



**THE ROYAL NAVAL  
BENEVOLENT TRUST**

SERVE A DAY, SUPPORTED FOR LIFE

**REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

Registered Charity in England & Wales (206243) and Scotland (SC052748)

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## TRUSTEES' REPORT

For the Year Ended 31 March 2023

### Chair'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 an extremely busy but productive year for RNBT. We have marked our Centenary with the opening of our new care home, Admiral Jellicoe House in Portsmouth, as well as mounting an effective awareness campaign which has delivered wider benevolence just at the time our people most needed it, yet we still found time to celebrate 100 years of benevolence and care in style. The expansion of our delivery of care has resulted in major growth in the Trust's turnover and personnel which has been achieved successfully with the minimum of fuss.

But we are not resting on our laurels. Whilst this report is focused on the achievements of the past year, we are already working hard to expand our care provision and continue to widen awareness of what RNBT can do for our people. Please help us to deliver our mission by spreading the word that RNBT is ready and able to come to the aid of those most in need.

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.

Commodore Russell Best OBE  
Chair of Trustees

The Trustees present their report and the audited financial statements for the year ended 31 March 2023. Reference and administrative information set out on page 56 forms part of this report. The financial statements comply with current statutory requirements, the charity's governing document and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

## 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 in England & Wales (No. 206243) and recently (14 August 2023) registered in Scotland (SC052748). 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 our 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 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 Strategy Day in 2021. They reaffirmed and updated the long-term strategy, publishing the revised version in February 2022. This strategy restated the Trust's Operating Principles and means of delivery, including the 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 2022/23, were as follows:

To assist our Beneficiaries through individual grants, Regular Charitable Payments, advice on welfare and allied matters, holistic support for beneficiaries and residential care.

Primary (standing) Objective	Measurement of output & effectiveness	Outcome
<b>Benevolence</b>		
Individual Grants	Numbers and amounts compared to previous years	<b>Achieved:</b> significant increase in the delivery of benevolence. See Review of Activities on pages 10-19.
Regular Charitable Payments	Number and amounts compared to previous years	<b>Achieved:</b> significant increase in the number and value of RCPs awarded.
Advice on Welfare and allied matters	People assisted compared with previous years	<b>Achieved:</b> See Review of Activities on pages 10-14.
Holistic Support to Beneficiaries	People assisted compared with previous years	<b>Achieved:</b> See Review of Activities on pages 10-14.
<b>Care</b>		
Admiral Jellicoe House	Occupancy to achieve break even by end of financial year 2023/24	<b>On track.</b>
Admiral Jellicoe House - Quality	Independent audit (consultants) report Achieve successful CQC opening inspection	<b>Achieved:</b> successful CQC Opening Inspection 23 May 2022.
John Cornwell VC National Memorial	95% occupancy target	<b>Achieved:</b> occupancy target comfortably achieved as the almshouse remained at 100% occupancy throughout the year.
Pembroke House	88% Occupancy target	Occupancy 2022/23: 79% (86% in 2021/22). Average occupancy @ 43.
Pembroke House - Quality	Achieve CQC 'Outstanding' or 'Good'	No CQC inspection since August 2021 ('Safe' and 'Well-led' both retained; 'Good'; retained 'Good' overall). CQC data review monthly: 'We have not found evidence that we need to carry out an inspection or reassess our rating at this stage'. CQC changing inspection regime in 'late 2023.

2022/23 Annual (Change) Objectives	Required Actions	Outcome
<b>Deliver Admiral Jellicoe House</b>		
Monitor construction phase to time, performance and cost	Achieve Practical Completion on schedule on 25 April 2022	<b>Achieved:</b> Practical Completion and building handover achieved 25 April 2022, on time, on cost and to high standard.
Recruit and train staff	Achieve initial staffing by 31 May 2022	<b>Achieved:</b> initial staffing successfully completed.
Achieve successful CQC opening inspection	Successful CQC inspection by 6 June 2022	<b>Achieved:</b> successful CQC opening inspection 23 May 2022.
Marketing to achieve appropriate increase in resident numbers	Residents to be welcomed to the Home 13 June 2022	<b>Achieved:</b> first residents moved in 14 June 2022.
	Build up occupancy in line with two year profile	<b>On track</b> for break-even occupancy during 2023/24.
<b>Awareness Campaign</b>		
Plan and achieve awareness campaign to increase applications for support	Recruit Case Coordinator by 1 April 2022	<b>Achieved:</b> joined 30 May 2022.
	Plan and roll out North-West regional digital marketing trial by May 2022	Completed.
<b>Development Projects</b>		
Plymouth Care Home Options	Plymouth Care Home working group formed and feasibility confirmed	Feasibility study completed.
Day Care Provision	Explore options. Outline business case by July 2022	Ongoing.
	Day Care provision plan to be developed when Covid regulations allow; Pembroke House not before Q4 2022; West Lodge likely 2024/25	Ongoing.
Plan and achieve successful Centenary Events	Thanksgiving Service Portsmouth Cathedral	<b>Successfully completed</b> on 7 May 2022.
	Royal Marines Band Concert 11 September 2022	Postponed from 11 September 2022 due to the death of HM Queen Elizabeth II; <b>successfully completed</b> on 14 May 2023.
	Admiral Jellicoe House Official Opening	Held on 20 October 2022 with the home opened by Nick Jellicoe, RNBT Vice-Patron and grandson of Admiral Jellicoe.
Individual Grants Process Improvement	Arrange consultant review	Completed.
	Report to Central Committee 27 May 2022 and implement endorsed recommendations	Completed.

## 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. A further review of the delivery of governance is underway to ensure that the sub-committee structure remains relevant and efficient.

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
- Strategy Report
- 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. 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.

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 was filled by Captain Jonathan Carrigan Royal Navy on 26 May 2022. Ms Sarah Bryant was selected as an Ordinary Member trustee on 17 May 2023.

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.

Captain Nick Fletcher joined RNBT as Chair of Trustees in October 2016, and guided the Trust through a period of significant modernisation, expansion and development. The Trustees decided that the best candidate to take them through the next phase of development was Commodore Russell Best OBE and he was duly elected as Chair of Trustees by the Central Committee on 10 February 2023. The Trustees would like to record their gratitude to Captain Fletcher for his outstanding leadership during a pivotal period in the life of The Trust.

The selection of Commodore Best as Chair of Trustees left a vacancy in the position of Admiralty Governor Trustee. Following a selection process this position was filled by Colonel Matthew Stovin-Bradford Royal Marines on 24 April 2023.

The Trust also said goodbye to Vice Admiral Sir Charles Montgomery KBE as President after over nine years of sage advice and support. At a ceremony in The Great Cabin onboard HMS VICTORY on 28 February 2023, he handed over the presidency to Admiral Sir Tim Fraser KCB, recently retired Vice Chief of the Defence Staff and we look forward to his advice and support over the coming years.

## Management

The day-to-day management of The Trust's affairs is delegated to the Portsmouth-based Chief Executive who leads a staff of 13 Full Time Equivalents (FTEs) who between them manage nearly 2,000 applications relating to individual grants and regular charitable payments each year, as well as the finance, policy and public relations, events management and human resources of the Trust and 'landlord' duties within Castaway House. Without the support of this dedicated team of professionals, none of the achievements of this year would have been possible and the Trustees would like to thank them for their outstanding performance.

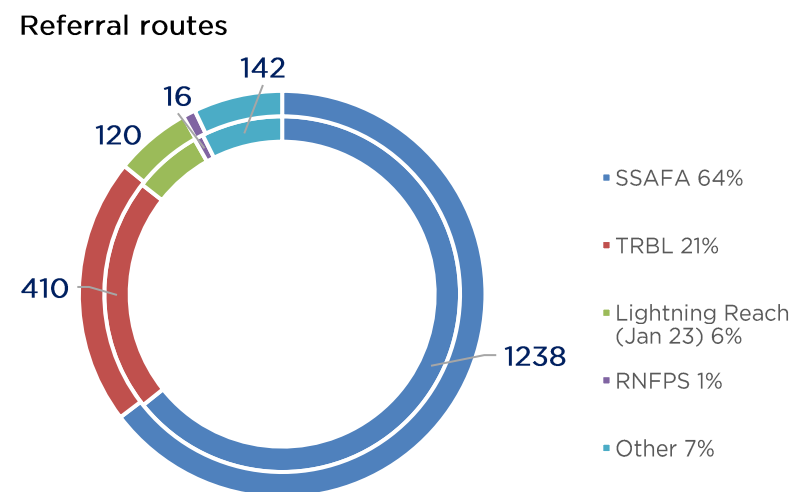
64 FTEs are employed at Pembroke House (The Trust's care and nursing home in Gillingham, Kent) under a dedicated Home Manager who reports, via the Director of Care, to the Chief Executive. Staffing at Admiral Jellicoe House has risen from only 3 FTEs at 31 March 2022 in parallel with the planned increase in resident numbers during 2022/23, resulting in the current total staff of 62 FTEs at 1 April 2023, with further staff increases planned during 2023/24.

### 3. REVIEW OF ACTIVITIES – WHAT WE HAVE DONE

3.1 This has been a most successful year of carefully planned significant increase in the delivery of both care and individual benevolence which has been mirrored by a major project to widen the awareness of what RNBT can offer as a major benevolence and care delivery charity. The following sections give greater detail on these achievements.

#### 3.2 The delivery of benevolence - overview

3.2.1 **The wider military benevolence scene: efforts to improve the beneficiary's journey:** Whilst CMS2 remains the principal method of applying for benevolence, RNBT have joined in partnership with Lightning Reach, a social Innovation programme. RNBT beneficiaries can apply direct through the Lightning Reach Portal for financial assistance of up to £750. This method of applications has its limitations and if a beneficiary's need is outside of these then they should still follow up with a case worker to submit applications for assistance. Other naval Benevolence Charities are scoping Lightning Reach with a view to offering direct access to grants. Having begun to work with Lightning Reach since January 2023, the Grants Team realised that there was an element of risk in awarding cash payments to beneficiaries whose finances where in disarray. In order to avoid putting money into a potential black hole, the Trust began awarding e-vouchers for Food, clothing and energy costs for those on Top-up meters, (not British Gas). The vouchers can be sent as a bar code or QR code direct to a smart phone or if the beneficiary prefers can be by email. The food vouchers can be redeemed at a supermarket of choice. The e-voucher scheme is facilitated through the Family Fund.



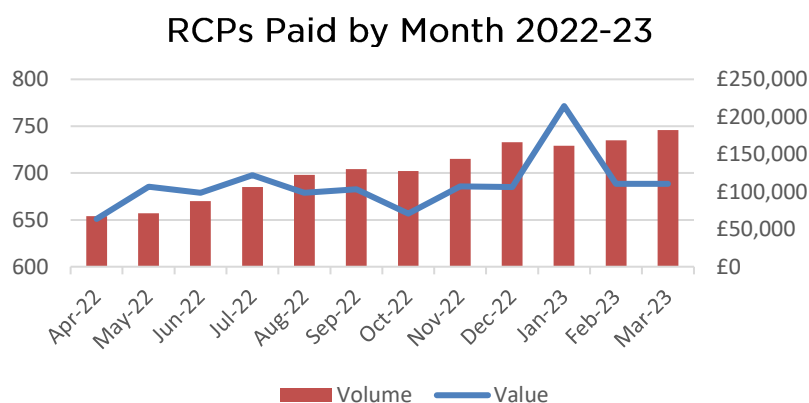
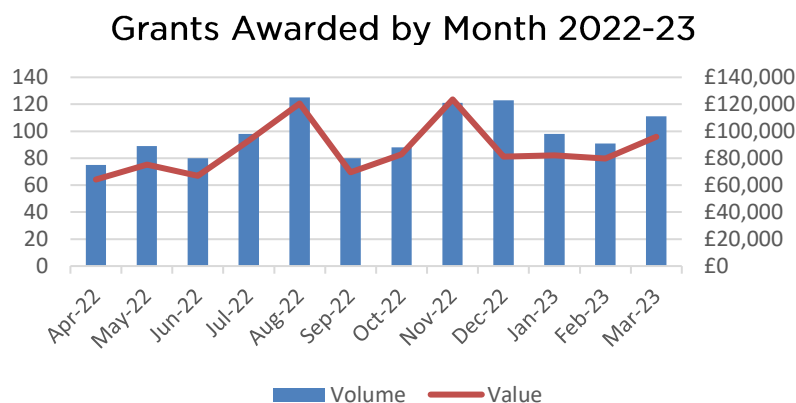
### 3.2.2 Casework Management System: secure IT system for exchange of information and delivering assistance

The replacement system CMS2 has now been in operation for just over 2 years. This remains the principal method of applying for financial assistance with beneficiaries being supported by Case Workers.

## 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

The Trust's charitable objectives may be summed up as helping our people in need or distress. All applications for 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 above). The grant administrators vet the applications, liaising with other charities (if appropriate) and are empowered to decide on grant applications up to £2000. Above this level, decisions are referred to the Ordinary Member Trustee Grant Committee. The Grants Team and the OMT Grant Committee pride themselves on their flexibility and speed of response. The Trust spent almost £2.5 million on grants and RCPs in 2022/23 considering 1,926 grant applicants and supporting 746 RCP recipients as at 31<sup>st</sup> March 2023.



### 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 1,926 (from 1675 in 2021/22) 74% of whom received a grant (80% in 2021/22). Casework volunteers from SSAFA and The Royal British Legion are now able to visit potential beneficiaries in their homes although this is not always the case and continues to affect the completion of casework and thence submissions for consideration. The average grant increased by 8% to £878 (£809 in 2021/22); grants ranged from an average of £346 (food) totalling almost £50,000 to £893 (Rent) totalling almost £100,000.



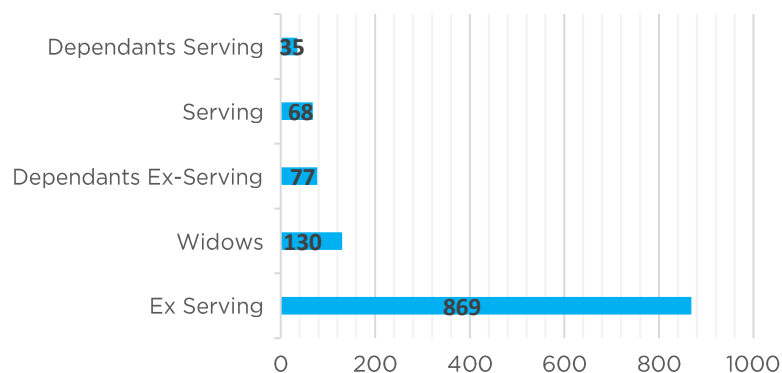
The needs of the Trust's beneficiaries have continued to be met through the almonising process of burden-sharing and the hard work of the grant administrators and case working volunteers seeking out other sources of funding coupled with the rigorous pursuit of state benefits where applicable. Medical and Mobility Equipment was (£210,310) up 4% on 2021/22.

Almost half of all the individual awards were made towards housing related costs totalling over £500,000. There was a 1% increase in support for employment, mostly retraining, costs (£56,014; £51,400 in 2021/22), 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 regard 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.

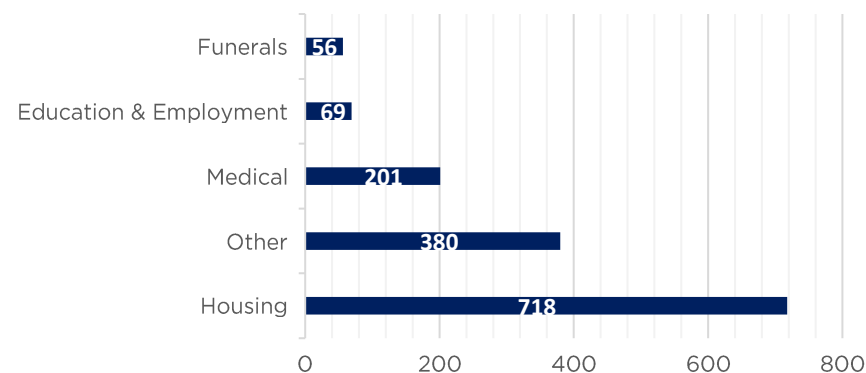
Having endured the COVID-19 pandemic, the next crisis to impact our beneficiaries is the cost of living increase. With inflation continuing to spiral and interest rates soaring, RNBT again identified early that this would impact on the most impoverished in society and took early steps to provide a positive impact on our beneficiaries. The Trustees agreed to align all Regular Charitable Payments (RCP) from April 2022. All RCP recipients now receive £35 per week.

The charts below show an analysis of grant awards by beneficiary group and category of assistance for the 12 months to 31 March 2023.

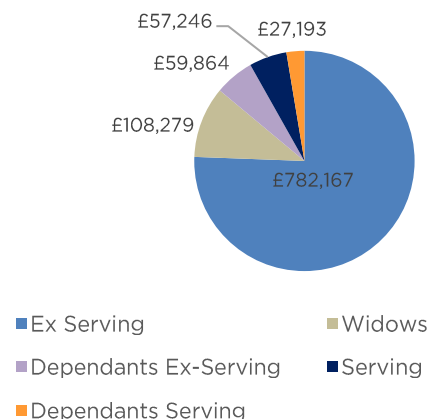
**Number of Awards by Beneficiary Group**



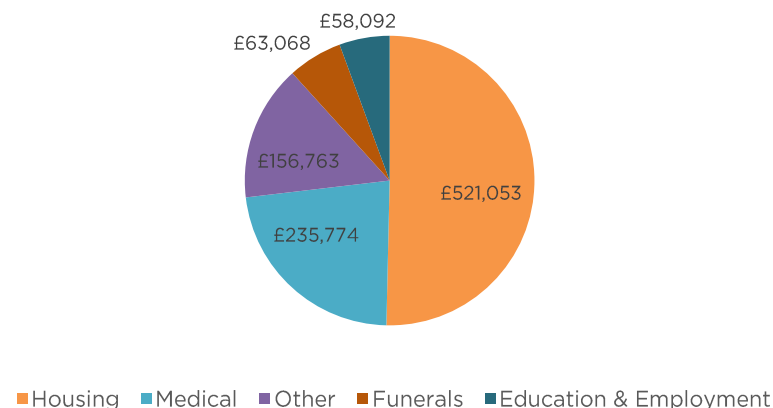
**Number of Awards by Category**



**Amounts Paid by Beneficiary Group**



**Amounts Paid by Category**



### 3.3.3 Regular Charitable Payments (RCPs)

As well as grants to individuals, the Trust administered 746 (673 in 2021/22) RCPs at £35 per week for beneficiaries on low incomes. 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 £1,311,890, a 21% increase (2021/22: £1,070,799).

**Support from Greenwich Hospital:** The bulk of the RCPs were generously funded by Greenwich Hospital's support of £1,111,469 (£866,736 in 2021/22), 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 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 BSCs helped 454 (291 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 ( 304 cases; 125 in 2021/22)
2. 'Life defining' outcomes via SAIL (Seafarers' Advice and Information Line), to help with finance and debt issues ( 282 cases; 190 in 2021/22)
3. 'Life enriching' social exclusion outcomes (285 cases, 213 in 2021/22)
4. 'Life informing' outcomes mainly through enhanced employment status or education (279 cases, 263 in 2021/22).

**Teamwork** In addition to their prime areas of responsibility, our two Beneficiary Support Co-ordinators (BSCs) work closely with the Grant Administrators and leave periods supporting them by providing second signature approvals.

**Main issues** In a busy year, these were mental health; the cost of living increases; and social isolation. The BSCs work tirelessly to alleviate these issues along with complex mental health, particularly PTSD. BSCs spent considerable time engaging with those adversely affected by the continued effects of lockdown, with an emphasis on gambling addiction, working closely with Veterans Outreach Support (VOS) and engaging with newly discovered organisations such as Entrain Space and PayPlan. The substantial rise in 'life changing' interventions include increased signposting to 'Op Courage' (for veterans' mental health issues).

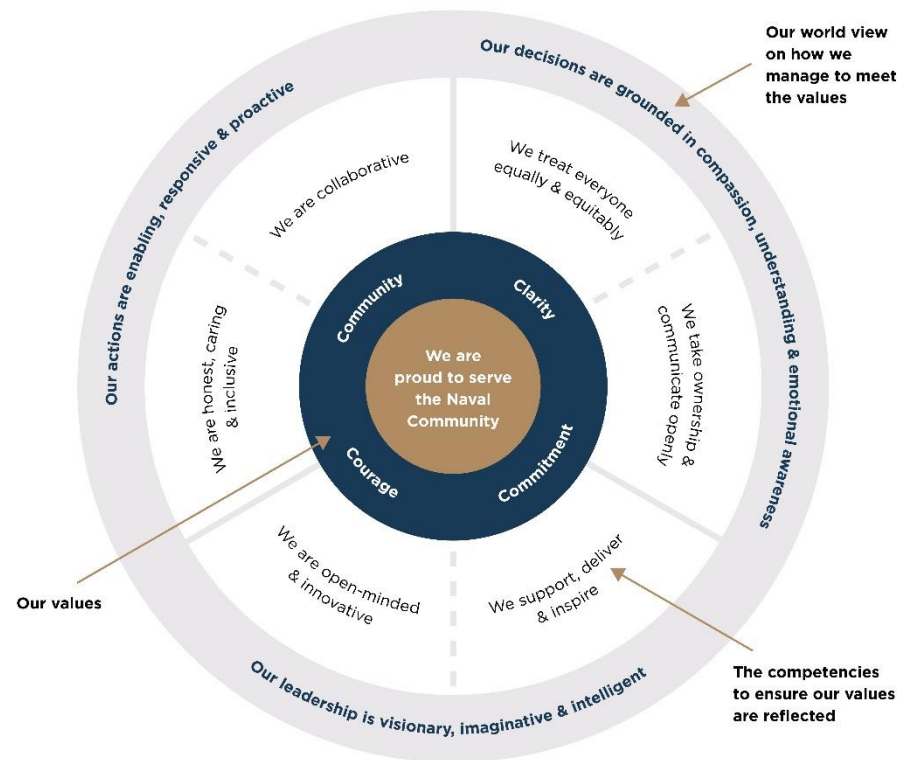
**Skills enhancement for the workplace** Encouragement to take the opportunity to enhance skills, education or to diversify to increase employment opportunity. 48 awards were granted during the reporting period. 28 of these grants resulted in a successful employment outcome; the remaining 20 were still actively engaged on courses or did not respond to the BSC engagement.

**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.

### 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 Chair of RNBT’s Care Specialist Trustee, Pauline Shaw OBE, who is also the Lead Trustee for Safeguarding. All Pembroke House staff, Admiral Jellicoe House staff and HQ staff have been trained in safeguarding and receive annual refresher training.

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



### 3.4.1 Pembroke House: remains a 'Good' care home

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

**Leadership.** The Home continues to develop under the management team of Carmen Cartmell (Home Manager) and Zoe Oakley (Deputy Home Manager) who took the reins in June 2021. Capital development and refurbishment projects continue to be undertaken so that the highest standard of care can continue to be offered.

**Occupancy** 79% (86% in 2021/22) over the year. Public confidence in care homes after the lifting of restrictions imposed by the pandemic is starting to return; it is expected that occupancy will increase steadily in 2023/24.

### 3.4.2 Admiral Jellicoe House: our beautiful new Home, welcoming new residents and creating a wonderful 'home from home'.

Following a highly successful construction phase, the building was handed over by LNT Construction Ltd at Practical Completion on 25 April 2022, delivering a magnificent building, fully fitted out in a lovely environment, on time and on budget. Staff then prepared for the opening inspection by the Care Quality Commission on 23 May 2022, the successful completion of which allowed us to welcome our first residents on 14 June 2022. Both staff and resident numbers have increased gradually and the Home is on track for the achievement of 'break even' occupancy later in 2023. At 31 March there were 34 residents and 74 FTE staff. The Home was officially opened by our Vice Patron, Nick Jellicoe, naval author and grandson of our founder, who was thrilled to have the privilege of opening the Home, commenting that our founder would be smiling from above.

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

The six-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 governance of the almshouse is delivered through the Care & Safeguarding Committee. RNBT took over the JCVCNM almshouse as the sole trustee in February 2008. 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. Shower rooms have been refitted as wet rooms in five of the six properties and the two-bedroom semi-detached properties ('cottages') remain in a good state of repair. Residents have kept well and occupancy remains at 100%.

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

The Trust continues to provide support to its beneficiaries through selected organisations. This is an important aspect of the Trust's benevolence work; such assistance not only directly supports our people 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. In May 2022, the position of Case Co-Ordinator (CC) was established to provide a first point of contact for all enquiries via email or telephone. The CC is now fully integrated into the Grants Team and provides signposting and referral as well as giving sage counsel to those enquirers who can see no solution to their problems.

### **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; and The Forces Employment Charity. Co-location has many benefits, including keeping overheads low with the advantage of synergy and camaraderie.

### **3.8 Public Relations: spreading awareness of RNBT's activities**

We took the opportunity of the centenary and the cost of living crisis to plan and execute an awareness campaign with the aim to reach more of the naval community who need our help, particularly those living far from traditional naval communities. We achieved:

- Targeted Facebook advertising campaign, featuring a short video which we launched at the House of Commons Reception in March 2022.
- Broadcast and social media campaign, focused on the cost of living crisis, letting our people know that we were here for them and had allocated additional funds to support those in need. We achieved:
  - 16 Chief Executive local radio interviews, including Forces Net, mainly from a broadcast day from a central London studio on 11<sup>th</sup> August 2022.
  - 29 regional on-line titles covering the same story.
  - Articles in daily newspapers: a major feature in The Daily Telegraph 6 September 2022 with interviews with Chair Nick Fletcher and Vice-Patron Nick Jellicoe plus short articles in August in The I, The Daily Mail online and The Daily Express online.
  - Short TV items:
    - Chief Executive interview with BBC South Today news programme on 1 September 2022.
    - Jenny Agutter (Vice Patron) interview on Channel 5 News on 19 August (see Twitter [https://twitter.com/5\\_News/status/1560676718355947522?s=20&t=Ne5kRRByTN2mIWgHBHJBjw](https://twitter.com/5_News/status/1560676718355947522?s=20&t=Ne5kRRByTN2mIWgHBHJBjw) ).
  - Social media: we aimed to produce more consistent professional posts throughout the year and are pleased with the results with an increased audience (29%) (5,565 compared to 4,298 in 2021/22).  
**Measurement of success** Our analysis of visits to RNBT's website ([www.rnbt.org.uk](http://www.rnbt.org.uk)) shows the following information:
    - 1,500 – 2,000 new visitors to our website each calendar month;
    - Web visits were nearly 100% higher (53,438 visits compared to 27,043 visits in 2021/22).

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. 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 31 March 2023, 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

This year saw the final celebrations for the Centenary of The Trust. There was still much uncertainty which could impact the activity and ability of The Trust to perform its benevolent function to the full. The economy was far from stable, with the continuing cost of living crisis impacting most households. Increased interest rates benefitted those with savings but savers are not typically beneficiaries of RNBT's support. Those with debt, including mortgages, were potentially disadvantaged, as repayment of those debts became more expensive. With interest rates at a current 15 year high, it is considered that the full effect of these increases is yet to come. Despite all of this unpredictability, RNBT had a very successful 2022/23 in financial terms. Record levels of Regular Charitable Payments (RCPs) were maintained, grants awarded increased by 25% in value compared to the previous year and Admiral Jellicoe House opened successfully to new residents in June 2022.

Levels of income exceeded both expectations and prior year levels. Income of £8M was recorded, an increase of £1.7M from the previous year (2021/22 £6.3M). The RNBT is fortunate that it has a portfolio of supporters who contribute funds for The Trust, enabling important benevolence to continue to be delivered. A very generous grant from The Michael Uren Foundation was a driver of this increased income year on year; additionally a donation from a Legacy Investment Trust increased donations to be used for a long term development projects. Grant income from Greenwich Hospital increased by £300k to reflect the increased demand on The Trust for RCPs for those just managing in these difficult financial times. Funds from The RNRMC were similar to the previous year and in line with budget expectations. Occupancy at Pembroke House continued to be challenging but increased levels of fees based on individual care plans, meant that income was only marginally below the budget expectation. At Admiral Jellicoe House, fee income for the year was below the forecast. This was due to enforced pauses on new residents coming because of Covid. Fee levels per resident together with the mix of private to Local Authority residents meant that this was not a cause for concern.

The total operating expenditure for the year was £9.1M compared to £5.8M in the previous year. This represents an increase of almost 60% of costs year on year. The increased costs were a result of the opening of Admiral Jellicoe House in June 2022. Additionally increased cost generally flowed through to operations. 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 1.4% of operating expenditure was spent on raising funds; the other 98.6% being spent on charitable activities. During the year, expenditure on grants to individuals increased by over 26% to a level of £1.7M. This is no doubt because of the current inflationary pressures and costs of living increases. Additionally a new portal, Lightning Reach, enabled more people to reach out to The Trust directly. Expenditure on RCPs was 33% higher than the previous year at a sum of £1.4M. Since the start of 2022 all RCPs have been set at the 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 £1.1M on capital projects in the year. The majority of this funding was for the final payments for the new care home. The project to build and open Admiral Jellicoe House tracked to plan, handover was achieved on the 25 April 2022, the CQC inspection was successful in May and first residents were welcomed to the Home on 14 June 2022.

The Trust's investments did not perform well over the year in line with the performance of both the national and global markets. Overall the portfolio lost value of £1.3M (2021/22: gain of £3.7M). Additionally units were sold from both portfolios to the value of £500k per portfolio, with



the funds from Newton being used to reduce the loan outstanding and the monies from CCLA being transferred into an instant access cash deposit for use, if needed, for working capital. This year's investment loss together with the operating deficit resulted in a net reduction in funds of £2.4m. Total funds carried forward are £54.9M. The Admiral Jellicoe House Project will still require subsidy from The Trust to fund the operating costs until occupancy levels reach break-even. The Trust will continue to ensure that its investments are managed carefully to fund the new care home, as well as providing growth and income to ensure sustainability for the long term.

## 4.2 Where our income comes from

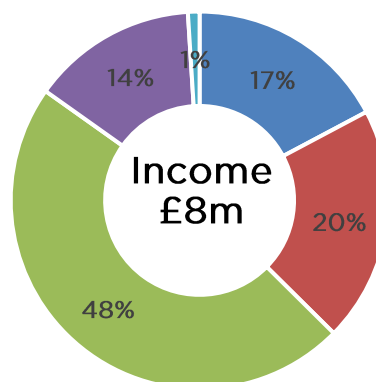
● **Donations and Legacies £1.6M** Income from donations and legacies increased from £920k in 2021/22. The increase was due to donations received in line with awareness activity, a donation of £250k from the Michael Uren Foundation and increased levels of legacy income. Notably an unexpected legacy from an Investment Trust of £1M was received at year end.

● **Grants £1.6M** Income from grants increased by almost 25% in 2022/23. The Trust's principal grant funding supporters remain Greenwich Hospital (GH) and RNRMC, which between them provided almost all of the grant funding (2021/22: £1.2m) The increase from GH was as a result of a successful bid for additional funds for increasing RCP payments. The Trust also received a grant from Durnford and Cawthan Trust (administered by the Hampshire and Isle of Wight Community Foundation).

● **Care Homes and Almshouse £3.6M** This includes income from residents' fees as well as donations and grants provided specifically for the care homes and Almshouse. Care home and Almshouse income increased by 20% from £3M in 2021/22. This was in the main as a result of the opening of the new care home, Admiral Jellicoe House.

● **Investment income £1.1M** Investments are an important source of income for The Trust. Investment income remained flat year on year as budgeted. The RNBT has investment funds under two Investment Managers. Both outperformed the market in 2021/22.

● **Other income £22k** This includes rental payments from our naval charity sector tenants in Castaway House.



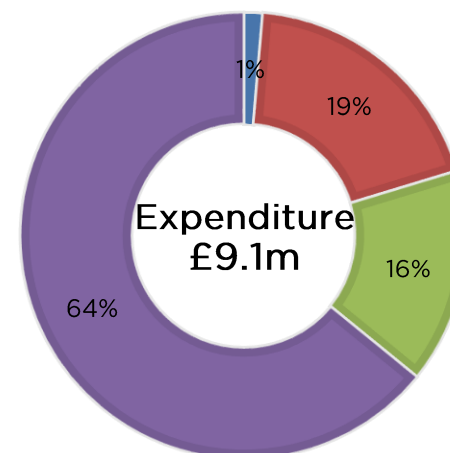
### 4.3 Where we spend our income

● **Grants to Individuals £1.7M** Expenditure on grants to individuals increased by over 25% year on year. The number of grants awarded was up by 23% to 1,163 (2021/22: 1,033). The Trust was expecting and had budgeted for this 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) £1.4M** Expenditure in year was much increased from the previous year (£1m). All RCPs were standardised to an amount of £35 per week towards the end of the previous year. The Trust supported 746 beneficiaries on low incomes. This was an increase of almost 100 beneficiaries.

● **Care Homes and Almshouse £5.8M** The cost of running the new care home, along with the existing home and the Almshouse increased by 80% year on year. Approximately 80% of the Home's operating expenditure is made up of staff costs to provide a safe and caring environment for the residents.

● **Raising Funds £123k** Expenditure on raising funds decreased by 20% from £157k in 2021/22. This represents less than 2% of total expenditure, significantly lower than the average for the charity sector.



### 4.4 Investment Policy and Performance

The Trust implemented a refreshed Investment Policy in 2020 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 69% of The Trust's investments in the COIF Fund, Newton manage around 28% in the Newton Growth & Income Fund for charities, while the remaining 3% 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, enabling 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 our 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; 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.

During the year, The Trust sold £1M of investment units made up of £500k from the CCLA Fund, which was put into a deposit account to be used for working capital and £500k from the Newton fund, which was used to repay some of the Royal Bank of Canada loan. This was part of the planned withdrawal of investments for funding the Admiral Jellicoe House project and was undertaken when investment prices were at high levels.

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	71.17
Infrastructure & Operating Assets	8.60
Fixed Interest	7.76
Cash & Near Cash	4.84
Property	3.10
Private Equity & Other	2.66
Contractual and other income	1.85
Derivatives	0.02
<b>Total</b>	<b>100.00</b>

Newton Growth & Income Fund for Charities	Asset Allocation (%)
UK Equities	33.90
North American Equities	23.97
Europe EX UK Equities	14.06
Japanese Equities	2.49
Asia Pacific ex Japan Equities	3.59
Other International Equities	0.73
UK Government	14.98
UK Corporate	0.31
Overseas Government & Corporate	3.00
Cash	2.97
<b>Total</b>	<b>100.00</b>

## 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 Trust's policy is 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 Risk Register: <ul style="list-style-type: none"> <li>• Ensure short term solvency and stability in case of an extreme event</li> <li>• Buy some time in the event of a serious income shock</li> <li>• Enable the organisation to function while action is taken</li> <li>• Ensure charitable commitments can be met</li> </ul>	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
<b>Total</b>		<b>8,216</b>	<b>12,566</b>

The analysis of total funds below shows that free reserves at 31 March 2023 were £35M. This is above the maximum target range. Trustees will meet in Autumn 2023 to discuss levels of funds to be set aside in a designated fund for future capital development projects. This will include the sums required to fund a new care home in Plymouth, as set out in the strategy.

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 2023 £000
Total Funds	54,932
Less Endowment Funds	1,295
Less Restricted Funds	2,373
Less Designated Funds	16,439
Less Fixed Assets included within Unrestricted Funds	13,196
<b>Free Reserves</b>	<b>21,629</b>

See Note 21: Movement in Funds on pages 49-52 for a breakdown of the individual funds included above.

#### 4.6 Pension Schemes

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. Additionally the Trust administers a pension scheme with NEST for any employees who prefer to use 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 nearly 200 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 salary increases 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. In the light of the effect of the cost of living crisis on those staff on the lowest levels of income, the Trustees endorsed an interim increase in salary for lower paid staff in September 2022.

## 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 Homes & 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). Trustees also recently decided to introduce a 'forecast risk' column to be able to show where planned mitigation action would reduce risk.

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

Category	Risk description	Current Risk	Forecast Risk	Mitigation
Operational	Timely provision of assistance to beneficiaries	40	40	Availability of caseworker support affected by reduced number of SSAFA caseworkers. Liaison with case working organisations (CWOs); Grant Administrators input to training events. Lightning Reach on-line portal offers faster alternative route for cases with a maximum award currently of £750; Family Fund vouchers introduced 28 Apr 23 to enable provision of targeted benevolence for those with significant debt and/or gambling addiction problems. RNBT target of 5 working days for assistance provision decision is currently being met, but time taken for CMS report to be forwarded to RNBT is unknown. Casework Co-ordinator recruited 30 <sup>th</sup> May 22.
	Quality of casework	40	40	CE is member of CMS Management Board and GA1 is member of CMS Working Group. The number of cases which require to be referred back to caseworkers remains frustratingly high (25-30%).
Operational: Care Homes & Almshouse	Dementia: risk to residents at Pembroke House	40	30	Currently there are a number of residents living with dementia. Plan is to create a dementia care area on second floor and register Pembroke House as a dementia care home later in 2023, but until then a safety and safeguarding risk exists which is mitigated by resident-specific risk assessment and professional dementia advice.
	Recruitment of Registered Nurses - staffing shortfall	40	40	Difficulties recruiting. Internal actions to mitigate impact. 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.

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 3.3.2 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. ENVIRONMENTAL SUSTAINABILITY

RNBT acknowledges the connection between the climate and other environmental crises and the threat of current and future homelessness, disease, food and water shortages and poverty for millions of people around the world, as well as the major damage being caused to our natural eco-systems. The Trust therefore recognises its responsibility to reduce its carbon and environmental footprints and formally commits itself to being an environmentally responsible charity. Reduction in consumption of energy, water and consumables can also result in a reduction of the Trust's overheads, thus making more of the Trust's income available for our beneficiaries. Projects which reduce consumption can therefore be doubly beneficial, particularly if they are considered as a 'spend to save' project.

**Current investment.** RNBT has invested in a number of projects which have been designed to contribute to renewable energy and to reduce the Trust's carbon footprint, as well as reducing the Trust's overheads. The main projects include:

- Fitting a large photovoltaic array on the roof of Pembroke House, the Trust's Care Home in Gillingham, Kent
- Fitting a large photovoltaic array on the roof of Castaway House, the Trust's HQ in Portsmouth
- The inclusion of a ground source heat pump, underfloor heating and cooling solution in the design for Admiral Jellicoe House, the Trust's new Care Home in Portsmouth.

**Future capital projects.** RNBT understands that those components of a project which are likely to make the most enduring long-term contribution may not always be the most visible.

The Trust undertakes to ensure that any future capital project includes appropriate energy efficient materials and to equip the unit with the most energy efficient heating and cooling solutions, following the best advice and best practice available at the time.

## 9. FUTURE PLANS

The Trustees follow their revised Strategy, a copy of which can be found at: <https://www.rnbt.org.uk/about-us/publications/>

**Residential care** 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. The trustees have established a Working Group to investigate options for the delivery of residential care for our people in the Plymouth area.

**RNBT Care Ltd** The wholly owned subsidiary company, RNBT Care Ltd, which was created to manage the Portsmouth care home building project, has not been used, as RNBT did not actively managing the project. RNBT Care Ltd is therefore currently effectively a dormant subsidiary company but may be used for subsequent projects in the future.

**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 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 and from West Lodge in Portsmouth remain medium-term strategy objectives.

**Key Objectives for 2023/2024** Our plans for the current year are captured in our Key Objectives, which reflect a change of approach by focusing on what we want RNBT to be.



# The RNBT Objectives 2023 - 2024

## We want The RNBT to be:

What?	How?	Targets	Measurement
<b>SAFE</b>	Financially, secure, fully compliant & resilient	Fully achieved	Within risk register and sub-committee reports
<b>SUCCESSFUL</b>	Helping our people in need	Grants: 10% increase	Numbers: reports received; grants awarded; £ volume of awards
		RCPs 5% increase	Numbers: reports received; grants awarded; £ volume of awards
		Care provision: 90% occupancy	Occupancy
		Care quality: Outstanding or Good	CQC inspections
<b>WELL STAFFED AND HAPPY</b>	Fully staffed by qualified and satisfied employees	Staff satisfaction surveys: PH, AJH & CH	90% satisfaction
		Staff turnover	<20%
		Staff vacancies	<10%
		Staff sickness	Below the Care sector average
		Well trained	Training 95%
<b>EFFICIENT</b>	Spend wisely, maintain budgetary control	Outturn within 10% of budget	Management Accounts / Audit
	Turnaround grant applications speedily	Within five working days	
<b>INNOVATIVE</b>	Strategic development of services	Grant process improvements	<i>tbd</i>
		Holistic support development	<i>tbd</i>
		Plymouth care home project	Targets for stages when project commenced
		Dementia provision @ PH	By 2024
		Daycare provision @ PH and AJH	PH: by 2025; AJH: by 2026
<b>KNOWN ABOUT &amp; RESPECTED</b>	Seize all opportunities for increasing awareness	Reach more people each year	Website visits: increase 10% pa

# 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  
and signed on their behalf by:

**Commodore R Best OBE Royal Navy**  
Chair of Trustees

# 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 2023 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 2023 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](http://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.

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

# STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2023

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2023 £	Total Funds 2022 £
<b>Income from:</b>							
Donations & legacies	3	1,385,315	-	251,000	-	1,636,315	919,937
Grants receivable	4	-	-	1,623,452	-	1,623,452	1,299,736
Charitable activities							
Care homes & almshouse	5	3,392,442	-	171,062	-	3,563,504	2,923,762
Investments	6	1,028,793	80,070	31,881	-	1,140,744	1,116,986
Other	7	21,575	-	-	-	21,575	25,861
<b>Total income</b>		<u>5,828,125</u>	<u>80,070</u>	<u>2,077,395</u>	<u>-</u>	<u>7,985,590</u>	<u>6,286,282</u>
<b>Expenditure on:</b>							
Raising funds	8	123,063	-	-	-	123,063	156,563
Charitable activities							
Grants to individuals	8	1,648,509	31,909	49,374	-	1,729,792	1,371,638
Regular Charitable Payments	8	-	40,950	1,379,893	-	1,420,843	1,070,799
Care home & almshouse		<u>5,747,126</u>	<u>-</u>	<u>98,599</u>	<u>-</u>	<u>5,845,725</u>	<u>3,257,142</u>
<b>Total expenditure</b>	8	<u>7,518,618</u>	<u>72,859</u>	<u>1,527,866</u>	<u>-</u>	<u>9,119,423</u>	<u>5,856,142</u>
<b>Net income / (expenditure) before net gains / (losses) on investments</b>		<b>(1,690,573)</b>	<b>7,211</b>	<b>549,529</b>	<b>-</b>	<b>(1,133,833)</b>	<b>430,140</b>
Net gains / (losses) on investments	16	<u>(1,164,706)</u>	<u>(93,479)</u>	<u>(41,381)</u>	<u>(32,730)</u>	<u>(1,332,296)</u>	<u>3,781,467</u>
<b>Net (expenditure) / income for the year</b>		<b>(2,855,279)</b>	<b>(86,268)</b>	<b>508,148</b>	<b>(32,370)</b>	<b>(2,466,129)</b>	<b>4,211,607</b>
Transfers between funds	21	<u>1,076,750</u>	<u>236,988</u>	<u>(1,313,738)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		<b>(12,076,750)</b>	<b>(10,763,012)</b>	<b>(1,313,738)</b>	<b>-</b>	<b>(2,466,129)</b>	<b>4,211,607</b>
<b>Reconciliation of funds</b>							
Total funds brought forward		<u>£25,603,642</u>	<u>£27,0288,063</u>	<u>£23,178,940</u>	<u>£1,327,924</u>	<u>£57,398,56</u>	<u>£53,185,220</u>
<b>Total funds carried forward</b>		<u><b>£34,825,113</b></u>	<u><b>£16,438,783</b></u>	<u><b>£2,373,350</b></u>	<u><b>£1,295,194</b></u>	<u><b>£54,932,440</b></u>	<u><b>£57,396,825</b></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 2023

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2023 £	Total Funds 2022 £
<b>FIXED ASSETS</b>							
Tangible fixed assets	14	13,196,386		775,276	133,007	14,104,669	13,041,266
Investment properties	15	-		-	-	-	527,903
Investments	16	22,610,819	16,438,783	1,598,074	1,162,187	41,809,864	46,390,168
<b>TOTAL FIXED ASSETS</b>		<b>35,807,205</b>	<b>16,438,783</b>	<b>2,373,350</b>	<b>1,295,194</b>	<b>55,914,533</b>	<b>59,959,337</b>
<b>CURRENT ASSETS</b>							
Stock	17	-	-	-	-	-	-
Debtors, prepayments and accrued income	18	817,845	-	-	-	817,845	427,368
Cash at bank and in hand		<u>430,307</u>		-	-	<u>430,307</u>	<u>272,859</u>
		1,248,152	-	-	-	1,248,152	700,227
<b>LIABILITIES</b>							
Creditors: amounts falling due within one year	19	(430,244)	-	-	-	(430,244)	(1,262,739)
<b>NET CURRENT ASSETS/ LIABILITIES</b>		<u>817,908</u>	-	-	-	<u>817,908</u>	<u>(562,512)</u>
Creditors: amounts falling due after one year	25	<u>(1,800,000)</u>	-	-	-	<u>(1,800,000)</u>	<u>(2,000,000)</u>
<b>TOTAL NET ASSETS</b>		<b><u>£ 34,825,113</u></b>	<b><u>£16,438,783</u></b>	<b><u>£2,373,350</u></b>	<b><u>£1,295,194</u></b>	<b><u>£54,932,440</u></b>	<b><u>£57,396,825</u></b>
<b>THE FUNDS OF THE CHARITY</b>							
Unrestricted funds	21	34,825,113	-	-	-	34,825,113	25,601,900
Designated funds	21	-	16,438,783	-	-	16,438,783	27,288,063
Restricted funds	21	-	-	2,373,350	-	2,573,350	3,178,940
Permanent endowment funds	21	-	-	-	1,295,194	1,295,194	1,327,924
<b>TOTAL CHARITY FUNDS</b>		<b><u>£34,825,113</u></b>	<b><u>£16,438,783</u></b>	<b><u>£2,373,350</u></b>	<b><u>£1,295,194</u></b>	<b><u>£54,932,440</u></b>	<b><u>£57,396,825</u></b>

Approved and authorised for issue by The Trustees on 6 October 2023 and signed on their behalf by

I Ranscombe  
Honorary Treasurer



## STATEMENT OF CASH FLOWS

For the year ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities	23		
Net cash used in operating activities		(2,855,706)	322,558
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,140,745	1,116,985
Purchase of fixed assets		(1,704,193)	(6,580,568)
Proceeds from the sale of investments		1,000,000	1,000,000
Purchase of investment property		-	-
Net cash provided by investing activities		<u>436,552</u>	<u>(4,463,583)</u>
Cash flows from financing activities:			
Repayment of borrowing		(1,700,000)	-
Cash inflows from new borrowing		1,500,000	1,000,000
Net cash provided by financing activities		<u>(200,000)</u>	<u>1,000,000</u>
Change in cash and cash equivalents in the year		(2,619,154)	(3,141,025)
Cash and cash equivalents at the beginning of the year		<u>3,540,364</u>	<u>6,681,389</u>
Cash and cash equivalents at the end of the year	24	<u>£921,210</u>	<u>£3,540,364</u>

# NOTES TO THE FINANCIAL STATEMENTS

## 1. ACCOUNTING POLICIES

The Royal Naval Benevolent Trust was incorporated under Royal Charter granted on 2 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, Admiral Jellicoe 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

**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, Admiral Jellicoe 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.

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

Property	between 1% (100 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
IT Equipment	between 6.7% (15 years) and 33.3% (3 years) depending on the expected life of the asset

## **l) Investment properties**

The asset, West Lodge, was previously classified as an investment property. It is now partly being used by the operation and so has been re classified as a tangible fixed asset.

## **m) Investment portfolio**

The investment portfolio has been valued at bid price value as at 31 March 2023. 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 2022**

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
<b>Income from:</b>						
Donations and legacies	3	908,937	-	11,000	-	919,937
Grants receivable	4	-	-	1,299,736	-	1,299,736
Charitable activities						
- Care homes and almshouse	5	1,980,360	-	943,402	-	2,923,762
Investments	6	1,005,671	77,665	31,650	-	1,116,986
Other	7	<u>25,861</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,861</u>
<b>Total income</b>		<u>3,920,929</u>	<u>79,665</u>	<u>2,285,788</u>	<u>-</u>	<u>6,286,282</u>
<b>Expenditure on:</b>						
Raising funds		156,563	-	-	-	156,563
Charitable activities						
- Grants to individuals		1,301,743	29,525	40,370	-	1,371,638
- Regular Charitable Payments		-	50,440	1,020,359	-	1,070,799
- Care home and almshouse		<u>3,207,856</u>	<u>-</u>	<u>49,286</u>	<u>-</u>	<u>3,257,142</u>
<b>Total expenditure</b>	8	<u>4,666,162</u>	<u>79,965</u>	<u>1,110,015</u>		<u>5,856,142</u>
<b>Net income / (expenditure) before net gains / (losses) on investments</b>		<b>(745,333)</b>	<b>(300)</b>	<b>1,175,776</b>	<b>-</b>	<b>430,140</b>
Net gains on investments		<u>3,293,857</u>	<u>267,204</u>	<u>128,057</u>	<u>92,349</u>	<u>3,781,467</u>
<b>Net income for the year</b>		<b>2,548,524</b>	<b>266,904</b>	<b>1,303,830</b>	<b>92,349</b>	<b>3,781,467</b>
Transfers between funds	20	<u>905,679</u>	<u>-</u>	<u>(905,679)</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		<u>3,454,203</u>	<u>266,904</u>	<u>398,151</u>	<u>92,349</u>	<u>4,211,607</u>
<b>Reconciliation of funds</b>						
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>
<b>Total funds carried forward</b>		<b><u>£25,601,900</u></b>	<b><u>£27,288,063</u></b>	<b><u>£3,178,940</u></b>	<b><u>£1,327,924</u></b>	<b><u>£57,396,825</u></b>

### 3 INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2023 £	Total 2022 £
Donations	94,428	-	251,000	-	345,428	78,368
Legacies	1,290,888	-	-	-	1,290,888	841,569
	<u>£ 1,385,315</u>	<u>£ -</u>	<u>£ 251,000</u>	<u>£ -</u>	<u>£ 1,636,315</u>	<u>£ 919,937</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](http://www.rnbt.org.uk)

### 4 INCOME FROM GRANTS

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2023 £	Total 2022 £
RNRMC	-	-	489,996	-	489,996	408,000
Greenwich Hospital (RCPs)	-	-	1,128,456	-	1,128,456	866,736
Queen Mary's Roehampton Trust	-	-	-	-	-	20,000
Durnford & Cawthran Trust	-	-	5,000	-	5,000	5,000
	<u>£ -</u>	<u>£ -</u>	<u>£ 1,623,452</u>	<u>£ -</u>	<u>£ 1,623,452</u>	<u>£ 1,299,736</u>

### 5 INCOME FROM CHARITABLE ACTIVITIES – CARE HOMES AND ALMSHOUSE

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2023 £	Total 2022 £
Care Home residents' fees	3,389,679	-	-	-	3,389,679	1,979,127
Care Home grants, legacies and donations*	-	-	102,493	-	102,493	875,997
Care Home investment and other income	2,763	-	24,452	-	27,215	26,295
Almshouse weekly maintenance charge	-	-	34,466	-	34,466	33,342
Almshouse investment and other income	-	-	9,651	-	9,651	9,001
	<u>£3,392,442</u>	<u>£ -</u>	<u>£ 171,062</u>	<u>£ -</u>	<u>£3,563,504</u>	<u>£2,923,762</u>

## 6 INCOME FROM INVESTMENTS

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2023 £	Total 2022 £
Dividends from pooled funds	998,478	80,070	31,881	-	1,110,429	1,093,273
Rents from investment property	-	-	-	-	-	13,750
Short term interest	30,316	-	-	-	30,316	9,962
	<u>£1,028,794</u>	<u>£ 80,070</u>	<u>£ 31,881</u>	<u>£ -</u>	<u>£1,140,745</u>	<u>£ 1,116,985</u>

## 7 OTHER INCOME

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2023 £	Total 2022 £
Rents from charitable property	18,461	-	-	-	18,461	21,381
Coronavirus Job Retention Scheme (CJRS)	-	-	-	-	-	34,792
Miscellaneous income	3,115	-	-	-	3,115	(30,311)
	<u>£21,576</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£21,576</u>	<u>£25,862</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 & Almshouse £	Total 2023 £	Total 2022 £
Staff costs	65,868	396,089	63,240	4,036,727	4,561,924	2,854,830
Other support costs	54,927	180,096	30,976	239,455	505,455	420,282
Governance costs	2,268	7,042	1,222	7,180	17,712	15,258
Grants to Individuals	-	1,146,564	-	-	1,146,564	918,788
Regular Charitable Payments	-	-	1,325,405	-	1,325,405	985,756
Care Home and Almshouse	-	-	-	1,562,363	1,562,363	661,228
<b>Total expenditure 2023</b>	<b><u>£ 123,063</u></b>	<b><u>£ 1,729,791</u></b>	<b><u>£1,420,843</u></b>	<b><u>£5,845,725</u></b>	<b><u>£ 9,119,423</u></b>	
<i>Total expenditure 2022</i>	<i><u>£ 156,563</u></i>	<i><u>£ 1,371,639</u></i>	<i><u>£1,070,799</u></i>	<i><u>£ 3,257,142</u></i>		<i><u>£ 5,856,143</u></i>



## 9 GRANT MAKING

	Grants £	Support Costs £	Total 2023 £	Total 2022 £
Medical	393,803	200,317	594,120	475,766
Education & Employment	61,758	31,415	93,173	73,499
Housing	484,068	246,233	730,301	576,098
Funerals	79,436	40,407	119,843	94,538
General	127,499	64,855	192,534	151,738
Total one-off grants to individuals	1,146,564	583,227	1,729,791	1,371,639
Regular Charitable Payments	1,325,405	95,438	1,420,843	1,420,843
	<b><u>£2,471,969</u></b>	<b><u>£ 678,665</u></b>	<b><u>£ 3,150,634</u></b>	<b><u>£ 2,442,438</u></b>

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:-

	2023 £	2022 £
Depreciation	641,843	198,847
Profit on disposal of fixed assets	-	-
Operating lease rentals	11,395	10,850
Auditor's remuneration – Audit services	14,400	14,340
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:

	2023 £	2022 £
Salaries	3,350,078	2,386,547
Redundancy and termination costs	10,000	-
National Insurance	191,979	168,358
Employer's contribution to defined contribution pension schemes	210,881	146,752
Other employee benefits	76,964	70,306
Agency staff	270,146	-
Recruitment and training	151,876	82,867
	<b><u>£4,561,924</u></b>	<b><u>£2,854,830</u></b>

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. (2022: one employee was paid a salary in the band of £80,000 to £90,000, one employee was paid in the band of £70,000 to £80,000 and one employee was 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 £412,034 (2022: £329,556). Key management personnel include the Chief Executive, Finance Director, Director of Care and Pembroke House and Admiral Jellicoe Home Managers; 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:

	2023 £	2022 £
Travel expenses	<u>£ 895</u>	<u>£ 918</u>
Numbers being reimbursed	<u>10</u>	<u>3</u>

The charity Trustees were not paid or received any other benefits from employment with the charity in the year (2023: £nil). No charity Trustee received payment for professional or other services supplied to the charity (2022: £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:

	2023		2022	
	Headcount	FTEs	Headcount	FTEs
Headquarters	15	13	14	12
Admiral Jellicoe House	77	62	3	3
Pembroke House	<u>96</u>	<u>64</u>	<u>100</u>	<u>85</u>
	<u>188</u>	<u>139</u>	<u>117</u>	<u>100</u>

The Trust sometimes uses agency nursing and care staff at Pembroke House and Admiral Jellicoe House to cover for absences from work and short term unplanned staff shortages.

## 13 RELATED PARTY TRANSACTIONS

Tim Forer, The Trust's specialist Legal and Management Trustee is employed by Blake Morgan, The Trust's Solicitors. £5,998 was paid to Blake Morgan during the year (2022: £22,420) for advice on contracts 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. £10,710 was paid to McPhersons during the year (2022: £20,400).

## 14 TANGIBLE FIXED ASSETS

	Freehold properties £	Assets Under Construction £	Furniture & equipment £	Motor Vehicles £	Total £
<b>COST</b>					
At 1 April 2022	5,289,942	-	1,164,056	77,433	6,531,431
Additions	10,541,924	59,761	176,024	-	10,777,709
Disposals	-	-	-	-	-
At 31 March 2023	<u>15,831,866</u>	<u>59,761</u>	<u>1,340,080</u>	<u>77,433</u>	<u>17,309,140</u>
<b>DEPRECIATION</b>					
At 1 April 2022	1,693,077	-	826,317	43,233	2,562,628
Charge for the year	533,160	-	100,940	7,743	641,843
Disposals	-	-	-	-	-
At 31 March 2023	<u>2,226,237</u>	<u>-</u>	<u>927,957</u>	<u>50,977</u>	<u>3,204,471</u>
<b>NET BOOK VALUE</b>					
At 31 March 2023	<u>£13,605,529</u>	<u>£59,761</u>	<u>£412,823</u>	<u>£26,456</u>	<u>£14,104,669</u>
At 31 March 2022	<u>£3,596,590</u>	<u>£ 9,092,926</u>	<u>£401,563</u>	<u>£34,200</u>	<u>£13,041,266</u>

All of the above assets are used for charitable purposes. Previous years Assets Under Construction related to the development of Admiral Jellicoe House. This was brought into use in June 2022 when it opened its doors to new residents. Current Assets Under Construction relate to capital projects underway at both care homes.

## 15 INVESTMENT PROPERTY

	2023 £	2022 £
Fair value at the start of the year	527,903	527,903
Additions	-	-
Transfer to tangible fixed assets at carrying value	(527,903)	-
<b>Fair value at the end of the year</b>	<u>£ -</u>	<u>£ 527,903</u>

In 2022 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 was used as a site office for the building contractors. This situation no longer exists and the assets has been classed as a tangible fixed asset.

## 16 INVESTMENTS

### a Movements in investments during the year

	2023 £	2022 £
Market value at start of year	43,142,157	40,360,690
Additions at cost	-	-
Disposals at carrying value	(960,007)	(885,389)
Net gain/(loss) on revaluation	<u>(1,373,040)</u>	<u>3,666,856</u>
Total investments	<u>40,809,110</u>	<u>43,142,157</u>
Invested cash	<u>1,414,757</u>	<u>3,248,008</u>
Market value at end of year	<u>£42,223,866</u>	<u>£46,390,165</u>
Historic cost at end of year	<u>£31,983,648</u>	<u>£37,430,415</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:

	2023 £	2022 £
Charity pooled investment funds	40,809,110	43,142,157
Cash	<u>1,414,757</u>	<u>3,248,008</u>
	<u>£42,223,866</u>	<u>£46,390,165</u>

### b Net gains / (losses) on investments

	2022 £	2021 £
Realised gains on sale of investments	39,993	114,611
Unrealised gains / (losses) on revaluation of investments	<u>(1,373,040)</u>	<u>3,666,856</u>
Net gains / (losses) on investments reported in SOFA	<u>(£ 1,332,296)</u>	<u>£ 3,781,467</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 £230,541 (2022: £244,436) which were all charged direct to the investment fund.

## 17 STOCKS

At year end stock takes were undertaken where there were material levels of items. There were no material levels of stock to report.

## 18 DEBTORS

	2023 £	2022 £
Trade debtors	288,359	76,804
Prepayments	19,637	19,422
Accrued income	<u>509,849</u>	<u>331,414</u>
	<u>£ 817,845</u>	<u>£ 427,367</u>

## 19 CREDITORS (Amounts falling due within one year)

	2023 £	2022 £
Trade creditors	212,211	64,648
Other taxation and social security	78,968	42,988
Other creditors	37,030	23,735
Accruals	80,335	1,115,007
Deferred income (note 20)	<u>21,699</u>	<u>16,362</u>
	<u>£ 430,244</u>	<u>£ 1,262,740</u>

## 20 DEFERRED INCOME

Deferred income comprises entirely of Pembroke House and Admiral Jellicoe residents' fees invoiced in advance £21,699 (2021: £16,362).

	2023 £	2022 £
Balance at the start of the year	16,362	14,534
Amount released to income in the year	(16,362)	(14,534)
Amount deferred in the year	<u>21,699</u>	<u>16,362</u>
Balance at the end of the year	<u>£ 21,699</u>	<u>£ 16,362</u>

## 21 MOVEMENTS IN FUNDS

	Balance at 1 April 2022 £	Income £	Expenditure £	Investment Gains / (Losses) £	Transfers £	Balance at 31 March 2023 £
<b>Endowment Funds</b>						
Royal Naval Fund	523,296	-	-	(12,471)	-	510,825
Chatham Depot Aid Fund	398,952	-	-	(10,907)	-	388,045
Mrs I Briggs for Regular Charitable Payments	201,974	-	-	(4,727)	-	197,247
Dame Elisabeth Kelly Fund	172,549	-	-	(4,032)	-	168,517
Sir John Langham Bequest	12,416	-	-	(303)	-	12,113
John Cornwell VC National Memorial	7,206	-	-	-	-	7,206
1939/45 Memorial Award Fund	11,531	-	-	(290)	-	11,241
	<u>£ 1,327,924</u>	<u>£ -</u>	<u>£ -</u>	<u>£ (32,730)</u>	<u>£ -</u>	<u>£ 1,295,194</u>
<b>Restricted Funds (Grants &amp; RCPs)</b>						
Royal Naval Reserve Benevolent Fund	205,171	4,081	(5,460)	(4,765)	-	199,027
Royal Naval Fund - revenue	13,659	10,682	(15,881)	-	-	8,460
Chatham Depot Aid Fund - revenue	70,655	9,342	-	-	-	79,997
Mrs I Briggs - revenue	1,553	4,049	(3,640)	-	-	1,962
Dame Elisabeth Kelly Fund - revenue	1,048	3,453	(3,730)	-	-	721
Sir John Langham Bequest - revenue	618	25	(2,511)	-	1,868	-
1939/45 Memorial Award Fund - revenue	987	249	(80)	-	-	1,156
Greenwich Hospital Regular Charitable Payments	-	1,125,456	(1,376,253)	-	247,797	-
RNRMC Naval Service Benevolence Fund	408,000	489,996	-	-	(897,996)	-
Queen Mary's Roehampton Trust	20,000	-	-	-	-	20,000
Submarine Memorial Fund	17,962	1,000	(16,425)	-	-	2,537
Durnford & Cawtham Trust	1,600	5,000	(5,000)	-	-	-
Leeming Fund	237	0	(237)	-	-	-
	<u>£ 741,490</u>	<u>£ 1,656,333</u>	<u>£ (1,429,267)</u>	<u>£ (4,765)</u>	<u>£ (648,331)</u>	<u>£ 315,460</u>

	Balance at 1 April 2022 £	Income £	Expenditure £	Investment Gains / (Losses) £	Transfers £	Balance at 31 March 2023 £
<b>Restricted Funds (care homes &amp; almshouse)</b>						
PH Amenities Fund	59,964	20,093	(37,865)	-	-	42,192
PH Residents' Support Fund	1,091,474	21,713	(1,365)	(25,349)	(200,000)	886,473
PH Redevelopment Fund	775,276	-	-	-	-	775,276
PH Projects Fund	32,788	-	(32,788)	-	-	-
John Cornwell VC National Memorial	477,948	44,117	(21,617)	(11,267)	(133,007)	356,174
RNRMC Grant for Pembroke House	-	78,000	-	-	(78,000)	-
Government Covid-19 Grants	-	4,400	-	-	(4,400)	-
Centenary Care Home Project	-	250,000	-	-	(250,000)	-
	<u>£ 2,437,499</u>	<u>£ 421,063</u>	<u>£ (98,599)</u>	<u>£ (36,616)</u>	<u>£ (665,407)</u>	<u>£ 2,057,889</u>
<b>Total Restricted Funds</b>	<u>£ 3,178,939</u>	<u>£ 2,077,395</u>	<u>£ (1,527,866)</u>	<u>£ (41,381)</u>	<u>£ (1,313,738)</u>	<u>£ 2,373,349</u>
<b>Designated Funds</b>						
Falklands Fund	3,983,871	79,251	(67,234)	(92,523)	-	3,903,365
Alan Brown Fund	35,418	819	(5,625)	(956)	-	35,418
Centenary Care Home Project	10,763,012	-	-	-	(10,763,012)	-
Strategic Reserve	-	-	-	-	-	12,500,000
<b>Total Designated Funds</b>	<u>£27,288,063</u>	<u>£80,070</u>	<u>£ (72,859)</u>	<u>£ (93,479)</u>	<u>£ (10,763,012)</u>	<u>£16,438,783</u>
<b>Total Unrestricted Funds</b>	<u>£ 25,603,642</u>	<u>£ 5,828,125</u>	<u>£ (7,503,783)</u>	<u>£ (1,164,706)</u>	<u>£ 12,076,750</u>	<u>£34,825,113</u>
<b>Total Funds</b>	<u>£ 57,398,568</u>	<u>£ 7,985,590</u>	<u>£ (9,119,423)</u>	<u>£ (1,332,296)</u>	<u>£ -</u>	<u>£54,932,440</u>

An explanation of the Transfers on Funds is given below:

- Sir John Langham: eligible claims exceeded funds therefore balance used from unrestricted funds.
- *Greenwich Hospital Regular Charitable Payments* – RCPs paid exceeded grant provided by GH, balance used from unrestricted funds.
- *PH Residents' Support Fund (£200,000)* – contribution to help offset the shortfall in funding for state funded residents.
- *John Cornwell VC National Memorial Fund* – monies used to upgrade bathrooms to wet rooms and other repairs.
- *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 (£4,400)* – balance of funding received via Medway Local Authority for additional costs incurred in relation to Covid-19.
- *Restricted Centenary Care Home Project (£10,763,012)* – The project is now completed.
- *A Capital Development fund* – will be created to allocate monies to future capital developments.
- *Chatham Depot Aid Fund* – It has been agreed by the Charity Commission that the balance of this fund will be taken to the general fund. There are very few eligible recipients of this fund and therefore there has been no expenditure against it for several years. Funds will always be available if eligible applicants are identified.

## 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 & Cawthan 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 2022

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 2021/22 Annual Report & Accounts (available on the RNBT website).

	Balance at 1 April 2021 £	Income £	Expenditure £	Investment Gains / (Losses £	Transfers £	Balance at 31 March 2022 £
<b>Endowment funds</b>						
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>
<b>Restricted funds (Grants &amp; RCPs)</b>						
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
Submarine Memorial Fund	29,145	1,000	(12,183)	-	-	17,962
Queen Mary's Roehampton Trust	-	20,000	-	-	-	20,000
Durnford & Cawthan Trust	1,000	5,000	(4,400)	-	-	1,000
The 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)	Balance at 1 April 2021	Income	Expenditure	Investment Gains / (Losses)	Transfers	Balance at 31 March 2022
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 Grants	-	122,877	-	-	(122,877)	-
Centenary Care Home Project	-	658,490	-	-	(658,490)	-
	<u>£ 2,485,944</u>	<u>£ 943,402</u>	<u>£ (49,286)</u>	<u>£ 263,287</u>	<u>£ (1,056,858))</u>	<u>£ 2,437,450</u>
<b>Total restricted funds</b>	<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>
<b>Designated Funds</b>						
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	-	-	(5,489)	-	-	-
Strategic Reserve	12,500,000	-	-	-	-	12,500,000
Centenary Care Home Project	10,763,012	-	-	-	-	10,763,012
<b>Total designated funds</b>	<u>£ 3,710,651</u>	<u>£ 78,658</u>	<u>£ (69,265)</u>	<u>£ 263,827</u>	<u>£ -</u>	<u>£ 27,288,063</u>
<b>Total unrestricted general funds</b>	<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>
<b>Total funds</b>	<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>

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

	2023 £	2022 £
Net income for the reporting period (as per the statement of financial activities)	(2,855,706)	4,211,607
Depreciation charges	641,843	196,847
(Gains) / Losses on investments	(1,332,296)	(3,781,467)
Dividends, interest and rent from investments	(1,140,744)	(1,116,986)
Loss on the disposal of fixed assets	-	-
(Increase) / decrease in stock	-	42,747
Decrease in debtors	(390,477)	(67,576)
Increase / (decrease) in creditors	(832,495)	837,386
<b>Net cash used in operating activities</b>	<u>£(2,855,706)</u>	<u>£ 322,558</u>

## 24 ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 1 April 2022	Cash Flows	At 31 March 2023
Bank and cash balances	272,859	157,448	430,307
Short term investments	<u>3,248,008</u>	<u>(2,247,253)</u>	<u>1,000,755</u>
<b>Total cash and cash equivalents</b>	<b><u>£ 3,520,867</u></b>	<b><u>£(2,089,805)</u></b>	<b><u>£ 1,431,062</u></b>

## 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 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 31 March 2022. Since 31 March 2022 two further drawdowns have taken place. These were for amounts of £1M and £500k respectively. This meant the balance of the loan was at £3.5M. Repayments were made during the year following the realisation of investment assets, donations from an investment trust for capital development and also a generous donation from Michael Uren. As at the end of the year the balance on the loan was £1.8M.

The interest applicable to the loan for 2022/23 was £73,878.87. Interest on the loan is capitalised as part of the Admiral Jellicoe House fixed asset cost.

## 26 OBLIGATIONS UNDER OPERATING LEASES

	2023 £	2022 £
The total of future minimum lease payments on equipment operating leases expiring:		
Within one year	11,394	10,692
In two to five years	<u>34,184</u>	<u>33,501</u>
<b>Total obligations under operating leases</b>	<b><u>£ 44,192</u></b>	<b><u>£ 44,208</u></b>

## 27 CAPITAL COMMITMENTS

The Trust had no material capital commitments as at the 31 March 2023.

# TRUST INFORMATION

## For the Year Ended 31 March 2023

### **Patron**

The former Prince of Wales was Patron. The Royal Household is currently conducting a review of Royal Patronage.

### **Vice Patrons**

Mr K Lambert BEM  
Mr N Jellicoe  
Ms Jenny Agutter OBE

### **President**

Vice Admiral Sir Charles Montgomery KBE (until 28 February 2023)  
Admiral Sir Tim Fraser KCB (from 28 February 2023)

### **Vice President & Honorary Treasurer**

Mr I Ranscombe

### **Chair**

Captain N Fletcher Royal Navy (until 10 February 2023)  
Commodore R Best OBE Royal Navy (from 10 February 2023)

### **Admiralty Governor**

Commodore R Best OBE Royal Navy (until 10 February 2023)  
Colonel M Stovin-Bradford Royal Marines (from 24 April 2023)

### **Senior Serving Officer**

Captain J Carrigan Royal Navy (from 26 May 2022)

### **Trustees**

Chief Petty Officer T Bale  
Chief Petty Officer K Bell  
Ms S Bryant (from 17 May 2023)  
Mr B Daubeney  
Dr A Crossman  
Ms C Dunkley (until 15 May 2023)  
Lieutenant Commander T Forer Royal Navy  
Mr N Gartside CFA  
Mr G Hounslea

Mr A Krzysica  
Warrant Officer S Milne  
Chief Petty Officer J Potts MBE  
Mrs P Shaw OBE  
Warrant Officer (Class 1) S Tripp (until 31 March 2023)  
Commander H Wright Royal Navy

### **Executive Staff**

#### **Chief Executive**

Commander R G Bosshardt BSc MSc Royal Navy

#### **Finance Director**

Mrs S Aistrop ACMA, CGMA

#### **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  
New Kings Court, Tollgate, Chandler's Ford, Eastleigh SO53 3LG