

(REGISTERED CHARITY NUMBER: 1184013)

**RNLI LIFESAVING ENDOWMENT  
REPORT AND FINANCIAL STATEMENTS  
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2021**

**RNLI LIFESAVING ENDOWMENT  
REPORT AND FINANCIAL STATEMENTS  
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**RNLI LIFESAVING ENDOWMENT  
OFFICERS AND PROFESSIONAL ADVISERS  
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2021**

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Unless otherwise stated, Trustees served for the full 18-month period.

**TRUSTEES:** E Donaldson  
C Hunter-Pease (resigned 14 December 2021)  
S Popham  
R Boddington  
P O'Leary  
D Woulfe  
M Wordsworth (appointed 14 December 2021)

**REGISTERED OFFICE:** West Quay Road  
Poole  
Dorset  
BH15 1HZ

**AUDITOR:** BDO LLP  
55 Baker Street  
London  
W1U 7EU

**BANKERS:** Barclays Bank PLC  
Apex Plaza  
Forbury Road  
Reading  
RG1 1AX

**INVESTMENT MANAGERS:** State Street Global Advisors  
IFM Investors  
Threadneedle

**INVESTMENT ADVISORS:** Lane Clark & Peacock LLP

**CUSTODIANS:** The Northern Trust Company

# **RNLI LIFESAVING ENDOWMENT**

## **TRUSTEES' REPORT**

### **FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2021**

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The Trustees present their report along with the financial statements of the charity which cover the 18-month period to 31 December 2021. The financial statements have been prepared based on the accounting policies set out in note 1 to the financial statements and comply with the Charitable Incorporated Organisation's (CIO) governing document. RNLI Lifesaving Endowment is registered with the Charity Commission under registration number 1184013.

#### **OBJECTIVES AND ACTIVITIES**

The objects of the RNLI Lifesaving Endowment as per its registered constitution are the advancement of saving lives at sea by establishing, building and investing an endowment fund which is capable of supporting the Royal National Lifeboat Institution's (RNLI) rescue services.

The CIO was created with an initial donation from the RNLI of £42.3m. In seeking to preserve the RNLI's lifesaving services for the future, the CIO's assets will be invested in order to maintain and if possible enhance their real (after inflation) value and provide a source of funding to support the RNLI operations.

#### **Charitable status and public benefit**

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The Trustees consider the CIO to be charitable both in its intention and practice, providing substantial public benefit by preserving the RNLI's ability to save lives at sea.

#### **FINANCIAL REVIEW, ACHIEVEMENTS AND PERFORMANCE**

For the 18-month period to the 31<sup>st</sup> December 2021 investments produced a total return of 18.0%. Property provided returns of 21.3% and Global equities 32.1%, although a relatively high level of cash throughout reduced the overall return. Overall, there was a surplus for the period of £6.8M, mainly due to investment gains of £6.9M.

Total income was £0.9M, principally due to investment income of £0.6M and a donation from the RNLI of £326k (£274k of which related to the Elizabeth O'Kelly Fund) for income accumulated on the funds as they were held awaiting set-up of the CIO. There has also been a small donation of £16K in 2021.

A total donation of £930K was made in 2021 towards the RNLI's rescue services, in line with overall objectives and representing around 1% of the investment values over the last 2 years. £121K of this donation will be made towards the RNLI's rescue services in Ireland.

In 2021, there was substantial movement towards the new investment strategy with £7.0M transferred from cash into equities. At the end of 2021, £29.8M was invested in global equities, £8.4M in commercial property unit trusts and £10.8M was held in cash pending investment into an infrastructure fund.

For 2022, the intention is to complete the investment of the cash into Infrastructure, as per the investment strategy and continue to donate at least 1% of overall investment values to help fund the RNLI's lifesaving services.

#### **INVESTMENT STRATEGY & POLICY**

The investment strategy is to have a long-term growth portfolio with modest income requirement that:

- Generates a real return over the long term through both capital growth and income.
- Some illiquidity is acceptable.
- Some mark-to-market volatility is acceptable.

These objectives are pursued through a strategic investment policy which involves investing in a broadly diversified spread of assets, covering global equities, pooled property funds and pooled infrastructure funds. In formulating and reviewing the investment policy, the RNLI's Investment Committee (IC) has considered a



**RNLI LIFESAVING ENDOWMENT  
TRUSTEES' REPORT  
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2021**

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range of investment options and the need for diversification and has regard to the investment policies being pursued by the Trustees of the RNLI's other charitable reserves and the Trustees of the RNLI 1983 Contributory Pension Scheme, recognising that the RNLI's overall market exposure is to the aggregate of these distinct asset pools. Before exercising any power of investment, the IC obtains advice from a suitably qualified advisor. The IC intends to move towards the following asset allocation over time, allowing for market conditions which includes the wider economic environment, liquidity in markets and the risk of an economic downturn:

- Global Equities – 60%
- Infrastructure – 20%
- Property – 20%

The allocation followed at any time shall be a matter to be considered by the IC on a regular basis, and proposals for any material change in strategy shall be ratified by the Trustee Board before implementation.

The Trustees have carefully considered the requirements of the Statement of Recommended Practice (SORP) and the Charity Commission's revised guidance note CC14 (issued in October 2011) and do not believe there is any listed investment adverse to the purpose of the CIO (saving lives at sea).

In relation to funds where the investment manager is permitted to make active decisions about the selection, retention and realisation of investments, the Trustees expect the investment managers to take account of all financially material considerations (including climate change and other environmental, social and governance considerations), where permissible within applicable guidelines and restrictions. The Trustees seek to appoint managers that have appropriate skills and processes to do this, and from time-to-time review how the managers are taking account of these issues in practice. All our managers are signatories to the UN Principles for Responsible Investment.

### **Reserves Policy**

The Trustees note that at the end of December 2021 reserves totalled £48.5M, the majority of which are held as an expendable endowment. Of that, £42M is held as the RNLI Lifesaving Endowment for the advancement of saving lives at sea and £6.5M is held as the Elizabeth O'Kelly Fund for the advancement of saving lives at sea in or around Ireland.

The Trustees continue to review their reserves policy to ensure there are adequate reserves available to meet future requirements.

### **Risk management**

The nature of the charity means that the main risk for the organisation is investment risk. Investment risk represents the likelihood that investment values will fall significantly, and this is managed through a Statement of Investment Principles and an investment strategy, which is approved by the Trustees. The Trustees rely on the RNLI's Investment Committee, using professional investment advisors, to manage this risk and maximise investment returns at an acceptable risk level that is measured using a Value at Risk (VAR) metric.

### **PLANS FOR FUTURE PERIODS**

While it is recognised that the Trustees have powers to donate capital to the RNLI in extremis, the long-term plans focus on growing the Endowment through further donations and an investment strategy focused on capital growth. Over the next twelve months the key goal will be to finalise the investment strategy to meet the charity's objectives and ensure it is still sound in the current economic environment and in line with the overall objectives.

**RNLI LIFESAVING ENDOWMENT  
TRUSTEES' REPORT  
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2021**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

The RNLI Lifesaving Endowment is regulated by its Constitution as a Charitable Incorporated Organisation and was registered on 20 June 2019 with the Charity Commission of England and Wales (1184013). The address of the registered office is West Quay Road, Poole, Dorset, BH15 1HZ. The Trustees consider the Trustees of the RNLI to be the ultimate controlling party due to their ability to appoint a majority of Trustees to the board.

**Organisational structure**

The Constitution allows for a minimum of three Trustees to be appointed. Aside from the first Charity Trustees listed below, every Trustee shall be appointed for a term of three years.

All of the original Trustees have long experience of being a charity trustee. The Trustees are unpaid and details of Trustee expenses and any related party transactions are disclosed in notes 5 and 12 to the accounts.

The Charity Trustees manage the affairs of the CIO. They are responsible for setting strategy and are responsible in law for the running of the RNLI Lifesaving Endowment.

The Trustees who served during the period were as follows:

E Donaldson (Chair)  
C Hunter-Pease (resigned 14 December 2021)  
S Popham  
R Boddington  
P O'Leary  
D Woulfe  
M Wordsworth (appointed 14 December 2021)

E Donaldson, S Popham, D Woulfe and M Wordsworth are also RNLI Trustees.

Where new Trustees are appointed, they will be given a formal induction to the work of the trust and provided with the information they need to fulfil their roles, which includes information about the role of Trustees, the organisation and charity law.

New Trustees will be appointed by the RNLI following an interview process and where they have the necessary skills to contribute to the charity's management and development. Any appointment must be made at a meeting held according to the ordinary practice of the RNLI.

The RNLI in exercising its rights of appointment, or removal, will ensure that at least two Charity Trustees are not also current Trustees or employees of the RNLI.

The Charity Trustees may delegate any of their powers or functions to a committee or committees, and, if they do, they shall determine the terms and conditions on which the delegation is made.

Board meetings will be held as and when required but no less frequently than twice per year.

The Charity Trustees may appoint one of their number to chair their meetings and may at any time revoke such appointment. The Chair shall ordinarily be the Chair of RNLI for the time being unless the Charity Trustees have for good reason decided otherwise.

The members of staff engaged in the day-to-day administration of the RNLI Lifesaving Endowment are employed by the RNLI. The RNLI Lifesaving Endowment reimburses the RNLI for any direct costs incurred.



**RNLI LIFESAVING ENDOWMENT  
TRUSTEES' REPORT  
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2021**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

Reference and administrative details are shown in the schedule of officers and professional advisers on page 1.

**PROVISION OF INFORMATION TO AUDITORS**

In determining how amounts are presented within items in the statement of income and retained earnings and balance sheet, the Trustees have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the charity'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.

**AUDITOR**

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 144 of the Charities Act 2011.

Approved by the Trustees on 18<sup>th</sup> March 2022 and signed on its behalf by:



.....  
E Donaldson  
Trustee

**RNLI LIFESAVING ENDOWMENT**  
**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2021**

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The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations. Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under charity law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its surplus or deficit for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Trustees are responsible for keeping proper accounting records. These must be sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity, and enable them to ensure that the financial statements comply with the UK Charities Act 2011 and applicable accounting regulations. They are also responsible for safeguarding the assets of the charity – and, therefore, for taking reasonable steps to prevent and detect fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEES OF RNLI LIFESAVING ENDOWMENT  
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2021**

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**Opinion on the financial statements**

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2021 and of its incoming resources and application of resources for the period 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 Charities Act 2011.

We have audited the financial statements of RNLI Lifesaving Endowment ("the Charity") for the 18-month period ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

We remain independent of the Charity in accordance with the ethical requirements 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.

**Conclusions related 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 Charity'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.



**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEES OF RNLI LIFESAVING ENDOWMENT  
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2021 (CONTINUED)**

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**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Report, other than the financial statements and our auditor's report thereon. The other information comprises: The Trustees' Report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion;

- the information contained in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' responsibilities, the Trustees 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 determines 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEES OF RNLI LIFESAVING ENDOWMENT  
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2021 (CONTINUED)**

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*Extent to which the audit was capable of detecting irregularities, including fraud*

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

Based on our understanding of the Charity and the industry in which it operates, we identified that the principal laws and regulations that directly affect the financial statements to be the Charities Act 2011. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

In addition the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment law, data protection and health and safety legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence if any.

Audit procedures performed by the engagement team included:

- Discussions with group management and internal audit, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading minutes of meeting of those charged with governance, reviewing internal audit reports and the various charity commission;
- Reviewing items included in the group's fraud and theft database as well as the results of internal audit's investigation into these matters;
- Confirming all balances included with investments to direct third party confirmations; and
- In addressing the risk of fraud through management override of controls; testing the appropriateness of journal entries and other adjustments, in particular any journals posted by senior management or with unusual accounts combinations

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, 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 by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed 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 are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEES OF RNLI LIFESAVING ENDOWMENT  
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2021 (CONTINUED)**

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**Use of our report**

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's 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 Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

**BDO LLP**

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BDO LLP, statutory auditor  
London, UK  
Date 08 June 2022

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**RNLI LIFESAVING ENDOWMENT**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2021**

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowed funds £'000	Total 2021 £'000	Total 54-week period to 30 June 2020 £'000
<b>Income and endowments from:</b>						
Donations and legacies	2	16	-	326	342	42,319
Investments	7c	479	71	-	550	99
<b>Total income and endowments</b>		<b>495</b>	<b>71</b>	<b>326</b>	<b>892</b>	<b>42,418</b>
<b>Expenditure on:</b>						
Raising funds		(16)	-	-	(16)	(30)
Charitable activities		(489)	(76)	(371)	(936)	-
<b>Total expenditure</b>	3	<b>(505)</b>	<b>(76)</b>	<b>(371)</b>	<b>(952)</b>	<b>(30)</b>
Net gains/(losses) on investments	7b	-	-	6,900	6,900	(748)
<b>Net income/(expenditure)</b>		<b>(10)</b>	<b>(5)</b>	<b>6,855</b>	<b>6,840</b>	<b>41,640</b>
<b>Reconciliation of funds:</b>						
Funds at 1 July 2020		56	13	41,571	41,640	-
Movement in funds		(10)	(5)	6,855	6,840	41,640
<b>Funds at 31 December 2021</b>		<b>46</b>	<b>8</b>	<b>48,426</b>	<b>48,480</b>	<b>41,640</b>

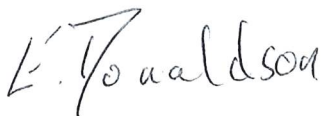
The Statement of Financial Activities includes all gains and losses recognised in the period. All income, expenditure and resulting net movements are derived from continuing activities

Notes 1 to 14 form part of these financial statements.

**RNLI LIFESAVING ENDOWMENT**  
**BALANCE SHEET**  
**REGISTERED CHARITY NUMBER: 1184013**  
**AS AT 31 DECEMBER 2021**

		31 December 2021	30 June 2020
	Note	£'000	£'000
<b>Fixed assets:</b>			
Investments	7	48,953	41,670
<b>Total fixed assets</b>		<b>48,953</b>	<b>41,670</b>
<b>Current assets:</b>			
Debtors	8	16	-
<b>Liabilities:</b>			
Creditors: Amounts falling due within one year	9	(489)	(30)
<b>Net current (liabilities)</b>		<b>(473)</b>	<b>(30)</b>
<b>Total assets less current liabilities</b>		<b>48,480</b>	<b>41,640</b>
<b>The funds of the charity:</b>			
Expendable endowment funds	10b	48,426	41,571
Restricted funds	10c	8	13
Unrestricted funds		46	56
<b>Total charity funds</b>		<b>48,480</b>	<b>41,640</b>

The accounts of the RNLI Lifesaving Endowment were approved and authorised for issue by the Trustees on 18<sup>th</sup> March 2022 and signed on its behalf by



E Donaldson  
Trustee

Notes 1 to 14 form part of these financial statements.



**RNLI LIFESAVING ENDOWMENT**  
**STATEMENT OF CASH FLOWS**  
**FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2021**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cash flows from operating activities:</b>		
<i>Net cash used in operating activities</i>	<b>(167)</b>	<b>-</b>
<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investments	550	99
Purchase of investments	(550)	(99)
Proceeds from sale of investments	122	
<i>Net cash provided by investing activities</i>	<b>122</b>	<b>-</b>
<b>Cash flows from financing activities:</b>		
Additions to endowment	(28,161)	-
Disposal of endowment	28,206	-
<i>Net cash provided by financing activities</i>	<b>45</b>	<b>-</b>
<i>Change in cash and cash equivalents in the reporting period</i>	<b>-</b>	<b>-</b>
<b>Reconciliation of cash flow:</b>		
Cash and cash equivalents at the beginning of the reporting period	-	-
Change in cash and cash in the reporting period	-	-
<i>Cash and cash equivalents at the end of the reporting period</i>	<b>-</b>	<b>-</b>

**Reconciliation of net income to net cash flow from operating activities**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<i>Net income/ for the reporting period (as per the statement of financial activities)</i>	<b>6,840</b>	<b>41,640</b>
<b>Adjustments for:</b>		
(Gains)/losses on investments	(6,900)	748
Investment income	(550)	(99)
Increase in creditors	459	30
Increase in debtors	(16)	-
Investment capital transferred by RNLI	-	(42,319)
<i>Net cash used in operating activities</i>	<b>(167)</b>	<b>-</b>

Notes 1 to 14 form part of these financial statements.

**RNLI LIFESAVING ENDOWMENT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2021**

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**1. ACCOUNTING POLICIES**

The RNLI Lifesaving Endowment was registered as a Charitable Incorporated Organisation on 20 June 2019 with the Charity Commission of England and Wales (1184013). The address of the registered office is West Quay Road, Poole, Dorset, BH15 1HZ.

**a) Basis of accounting**

The financial statements have been prepared under the historical cost convention.

These accounts are 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 the Republic of Ireland (FRS 102) (effective 1st January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011.

The RNLI Lifesaving Endowment meets the definition of a public benefit entity under FRS 102.

The financial statements cover the 18-month period from 1 July 2020 to 31 December 2021.

**b) Critical accounting judgements and key sources of estimation uncertainty**

Preparation of the financial statements requires the Trustees to make judgements and estimates. The Trustees consider that there are no material judgements in applying accounting policies or key sources of estimation uncertainty.

**c) Assessment of going concern**

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

**d) Income**

Incoming resources are included in the SoFA when the RNLI Lifesaving Endowment is entitled to the income, the receipt is probable, and the amount can be quantified with reasonable accuracy. If these conditions are not met the income is deferred.

Donations made by the RNLI are recognised as income in the charity either when paid or at the date when the RNLI has a legal liability to make the donation payment if earlier.

All external donations are accounted for when received.

Investment income is recognised on a receivable basis.

**RNLI LIFESAVING ENDOWMENT**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2021**

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**e) Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Irrecoverable VAT is charged as an expense against the activity for which the expenditure arose.

Costs of raising funds includes the legal fees incurred in the establishment of the RNLI Lifesaving Endowment and investment fees.

Expenditure on charitable activities comprises donations and allocated support costs.

Donations are recognised in the financial statements following approval by the Trustees.

**f) Investments**

Investments held as fixed assets and for which there is a quoted market value are valued at the bid-price ruling at the balance sheet date. Investment gains and losses arising during the year are included in the SoFA.

**g) Fund accounting**

The RNLI Lifesaving Endowment funds fall into the following categories:

Expendable endowments are capital sums that are donated under the restriction that they are invested and that only the income arising is available for expenditure in accordance with the donors' directions. These capital sums may be spent at the discretion of the Trustees of the RNLI Lifesaving Endowment, where necessary, and in accordance with the donors' directions.

Restricted funds are only available for expenditure in accordance with the donors' directions.

Unrestricted funds are sums that are freely available for general use within the Charitable Objectives.

**h) Presentation currency**

The functional currency of the RNLI Lifesaving Endowment is in pounds sterling because that is the currency of the primary economic environment in which the charity operates.

**i) Exchange rate gains and losses**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets are translated at the rate of exchange ruling at the balance sheet date. Gains and losses on exchange are included in the SoFA.

**j) Taxation**

The RNLI Lifesaving Endowment is exempt from tax on income and on gains falling within sections 518 and 564 of the Income Taxes Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Fund.

**k) Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.



**RNLI LIFESAVING ENDOWMENT**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2021**

**2. DONATIONS AND LEGACIES**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Donation from RNLI	326	42,319
Donations	16	-
	<u><b>342</b></u>	<u><b>42,319</b></u>

**3. RESOURCES EXPENDED**

	<b>Direct costs</b>	<b>Other allocated costs</b>	<b>Total</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>2021</b>	<b>2020</b>
			<b>£'000</b>	<b>£'000</b>
Raising funds	16	-	16	30
Charitable activities	929	7	936	-
Support costs	7	(7)	-	-
	<u>952</u>	<u>-</u>	<u>952</u>	<u>30</u>
<b>Total 2020</b>	<u>30</u>	<u>-</u>	<u>30</u>	

Support costs are allocated to relevant categories based on their percentage share of overall direct costs.

Charitable activities comprise one donation made to the RNLI.

**4. SUPPORT COSTS**

	<b>Total</b>	<b>Total</b>
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Audit fees	7	5
Legal fees	-	21
	<u>7</u>	<u>26</u>

Audit fees of £7K (inclusive of VAT) are payable to the external auditor.

**5. TRUSTEES' EXPENSES AND REMUNERATION**

No Trustees, or any persons connected with them, received remuneration.

There were no trustees' expenses paid during the period.

**6. STAFF COSTS**

There were no employees during the period.

**RNLI LIFESAVING ENDOWMENT**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2021**

**7. INVESTMENTS HELD FOR MORE THAN ONE YEAR**

All investments are basic financial instruments and are measured at fair values

	Unrestricted funds	Restricted funds	Endowed funds	Total 2021	Total 2020
	£'000	£'000	£'000	£'000	£'000
<b>(a) Investment assets</b>					
Equities	-	-	29,802	29,802	17,096
Property	-	-	8,376	8,376	7,205
Cash and deposits	456	71	10,248	10,775	17,369
<b>Market value at 31 December 2021</b>	<b>456</b>	<b>71</b>	<b>48,426</b>	<b>48,953</b>	<b>41,670</b>
<b>(b) Analysis of movement</b>					
Market value at 1 July 2020	86	13	41,571	41,670	-
Additions	479	71	28,161	28,711	99
Transfers	-	-	-	-	42,319
Disposals	(109)	(13)	(28,206)	(28,328)	-
Gains/(losses) on investment	-	-	6,900	6,900	(748)
<b>Market value at 31 December 2021</b>	<b>456</b>	<b>71</b>	<b>48,426</b>	<b>48,953</b>	<b>41,670</b>
<b>Original cost</b>	<b>456</b>	<b>71</b>	<b>45,636</b>	<b>46,163</b>	<b>42,418</b>
<b>(c) Investment income</b>					
Equities	-	-	-	-	-
Property	479	71	-	550	99
Cash and deposits	-	-	-	-	-
<b>Total</b>	<b>479</b>	<b>71</b>	<b>-</b>	<b>550</b>	<b>99</b>

**8. DEBTORS**

	Total 2021 £'000	Total 2020 £'000
RNLI debtor	16	-
	<b>16</b>	<b>-</b>



**RNLI LIFESAVING ENDOWMENT**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2021**

**9. CREDITORS**

	Total 2021 £'000	Total 2020 £'000
Accruals	-	30
RNLI creditor	489	-
	<u>489</u>	<u>30</u>

**10. FUNDS ANALYSIS**

a) Balance Sheet - analysis of funds 2021 summary

	Unrestricted funds 2021 £'000	Restricted funds 2021 £'000	Endowed funds 2021 £'000	Total 2021 £'000
Investments	456	71	48,426	48,953
Net current assets	(410)	(63)	-	(473)
<b>Total</b>	<b>46</b>	<b>8</b>	<b>48,426</b>	<b>48,480</b>

b) Endowed funds – analysis of major funds

Name of fund	Purpose of fund	Opening balance 2021 £'000	Investment gains 2021 £'000	Income 2021 £'000	Expenditure 2021 £'000	Closing balance 2021 £'000
RNLI Lifesaving Endowment	The advancement of saving lives at sea	36,168	6,003	52	(327)	41,896
Elizabeth O'Kelly Fund	The advancement of saving lives at sea in Ireland	5,403	897	274	(44)	6,530
<b>Total endowed funds</b>		<b>41,571</b>	<b>6,900</b>	<b>326</b>	<b>(371)</b>	<b>48,426</b>

c) Restricted funds – analysis of major funds

Name of fund	Purpose of fund	Opening balance 2021 £'000	Income 2021 £'000	Expenditure 2021 £'000	Closing balance 2021 £'000
Elizabeth O'Kelly Fund	The advancement of saving lives at sea in Ireland	13	71	(76)	8
<b>Total endowed funds</b>		<b>13</b>	<b>71</b>	<b>(76)</b>	<b>8</b>

**RNLI LIFESAVING ENDOWMENT**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2021**

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**11. FINANCIAL COMMITMENTS**

There were no capital commitments at the end of the period

There are no other liabilities, contingent or otherwise, that are not provided in these accounts.

**12. RELATED PARTY TRANSACTIONS**

The RNLI Lifesaving Endowment donated £930K (2020: £Nil) to the RNLI during the period.

An additional donation of £326K was made in 2021 by the RNLI (2020: £42.3M).

The RNLI recharged the administration costs of the charitable incorporated organisation, for example, auditor fees, legal fees and investment fees. The RNLI also provided accounting support for which no charge was made.

**13. ULTIMATE CONTROLLING UNDERTAKING**

RNLI Lifesaving Endowment is consolidated into the financial statements of the Royal National Lifeboat Institution.

The ultimate controlling undertaking is the Royal National Lifeboat Institution, incorporated under Royal Charter in the United Kingdom. Copies of the consolidated financial statements of the Royal National Lifeboat Institution, including RNLI Lifesaving Endowment, can be obtained from West Quay Road, Poole, Dorset, BH15 1HZ.

**RNLI LIFESAVING ENDOWMENT**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2021**

**14. 2020 COMPARATIVES – FUNDS**

All comparatives for 2020 are for the period 20 June 2019 to 30 June 2020.

a. Statement of Financial Activities – previous year comparatives

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowed funds £'000	Total 2020 £'000
<b>Income and endowments from:</b>					
Donations and legacies	2	-	-	42,319	42,319
Investments	7c	86	13	-	99
<b>Total income and endowments</b>		<b>86</b>	<b>13</b>	<b>42,319</b>	<b>42,418</b>
<b>Expenditure on:</b>					
Raising funds	3	(30)	-	-	(30)
<b>Total expenditure</b>		<b>(30)</b>	<b>-</b>	<b>-</b>	<b>(30)</b>
Net (losses) on investments	7b	-	-	(748)	(748)
<b>Net income</b>		<b>56</b>	<b>13</b>	<b>41,571</b>	<b>41,640</b>
<b>Reconciliation of funds:</b>					
<b>Total funds carried forward</b>		<b>56</b>	<b>13</b>	<b>41,571</b>	<b>41,640</b>

b. Consolidated balance sheet – analysis of funds 2020 summary

	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Endowed funds 2020 £'000	Total 2020 £'000
Investments	86	13	41,571	41,670
Creditors	(30)	-	-	(30)
<b>Total</b>	<b>56</b>	<b>13</b>	<b>41,571</b>	<b>41,640</b>

**RNLI LIFESAVING ENDOWMENT**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2021**

**14. 2020 COMPARATIVES – FUNDS (CONTINUED)**

c. Resources expended

	Direct costs	Other allocated costs	Total 2020
	£'000	£'000	£'000
Raising funds	4	26	30
Support costs	26	(26)	-
	<u>30</u>	<u>-</u>	<u>30</u>

Support costs are allocated to relevant categories based on their percentage share of overall direct costs.

d. Endowed funds – analysis of major funds

Name of fund	Purpose of fund	Opening balance 2020 £'000	Investment (losses) 2020 £'000	Transfers 2020 £'000	Closing balance 2020 £'000
RNLI Lifesaving Endowment	The advancement of saving lives at sea	-	(651)	36,819	36,168
Elizabeth O'Kelly Fund	The advancement of saving lives at sea in Ireland	-	(97)	5,500	5,403
<b>Total endowed funds</b>		-	<b>(748)</b>	<b>42,319</b>	<b>41,571</b>

e. Restricted funds – analysis of major funds

Name of fund	Purpose of fund	Opening balance 2020 £'000	Income 2020 £'000	Expenditure 2020 £'000	Closing balance 2020 £'000
Elizabeth O'Kelly Fund	The advancement of saving lives at sea in Ireland	-	13	-	13
<b>Total endowed funds</b>		-	<b>13</b>	<b>-</b>	<b>13</b>