



THE ROYAL NAVAL BENEVOLENT TRUST

SERVE A DAY, SUPPORTED FOR LIFE

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

Registered Charity Number in England & Wales 206243

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TRUSTEES' REPORT

For the Year Ended 31 March 2022

Chairman's Welcome

Thank you for taking an interest in the work of RNBT. I hope that you find this Report interesting and informative, and if it isn't do let me know!

This has been a momentous year for RNBT. We have completed our centenary care home project – Admiral Jellicoe House – as well as celebrating the centenary of the grant of our Royal Charter in 2022. We are using these two key events as springboards for a nationwide awareness campaign aimed at reaching more of the naval community who may need our help, particularly in those areas of the UK furthest from traditional naval centres. It is hugely important that we are there for all our people and that they can get in touch when they need our help. As the nation faces an uncertain future and the cost of living rises sharply we are ready and willing to help. Please do spread the word that RNBT is there for the naval community, both those currently serving and those who have served, and their families, and encourage them to get in touch.

There is so much more that we could say in our Report, but some of the heart-warming case studies, which illuminate our story, are included in our Impact Report which is available on our website at <https://www.rnbt.org.uk/about-us/publications/>.

I would like to thank my fellow Trustees, staff and volunteers for their commitment and support. Our successes reflect the teamwork and camaraderie which underpin the work of the Trust.

Captain Nick Fletcher
Chairman of Trustees

1. STRATEGY, MISSION, VISION, OPERATING PRINCIPLES, OBJECTIVES AND PERFORMANCE

The full title is 'Royal Naval Benevolent Trust (Grand Fleet and Kindred Funds)', which recognises the origins from Admiral Jellicoe's Grand Fleet Fund, established in 1915. Soon after the First World War, the Trust was established by Royal Charter on 2 May 1922. It is a registered charity (No. 206243). The Trust's Primary Beneficial Object is to give help, in cases of need, to those who are serving or have served as ratings in the Royal Navy or as other ranks in the Royal Marines and their dependants. The Trust is known as the RNBT and its beneficiaries as 'The RNBT Family'. The Trust's beneficiaries are helped in the following ways:

- Grants to assist with a very wide range of individual needs.
- Regular Charitable Payments to provide a financial supplement to people on very low incomes.
- Care at Pembroke House, the Trust's care and nursing home at Gillingham, Kent, and soon (June 2022) at Admiral Jellicoe House, Portsmouth.
- Subsidised housing at the Trust's almshouse, the John Cornwell VC National Memorial (JCVCNM) at Hornchurch.
- Advice on welfare and allied matters.

Strategy

The trustees reviewed their existing published long-term strategy for the Trust at a Trustees' Strategy Day on 7th December 2021. They reaffirmed and updated the long-term strategy, publishing the revised strategy on 11 February 2022

(<https://www.rnbt.org.uk/app/uploads/2022/02/The-RNBT-Strategy-to-2035-Into-the-Second-Century-11-Feb-2022.pdf>).

This strategy declared our Strategic Intent: 'to be the leading charity providing benevolence to The RNBT Family', and restated the Trust's Operating Principles, and means of delivery. The revised strategy includes an intention to investigate options to deliver care provision in other locations such as Plymouth.

Mission and Vision

RNBT's Vision:

'Sailors, Marines and their families living happy, dignified lives.'

RNBT's Mission:

'Sailors and Marines helping Sailors and Marines – now and always.'

The Trust's Operating Principles - Who, What, How and Why

Who: The naval community, some of whom may not know where to turn to

- **Life is unpredictable**, but RNBT is by Sailors' and Marines' sides, and their families, from the moment you join up. We exist to provide a helping hand to serving and ex-serving people and their families.

What: help, opportunity and care in times of need.

- **We take a holistic approach to help.** Although we are capable of a swift solution, we always look to encourage you to support yourselves and to lead a better life, through financial aid, enhancing skills for employment or support and assisted care, which includes our care homes, Pembroke House and (soon) Admiral Jellicoe House.

How: propelled by empathy and collaboration.

- **We are uniquely equipped with the invaluable insights of former sailors and marines** so that we combine rapid response with compassionate understanding to help your genuine need, no matter how you got there. We also work alongside other fellow service charities to present best solutions.

Why: what sort of organisation we are.

We need people to know not just how we help, but what sort of organisation we are, and how we react to our people asking for help. This is what we are all about:

- **We always respond with a helping hand** - We won't judge why people ask for help, we will judge any application for help based solely on your need.
- **People not problems** - We take a human approach to finding a solution to your problems. We won't just fix the initial problem, we want to make life better for you and our community. This includes our care homes where we always seek to provide the highest standards of care and support in a bright and welcoming environment.
- **Inspired by our past, but looking to the future** - We know that the needs of the wider naval community are shifting, and that we need to evolve to meet your needs, so that every generation can live happy and dignified lives.
- **Better understanding means better solutions** - We have many ex-RN & RM personnel working for RNBT whose experience and empathy helps generate better solutions with you.
- **Small in size, global in reach** - Our size and structure allows us to respond quickly, often in 24 hours, to requests for assistance. We also can help our people abroad, typically in 15 different countries.
- **Served a day, supported for life** - We help you or your family based on genuine need, no matter how long your service.

Objectives and performance – what we said we would do and what we achieved

The Trust's specific objectives for 2021/22, were as follows:

Primary (Standing) Objectives

To assist the RNBT Family through individual grants, regular charitable payments, advice on welfare and allied matters, holistic support for beneficiaries, and residential care. See table:

Primary (standing) Objective	Measurement of output & effectiveness	Outcome
<p>To assist The RNBT Family through:</p> <ul style="list-style-type: none"> • Individual grants • Regular Charitable Payments • Advice on welfare and allied matters • Holistic support to beneficiaries <ul style="list-style-type: none"> • Care of older people at: <ul style="list-style-type: none"> - Pembroke House (care & nursing home) - John Cornwell VC National Memorial (almshouse) 	<p>Individual grants:</p> <ul style="list-style-type: none"> • Numbers, amounts compared to previous years <p>RCPs:</p> <ul style="list-style-type: none"> • Numbers, amounts compared to previous years <p>BSC:</p> <ul style="list-style-type: none"> • numbers assisted compared with previous years <p>Care of older people - volume:</p> <ul style="list-style-type: none"> • Pembroke House - occupancy (target: 88%) • John Cornwell VC National Memorial almshouse – 95% occupancy target <p>Care of older people – quality for Pembroke House:</p> <ul style="list-style-type: none"> • CQC: 'Outstanding', or 'Good' • Independent audit (consultants) report 	<p>Achieved. See Review of Activities on pages 10-19.</p> <p>Partially Achieved. Occupancy 2021/22: 86% (82.5% in 2020/21). Average occupancy 45.</p> <p>Achieved. Occupancy target comfortably achieved as the almshouse was again full throughout the year (100%; 100% in 2020/21).</p> <p>Achieved. CQC inspection 9 August 2021: 'Good' overall and 'Good' in the two inspected Key Lines of Enquiry (Safe' and 'Well-led'). No independent audits due to constraints of Covid-19 pandemic restrictions.</p>

2021/22 Annual (Change) Objectives

Objective	Required Actions	Outcome
Recover from impact of Covid-19	Capture lessons identified and improve ways of working	Achieved. Lessons Identified paper presented to Central Committee on 26 May 2022. Improved IT system procured for roll-out in Autumn 2022
	Assess resilience and update contingency plans	Partially achieved. Contingency plans reviewed: contingency plan for AJH created Apr 2022, PH Contingency Plan being revised
Deliver Admiral Jellicoe House as the Centenary Care Home Project	Monitor construction phase progress to time, performance and cost	Achieved. Practical Completion and handover 25 April 2022. Completed to time, performance and cost
	Prepare for CQC opening inspection	Achieved. Successful CQC inspection 23 May 2022
Plan and achieve successful RNBT centenary events		Ongoing. First two events (House of Commons Reception 2 March 2022; Thanksgiving Service 7 May 2022) successfully achieved.

In summary, all objectives were either achieved, partially achieved or remain ongoing.

2. GOVERNANCE

The Trust's governing document is our Royal Charter, granted in 1922 but regularly updated.

The Trust conducted a thorough review of its governance in February 2021 based on the Charity Governance Code 2020. The review concluded that the Trust's governance arrangements remained fit for purpose, but that some further work on inclusion and awareness of the Trust was required.

The following governance documents are available on the website at <https://www.rnbt.org.uk/about-us/publications/>:

- Royal Charter
- Bye-Laws
- Trustee Code of Conduct
- Conflicts of Interest Policy
- Safeguarding Policy
- Fundraising Policy and Fundraising Complaints Policy
- Public Interest Disclosure (Whistle Blowing) Policy
- Equality, Diversity, Inclusion and Dignity at Work Policy
- Remuneration Policy
- Committee Meeting Dates

The Trust is a member of the National Council for Voluntary Organisations (NCVO), the National Care Forum (NCF) and the Almshouse Association, and the Chief Executive is a member of the Association of Chief Executives of Voluntary Organisations (ACEVO). The Central Committee is the Trust's committee of all trustees through which charity governance is delivered. The sub-committee structure, which supports the Central Committee (CC) comprises:

- Finance and Risk Committee
- Care and Safeguarding Committee
- Benevolence Committee
- Grant Committee

Other specific Working Groups are formed as necessary. Terms of reference are set by the Central Committee.

The trustees also further considered the selection process for new Ordinary Member trustees so that as far as possible candidates would be attracted from the widest spectrum of our beneficiaries to ensure diversity and appropriate competences.

Two new Ordinary Member trustees were selected on 1 April 2022: Warrant Officer Steve Milne and Dr Alf Crossman. The Senior Serving Officer trustee position will be filled by Captain Jonathan Carrigan Royal Navy on 26 May 2022.

All trustees receive induction training and an induction process on taking up the role, including a comprehensive induction pack that includes Charity Commission guidance ('The Essential Trustee'); periodic trustee training is also available. The Trust thanks outgoing trustees for their valuable contributions and wishes them every success in the future while welcoming the newcomers. The Trust is grateful to all those who have given of their time, energy and commitment along with those who continue to give of their best to ensure the RNBT remains an efficient and effective charity.

The Trust was sad to lose John Thompson MBE BEM, Vice Patron, who died on 14 November 2021 after a lifetime of service to the Royal Navy and to RNBT. The Trustees were delighted that Ms Jenny Agutter OBE, agreed to become a Vice Patron on 13 October 2021, having kindly been the Guest of Honour at RNBT's Annual Presentation at HMS COLLINGWOOD.



Governance during Covid-19 crisis

The trustees took note of Charity Commission guidance to record a decision to use electronic means to hold trustee meetings. Accordingly, a Resolution to allow the use of electronic means during the Covid-19 crisis was passed unanimously by trustees out of committee in April 2020. All trustee meetings since then have been held by electronic means, primarily Zoom, returning to traditional meetings when the easing of current Covid-19 restrictions allowed since September 2021.

Management

The day-to-day management of the Trust's affairs is delegated to the Portsmouth-based Chief Executive who leads a staff of 11 Full Time Equivalents (FTE) who between them manage over 2,000 applications relating to individual grants and regular charitable payments each year as well as the finance, policy and human resources of the Trust and 'landlord' duties within Castaway House. Over 80 FTEs are employed at Pembroke House (the Trust's care and nursing home in Gillingham, Kent) under a dedicated Home Manager who reports, via the Director of Care, to the Chief Executive. Staffing at Admiral Jellicoe House is only 3 FTEs (as at 31 March 2022), but will rise in parallel with the planned increase in resident numbers during 2022, resulting in a predicted total staff of approximately 187 FTEs by April 2023.



The Castaway House Team

3. REVIEW OF ACTIVITIES – WHAT WE HAVE DONE

3.1 The continued impact of the COVID-19 pandemic: challenges met and resolved so that support and care could continue to be offered

The impact of the pandemic continued to be most keenly felt in our residential care. The staff at Pembroke House worked tirelessly to continue to deliver the highest quality of care and to develop ways of allowing relatives to safely visit residents. The uptake of Covid-19 vaccinations by staff was very high (95%), and only two staff decided to leave before the legal requirement (The Health and Social Care Act 2008 (Regulated Activities) (Amendment) (Coronavirus) Regulations 2021) came into force in November 2021. Although subsequently this requirement was repealed on 15 March 2022 it has remained RNBT policy that all staff required to work in either of RNBT's care homes are vaccinated for Covid-19 as a condition of employment. Once recruitment of residents again became possible, occupancy returned steadily to pre-pandemic levels, reflecting the trust that residents and their families place in our staff.

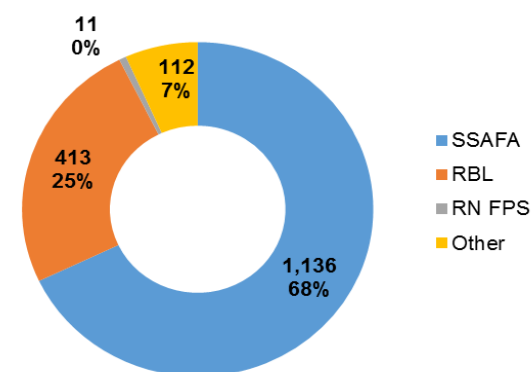
The trustees are immensely proud of all Pembroke House staff for what they have achieved during this most challenging time and wish to record their grateful thanks.

HQ staff returned to Castaway House, a safe and efficient place of work, on 12 April 2021, following Government guidelines. In part this was in anticipation of the roll-out of the new Casework Management IT system, CMS2; its successful early incorporation into RNBT's grants processes fully justified this decision. Staff and volunteers have continued to be individually affected by the Covid-19 virus, particularly the Omicron variant which became prevalent in early 2022. However, no staff have been seriously affected by the virus, and HQ business has been successfully sustained throughout the period, primarily due to the flexibility and willingness of all staff to help out as and when needed, truly a team effort.

3.2 The delivery of benevolence - overview

3.2.1 The wider military benevolence scene: efforts to improve the beneficiary's journey: In March 2021 RNBT, as the naval charity sector's representative on Cobseo's Casework Steering Group (CSG), formed a Naval Benevolence Working Group to develop a limited number of initiatives and to act as the forum for collating experiences and coordinating inputs to the CSG. To further improve the beneficiary's experience of accessing naval benevolence, RNBT has decided to offer a direct route for applications and established a Case Co-ordinator function from 30 May 2022 to be able to respond rapidly and effectively to telephone and email enquiries, in part to be able to respond to an increase in enquiries emanating from RNBT's centenary awareness campaign as well as the cost of living crisis which is threatening those on the lowest incomes.

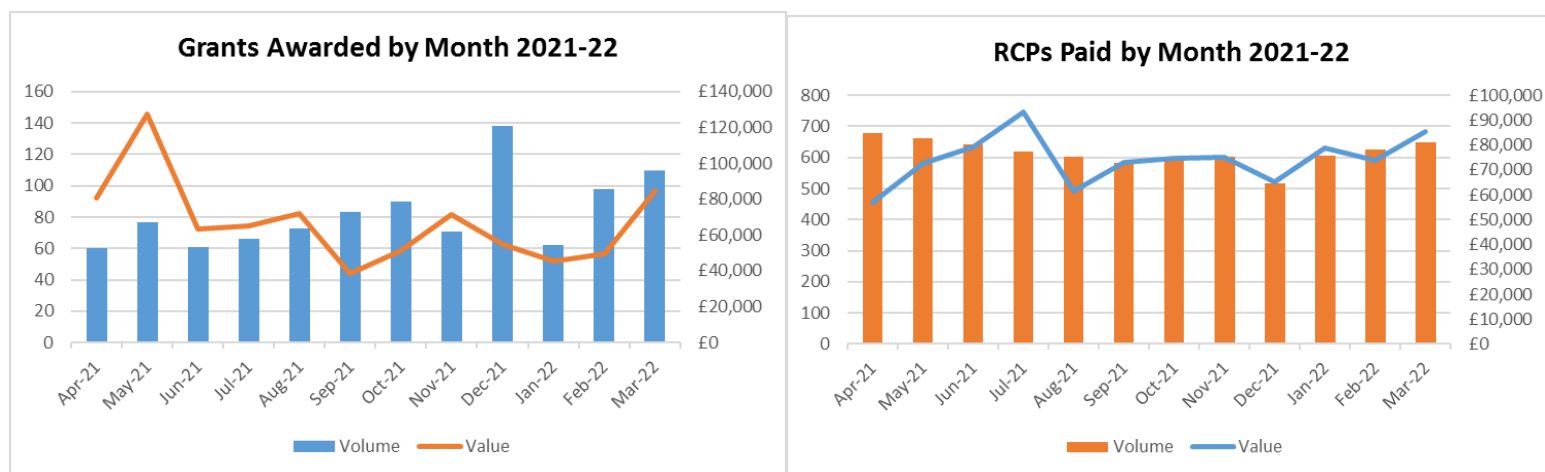
No. of Applications by Caseworking Organisation



3.2.2 Replacement Casework Management System: secure IT system for exchange of information and delivering assistance: The replacement system – CMS2 – was rolled out successfully on 25 March 2021 following a prolonged period of testing and operator training. The software is based on ‘Mosaic’, which is in widespread use across the NHS, suitably modified for our use. Whilst the inevitable teething problems initially created some frustration, particularly amongst the volunteer caseworkers of SSAFA and TRBL, from an RNBT perspective the rollout was achieved without any impact on our ability to manage cases efficiently and quickly, in part due to very careful training and preparation, but also the mutual assistance possible following the return to working from Castaway House on 12 April 2021. RNBT represents the naval benevolence charity sector on both the CMS Working Group and the CMS Management Board. Whilst the main project costs for CMS2 were paid by Cobseo, mostly from Libor funds and other government support, ongoing operating costs for all naval benevolence users of CMS are paid for by the Royal Navy & Royal Marines Charity (RNRMC), and we thank them for their support.

3.3 Grants and Regular Charitable Payments (RCPs)

3.3.1 Quiet and efficient delivery of benevolence, and speedy response to crisis and urgent need in the Covid-19 crisis: The Trust’s charitable objectives may be summed up as helping members of The RNBT Family in need or distress. Under normal circumstances, all grants and RCPs are administered at the Trust’s Head Office. Applications for assistance are submitted via the case working organisations i.e. SSAFA, The Royal British Legion, the Royal Commonwealth Ex-Services League and RN Family & People Support (RNFPS) (see chart below). The grant administrators vet the applications, liaising with other charities (if appropriate) and are empowered to decide on grant applications up to £700, which was increased to £1,200 during periods of lockdown when Grant Committee decision-making was more difficult to arrange. Above this level, decisions are referred to the Grant Committee, an all-volunteer group all of whom have or are serving as ratings or other ranks, for a decision. The grants team and the Grant Committee pride themselves on their flexibility and speed of response. The Trust spent almost £2.5 million on grants and RCPs in 2021/22 assisting 1,778 applicants.



During the Covid-19 crisis, revised protocols were rapidly developed and rolled out so that individual grants to needy beneficiaries continued to flow despite direct caseworker support being unavailable. This included the introduction of an online application via the RNBT website where beneficiaries could apply directly for low value assistance below £700 effecting a speedy resolution to emergent need.

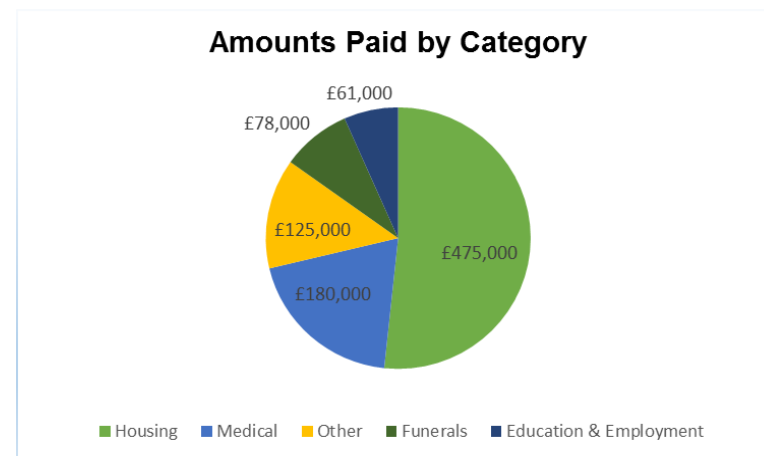
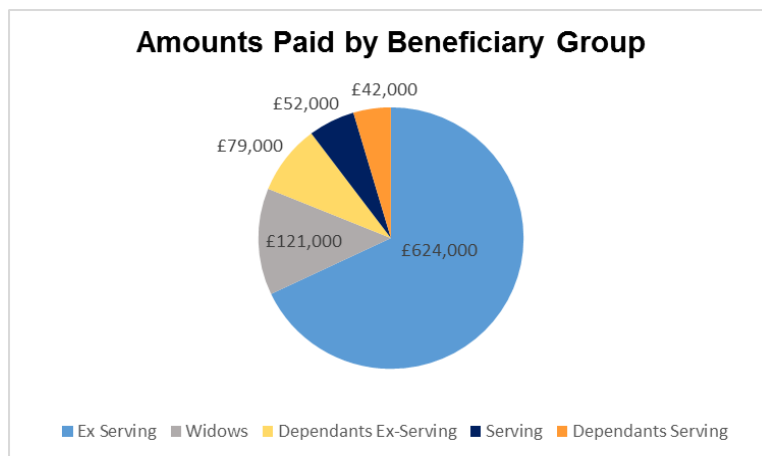
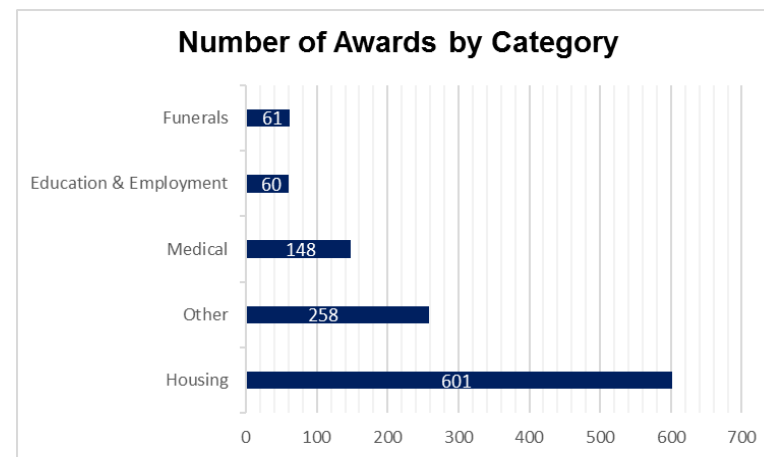
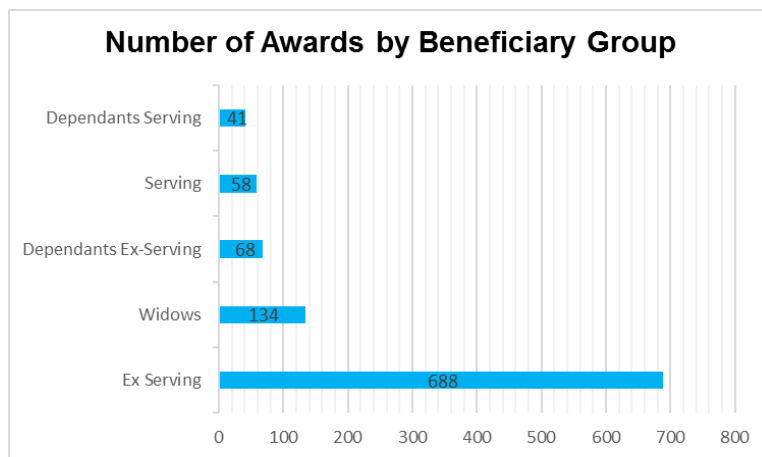
3.3.2 Grants to Individuals

The Trust makes grants to assist across a spectrum of fundamental needs that include food, clothing, accommodation, fuel and utility bills, disability aids, training for second careers, house repairs and household goods, respite holidays and help with all manner of financial difficulties. However, the Trust retains the discretion to help in new situations provided there is a sufficient degree of need and the financial resources are available, and has already reviewed areas where RNBT may be able to assist families struggling with increased utility bills, for example by assisting with home insulation.

The number of applications for grants increased to 1,675 (1,352 in 2020/21) 80% of whom received a grant (82% in 2020/21). The reasons for this are probably due to the lifting of lockdown restrictions and the gradual return to society opening up. The effect of casework volunteers from SSAFA and The Royal British Legion still being unable to visit potential beneficiaries in their homes continued to affect the completion of casework and thence submitted for consideration. The average grant decreased by 1.5% to £809 (£815 in 2020/21); grants ranged from an average of £400 (food) to £2000 (house adaptations). The needs of the Trust's beneficiaries have continued to be met through the almonising process and the hard work of the grant administrators and case working volunteers seeking out other sources of funding coupled with the rigorous pursuit of state benefits where applicable. Medical and Mobility Equipment (£203,780) remained the largest category of support in terms of total expenditure. There was a 1% decrease in support for employment, mostly retraining, costs (£51,400; £51,968 in 2020/21), reflecting our intent to help people back into employment wherever possible. With the holistic support approach adopted by RNBT, the Beneficiary Support Coordinators aim to contact every recipient of an award made for the purpose of employment 6 months after the date of the award; to date, there is a 92% success rate in regards to those who are now in employment as a result of the RNBT assistance. A further 8% remain on course for which funding was awarded.

Having endured the COVID-19 pandemic, the next impending crisis to impact our beneficiaries is the cost of living increase. With inflation spiralling and interest rates soaring, RNBT identified early that this would impact on the most impoverished in society and took early steps to provide a positive impact on our beneficiaries. The Trustees agreed to bring forward a proposed increase in Regular Charitable Payments, (RCP) from April to January 2022 and double the amount of the increase from £1.00 per week to £2.00.

The charts below show an analysis of grant awards by beneficiary group and category of assistance for the 12 months to 31 March 2022.



3.3.3 Regular Charitable Payments (RCPs)

As well as grants to individuals, the Trust administered 673 (759 in 2020/21) RCPs at between £23 and £33 per week for beneficiaries on low incomes although a decision was made by the trustees to increase payments to £25.00 and £35.00 in January 2022. The definition of low income is a calculation and judgement based on the excess of income over expenditure, levels of savings and an applicant's personal circumstances. The total expenditure on RCPs was £1,070,799, a 3% increase (2020/21: £1,039,152).

Support from Greenwich Hospital. The bulk of the RCPs were generously funded by Greenwich Hospital's support of £866,736 (£884,424 in 2020/21), with the remainder funded from the Falklands Fund, a restricted fund in memory of the late Mrs Ina Briggs and the Trust's own unrestricted funds. The Trust gratefully acknowledges Greenwich Hospital's generous support of the Trust's RCPs and it is hoped that Greenwich Hospital is able to maintain this vital support for many years to come.

3.3.4 Beneficiary Support: a holistic approach to the long-term needs of beneficiaries towards successful outcomes

The BSC's helped 291 (365 in 2021/22) beneficiaries with more complex and ongoing needs, usually following the provision of direct financial support. Whilst description of outcomes is difficult, we assess that interventions were:

1. 'life changing' medical support outcomes, often involving Combat Stress as well as NHS services (125 cases; 148 in 2020/21)
 2. 'life defining' outcomes via SAIL (Seafarers' Advice and Information Line), to help with finance and debt issues (190 cases; 262 in 2020/21)
 3. 'life enriching' social exclusion outcomes (213 cases, 191 in 2020/21)
 4. 'life informing' outcomes mainly through enhanced employment status or education (263 cases, 319 in 2020/21).
- **Teamwork.** In addition to their prime areas of responsibility, our two Beneficiary Support Co-ordinators (BSCs) work closely with the Grant Administrators, and in lockdown and leave periods supporting them by providing second signature approvals.
 - **Main issues.** In a busy year, these were mental health, anxiety and isolation. The BSCs work tirelessly to alleviate these issues along with other agencies, requiring long-term engagement with numerous contacts.
 - **Veterans' mental health.** BSCs spent considerable time engaging with those adversely affected by the effects of lockdown, working closely with Veterans Outreach Support (VOS) and Op Courage¹ ensuring they engage for their own general wellbeing and recovery pathway.
 - **Skills enhancement for the workplace.** Encouragement to take the opportunity to enhance skills, education or to diversify to increase employment opportunity. There was a 1% decrease in funding support to individuals this period as case numbers were down by 11 applicants. 92% of Training and Employment grants result in a successful employment outcome; the remaining 8% were still actively engaged on courses or education.
 - **Cross-charity coordination.** The BSCs lead an informal "Working level group" which shares knowledge, information and best practice across the naval charity sector charities, so that beneficiaries are helped by the most appropriate organisation, quickly and effectively. Since opening up after lockdown Castaway House has again become the hub from which many organisations such as VOS and the NHS assess veterans and deliver therapies to help them attain a better quality of life on their recovery pathway.

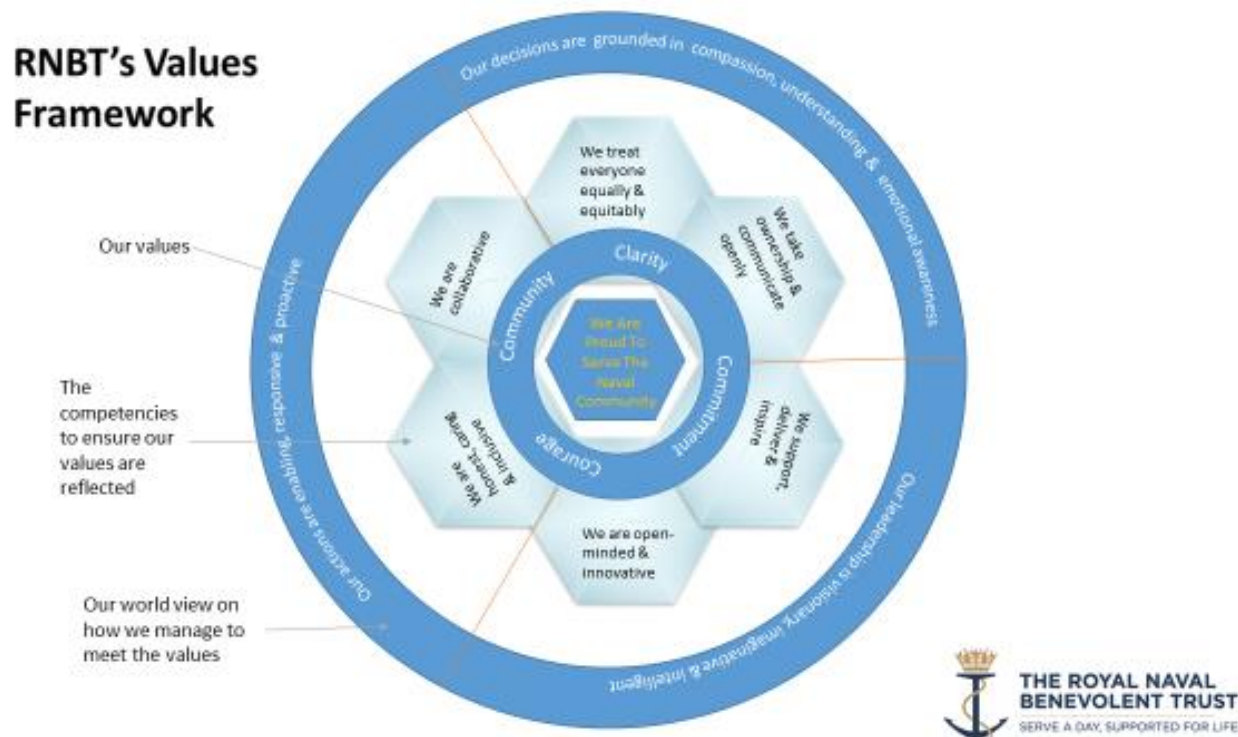
¹ See <https://www.nhs.uk/nhs-services/armed-forces-community/mental-health/veterans-reservists/>

3.4 Safeguarding and Care

Management and responsibility. The committee with wider responsibilities for the delivery of care, both via RNBT establishments and beyond, is the Care and Safeguarding Committee under the Chairmanship of RNBT's care specialist trustee, Mrs Pauline Shaw OBE who is also the Lead Trustee for safeguarding. The Home Managers are responsible to the Director of Care. All Pembroke House staff, Admiral Jellicoe House staff and HQ staff have been trained in safeguarding and receive annual refresher training.

It has been a turbulent year which included dealing with the continuing but constantly changing demands of the Covid-19 pandemic as well as undertaking a number of changes and improvements, including preparations for the opening of Admiral Jellicoe House in June 2022.

Values Framework. Our values framework provides an essential structure for all our work:



Care strategy review and process improvements: Focusing on the needs of our veterans has led to a major review of care strategy based on RNBT's Values Framework. An updated governance strategy, with an improved auditing system, and a dementia strategy which focuses on living with purpose and meaning, have all been introduced as well as improved training and development, focusing on staffing needs, all within a business working ethos, leading to costed care plans being introduced from April 2022.

3.4.1 Pembroke House: the COVID-19 pandemic, a 'Good' CQC inspection and new ways of working

Pembroke House is RNBT's care home in Gillingham, Kent, which offers residential and nursing care for up to 55 residents of the naval family.



Leadership. As discussed in paragraph 3.1 above, the year has again been dominated by the response to the COVID-19 pandemic which had such a devastating impact on the residential care sector throughout the country. Nevertheless the Home has moved forward under a new management team of Carmen Cartmell (Home Manager) and Zoe Oakley (Deputy Home Manager) who took the reins in June 2021, prior to a Care Quality Commission (CQC) inspection on 9th August 2021 which assessed the Key Lines of Enquiry of Safety and Leadership, and pronounced that both were 'Good' and that the Home was 'Good' overall, an impressive achievement in such a short time. Staff morale, which had been brittle, improved as the staff satisfaction jumped from 48% to 95% in three months, a testament to a positive culture change under their leadership.

New systems and ways of working. A number of new systems were introduced during the year. These included:

- 'Nourish' care planning system;
- 'CoolCare' home management system;
- 'Atlas' medication management system.

Their early introduction at Pembroke House has significantly de-risked their introduction at Admiral Jellicoe House and will lead to an effective cohesive approach to home management across RNBT. Ways of working are also continuously evolving; the foundations have been laid for the introduction of Assistant Practitioners and Care Practitioners and the changing of 'Medicator' and 'Senior Care Giver' roles, all leading to a much more flexible allocation of beds to meet the requirements of our residents. The Home has introduced Mental Health First Aiders and has joined the Medway Council Mental Health Awareness scheme, currently rated as Silver with an aspiration to reach Gold within six months. Service quality continues to improve with positive survey results from staff, residents and relatives; reduced falls and infections are all down.

Occupancy has recovered well despite the effects of the pandemic, averaging 86% (82.5% in 2020/21) over the year.

3.4.2 Opening of Admiral Jellicoe House: a beautiful new building ready for its first residents.

The construction of the new Home, which started on 4th January 2021 in the dark days of lockdown, proceeded very smoothly, and practical completion was achieved on 25th April 2022. The Trustees' decision to adopt a 'turnkey' solution with a leading care home developer, LNT Care Developments, was fully vindicated as the Home was handed over completely fitted out to the very highest standards, to time, performance and cost. In parallel, the leadership team formed up at Castaway House, RNBT's HQ building, to start preparatory work following the project plan including the essential task of recruiting experienced and dedicated staff to turn the lovely building into a real 'home from home' for our veterans. The new team then commenced preparations for opening, undergoing statutory training, RNBT induction and detailed preparations for CQC's opening inspection which was successfully achieved on 23rd May 2022. Marketing has been successful, with a large number of expressions of interest, and the first residents were welcomed on 14th June.



3.43 The John Cornwell VC National Memorial (JCVCNM): our link to youthful heroism at Jutland, delivering tranquil living for needy beneficiaries

The 6-unit almshouse complex was built in Hornchurch, Essex following a public subscription to erect a permanent memorial to the heroism of Boy Seaman John Cornwell VC who died of his wounds after the Battle of Jutland. The almshouse is overseen by the Director of Care, assisted by Pembroke House staff, and its governance is delivered through the Care & Safeguarding Committee. RNBT took over the JCVCNM almshouse as the sole trustee in February 2008. The 2-bedroom semi-detached properties ('cottages') remain in a good state of repair. Outgoings are covered by the Weekly Maintenance Charge (WMC). In addition, there is a restricted fund that allows for any major repairs or upgrading/modernisation as required. Despite the challenges of the COVID-19 pandemic, residents have kept well, and occupancy remains at 100% (100% in 2020/21).

3.5 Support for the RNBT Family through other organisations: partnering organisations which help our beneficiaries

The Trust once again provided support to its beneficiaries through selected organisations. This is an important aspect of the Trust's benevolence work; such assistance not only directly supports The RNBT Family but also ensures the work of the Trust is promoted in the wider charitable arena. It is emphasised that assistance is only provided on a verifiable per capita basis (name and official number) for each of the Trust's beneficiaries in receipt of assistance. This remains a cost-effective and efficient means of delivery of support to our beneficiaries.

3.6 Advice on Welfare Matters and Response to Direct Applications for Support: here to help

The Trust receives a constant stream of welfare related queries. Many queries are within the competence of the RNBT staff to answer, but where this is not the case, the matter is referred to other appropriate organisations. The Trust's staff has built up excellent working relationships with the many agencies involved. As part of the Trust's Centenary Awareness Campaign, a new role has been created – Case Co-ordinator – to be able to respond rapidly and efficiently to direct applications for support from 30th May 2022.

3.7 Castaway House: a hub for naval benevolence charities

The Trust's headquarters in Portsmouth, Castaway House, which is wholly owned by the Trust, acts as a hub for naval benevolence charities, with the following charities retaining offices in the building: the Naval Children's Charity; Aggie Weston's; the WRNS Benevolent Trust; Help for Heroes (until 31st March 2022); the Nautilus Welfare Trust; RFEA The Forces Employment Charity and the Royal Navy & Royal Marines Widows Association. Co-location has many benefits, including keeping overheads low, but also has advantages of synergy and camaraderie.

3.8 Public Relations: spreading awareness of RNBT's activities

The focus this year has been on RNBT's centenary, including the Centenary Care Home project and our Centenary Awareness Campaign. Our aim is to reach more of the naval community who need our help, particularly those living far from traditional naval communities. The outline plan is for a targeted social media campaign supported by features in national media, which will commence with a targeted campaign in the North-West of England from June to August so that effectiveness can be measured and any changes made before widening the scope to include the rest of the United Kingdom later in the year.



The Trust is registered with The Fundraising Regulator. The Fundraising Complaints Policy was approved by Trustees in May 2018 and is reviewed annually. Although public fundraising is a limited activity of the Trust, we are committed to employing a transparent and ethical approach to any fundraising activities we engage in. As such, we are committed to ensuring that our fundraising practices go above and beyond all regulations that we rigorously monitor and adhere to. The purpose of the policy is to ensure clarity and openness to all our stakeholders. The Trust does not pressure supporters to make gifts and respects decisions to stop giving. The regulatory landscape for fundraising is evolving and we will continue to monitor and adapt with these changes, this includes the introduction of the General Data Protection Regulation in May 2018. When we work with suppliers and agencies, we ensure that they are fully registered with all the appropriate regulatory bodies, reviewing all their policies as part of our robust procurement due-diligence process.

As at 31st March 2022, no fundraising complaints have been received. We will monitor and record any complaints if they do arise from our fundraising practices, and an annual report will be provided to Trustees.

4. FINANCIAL REVIEW

4.1 Overview

As the Trust approached its Centenary year there was much uncertainty that could impact the activity and ability of the Trust to perform its benevolent function to the full. There was uncertainty in the economy, the unknown continuing impact of Covid both financially to the charity and to the operation of Pembroke House and the longer term consequences of all of these factors on the beneficiary community. However, despite all of this unpredictability RNBT had a relatively successful 2021/22 in financial terms, which enabled great progress being made on delivering the most significant capital project in the Trust's recent history.

Levels of income exceeded both expectations and prior year levels. Income of £6.3m was recorded being an increase of £562k from the previous year (2020/21 £5.7m). The RNBT is fortunate that it has a portfolio of supporters who all contribute to funds for the charity that enable important benevolence to continue to be delivered. A very generous grant from the Michael Uren Foundation was the main driver of this increased income year on year. Grant income from both Greenwich Hospital and RNRMC were similar to the previous year and in line with budget expectations. Occupancy at Pembroke House was much improved coming out of the worst of Covid times, but was still marginally below the budget expectation. However, additional grant funding from the Government via the local authority in Kent to support the additional staffing and equipment costs helped to fund the increased expenditure to keep our staff and residents safe and offset some of the resident income shortfall.

The total operating expenditure for the year was £5.9m that compared to £5.7m in the previous year. This represents a modest increase of 2% of costs year on year. The Trust prides itself on being an efficient, effective organisation minimising overheads and ensuring our donations and grant funding goes direct to helping our beneficiaries. Just 2.7% of operating expenditure was spent on raising funds; the other 97.3% being spent on charitable activities. During the year, expenditure on grants to individuals fell by 5% to a level of £1.4m. Whilst this was a disappointment, it was a smaller reduction than was experienced in the previous year. Early indications in 2022/23 are that both volumes and values of grant applications are increasing. This is no doubt because of the current inflationary pressures and costs of living increases. The budget for 2022/23 has been set with this in mind. Similarly, expenditure on Regular Charitable Payments (RCPs) was 2.5% lower than the previous year at a sum of £1m. Since the start of 2022, all RCPs have been set at a higher amount of £35 per week and again, it is expected that there will be increased uptake of this financial support.

The Trust spent a further £6.6m on capital projects in the year. The majority of this funding was for the new care home; Admiral Jellicoe House. The project to build and open this care home has continued to track to plan. Handover was achieved on the 25th April, the CQC inspection was successful in May and first residents were welcomed to the Home on 14th June 2022.

The Trust's investments performed well over the year with an overall gain in value of £3.8m (2020/21: gain of £7.3m). This year's investment gain together with the operating surplus of £430k resulted in a net increase in funds of £4.2m. Total funds carried forward are £57.4m. The Admiral Jellicoe House Project will require subsidy from the Trust initially to fund the operating costs for the following 12-18 months until occupancy levels reach break-even. The Trust will continue to ensure that its investments are managed carefully to fund the new care home project as well as providing growth and income to ensure sustainability for the long term.

4.2 Where our income comes from

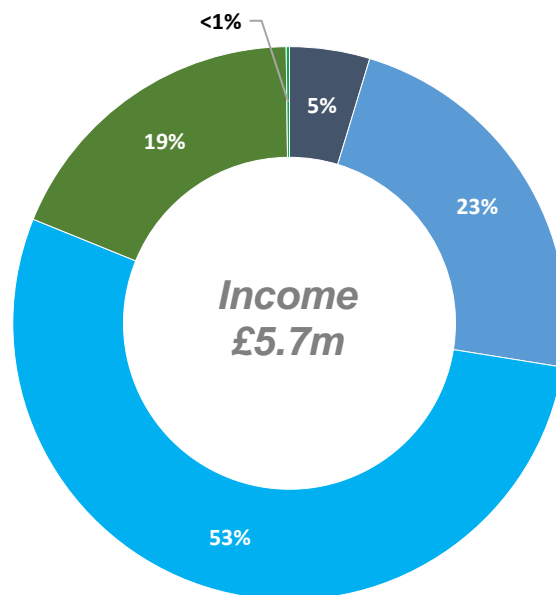
● **Donations and Legacies £920k.** Income from donations and legacies increased from £268k in 2020/21. The increase was due to increased donations, including the donation of £500k from the Michael Uren foundation, and increased levels of legacy income. Notably towards the end of the financial year, it appeared that legal firms were clearing backlogs of legacy work that built up during Covid lockdowns.

● **Grants £1.3m.** Income from grants fell marginally in 2020/21. The Trust's principal grant funding supporters remain Greenwich Hospital and RNRMC, which between them provided £1.2m (2020/21: £1.2m) of funding for our joint beneficiaries. The Trust also received generous grants from The Queen Mary's Roehampton Trust and the Durnford and Cawthan Trust (administered by the Hampshire and Isle of Wight Community Foundation).

● **Care Homes and Almshouse £2.9m.** This includes income from residents' fees as well as donations and grants provided specifically for the care home and Almshouse. Care home and Almshouse income reduced by 4% from £3m in 2020/21. Income from Pembroke House residents' fees reduced by 4% to £1.9m (2020/21: £2m).

● **Investments £1.1m.** Investments are an important source of income for the Trust. Investment income increased from £1.1m in 2020/21, an increase of 4.5%. The RNBT has investment funds under two Investment Managers. Both outperformed the market in 2020/21.

● **Other income £26k.** This includes rental payments from our naval charity sector tenants in Castaway House.



4.3 Where we spend our income

● **Grants to Individuals £1.4m** Expenditure on grants to individuals remained at levels seen in 2020/21. The number of grant awards was down by only 7% to 1,033 (2020/21: 1,107). The Trust expects to see an increase in demand for assistance in 2022/23 as the cost of living crisis impacts on beneficiaries and the awareness campaign bears fruit.

● **Regular Charitable Payments (RCPs) £1.m** Expenditure in year was at similar levels to the previous year. During the year the Trust took the decision to standardise awards to an amount of £35 per week for all RCP beneficiaries during the year, the Trust supported 650 beneficiaries on low incomes. The Trust is expecting to see a material increase in applications in 2022/23.

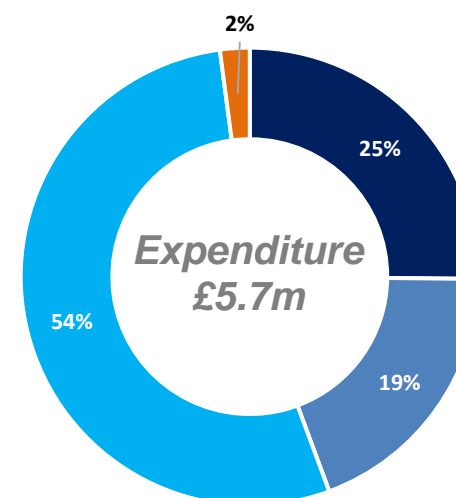
● **Care Homes and Almshouse £3.3m** The cost of running Pembroke House and the John Cornwell VC National Memorial Almshouse increased by 6.4% from £3m in 2020/21. Approximately 80% of the Home's operating expenditure is made up of staff costs to provide a safe and caring environment for the residents.

4.4 Investment Policy and Performance

The Trust implemented a refreshed Investment Policy last year following guidance from the Charity Investors Group and researching best practice. The key change was to replace the previous investment target of RPI+4% with the new target investment return of CPIH+5% over a rolling 5 year period. RPI is no longer considered a reliable measure of inflation and CPIH (Consumer Price Inflation including owner occupiers' housing costs) is considered to be a better measure of RNBT's cost inflation. The Trust has two investment managers with investments held in pooled investment funds. CCLA manage around 66% of the Trust's investments in the COIF Fund, Newton manage around 27% in the Newton Growth & Income Fund for charities, while the remaining 7% is held in cash in a mixture of savings and deposit accounts.

The two investment managers have slightly different approaches to asset allocations and stock selection and so enables the Trust to diversify investments, reduce risk and easily compare performance. As investment management fees are charged as a percentage of funds under management there are no additional costs associated with this approach. The Trust selected the investment managers and specific funds to best achieve the Trust's investment target and meet the overall criteria of the Investment Policy. The performance of the Trust's investment managers is monitored on a monthly basis. The Finance & Risk Committee review performance against target and benchmarks at each meeting, and meetings are held between investment managers and Trustees twice a year. The last detailed review of alternative options was conducted in 2018/19, which resulted in the retention of the current investment managers but with a reallocation of holdings between them.

● **Raising Funds £120k.** Expenditure increased by 8% from £112k in 2019/20. This represents just 2% of total expenditure, significantly lower than the average for the charity sector.



During the year, the Trust sold £1m of investment units from the CCLA Fund and transferred the proceeds into cash. This is part of a planned withdrawal of investments in preparation for funding the Admiral Jellicoe House project and undertaken when investment prices are at historically high levels. At 31st March 2022, the Trust held £3.4m in cash £500k in the COIF Deposit Account paying variable interest (0.023% as at March 2022), £2.5m in a CAF 60 day notice account paying 0.3% interest and £300k in a Barclay's savings account paying 0.01%.

The tables below show the asset allocation of the two funds managed by CCLA and Newton with performance against the Trust's investment target as well as benchmarks.

CCLA COIF Fund	Asset Allocation (%)
Equities	72.64
Infrastructure & Operating Assets	9.06
Cash & Near Cash	8.52
Property	4.58
Contractual & Other Income	2.76
Private Equity & Other	2.44
Fixed Interest	0
Total	100.00

Newton Growth & Income Fund for Charities	Asset Allocation (%)
Equities	84.12
Corporate Bonds	0.37
UK Sovereign Bonds	11.28
Unitised/Structured Investments (Bonds)	1.45
Cash	2.78
Total	100.00

Investment Performance

	CCLA COIF Fund	Newton Growth & Income Fund for Charities
Total Return (5 Year Cumulative)	51.35%	44%
RNBT Investment Target (CPIH+5%)	38.8%	38.8%
Fund Benchmark	36.7%	29%

The table above shows that both investment managers achieved returns well in excess of the Trust's investment target and were comfortably ahead of the Funds' benchmark returns.

4.5 Policy on Reserves

RNBT reviews its Reserves Policy regularly including an annual review by the Finance and Risk Committee. The policy is structured such that the Trust can maintain its Reserves at a sufficient level to ensure long term financial sustainability including protection against the risks that have been identified and included within the Risk Register.

This reserves policy sets out the target free reserves level between a minimum and maximum range and the key principles by which the Trust will manage any excesses or deficits compared to the target. The aim is to strike the appropriate balance between ensuring a sustainable financial position and using the Trust's funds to fulfil the charitable objectives.

Free reserves represent unrestricted general funds and so exclude endowment funds, restricted funds and funds that have been designated by Trustees. The free reserves also exclude any funds that could only be realised by disposing of fixed assets held for charitable use.

The reserves policy is aligned with the RNBT Strategy approved by Trustees in 2018. This included a demographic review of beneficiary numbers that indicated a 42% reduction in beneficiary numbers by 2035 alongside a need to expand our care home provision to include dementia care. This enabled the decision to make a significant draw down on reserves of £12m to fund the development of Admiral Jellicoe House. The costs of this development are included within designated funds. The annual review of reserves included assessing the impact of Covid-19 on the Trust's business plans, projected income and expenditure and on investments.

In 2021/22 the policy was to continue to maintain free reserves of between £8.2m and £12.6m. This target range was calculated as follows.

Free reserves element	Purpose for reserve	Target amount £000	
		Min	Max
Risk based contingency	Based on risks identified in the RNBT Risk Register: <ul style="list-style-type: none"> • Ensure short term solvency and stability in case of an extreme event • Buy some time in the event of a serious income shock • Enable the organisation to function while action is taken • Ensure charitable commitments can be met 	4,350	8,700
Working Capital	To smooth out cash flow timing issues between receipt of funds and spending profile	300	300
Capital expenditure in Short Term Plan (STP) next 3 years	Ensure essential capital programme plans can be maintained	327	327
Operating Deficits in STP next 3 years	Ensure planned expenditure can continue to support beneficiaries	3,239	3,239
Total		8,216	12,566

The analysis of total funds below shows that free reserves at 31st March 2022 were £14m. This is above the maximum target range. However, this is largely due to the significant investment gains (unrealised) of £4m in the year, which reflects the recovery in investment values from their very low valuation in March 2020 caused by the immediate impact of the pandemic. Trustees consider that given the uncertainty around investment markets, the economy and the future impact of Covid-19 on our services the level of free reserves is appropriate.

Trustees will review the requirement for free reserves during the next year alongside the Five Year Short Term Plan and consider options to return free reserves to within the required range. This could include expanding existing services in support of our beneficiary group or considering initiating or bringing forward major capital projects.

Analysis of Funds from Balance Sheet	Balance at 31 March 2021 £000
Total Funds	57,397
Less Endowment Funds	590
Less Restricted Funds	2,437
Less Designated Funds	27,288
Less Fixed Assets included within Unrestricted Funds	13,041
Free Reserves	14,041

See Note 21: Movement in Funds on pages 50-53 for a breakdown of the individual funds included above.

4.6 Pension Scheme

The Trust operates a Group Personal Pension (defined contribution) scheme (GPP) with employee contributions set at a minimum 3% of earnings and an employer's contribution of 7%. The Trust fully complies with the auto-enrolment regulations and has a very low rate of employees choosing to opt-out of the scheme.

4.7 Remuneration Policy

The Trust exercises a methodical and transparent approach to setting employees' pay commensurate with delivering the Trust's charitable objectives in an efficient, cost-effective and sustainable manner. As a charity that provides multiple areas of assistance, employing over 100 staff and managing assets of over £50 million, it is essential that experienced senior executives with the right mix of leadership, strategic, operational, financial and clinical skills, lead the organisation. A balance therefore needs to be struck when determining senior executive remuneration. On the one hand, there is the esteem and value of working for a charity and on the other, there are a limited number of applicants of the right quality for senior roles who will seek charity sector posts. The Trust's inability to offer some of the incentives available in the private and public sectors such as bonus payments, share-based incentives and final salary pension schemes can deter applicants of the right quality. In addition, remuneration needs to be set at a level 'acceptable' to the bulk of the employees as well as donors and beneficiaries.

Rates of pay are set at or close to the median for equivalent sized charities. Reference is made to Croner's Annual Charity Rewards Survey and is further informed through peer comparisons with similarly sized Service charities and with the National Care Forum's network of charity owned care homes. The Trust complies with Minimum Wage legislation, and is comfortably compliant with National Living Wage rates; the Trust does not differentiate rates of pay based on age or sex.

The Finance & Risk Committee has responsibility for approving any pay rises including those linked to the annual cost of living review. Trustees carried out a full review of pay bands/scales during the year to ensure the Trust remains in step with the sector. This included a review of employee benefits compared to other similar employers. It is the Trust's intention to offer a competitive range of employee benefits as part of its total reward package.

5. RISK MANAGEMENT

Trustees routinely review the risk register at each of the sub-committees (for those risks specific to that area of responsibility) as well as both the Finance and Risk Committee and the Central Committee for the overall register. Risks are categorised as Governance and Compliance, Operational, Resources and Operational-Care Home & Almshouse. Risks are assessed by marking the likelihood and impact from 1 – 10 and producing an overall risk score from the formula $xy+y$ where x is likelihood and y is impact, which gives extra emphasis to impact when assessing risk. Risks scoring over 30 are coded Red (significant), scores between 9 and 30 are coded Yellow (moderate) and scores below nine are coded Green (minor).

The top significant risks are shown below along with their mitigation:

Category	Risk description	Score	Mitigation
Operational	Insufficient caseworker support	60	Liaison with case working organisations (CWOs); Grant Administrators input to training events. On-line direct application form rolled out Aug 2020 and recently improved. CMS2 roll out (25 th March 2021) has exacerbate this risk as SSAFA case working numbers have reduced; SSAFA cases presented to RNBT reduced by 50% in 2020/21, in part due to the pandemic (some home visits now by caseworkers; previously all by phone). Casework Co-ordinator recruited; starts 30 th May 22.
	Quality of casework	40	CE is member of CMS Management Board and GA1 is member of CMS Working Group. CWOs now coming to terms with CMS2 (see risk above), and the number of cases which require to be referred back to caseworkers has levelled off.
	Insufficient funding from grant making organisations	60	Maintaining good relationships with funders; MOU with RNRMC replaced by 3-year Funding Agreement 1 st January 2022 - December 2024. Comms plan includes informing wider community of RNBT's role and to demonstrate efficient and effective delivery of benevolence to funders. Future of Greenwich Hospital (GH) remains under active review by MoD at SofS level. Risk that GH is considered a MoD asset and grant funding for naval charities is substantially reduced (RCPs are Navy Board mandated and therefore considered very unlikely to be at risk). New 2SL (GH Chair of Advisory Board) now in post.

Category	Risk description	Score	Mitigation
			Application to GH for higher level of grant support for RCPs under consideration by GH but 'agreed in principle'.
Operational: Care Home & Almshouse	Reduced Pembroke House or Admiral Jellicoe House occupancy - shortfall in income	40	Pragmatic occupancy targets set. Risk of further waves of infections significantly reduced by vaccination of residents and staff. All care staff vaccinated as a condition of employment. Maintain appropriate numbers of privately funded residents.
	Local Authority / NHS funding - impact of changes to funding of care; shortfall in income	33	Regular dialogue with Local Authorities to more closely match their Band to our Contract prices; 'healthy' Residents Support Fund for subsidy. 2021 rates only increased by 1%; 2022 rates not known. FD and DoC developing care costing model to justify higher level of fees from NHS for higher dependency residents. Impact on recent Government announcement concerning major changes to the funding for care not yet fully understood until Government provides details about its implementation and advice received from organisations such as National Care Forum. Maintain appropriate numbers of privately funded residents.
	Community-based infection risk	40	Procedure to prevent such events is in place; staff training. Use of specialist catering consultancy. Risk of further waves of infections significantly reduced by vaccination of residents and staff. All care staff vaccinated as a condition of employment. Robust COVID plans for visitors.
	Recruitment of Registered Nurses - staffing shortfall	40	Difficulties recruiting. Internal actions to mitigate impact. May be exacerbated post-Covid19 crisis. May need different pay rates in different geographic areas. Recruitment and Retention Strategy and Training and Development Strategy being implemented to improve recruitment and retention of all staff including RGNs. Consider employment of Nursing Associates and use of Care Practitioners where appropriate.

6. PUBLIC BENEFIT

The principal means through which the Trust delivers public benefit is in the prevention and relief of poverty. This benefit is delivered through both RCPs and individual crisis grants to those that comprise The RNBT Family in accordance with the Trust's primary charitable objective. Additional public benefit is delivered through the provision of relief for those in need due to age, disability and/or financial hardship through the Trust's almshouse and care homes.

In setting the Trust's objectives and in planning its activities, trustees have considered the Charity Commission's published guidance on public benefit. The relief provided by the Trust is inextricably linked to its Royal Charter. It is based solely on need, is targeted and does not duplicate assistance provided from other quarters (including the State). It is therefore considered that the Trust meets the clearly identified need of the relief of poverty, and if it were not for the Trust's intervention, those concerned would suffer unacceptable hardship.

7. LINKS WITH OTHER CHARITIES AND ORGANISATIONS

Links are maintained with many other service charities and organisations with the block grant making charities being of particular importance to the Trust. The Trust continues to work closely with the RNRMC and other charities/organisations to actively explore ways in which already close working relationships might be further advanced. The Trust is keen to explore ways in which the RN benevolence sector might be developed to better position itself to face future challenges (not the least of which is the shrinking Naval Service demographic) and we look forward to playing an active role in the debate and, where appropriate, holding direct discussions with other naval benevolence charities.

An especially strong and professional relationship continues to exist with the organisations that carry out casework in support of the Trust's beneficiaries. The Trust could not deliver against its charitable objectives without the largely volunteer based work of SSAFA, The Royal British Legion and the Royal Commonwealth Ex-Services League; the needs of serving personnel are addressed, in the main, by the Royal Navy Family and People Support (RN FPS). The military charity sector continues to benefit from a high level of connectivity across the benevolence sector, in the main provided by a bespoke IT system for casework management, which facilitates the process of almonisation, known as CMS (see 3.2.2 above). The Trust is extremely grateful to RNRMC which funds the naval contribution to the running costs of CMS, and to all those involved in casework.

8. FUTURE PLANS

The Trustees follow their revised Strategy (<https://www.rnbt.org.uk/app/uploads/2022/02/The-RNBT-Strategy-to-2035-Into-the-Second-Century-11-Feb-2022.pdf>)

One conclusion of the strategy is that the Trust 'will investigate opportunities to deliver (residential care) in other locations such as Plymouth as opportunities arise' as well as day care and domiciliary care options.



Admiral Jellicoe House: RNBT's Centenary Care Home project for veterans in Portsmouth

RNBT Care Ltd The wholly owned subsidiary company, RNBT Care Ltd, which was created to manage the proposed care home building project, will not be used, as RNBT is not actively managing the project. RNBT Care Ltd is therefore effectively a dormant subsidiary company.

Day Care Provision Having investigated options to provide day care provision, in addition to the residential care offered at Admiral Jellicoe House, an adjacent property, West Lodge, was successfully purchased in November 2020. It has served as the site office and welfare facilities for LNT Construction Ltd under the terms of a Lease until May 2022. Plans to roll out day care provision from Pembroke House in Gillingham have been postponed due to the Covid-19 pandemic.

Key Objectives for 2022/2023

Primary (Standing) Objectives

Primary (standing) Objective	Measurement of output and effectiveness
<p>To assist The RNBT Family through:</p> <ul style="list-style-type: none"> • Individual grants • Regular charitable payments • Advice on welfare and allied matters • Holistic support to beneficiaries • Care of older people at: <ul style="list-style-type: none"> ○ Pembroke House (PH) (care & nursing home) ○ Admiral Jellicoe House (AJH): ○ John Cornwell VC National Memorial (JCVCNM) (alms-house) 	<p>Individual grants:</p> <ul style="list-style-type: none"> • Numbers, amounts compared to previous years <p>RCPs:</p> <ul style="list-style-type: none"> • Numbers, amounts compared to previous years <p>BSC: numbers assisted compared with previous years</p> <p>PH: • Occupancy (target: 88%)</p> <ul style="list-style-type: none"> • CQC: 'outstanding', or 'Good' <p>AJH:</p> <ul style="list-style-type: none"> • Occupancy: on target for 90% occupancy by June 2024. • CQC: achieve successful CQC opening inspection. <p>JCVCNM:</p> <ul style="list-style-type: none"> • 100% occupancy

Annual ('change') objectives

Objective	Measurement of output and effectiveness
Deliver Admiral Jellicoe House as the Centenary Care Home Project: <ul style="list-style-type: none"> • Monitor construction phase to time, performance and cost • Recruit, train and induct staff • Achieve successful CQC opening inspection • Marketing to achieve appropriate build-up of resident numbers 	<ul style="list-style-type: none"> • Achieve Practical Completion on 25th April 2022 • Initial staffing achieved by 31st May 2022 • Successful CQC inspection by 6th June 2022 • First residents join 13th June 2022. Build up in line with 2-year profile.
Plan and achieve RNBT awareness campaign to increase applications for support	<ul style="list-style-type: none"> • Recruit first Case Co-ordinator by 1st April 2022 • Plan and execute North-West regional roll-out June 2022
Take forward development projects from updated strategy: <ul style="list-style-type: none"> • Plymouth care home options • Day Care provision • Domiciliary care provision 	<ul style="list-style-type: none"> • Working Group formed, feasibility confirmed <ul style="list-style-type: none"> ◦ Explore options. Outline business case by Autumn 2022. • Day Care provision plan to be developed when Covid-19 regulations allow: <ul style="list-style-type: none"> ◦ PH not before Q4 2022 ◦ West Lodge: 2024 • Explore feasibility

THE ROYAL NAVAL BENEVOLENT TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice 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 in operation.

The Trustees are responsible for keeping proper accounting records that 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 Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Central Committee on 7 October 2022
and signed on their behalf by:

Captain N Fletcher Royal Navy
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL NAVAL BENEVOLENT TRUST

Opinion

We have audited the financial statements of The Royal Naval Benevolent Trust (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Charities Act 2011

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 are independent of the charity 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 Royal Naval Benevolent Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual 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 course of 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.

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 (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements;
- Sufficient 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 set out in the trustees' annual report, 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 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 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 regulations made under section 154 of that Act.

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.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the Finance Committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

7 November 2022

Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2021

	Note	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total Funds 2022	Total Funds 2021
		£	£	£	£	£	£
Income from:							
Donations and legacies	3	908,937	-	11,000	-	919,937	268,356
Grants receivable	4	-	-	1,299,736	-	1,299,736	1,307,924
Charitable activities							
- Care homes and almshouse	5	1,980,360	-	943,402	-	2,923,762	3,033,181
Investments	6	1,005,671	77,665	31,650	-	1,116,986	1,068,848
Other	7	<u>25,861</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,861</u>	<u>45,744</u>
Total income		<u>3,920,929</u>	<u>79,665</u>	<u>2,285,788</u>	<u>-</u>	<u>6,286,282</u>	<u>5,724,083</u>
Expenditure on:							
Raising funds	8	156,563	-	-	-	156,563	119,521
Charitable activities							
- Grants to individuals	8	1,301,743	29,525	40,370	-	1,371,638	1,468,446
- Regular Charitable Payments	8	-	50,440	1,020,359	-	1,070,799	1,098,022
- Care home and almshouse		<u>3,207,856</u>	<u>-</u>	<u>49,286</u>	<u>-</u>	<u>3,257,142</u>	<u>3,061,802</u>
Total expenditure	8	<u>4,666,162</u>	<u>79,965</u>	<u>1,110,015</u>	<u>-</u>	<u>5,856,142</u>	<u>5,717,791</u>
Net income / (expenditure) before net gains / (losses) on investments		(745,333)	(300)	1,175,776	-	430,140	6,292
Net gains / (losses) on investments	16	<u>3,293,857</u>	<u>267,204</u>	<u>128,057</u>	<u>92,349</u>	<u>3,781,467</u>	<u>7,286,643</u>
Net (expenditure) / income for the year		2,548,524	266,904	1,303,830	92,349	4,211,607	7,292,935
Transfers between funds	21	<u>905,679</u>	<u>-</u>	<u>(905,679)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		905,679	266,904	398,151	92,349	4,211,607	7,292,935
Reconciliation of funds							
Total funds brought forward		<u>£22,147,695</u>	<u>£27,021,159</u>	<u>£2,780,789</u>	<u>£1,235,575</u>	<u>£53,185,220</u>	<u>£45,892,283</u>
Total funds carried forward		<u>£25,601,900</u>	<u>£27,288,063</u>	<u>£3,178,940</u>	<u>£1,327,924</u>	<u>£57,396,827</u>	<u>£53,185,218</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 21 to the financial statements.

BALANCE SHEET

As at 31 March 2022

	Note	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total Funds 2022	Total Funds 2021
		£	£	£	£	£	£
FIXED ASSETS							
Tangible fixed assets	14	12,258,784	-	775,276	7,206	13,041,266	6,638,048
Investment properties	15	527,903	-	-	-	527,903	527,903
TOTAL FIXED ASSETS	16	<u>15,662,295</u>	<u>27,280,265</u>	<u>2,219,689</u>	<u>1,371,919</u>	<u>46,390,168</u>	<u>46,858,566</u>
		28,488,982	27,280,265	2,904,965	1,325,125	59,959,337	54,024,517
CURRENT ASSETS							
Stock	17	-	-	-	-	-	42,747
Debtors, prepayments and accrued income	18	427,368	-	-	-	427,368	359,792
Cash at bank and in hand		<u>(11,713)</u>	<u>7,798</u>	<u>273,975</u>	<u>2,799</u>	<u>272,859</u>	<u>183,515</u>
		415,655	7,798	273,975	2,799	700,277	586,054
LIABILITIES							
Creditors: amounts falling due within one year	19	(1,262,739)	-	-	-	(1,262,739)	(425,353)
NET CURRENT ASSETS		<u>(847,084)</u>	<u>7,798</u>	<u>273,975</u>	<u>2,799</u>	<u>(562,511)</u>	<u>160,701</u>
Creditors: amounts falling due after one year	25	<u>(2,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,000,000)</u>	<u>(1,000,000)</u>
TOTAL NET ASSETS		<u>£25,601,898</u>	<u>£27,288,063</u>	<u>£3,178,940</u>	<u>£1,327,924</u>	<u>£57,396,827</u>	<u>£53,185,218</u>
THE FUNDS OF THE CHARITY							
Unrestricted funds	21	25,601,900	-	-	-	25,601,900	22,147,695
Designated funds	21	-	27,288,063	-	-	27,288,063	27,021,159
Restricted funds	21	-	-	3,178,940	-	3,178,940	2,780,789
Permanent endowment funds	21	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,327,924</u>	<u>1,327,924</u>	<u>1,235,575</u>
TOTAL CHARITY FUNDS		<u>£25,601,900</u>	<u>£27,288,063</u>	<u>£3,178,940</u>	<u>£1,327,924</u>	<u>£57,396,827</u>	<u>£53,185,218</u>

Approved and authorised for issue by the Trustees on 7 October 2022 and signed on their behalf by

I Ranscombe
Honorary Treasurer

STATEMENT OF CASH FLOWS

For the year ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities	23		
Net cash used in operating activities		322,588	(316,111)
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,116,985	<i>1,068,848</i>
Purchase of fixed assets		(6,580,568)	<i>(2,739,531)</i>
Proceeds from the sale of investments		1,000,000	<i>2,000,000</i>
Purchase of investment property		<u>-</u>	<u>(527,903)</u>
Net cash provided by investing activities		<u>(4,463,583)</u>	<u><i>(198,586)</i></u>
Cash flows from financing activities:			
Cash inflows from new borrowing		1,000,000	<i>1,000,000</i>
Net cash provided by financing activities		<u>1,000,000</u>	<u><i>1,000,000</i></u>
Change in cash and cash equivalents in the year		(3,141,025)	<i>485,303</i>
Cash and cash equivalents at the beginning of the year		<u>6,681,389</u>	<u><i>6,196,086</i></u>
Cash and cash equivalents at the end of the year	24	<u>£3,540,364</u>	<u><i>£6,681,389</i></u>

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The Royal Naval Benevolent Trust was incorporated under Royal Charter granted on 2nd May 1922 and is a charity registered with the Charity Commission in England & Wales (number 206243). The registered office address is Castaway House, 311 Twyford Avenue, Portsmouth PO2 8RN.

a) Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Charities Act 2011. The Trust owns a subsidiary company, RNBT Care Ltd which was created during the feasibility stage of the Admiral Jellicoe House Project but has never been used and is dormant.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

b) Public Benefit entity

The Trust meets the definition of a public benefit entity under FRS 102.

c) Going concern

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

d) Income

Income is recognised when the Trust has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the Trust is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Trust has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Trust, or the Trust is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Care home and almshouse income comprises fees in respect of residents at Pembroke House, weekly maintenance charges in respect of John Cornwell VC National Memorial Almshouse and donations and grants receivable, all of which are accounted for on an accruals basis.

e) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the Trust has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the Trust of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so reference should be made to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the Trust which is the amount the Trust would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt. During the year, the Government supplied free PPE to all care homes due to Covid-19. The value of free PPE acquired in 2020/21 is £20,767. This has not been recognised in income and expenditure as the value is not deemed to be material.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor; expenditure that meets these criteria is charged to the fund. Endowment funds are funds where the capital must be retained and invested. Unrestricted funds are donations and other income received or generated for the charitable purposes. Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the Trust in inducing third parties to make voluntary contributions to it
- Expenditure on charitable activities includes:
 - Grants and Regular Charitable Payments (RCPs) to individuals* - Grants and RCPs to individuals are included when they are authorised by the Grants Administrators or the relevant committee. These costs include the support costs incurred in managing the grants and RCPs systems.
 - Care homes and almshouse* - the direct operating costs of Pembroke House and John Cornwell VC National Memorial Almshouse are included with the addition of support costs representing services provided by Headquarters. Some preliminary revenue costs associated with Admiral Jellicoe House are also included.
- Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.
- Other expenditure represents those items not falling into any other heading.

l) Allocation of support costs

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis, which is an estimate, based on staff time, of the amount attributable to each activity.

▪ Grants to Individuals	41%
▪ Regular Charitable Payments	7%
▪ Care Home and Almshouse	31%
▪ Raising Funds	22%

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Tangible Fixed Assets

Individual fixed assets costing £500 or more are capitalised. All properties, furniture and equipment are held as operating assets. The capital costs of the Admiral Jellicoe House project are classed as Assets Under Construction within Fixed Assets.

Depreciation is provided at the following annual rates on a straight-line basis:-

Property	-	between 2% (50 years) and 10% (10 years) depending on the expected life of the asset
Furniture, equipment & vehicles	-	between 5% (20 years) and 33.3% (3 years) depending on the expected life of the asset
I.T. Equipment	-	between 6.7% (15 years) and 33.3% (3 years) depending on the expected life of the asset

l) Investment properties

Investment property is included in the Balance Sheet at fair market value in accordance with FRS 102 and as such no depreciation is charged during the year. Gains or losses arising on revaluation are credited or charged respectively to the SOFA under 'Net gains / (losses) on investments'.

m) Investment portfolio

The investment portfolio has been valued at bid price value as at 31 March 2021. The SOFA includes the net gains and losses on investments arising on revaluation at the year-end and on disposals throughout the year. The charity does not acquire put options, derivatives or other complex financial instruments.

n) Gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the statement of financial activities.

o) Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

p) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

q) Cash at bank and in hand

Cash at bank and cash in hand excludes cash investments which are part of the Trust's investment portfolio in line with the approved Investment Policy. Cash balances exclude any funds held on behalf of service users.

r) Creditors and provisions

Creditors and provisions are recognised where the Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. The Trust 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.

s) Pensions

The Trust operates two defined contribution pension schemes and the pension charges in relation to these schemes represent the amounts payable by the Trust to the schemes in respect of the year.

2 DETAILED COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 March 2021

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Income from:						
Donations and legacies	3	265,398	-	2,958	-	268,356
Grants receivable	4	-	-	1,307,924	-	1,307,924
Charitable activities						
- Care homes and almshouse	5	1,911,227	11,848	1,110,106	-	3,033,181
Investments	6	960,869	77,716	30,263	-	1,068,848
Other	7	45,774	-	-	-	45,774
Total income		<u>3,183,268</u>	<u>89,654</u>	<u>2,451,251</u>	<u>-</u>	<u>5,724,083</u>
Expenditure on:						
Raising funds		119,521	-	-	-	119,521
Charitable activities						
- Grants to individuals		968,418	52,349	417,679	-	1,438,446
- Regular Charitable Payments		99,375	51,481	947,167	-	1,098,022
- Care home and almshouse		3,001,245	5,489	55,068	-	3,061,802
Total expenditure	8	<u>4,188,559</u>	<u>109,318</u>	<u>1,419,914</u>	<u>-</u>	<u>5,717,791</u>
Net income / (expenditure) before net gains / (losses) on investments		(1,005,291)	(19,754)	1,031,337	-	6,292
Net gains on investments		<u>6,222,685</u>	<u>597,571</u>	<u>290,701</u>	<u>175,686</u>	<u>7,286,643</u>
		Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Net income for the year	20	5,217,394	597,571	290,701	175,686	7,292,935
Transfers between funds		<u>(21,317,266)</u>	<u>22,679,756</u>	<u>(1,362,490)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>(16,099,872)</u>	<u>23,257,573</u>	<u>(40,452)</u>	<u>175,686</u>	<u>7,292,935</u>
Reconciliation of funds						
Total funds brought forward		<u>38,247,567</u>	<u>3,763,586</u>	<u>2,821,241</u>	<u>1,059,889</u>	<u>45,892,283</u>
Total funds carried forward		<u>£22,147,695</u>	<u>£27,021,159</u>	<u>£2,780,789</u>	<u>£1,235,575</u>	<u>£53,185,218</u>

3 INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £	Total 2021 £
Donations	67,368	-	11,000	-	78,368	48,541
Legacies	841,569	-	-	-	841,569	218,815
	<u>£ 908,937</u>	<u>£ -</u>	<u>£ 11,000</u>	<u>£ -</u>	<u>£ 919,937</u>	<u>£ 268,356</u>

A full list of donations and legacies is published in the Impact Report each October and is available on the Trust's website www.rnbt.org.uk

4 INCOME FROM GRANTS

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £	Total 2021 £
RNRMC	-	-	408,000	-	408,000	398,000
Greenwich Hospital (RCPs)	-	-	866,736	-	866,736	884,424
Queen Mary's Roehampton Trust	-	-	20,000	-	20,000	10,000
Durnford & Cawthran Trust	-	-	5,000	-	5,000	5,000
The Royal British Legion	-	-	-	-	-	10000
National Philanthropic Trust UK	-	-	500	-	500	500
	<u>£ -</u>	<u>£ -</u>	<u>£ 1,299,736</u>	<u>£ -</u>	<u>£ 1,299,736</u>	<u>£ 1,307,924</u>

5 INCOME FROM CHARITABLE ACTIVITIES – CARE HOMES AND ALMSHOUSE

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £	Total 2021 £
Care Home residents' fees	1,979,127	-	-	-	1,979,127	1,904,396
Care Home grants, legacies and donations*	-	-	875,997	-	875,997	1,037,778
Care Home investment and other income	1,233	-	25,062	-	26,295	50,134
Alms house weekly maintenance charge	-	-	33,342	-	33,342	32,688
Alms house investment and other income	-	-	9,001	-	9,001	8,186
	<u>£1,980,360</u>	<u>£ -</u>	<u>£ 943,402</u>	<u>£ -</u>	<u>£2,923,762</u>	<u>£3,033,182</u>

6 INCOME FROM INVESTMENTS

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £	Total 2021 £
Dividends from pooled funds	981,958	79,665	31,650	-	1,093,273	1,040,631
Rents from investment property	13,750	-	-	-	13,750	2,873
Short term interest	9,962	-	-	-	9,962	25,344
	<u>£ 1,005,670</u>	<u>£ 79,665</u>	<u>£ 31,650</u>	<u>£ -</u>	<u>£ 1,116,985</u>	<u>£ 1,068,848</u>

7 OTHER INCOME

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £	Total 2021 £
Rents from charitable property	21,381	-	-	-	21,381	9,295
Coronavirus Job Retention Scheme (CJRS)	34,792	-	-	-	34,792	34,792
Miscellaneous income	(30,311)	-	-	-	(30,311)	1,688
	<u>£ 25,862</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 25,862</u>	<u>£ 45,775</u>

Rents from charitable property refers to the lease rental income received from the tenants of Castaway House. The Trust charges rent at below market rates to organisations that support The RNBT and wider Naval Family.

8 ANALYSIS OF EXPENDITURE

	Raising Funds	Grants to Individuals	Regular Charitable Payments	Care Home and Almshouse	Total 2022	Total 2021
	£	£	£	£	£	£
Staff costs	81,475	313,497	55,040	2,404,818	2,854,830	2,745,256
Other support costs	72,163	134,048	28,851	185,220	420,282	205,564
Governance costs	2,925	5,306	1,152	5,876	15,258	14,973
Grants to Individuals	-	918,788	-	-	918,788	1,062,274
Regular Charitable Payments	-	-	985,756	-	985,756	1,038,152
Care Home and Almshouse	-	-	-	661,228	661,228	650,573
Total expenditure 2022	<u>£ 156,563</u>	<u>£ 1,371,639</u>	<u>£ 1,070,799</u>	<u>£ 3,257,142</u>	<u>£ 5,856,143</u>	
<i>Total expenditure 2021</i>	<i><u>£ 119,521</u></i>	<i><u>£ 1,438,446</u></i>	<i><u>£ 1,098,022</u></i>	<i><u>£ 3,061,803</u></i>		<i><u>£ 5,717,792</u></i>

Of the total expenditure, £4,188,559 was unrestricted (2020: £4,217,380), £109,318 was designated (2020: £117,584) and £1,419,914 was restricted (2020: £1,497,232).

9 GRANT MAKING

	Grants	Support Costs	Total 2022	Total 2021
	£	£	£	£
Medical	318,690	157,076	475,766	486,833
Education & Employment	49,233	24,266	73,499	69,142
Housing	385,897	190,200	576,097	628,519
Funerals	63,326	31,212	94,538	110,159
General	101,641	50,097	151,738	143,793
Total one-off grants to individuals	<u>918,787</u>	<u>452,851</u>	<u>1,371,638</u>	<u>1,438,443</u>
Regular Charitable Payments	<u>985,756</u>	<u>85,043</u>	<u>1,070,799</u>	<u>1,098,022</u>
	<u>£ 1,904,543</u>	<u>£ 537,894</u>	<u>£ 2,442,437</u>	<u>£ 2,536,468</u>

All grants are paid for the benefit of named individuals, identified as being members of The RNBT Family.

10 NET (EXPENDITURE) / INCOME FOR THE YEAR

This is stated after charging:-

	2022 £	2021 £
Depreciation	198,847	182,653
Profit on disposal of fixed assets	-	3,224
Operating lease rentals	10,850	10,454
Auditor's remuneration – Audit services	14,340	13,500
Auditor's remuneration – Other	1,020	1,020

Auditor's remuneration – Other costs of £1,020 are for preparing the accounts of RNBT's dormant subsidiary company RNBT Care Ltd.

11 ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

Staff costs were as follows:

	2022 £	2021 £
Salaries	2,386,547	2,315,311
National Insurance	173,538	168,358
Employer's contribution to defined contribution pension schemes	150,939	146,752
Other employee benefits	66,119	61,575
Agency staff	-	(1,146)
Recruitment and training	82,867	54,405
	<u>£2,854,830</u>	<u>£2,745,255</u>

One employee was paid a salary in the band of £80,000 to £90,000, one employee was paid a salary in the band £70,000 to £80,000 and one employee was paid a salary in the band of £60,000 to £70,000. (2020: one employee was paid a salary in the band of £70,000 to £80,000 and two employees were paid in the band £60,000 to £70,000).

The Employee Cost note shows employee notional salaries before any salary sacrifice schemes.

The total employee benefits of the key management personnel were £280,045 (2021: £238,635). Key management personnel include the Chief Executive, Finance Director, Director of Care and Pembroke House Home Manager; the total employee benefits include salary, employer's national insurance contributions, employer's pension contributions and the value of other employee benefits such as Group Life Assurance.

Trustees' expenses were as follows:

	2022 £	2021 £
Travelling expenses	<u>£ 918</u>	<u>£ 133</u>
Numbers being reimbursed	<u>3</u>	<u>6</u>

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil). However, one trustee is employed by the Trust's solicitors (see Note 13 Related Party Transactions). Transactions with the Trust's solicitors were on an arm's length basis.

12 STAFF NUMBERS

The average number of employees (headcount and full time equivalents (FTEs) during the year was as follows:

	Headcount	2022 FTEs	Headcount	2021 FTEs
Headquarters	14	11.5	13	9.3
Admiral Jellicoe House	3	3	-	-
Pembroke House	<u>100</u>	<u>85</u>	<u>106</u>	<u>84</u>
	<u>117</u>	<u>99</u>	<u>119</u>	<u>93</u>

The Trust sometimes use agency nursing and care staff at Pembroke House to cover for sickness and short term unplanned staff shortages. No agency staff were employed during the year in order to minimise the risk of infection from agency staff who may be working across several establishments (2021 Nil).

13 RELATED PARTY TRANSACTIONS

Tim Forer, the Trust's specialist Legal and Management trustee is employed by Blake Morgan, the Trust's Solicitors. £22,420 was paid to Blake Morgan during the year (2021: £68,280) for advice on contracts for the development of the new care home in Portsmouth, the acquisition of West Lodge and employment law matters.

Alan Krzysica, the Trust's specialist Surveyor trustee, is employed by McPhersons Quantity Surveyors, which has been appointed to act as the Trust's project advisor for the Admiral Jellicoe House development. Alan Krzysica was not involved in the selection process for the appointment. £20,400 was paid to McPhersons during the year (2021: £6,420).

14 TANGIBLE FIXED ASSETS

	Freehold properties £	Assets Under Construction £	Furniture & equipment £	Motor Vehicles £	Total £
COST					
At 1 April 2021	5,273,321	2,604,440	1,069,150	77,433	9,024,344
Additions	16,621	6,488,486	75,461	-	6,580,568
Disposals	-	-	-	-	-
At 31 March 2022	<u>5,289,942</u>	<u>9,092,926</u>	<u>1,144,611</u>	<u>77,433</u>	<u>15,604,912</u>
DEPRECIATION					
At 1 April 2021	1,600,320	-	750,501	35,490	2,386,312
Charge for the year	93,032	-	76,559	7,743	177,335
Disposals	-	-	-	-	-
		Assets Under Construction £	Furniture & equipment £	Motor Vehicles £	Total £
At 31 March 2022	<u>1,693,352</u>	<u>-</u>	<u>827,060</u>	<u>43,233</u>	<u>2,563,646</u>
NET BOOK VALUE					
At 31 March 2022	<u>£3,596,590</u>	<u>£9,092,926</u>	<u>£317,551</u>	<u>£34,200</u>	<u>£13,041,266</u>
<i>At 31 March 2021</i>	<i><u>£3,673,002</u></i>	<i><u>£2,604,440</u></i>	<i><u>£318,664</u></i>	<i><u>£41,942</u></i>	<i><u>£6,638,048</u></i>

All of the above assets are used for charitable purposes. Assets Under Construction relates to the development of Admiral Jellicoe House.

15 INVESTMENT PROPERTY

	2022 £	2021 £
Fair value at the start of the year	527,903	-
Additions		£527,903
Disposals at carrying value	-	-
Fair value at the end of the year	<u>£527,903</u>	<u>£527,903</u>

During the year, the Trust purchased West Lodge in Portsmouth. This property is adjacent to the new care home development, Admiral Jellicoe House. The long term plan is to use the property for Day Care services for the Trust's beneficiaries. During construction of Admiral Jellicoe House, the property is being used as a site office for the building contractors. A lease has been agreed paying rental income of £11,000 pa. This is included in investment income and the property is currently classed as an investment property.

16 INVESTMENTS

a Movements in investments during the year

	2022 £	2021 £
Market value at start of year	40,360,690	35,074,049
Additions at cost	-	-
Disposals at carrying value	(885,389)	(1,666,179)
Net gain on revaluation	<u>3,666,856</u>	<u>6,952,822</u>
Total investments	<u>43,142,157</u>	<u>40,360,692</u>
Invested cash	<u>3,248,008</u>	<u>6,497,874</u>
Market value at end of year	<u>£46,390,165</u>	<u>£46,858,566</u>
Historic cost at end of year	<u>£37,430,415</u>	<u>£38,122,063</u>

Additions and disposals include transactions associated with switching between funds and asset classes as well as overall withdrawals from and additions to the Trust's total investments.

The whole portfolio was invested through UK based investment operations. All investments are either listed on recognised stock exchanges or are valued by reference to such investments.

The Trust's investments are comprised of the following:

	2022 £	2021 £
Charity pooled investment funds	43,142,157	40,360,692
Cash	<u>3,248,008</u>	<u>6,497,874</u>
	<u>£46,390,165</u>	<u>£38,122,063</u>

b Net gains / (losses) on investments

	2022 £	2021 £
Realised gains on sale of investments	114,611	333,821
Unrealised gains / (losses) on revaluation of investments	<u>3,666,856</u>	<u>6,952,822</u>
Net gains / (losses) on investments reported in SOFA	<u>£ 3,781,467</u>	<u>£ 7,286,643</u>

c Investment Management Fees

The unrealised gain or loss on revaluation of investments is shown after the deduction of any fees charged direct to the fund. The total investment management fees for the year were £244,436 (2021: £222,868) which was all charged direct to the investment fund.

17 STOCKS

Stocks that had been built up in the previous year following the Brexit threat that supplies could be hard to get, were used during the year. This included medical and housecleaning supplies.

Items of merchandise held at year end were valued at zero as they all showed the old logo and not the revised one. Therefore old stock will be given away at events or sold for a minimal donation.

18 DEBTORS

	2022 £	2021 £
Trade debtors	76,804	34,693
Prepayments	19,422	47,867
Accrued income	<u>331,141</u>	<u>277,232</u>
	<u>£ 427,367</u>	<u>£ 359,792</u>

19 CREDITORS (Amounts falling due within one year)

	2022 £	2021 £
Trade creditors	64,648	34,423
Other taxation and social security	42,988	40,794
Other creditors	23,735	28,416
Accruals	1,115,007	307,186
Deferred income (note 20)	<u>16,362</u>	<u>14,534</u>
	<u>£ 1,262,737</u>	<u>£ 425,353</u>

20 DEFERRED INCOME

Deferred income comprises entirely of Pembroke House residents' fees invoiced in advance £16,362 (2021: £7,763).

	2022 £	2021 £
Balance at the start of the year	14,534	270
Amount released to income in the year	(14,534)	(270)
Amount deferred in the year	<u>16,362</u>	<u>14,534</u>
Balance at the end of the year	<u>£ 16,362</u>	<u>£ 14,534</u>

21 MOVEMENTS IN FUNDS

	Balance at 1 April 2021	Income	Expenditure	Investment Gains / (Losses)	Transfers	Balance at 31 March 2022
	£	£	£	£	£	£
Endowment Funds						
Royal Naval Fund	488,122	-	-	35,174	-	523,296
Chatham Depot Aid Fund	368,384	-	-	30,568	-	398,952
Mrs I Briggs for Regular Charitable Payments	188,567	-	-	13,407	-	201,974
Dame Elisabeth Kelly Fund	161,025	-	-	11,524	-	172,549
Sir John Langham Bequest	11,568	-	-	848	-	12,416
John Cornwell VC National Memorial	7,206	-	-	-	-	7,206
1939/45 Memorial Award Fund	10,703	-	-	848	-	11,531
	<u>£ 1,235,575</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 92,349</u>	<u>£ -</u>	<u>£ 1,327,924</u>

	Balance at 1 April 2021	Income	Expenditure	Investment Gains/(Losses)	Transfers	Balance at 31 March 2022
	£	£	£	£	£	£
Restricted Funds (Grants & RCPs)						
Royal Naval Reserve Benevolent Fund	194,210	4,117	(6,964)	13,808	-	205,171
Royal Naval Fund – revenue	6,584	10,487	(3,412)	-	-	13,659
Chatham Depot Aid Fund – revenue	61,541	9,114	-	-	-	70,655
Mrs I Briggs – revenue	-	3,997	(2,444)	-	-	1,553
Dame Elisabeth Kelly Fund – revenue	1,060	3,436	(3,448)	-	-	1,048
Sir John Langham Bequest – revenue	365	253	-	-	-	618
1939/45 Memorial Award Fund – revenue	940	247	(200)	-	-	987
Greenwich Hospital Regular Charitable Payments	-	866,736	(1,017,915)	-	151,179	-
RNRMC Naval Service Benevolence Fund	-	408,000	-	-	-	408,000
Queen Mary's Roehampton Trust	-	20,000	-	-	-	20,000
Submarine Memorial Fund	29,145	1,000	(12,183)	-	-	17,962
Durnford & Cawthan Trust	1,000	5,000	(4,400)	-	-	1,000
Leeming Fund	-	10,000	(9,763)	-	-	237
	<u>£ 294,845</u>	<u>£ 1,342,387</u>	<u>£ (1,060,729)</u>	<u>£ 13,808</u>	<u>£ 151,179</u>	<u>£ 741,490</u>

Restricted Funds (Care homes & almshouse)

PH Amenities Fund	78,466	9,057	(27,559)	-	-	59,964
PH Residents' Support Fund	1,182,271	25,144	-	84,059	(200,000)	1,091,474
PH Redevelopment Fund	775,276	-	-	-	-	775,276
PH Projects Fund	32,536	10,000	(9,748)	-	-	32,788
John Cornwell VC National Memorial	417,395	42,343	(11,979)	30,189	-	477,948
RNRMC Grant for Pembroke House	-	78,000	-	-	(78,000)	-
Government Covid-19 Grants	-	122,877	-	-	(122,877)	-
Centenary Care Home Project	-	658,490	-	-	(655,981)	-
	<u>£ 2,485,944</u>	<u>£ 943,402</u>	<u>£ (49,286)</u>	<u>£ 114,248</u>	<u>£ (1,056,858)</u>	<u>£ 2,437,450</u>
Total Restricted Funds	<u>£ 2,780,789</u>	<u>£ 2,285,788</u>	<u>£ (1,110,015)</u>	<u>£ 128,056</u>	<u>£ (905,879)</u>	<u>£ 3,178,939</u>
Designated Funds						
Falklands Fund	3,710,651	78,658	(69,265)	263,827	-	3,983,871
Alan Brown Fund	47,496	1,007	(10,700)	3,377	-	41,180
Pembroke House Revenue Projects	-	-	-	-	-	-
Centenary Care Home Project	10,763,012	-	-	-	-	10,763,012
Strategic Reserve	12,500,000	-	-	-	-	12,500,000
Total Designated Funds	<u>£3,710,651</u>	<u>£78,658</u>	<u>£ (69,265)</u>	<u>£ 263,827</u>	<u>£ -</u>	<u>£27,288,063</u>
Total Unrestricted Funds	<u>£ 22,147,697</u>	<u>£ 3,920,829</u>	<u>£ (4,666,162)</u>	<u>£ 3,293,857</u>	<u>£ (905,679)</u>	<u>£ 25,601,900</u>
Total Funds	<u>£ 53,185,220</u>	<u>£ 6,286,282</u>	<u>£ (5,856,142)</u>	<u>£ 3,781,466</u>	<u>£ -</u>	<u>£ 53,396,827</u>

An explanation of the Transfers on Funds is given below:

- *Greenwich Hospital Regular Charitable Payments (£151,179)* - allocation of overhead costs in support of the provision of Regular Charitable Payments.
- *PH Residents' Support Fund (£200,000)* – contribution to help offset the shortfall in funding for state funded residents.
- *RNRMC Grant for Pembroke House (£78,000)* - a restricted grant for use at Pembroke House but not for specific purposes within the Home.
- *Government Covid-19 Grants (£122,877)* - funding received via Medway Local Authority for additional costs incurred in relation to Covid-19. This included Infection Control Funding, Rapid Test funding and Workforce Capacity Funding as well as additional support from Medway LA. The costs covered mainly staff costs and PPE which are included in unrestricted funds.
- *Restricted Centenary Care Home Project (£658,490)* - the project costs (mainly capital) funded from restricted donations received.

Purposes of restricted funds

Permanent endowment funds

Only the income arising from the investment of these funds can be spent for the stated purposes. The larger permanent endowment funds include:

The Royal Naval Fund	Instituted in 1892 and provides assistance for widows and other dependent relatives of ex-serving personnel.
The Chatham Depot Aid Fund	Created in 1920 and provides assistance for eligible beneficiaries who were based at Chatham.
Mrs Ina Briggs Fund	Provides income for additional RCPs
Dame Elisabeth Kelly Fund	Produces income for housing assistance for serving personnel.

Restricted funds

These funds are all expendable for specific purposes (both income and capital); other restricted funds generally receive and spend income during each year for specific purposes. The largest ones include:

Greenwich Hospital RCPs	Funds Regular Charitable Payments £35 per week to eligible beneficiaries.
The Royal Naval Reserve Benevolent Fund	Provides assistance to Reservists and their dependents.
Submarine Memorial Fund	Provides assistance to serving and ex-serving submariners
Durnford & Cawthran Trust	Provides income to assist beneficiaries aged 60 and over, with a naval connection, in the Portsmouth area
Pembroke House Amenities Fund	Provides amenities for the benefit of Pembroke House residents
Pembroke House Residents' Support Fund	Provides financial support for residents in respect of whom the standard accommodation fees cannot be met in full.
Pembroke House Redevelopment Fund	Created from the grants and donations received to help fund the major redevelopment of the Home in 2000; the only expenditure on the Fund is the depreciation charge for the capital costs of the redevelopment.
The Centenary Care Home Restricted Fund	Established in 2019/20 from donations received specifically towards the costs of developing the new care home in Portsmouth (Admiral Jellicoe House).
John Cornwell VC National Memorial	Provides a maintenance fund for the ongoing upkeep of the almshouse properties

Purposes of designated funds

Falklands Fund	Established as a restricted fund in 1992 to administer funds received on the winding-up of the South Atlantic Fund. In broad terms, its purpose is to assist dependants of serving personnel killed during, or as a result of, the Falklands conflict and to assist those injured. During 2003/04, under the terms of its governing document, the Falklands Fund was wound up. The Trustees transferred the assets immediately to a new designated fund of the same name. The original eligibility criteria have been widened to include beneficiaries who are South Atlantic Medal holders.
Alan Brown Fund	Established as a designated fund in 2013 from the receipt of a legacy. The purpose of the Fund is to support naval officers who also have rating service, where the individual's needs cannot be fully met from other sources.
Pembroke House Revenue Projects	The purpose of the Fund is to separate out the costs of larger revenue projects, such as large scale decoration, so as not to distort the operating costs of Pembroke House. A transfer from the Trust's unrestricted funds has been made to balance out the expenditure and therefore there is a nil balance on the Fund at the end of the year.
Centenary Care Home Project	Established in May 2019 to support the funding of the Centenary Care Home Project, which is for a proposed new care home development in Portsmouth.
Strategic Reserve	Established in February 2021 as part of a major review of the Trust's Reserves Policy to earmark a proportion of the Trust's funds which are critical for generating future investment income to support beneficiaries into the long term.

22 COMPARATIVES FOR MOVEMENTS IN FUNDS

For the year ended 31 March 2021

Accounting standards require the disclosure of the previous year's figures for the Movements in Funds. Explanations for last year's movements in funds may be found in Note 20 of the 2020/21 Annual Report & Accounts (available on the RNBT website).

	Balance at 1 April 2020 £	Income £	Expenditure £	Investment Gains / (Losses) £	Transfers £	Balance at 31 March 2021 £
Endowment funds						
Royal Naval Fund	421,239	-	-	66,883	-	488,122
Chatham Depot Aid Fund	310,661	-	-	57,723	-	368,384
Mrs I Briggs for Regular Charitable Payments	162,729	-	-	25,838	-	188,567
Dame Elisabeth Kelly Fund	138,961	-	-	22,064	-	161,025
Sir John Langham Bequest	9,983	-	-	1,585	-	7,206
John Cornwell VC National Memorial	7,206	-	-	-	-	7,206
1939/45 Memorial Award Fund	9,110	-	-	1,593	-	10,703
	<u>£ 1,059,889</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 175,686</u>	<u>£ -</u>	<u>£ 1,235,575</u>
Restricted funds (Grants & RCPs)						
Royal Naval Reserve Benevolent Fund	165,137	3,930	(1,077)	26,220	-	194,210
Royal Naval Fund – revenue	-	10,024	(3,440)	-	-	6,584
Chatham Depot Aid Fund – revenue	52,889	8,652	-	-	-	61,541
Mrs I Briggs – revenue	-	3,873	(3,873)	-	-	-
Dame Elisabeth Kelly Fund – revenue	-	3,307	(2,247)	-	-	1,060
Sir John Langham Bequest – revenue	-	238	127	-	-	365
1939/45 Memorial Award Fund – revenue	921	239	(220)	-	-	940
Greenwich Hospital Regular Charitable Payments	-	884,424	(943,294)	-	58,870	-
RNRMC Naval Service Benevolence Fund	-	398,000	(398,000)	-	-	-
Submarine Memorial Fund	34,408	2,958	(8,221)	-	-	29,145
Queen Mary's Roehampton Trust	-	10,000	-	-	(10,000)	-
The Royal British Legion	-	10,000	-	-	(10,000)	-
Durnford & Cawthran Trust	600	5,000	(4,600)	-	-	1,000
National Philanthropic Trust	-	500	-	-	(500)	-
	<u>£ 253,955</u>	<u>£ 1,341,145</u>	<u>£ (1,364,845)</u>	<u>£ 26,220</u>	<u>£ 38,370</u>	<u>£ 294,845</u>

Restricted Funds (Care homes & almshouse)

PH Amenities Fund	87,187	13,971	(26,465)	-	-	78,466
PH Residents' Support Fund	1,168,866	27,816	-	185,589	(200,000)	1,182,271
PH Redevelopment Fund	785,666	-	(10,385)	-	-	775,276
PH Projects Fund	35,902	-	(3,366)	-	-	32,536
John Cornwell VC National Memorial	336,760	40,874	(14,853)	54,614	-	417,395
RNRMC Grant for Pembroke House	-	78,200	-	-	(78,200)	-
Government Covid Grants	-	272,698	-	-	(272,698)	-
Skills for Care	-	8,057	-	-	(8,057)	-
Medway Mission to Mariners PPE	-	10,000	-	-	(10,000)	-
Centenary Care Home Project	152,909	658,490	-	24,278	(835,677)	-
	<u>£ 2,567,285</u>	<u>£ 1,110,106</u>	<u>£ (55,069)</u>	<u>£ 264,481</u>	<u>£ (1,400,859)</u>	<u>£ 2,485,944</u>
Total restricted funds	<u>£ 2,821,241</u>	<u>£ 2,451,251</u>	<u>£ (1,419,914)</u>	<u>£ 290,701</u>	<u>£ (1,362,489)</u>	<u>£ 2,780,789</u>
Designated Funds						
Falklands Fund	3,222,528	76,688	(100,229)	511,664	-	3,710,651
Alan Brown Fund	43,208	1,028	(3,600)	6,860	-	47,496
Pembroke House Revenue Projects	-	-	(5,489)	-	5,489	-
Strategic Reserve	-	-	-	-	12,500,000	12,500,000
Centenary Care Home Project	497,850	11,848	-	79,047	10,174,267	10,763,012
Total designated funds	<u>£ 3,763,586</u>	<u>£ 89,564</u>	<u>£ (109,318)</u>	<u>£ 597,571</u>	<u>£ 22,679,756</u>	<u>£ 27,021,159</u>
Total unrestricted funds	<u>£ 38,247,567</u>	<u>£ 3,183,268</u>	<u>£ (4,188,559)</u>	<u>£ 6,222,685</u>	<u>£ (22,679,756)</u>	<u>£ 27,021,159</u>
Total funds	<u>£ 45,892,283</u>	<u>£ 5,724,083</u>	<u>£ (5,717,791)</u>	<u>£ 7,286,643)</u>	<u>£ -</u>	<u>£ 53,185,218</u>

23 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income for the reporting period (as per the statement of financial activities)	4,211,607	7,292,938
Depreciation charges	196,847	182,653
(Gains) / Losses on investments	(3,781,467)	(7,286,643)
Dividends, interest and rent from investments	(1,116,986)	(1,068,849)
Loss on the disposal of fixed assets	-	3,224
(Increase) / decrease in stock	42,747	(23,099)
Decrease in debtors	(67,576)	346,036
Increase / (decrease) in creditors	837,386	237,629
Net cash used in operating activities	<u>£ 322,558</u>	<u>£ (316,111)</u>

24 ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Bank and cash balances	183,515	89,344	272,859
Short term investments	6,497,874	(3,126,956)	3,370,918
Total cash and cash equivalents	<u>£ 6,681,389</u>	<u>£ (3,037,612)</u>	<u>£ 3,643,777</u>

25 LOAN FACILITY

In 2019/20 trustees agreed to enter into an uncommitted revolving loan facility with Royal Bank of Canada (RBC) Europe Ltd, to help finance the Centenary Care Home Project (Admiral Jellicoe House). The aim of the facility is to smooth out the sale of the Trust's investments over a longer period of time so that investments do not have to be sold at times when investment prices may be unfavourable. The loan facility is for a maximum sum of £5 million. Interest is charged at 1% above LIBOR rates (from 2021 the rate changed to 0.97% + Bank of England Base Rate). The loan facility is secured against the Trust's investments managed by Newton Investment Management Ltd. Custody of those investments transferred to RBC in May 2020

The decision to agree the loan facility with RBC was taken after trustees has considered its affordability over the long term, together with a comparison of loan arrangements offered by other banks.

A further £1m was drawn down in 2021/22 resulting in a balance of £2m remaining outstanding as at 31st March 2022. Since 31st March 2022 two further drawdowns have taken place. These were for amounts of £1m and £500k respectively. The interest applicable to the loan for 2021/22 was £14,566.57. Interest on the loan is capitalised as part of the Admiral Jellicoe House fixed asset cost.

26 OBLIGATIONS UNDER OPERATING LEASES

	2022 £	2021 £
The total of future minimum lease payments on equipment operating leases expiring:		
Within one year	10,692	10,656
In two to five years	33,501	33,552
Total obligations under operating leases	<u>£ 44,192</u>	<u>£ 44,208</u>

27 CAPITAL COMMITMENTS

The Trust exchanged contracts with LNT Care Developments Ltd in March 2020 for the development of a new care home in Portsmouth. The total cost of the development contract is £9.471 million of which £7,806 million has been incurred as at 31 March 2022.

TRUST INFORMATION

For the Year Ended 31 March 2022

Patron

His Royal Highness The Prince of Wales KG KT GCB OM

Vice Patrons

Mr J W S Thompson MBE BEM (died 14th November 2021)

Mr K Lambert BEM

Mr N Jellicoe

Ms Jenny Agutter OBE (from 13th October 2021)

President

Vice Admiral Sir Charles Montgomery KBE

Vice President & Honorary Treasurer

Mr I Ranscombe

Chairman

Captain N Fletcher Royal Navy

Trustees

Leading Steward S Alexander (until 31st March 2022)

Chief Petty Officer T Bale

Chief Petty Officer K Bell

Cdre R Best OBE

Mr D Bonas (until 21st August 2021)

Mr B Daubeney

Dr A Crossman (from 1st April 2022)

Ms C Dunkley

Lieutenant Commander T Forer Royal Navy

Mr N Gartside CFA

Mr G Hounslea

Mr A Krzysica

Warrant Officer S Milne (from 1st April 2022)

Chief Petty Officer J Potts

Mrs P Shaw OBE

Warrant Officer (Class 1) S Tripp

Commander H Wright Royal Navy

Executive Staff

Chief Executive

Commander R G Bosshardt Royal Navy

Finance Director

Mr R Jesson BA FCCA (until 19th November 2021)

Mrs S Aistrope ACMA, CGMA (from 4th January 2022)

Director of Care

Ms C Brown MSc RGN

Home Manager, Pembroke House

Mrs T Harrison RGN (until 9th June 2021)

Mrs C Cartmell RGN (from 10th June 2021)

Home Manager, Admiral Jellicoe House

Mrs G Irish BSc RGN (from 1st February 2022)

Registered Office

Castaway House, 311 Twyford Avenue, PORTSMOUTH

PO2 8RN

Auditors

Sayer Vincent LLP

Invicta House, 108-114 Golden Lane, LONDON EC1Y 0TL

Investment Managers

CCLA Investment Management Limited

Senator House, 85 Queen Victoria Street, LONDON EC4V 4ET

Newton Investment Management Limited

BNY Mellon Centre, 160 Queen Victoria Street, LONDON EC4V 4LA

Bankers

Barclays Bank PLC

PO Box 6, PORTSMOUTH PO6 3DH

Solicitors

Blake Morgan

Harbour Court, Compass Road, North Harbour, PORTSMOUTH PO6 4ST