Charity 30.9.21 £	Charity 30.9.20 £
Merchandise stock	<u>24,762</u>	<u>42,032</u>	<u>-</u>	<u>-</u>

20. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 30.9.21 £	Group 30.9.20 £	Charity 30.9.21 £	Charity 30.9.20 £
Trade debtors	17,575	27,962	4,114	10,500
Other debtors	<u>62,675</u>	<u>40,346</u>	<u>46,840</u>	<u>66,299</u>
	<u>80,250</u>	<u>68,308</u>	<u>50,954</u>	<u>76,799</u>

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 30.9.21 £	Group 30.9.20 £	Charity 30.9.21 £	Charity 30.9.20 £
Bank loans	9,398	-	-	-
Trade creditors	3,905	24,647	3,703	14,211
PAYE and national insurance	-	3,155	-	3,155
Other creditors	5,177	8,789	10,127	8,825
Deferred income (see below)	<u>76,925</u>	<u>-</u>	<u>55,805</u>	<u>-</u>
	<u>95,405</u>	<u>36,591</u>	<u>69,635</u>	<u>26,191</u>

Deferred income

Deferred income relates to sale of international tickets and grants relating to a future financial period.

	Group 30.9.21 £	Group 30.9.20 £	Charity 30.9.21 £	Charity 30.9.20 £
Balance brought forward	-	17,928	-	17,928
Amount released to incoming resources	-	(17,928)	-	(17,928)
Amount deferred in the period	<u>76,925</u>	<u>-</u>	<u>55,805</u>	<u>-</u>
Balance carried forward	<u>76,925</u>	<u>-</u>	<u>55,805</u>	<u>-</u>

ROYAL NAVY RUGBY UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2021

22. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 30.9.21 £	Group 30.9.20 £	Charity 30.9.21 £	Charity 30.9.20 £
Bank loans	40,602	50,000	-	-
Other loans	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
	<u>90,602</u>	<u>100,000</u>	<u>50,000</u>	<u>50,000</u>

Bank loans above is in respect of a Bounce Back loan.

Other loans above is in respect of a loan from NSSC which will only become repayable when the charity has sufficient cashflow to do so.

23. MOVEMENT IN FUNDS CHARITY ONLY

	At 1.10.20 £	Net movement in funds £	Transfer between funds £	At 30.9.21 £
Unrestricted funds				
General fund	319,467	(21,797)	-	297,670
	<u>319,467</u>	<u>(21,797)</u>	<u>-</u>	<u>297,670</u>
TOTAL FUNDS	<u>319,467</u>	<u>(21,797)</u>	<u>-</u>	<u>297,670</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	121,231	(143,028)	(21,797)
	<u>121,231</u>	<u>(143,028)</u>	<u>(21,797)</u>
TOTAL FUNDS	<u>121,231</u>	<u>(143,028)</u>	<u>(21,797)</u>

24. RELATED PARTY DISCLOSURES

There were no related party transactions for the period ended 30 September 2021 (30.09.20: None).

ROYAL NAVY RUGBY UNION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

25. ULTIMATE CONTROLLING PARTY

The charity is controlled by its board of trustees acting in concert.

26. SHARE CAPITAL AND LIABILITY OF MEMBERS

The charitable company is a company limited by guarantee and its members have undertaken to contribute to the assets of the company in the event of it being wound up such amounts as may be required not exceeding £1.