

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
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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
FOR THE YEAR ENDED 30 SEPTEMBER 2023

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
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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

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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
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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 £
INCOME AND ENDOWMENTS FROM	Notes		
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		832,009	547,789

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

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	Royal		Year	Year
	trading	Navy	Community	ended	ended
	activities	Rugby	Rugby	30.9.23	30.9.22
	£	£	£	Total	Total
				activities	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	Royal		Year	Year
	trading	Navy	Community	ended	ended
	activities	Rugby	Rugby	30.9.23	30.9.22
	£	£	£	Total	Total
				activities	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.