

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
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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
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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
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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 on30 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 on30 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 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.

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 trading activities £	Royal Navy Rugby £	Community Rugby £	Year ended 30.9.22 Total activities £	Year ended 30.9.21 Total 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 trading activities £	Royal Navy Rugby £	Community Rugby £	Year ended 30.9.22 Total activities £	Year ended 30.9.21 Total 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	<u>197,672</u>
EXPENDITURE ON	
Raising funds	90,278
Charitable activities	
Royal Navy Rugby	67,197
Community Rugby	61,994
Total	<u>219,469</u>
NET INCOME/(EXPENDITURE)	<u>(21,797)</u>
Total funds brought forward	<u>319,468</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>297,671</u></u>

16. INTANGIBLE FIXED ASSETS - GROUP AND CHARITY

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

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.