THE ROYAL NATIONAL LIFEBOAT INSTITUTION

England & Wales · Charity number 209603

Details

Other names	ROYAL NATIONAL LIFE-BOAT INSTITUTION FOR THE PRESERVATION OF LIFE FROM SHIPWRECK, ROYAL NATIONAL LIFEBOAT INSTITUTION FOR THE PRESERVATION OF LIFE FROM SHIPWRECK, LIFEBOATS, RNLI
Status	Registered
Legal form	Other
Company number	RC000503
Registered	1963-03-27
Register	View on the Charity Commission register

Contact

Address	RNLI West Quay Road Poole BH15 1HZ
Phone	0300 300 9990
Email	company_secretary@rnli.org.uk
Website	www.rnli.org

Activities

Objects: 3. THE OBJECT OF THE INSTITUTION ("THE OBJECT") SHALL BE TO SAVE LIVES AT SEA AND ON INLAND AND FLOOD WATERS. IN ORDER TO ACHIEVE THE OBJECT, THE POWERS OF THE INSTITUTION SHALL WITHOUT LIMITATION INCLUDE THE FOLLOWING:3.1 TO PROMOTE SAFETY AND PROVIDE RELIEF FROM DISASTER AT SEA AND ON INLAND AND FLOOD WATERS;3.2 TO ADVANCE THE EDUCATION OF THE PUBLIC IN MATTERS RELATING TO SAFETY AT SEA AND ON INLAND AND FLOOD WATERS AND IN THE HISTORY AND HERITAGE OF THE INSTITUTION;3.3 TO PROMOTE THE EFFICIENCY OF RESCUE SERVICES AT SEA AND ON INLAND AND FLOOD WATERS; AND3.4 TO RELIEVE AND ASSIST THOSE WHO HAVE BEEN INVOLVED IN SAVING LIVES AT SEA AND ON INLAND AND FLOOD WATERS IN ANY CAPACITY AND WHO ARE IN NEED OF SUCH RELIEF OR ASSISTANCE BY REASON OF POVERTY, DISABILITY, INFIRMITY OR OTHERWISE, AND THE DEPENDENTS.

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Activities: To save lives, promote safety and rescue service efficiency, and provide relief from disaster at sea and on inland and flood waters; to advance the education of the public in matters relating to sea, inland and flood water safety, and in the history and heritage of the Institution; to relieve/assist those who have been involved in saving lives at sea and on inland and flood waters in any capacity.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Arts/culture/heritage/science
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** PRIMARILY BUT NOT EXCLUSIVELY IN AND AROUND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, THE ISLE OF MAN, THE CHANNEL ISLANDS AND THE REPUBLIC OF IRELAND.
- Bangladesh
- Guernsey
- Ireland
- Isle Of Man
- Jersey
- Northern Ireland
- Scotland
- Tanzania
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£251,300,000	£250,700,000	£816,500,000	1859
2023-12-31	£249,600,000	£242,600,000	£796,300,000	2445
2022-12-31	£231,800,000	£233,000,000	£775,300,000	2405
2021-12-31	£219,912,000	£199,803,000	£798,200,000	2398
2020-12-31	£199,171,000	£172,549,000	£757,400,000	2059

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Trustees

Name	Role	Appointed
Janet Legrand	Chair	2023-01-26
Denis Woulfe OBE		2019-07-17
Dr John James Killeen		2020-11-05
Dr Philip Goodwin		2018-07-19
Fiona Catherine Fell		2020-11-05
Jamshaid Islam		2022-07-22
Mark Gregory Wordsworth		2021-04-15
Mike Sturrock		2016-11-16
Paddy McLaughlin		2020-11-05

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Linked charities

- JAMES NEILSON PATERSON (209603-1)
- MRS HELEN BLAKE (209603-10)
- JAMES MICHAEL BOWER GIFT (209603-11)
- MRS NELLIE EVA CARLISLE (209603-12)
- WILLIAM DUNNETT (209603-13)
- JAMES GOWLAND (209603-14)
- MRS ALICE GOTTWALD (209603-15)
- SIR CECIL A COCHRANE MEMORIAL FUND (209603-16)
- GIFT OF MRS N WALSHAW (209603-17)
- RALPH GLISTER AWARD (209603-18)
- LOUIS GEORGE ANDERSON DUNN (209603-19)
- REARDON SAMARITAN FUND (209603-2)
- MRS SADIE HUGHES (209603-20)
- WILLIAM STEPHEN MELLIS (209603-21)
- HENRY THOMAS RICHARDSON (209603-22)
- GORLESTON LIFEBOAT FUND (209603-23)
- CHARITY CONSISTING OF THE PROCEEDS OF SALE OF THE ELIZABETH SIMPSON LIFEBOAT (209603-24)
- GORLESTON VOLUNTEER LIFEBOAT ASSOCIATION (209603-25)
- ELIZABETH SIMPSON LIFE BOAT FUND (209603-26)
- MR AND MRS W J HEDDLE KIRKWELL BEQUEST (209603-27)
- GEORGE WEBSTR (209603-28)
- LIFE-BOATMEN'S BENEVOLENT FUND (209603-29)
- JOHN JONES ROWLAND (209603-3)
- EDWIN KAY (209603-30)
- ARTHUR VESSEY MACHIN (209603-31)
- WILLIAM JAMES AND HANNAH MATLEY (209603-32)
- LANGSTRETH CULLIFORD TRUST (209603-33)
- LINCOLNSHIRE COAST SHIPWRECK ASSOCIATION (209603-34)
- WHITBY AND UPGANG LIFEBOAT FUND (209603-35)
- MISS MAUD SMITH'S REWARD (209603-36)
- EDITH HARRIET MARY WALKE (209603-37)
- J W WEST FUND (209603-38)
- SALCOMBE LIFE-BOAT DISASTER RELIEF FUND (209603-39)

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- JOHN WILLIAM ARCHER (209603-4)
- MISS ANNIE GERTRUDE SHAYLER (209603-40)
- JAMES HODGKINSON WAINWRIGHT (209603-41)
- THE GEORGE NICHOL CHARITY FOR THE ROYAL NATIONAL LIFEBOAT INSTITUTION (209603-42)
- RNLI HERITAGE TRUST (209603-43)
- RNLI HERITAGE COLLECTION TRUST 2012 (209603-44)
- BARTLETT, BOUSTRED, HOOPER AND THORNTON FUND (209603-5)
- CHARLES CARR ASHLEY (209603-6)
- ISABELLA IRWIN (209603-7)
- MISS A CHARLTON ROWSE GIFT (209603-8)
- MRS ANNA S STOCK (STOCK MEMORIAL FUND) (209603-9)

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THE ROYAL NATIONAL LIFEBOAT INSTITUTION

England & Wales - Charity number 209603

Accounts

Lifeboats

RNLI ANNUAL REPORT AND ACCOUNTS 2024

Saving lives in a momentous year

We are One Crew: Lifeguard Jodie Shoesmith, Crew Members Chris Hills and Gianna Saccomani, and Fundraiser Jacob Aimable-Lima mark the RNLI's 200th birthday in Trafalgar Square, London

Whoever we are Wherever we are from

We are one crew

Ready to save lives

We're powered by passion **talent** and **kindness**

Like generations of selfless lifesavers before us

This is our watch

We lead the way

Valuing each other **Trusting each other** **Depending on one another**

Volunteering to face the storm together

Knowing that **with courage nothing is impossible**

That is what has always driven us

to save every one we can

It's what makes every one of us

a lifesaver

Annual Report of the Trustees of the Royal National Lifeboat Institution

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THIS REPORT IS INTERACTIVE

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WELCOME

FROM THE CHAIR AND CHIEF EXECUTIVE

2024 was an exceptional year for our charity. We commemorated and celebrated 200 years of saving lives, and inspired a generation of new lifesavers to take us into the next century.

The thanksgiving service at Westminster Abbey on 4 March was a personal highlight – a truly once-in-a-lifetime event. It was wonderful to see people from all corners of the RNLI representing their lifesaving communities there, and it was an honour to sign the 200th anniversary scroll before it started its journey around the UK and Ireland, connecting our communities. See page 4 for more on RNLI 200.

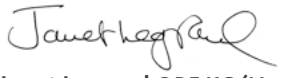
There were pivotal moments for the charity itself: King Charles III honoured us with His Majesty's patronage, and we welcomed Peter Sparkes, our new Chief Executive. I'm pleased to say that my fellow Trustees and I have fully endorsed Peter's recommendations that will lead us into our third century of lifesaving.

Meanwhile, it was business as usual when it came to saving lives in 2024. Our lifeboat crews and lifeguards aided more than 25,000 people. One rescue that really struck me was when Dun Laoghaire's inshore lifeboat crew saved a girl who had been swept into the sea and was at the mercy of rolling waves. Our volunteers arrived at the scene in minutes and swiftly plucked her to safety.

'We celebrated an extraordinary landmark while remaining focused on our number one priority: saving lives at sea'

We continued reaching adults and children with life-changing water safety advice. Just one example was when our Float to Live message helped to save the life of a swimmer who found himself in danger after strong currents dragged him out of his depth.

Thank you to everyone who got on with the job of saving lives while still helping to deliver our special anniversary events. Whether you were rescuing people yourself or making sure that our lifesavers had everything they needed – or you shared awareness of our work, gave safety advice or raised vital funds – you powered this charity through an extraordinary year.
Thank you.



Janet Legrand OBE KC (Hon)
RNLI Chair

PS I hope you enjoy this new online report. We join a growing number of charities in the move to a digital-only format and the money we save on print goes directly to saving lives at sea.

Leading the RNLI into its third century of lifesaving is an enormous privilege.

It's an exciting time for our charity as we start a new watch. We must keep evolving and adapting, and we must continue to provide the most effective lifesaving service we can as we strive to save every one.

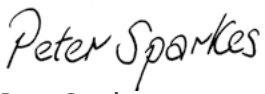
Today we benefit from technology and data insights like never before. We have analysed data from our crews, lifeguards and partners, and combined it with specialist and local knowledge. Two things are clear: the nature of lifesaving is changing and the demand for our lifesaving service is increasing.

98% of our lifeboat response is within 10 nautical miles of the shore and inshore lifeboats are, by some margin, our most used rescue assets. So, I'm excited to announce that, from 2028, we will introduce a new class of Coastal Lifeboat to provide capability that bridges the gap between our inshore and all-weather craft, which will be better equipped to work at night, at ranges and in conditions unsuitable for open boats. Work is also in hand to advance the capabilities of our B and D class fleet; together, these developments will greatly enhance our ability to save lives where we are needed most. Read more on our future plans for the fleet.

The make-up of our operational volunteer base in changing too, with just one in ten lifeboat crew now having previous seagoing experience. We must therefore make sure that we give our lifesavers the kit, training, time and support they need, and empower them to speak up about their own safety and wellbeing, as they strive to save and protect others. We must also diversify our income streams and consider the uncertainty that comes with climate change if we are to ensure our long-term sustainability. We will continue to spend every penny and cent donated to us wisely, remembering that it was given to us in trust, to save lives at sea.

The seascape and context within which we operate has changed and we must respond in all areas of lifesaving: water safety, lifeguards and lifeboats. You can hear about our wider plans in my video here. We have time and opportunity to scope out this work and get it right, putting our dedicated, selfless volunteers, seasonal and full-time staff at the heart of our decisions. It is the pride, passion, professionalism and purpose of our people that fuels the RNLI.

Change is nothing new for the RNLI, but I know it wouldn't be possible without your kind support. So, thank you for all that you continue to do to save lives at sea.



Peter Sparkes
RNLI Chief Executive

'The nature of lifesaving at sea is changing and the demand for our vital service is increasing'

WHAT WE DO

WE SAVE LIVES AT SEA

24 hours a day, 7 days a week, the RNLI is ready to save lives. We're powered by passion, talent and kindness.

Our volunteer lifeboat crews provide a 24-hour rescue service in the UK and Ireland and our seasonal lifeguards patrol busy beaches. RNLI crews and lifeguards have saved more than 146,000 lives since 1824.

We're more than a rescue service – we influence, supervise and educate people too. Our water safety teams explain the risks and share safety knowledge with anyone going out to sea or to the coast. And our international team works with like-minded organisations to help tackle drowning in communities at risk all around the world.

These lifesaving activities are underpinned by people and initiatives that raise funds and ensure that we are well-governed and compliant.

OUR VOLUNTEERS

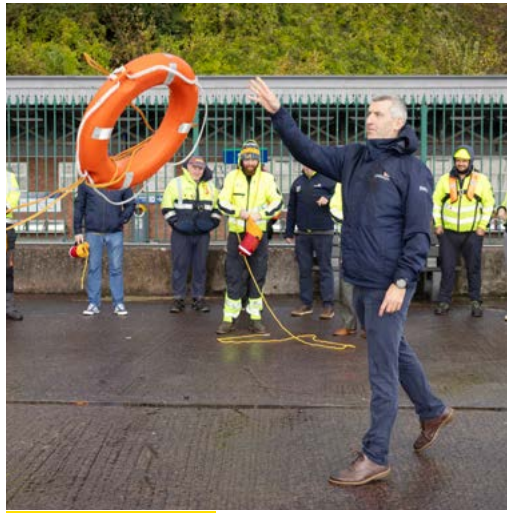
Volunteers are at the heart of our charity, supported by expert staff to enable communities to save lives. More than 7,800 of our operational crew members, and around 140 of our lifeguards, are volunteers. More than 14,700 dedicated volunteers raise funds and awareness, give water safety advice, run our shops and museums, and host tours and visits.

LIFEBOATS

Our volunteer lifeboat crews are ready to launch 24/7 from lifeboat stations around Ireland and the UK. See page 10.

LIFEGUARDS

RNLI lifeguards educate, advise, supervise and rescue people on beaches around the UK and Channel Islands. See page 12.



WATER SAFETY

Our experts save lives by sharing vital safety advice and positively educating those most at risk. See page 14.

FUNDRAISING

As a charity independent of government, we rely on the generous support of donors to meet the cost of our lifesaving activities. See page 16.

INTERNATIONAL

We work with partners globally and in countries where drowning is a significant problem to raise awareness, widen the research base and help develop solutions to save more lives. See page 15.

23,351
RNLI VOLUNTEERS*

7,828
CREW AND SHORE CREW VOLUNTEERS

1,568
LIFEGUARDS

*Total active roles. Some people hold more than one role, so figures given for individuals do not sum to total RNLI volunteers.

Learn more about WHAT WE DO **here**

200 YEARS OF LIFESAVING

2024 was an unforgettable year in which we commemorated and celebrated 200 years of saving lives – and inspired a generation of new lifesavers to power us into our third century of lifesaving.

To commemorate, our One Crew came together at special thanksgiving services across all our regions – including in Douglas, Glasgow, Llandaff, and York. The service at Westminster Abbey on 4 March was a once-in-a-lifetime moment, with people from all corners of the RNLI representing their lifesaving communities there on the RNLI's birthday.

Bearing our One Crew pledge, the RNLI's 200th anniversary scroll embarked on a relay around the UK and Ireland, connecting our communities. The scroll was signed by more than 900 RNLI people as it travelled over 18,000 miles around 292 RNLI communities – including lifeboat stations, lifeguard units, fundraising branches, shops and museums.

Our history and past lifesavers were also commemorated in limited-edition coins struck by the Royal Mint; sets of Manx, Irish and Channel Island postage stamps; and the excellent books *To Save Every One: 200 Years of RNLI Courage* and *One Crew: The RNLI's Official 200-Year History.* Meanwhile, today's lifesavers and supporters sang their hearts out in new RNLI songs and sea shanties, hosted exhibitions and painted huge murals to honour crews past and present. Our lifesavers were also recognised in the Christmas single *Pull Away.*

Long-serving volunteers and staff attended the RNLI 200th Anniversary Garden Party at Buckingham Palace, where HRH The Princess Royal presented the Silver Medal for Gallantry to Penlee Coxswain Patch Harvey.

Our people celebrated at other special garden parties too – at Áras an Uachtaráin with the President of Ireland, at Government House in Jersey with the Lieutenant Governor, and at The Palace of Holyroodhouse in Edinburgh with His Majesty The King. Our nations also celebrated together when former Coxswain Hewitt Clark and Crew Member Ben Thomson were recognised in the Pride of Britain and Pride of Scotland awards for their RNLI work.

Lifeboat festivals around the Ireland and the UK delighted crowds, including at historic sites in Pembroke and Bamburgh, and across the Isle of Man during Tynwald Week. Poole Lifeboat Festival, as well as being a wonderful celebration of all things RNLI, was an opportunity to celebrate important friendships too. We cut a cake for the International Maritime Rescue Federation's 100th birthday and held a reception in honour of all our international search and rescue partners – including KNRM, from the Netherlands, who also celebrated 200 years of saving lives at sea.

Our people also came together at a number of lifeboat naming ceremonies throughout the year, and the mass photo event One Moment One Crew – where hundreds of RNLI communities united to capture a special moment in time (see front cover).

Our anniversary was about inspiring others too. In the 200 days running up to 4 March, we shared real-life stories from people touched by the RNLI and how they played a part in the charity's story.

CONTENTS

Landmark moment: representatives from every RNLI community attended the Westminster Abbey Service of Thanksgiving on 4 March. It took place at the same time our founding papers were signed back in 1824

Parade of sail: one of the highlights of Poole Lifeboat Festival was a spectacular mile-long flotilla of lifeboats, featuring historic and modern RNLI craft and international lifeboats

Connecting our Communities: HRH The Duke of Kent signs the anniversary scroll as it departs Westminster (inset) and Ramsey volunteers add their signatures as the relay nears its close in Douglas, birthplace of the RNLI

Coast to Cobbles: Pwllheli's Shannon class lifeboat takes part in a time capsule relay from Silloth to Salford Quays, joined by historic lifeboat *William Riley of Birmingham and Leamington*. The event commemorated the world's first charity street collection, held in Manchester for the RNLI in 1891

The *RNLI 200 Voices* podcast shared a new voice every day – including survivors, supporters, volunteers, lifeguards, celebrities and historians.

We released *Storm Force Rescue*, a fun and educational game where children can play along as an RNLI lifesaver, while learning important water safety advice and becoming aware of our work. More young people from across the UK learned about sailing, teamwork and the RNLI at the ASTO Small Ships Race from Guernsey to Poole. Meanwhile, people of all ages gathered from Silloth to Salford Quays to see the historic Coast to Cobbles journey by sea, river and canal.

There was plenty of Royal inspiration too. King Charles III honoured the RNLI with His Majesty's patronage and The Duke of Kent visited Fraserburgh Lifeboat Station to mark His Royal Highness's 55th Anniversary as RNLI President. The RNLI's work was also showcased to thousands at The Royal Edinburgh Military Tattoo.

Our special birthday was covered by thousands of media items throughout the year, creating nearly 9 billion opportunities to see or hear about the charity. We had extensive and widespread national and regional media coverage across TV, radio, online and print, which was sustained throughout our anniversary year. Our anniversary also featured in special episodes of *Songs of Praise*, *Countryfile* and *Saving Lives at Sea*.

We delivered our anniversary events with special thanks to RNLI 200 Club donors. Thank you and congratulations to everyone who helped to make them happen, while getting on with the job of saving lives.

CONTENTS

One Moment One Crew: hundreds of RNLI communities came together to capture a special moment in time. See the stunning, full-size version of this photo montage at the RNLI College

20%
GROWTH IN NEW SUPPORTERS

STORM FORCE
11,200+
STORM FORCE RESCUE
GAME DOWNLOADS

£416,000
GENERATED FROM RNLI 200 PARTNER ACTIVITIES

Watch our ANNIVERSARY HIGHLIGHTS **here**

OUR IMPACT IN 2024

While 2024 was a landmark year for the RNLI, we continued in our core mission. People from all across our charity came together as One Crew to save hundreds of lives and protect thousands more.

Lifeboats, lifeguards and water safety teams joined forces to deliver a world-class lifesaving service – with 238 lifeboat crews launching around the clock to people in distress, and lifeguards delivering a seasonal lifesaving service on 238 beaches.

Together, our crews and lifeguards saved a total of 437 lives in 2024 – an average of more than one life every day. The number of lifeboat launches and lifeguard incidents was similar to 2023. RNLI lifeboat crews aided 8,259 people (10,741 in 2023), and saved 352 lives (277). Our lifeguards carried out more than 2.3M (2.9M+) preventative actions and saved 85 lives (86). Lifeguards aided a further 17,068 people (19,983). See page 8 for more lifesaving statistics.

RNLI crews in south-east England continued to be tasked by HM Coastguard to incidents in the English Channel, one of the world's busiest shipping lanes. This is an extremely demanding search and rescue environment in which our volunteer crews are often confronted with highly challenging rescue scenarios, involving large numbers of distressed men, women and children in the water. Our crews launched 114 times to suspected Channel crossings (1.2% of total RNLI launches) rescuing 1,371 people (3.7% of the total number of people recorded to have crossed the Channel last year).

Meanwhile, we continued sharing our expertise to prevent people from getting into danger in the first place.

In May, we launched our new Float to Live campaign with Helly Hansen at Sky Pool – a stunning suspended swimming pool in the heart of London. The refined safety messaging, based on our latest research with the University of Portsmouth, showed that anyone can float on their back and that we all do this slightly differently. Float to Live continued to make real-world impacts among our target audience (see page 14).

Our partnership with the Black Swimming Association continued to bring positive change, including the start of new research that aims to dispel myths around ethnicity and floating. Meanwhile, our Ambassador Scheme grew to 1,300 local businesses amplifying our water safety messages at the coast and in their communities.

Thanks to a new partnership with the Royal Yachting Association (RYA), we boosted the number of young people receiving free Swim Safe sessions in 2024 – while thousands more learned crucial safety advice directly from lifeguards and water safety volunteers. We continued our work with Girlguiding and Scouts organisations to share water safety knowledge with even more children.

We held our first ever Women in Search and Rescue conference at the RNLI College. Featuring speakers from across the maritime sector and the RNLI, it brought women together from across the UK and Ireland – inspiring them to connect, share experiences and learn new skills. We were also joined by lifesavers from around the world at our Leaders in Lifesaving course.

The RNLI continued to take action on global drowning. In 2024 we provided technical assistance, capacity building and training to lifesaving organisations around the world. We also worked with the learning portal DisasterReady to create a free flood safety course that has been completed by thousands of lifesavers across the world.

We joined forces with partners at home and abroad again to commemorate World Drowning Prevention Day. UNESCO officially recognised the 200th anniversary of the RNLI in 2024 (see page 15), helping us to increase global awareness of our charitable mission.

Read more about our plans and performance on page 18.

Sharpening skills: Barry Dock's inshore lifeboat crew on exercise in the the Bristol Channel. Our volunteers have been saving lives here for more than 120 years

On patrol: an RNLI lifeguard tackles the surf off Perranporth Beach onboard a rescue watercraft. Our lifesavers aided more than 570 people here in 2024

437
LIVES SAVED BY RNLI CREWS AND LIFEGUARDS
(362 IN 2023)

25,327
PEOPLE AIDED BY RNLI CREWS AND LIFEGUARDS
(30,724 IN 2023)

69
PEOPLE AIDED EACH DAY ON AVERAGE BY RNLI CREWS AND LIFEGUARDS
(84 IN 2023)

Ring of safety: Teddington volunteers protect their busy stretch of the River Thames onboard an inshore D class lifeboat (inset), while Dunmore East crew face rough seas off the south coast of Ireland onboard their all-weather Shannon class

LIFESAVING MOMENTS

HANGING ON: **2-hour river ordeal**

'I don't know how much longer Allan could have held on. I doubt it would have been that long'

ANDY STONE
HELM | WESTON-SUPER-MARE RNLI

Our lifesavers used their training to save the life of a fisherman in October 2024, after his boarding dinghy capsized in freezing waters.

Allan Grant was clinging to the back of his boat, exhausted from fighting the fast-flowing currents of the River Banwell, when our volunteers from Weston-super-Mare arrived on scene and pulled him onboard their inshore lifeboat. Allan was dangerously cold from being in the water for so long. The D class crew gave him casualty care and worked with their crew mates on the larger Atlantic 85 lifeboat to help evacuate Allan to hospital by rescue helicopter.

Waiting to be airlifted: our crew care for fisherman Allan onboard their Atlantic 85 lifeboat

Read ALLAN'S FULL RESCUE STORY **here**

LIFESAVING STATISTICS

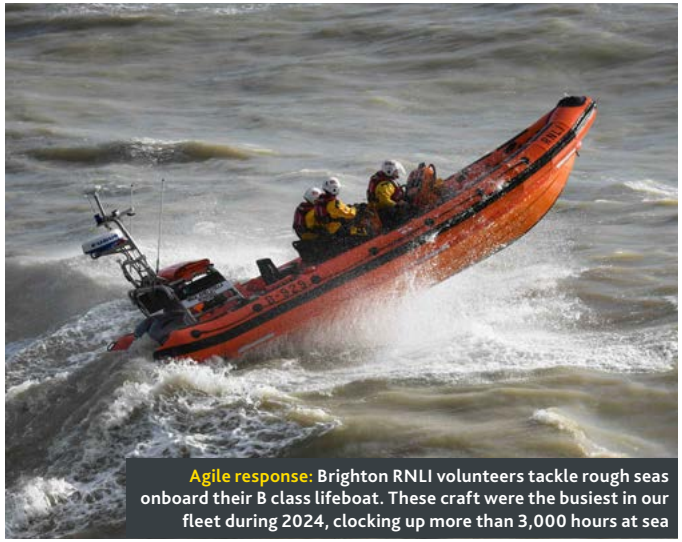
In 2024, we saw a similar number of lifeboat launches and lifeguard incidents as in 2023. Inshore lifeboats carried out 73% of all launches, with 98% of all incidents occurring within 10 nautical miles of the shore.

LIFEBOATS: BY RNLI LIFESAVING REGION

Lifesaving region	Launches	Lives saved*	People aided	Hours at sea by vessel	Hours at sea by crew	Crew assemblies
South East England	3,101	124	3,194	3,570	15,824	271
South West England	1,475	39	1,267	2,176	10,342	198
Wales, West and Isle of Man	1,416	75	1,116	2,049	9,420	359
Scotland	1,182	36	881	1,867	9,336	139
North and East England	1,086	56	794	1,446	6,238	264
Ireland	881	22	1,007	1,297	6,123	101
Total	**9,141**	**352**	**8,259**	**12,405**	**57,283**	**1,332**

LIFEBOATS: BY CASUALTY TYPE

Casualty type	Launches	Lives saved*	People aided
People†	3,819	64	2,250
Miscellaneous‡	1,664	37	117
Powered boats	1,118	65	2,454
Sailing	762	0	1,516
Suspected self-harm§	506	88	291
Manual watercraft	496	87	751
False alarms	361	0	0
Commercial	317	11	880
Animals	98	0	0
Total	**9,141**	**352**	**8,259**



Agile response: Brighton RNLI volunteers tackle rough seas onboard their B class lifeboat. These craft were the busiest in our fleet during 2024, clocking up more than 3,000 hours at sea

Training together: Tenby crew and lifeguards refresh their skills during a joint medical exercise. Around 5% of lifeboat launches and 10% of lifeguard incidents involved casualty care in 2024

RNLI 2024 operational statistics as at 13 February 2025.
*Someone who would have lost their life had the RNLI not been there.
†Anyone without a craft or in unknown activity. People accounted for more than 42% of all launches.
‡Including aircraft, body recoveries, distress signals, motor vehicles, objects in the sea, small craft, criminal activity and unknown.
§Self-harm accounted for more than 3% of the people we aided.

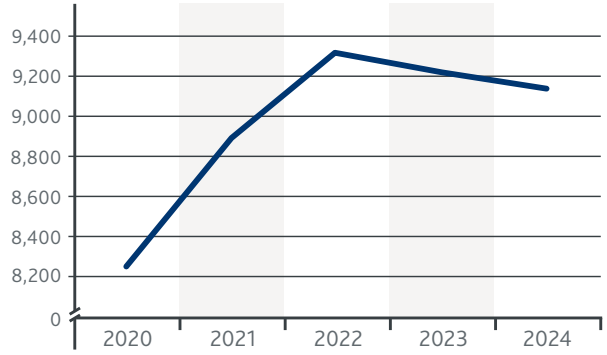
Find out about RNLI STATIONS and BEACHES near you **here**

LIFEBOATS: BY CLASS

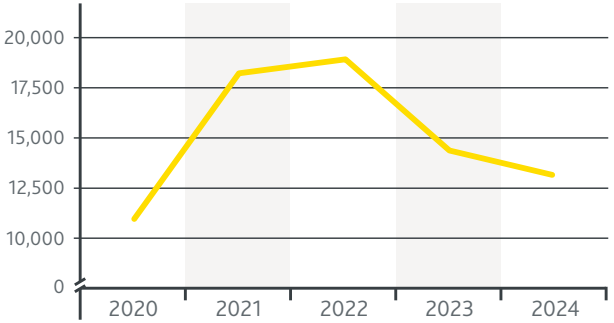
Lifeboat	Launches	Lives saved	People aided	Hours at sea by vessel
B class	2,942	167	2,807	3,389
D class	2,513	90	1,359	2,562
E class	1,122	23	382	790
Severn	877	18	1,678	1,865
Shannon	600	11	703	1,472
Tamar	537	16	766	1,187
Trent	383	12	366	746
Hovercraft	92	5	59	87
Mersey	36	1	37	102
A class	20	1	9	17
Other	11	1	4	8
Rescue watercraft	8	0	0	11
Total*	**9,141**	**352**	**8,259**	**12,405**

*Some activity was undertaken without lifeboats. Therefore, figures given by class do not sum to total launches, lives saved, people aided and hours at sea.

LIFEBOAT LAUNCHES



LIFEGUARD INCIDENTS



Slipway station: Padstow crew launch onboard their all-weather Tamar class lifeboat *Spirit of Padstow*

Light and nimble kit: a North Devon lifeguard heads into the surf with a rescue board

146,707
LIVES SAVED SINCE 1824

LIFEGUARDS: BY RNLI LIFESAVING REGION

Lifesaving region	Preventative actions	Incidents*	Lives saved†	People rescued	People aided	Assistance	Casualty care	Minor first aid	Searches	Missing and found	Non aquatic assists	Near misses	False alarms	Antisocial behaviour	Animals	Other
South West England	1,124,101	6,892	43	2,014	9,178	1,856	647	3,579	32	444	45	443	68	55	64	20
Wales, West and Isle of Man	532,166	1,891	13	344	2,792	865	176	816	16	152	133	152	25	18	55	44
South East England	340,962	1,930	15	157	2,284	315	245	928	16	322	10	39	21	116	8	2
North and East England	242,573	1,990	8	140	2,236	391	214	1,165	32	153	23	47	11	45	13	10
Ireland	83,597	204	5	43	235	76	13	84	3	4	3	0	1	4	2	0
Scotland	29,084	228	1	23	343	56	26	90	4	18	2	110	5	20	2	1
Total	**2,352,483**	**13,135**	**85**	**2,721**	**17,068**	**3,559**	**1,321**	**6,662**	**103**	**1,093**	**216**	**791**	**131**	**258**	**144**	**77**

*More than 85% of lifeguard incidents occurred during the summer.
†Someone who would have lost their life had the RNLI not been there.

LIFEBOATS

Our volunteer crews have been saving lives for more than 200 years. Their work remained at the heart of the RNLI in 2024.

RNLI lifeboat crews, shore crews and other station volunteers remained ready to launch 24/7 from 238 lifeboat stations. Some were in the midst of RNLI 200 celebrations when they got the call and dropped everything to go to the rescue.

2024 was our fourth busiest year ever for lifeboat launches, with our crews launching 9,141 times. They aided 8,259 people and saved 352 lives. More than a third of launches were carried out in darkness and around 5% involved casualty care. 95% of all 2024 incidents were within 5 nautical miles of the shore, with inshore lifeboat crews carrying out 73% of total launches. Tower and Plymouth were our busiest overall and coastal stations respectively.

The most cited reason for lifeboat rescues in 2024 was people getting into difficulty in and around the water (cut off by the tide, slips, trips and falls). See the 2024 lifesaving statistics on page 8 to delve deeper into the numbers.

Our crews continued to depend on first-class kit and training to save lives and get home safely. In 2024, engineers at our Clayton Engineering factory built two new Shannon launch and recovery vehicles, and completed the first refit of another, in addition to numerous refits and repairs to other vehicles. Our team at the Inshore Lifeboat Centre built seven Atlantic 85 and 12 D class lifeboats, and carried out refits on 54 inshore boats and a number of launch vehicles. Staff at our All-weather Lifeboat Centre built four new Shannons (for Arklow, Barry Dock, Clacton-on-Sea and Hartlepool) and carried out refits on seven all-weather craft. Meanwhile, new station builds were completed at Arranmore, Barry Dock and Dover, and important refurbishments were completed at a number of lifeboat stations and the RNLI College.

The health and wellbeing of our crew remained a priority. We tested a new mental health support programme with more than 20 stations. It received positive feedback and is on track for a full rollout. We also delivered shock absorbing mattresses to D class lifeboat crews and protective earplugs to all-weather crews.

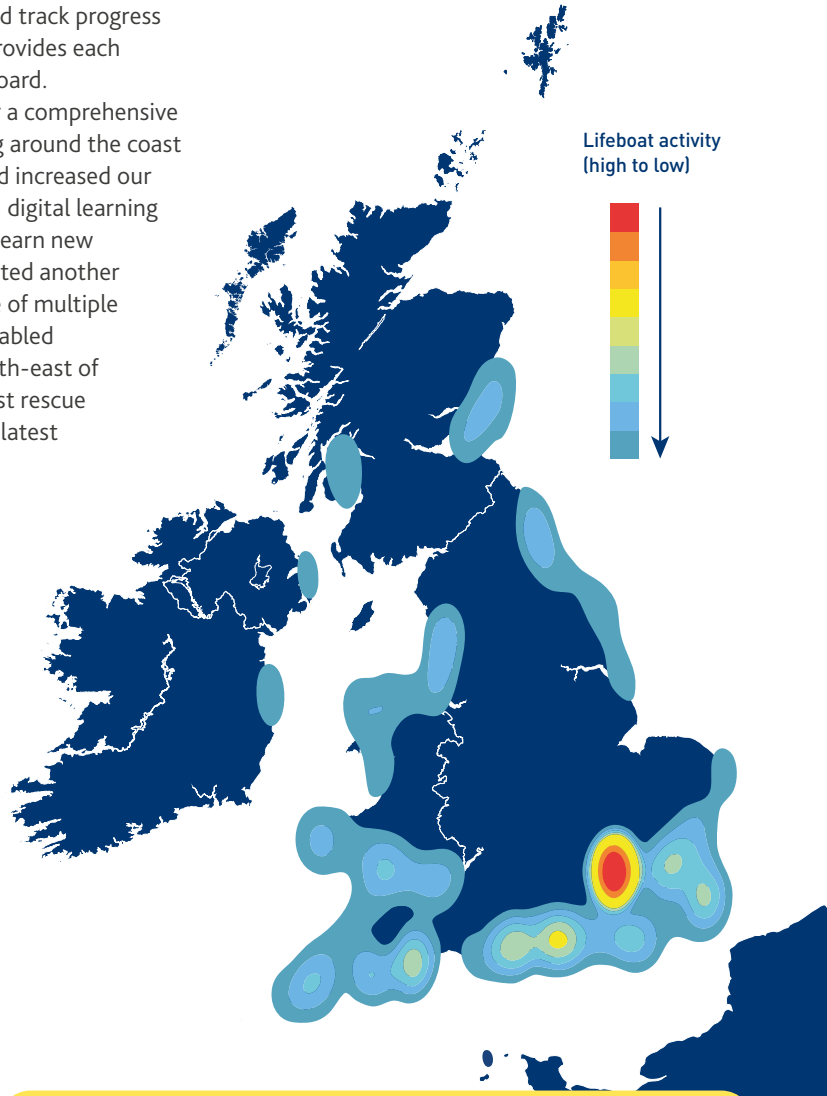
In 2024, we delivered a new Operational Competence Framework to all lifeboat station volunteers. This gives our volunteers dedicated and structured pathways for training, simplifies their learning journey, and reduces the burden of continuous assessment. It is supported by a new Learning Management System that allows volunteers to manage their learning and track progress on a personal device, and provides each station with a report dashboard.

We continued to deliver a comprehensive programme of crew training around the coast and at the RNLI College, and increased our range of training videos and digital learning content to help volunteers learn new skills remotely. We also hosted another exercise simulating a rescue of multiple people in the water. This enabled lifeboat crews from the south-east of England to practice specialist rescue techniques and explore the latest mass rescue equipment in a controlled environment.

We were only able to provide our volunteers with this vital support thanks to ongoing public donations.

RNLI LIFEBOAT ACTIVITY MAP 2024

Hotspot reflects high activity at Thames lifeboat stations



9,141
LIFEBOAT LAUNCHES
(9,207 IN 2023)

57,283
CREW HOURS AT SEA
(57,846 IN 2023)

6,693
CREW ATTENDED TRAINING SESSIONS
– including online courses and webinars
(5,557 IN 2023)

Learn more about our FLEET and STATIONS **here**

CONTENTS

LIFESAVING MOMENTS

A special 18.24 rescue

North Berwick lifesavers were about to celebrate the RNLI with a One Moment One Crew photo, when they were called to rescue an injured man in the water.

Our volunteers got the call for help at 6.24pm (18.24) on 1 August 2024 (1.8.24), and launched to the scene in their D class lifeboat. The man had suffered a broken leg following a summer evening dip near Gullane Point. RNLI Helm Rhona Meikle had selected crew with plenty of first aid experience and, on arrival, they found that the man had at least two breaks. They immediately began casualty care, checking his vital signs and administering pain relief. When an air ambulance arrived, our crew helped to transfer the man into a stretcher and up over rocks to the helicopter.

'The transfer needed to be done carefully over the uneven surfaces, to make it as comfortable as possible for the casualty'

RHONA MEIKLE
HELM | NORTH BERWICK RNLI

Casualty care: North Berwick volunteers head ashore to help the injured man

Read the full 18.24 RESCUE STORY **here**

Holding on

In 2024, Dover lifeboat volunteers were recognised for a dramatic mission in the English Channel that tested their skills to the limit.

The crew faced huge challenges with back-to-back rescues and multiple people in the water. Responding to a mayday in the early hours, they saved 68 people from an overcrowded boat before rescuing 19 others clinging to debris in the water during a second tasking. Led by Volunteer Coxswain Lee, the lifesavers used techniques learned and developed through their world-leading training to manage the chaotic scene – using specially developed rescue equipment and pulling exhausted casualties onboard. Coxswain and crew will receive the Thanks of the Institution Inscribed on Vellum for this mission – one that highlights the value of RNLI training and teamwork, and the selfless dedication of our volunteers.

'As coxswain I had to take a moment. How were we going to reach every one and protect my crew?'

LEE
COXSWAIN | DOVER RNLI

Team and technique: the rescues that Dover crew face together in the English Channel have made them an experienced and tight-knit group

Read the full DOVER RESCUE STORY **here**

20 years of the RNLI College

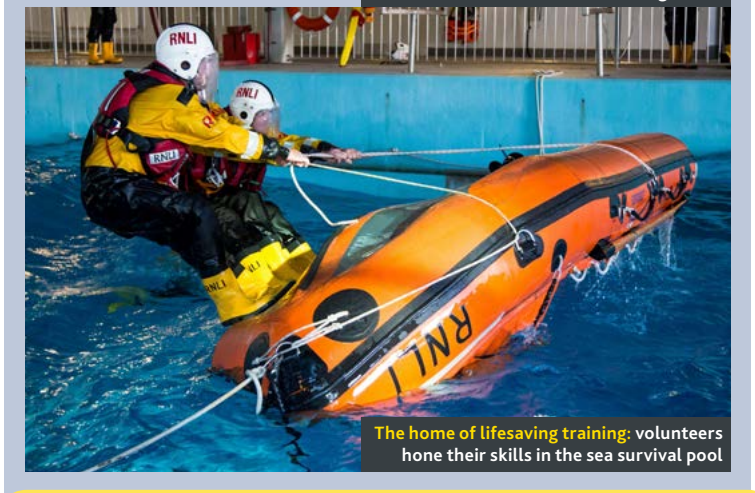
The RNLI marked another important birthday in 2024, celebrating two decades of training excellence.

Volunteers and staff cut a special cake to celebrate 20 years of the RNLI College in July. Since opening in 2004, the facility has enabled the world-class training of thousands of RNLI lifesavers – and it continues to be a centre of learning for lifeboat crews and lifeguards from across Ireland and the UK. With its bustling shop, enticing restaurant and bar, hotel and volunteer-hosted guided tours, the RNLI College is also a unique destination for guests and the public to soak up the atmosphere and learn more about our lifesaving mission. The RNLI College remains at the heart of the RNLI and our extraordinary lifesavers will be trained here for years to come.

'Courses at the RNLI College accelerate learning done at the coast. If we didn't train our people well there would be no rescuers – and no rescues'

ALEX EVANS
RNLI LIFESAVING TRAINING MANAGER

Celebrating excellence: this beautiful cake was made by Sam Crowson, long-serving member of the college team



The home of lifesaving training: volunteers hone their skills in the sea survival pool

Peek behind the scenes at the RNLI COLLEGE **here**

LIFEGUARDS

RNLI lifeguards continued to deliver essential lifesaving services to beach visitors, including local communities and tourists, across the UK and Channel Islands.

Our lifeguards kept watch over millions of beachgoers, delivering around 199,000 hours of patrols across 238 of our busiest beaches. Their priority is the prevention of incidents and, in 2024, they instigated more than 2.3M preventative actions. They also responded to 13,135 incidents – helping more than 17,000 people with everything from rescue to casualty care, and saved a total of 85 lives. More than 85% of incidents occurred during the peak summer months of June, July and August.

We continued to see anti-social behaviour and criminal activity directed at our lifesavers and property in 2024. However, we worked closely with partners to help create a safe and welcoming environment for both lifeguards and beach visitors, reducing the impact of these issues. While water quality remained a concern at some lifeguarded beaches, a deeper understanding of these challenges led to stronger collaboration and solutions.

Beyond patrols, our lifeguards also delivered vital water safety education in 2024 – reaching more than 130,000 children through school visits and community sessions. Lifeguarding teams also helped to mitigate risks and enhance safety through more than 120 beach safety assessments, signage reports and public rescue equipment audits.

Innovation and technology continued to play a critical role in improving our services. Partnering with surf forecasting company Surfline, we trialled the latest image recognition technology to accurately count beachgoers. Meanwhile, in collaboration with the Met Office and Plymouth University, we developed an in-house computer model to predict wave conditions and rip currents across our beaches. By analysing peak visitor times and better forecasting hazards, our lifeguards will be able to better plan and equip patrols.

To streamline data collection, we successfully tested an artificial intelligence system to scan and process the incident forms submitted by lifeguards. This will eliminate manual data entry, enhance data security and significantly reduce processing time. We also integrated solar photovoltaic panels and fast mobile networks into 15 rural, off-grid beach lifeguard units. These units are now fully operational, catering to diverse beach types and tidal conditions.

World-class training remained at the core of our lifeguarding service in 2024. Our coastal teams provided extensive learning, assessments and verifications – enabling hundreds of lifeguards to either become newly qualified or enhance their existing skills. We also implemented our new Lifeguard Operational Competence Framework, which focuses on practical skills specific to a lifeguard's environment. This approach helped to ensure that every lifeguard was thoroughly prepared and equipped to save lives in 2024.

Lifesaving sibling: Finn Sanderson (pictured), together with his lifeguarding brothers Ollie and Zac, protected beachgoers across Weymouth and West Dorset beaches in 2024

198,992
SUPERVISED BEACH PATROL HOURS
(204,056 IN 2023)

2.3M+
PREVENTATIVE ACTIONS
(2.9M+ IN 2023)

17,068
PEOPLE AIDED
(19,983 IN 2023)

238*
LIFEGUARDED BEACHES
(239 IN 2023)

*Although the RNLI had a total of 242 lifeguard units in 2024, there was no service at Berrow in Somerset, Highcliffe in Dorset, Minster-on-Sea in Kent, and Southsea Central in Hampshire.

Read the full *RNLI LIFEGUARDS REPORT 2024* here

LIFESAVING MOMENTS

Lifesaving out of hours

Arriving early to the beach one Sunday morning in June, North Cornwall lifeguards were called to a woman who was caught in a powerful current.

At 9.50am, before their patrol shift had started, our lifeguards at Mawgan Porth Beach in Cornwall sprang into action to rescue a bodyboarder. Caught in a current generated by the River Menalhyl meeting the sea, the woman was dragged more than 300m around a headland and was in trouble. Entering the water fully clothed, lifeguards Theresa Morokutti and Harry Barea used their rescue boards to paddle out to the casualty and safely bring her ashore. Lewis Timson, RNLI Lead Lifeguard Supervisor, says: 'The path of the river can create a significant current running out to sea and the woman would have struggled to get to shore alone. Theresa and Harry did a great job in rescuing her.'

Saving lives before their shift: lifeguards Theresa Morokutti (above) and Harry Barea (inset) rescued a bodyboarder at Mawgan Porth Beach in June

An abundance of rips

RNLI lifeguards in Pembrokeshire had a busy weekend of rip current rescues in June as thousands headed to the coast to enjoy the sun and surf.

A combination of wind, surf and tide created many rip currents across the county, resulting in multiple rescues, sea patrols and preventative actions for our lifeguards.

At Newgale and Whitesands Beaches, Lifeguards Thomas Owen and Finn Jones paddled out on rescue boards to help two surfers. Senior Lifeguard Dafydd Ridgway helped two more surfers struggling to return to shore and, patrolling the seas on a rescue watercraft, Lifeguards Jonathan Cafolla-Ward and Fiona Campbell discovered three more surfers caught in a rip current.

Lifeguards at Freshwater West Beach arrived before patrol hours to find two surfers caught in a rip. Using a public address system and hand signals from the shore, the lifesavers managed to direct the surfers out of the current and safely back to the beach.

A busy weekend for Pembrokeshire lifeguards: patrolling Freshwater West Beach onboard a rescue watercraft

Record-breaking lifeguard

RNLI Lifeguard Chris Lewis has been keeping people safe on Bournemouth Beach for more than 59 years, and in 2024 he was awarded the Guinness World Record for longest serving lifeguard in the world.

Chris has been saving lives since the age of 16, both as a volunteer and as a professional lifeguard, and has carried out hundreds of rescues and thousands of patrols. He became an RNLI lifeguard in 2001, when we first provided beach patrols for local authorities, and was the first RNLI lifeguard to be awarded the MBE. Chris says his most memorable rescue was when three people got into trouble by one of the groynes. 'I managed to rescue all three of them,' he says. 'As I came out of the water, the whole beach stood up and clapped! I'll never forget it.' At 75 years old, Chris still passes the RNLI's stringent fitness tests every year, seeing them as an excuse to stay fit and healthy.

'It's the best job in the world. You're working on the beach and you're helping people. What could be better?'

CHRIS LEWIS | RNLI LIFEGUARD

World's longest serving lifeguard: the RNLI's Chris Lewis

Watch Chris receive his RECORD-BREAKING TITLE here

WATER SAFETY

Our charity continued its critical role in preventing people from getting into trouble in the first place.

In 2024, our water safety experts continued to prioritise risk and positively educate all by engaging with the general public and our partners, face to face and through a range of media.

We continued to remind people that, if they find themselves in trouble in the water, they should Float to Live. With the support of Helly Hansen we launched our 2024 campaign at the Sky Pool in London – demonstrating the survival skill in a transparent swimming pool, against an iconic London backdrop. The launch, which gained widespread media coverage, reflected our latest research with the University of Portsmouth, which showed that we all float differently: some people naturally float with little movement, others need to gently move their hands and legs.

Find out more about FLOAT TO LIVE **here**

Our partners and local ambassadors played an essential part in amplifying our messages in 2024. RNLI volunteers visited Croke Park stadium on 13 July to promote our water safety partnership with the Gaelic Athletic Association (GAA). Our flag bearers at the All-Ireland Senior Football Championship semi-final dressed in lifeboat kit and displayed a huge Float to Live flag on the pitch to 55,000 fans.

See our GAA HIGHLIGHTS **video here**

World Drowning Prevention Day is an important moment to raise water safety awareness during the summer season. This is when our lifesavers are at their busiest and, sadly, when water-related fatalities peak across the UK and Ireland. In 2024 our volunteers, staff, supporters and partners all contributed to a successful day. Activities included community events that encouraged people to pledge their support and share our safety messages.

In September we invited 200 Girlguiding members to the RNLI for a fun day learning vital water safety skills. Guides, Rangers and Brownies from Dorset, Hampshire, Somerset and Wiltshire visited the RNLI College to discover how we save lives at sea and how they can help. The event marked a year-long partnership between the RNLI and Girlguiding South West England, which has empowered more than 5,000 girls with water safety knowledge and inspired the next generation of lifesavers.

The Royal Yachting Association (RYA) also worked with the RNLI and Swim England in 2024 to deliver Swim Safe sessions at 15 of its activity centres. These additional RYA sessions helped to reach more than 36,000 children – on top of the 19,000 young people who took part in our public and school sessions at other outdoor Swim Safe locations.

Floating in the London skyline: launching the 2024 Float to Live campaign at Sky Pool, Embassy Gardens

SWIM SAFE

19,000
YOUNG PEOPLE TOOK PART IN SWIM SAFE

588,916
PEOPLE REACHED WITH SAFETY MESSAGES

139M
OPPORTUNITIES TO SEE FLOAT TO LIVE ADVERTS

LIFESAVING MOMENTS

Float saves again

When 11-year-old Billie was swept into deep water with a friend, she bought them precious minutes by remembering our safety advice.

The youngster was paddling at the beach with her friend when they suddenly got dragged out of their depth. Billie, who learned our Float to Live advice at swimming lessons, says: 'I was scared but I knew what to do. I made a starfish on my back.' Luckily, RNLI Helm Andy Read was at the beach with his family and spotted them. He swam out to the children and brought them safely back to shore. Andy says: 'Billie did exactly the right thing – they were floating to live and calling for help. It bought them a few minutes until I was able to reach them.' A few days later, Billie and her mum Kate visited Mudeford RNLI to thank the lifesaver. Kate says: 'Andy is a real hero. We're so grateful to him and the RNLI for keeping us safe – and would encourage all beachgoers to learn Float to Live.'

Float to Live makes a lifesaving difference: Billie at Mudeford RNLI, thanking her rescuer Andy

INTERNATIONAL

Sharing lifesaving expertise.

Every other minute someone drowns around the world. The RNLI works with international partners and in-country experts to help stop these needless deaths.

In 2024 we provided expertise, training and capacity building to organisations worldwide. We used the International Day of Disaster Risk Reduction in October to highlight our efforts – including the launch of an international Flood and Water Safety course in partnership with DisasterReady, a free online learning platform for humanitarians. The course has already been completed by thousands of lifesavers in more than 100 countries.

In Bangladesh, the RNLI collaborated with academic and implementing organisations to address drowning risks among young children – particularly those under 2 years old, who are in most danger. This work is part of the 4-year research project Sonamoni, led by Bournemouth University and funded by the UK's National Institute for Health Research.

Read more about the SONAMONI PROJECT **here**

In Tanzania, the RNLI partnered with the Environmental Management and Economic Development Organization (EMEDO) to reduce drowning deaths in fishing communities near Lake Victoria. Activities included fishing safety training and expanding access to low-cost buoyancy aids and weather information.

Learn more about the LAKE VICTORIA DROWNING PREVENTION PROJECT **here**

We continued to raise awareness of drowning prevention with decision-makers around the world, and were thrilled that the fourth World Drowning Prevention Day was commemorated in 85 countries, including Iraq and Syria for the first time. Later in the year we co-hosted a workshop with the World Health Organization (WHO), exploring child supervision and daycare as drowning prevention measures.

The RNLI's 200th anniversary gained global recognition at an event we organised at the headquarters of the United Nations Educational, Scientific and Cultural Organization (UNESCO). Ambassadors from more than 15 countries attended to learn more about drowning prevention and commit to taking action. It marked the start of a new programme of work with global education partners.

In 2024, our international work received funding from the international development budgets of the Irish and Isle of Man Governments, The Lifeboat Fund and the Princess Charlene of Monaco Foundation.

85
COUNTRIES MARKED WORLD DROWNING PREVENTION DAY

2,000+
PEOPLE COMPLETED OUR INTERNATIONAL FLOOD AND WATER SAFETY COURSE

Throwline training: local fishers in Mwanza, Tanzania, practise their lifesaving skills as part of our Lake Victoria Drowning Prevention Project

LIFESAVING MOMENTS

A milestone in maritime rescue

In 2024, we celebrated the 100th anniversary of the International Maritime Rescue Federation (IMRF), highlighting the shared histories of our two organisations.

We were delighted to host the IMRF and its representatives from France, Iceland, Norway, the Netherlands and Uruguay at Poole Lifeboat Festival in May 2024. The IMRF unites maritime search and rescue organisations worldwide to enhance capability and effectiveness. The RNLI played a key role in its history, hosting the first International Lifeboat Conference in London in 1924. This gathering brought lifeboat organisations from around the world together for the first time, helping them to address common challenges and promote lifesaving efforts. The International Lifeboat Federation was formed following the conference, becoming the IMRF in 2007.

Lifesaving milestone: representatives from around the globe gather to celebrate 100 years of the IMRF

FUNDRAISING

People from all across the RNLI came together as One Crew, in a huge effort to raise money for our charity in 2024.

Our fundraising, retail and visitor experience volunteers made the most of our 200th anniversary, with every week of 2024 involving a celebration activity. From tea parties and champagne receptions to station visits, open days and galas, our One Crew inspiration did not hold back – with our volunteers exceeding all expectations of fundraising, retail sales, contactless donations and new volunteer recruitment. By the close of 2024, they had raised £15.9M from fundraising events and taken £10M in sales.

Our integrated appeals generated vital income too. The Christmas Appeal, featuring the dramatic rescue of a dangerously cold man by Barry Dock and Penarth lifeboat crews, raised more than £1.9M in donations.

Read the CHRISTMAS APPEAL RESCUE **here**

Launch a Memory exceeded previous targets, with 11,693 people securing the name of a loved one on the side of Exmouth's Shannon class lifeboat and helping to bring in £844,743 in donations.

RNLI membership continued to be crucial in terms of the engagement and income it generates. Subscription rates had remained unchanged for 4 years but, as the challenging financial environment continued to impact our charity, we introduced new rates in September 2024 to help ensure sustainable, long-term funding. The new-look membership we launched in 2023 helped us to recruit 10,230 members in 2024, which contributed to the total membership income of £8.4M for the year.

2024 was our most successful year ever for new partnerships, with the RNLI securing more than £3.7M in guaranteed cash revenue from well-known brands including Ford and Scania. Ford is the Official Vehicle Partner of RNLI Lifeguards for the next 5 years, and Scania UK has committed to fundraising activities and enhanced support for our Shannon class lifeboats and their launch and recovery vehicles – both powered by Scania engines. Other standout partners include INEOS Automotive, who is reducing RNLI costs over the next 5 years by gifting us 20 of their 4x4 vehicles – worth more than £1.35M. This will support our D class lifeboat crews with launch and recovery.

Meanwhile, Grangers will be supplying cleaning and waterproofing products to RNLI lifeboat stations and lifeguard support centres, and Yeti will be helping to keep our lifeguards hydrated by providing them with Rambler bottles and cups. Both companies will support our fundraising and safety campaigns over the next 3 years too.

Read more about OUR PARTNERS **here**

Awareness remained a key component of fundraising. In 2024, RNLI social media channels saw remarkable levels of engagement – achieving a total of 336M impressions, and clocking up 36M video views and another 3.3M likes, shares and comments. The Social Media Team managed more than 336,000 incoming messages on RNLI channels, delivering more than 35,600 responses to our supporters.

Inspiring communities: Helen Mason from Wexford (left) launched her Be by the Sea initiative in June, encouraging coastal communities to come together and raise funds for the RNLI

WHERE YOUR MONEY GOES

22p/22c in every £1/€1 donated is used to generate more funds

78p/78c funds our lifesaving activities

Read more about OUR FINANCES **on page 22**

6 in 10

LAUNCHES ARE ONLY POSSIBLE THANKS TO GIFTS IN WILLS

FUNDRAISING MOMENTS

'I want them to have the best'

Broadcaster Monica Winfield pledged a gift to the RNLI in her Will, following a moving lifeboat naming ceremony.

Monica developed a deep admiration for RNLI volunteers during her 38 years as a broadcaster with BBC Radio Leicester. While Leicester may not be the first place people think of when it comes to lifeboats, the city has deep RNLI connections. Every year its dedicated fundraising branch organises a lifeboat day, inviting Redcar lifeboat crew members down to share rescue stories and raise awareness throughout the community.

Monica has covered many of these events, but it was during a special ceremony at Staithes and Runswick Lifeboat Station that the RNLI's One Crew spirit truly resonated with her. She was honoured to name the station's new lifeboat *The Pride of Leicester* in tribute to her city's fundraising efforts. The moving event, which saw the entire town turning out in celebration and the lifesavers showing such pride in their new craft, left a lasting impression on Monica and inspired her to pledge a gift to the RNLI.

She says: 'I included the RNLI in my Will because lifeboat volunteers are the best of us, and I want them to have the best. I need them going out in the warmest kit, in the safest boats. And I need them to be trained. They've been saving lives for 200 years and my gift will help that continue.'

Inspired by lifesaving dedication: former broadcast journalist Monica is remembering the RNLI in her Will

'RNLI volunteers have been saving lives for 200 years and my gift will help that continue'

MONICA WINFIELD
RNLI SUPPORTER

Hear the full story in MONICA'S VIDEO here

Ford partnership secures new funding

The RNLI renewed its partnership with Ford UK in 2024, building on a relationship that has supported our charity for 6 years.

Initially focused on RNLI lifeguards, the collaboration expanded to include sponsorship of our 200th anniversary scroll relay last year (see pages 4–5). The new 5-year partnership, signed at the end of 2024, will see Ford continue to supply its Ranger trucks as the Official Vehicle of RNLI Lifeguards. Ford is an important partner, supporting critical operations and amplifying our water safety messages through its marketing channels. The renewed partnership reflects the company's commitment to our mission by providing essential funding and resources, and promoting safety awareness, to help us save more lives at sea.

Ford UK: supporting critical lifeguard operations

Lifesaving illuminations: Salcombe and Kingsbridge Fundraising Crew secured the support of artist Bruce Munro to create this stunning Field of Light installation

Ready for the busy summer season: Lerwick RNLI's dedicated shop volunteers Audrey, Lorna and Linda show a selection of items from their new range

Raising funds and adventure: Will Curzon and Ethan Clack from South Devon spent their summer holidays walking the South West Coast Path in support of our lifesavers

OUR PLANS

This section looks at the RNLI's performance in 2024 and lays out our 2025 priorities, which will help us develop and achieve our RNLI 2040 vision.

REFLECTING ON WHAT WE ACHIEVED IN 2024

2024 marked an extraordinary achievement in RNLI history: 200 years of lifesaving. We entered the year with a focus on remembering our past, celebrating the lifesaving service we provide today, and inspiring future generations of lifesavers.

In order to support the organisation in pulling together as One Crew, the Executive Team set out four strategic priorities for 2024 (shown right).

In summer 2024 we welcomed Peter Sparkes as our new chief executive, and sought to deliver stability to the organisation while undertaking a change in leadership during our peak lifesaving season. This required resilience, as the demand for our service continued while the economic environment remained uncertain – particularly driven by the changing external landscape in the UK, in Ireland and further afield.

STRATEGIC PRIORITIES FOR 2024

Maintaining our ability to save lives

The RNLI was founded in 1824 to save lives at sea and, 200 years on, people still rely on our service. In 2024, we continued to provide a world-renowned 24/7 search and rescue service 365 days a year, deployed professional lifeguard cover across our coasts, and worked with partners to share our vital water safety messaging, at home and overseas. We broadened our reach with an additional international programme and inspired the next generation of lifesavers through technology and targeted partnerships. We provided training so that our lifesavers could safely and confidently carry out their duties, and we increased our focus on overcoming barriers for women in lifesaving roles.

Protecting the RNLI by addressing critical risks

To protect our people and our service, we prioritised activity to mitigate critical risk relating to service availability, safety, compliance and technology capability. We continued our onboarding and training of full-time crew to provide much-needed resilience cover. We implemented modifications to our lifeboats, such as shock absorbing mattresses. To improve how we keep our people safe, we continued to learn from incidents and share stories. This has been emphasised through our new Safety Takes Courage narrative. We also replaced key technologies that were approaching end of life, to ensure we can continue to deliver the key services that our lifesavers depend on.

Reducing our costs and maximising income

To keep financially sustainable, we continued to reduce our costs while maximising our income and leveraging the once-in-a-lifetime opportunity our 200th anniversary presented. We held events across the UK and Ireland to commemorate our history, celebrate our achievements and inspire the next generation. We maximised the use of technology in our fundraising by using contactless payment devices for donations and built relevance with wider audiences through our social media channels, *200 Voices* podcast, *Storm Force Rescue* game and the ninth series of *Saving Lives at Sea*. We also found innovative ways to reduce our ongoing running costs, such as the introduction of solar-powered beach lifeguard units.

Supporting our staff and volunteers

People are at the heart of the RNLI and power our lifesaving work. We sent *One Crew: Your View* surveys to staff and volunteers to listen to what mattered most and inform our plans for the future. We presented long service and meritorious service awards to our volunteers, and recognised those who had gone above and beyond in their roles. We tested a new mental health support programme, to enhance the resources and tools available to support the health and wellbeing of our crew. We provided a contract option for established lifeguards which improved their terms and conditions and job security. In our One Moment One Crew photo event, we celebrated every one who powered this organisation in a year like no other.

Keeping our people safe: Newquay lifeboat volunteers count on the protection of their crew kit as they recover their D class lifeboat among dumping waves

OUR PERFORMANCE IN 2024

The organisation set out a clear vision in *Our Watch*, supported by six Strategic Outcomes that help to inform our plans. We monitor whether we are on track to achieve these outcomes through a framework of strategic key performance indicators (KPIs) that provide a focus for how all teams across the RNLI measure the success of the activities they deliver.

Performance against our strategic KPIs is reviewed quarterly by our Executive Team and Trustees to ensure we remain on track, or to prompt corrective action where it may be required for us to get back on track.

2024 was the final year covered by the outcomes articulated in *Our Watch*. In 2025, we will be looking at how our RNLI 2040 strategy should inform our next 5-year plan, as well as the performance metrics and targets we set within it.

Meeting demand closer to shore: our volunteers have been saving lives in Wexford Harbour and on the River Slaney since 2002

WE KEEP OUR PEOPLE SAFE

SERIOUS INJURIES

IN 2024	IN 2023
4	3

AFLOAT INJURIES PER 1,000 LAUNCHES

IN 2024	IN 2023
4.8	4.5

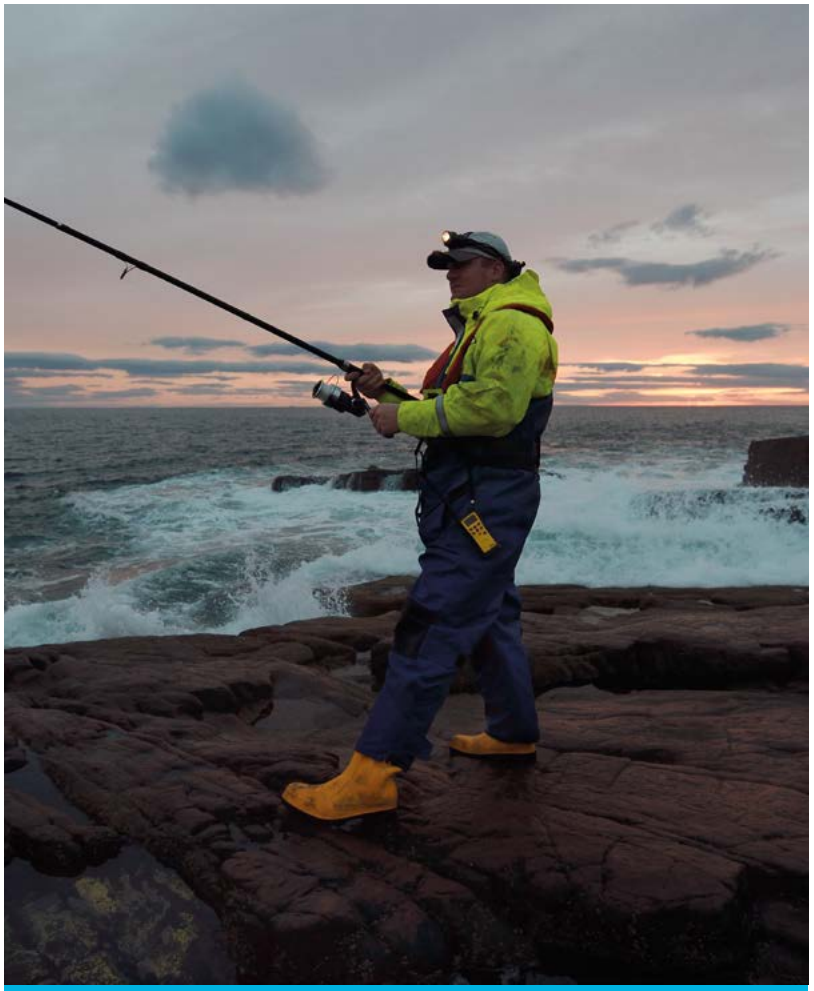
WE FOCUS ON WHAT WILL SAVE THE MOST LIVES IN OR NEAR THE WATER

NUMBER OF PEOPLE AIDED BY LIFEBOAT CREWS

IN 2024	IN 2023
8,259	10,741

NUMBER OF PEOPLE RESCUED OR AIDED BY LIFEGUARDS

IN 2024	IN 2023
19,789	22,576



WORKING WITH PARTNERS, WE INFLUENCE IMPROVED SAFETY ON AND BESIDE THE WATER

NUMBER OF SERIOUS WATER INCIDENTS

IN 2024	IN 2023
769	**836**

OUR PEOPLE LOVE BEING PART OF THE RNLI

VOLUNTEER ENGAGEMENT SCORE

IN 2024	IN 2022
90% (31% response rate)	**91%** (8% response rate)

STAFF ENGAGEMENT SCORE

IN 2024	IN 2022
82% (67% response rate)	**85%** (71% response rate)

WE RAISE THE FUNDS WE NEED AND SPEND DONORS' MONEY WISELY

FREE RESERVES COVER

END OF 2024	END OF 2023
9.7 months	**8.9** months

OUR FUTURE IS SUSTAINABLE AND SECURE

BRAND HEALTH INDEX

END OF 2024	END OF 2023
30 (11th of 76 charities)	**34** (5th of 76 charities)

BRAND AWARENESS GAP

IN 2024	AT END OF 2023
41%* (lower awareness among under 40s vs over 40s)	**26%** (lower awareness among under 40s vs over 40s)

*YouGov changed the brand metrics methodology in Q4 of 2023, which has negatively impacted awareness scores.

LOOKING AHEAD

The RNLI's rescue work is as vital as ever – but the way people are using the coast and the water is changing. If the RNLI is going to save even more lives, our lifeboat and lifeguard services must continue to adapt to these changing needs, so that we can provide the right response.

For over 200 years, we have continuously evolved: from oar-powered wooden lifeboats and cork lifejackets to the modern kit and technology we use today. As we launch into our third century, we must adapt and rise to the challenges ahead with courage and integrity – like the generations of lifesavers before us.

2025 is the year we define and embark on the first of the three 5-year plans to deliver the RNLI 2040 vision. In moving forwards and achieving our plans, we must constantly remind ourselves that we are a volunteer organisation, and that everything we do is in support of our volunteers and frontline staff. We are powered by kind supporters and donors, and must spend every penny and cent wisely.

Read our *2025 INTERIM STRATEGIC INTENT* here

As we enter our third century of lifesaving, in 2025 we will focus on four strategic priorities:

1

LIFESAVING DEMAND:

maintaining the key strategic areas that support the delivery of our purpose.

We will continue to run a 24/7 search and rescue and lifeguarding service, while keeping our people safe across all the sites and locations in which we operate. We will continue to educate and influence at-risk groups by sharing our lifesaving expertise in the UK, in Ireland and overseas.

2

FIT FOR THE FUTURE:

continuing to implement an effective lifesaving service that responds to emerging risks.

The way people are using the coast is changing and so are the needs of our volunteers and frontline staff. As we look to the future, we must continue providing the right equipment, support and training to enable our people to undertake their lifesaving roles. We will develop our 2040 strategy to respond to the shifting nature of saving lives at sea.

3

CONTINUOUS IMPROVEMENT:

continuing to drive good working practices – with a particular focus on operational and safety risks, people and culture, information security and data governance.

In our drive to save every one, we will continue to develop and implement progressive ideas on how we can improve the quality of our service, the safety of our people, and the way we operate.

4

FINANCIALLY SECURE:

reducing our permanent cost base, while optimising net income growth.

We value the generosity of our supporters who enable us to continue saving lives at sea. It is important that we continue to be prudent, making every penny and cent count. We will maximise our income, reputation and reach. We will invest in our fundraising capability, explore new and innovative opportunities, and leverage partnerships.

The right equipment, support and training: many lifeboat rescues would not be possible without a launch tractor and skilled operator

The right response: in 2024 our lifeguards helped more than 17,000 people with everything from rescue to casualty care

FINANCIAL REVIEW

FOR THE YEAR ENDED 31 DECEMBER 2024

Total net income available for charitable spend increased by 5% in 2024, thanks to the continued generosity of our supporters as we celebrated our 200th year, this is despite many facing their own cost challenges. The RNLI continued to face cost pressures against the backdrop of a tough global economic landscape. Through careful budgetary control we continue to mitigate some of the effects of high inflation and disrupted supply chains. The increase in net income generated, along with investment gains of £13.4M has resulted in an increase in cash and investments of £25.7M (2023: decrease of £15.4M). We remain in a stable financial position and that provides the resilience to navigate an uncertain economic climate faced by the RNLI and its supporters.

Total net income available for charitable spend increased by 5% in 2024. A key contributor to this was an increase in donation income of £5.4M, reflecting the incredible support received as we celebrated our 200th year.

Charitable spend decreased by £0.9M in 2024, this reflects the rigorous cost control exercises employed across the organisation to limit the impact of inflationary pressures.

Free reserves increased by £19.9M in 2024 and, at 9.7 months, remains at the upper end of the range prescribed by the Trustees of 4–10 months. The RNLI will continue to proactively manage its free reserves to support the delivery and investment in lifesaving services, whilst ensuring appropriate sums are retained to withstand any short-term financial risks.

FINANCIAL ANALYSIS

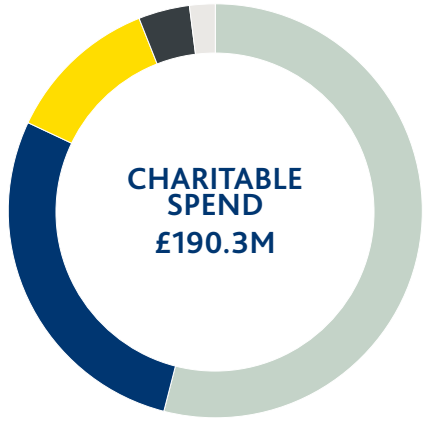
The analysis in this review has been produced to simplify the financial statements and show how much the RNLI spends on its operations each year, how it is funded, and the movement in its financial resources.

It is based on the financial statements on pages 41–45, adjusted to show the net income that is available for charitable expenditure. It also includes the actual capital costs, rather than depreciation, in the charitable spend. Further analysis on how this reconciles to the financial statements can be found in Note 17 on page 70.

CHARITABLE SPEND

Charitable spend decreased to £190.3M, a decrease of £0.9M compared with 2023. Overall movements were as follows:

- **Lifeboat service (+£2.0M: 4%)** – costs increased as we continued to invest in our crews through activities such as operational training and kit.
- **Lifeboats, property and equipment (-£3.1M: -3%)** – costs in this area decreased as 2023 saw above average investment in our lifeboats and stations and maintenance of our older fleet.
- **Lifeguard rescue (-£0.2M: -1%)** – costs decreased marginally from 2023, reflecting lower staff costs due to a slight reduction in supervised beach patrol hours.
- **International (+£0.0M: 0%)** – international costs remained consistent with 2023, reflecting continued provision of key initiatives.
- **Water safety, education and awareness (+£0.4M: 6%)** – costs increased predominantly as a result of investment of assets to support water safety, education and awareness activities.



CHARITABLE SPEND	2024 Total £M	2023 Total £M
Lifeboat service	**53.0**	51.0
Lifeboats, property and equipment	**105.1**	108.2
Lifeboat rescue	**158.1**	159.2
Lifeguard rescue	**22.3**	22.5
International	**3.1**	3.1
Water safety, education and awareness	**6.8**	6.4
Total charitable spend	**190.3**	191.2

£0.9M DECREASE IN CHARITABLE SPEND IN 2024

£10.8M INCREASE IN TOTAL INCOME FOR CHARITABLE SPEND

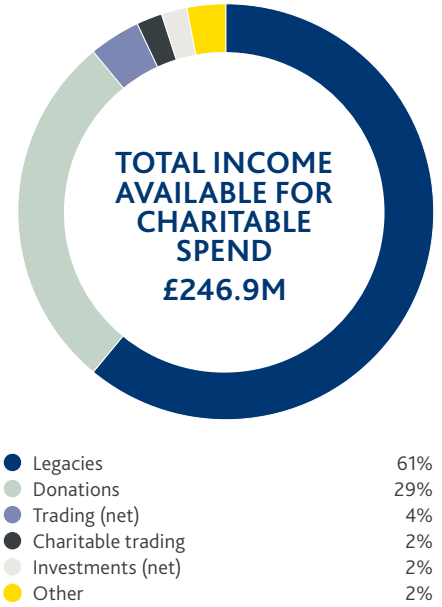
INCOME AVAILABLE FOR CHARITABLE SPEND

Total income available for charitable spend amounted to £246.9M, an increase of £10.8M from 2023. Key drivers for the variance in income from 2023 were:

- **Legacies (-£5.6M: -4%)** – legacy income decreased slightly from the prior year, following a particularly strong year in 2023. £3.2M of the decrease is attributed to a reduction in the value of legacies recognised at year-end but not yet received. The estimated value of future legacies notified, but neither received nor included in 2024 income, remains healthy (see Note 9 on page 56).
- **Donations (+£5.4M: 8%)** – donation income increased significantly in 2024, reflecting the incredible support received as we celebrated our 200th year.
- **Trading (net) (+£6.4M: 256%)** – net trading income increased significantly in the year, reflecting both improved profitability and performance, and a reduction of exceptional costs, following completion of the refurbishment works at the RNLI College and transition to a new fulfilment centre to support RNLI Sales operations.
- **Charitable trading (+£0.3M: 6%)** – this represents lifeguard income, which has increased in 2024 as a result of inflation driven increases charged to local authorities.
- **Investments (net) (-£0.1M: -2%)** – investment income has deceased only slightly compared to 2023, reflecting continued good performance of investments considering the strong £1.4M increase in investment income seen from 2023 to 2022.
- **Other income (+£4.4M: 259%)** – other income has increased in the year, predominantly as a result of the sale of a number of ex-service lifeboats and a property.

INCOME

	2024 Total £M	2023 Total £M
Legacies	**151.3**	156.9
Donations	**71.1**	65.7
Trading (net)	**8.9**	2.5
Charitable trading	**5.2**	4.9
Investments (net)	**4.3**	4.4
Other	**6.1**	1.7
Total income available for charitable spend	**246.9**	236.1
Cost of generating income	**(44.3)**	(43.9)
Net income available for charitable spend	**202.6**	192.2



The cost of generating income increased by £0.4M (1%) from 2023, reflecting the costs of additional income-generating activities as part of our 200th year celebrations, offset by close control over our operational expenditure to mitigate ongoing inflationary pressures.

FINANCIAL RESOURCES

Investments and bank holdings increased by £25.7M in 2024. This was predominantly driven by net income less charitable spend of £12.3M, along with an improvement in asset prices in 2024, driving an investment gain of £13.4M, and a decrease in debtors of £3.2M, reflecting the reduction in legacies recognised at year-end but not yet received. This was partially offset by the £2.6M net outflow relating to the defined benefit pension scheme, being employer contribution payments of £3.2M, offset by interest earned of £0.6M.

INVESTMENTS

Investments performed well in 2024, following 2023 with another good year of returns. The RNLI's investments returned £18.0M in total, with £4.6M of income (net) and gains of £13.4M. The overall return on the investment portfolio was 6.3% for the year (2023: gain 6.9%). The charity's investments have underperformed against benchmarks, being 1.3% below the overall benchmark in 2024 and 1.2% below the 3-year benchmark. The benchmark represents the target agreed with investment managers to assess their performance.

Most asset classes were in positive territory, with exceptional returns of 20.1% on global equities and 9.6% on multi-asset credit (the latter classed as fixed interest investments in Note 7 on page 54). Property recovered well from the negative returns of 2023, achieving a return of 6.1%. Negative returns were experienced in absolute return funds and index-linked gilts. The RNLI has returned an overall 3-year annual average of 1.7% on its investments.

SUBSIDIARIES

The RNLI has three subsidiary companies that were actively trading in 2024.

RNLI (Sales) Limited is used for non-charitable fundraising activities, with net assets of £1.5M, and generated a donation to the RNLI of £5.1M for 2024. The activities of RNLI College Limited relate directly to the charitable activities of the RNLI and comprise the training of lifeboat crew and lifeguards, although there are external sales of excess capacity, which offset some of the costs of this training. This company has net assets of £1.0M and generated a donation of £1.0M.

Clayton Engineering Limited is a specialist engineering company that designs and manufactures lifeboat launch and recovery equipment for the RNLI. It has net assets of £3.9M and made a profit of £0.4M which will be donated to the RNLI as a qualifying charitable donation. The donation for 2024 includes taxable profits for 2024 together with taxable profits for 2023 which were paid in 2024.

The RNLI also has a charitable incorporated organisation (CIO), the RNLI Lifesaving Endowment Fund (LEF). This CIO has been created

FINANCIAL RESOURCES

	2024 Total £M	2023 Total £M
Net income less charitable spend	**12.3**	1.0
Investment gain	**13.4**	12.2
Stocks decrease/(increase)	**1.1**	(5.4)
Debtors decrease/(increase)	**3.2**	(11.3)
Creditors decrease	**(1.1)**	(2.7)
Adjusting for impact of defined benefit scheme accounting	**(2.6)**	(8.1)
Lease liability decrease	**(0.6)**	(1.1)
Investment/bank surplus/(deficit)	**25.7**	(15.4)

to establish, build and invest in an endowment fund (from which income is donated to the RNLI for lifesaving purposes) with a donation of £0.6M in 2024 (2023: £0.5M). At 31 December 2024, the LEF held investments to the value of £56.8M (2023: £50.2M), the increase driven by investment gains of £6.9M in 2024.

FINANCIAL HEALTH

As of 31 December 2024, the RNLI had consolidated net assets of £816.5M (2023: £796.3M), primarily representing fixed assets of £470.4M and investments of £279.2M. The increase in net assets is substantially driven by the £13.4M investment gains.

The RNLI's Trustees ensure the overall health of the organisation by overseeing our free reserves levels (the sums retained to withstand any short-term financial risks).

At the end of 2024, free reserves stood at £157.9M. This represents 9.7 months' worth of charitable expenditure, which is at the upper end of the Trustees' requirement of 4–10 months (as described in the Fund Accounting Policy in Note 1 on page 48). The Trustees recognise the need for a higher level of free reserves in the current uncertain economic environment.

Free reserves cover is calculated in months, by dividing the total free reserves by the charitable expenditure (from the Statement of Financial Activities) and then multiplying by 12 to represent the number of months.

FINANCIAL PLANS

While we continue to operate in an uncertain economic environment, the RNLI still needs investment for its lifesaving services and infrastructure. This has been reflected in our plans for 2025, which show increased capital investment in our lifeboat stations, lifeboats and further investment in our frontline delivery. As we develop our new 5-year plan it is anticipated that we will need to continue to drive efficiencies in our operational expenditure to help balance the impacts of a challenging external environment and increase our capital investment, but with a focus on long-term affordability.

We depend more than ever on the public's generosity to support our work in saving lives at sea and our fundraisers are working harder than ever to increase supporter numbers and income.

GOING CONCERN

The Trustees reviewed the RNLI's financial plans for 2025 in November 2024, as well as the latest financial forecasts spanning into 2026. At that time, it was felt that the RNLI had sufficient resources to continue operating for at least throughout the forecast period reviewed. Our plans continue to evolve through 2025, as we seek to address our principal financial risks, and there are ongoing reviews of forecasts throughout the year.

The impacts of the cost-of-living crisis and recent years of high inflation continue to be felt. The RNLI remains committed to mitigating the risk of increasing costs through rigorous planning and a focus on prioritisation of frontline lifesaving services. Whilst the RNLI continues to operate in a challenging economic climate, the Trustees are satisfied that the RNLI's future viability has not been critically affected.

The Trustees continue to review plans with the Executive Team and will make any necessary changes to remain within the free reserves level over the life of our plans, in line with the free reserves policy. These plans continue to evolve to support our requirements for financial balance in the medium term.

The charity has a strong balance sheet, with unrestricted liquid investments of £101.1M and cash of £4.2M, in addition to the LEF which, through agreement with the Trustees of the LEF, may provide significant funding to the RNLI. The RNLI also has a revolving credit facility in place to cover any downside risks. Taking this into account, the Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as required.

As such, they remain satisfied that the RNLI can continue operating for at least 12 months from the date of signing these accounts, and that the accounts have been prepared in the knowledge that the RNLI is a financially viable organisation, with no material uncertainties to its going concern position.

FINANCIAL POLICIES

INVESTMENT POLICY

The RNLI's funds (excluding fixed assets) are substantially held in investments.

The RNLI's Statement of Investment Principles and its Investment Policy were reviewed in detail in 2022, and approved by the Investment Committee and the Trustees.

The RNLI's investments are held in line with the nature of its reserves, as detailed in the investment strategy. This is either to ensure that donors' directions are met, in the case of the permanent endowment and the restricted reserves, or to withstand any short-term financial risks and requirements, in the case of the free reserves and designated funds. The RNLI's objective (at an aggregate level) is to maintain and, if possible, enhance the real value of the reserves represented by its investments, in line with its plans.

The Investment Committee seeks to meet this overarching objective by maintaining an appropriate balance between maximising long-term returns and avoiding undue risk and volatility in capital values.

These objectives are pursued through a range of strategic investment policies which involve investing in a broadly diversified spread of assets, covering global equities, UK and overseas government and non-government bonds, pooled property funds, infrastructure funds, multi-asset funds, cash on deposit and other financial instruments and investments.

In formulating and reviewing the RNLI's investment policies, the Investment Committee has considered a range of investment options and the need for diversification, and has regard to the Investment Policy being pursued by the

Trustees of the RNLI 1983 Contributory Pension Scheme (the Scheme) and the LEF, recognising that the RNLI's overall market exposure is to the aggregate of its own assets and those of the Scheme and the LEF.

The assets of the Scheme are under Fiduciary Management and this has been taken into account in the way the RNLI's Investment Committee operates. There is no oversight of the Scheme by the RNLI's Investment Committee, although there is still liaison between the two investment committees and an annual overview of both portfolios by representatives of these committees.

FUNDS POLICY

The RNLI's Funds Policy is reviewed on an annual basis and is detailed in Note 1g on page 47 and summarised below.

£111.3M

RESTRICTED FUNDS

(can only be spent as donor directs)

FUNDS ANALYSIS

	2024 £M	2023 £M	Change %	Ratio %
Permanent endowed funds	**20.4**	19.8	3.0%	2.5%
Expendable endowed funds	**56.8**	50.2	13.1%	7.0%
Restricted funds	**111.3**	115.5	(3.6%)	13.6%
Fixed asset funds	**470.4**	481.4	(2.3%)	57.6%
Designated funds	**5.0**	5.2	(3.8%)	0.6%
Free reserves	**157.9**	138.0	14.4%	19.3%
Pension reserve	**(5.3)**	(13.8)	(61.6%)	(0.6%)
Total funds	**816.5**	796.3	2.5%	–

FUND ACCOUNTING

At the end of the year, the RNLI held total funds of £816.5M. The RNLI's funds are held for a variety of purposes, to ensure that the organisation can operate as a going concern in the future and fulfil its legal obligations. These are summarised as follows:

- **Fixed asset funds (£470.4M)** – these make up the bulk of funds held, representing the operational assets of the RNLI, without which it could not operate. The vast majority of these are the lifeboats, launching equipment and operational properties, such as lifeboat stations and lifeguard units.
- **Restricted funds (£111.3M)** – these are held under trust law and can only be used for specific purposes, as agreed with the donor. For example, we could have a legacy for the cost of a lifeboat and these funds would be held until we construct that lifeboat. There are hundreds of these funds that the RNLI is managing at any one time. Most of these funds are held in investments but there is also an element that relates to the legacy accrual (£10.4M) where funds have not yet been received. Restricted funds reduced by £4.2M from the prior year, driven by income and investment gains of £51.7M being offset by expenditure of £50.0M and by the transfer of £5.9M of certain restricted funds into unrestricted, with the consent of the donor or executor.
- **Expendable endowed funds (£56.8M)** – these are funds where the capital sums donated are invested and the income arising may be used for a particular purpose, as agreed with the donor. These funds represent the LEF, a charity that was established in 2019 to help preserve the RNLI's lifesaving services for the future, providing a steady income stream and a capital sum that can be used if the RNLI is ever in extremis. The capital sum may be spent at the discretion of the Trustees of the LEF, and in line with the terms of the donation, where necessary.
- **Permanent endowed funds (£20.4M)** – these are funds where the capital sums donated are invested and the income arising may be used for a particular purpose, as agreed with the donor. As opposed to the expendable endowed funds, the capital sum can only be spent in exceptional circumstances with the agreement of the Charity Commission.

£470.4M

FIXED ASSET FUNDS

(including lifeboats and stations)

INVESTMENT CRITERIA

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

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

INVESTMENT STRATEGY

PERMANENT ENDOWMENT –
long-term income generation for a specific purpose:

- Generates income over the long term with a focus on real capital preservation.
- Some liquidity required for income and gains above capital value.
- Some market-to-market volatility is acceptable.

EXPENDABLE ENDOWMENT (LEF) –
long-term growth portfolio with modest income requirement:

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

OPERATIONAL FUNDS –
short- to medium-term reserves held for the RNLI's lifesaving operations. They comprise restricted, designated and free reserves:

- No income requirement, but cognisant of income across all portfolios.
- Some liquidity needed.
- Generates a real return (ie inflation plus returns) over the medium term while controlling volatility.

The remainder of the RNLI's funds are its general funds:

- **Designated funds (£5.0M)** – this represents the Special Projects Fund, where significant financial assurances have been made to third parties to ensure monies are available. This is entirely for the project at Weston-super-Mare, where the local council is seeking significant funds to repair the pier that will give access to the lifeboat station and the RNLI has given assurances that funds will be available for this work.
- **Free reserves (£157.9M)** – these are sums that are freely available for general use. They are held at a level to withstand any short-term financial risks, the main ones being in investment markets, pension scheme funding, key sources of income (such as legacies) and inflation. Most of these funds are held in investments, but they also include any unrestricted legacy values accrued (£39.2M), which will take time to be received. The Trustees have a policy of maintaining a range of 4–10 months of charitable expenditure. This range was determined using risk modelling techniques to determine the value of our financial risks, in conjunction with our investment advisers. At 9.7 months of charitable expenditure, free reserves are currently at the upper end of the Trustees' range. The RNLI will continue to proactively manage its free reserves to support the delivery and investment in its lifesaving services, this will be achieved through rigorous financial planning.
- **Pension reserve (deficit £5.3M)** – this represents the defined benefit pension liability that is managed separately to our free reserves. The value of this long term liability is calculated annually in accordance with FRS102 by a qualified independent actuary.

Better together: Exmouth RNLI's lifeboat and shore crew join forces to recover their all-weather Shannon class lifeboat

GOVERNANCE

The Royal National Lifeboat Institution (RNLI) is a registered charity. It is headed by an independent Trustee Board and relies on its dedicated volunteers and staff. The RNLI is a company incorporated by Royal Charter. This section provides information on how the charity is run, how we engage with our stakeholders, manage our risks and ensure that we are building a sustainable organisation that's fit for the future.

Good governance is fundamental to our sustained success as a charity. With it, we are best placed to deliver on our organisational purpose and vision, to save lives at sea and to save every one. It enables all our people to use their skills, along with our resources, to best effect. It helps us to ensure that we are compliant with relevant legislation and to continually review the risks we are facing. It also helps us to oversee our standard of operations and supports a positive culture.

As part of our annual governance processes, we review our application of the principles and recommended practice of the relevant charity governance codes in all of the jurisdictions in which we are registered as a charity. We also ensure that we are adhering to the UK Code of Fundraising Practice, and the Charities Regulatory Authority Guidelines for Charitable Organisations for Fundraising from the Public in Ireland.

Organisational purpose

We are the charity that saves lives at sea. That's our organisational purpose, the same as our public benefit. We have specific goals for domestic accidental coastal fatalities and the impact that we have globally.

As an organisation, both domestically and internationally, we track the number of individuals assisted and rescued, and the number of lives that the RNLI saves, often in collaboration with others. As an organisation, we also have a set of metrics, the Quarterly Performance Report, that covers the RNLI's broader operations and capabilities. These metrics are used by the Executive Team (ET) and senior management to track progress against our organisational priorities and provide an appropriate mechanism by which progress in key areas can be reported to the Trustee Board.

Leadership

THE TRUSTEE BOARD

The RNLI is led and governed by our Trustee Board. The role of the Board is set out in our Royal Charter, Bye-Laws and Regulations. It has collective responsibility for setting and agreeing the overall direction, strategy and culture of the RNLI. It leads by example and supports the chief executive in the delivery of our lifesaving plans and activities, and regularly monitors our performance against agreed measures. The Board delegates responsibility for the execution of the strategy to the chief executive, who leads the ET.

The Board has responsibility for the identification and evaluation of strategic risks to the organisation and the policies we have in place to mitigate their impact. The Board also has a responsibility to provide appropriate assurance to regulators and donors that we are meeting our legal and compliance requirements, and that the charity is properly controlled and managed.

The names of those individuals who served as Trustees of the RNLI during the year and/or were Trustees of the charity as at the date of this report, can be found on page 72. Many have a lifelong interest in the sea and a passion for saving lives at sea. All are volunteers. Read on to find out more about the skills, experience and diversity of our Board.

TRUSTEE BOARD RESPONSIBILITIES

As part of the standing items of business considered at each meeting, the Board reviews the strategic risks that the charity faces and the mitigation controls that are in place.

The Board has an agreed set of Matters Reserved for its approval, which defines the Board's responsibilities and what can be delegated to standing committees or the chief executive and the ET. For the full list of the standing and advisory committees, turn to page 73.

Each committee of the Board has defined terms of reference. Our committees enable experienced volunteer specialists to contribute to key aspects of the RNLI's affairs.

APPOINTMENTS TO THE TRUSTEE BOARD

The Membership Nomination Committee (MNC) is responsible for considering the appropriateness of those individuals proposed for appointment to the Board, Council, subsidiary companies and committees of the RNLI. The MNC currently comprises the Chair, the Deputy Chair, the chief executive, one additional Trustee and a vice president.

Trustees are appointed by the Council. The MNC considers the appropriate balance of skills, diversity of background and experience in making its recommendations. Recommendations to appoint individuals to the Council are considered by Governors at the Annual General Meeting.

MAINTAINING INDEPENDENCE

The Trustees of the RNLI were all considered independent on appointment. This ensures independence of thought as well as action, to ensure that we are able to demonstrate that any

CHARITY STATUS

The RNLI was founded in 1824. It was granted a Royal Charter of Incorporation in 1860, with Supplemental Charters granted in 1932, 1986 and further amendments in 1998, 2002 and 2011. It is a charity registered in England and Wales (209603), Scotland (SC037736), the Republic of Ireland (CHY 2678 and 20003326), the Bailiwick of Jersey (14), the Isle of Man (1308 and 006329F), the Bailiwick of Guernsey and Alderney (CH135 and CH386) with its address at West Quay Road, Poole, Dorset, BH15 1HZ.

The RNLI has four wholly owned subsidiaries registered in England and Wales, one of which is currently dormant. Each is managed by a board of directors (executive and non-executive) to ensure that company and charity law requirements are met and business activities are properly managed.

The RNLI also has a number of linked charities, that are listed in Note 13 to the accounts on page 62.

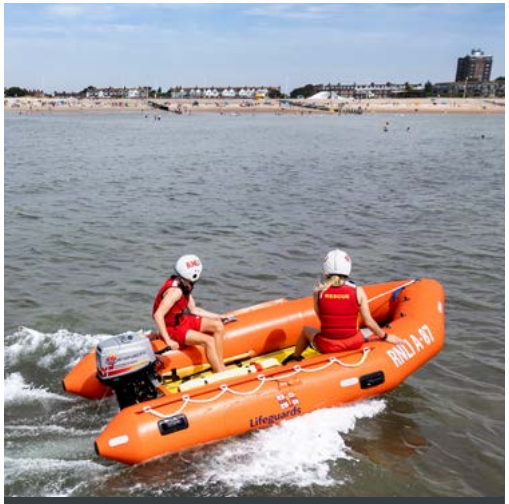
decision or action is aligned with the delivery of our charitable aims and there is no personal or individual bias. Any communications we make internally or externally aim to demonstrate our independence of thought and action.

All members of the Board complete an annual declaration with respect to conflicts of interest and are obliged to declare any new conflicts at each meeting. The organisation's Gifts and Hospitality Policy and Register makes sure that any gifts offered are clearly recorded and any potential conflicts are recognised.

LENGTH OF SERVICE

Trustees and Council members currently serve an initial 3-year term with an option to be reappointed for a further two terms of 3 years each. We aim to match the skills in the Council to our strategic goals as well as our business plan.

The MNC reviews the composition of the Board and the Council at each meeting. This enables the MNC to evaluate the skills and experience required to ensure sustainable governance in the future.



On patrol at Littlehampton: Inshore Rescue Boats are ideal for reaching casualties in the surf. Chiefly operated by RNLI lifeguards, they are also used by some lifeboat crews

GENDER BALANCE, EXPERIENCE AND DIVERSITY

At the end of 2024, the Board comprised 13 Trustees. They come from a broad range of backgrounds and possess a wealth of knowledge that is beneficial to the RNLI – including skills and experience in finance, maritime, governance, engineering, human resources and risk. 77% of our Trustees are male and 23% are female, with 92.3% identifying as white and 7.7% from a minority ethnic background. We continue to promote and encourage diversity across all the governing groups of the charity. The improvement of gender balance is just one part of our overall aim to improve inclusion and diversity across these groups.

TRUSTEE BOARD MEETINGS

The Trustee Board meets formally at least four times a year and standing agenda items cover strategy, performance, risk and compliance matters. This is supplemented with other items that are relevant to the Trustees' broader responsibilities.

In 2024, there was one Board and ET workshop that focussed on the key strategic opportunities and risks that the RNLI may face, and how the charity would save lives in the future.

REFRESHING SKILLS AND KNOWLEDGE

On appointment, new Trustees, Council and committee members have an induction programme to familiarise themselves with the work of the RNLI and their role requirements. Inductions cover their core responsibilities plus a tailored section, personalised for their individual needs. From time to time, Trustees and Council members may undertake training specifically designed to support their role. An externally facilitated effectiveness review of the Trustee Board has been initiated and is scheduled to be completed in 2025.

SUCCESSION PLANNING

The MNC maintains a record of the terms of office of all our governing volunteers. This is reviewed as part of succession planning discussions. It ensures that we have the right diversity of people, thought and skills available and enables every committee to deliver on its governance responsibilities, to the very best effect, now and in the future.

THE COUNCIL

The Council is the general committee of the RNLI. Its purpose is to advise and assist the Trustee Board primarily on broader policy and strategic issues facing the charity that are not specifically addressed by our other committees. The Council is made up of Council members who are volunteers and are expected to act, collectively and individually, as ambassadors for the charity. They will also be called upon from time to time to provide support and specialist advice to the ET and their functions.

THE EXECUTIVE TEAM

The ET comprises the executive directors, led by the chief executive. Collectively they are responsible for the execution of the strategy and policies set by the Board as well as the day-to-day leadership and management of the organisation. Details of those individuals who constitute the ET can be found on page 73. The organisation's governance and management structure can be found on page 74.

As a team, the ET is committed not only to the delivery of our core lifesaving activities, but also to looking towards the future to ensure that the RNLI remains sustainable as an organisation and is able to respond to changing trends and external factors. The ET takes engagement with our volunteers and staff seriously. It provides direction and motivation, as well as acting as a conduit to the Board.

Each member of the ET undergoes an annual performance appraisal and feedback is also sought through the regular engagement survey, which drives improvement actions.

Decision making, risk and control

STATEMENT OF TRUSTEES' FINANCIAL RESPONSIBILITIES

RNLI Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations. Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and its subsidiaries (the group), and of its and the group's surplus or deficit for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently
- observe the methods and principles in the Charities Statement of Recommended Practice
- make judgements and estimates that are reasonable and prudent

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

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

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements. This may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements on our website here.

FINANCIAL OVERSIGHT

As part of its financial responsibilities, the Board approves a high-level business plan; a detailed annual budget, which defines specific projects and detailed departmental plans for the next financial year; and a regular forecast process that reviews the annual plans and makes changes, as necessary.

Financial authority is granted through the approval of specific budgets and by the authorisation of individual managers to approve specified levels of expenditure.

The Finance Department is involved in any major project or programme work, providing the necessary support to ensure the appropriate financial decisions are made.

FINANCIAL REPORTING

As part of its reporting obligations, the RNLI prepares and publishes a set of Annual Report and Accounts that are produced in line with the Trustee's financial responsibilities as set out on page 28 and existing statutory requirements.

The ET considers the organisation's management accounts and associated reports monthly. These contain sufficient detail to provide the ET with an appropriate level of information to be in a position to make informed financial decisions.

FINANCIAL POLICIES AND PROCEDURES

The Trustees are responsible for safeguarding the assets of the charity and its subsidiaries. This is enabled through the RNLI's financial policies and procedures. Compliance with these policies and procedures is mandatory for all employees, honorary officials and volunteers of the RNLI and its subsidiary companies. Non-compliance may lead to disciplinary proceedings.

FINANCIAL RISK

The most significant financial risks to the operations of the RNLI include those relating to income uncertainty and rising costs, investments and pension liabilities. The RNLI reviews its financial plans on a regular basis and manages these risks accordingly, through income pipelines, budgetary control, programme management and capital planning. In particular, the strategy for those investments held by both the RNLI and the defined benefit pension scheme are managed at a committee level, using professional investment advisers to minimise risk and maximise return.

In relation to pension liabilities, the RNLI employs a pensions actuary to advise on the assumptions and calculations needed for our pension negotiations with the pension scheme trustees. Risks around income uncertainty are managed through a funding strategy that reviews income pipelines through the main sources of income to ensure targets are met, both short- and long-term.

The RNLI ensures financial rigour through budgetary control and stringent financial planning to ensure that we live within our means and minimise the impact of rising costs. There has been significant work on such planning in recent years, and this work will continue to ensure that we manage our free reserves levels in line with Trustee requirements.

The RNLI's free reserves are set at a level to withstand any short-term financial risks, helping to mitigate these risks and give the RNLI time to change its financial plans accordingly.

Further details on the funds policy can be found on page 25 and in Note 1g on page 47.

RISK AND COMPLIANCE MANAGEMENT

Our commitment to managing risks successfully across the organisation helps to ensure we keep our people safe, make the right decisions, successfully deliver our objectives and protect the future sustainability of the RNLI.

The RNLI's approach to organisational risk management is set out in our Risk Management Policy and supported through our risk management framework. This framework includes management of strategic, operational and compliance risks to the RNLI. It aims to mitigate the RNLI's risk exposure to an acceptable level, balancing the risks taken with the reward gained in the pursuit of our organisational purpose.

Each director is accountable for the effective management of risks within their directorate, through a hierarchy of director-level and departmental risk registers. There is an organisation-wide Strategic Risk Register which considers strategic-level risks across the RNLI, in areas such as financial stability, operational delivery and safety, people and culture, operating resilience, regulatory environment, cyber security, environment and sustainability. This is formally reviewed by the Trustee Board at each of their meetings, and by the Audit and Risk Committee, and the ET, twice yearly. This robust governance framework ensures that where strategic risk is not considered to be at an acceptable level, further mitigation is planned and prioritised.

In 2024, the RNLI continued to mature its risk management framework through a number of notable developments. One such development was establishing a program of improvements to our compliance assurance framework that governs our compliance risks, in response to an audit that was completed across 2023–24.

Similarly, the organisation continued to strengthen the link between risk and decision-making, as the disciplines of risk management, strategy, performance and business planning were brought closer together. This was essential to ensure we had confidence that we were focusing resource on those areas that would deliver the required impact to the organisation.

2024 also saw the RNLI continue to formalise its approach to risk appetite, through developing a series of risk appetite statements, aligned to our strategic risks. These will be used to inform assessment of our strategic risks, and to identify those risks that are outside of appetite, for which further mitigation is required.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee is a standing committee of the Board and has delegated authority to act on behalf of the Board in relation to the matters set out in its terms of reference. The Audit and Risk Committee is chaired by a Trustee, who is a finance professional with significant senior leadership and management expertise. The committee's main duties are to:

- review and challenge the work of the ET and of the internal and external auditors; and
- provide the Board with an independent and unbiased view of the effectiveness and appropriateness of the financial reporting, internal controls, risk management and regulatory compliance procedures of the RNLI.

INTERNAL AND EXTERNAL AUDIT – INDEPENDENCE AND RESPONSIBILITIES

The internal audit function delivers independent and objective assurance advice, and provides insight on the RNLI's risk management, governance and internal control processes to the Board, the Audit and Risk Committee and senior management in the discharge of their responsibilities. The function continues to be a co-sourced arrangement with external support from Crowe UK LLP.

To ensure its independence, the internal auditor reports to both the chair of the Audit and Risk Committee and the Director of Safety and Independent Assurance, who appraise their performance and have oversight of all proposed activities. The Audit and Risk Committee approves the appointment of the internal auditor and reviews its activities and effectiveness. It also approves the internal audit plan and ensures that significant findings and recommendations made by the internal auditor are received, while reviewing the appropriateness of the content and the promptness of ET responses to recommended actions.

The external auditors are responsible for completing a statutory audit of the RNLI's annual financial statements and those of the group, and providing an independent audit opinion to RNLI Trustees. The Audit and Risk Committee recommends the appointment, remuneration, reappointment and removal of the external auditors in relation to statutory audit arrangements. It also reviews the scope of planned external work.

PROVISION OF INFORMATION TO AUDITORS

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

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

- There is no relevant audit information of which the charity's external auditors are unaware.
- The Trustees have taken all appropriate steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

FUNDRAISING STANDARDS AND REGULATION COMPLIANCE

CONTACTING OUR SUPPORTERS AND SUPERVISING OUR FUNDRAISERS

The RNLI prides itself on a high standard of ethical fundraising and we continually review how we contact the public to ask for support. This ensures that we follow regulations, meet our own high standards and exceed the public's expectations.

The scope of fundraising activity in 2024 included legacy marketing and administration; membership and individual donations; third-party partnerships and fundraising; regionally-based, volunteer-led branch fundraising including events, local appeals and collections; face-to-face fundraising; retail and other commercial activities; hospitality in the RNLI College; and lottery.

RNLI volunteers and staff carry out the vast majority of the charity's fundraising activities. In 2024, we continued to work with three professional fundraising organisations and three payroll giving agencies. Each of these undertakes professional fundraising on our behalf. We have a formal agreement with each of them, with specified standards of performance, for example in terms of data protection compliance, in order to protect donors, supporters and the organisation from poor practices. Each is also independently audited.

Over the course of 2024, we had 30 charity partnership and licensing agreements in place with companies at a national level. At a regional level, we had 29 partnerships in place, either commercial participator agreements or business licensing agreements.

COMPLIANCE WITH FUNDRAISING LAWS AND REGULATION

The Trustees are satisfied that the RNLI adhered to the appropriate fundraising standards in 2024. The RNLI aims to meet and exceed the fundraising/charity regulators/commission guidance in all our regions covering the UK, Ireland and the crown dependencies by applying our own additional fundraising standards to ensure that we are open, honest and respectful.

We are registered members of the Fundraising Regulator and maintained our registration during 2024. We continue to undertake an organisation-wide review of our

Protecting our young: Margate lifeguards share vital water safety tips with inner-city schoolchildren, as part of the RNLI's Meet the Lifeguards outreach programme

compliance against the latest version of the Fundraising Regulator's Code of Fundraising Practice to ensure we are fully adhering to the latest guidance. The RNLI is proud to have achieved Triple Lock status from Charities Institute Ireland. Triple Lock status is awarded to charities that uphold the highest standards in transparent reporting, ethical fundraising and strong governance structures. This recognition is the gold standard for Irish charities to offer assurances to donors, members and the general public. To achieve Triple Lock status we have ensured that:

- we have adopted and maintain compliance with the Guidelines for Charitable Organisations on Fundraising from the Public
- we prepare our annual financial statements in compliance with the Charity SORP (Statement of Recommended Practice under FRS102) accounting standard
- we completed the full implementation of the Charities Regulator Charities Governance Code
- we are committed to keeping our compliance with the above standards under ongoing review.

We have reviewed and assured ourselves that in 2024 we met the Charities (Protection and Social Investment) Act 2016: Fundraising Reporting Requirements. Relevant information is reported throughout the Governance section of this Annual Report.

COMPLIANCE WITH RECOGNISED FUNDRAISING STANDARDS

Each fundraising team is responsible for making sure that they are compliant with the standards laid out in the codes of fundraising practice in the relevant jurisdiction. Examples of how we have supported volunteer compliance during 2024 include:

- We continued to make sure the health, safety and wellbeing of our staff remained a high priority, ensuring the latest best practice and guidance was taken into account across all our regional income-generating activities as appropriate.
- We continue to review and update our Donations Acceptance Policy and improve processes to support this policy. We began the training to update all our staff and volunteers on the latest donation acceptance process.
- We completed additional training resources for our branches.
- We developed a new partnership framework to support our volunteers when seeking to partner with businesses nationally and regionally.
- We have launched a new online volunteer platform to enable our volunteers to update their own data and preferences.
- We rolled out a new volunteer training pack to support our volunteers, developed by our Fundraising Team.
- We updated our Restricted Funds Policy and began training and updating our teams.

We monitor our overall fundraising compliance and the lessons learned from various regulators, to improve our fundraising practices. It is this approach that has led us to manage and run internal compliance rather than outsourcing this activity as some charities do. We are satisfied that we meet all current standards. Each element of the fundraising, commercial and marketing regulatory and best practice codes has a designated RNLI subject matter expert for compliance matters. Every year, these experts review their areas and ensure any compliance matters requiring attention are managed appropriately. This activity is recorded on the RNLI central compliance register and reviewed by the Fundraising Senior Leadership Team.

In 2024, there were no serious incidents reported in relation to non-compliance with the various fundraising standards and regulations that we operate within and abide by.

The RNLI has a Safeguarding Policy (see page 33) which also applies to our fundraising teams, and we specifically protect people who might be in vulnerable circumstances when carrying out any fundraising activity. We also have a Vulnerable Circumstances Policy with specific guidance notes for our teams who provide our marketing communications. Our Supporter Experience Team is trained on the Vulnerable Circumstances Policy, which includes key indicators to listen out for on calls and to observe in written correspondence, in order to protect those who might be in a vulnerable circumstance. Staff can flag a supporter as potentially being in vulnerable circumstances on our database, as well as providing preferences around the communications they might receive from the RNLI. We have crafted letters to support those who might be in a vulnerable circumstance when they have indicated that they would like to donate to the RNLI, making doing the right thing for the supporter our priority. We specifically protect supporters who might play the lottery by offering a self-exclusion form and we have the ability to prevent this type of communication reaching someone who might be in a vulnerable circumstance.

See page 33 for more information on the RNLI's Lifeboat Lottery.

We monitor our performance by reviewing the Vulnerable Circumstances Policy in line with regulatory best practice and then share those updates with our Supporter Experience Team and those responsible for marketing communications. We also monitor any feedback and complaints related to vulnerable circumstances and, should the need arise, we would offer retraining to staff and a review of the policy.

OPEN AND ACCOUNTABLE FUNDRAISING STANDARDS

The RNLI is a member of the Fundraising Regulator, and in 2024 paid the fundraising levy in full as part of our membership.

The RNLI works hard to ensure that everyone supporting the charity understands how their money will be used to save lives. We include this information on our website, in many of our communications and in all of our appeals. This clarity that we provide is reflected in the low level of complaints received. When we receive complaints, we respond on a one-to-one basis in line with our Supporter Charter. In previous years we have completed a complaints return annually for the Fundraising Regulator and we have used insight from the Fundraising Regulator's annual complaints report to influence and inform future fundraising strategies and communications. The Fundraising Regulator is taking a 2-year pause from collecting complaints data in 2025 and 2026 while it reviews what it collects. Therefore, we will not complete a submission. We will continue to provide a summary in this report on the total number of complaints that would have been reportable to the regulator, and any significant movement in key complaint areas.

GRANT-MAKING POLICY

Our support of partners is guided by the requirement that any grant payment is linked to a legal Deed of Grant negotiated and agreed with the recipient. In addition, we require completion of a satisfactory due diligence audit of the recipient's senior management, governance controls, financial capability, safeguarding systems and overall capacity to deliver desired results. These checks include both the recipient and any of their

associates who are relevant to the work being supported. This includes checking for absence from government sanction lists of proscribed individuals and/or organisations.

The payment of grants is linked to reaching agreed project milestones and is controlled under the RNLI's financial policies. The annual grant provision is sanctioned by the ET under a delegated authority from the Board as part of the annual budget approval process. Payments require senior management and Finance Department approval. All payments can be audited through our financial management system and are available for review by the ET. Each year, the Board is provided with an annual summary of payments made in the previous year and those planned in the coming year.

To maintain high standards of assurance, our teams continually monitor best practice and any legislative changes that might impact the policy.

Openness and accountability

ONE AMAZING CREW

We regularly connect with our supporters, donors and the wider public in all aspects of our lifesaving work. We strive to inspire and inform people and build mutually beneficial relationships with partners, groups, organisations and individuals who use the water and have an interest in our charitable work.

We all come together as One Crew, the beating heart of the RNLI. We value our engaged volunteers and employees greatly, and know how much they positively impact and support our lifesaving work.

We know that high levels of engagement mean teams perform at their best, often going above and beyond. It reduces the likelihood of accidents and periods of absences and develops a deep connection to the organisation.

We adopt a model of engagement that can be categorised into three areas:

- Say – an individual's likelihood to be an advocate for the organisation
- Stay – their commitment to the organisation and their role
- Strive – their motivation for the purpose and ambitions of the organisation.

Volunteer and employee engagement is regularly measured by confidential surveys. The surveys present rich insight to help us understand the key drivers of engagement for people and develop action plans from their feedback.

Engagement is also monitored through a range of other sources including turnover, which at the RNLI is low for both volunteers and employees compared to standard benchmarks and industry norms. Our exit surveys for leavers enable us to track trends at point of resignation and our new-starter survey helps us to track the employee experience of our new joiners by asking for feedback at key stages of their initial 3 months with us.

Recognising the importance of wellbeing, we have continued to invest and profile the breadth of wellbeing support accessible to our people.

SERIOUS INCIDENT REPORTING

Six serious incidents were reported to the Charity Commission of England and Wales in 2024, none of which were pursued.

RAISING CONCERNS INTERNALLY

We work to ensure our people have a variety of ways in which they can raise organisational concerns while being confident that they will be listened to. This includes a confidential independent reporting line. Our Whistleblowing Policy and process sets out our commitment and approach.

HEALTH AND SAFETY

In 2024, the chief executive renewed the Health and Safety Statement, which opens with the declaration: to save lives at sea we must first keep our own people safe.

The safety of our people, irrespective of environment, location or activity, remains our priority. It's our number one strategic outcome and this means protecting ourselves and those we volunteer and work with from harm, both physical and psychological. With our legal, organisational and moral requirements embedded within the RNLI Safety Management System, 2024 has seen a renewed emphasis on people, behaviours and competence. Many improvements have been delivered or are underway, including the Lifesaving Learning Refresh project, the Leadership and Manager Capability Workstream and the role played by our occupational health advisers who, as a result of digitisation of health records, have the ability to conduct health surveillance visits and provide support where it's needed around the coast.

As we embrace the changing nature of saving lives at sea, careful prioritisation of resources continues through the Platform Safety Review process to ensure equipment provided to our lifeguards, lifeboat crews and shore crews is safe to operate and that our volunteers and staff are appropriately trained and supported in a way that enables them to operate it safely. As reported instances of antisocial behaviour continue to rise, we have established a cross-RNLI working group to meet those challenges, while at the same time implementing a new Framework for Lifesaving – Achieving Individual Resilience which provides interventions to

Special moment: RNLI mascot Stormy Stan joins Jersey lifesavers as they gather at 6.24pm (18.24) on 1 August 2024 (1.8.24) to mark the RNLI's birthday

prepare operational staff and volunteers for potentially traumatic situations that they may encounter during service calls. Our safety learning approach delivers valuable lessons to the organisation. A recent change to the way lessons are tracked and shared has enabled easier storytelling by leaders and managers. Single-page safety learning summaries are now widely available to them.

As we work as one crew to continually improve how we keep our people safe, we acknowledge the resource pressures the RNLI is under and through effective safety governance must ensure change has the safety of our people at its heart. Active risk management, competency of personnel and maintenance of standards remain areas of focus and are embedded within an improvement project to ensure resourced and timely delivery of the necessary outcomes. As we move into our third century, we are also reinvigorating our safety conversations, through a speak up, share and listen approach. New resources and the Safety Takes Courage campaign are providing a greater prominence to doing things safely, introducing safety considerations into the internal narrative and shaping some of our cultural ingredients by asking people to slow down where they can, take care, be curious and speak up.

OUR COMMITMENT TO SAFEGUARDING

The RNLI is committed to looking after the wellbeing and dignity of everyone who comes into contact with our charity, whether beneficiaries, supporters, volunteers or staff. Safeguarding is part of our business; it's everyone's business. Everybody working or volunteering at the RNLI should understand safeguarding. Safeguarding is about supporting and protecting people. It's about not causing harm through our interactions. It's about being aware of people's wellbeing and welfare. It's about keeping each other and ourselves safe, and it's about speaking out and taking appropriate action to prevent harm or abuse.

Our commitment to safeguarding is embedded within the leadership of the organisation, with a dedicated Trustee safeguarding champion, a designated safeguarding lead, a safeguarding officer and a 5-year strategic plan.

The RNLI's safeguarding training and guidance has traditionally been focused on safeguarding young people and vulnerable adults. While this remains an important part of safeguarding as shown by developing and rolling out a safeguarding eLearning package, we need to develop a better understanding of safeguarding all people across the charity and continue to upskill our volunteers and staff as legislation and best practice develops. During 2024, volunteers and staff had opportunities to learn more, building on our existing knowledge to ensure that everyone knows the risks and types of harm that fall under safeguarding guidance and law, and how and when to report concerns.

To help our people understand their responsibilities, a new Safeguarding Policy was launched in 2024. The new policy aligns to legislative and regulatory arrangements and best practice.

We have strengthened, and continue to strengthen, our Safer Recruitment practice across the organisation and support managers in ensuring safeguarding is at the heart of any recruitment process across both employees and volunteers. This process has been enhanced by appropriate criminal vetting checks for eligible roles.

In 2024, we recorded several webinars relating to safeguarding themes such as regulated activity, dealing with anti-social behaviour and reporting a safeguarding concern.

We have continued to promote and raise awareness of safeguarding in 2024 and have seen an increase in people identifying and raising concerns. We have delivered multiple bespoke safeguarding workshops to staff and volunteers across the organisation.

We encourage individuals to report concerns, and we are committed to improving reporting mechanisms. When concerns are raised, we investigate them, to understand the causes and how we can take steps to prevent similar occurrences. Staff and volunteers can report any type of abuse and harassment through various mechanisms, including the independent whistleblowing process.

In 2024, we supported partners across our international work by providing advice and mentoring to embed a robust safeguarding culture.

Not all safeguarding matters concern abuse of RNLI staff, volunteers or beneficiaries. Some relate to a risk notified to us by statutory agencies about the behaviour of individuals outside their involvement with the RNLI or reports of safeguarding concerns raised within the communities in which we operate. We work closely with partner organisations to help seek justice for those affected.

COMPLAINTS AND FEEDBACK

We received 2,142 complaints in 2024. This is a significant decrease on the 2,531 received in 2023 and volumes remain low in relation to our activity. We have seen the majority of decreases in these areas: data errors, mail order and RNLI shop, fundraising and our work in the English Channel. We also saw an increase in the amount of positive feedback logged, receiving 290 items compared to 214 in 2023.

In 2024, we had 323 requests through the Fundraising Preference Service to remove individuals from our database. This is an increase on the previous year's 206, but still very low in relation to our marketing activity. We continue to log all feedback and produce a weekly internal report, highlighting trends and themes. These allow us to learn, adapt and continuously improve the supporter experience.

CERTIFICATIONS AND REGISTRATIONS

The RNLI had a number of certifications and registrations in place during 2024:

FUNDRAISING REGULATOR

We take our fundraising extremely seriously and as such we are registered with the Fundraising Regulator. This demonstrates that we promote best practice, defend the sector and demonstrate our compliance with the law. We follow the regulator's process for reporting any fundraising complaints to them annually in April. In our April 2024 submission we reported 549 complaints to the regulator. This is in relation to sending out just over 30M items of targeted marketing communication, which is a decrease from April 2023 of approximately 1.3M. The regulator records sector benchmarks as an average 1 complaint for every 18,000 addressed mail items sent (0.0056%), so our complaint volumes of 1 in 56,152 (0.0018%) are well below the benchmark.

UK GAMBLING COMMISSION REGULATION

The RNLI's quarterly Lifeboat Lottery is licensed by the Gambling Commission under the Gambling Act 2005. This is to ensure our gambling activities are safe, fair and crime-free. We hold a non-remote and an ancillary remote licence and strictly adhere to the Licence Conditions and Codes of Practice regulated by the Gambling Commission.

In 2024, the RNLI received £3,056,026 in Lifeboat Lottery ticket sales and 72% of money raised by the Lifeboat Lottery went directly towards the RNLI's lifesaving mission, 2% on prizes and 26% on expenses. This complies with the Gambling Commission's requirements that a society lottery must apply a minimum of 20% of the gross proceeds of each lottery directly to the purposes of the society.

We have procedures and protective measures in place to encourage responsible gambling and to identify and help those with gambling problems. We strictly adhere to the Gambling Commission's directive on social responsibility and problem gambling. Find out more about the Lifeboat Lottery here.

ACCREDITATION OF TRAINING AND ASSESSMENT STANDARDS

Our powerboating, motorcruising, personal watercraft, VHF and shore-based theory courses are accredited by the Royal Yachting Association.

The Association of Marine Electronic and Radio Colleges accredits our Long Range Certificate Satellite Endorsement courses.

Our Standards of Training, Certification, and Watchkeeping for Seafarers Personal Survival Techniques, Elementary First Aid and Approved Engine Certificate courses are accredited by the Maritime and Coastguard Agency.

Our Casualty Care course is approved by the Anaesthesia Trauma and Critical Care Group and the Royal College of Surgeons.

Our Lifeguard Trainer Assessor course is accredited by Skills for Justice.

Our authorised assessors are accredited by the Scottish Qualifications Authority.

UK MUSEUM ACCREDITATION

The RNLI Grace Darling Museum continues to meet the standard for UK Museum Accreditation.

UNESCO RECOGNITION

The RNLI's 200th anniversary was officially recognised worldwide by the United Nations Educational, Scientific and Cultural Organization (UNESCO) during 2024. This is because of the RNLI's international reach, our levels of recognition, and how we reflect the ideals, values and cultural diversity of UNESCO.

The UK Delegation to UNESCO (part of the UK Government's Foreign, Commonwealth and Development Office), and the UK National Commission for UNESCO proposed the RNLI's 200th anniversary be recognised. The proposal received support from the UNESCO delegations of Ireland, Tanzania and Bangladesh.

The RNLI and UNESCO worked together throughout 2024 on a range of domestic and international opportunities, such as working with UNESCO delegations and biosphere reserves across the UK and overseas, to help promote the RNLI's drowning prevention messages.

Integrity

Integrity is about doing what is right, openly and honestly, for the charity as a whole, its people (supporters, volunteers and staff), those it helps and the general public. It includes the use of reliable data to ensure that we put the right lifeboats in the right locations, making sure that we spend our supporters' generous donations appropriately, and maintaining the high standards that are essential to any modern emergency service. Maintaining our integrity is a critical part of how the RNLI operates.

We aim to uphold the organisation's values, standards and policies. The Board and Council have appropriate oversight of our decision-making processes and ensure that we meet the standards we set ourselves, as well as those set by regulators such as the Charity Commission for England and Wales; the Fundraising Regulator for England, Wales and Northern Ireland; the Office of the Scottish Charity Regulator; and the Charities Regulator, Ireland. We record positive feedback and complaints, the latter of which are declared annually to the Fundraising Regulator (see page 33).

AVOIDING CONFLICTS OF INTEREST

Our policy regarding conflicts of interest applies to all of our Trustees, Council members, standing committee members, and the ET, all of whom are required to make an annual declaration that is collated and retained on the organisation's Conflict of Interest Register. In addition, any new conflicts of interest are declared and recorded at the start of every Board meeting. Annual conflict of interest declarations are reviewed in line with charity regulator disqualification criteria guidelines by jurisdiction, the accounting rules for charities laid down in the Statement of Recommended Practice and HM Revenue and Customs's Fit and Proper Persons requirements.

There were no externally reportable conflicts of interest declared in 2024.

TRANSPARENCY AND DONOR TRUST

As a charity, holding our supporters' and the public's trust is incredibly important. We work hard to ensure that we manage our money and other assets responsibly and do all we can to maintain our good reputation by being transparent, trustworthy and responsible.

We review the UK public's opinion of the RNLI using YouGov's CharityIndex survey, which continuously tracks public brand perception of 76 UK charities. The RNLI is regularly among the top 10 charities the UK public would speak positively about or have a positive experience of. In the UK, we ranked ninth (recommend) and sixth (satisfaction) respectively for these factors in 2024 (source: YouGov CharityIndex survey 1 January–31 December 2024).

In the Republic of Ireland, we ranked second and third out of 12 charities for the same factors (source: YouGov CharityIndex 1 January–31 December 2024).

Transparency is key to building trust and demonstrating integrity, which we aim to do whenever practical and possible. There will be some occasions when there are legal and ethical circumstances where we cannot be transparent, either because of legislation (for example data protection) or because we need to make an ethical choice to protect an individual (for example the details we give of a distressing rescue or fatality). We consider very carefully what we share and when, particularly if it has an impact on a local community or an individual.

Transparency is only one part of building trust. It must be followed up with clear actions appropriate to each situation. For example, we would not publish graphic details of a distressing rescue without the consent of those involved and then only if it were not distressing for others, even if that meant foregoing valuable publicity. Equally, we might choose not to give details of a dispute between volunteers or staff while an investigation or appeals process is ongoing so as not to prejudice a later decision, even if those details would help to explain the RNLI's actions to others.

We are committed to keeping our volunteer and supporter data safe, and we treat information security and data governance as strategic risks (see page 29).

ELIMINATION OF MODERN SLAVERY AND HUMAN TRAFFICKING

The RNLI is committed to ensuring that modern slavery and human trafficking are not present in its supply chains or partnerships. We continue to

work with our suppliers and partners to ensure compliance with the UK Modern Slavery Act 2015. All contracts include up-to-date clauses on modern slavery and human trafficking to ensure that our suppliers are aware of their obligations. Our statement on Modern Slavery and Human Trafficking can be found here to ensure it is publicly accessible.

Concurrently, we continue to use our Supplier Code of Conduct, which sets out the organisation's minimum expectations of suppliers regarding business ethics, working conditions and human rights. Through this code, we seek to ensure that all our suppliers share our values and take a zero-tolerance approach to modern slavery. We undertake due diligence in our supply chain tenders, corporate partnerships, associations with other organisations, and in our international work. This due diligence includes assurance that modern slavery is not present. We are continuing to develop our supplier processes and procedures to make it easier to capture, analyse and manage data from suppliers – covering their ethical, environmental and social practices.

ETHICS IN THE SUPPLY CHAIN

The RNLI has a clear set of values that underpin the strong ethical position expected from our supporters, volunteers and staff. We apply the same values in developing relations with our contractors and suppliers to further our Supply Chain Strategy and processes, and to reflect our commitment to good employment practice.

We have an engineering and supply director, and a Procurement and Logistics Team, including category managers, who are dedicated to developing and improving our Supply Chain Strategy and processes.

The RNLI has a varied supply chain and a broad supplier base that supports the construction of our lifeboats, the running of the RNLI College, the range of retail goods sold in our shops and online, and the marketing and advertising of our fundraising and prevention campaigns, as well as the day-to-day operation of the RNLI. We continually ensure that we carry out these activities in the most ethical way we can, by reviewing where we source our goods and services, the processes and governance we follow, and methods of manufacture and distribution.

During the year, we continued to drive improvement and awareness on ethics and sustainability through our Procurement Policy and related processes, and through the use of our Supplier Code of Conduct. We also completed the new Bribery and Corruption Policy. All of these documents and processes aim to provide clear expectations on our values and ethical standards.

INFORMATION SECURITY

Cyber attacks remained a constant and prevalent threat throughout 2024. Organisations of all sizes have fallen victim to them, due to cyber criminals keeping ahead of technologies and associated vulnerabilities. Mainstream media reporting of cyber crime continues to increase the general cultural and public awareness of cyber threats.

In response, the RNLI regularly reviews and tests the effectiveness of our cyber defence, response and recovery capabilities, against industry standards. We implement recognised good practices by assessing emerging and persistent threats with our trusted partners and suppliers. We continue taking action to keep our exposure at an acceptable level and are constantly working to keep pace with evolving cyber risks.

ENVIRONMENT

ENVIRONMENTAL MANAGEMENT

The RNLI environmental vision is: by 2050, we will have achieved sustainable decarbonisation of energy and fuel and manage our waste and resources with true stewardship across all activities. We will continue to value and support a thriving environment both on land and in the water and help our communities to understand and be resilient to climate change.

Our Environmental and Social Governance Policy and environmental ambitions set the direction of the sustainability programme, supporting delivery through five workstreams. Find out more about RNLI sustainability here.

FIVE WORKSTREAMS

SUSTAINABLE DECARBONISATION

RESILIENCE TO CLIMATE CHANGE

RESOURCE EFFICIENCY AND WASTE MANAGEMENT

THRIVING ENVIRONMENT, ON LAND AND IN WATER

COMMUNITY PARTNERSHIP AND COLLABORATION

For our ongoing environmental governance, we review, update or implement relevant policies, processes, procedures and guidance to assure compliance with relevant legislation. Our approach to environmental site risk assessments and assurance of pollution prevention is progressing.

We continue to pursue our zero waste to landfill by 2030 ambition by seeking to apply the Waste Hierarchy and adopting a circular approach where cost effective solutions are available. In 2024, we decommissioned over 900 lifejackets for reuse by our engagement teams. We also internally redeployed or externally donated surplus office furniture from closed RNLI buildings to local groups.

We continue to increase our understanding of climate change impacts, risks and opportunities, and explore relevant adaptation options to improve our resilience, using technology to bring the challenges to life through a climate change app. We work with the International Maritime Rescue Federation, the Met Office, HM Coastguard and others, to ensure we align with wider community plans and actions.

Our sustainability apprentice is now the RNLI's trainee environmental manager and was recognised with a Make UK Apprentice Rising Star Award. This role oversees the RNLI Sustainability Champions Group, which continues to grow. We achieved the Sustainable Business Network Award for a range of improvements.

We continue to share knowledge and best practice with external groups including the Fit for the Future Network and Emergency Services Environmental Group.

2024 RNLI ENERGY AND CARBON REPORT

EMISSIONS in tonnes of carbon dioxide equivalents (CO_2e)

	2024	2023	2022
Fuel for fleet vehicles and vessels	**7,996**	6,290	7,057
Electricity	**2,100**	2,153	1,984
Gas	**627**	808	1,232
Total	**10,723**	9,251	10,273

METHODOLOGY

Our overall approach aligns with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.

ENERGY, FUEL AND CARBON

Reducing our energy consumption and becoming more efficient with our activities are key to reducing carbon emissions and becoming a more sustainable organisation. In 2024, the RNLI used 46GWh (2023: 38GWh) of energy which equates to 10,727 tonnes of (CO_2e) (2023: 9,252 tonnes). All our electricity procured is from a renewable tariff.

A key route to decarbonisation is by generating our own energy from renewable sources. The RNLI has a renewable portfolio size of 703 kWp which generated 173 GWh (2023: 93GWh) and so saved the RNLI 18 tonnes of CO_2e and £24,000 (2023: £14,000), while also generating an income of £50,000 (2023: £36,000) through the Feed-in-tariff scheme.

The RNLI is starting to explore low emissions fuels such as biofuels and synthetic fuels. These are currently being trialled on vessels with the Coast to Cobbles event being powered by 100% renewable diesel (HVO), saving 6 tonnes of CO_2e. Also, in collaboration with Greater London Authority, the E class fleet has switched to gas-to-liquids fuel to improve air quality in the Ultra Low Emission Zone.

The RNLI is committed to sharing its knowledge and experience on the pathway to decarbonisation and is continuing to collaborate with others. Partnerships with Innovate UK funded projects for alternative fuelling and maritime decarbonisation are using the RNLI user case with monitoring of engine usage as part of data gathering underway for technology development.

A trial looking at using artificial intelligence to analyse energy usage proved difficult to reconcile/predict usage patterns, so we continue with locally initiated actions, focusing on ensuring all locations have automated readings.

CARBON REPORTING

Work continues to develop a decarbonisation road map to align with our 2050 aim of being a zero-carbon organisation (scope one and two emissions). This will identify investment opportunities that give best value for money in reducing carbon emissions and provide funding opportunities.

EQUALITY AND FAIRNESS IN RNLI PAY, REWARDS AND RECOGNITION

VOLUNTEERS AND PAID STAFF

The vast majority of RNLI people are volunteers, including all the members of the Board and members of the Council.

While our operational volunteers give their time freely to help save lives, the RNLI does make some payments to recognise the cost and disruption that this can cause. To ensure they are not out of pocket, these volunteers can claim necessary expenses and, in specific cases, a contribution for lost wages, such as when attending a residential training course. The RNLI also, in certain circumstances, may make a fixed payment where there is a shortage of specific skills, such as maintaining and operating our increasingly technical lifeboats or driving heavy equipment. The RNLI also employs people to run and support a complex service in a hazardous environment.

The rate of pay to staff is regularly reviewed to ensure consistency with the RNLI Pay Principles (affordabe, competitive, transparent, motivational and fair) and to ensure that we continue to attract and retain talented staff.

REMUNERATION COMMITTEE

The pay policy of the RNLI is approved by the Remuneration Committee as part of its terms of reference. As part of this decision, the committee may seek external professional advice as well as recommendations from the chief executive and the people director.

The Remuneration Committee is a committee of the Trustee Board. During 2024 it was made up of three Trustees and two independent committee members.

The committee has delegated authority to act on behalf of the Board to ensure remuneration policies meet the charity's aims and legal and regulatory responsibilities, and to review and monitor how these are communicated both internally and externally.

The committee reviews the remuneration levels as part of the annual pay review. As part of this process, it considers prevailing market conditions and relevant external benchmarks, staff retention and satisfaction, the charity budget, our future plans and past performance. It also undertakes an annual review of ET pay in line with performance, and considers the RNLI gender pay gap, plus the overall remuneration report and pay disclosure statements for the Annual Report.

PAY POLICY

In setting overall pay levels for our staff, we consider the pay and reward practice in other similarly sized charities and, where necessary, private-sector organisations for specialist and technical roles (for example in IT, finance, maritime operations, marine design and manufacturing, and engineering).

We aim for a sustainable and consistent pay strategy that meets the diverse requirements of the RNLI. This includes a pay practice that ensures individual pay decisions are supported by data and are reflective of performance.

GENDER PAY GAP

As part of our commitment to demonstrate equality and fairness in our pay policy, we comply with the requirements of the UK Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. In 2024, the gender pay gap for the RNLI was 1.4% based on an average hourly rate for men and women. This means our average hourly rate was marginally higher for men than women. See our full Gender Pay Gap report here.

Insights from this report enable us to plan to tackle any gender pay gaps that may have arisen from recruitment, development, pay review or other personnel practices. Gender pay gap data will continue to be reviewed by the Remuneration Committee and any actions to address gender pay gaps forms part of our annual pay review cycle, as well as linking to the RNLI Inclusion and Diversity Strategy.

PAY PRINCIPLES

The RNLI adheres to the UK Government's statutory national minimum and living wage rates. To maintain a fair, rational pay structure, the RNLI has a formal grading structure and pay range for each grade. The grades are based on jobs of common size, taking into account

the breadth of responsibility, complexity, knowledge, skills and value to the RNLI.

The RNLI encourages good performance. Individual pay is reviewed annually and considers pay position in the range, market conditions, any relevant new qualifications or skills developed, and internal pay relativities. Pay is reviewed consistently using the same approach for all staff, including the ET and the chief executive. While no individual performance bonuses are paid as typically recognised, our seasonal fundraising employees are eligible for a small incentive payment. Annual pay budgets take into account affordability, economic trends and external market pay movement.

SENIOR EXECUTIVE PAY DISCLOSURE

The RNLI acknowledges the recommendations made following the Report of the Inquiry into Charity Senior Executive Pay and Guidance for Trustees on Setting Remuneration by the UK National Council for Voluntary Organisations. The inquiry advocates greater transparency, and the RNLI recognises and accepts those recommendations. As a result, the RNLI has provided greater clarity, with greater disclosure on the pay of the ET, as well as continuing to disclose the chief executive's pay in full (see page 50).

The current chief executive started at the RNLI in June 2024 and is subject to the same pay and reward policy as all members of staff, with oversight provided by the Remuneration Committee.

The RNLI is committed to openness and transparency on senior executive pay and will continue to keep this under review.

Ready to save lives: Cardigan Crew Member and Mechanic Sarah Morgan carries out routine maintenance on a D class lifeboat engine

Equity, diversity and inclusion

EDI OVERVIEW

We are committed to becoming an inclusive organisation where everyone can be themself. In 2024, we welcomed our new inclusion lead. They will help us further develop our approach to EDI and make sure that inclusion continues to be a focus for us as an organisation.

PEOPLE NETWORKS OVERVIEW

Our people networks are critical partners in our approach to EDI. They provide safe spaces, advocate for change and support inclusion through their own action plans. Throughout the year, they organise events, amplify voices and start conversations.

Our networks have continued to make great progress in 2024, creating plans and objectives to support developing inclusion across the RNLI. The recruitment of our inclusion lead will strengthen support for the work of our networks and ensure alignment with our strategic EDI plans.

WOMEN'S COMMUNITY

In 2024, we've been building on the work of the Women's Community: a space to empower, connect, and support women across the RNLI. For 200 years, women have played a critical role in the RNLI, from lifesaving to fundraising and everything in between. The community is a place where every woman can be herself and thrive, as well as benefit from working with other women from across the organisation.

As a point of coordination for groups representing women across the RNLI, we have supported the setting up of a new Women in Lifeguarding Group and are continuing to support the establishment of a Women in Engineering Group. We have brought big conversations to the forefront of our charity, from partnering with the Disability Network on an online event about neurodiversity in women and girls, to launching our *Making Waves* podcast. The podcast features guests from across the RNLI talking about some of the important challenges facing many women.

The Women's Community is working to improve inclusivity and remove barriers by contributing to policy reviews, including around maternity and paternity, and making sure women's health topics are a key consideration for the organisation. We have acted as an advice point and supported women to raise individual concerns or offered to advocate on their behalf.

DISABILITY NETWORK

The Disability Network provides support and guidance to disabled people, as well as to those who care for others with disabilities. The network aims to empower, enable, support and champion people affected by disability. It focused on three areas in 2024: induction, manager information and inclusive culture.

The Wellbeing Passport was updated to make the document accessible, and to ensure it works for all conditions. The passport is a way to document a person's needs, including any adjustments to help that person achieve their full potential. We are trialling a set of tips for inclusive meetings, which we hope to roll out across the organisation next year. Peer support groups continued to grow, and we now have five groups: All About Ears, Alzheimer's and Dementia Carers, Neurodiversity, Parents Returning to Work,

and Parents and Carers. The network was represented by members at several events and talks, including a very successful collaboration with the Women's Community on neurodiversity in women and girls.

Our Chief Executive Peter Sparkes published an article in collaboration with the Disability Network. His article, all about living with hearing loss, encouraged everyone to be open with and accepting of others. The network also shared more about the projects it's been involved in across the RNLI and the impact it's having.

YOUNG PEOPLE'S NETWORK

The Young People's Network (YPN) is a network for anyone in the early years of their career or volunteering journey at the RNLI. In 2024, we continued to support members across the RNLI following the instatement of two new co-chairs and our executive sponsor. We organised monthly get-togethers including network meetings (online and face-to-face), events and debates.

Two debates took place covering topics voted for by network members. These enabled people to share their opinions and views in an honest and transparent space. To help drive change, outcomes were shared with the ET sponsor or appropriate organisational leads. An event took place for members to learn practical tools and techniques to look after their mental wellbeing. A second event for International Volunteer Day was driven by the YPN and supported by the other people networks – who each nominated a speaker for the event, which celebrated and connected further with volunteers.

Work to revitalise reverse mentoring continued in 2024, aiming to connect young people with senior leaders. The co-chairs and objective leads are developing a repeatable tool and format, to ensure the initiative can be further rolled out in 2025 and beyond.

HARBOUR NETWORK

Harbour, the RNLI's LGBT+ network, provides peer support for staff and volunteers. In 2024, the Harbour Network continued to champion inclusivity within the RNLI through several key initiatives. The LGBT+ Accreditation Scheme, which recognises RNLI stations and locations that visibly support inclusivity, is set to become more streamlined and accessible across regions, with a rollout planned for early 2025.

The Ambassador Programme has seen significant growth, with an increase in both staff and volunteer participation throughout 2024. We currently have 62 ambassadors who have been educating and inspiring the LGBT+ community about coastal safety and the RNLI's mission.

The Ambassador Programme has played a vital role in representing the RNLI at Pride events across Ireland and the UK, and is part of the broader Harbour Network. It connects individuals with resources, guidance, and a community dedicated to promoting equality and celebrating diversity. Together, the Harbour Network and the Ambassador Programme work to ensure that everyone within the RNLI feels welcomed, valued and empowered to be their true self.

We are working closely with the RNLI Learning and Development Team on a new EDI training programme. Additionally, the Harbour Network has been instrumental in developing a Transgender Policy, furthering our commitment to inclusivity.

In 2024 we put leads in place, ready to deliver on a new way of working. This will support both employees and volunteers in creating a more inclusive space for people from the LGBT+ community.

Collaborating with other networks, the Harbour Network has also been pivotal in driving behaviour change within the RNLI through both online and in-person presentations. These efforts underscore our dedication to fostering an inclusive and supportive environment for all.

RACE EQUALITY NETWORK

The Race Equality Network is a safe space to connect, to share, to be seen and to be heard. We amplify minority voices across the organisation and ensure we have a seat at the table when decisions are being made that affect the community.

In 2024 we facilitated 10 monthly network discussions and expanded the network's reach to all regions and volunteers. We supported and advised on the RNLI's wider EDI strategy and organisational approach.

In July, we delivered an educational and inspiring film screening of *Black Stroke* on World Drowning Prevention Day, in Poole. This was followed by the International Team's short film on Tanzanian fishers sharing their perspectives on the positive changes they have observed since collaborating with us on drowning prevention initiatives.

During Black History Month, the Race Equality Network shared news about new research being carried out in partnership with the Black Swimming Association. This project is aiming to dispel the myths and reshape the narrative around floating for African, Caribbean and Asian communities.

LIFESAVING PARTNERSHIPS

Our work continues with partners, to help access communities who would not traditionally associate with the RNLI. We know that in order to save every one, we need to reach every one.

These partnerships include:

- Black Swimming Association – supports access to targeted at-risk African, Caribbean and Asian individuals. Together, we're doing pioneering research with the University of Portsmouth.
- GAA, Ireland's largest sporting body – supports the RNLI with the delivery of water safety messages and access to communities.
- Swim England, the only recognised national governing body for swimming in England – partners with the RNLI on Swim Safe, teaching young people how to say safe on, in and near open water.

STATEMENT OF PUBLIC BENEFIT

The RNLI provides public benefit in those jurisdictions where it operates as a charity by saving lives at sea. The governments of the UK and Ireland have a statutory duty to provide a maritime search and rescue service.

HM Coastguard, the Irish Coast Guard and the requisite tasking authorities in the Isle of Man, Jersey, Guernsey and Alderney initiate search and rescue and rely extensively on the RNLI's expertise and resources to save lives at sea. The RNLI relies on donations to meet the cost of providing this public service.

RNLI Trustees have complied with their duty to have due regard to the Charity Commission's public benefit guidance when exercising relevant powers or duties.

Conclusion

The Annual Report of the RNLI was approved by the Board of Trustees on 15 May 2025 and signed on their behalf by

Janet Legrand OBE KC (Hon)
RNLI Chair

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE ROYAL NATIONAL LIFEBOAT INSTITUTION

OPINION ON THE FINANCIAL STATEMENTS

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2024 and of the group's and parent charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended.

We have audited the financial statements of Royal National Lifeboat Institution ("the parent charity") and its subsidiaries ("the group") for the year ended 31 December 2024 which comprise the RNLI consolidated statement of financial activities, the RNLI consolidated balance sheet, the RNLI consolidated cash flow statement, the RNLI statement of financial activities, the RNLI balance sheet and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

BASIS FOR OPINION

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

INDEPENDENCE

We remain independent of the group and the parent charity in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

CONCLUSIONS RELATED TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and the parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements 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 and Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is inconsistent in any material respect with the financial statements; or
- adequate and proper accounting records have not been kept by the parent charity; or
- the parent charity 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 financial responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 group's and the parent 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 group or the parent 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 151 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial

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

EXTENT TO WHICH THE AUDIT WAS CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

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

NON-COMPLIANCE WITH LAWS AND REGULATIONS

Based on:

- Our understanding of the group and the sector in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Charity's policies and procedures regarding compliance with laws and regulations;

We considered the significant laws and regulations to be the United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities Statement of Recommended Practice (SORP), Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended, UK tax legislation and employment law.

The group and Charity are also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the employment law, data protection and the health and safety legislation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred; and
- Review of serious incident reports made to the Charity Commission.

FRAUD

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance, Audit and Risk Committee and internal audit regarding any actual, suspected or alleged instances of fraud;
- Review of internal audit reports;
- Review of correspondence with HMRC, the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator;
- Obtaining an understanding of the group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls, the valuation of legacy accrual and the completeness of legacy income.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias which include accrued legacy income; stock provision and impairment of tangible and intangible fixed assets;
- Testing a sample of legacy income transactions throughout the year, and around the year end to ensure that the recognition is line with FRS102 and the Charity SORP.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at 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 Part 4 of the Charities (Accounts and Reports) Regulations 2008 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
BDO LLP
73D8B18FE9AC4C9...

BDO LLP,
statutory auditor
London, UK
Date: 22 May 2025

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

FINANCIAL STATEMENTS

RNLI CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2024

	Note	Unrestricted funds			Restricted funds	Endowed funds	Total 2024	Total 2023 (see Note 16)
		General funds £M	Designated funds £M	Fixed asset funds £M	£M	£M	£M	£M
Income and endowments from:								
Legacies		**120.7**	**–**	**–**	**30.6**	**–**	**151.3**	156.9
Donations		**60.9**	**–**	**–**	**10.2**	**–**	**71.1**	65.7
Trading activities		**18.2**	**–**	**–**	**–**	**–**	**18.2**	16.3
Investments	7c	**2.2**	**–**	**–**	**2.4**	**–**	**4.6**	4.6
Charitable activities		**5.2**	**–**	**–**	**–**	**–**	**5.2**	4.9
Other income		**0.6**	**–**	**–**	**0.3**	**–**	**0.9**	1.2
Total income and endowments		**207.8**	**–**	**–**	**43.5**	**–**	**251.3**	249.6
Expenditure on:								
Legacies and donations		**(44.1)**	**–**	**(1.6)**	**(0.1)**	**–**	**(45.8)**	(44.9)
Trading activities		**(9.1)**	**–**	**(0.2)**	**–**	**–**	**(9.3)**	(11.9)
Investment management		**(0.2)**	**–**	**–**	**(0.1)**	**–**	**(0.3)**	(0.2)
Raising funds		**(53.4)**	**–**	**(1.8)**	**(0.2)**	**–**	**(55.4)**	(57.0)
Lifeboat service		**(36.0)**	**–**	**(2.0)**	**(16.7)**	**–**	**(54.7)**	(53.6)
Lifeboats, property and equipment		**(53.0)**	**–**	**(22.0)**	**(32.5)**	**–**	**(107.5)**	(98.6)
Lifeboat rescue		**(89.0)**	**–**	**(24.0)**	**(49.2)**	**–**	**(162.2)**	(152.2)
Lifeguard rescue		**(21.5)**	**–**	**(1.5)**	**(0.1)**	**–**	**(23.1)**	(23.7)
International		**(2.6)**	**–**	**–**	**(0.5)**	**–**	**(3.1)**	(3.1)
Water safety, education and awareness		**(6.7)**	**–**	**(0.2)**	**–**	**–**	**(6.9)**	(6.6)
Charitable activities		**(119.8)**	**–**	**(25.7)**	**(49.8)**	**–**	**(195.3)**	(185.6)
Total expenditure	5	**(173.2)**	**–**	**(27.5)**	**(50.0)**	**–**	**(250.7)**	(242.6)
Net gain/(loss) on investments	7b	**(2.3)**	**–**	**–**	**8.2**	**7.5**	**13.4**	12.2
Net income/(expenditure)		**32.3**	**–**	**(27.5)**	**1.7**	**7.5**	**14.0**	19.2
Transfers between funds		**(10.1)**	**(0.2)**	**16.5**	**(5.9)**	**(0.3)**	**–**	–
Actuarial gain on pension schemes	11e	**6.2**	**–**	**–**	**–**	**–**	**6.2**	1.8
Net movement in funds		**28.4**	**(0.2)**	**(11.0)**	**(4.2)**	**7.2**	**20.2**	21.0
Reconciliation of funds:								
Funds at 1 January		**124.2**	**5.2**	**481.4**	**115.5**	**70.0**	**796.3**	775.3
Movement in funds		**28.4**	**(0.2)**	**(11.0)**	**(4.2)**	**7.2**	**20.2**	21.0
Funds at 31 December		**152.6**	**5.0**	**470.4**	**111.3**	**77.2**	**816.5**	796.3

The RNLI Consolidated Statement of Financial Activities includes all gains and losses recognised in the year. Total consolidated income of the RNLI during the year, including investment gains/(losses), was £264.7M (2023: £261.8M) less resources expended of £250.7M (2023: £242.6M). This led to a surplus of £14.0M (2023: surplus of £19.2M). All income, expenditure and resulting net movements are derived from continuing activities.

Notes 1–20 form part of these accounts.

RNLI CONSOLIDATED BALANCE SHEET

as at 31 December 2024

The accounts of the RNLI and the consolidated accounts were approved and authorised for issue by the Trustees on 15 May 2025 and signed on their behalf.

Janet Legrand OBE KC (Hon)
RNLI Chair

Peter Sparkes
Chief Executive

Notes 1–20 form part of these accounts.

	Note	2024		2023	
		£M	£M	£M	£M
Assets employed					
Fixed assets					
Intangible assets	6b	**4.8**		7.6	
Tangible assets	6a	**465.6**		473.8	
			470.4		481.4
Investments	7		**279.2**		256.3
Current assets					
Stocks	8	**29.3**		30.4	
Debtors	9	**59.1**		62.3	
Bank and cash		**4.2**		1.4	
		92.6		94.1	
Creditors – amounts falling due within 1 year	10	**(18.0)**		(19.0)	
Net current assets			**74.6**		75.1
Creditors – amounts due after more than 1 year	10		**(2.4)**		(2.7)
Defined benefit pension liability	10		**(5.3)**		(13.8)
Net assets			**816.5**		796.3
Funds					
Endowed funds: Permanent		**20.4**		19.8	
Expendable		**56.8**		50.2	
			77.2		70.0
Restricted funds	12c		**111.3**		115.5
Unrestricted funds					
Fixed asset funds			**470.4**		481.4
Designated funds	12d		**5.0**		5.2
General funds: Free reserves		**157.9**		138.0	
Pension reserve		**(5.3)**		(13.8)	
			152.6		124.2
Total funds			**816.5**		796.3

RNLI CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2024

	2024 £M	2023 £M
Cash flow from operating activities		
Net cash provided by operating activities (see note below)	**25.5**	2.1
Cash flows from investing activities		
Investment income	**4.6**	4.6
Proceeds from the sale of fixed assets	**5.5**	1.2
Purchase of fixed assets and intangible assets	**(22.9)**	(34.4)
Purchase of investments	**(69.7)**	(22.2)
Proceeds from sale of investments	**60.4**	48.9
Net cash used in investing activities	**(22.1)**	(1.9)
Cash flows from financing activities		
Payment of lease liability	**(0.6)**	(1.1)
Net cash used in financing activities	**(0.6)**	(1.1)
Change in cash and cash equivalents in the reporting period	**2.8**	(0.9)
Reconciliation of cash flow:		
Cash and cash equivalents at the beginning of the reporting period	**1.4**	2.3
Change in cash and cash equivalents in the reporting period	**2.8**	(0.9)
Cash and cash equivalents at the end of the reporting period	**4.2**	1.4

Note to the consolidated cash flow statement

	2024 £M	2023 £M
Reconciliation of net income to net cash flow from operating activities		
Net income for the period (as per the SoFA)	**14.0**	19.2
Depreciation and amortisation charges	**27.5**	27.9
Gain on investments	**(13.6)**	(12.2)
Investment income	**(4.6)**	(4.6)
Profit on disposal of fixed assets	**(0.3)**	(0.7)
Impairment of fixed assets	**1.9**	–
Decrease/(increase) in stocks	**1.1**	(5.4)
Decrease/(increase) in debtors	**3.2**	(11.3)
Decrease in creditors	**(1.1)**	(2.7)
Adjusting for impact of defined benefit scheme accounting	**(2.6)**	(8.1)
Net cash provided by operating activities	**25.5**	2.1

Analysis of changes in net funds

	2023 (see Note 16) £M	Cashflows £M	2024 £M
Cash	1.4	**2.8**	**4.2**
Lease liability falling due within one year	(0.6)	**0.6**	**–**
Total	0.8	**3.4**	**4.2**

Notes 1–20 form part of these accounts.

RNLI STATEMENT OF FINANCIAL ACTIVITIES†

for the year ended 31 December 2024

	Note	Unrestricted funds			Restricted funds £M	Endowed funds £M	Total 2024 £M	Total 2023 £M
		General funds £M	Designated funds £M	Fixed asset funds £M				
Income and endowments from:								
Legacies		**120.6**	**–**	**–**	**30.6**	**–**	**151.2**	156.9
Donations		**60.9**	**–**	**–**	**10.2**	**–**	**71.1**	65.7
Donations from subsidiary companies		**7.4**	**–**	**–**	**0.6**	**–**	**8.0**	4.9
Investments	7c	**2.2**	**–**	**–**	**2.1**	**–**	**4.3**	4.2
Charitable activities		**5.2**	**–**	**–**	**–**	**–**	**5.2**	4.9
Other income		**1.1**	**–**	**–**	**–**	**–**	**1.1**	1.2
Total income and endowments		**197.4**	**–**	**–**	**43.5**	**–**	**240.9**	237.8
Expenditure on:								
Legacies and donations		**(43.7)**	**–**	**(1.6)**	**(0.1)**	**–**	**(45.4)**	(44.9)
Trading activities		**–**	**–**	**–**	**–**	**–**	**–**	–
Investment management		**(0.2)**	**–**	**–**	**(0.1)**	**–**	**(0.3)**	(0.2)
Raising funds		**(43.9)**	**–**	**(1.6)**	**(0.2)**	**–**	**(45.7)**	(45.1)
Lifeboat service		**(36.3)**	**–**	**(1.8)**	**(16.7)**	**–**	**(54.8)**	(53.6)
Lifeboats, property and equipment		**(51.1)**	**–**	**(22.0)**	**(32.5)**	**–**	**(105.6)**	(99.2)
Lifeboat rescue		**(87.4)**	**–**	**(23.8)**	**(49.2)**	**–**	**(160.4)**	(152.8)
Lifeguard rescue		**(21.4)**	**–**	**(1.5)**	**(0.1)**	**–**	**(23.0)**	(23.7)
International		**(2.6)**	**–**	**–**	**(0.5)**	**–**	**(3.1)**	(3.1)
Water safety, education and awareness		**(6.6)**	**–**	**(0.2)**	**–**	**–**	**(6.8)**	(6.6)
Charitable activities		**(118.0)**	**–**	**(25.5)**	**(49.8)**	**–**	**(193.3)**	(186.2)
Total expenditure		**(161.9)**	**–**	**(27.1)**	**(50.0)**	**–**	**(239.0)**	(231.3)
Net gain/(loss) on investments	7b	**(2.4)**	**–**	**–**	**8.2**	**0.6**	**6.4**	7.8
Net income/(expenditure)		**33.1**	**–**	**(27.1)**	**1.7**	**0.6**	**8.3**	14.3
Transfers between funds		**(10.4)**	**(0.2)**	**16.5**	**(5.9)**	**–**	**–**	–
Actuarial gain on pension schemes	11e	**6.2**	**–**	**–**	**–**	**–**	**6.2**	1.8
Net movement in funds		**28.9**	**(0.2)**	**(10.6)**	**(4.2)**	**0.6**	**14.5**	16.1
Reconciliation of funds:								
Funds at 1 January		**125.6**	**5.2**	**479.1**	**115.5**	**19.8**	**745.2**	729.1
Movement in funds		**28.9**	**(0.2)**	**(10.6)**	**(4.2)**	**0.6**	**14.5**	16.1
Funds at 31 December		**154.5**	**5.0**	**468.5**	**111.3**	**20.4**	**759.7**	745.2

Notes 1–20 form part of these accounts.

†The RNLI Statement of Financial Activities shows the financial performance for the year of the charity excluding its subsidiaries.

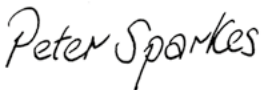
RNLI BALANCE SHEET†

as at 31 December 2024

The accounts of the RNLI and the consolidated accounts were approved and authorised for issue by the Trustees on 15 May 2025 and signed on their behalf.

†The RNLI Balance Sheet shows the financial position of the charity excluding its subsidiaries

Janet Legrand OBE KC (Hon)
RNLI Chair



Peter Sparkes
Chief Executive

Notes 1–20 form part of these accounts.

	Note	2024		2023	
		£M	£M	£M	£M
Assets employed					
Fixed assets					
Intangible assets		**4.7**		7.5	
Tangible assets		**463.8**		471.6	
			468.5		479.1
Investments	7		**228.9**		211.6
Current assets					
Stocks	8	**23.7**		25.3	
Debtors	9	**62.2**		63.9	
Bank and cash		**2.9**		1.3	
		88.8		90.5	
Creditors – amounts falling due within 1 year	10	**(18.8)**		(19.5)	
Net current assets			**70.0**		71.0
Creditors – amounts due after more than 1 year	10		**(2.4)**		(2.7)
Defined benefit pension liability	10		**(5.3)**		(13.8)
Net assets			**759.7**		745.2
Funds					
Endowed funds: Permanent		**20.4**		19.8	
			20.4		19.8
Restricted funds	12c		**111.3**		115.5
Unrestricted funds					
Fixed asset funds			**468.5**		479.1
Designated funds	12d		**5.0**		5.2
General funds: Free reserves		**159.8**		139.4	
Pension reserve		**(5.3)**		(13.8)	
			154.5		125.6
Total funds			**759.7**		745.2

RNLI NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1. RNLI STRUCTURE AND ACCOUNTING POLICIES

The RNLI was founded in 1824 and was incorporated by Royal Charter granted in 1860, with Supplemental Charters granted in 1932 and 1986, and further amendments in 1998, 2002 and 2011. The RNLI is a charity registered in England and Wales (209603), Scotland (SC037736), the Republic of Ireland (CHY 2678 and 20003326), the Bailiwick of Jersey (14), the Isle of Man (1308 and 006329F), the Bailiwick of Guernsey (CH135) and Alderney (CH386). The address of the registered office is West Quay Road, Poole, Dorset, BH15 1HZ.

a) Basis of accounting

- The accounts (financial statements) have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP), Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011.
- The accounts (financial statements) have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the SORP, preparing the accounts in accordance with FRS102.
- Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note. Certain investments are held at fair value; see Note 7 for details.
- The RNLI meets the definition of a public benefit entity under FRS102.
- In preparing the separate financial statements of the charity, advantage has been taken of the following disclosure exemptions available in FRS102:
  - No cash flow statement has been presented for the parent charity.
  - Disclosures in respect of the parent charity's financial instruments have not been presented, as equivalent disclosures have been provided in respect of the group as a whole.
  - No disclosure has been given for the aggregate remuneration of the key management personnel of the parent charity as their remuneration is included in the totals for the group as a whole.

The consolidated financial statements are presented in pounds sterling which is also considered to be the functional currency of the RNLI and its subsidiaries.

GOING CONCERN

The Trustees reviewed the RNLI's financial plans for 2025 in November 2024, as well as the latest financial forecasts spanning into 2026. At that time, it was felt that the RNLI had sufficient resources to continue operating for at least throughout the forecast period reviewed. Our plans continue to evolve through 2025, as we seek to address our principal financial risks, and there are ongoing reviews of forecasts throughout the year.

The impacts of the cost-of-living crisis and recent years of high inflation continue to be felt. The RNLI remains committed to mitigating the risk of increasing costs through rigorous planning and a focus on prioritisation of frontline lifesaving services. Whilst the RNLI continues to operate in a challenging economic climate, the Trustees are satisfied that the RNLI's future viability has not been critically affected.

The Trustees continue to review plans with the Executive Team and will make any necessary changes to remain within the free reserves level over the life of our plans, in line with the free reserves policy. These plans continue to evolve to support our requirements for financial balance in the medium term.

The charity has a strong balance sheet, with unrestricted liquid investments of £101.1M and cash of £4.2M, in addition to the LEF which, through agreement with the Trustees of the LEF, may provide significant funding to the RNLI. The RNLI also has a revolving credit facility in place to cover any downside risks. Taking this into account, the Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as required.

As such, they remain satisfied that the RNLI can continue operating for at least 12 months from the date of signing these accounts, and that the accounts have been prepared in the knowledge that the RNLI is a financially viable organisation, with no material uncertainties to its going concern position.

b) Critical accounting judgements and key sources of estimation

In the application of the charity's accounting policies, Trustees are required to make judgements, estimates and assumptions about the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The judgements, estimates and underlying assumptions are based on historical experience and other factors that are considered relevant including expectations of future events that are considered reasonable. The judgements, estimates and underlying assumptions are reviewed on an ongoing basis however actual results may differ from these amounts.

In preparing these financial statements, a significant judgement has been made in respect of the following:

- Residuary legacies – a debtor is recognised at the point at which it can be reliably measured and when the RNLI is entitled to the legacy. This recognition point is reached when the executors make the first interim distribution.

The key sources of estimation uncertainty are summarised below:

- Residuary legacies – the valuation of the legacy debtor involves making estimates in relation to the valuation that the RNLI will receive from the estate. Key components of this estimate relate to the estimated disposal value of capital assets and an estimate of the costs to be incurred administrating the estate. In 2024, the residuary legacy debtor was £43.4M (2023: £46.3M).
- Pension liabilities – the charity recognises its liability to its defined benefit pension scheme, which involves several estimations as disclosed in Note 11. The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation include items such as standard rates of inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions can significantly influence the value of the liability recorded and annual defined benefit expense (see Note 11 on page 57 for sensitivity information). Assumptions used are based on actuarial advice.

c) Basis of consolidation

The consolidated accounts present the results of the Charity and all subsidiary companies and charities, as listed in Note 2, which have been consolidated on a line-by-line basis. These companies and charities are deemed to be subsidiaries as they are under the control of the Parent Charity and their objectives contribute to those of the RNLI Group strategy. All intra-group transactions, balances and unrealised profits are eliminated in full.

d) Fixed assets

Tangible and intangible fixed assets costing more than £10,000 are capitalised and included at cost.

Fixed assets are reviewed annually to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication that an asset may be impaired, the recoverable amount is calculated. This is the higher of value in use or fair value less costs to sell. The carrying value is then tested for impairment by comparing it to the recoverable amount, and any impairment loss is recognised in the Statement of Financial Activities (SoFA).

Fixed assets are depreciated or amortised so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives are assessed as follows:

Lifeboats	12–25 years. Shannon and Tamar lifeboat hulls over 50 years
Freehold lifeboat stations and shoreworks	50 years
Launch and recovery equipment	10–25 years
Other freehold/leasehold buildings	50 years/period of lease
Computer equipment, plant and vehicles	4–10 years
Goodwill and intellectual property	10 years

No depreciation is charged on land and assets in the course of construction.

e) Income

Incoming resources are included in the SoFA when the RNLI is entitled to the income, the receipt is probable and the amount can be quantified with reasonable accuracy. If these conditions are not met the income is deferred. The following specific policies apply to categories of income.

Legacy income is recognised either at the point that the future income from an estate meets the recognition category or, for legacies not previously recognised, the point that the first cash payment is received. For pecuniary legacies, unpaid legacies are accrued into the accounts when they are notified unless there is any evidence that the legacy is contested, or the estate is impaired. For residuary legacies, a debtor is recognised at the point that it can be reliably measured, and that the RNLI is entitled to the legacy. This recognition point is reached when the executors make the first interim distribution.

Legacies that do not meet the recognition criteria but where a value can be estimated represent a contingent asset and the value of these are disclosed in Note 9. In the rare cases where legacy property assets are legally transferred to the RNLI, rather than sold during the process to settle the estate, they are capitalised as tangible fixed assets at market value. When sold, the profit or loss on disposal is recognised in the SoFA as legacy income rather than profit or loss on disposal of fixed assets.

All donations are accounted for when received. Subscription income is treated as a donation, as there is no material benefit given, and is accounted for when received. Lottery income is recognised at the point the associated draw occurs. Charitable activity income represents lifeguard income, which is accounted for over the period the service is provided. Investment income is accounted for on a receivable basis. The trading companies recognise revenue at the point of sale; when the goods are transferred, the amount can be reliably measured and it is probable that future economic benefits will flow to the entity.

Donations in kind are recognised on receipt and, where material, on the basis of the value of the gift to the charity, which is the amount the charity 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. Gifts in kind that are not material are not disclosed.

The Gift Aid element of donations made to the charity is recognised as income in the charity at the same point as the linked donation. Donations from subsidiaries, made as qualifying charitable donations, are recognised as income when paid, or at the date when the subsidiary has a legal liability to make the donation payment if earlier.

f) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Irrecoverable VAT, if any, is included in expenditure alongside the related expenditure. Support costs representing expenditure on governance, general administration, finance, human resources and information technology have been allocated to expenditure, excluding merchandising and investment management, on the basis of cost (see Note 5).

Employee benefits paid on termination include accrued amounts where the RNLI is demonstrably committed to make these payments.

The cost of volunteer time is not accounted for as this cannot be estimated reliably.

g) Fund accounting

The RNLI's funds fall into the following categories:

Permanent endowed funds are capital sums that are donated under the restriction that they are invested and that only the income arising is available for expenditure in accordance with the donors' directions. These capital sums can only be spent in exceptional circumstances with the agreement of the Charity Commission.

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

Restricted funds are only available for expenditure in accordance with the donors' directions. This will include any restricted legacy value accrued on an estimated basis, in accordance with the policy on income detailed in this note.

Fixed asset funds represent the assets of the RNLI, the vast majority of which are lifeboats, launching equipment and operational properties, such as lifeboat stations and lifeguard units. Without them the RNLI could not operate. They are shown separately to other unrestricted funds due to the size and importance of these assets to the RNLI.

Designated funds are set aside at the discretion of the Trustees. A Special Projects Fund has been established to designate funds where significant financial assurances have been made to third parties to ensure monies are available. This is entirely for the project at Weston-super-Mare, where the local council is seeking significant funds to repair the pier that will give access to the lifeboat station and the RNLI has given assurances that these funds will be available for the construction of the lifeboat station and access.

The above funds are committed funds.

General funds are sums that are freely available for general use. They comprise:

- **Free reserves**, which are retained to enable the Trustees to provide assurance to those at sea, the public and the governments of the UK and the Republic of Ireland that the RNLI will be able to sustain its commitment to provide the lifeboat and lifeguard service. The free reserves are set at a level to withstand any short-term financial risks, the main ones being in the investment markets, pension scheme funding, key sources of income such as legacies, and inflation. Based on this value, if free reserves fall outside the range of 4–10 months' charitable expenditure cover, the Trustees will review the business plan and make changes, as they consider appropriate. These free reserves will include any unrestricted legacy values accrued.
- **Pension reserve**, which represents the FRS102 accounting deficit for the defined benefit pension scheme as at year end. The FRS102 basis is a prescribed accounting basis that requires the discount rate to be the rate on high-quality corporate bonds with a duration equivalent to that of the scheme liabilities. Each year, the scheme actuary assesses the financial position of the scheme, allowing for the returns expected to be generated by the assets planned to be held by the scheme in the future. These assets would not typically consist of 100% in corporate bonds. Further details are shown in Note 11.

Transfers between funds represent the completion of capital projects funded from restricted and general funds and the satisfaction of the restriction or designation on completion of the project. Transfers to the fixed asset fund are required to maintain the committed value of the fund. Transfers from certain restricted to general funds are made with the consent of the donor or executor. In 2024, these transfers totalled £5.9M.

h) Operating leases

Rentals applicable to operating leases are charged to the SoFA on a straight-line basis over the life of the lease.

i) Investments

Investments for which there is a quoted market value are valued at the bid-price ruling at the balance sheet date. Other investments are valued at their realisable market value. Investments in subsidiaries are valued at cost less impairment. Cash deposits held with investment managers are included in investments on the Balance Sheet. Investment gains and losses arising during the year are included in the SoFA.

j) Stocks

Stocks are stated at the lower of cost or net realisable value. Stocks are reviewed on a line-item basis at least annually and provision is made where required, referencing the age of stock lines and other factors. Operational stocks include lifeboat manufacturing and repair materials, spares, crew kit, safety equipment and consumables. These are held as stocks until distribution from the warehouse, at which point they are expensed if consumable or capitalised to fixed assets.

k) Cash at bank and short-term deposits

Cash at bank and short-term deposits include cash and short-term highly liquid investments with a short maturity of 3 months or less from the date of acquisition or opening of the deposit or similar account. Cash deposits held with investment managers are not included in cash and cash equivalents on the balance sheet.

l) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction price and subsequently measured at amortised cost, other than investments which are held at fair value.

m) Exchange rate gains and losses

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

n) Pension schemes

The RNLI operates both defined contribution and defined benefit pension schemes covering its employees in the UK and the Republic of Ireland.

Contributions to the defined contribution pension scheme are charged to the SoFA in the year in which they become payable.

The defined benefit pension scheme was closed to new entrants from 1 January 2007 and closed to future benefit accrual on 30 September 2012, although benefits for active members accrued up to 30 September 2012 continue to be subject to any increases in pensionable pay. Further details on the defined benefit pension scheme are shown in Note 11.

The RNLI also operates a dependants' pension scheme where benefits are paid by the RNLI to dependants of former crew members who lost their lives on lifeboat service. The defined benefit and dependants' pension scheme assets are both held in separate trustee-administered funds. The cost charged in the SoFA represents the current service costs, gains and losses on settlements and curtailments and administrative expenses.

Similarly, pension finance costs arising from changes in the net of the interest costs and expected return on assets are charged to expenditure. Actuarial gains and losses are recognised immediately in the SoFA as actuarial gain/(loss) on pensions scheme. Contributions in respect of defined contribution schemes are recognised as expenditure as they become payable.

The difference between the fair value of the assets held in the group's defined benefit pension scheme and the scheme's liabilities, measured on an actuarial basis using the projected unit method, are recognised in the group's Balance Sheet as a pension asset or liability as appropriate.

2. SUBSIDIARY UNDERTAKINGS

a) Subsidiary companies

The RNLI has four wholly owned subsidiaries; RNLI College Limited, RNLI (Sales) Limited, Clayton Engineering Limited and RNLI (Trading) Limited. All are registered in England and Wales, and each has a year end of 31 December 2024.

The activities of RNLI College Limited relate directly to the charitable activities of the RNLI and comprise the training of lifeboat crew and lifeguards, although there are external sales of excess capacity, which offset some of the costs of the training of lifeboat crew and lifeguards.

RNLI (Sales) Limited is used for non-charitable fundraising activities: selling gifts and souvenirs through the RNLI's network of shops, station branches, fundraising branches and guilds, and running the Lifeboat Lottery.

Clayton Engineering Limited is a specialist engineering company, which designs and manufactures lifeboat launch and recovery equipment. During the year, the RNLI invested an additional £1M in shares of this company.

RNLI (Trading) Limited was dormant throughout 2024 and the prior year, and has net assets of £2.

The RNLI charges certain subsidiaries for the use of any shared resources. In 2024, a total of £0.8M (2023: £0.8M) was charged to subsidiaries on a cost basis.

The subsidiaries have a policy of donating all tax-adjusted profits available for distribution as qualifying charitable donations to its ultimate charitable parent undertaking, the RNLI, within 9 months of the year-end date. There may be occasions where profits are retained if taxable losses are available, at the discretion of the subsidiary board. As a result, no provision for corporation tax has been made on subsidiary company profits for the year.

Subsidiary company financial information	RNLI (Sales) Limited Company number 02202240		RNLI College Limited Company number 07705470		Clayton Engineering Limited Company number 01274923	
	2024 £M	2023 £M	2024 £M	2023 £M	2024 £M	2023 £M
Merchandising and other trading income	**15.9**	14.5	**2.4**	1.8	**–**	–
Internal supplies to the RNLI	**–**	–	**8.1**	8.1	**5.7**	7.5
Cost of sales	**(6.5)**	(6.0)	**(1.0)**	(0.8)	**(3.7)**	(5.0)
Operating costs	**(4.3)**	(4.4)	**(8.5)**	(8.8)	**(1.6)**	(1.7)
Net profit	**5.1**	4.1	**1.0**	0.3	**0.4**	0.8
Amount of qualifying charitable donation	**(5.1)**	(4.1)	**(1.0)**	(0.3)	**(1.3)**	–
Retained in subsidiary	**–**	–	**–**	–	**(0.9)**	0.8
Fixed assets	**0.5**	0.4	**0.1**	0.2	**1.5**	1.6
Current assets	**4.1**	4.1	**1.7**	0.2	**3.9**	1.6
Current liabilities	**(0.9)**	(1.2)	**(0.8)**	(0.9)	**(1.8)**	(0.7)
Amounts owed (to)/from RNLI group	**(2.2)**	(1.8)	**–**	1.5	**0.3**	1.3
Net assets	**1.5**	1.5	**1.0**	1.0	**3.9**	3.8

b) Charitable incorporated organisation

RNLI Lifesaving Endowment Fund (LEF) is registered as a charitable incorporated organisation (CIO) with the Charity Commission for England and Wales (registration number 1184013). Its year end is 31 December. The LEF is a separate legal entity, able to hold property in its own name.
The purpose of the LEF is the advancement of saving lives at sea by establishing, building and investing an endowment fund.

Income is donated to the RNLI from this fund for lifesaving purposes and a donation of £0.6M was made in 2024 (2023: £0.5M). As at 31 December 2024, the LEF held investments to the value of £56.8M (2023: £50.2M) and the total return on investments in 2024, including income, was a gain of £6.9M (2023: gain £4.7M).

3. STAFF COSTS

The RNLI relies heavily on the work of volunteers to launch and crew the lifeboats, support our lifeguard service and operate the large network of shops, station branches, fundraising branches and groups. We are founded on these volunteers who account for the vast majority of the RNLI's people and include more than 5,400 volunteer crew members (2023: 5,700) and over 3,400 volunteer shore crew and lifeboat station management (2023: 4,100). The majority of our volunteers, in number, however, are the fundraisers who raise money and help in our shops, museums and offices.

Staff costs, both to support these volunteers and to save lives in areas such as lifeguards, are as follows:

	2024 £M	2023 £M
Wages and salaries	**86.4**	86.1
Social security costs	**8.7**	8.6
Pension costs (Note 11)	**15.0**	14.8
Total	**110.1**	109.5

In addition to the staff costs above, payments of £1.0M (2023: £1.4M) were made in relation to severance pay, including pay in lieu, redundancy and compensation payments.

Pension costs include the cost of the pension salary sacrifice scheme, which involves employees sacrificing a proportion of their salary to contribute into their defined contribution pension scheme.

The following number of employees received emoluments (excluding employer pension and NI contributions) in excess of £60,000, with members of the Executive Team (ET) shown in brackets:

	Including severance pay		Excluding severance pay	
	2024 Number	2023 Number	2024 Number	2023 Number
£60,000–£69,999	**75 (–)**	81 (–)	**72 (–)**	68 (–)
£70,000–£79,999	**22 (–)**	24 (–)	**18 (–)**	18 (–)
£80,000–£89,999	**22 (1)**	27 (–)	**21 (1)**	22 (–)
£90,000–£99,999	**7 (–)**	9 (1)	**7 (–)**	3 (1)
£100,000–£109,999	**5 (3)**	5 (1)	**5 (3)**	3 (1)
£110,000–£119,999	**– (–)**	4 (3)	**– (–)**	3 (3)
£120,000–£129,999	**4 (4)**	2 (2)	**4 (4)**	2 (2)
£130,000–£139,999	**1 (1)**	– (–)	**1 (1)**	– (–)
£140,000-£149,999	**1 (1)**	– (–)	**– (–)**	– (–)
£160,000–£169,999	**– (–)**	2 (1)	**– (–)**	1 (1)
Total	**137 (10)**	154 (8)	**128 (9)**	120 (8)

Of the 138 employees who received emoluments in excess of £60,000 (including severance pay) in 2024, 135 (2023:150) were members of defined contribution pension schemes. Employer pension contributions for these staff totalled £1,426,414 (2023: £1,445,838).

The ET, including the chief executive, are regarded as the charity's key management personnel under FRS102. Aggregate employee benefits of the ET totalled £1,475,556 (2023: £1,274,635). Aggregate employee benefits comprise salaries, company cars, pension costs and employer NI contributions.

Mark Dowie was RNLI Chief Executive until 26 June 2024, on which date Peter Sparkes was appointed.

During the year, Mark Dowie received aggregate employee benefits of £98,085 (2023: £180,825), which included salary of £86,667 (2023: £160,000) and £11,332 of employer's NI (2023: £20,825). Peter Sparkes received aggregate employee benefits of £120,632 (2023: £nil), which included salary of £102,033 (equivalent to £175,000 per annum), £13,348 of employer's NI (2023: £nil) and pension contributions of £5,250.

The average monthly headcount was 2,849 (2023: 2,501). The total average number of employees, calculated on a full-time equivalent (FTE) basis, analysed by function was:

	Average including seasonal staff		Average excluding seasonal staff		At 31 December	
Full-time equivalent employees	2024 Number	2023 Number	2024 Number	2023 Number	2024 Number	2023 Number
Lifeboat service	**376**	374	**376**	374	**388**	353
Lifeboats, property and equipment	**759**	765	**759**	765	**773**	745
Lifeguard rescue	**554**	524	**42**	47	**36**	45
International	**17**	15	**17**	15	**18***	17
Water safety, education and awareness	**80**	83	**80**	83	**80**	80
Support	**247**	289	**247**	289	**263**	283
Legacies and donations	**375**	368	**328**	342	**336**	334
Trading activities	**30**	27	**30**	27	**29**	27
Total	**2,438**	2,445	**1,879**	1,942	**1,923**	1,884

* Including one temporary role.

The RNLI employs seasonal staff in the form of lifeguards and face-to-face fundraisers. In the table above, lifeguard rescue includes FTE of 512 (2023: 477) for lifeguards recruited and deployed on beaches when required. The peak number of lifeguards employed during the summer months (excluding volunteers) was 1,567 (2023: 1,565). Legacies and donations above include FTE of 47 (2023: 26) for face-to-face fundraisers who are also recruited and deployed on beaches during the summer season.

4. TRUSTEE, COUNCIL AND COMMITTEE COSTS

No Trustees, or any persons connected with them, received remuneration. Travelling expenses are reimbursed, if claimed, to Trustees and members of the standing and advisory committees and the Council. In total, £9,532 (2023: £15,309) was reimbursed to 3 Trustees and 15 Council members and members of advisory committees (2023: 3 Trustees, 17 Council members and members of advisory committees). No material donations were made during the year by these persons.

5. TOTAL EXPENDITURE

	Staff costs £M	Depreciation/ amortisation £M	Other direct costs £M	Other allocated costs £M	Total 2024 £M	Total 2023 £M
Legacies and donations	**14.9**	**0.9**	**21.7**	**8.3**	**45.8**	44.9
Trading activities	**1.1**	**–**	**8.2**	**–**	**9.3**	11.9
Investment management	**–**	**–**	**0.3**	**–**	**0.3**	0.2
Lifeboat service	**25.6**	**1.2**	**17.9**	**10.0**	**54.7**	53.6
Lifeboats, property and equipment	**27.8**	**20.6**	**39.8**	**19.3**	**107.5**	98.6
Lifeguard rescue	**15.0**	**1.2**	**2.7**	**4.2**	**23.1**	23.7
International	**1.0**	**–**	**1.5**	**0.6**	**3.1**	3.1
Water safety, education and awareness	**4.3**	**0.1**	**1.2**	**1.3**	**6.9**	6.6
Support	**21.4**	**3.5**	**18.8**	**(43.7)**	**–**	–
Total 2024	**111.1**	**27.5**	**112.1**	**–**	**250.7**	242.6
Total 2023 (see Note 16)	110.9	27.9	103.8	–	242.6	

Support costs are allocated to relevant categories based on their percentage share of overall direct costs and are analysed as below. Support costs are not allocated to trading activities as this is managed through the intercompany charge as shown in Note 2.

	Governance £M	General admin £M	Finance £M	Human resources £M	Information technology £M	Total 2024 £M	Total 2023 £M
Legacies and donations	**0.2**	**1.7**	**1.0**	**1.2**	**4.2**	**8.3**	6.5
Lifeboat service	**0.2**	**2.0**	**1.3**	**1.4**	**5.1**	**10.0**	7.7
Lifeboats, property and equipment	**0.5**	**3.8**	**2.5**	**2.7**	**9.8**	**19.3**	14.2
Lifeguard rescue	**0.1**	**0.9**	**0.5**	**0.6**	**2.1**	**4.2**	3.4
International	**–**	**0.1**	**0.1**	**0.1**	**0.3**	**0.6**	0.4
Water safety, education and awareness	**–**	**0.2**	**0.2**	**0.2**	**0.7**	**1.3**	1.0
Total 2024	**1.0**	**8.7**	**5.6**	**6.2**	**22.2**	**43.7**	33.2
Total 2023 (see Note 16)	0.5	6.3	3.4	6.3	16.7	33.2	

Governance includes audit costs (both internal and external), the AGM and committee costs. Recurring audit fees of £204,400 (2023: £175,940) and fees for the Gambling Commission returns of £3,200 (2023: £2,970) were payable to the external auditor.

Saving lives since 1862: Kirkcudbright RNLI volunteers onboard their Atlantic 85 inshore lifeboat. Kind locals helped the station's fundraising group raise £60,000 towards a new boathouse in 2024

6. FIXED ASSETS

a) Tangible assets

	Assets under construction £M	Lifeboats £M	Lifeboat stations and shoreworks £M	Launch and recovery equipment £M	Depots, offices and training facilities £M	Computer equipment, plant and vehicles £M	Total £M
Cost							
At 1 January 2024	45.2	364.2	330.4	65.8	100.1	81.7	987.4
Additions	21.1	–	1.6	–	0.1	0.5	23.3
Transfers	(25.7)	14.0	6.8	4.2	–	0.7	–
Disposals	(2.8)	(5.6)	(0.6)	–	(3.6)	(0.8)	(13.4)
At 31 December 2024	37.8	372.6	338.2	70.0	96.6	82.1	997.3
Depreciation and impairment							
At 1 January 2024	–	251.7	119.0	42.8	31.3	68.8	513.6
Charge for the year	–	7.6	7.8	3.6	1.7	3.7	24.4
Impairment charge	1.6	–	–	–	0.3	–	1.9
Disposals	–	(5.6)	(0.5)	–	(1.3)	(0.8)	(8.2)
At 31 December 2024	1.6	253.7	126.3	46.4	32.0	71.7	531.7
Net book amount							
At 31 December 2024	36.2	118.9	211.9	23.6	64.6	10.4	465.6
At 31 December 2023	45.2	112.5	211.4	23.0	68.8	12.9	473.8

Cumulative impairment costs to date are £3.7M (2023: £1.8M).

The net book amounts include the following property:

	Freehold £M	Leasehold £M	Total £M
Lifeboat stations and shoreworks	63.8	148.1	211.9
Depots, offices and training facilities	60.2	4.4	64.6
At 31 December 2024	124.0	152.5	276.5

Safer all round: lifeguard Jake Dean marks out the safest place for beachgoers to swim and bodyboard at Harlyn Bay

b) Intangible assets

	Computer software £M	Goodwill £M	Total £M
Cost			
At 1 January 2024	**21.9**	**0.2**	**22.1**
Additions	**0.3**	**–**	**0.3**
At 31 December 2024	**22.2**	**0.2**	**22.4**
Depreciation and impairment			
At 1 January 2024	**14.4**	**0.1**	**14.5**
Charge for the year	**3.1**	**–**	**3.1**
At 31 December 2024	**17.5**	**0.1**	**17.6**
Net book amount			
At 31 December 2024	**4.7**	**0.1**	**4.8**
At 31 December 2023	7.5	0.1	7.6

Goodwill arose on the acquisition of Clayton Engineering Limited in 2019.

c) Subsidiary company assets

The consolidated schedule of fixed assets includes assets owned by subsidiary companies with the following net book amounts:

	2024 £M	2023 £M
Assets under construction	**0.1**	0.1
Lifeboats	**–**	0.1
Computer equipment, plant and vehicles	**0.9**	0.9
Depots, offices and training facilities	**1.1**	1.1
Total	**2.1**	2.2

d) Financial review analysis

The table below shows the asset purchase cost and depreciation analysis by type of expenditure for the financial review (see Note 17).

	Asset purchases			Depreciation, amortisation and impairment charge		
	£M	Allocated £M	Total £M	£M	Allocated £M	Total £M
Expenditure						
Lifeboat service	**–**	**0.3**	**0.3**	**1.2**	**0.8**	**2.0**
Lifeboats, property and equipment	**21.5**	**0.5**	**22.0**	**22.2**	**1.5**	**23.7**
Lifeguard rescue	**0.6**	**0.1**	**0.7**	**1.2**	**0.3**	**1.5**
Water safety, education and awareness	**–**	**0.1**	**0.1**	**0.1**	**0.1**	**0.2**
Legacies and donations	**0.1**	**0.2**	**0.3**	**1.2**	**0.6**	**1.8**
Trading activities	**0.1**	**0.1**	**0.2**	**–**	**0.2**	**0.2**
Support	**1.3**	**(1.3)**	**–**	**3.5**	**(3.5)**	**–**
Total	**23.6**	**–**	**23.6**	**29.4**	**–**	**29.4**

Asset purchases comprise fixed asset and intangible asset additions, and movements in assets under construction.

7. INVESTMENTS

Consolidated	General funds £M	Restricted funds £M	Permanent endowed funds £M	Expendable endowed funds £M	Total 2024 £M	Total 2023 £M
a) Investment assets						
Equities	–	32.2	4.0	38.0	74.2	71.3
Absolute return funds	23.8	–	–	–	23.8	32.0
Fixed interest	38.6	39.0	–	–	77.6	97.7
Property unit trusts	–	8.0	7.2	7.4	22.6	21.9
Infrastructure	–	0.8	9.2	11.4	21.4	20.5
Deposits and cash	38.7	20.9	–	–	59.6	12.9
Market value at 31 December 2024	101.1	100.9	20.4	56.8	279.2	256.3
b) Analysis of movement						
Market value at 1 January 2024	82.3	104.0	19.8	50.2	256.3	270.8
Additions	41.5	21.2	0.6	6.4	69.7	22.2
Transfers	1.7	(1.7)	–	–	–	–
Disposals	(22.3)	(30.8)	(0.6)	(6.7)	(60.4)	(48.9)
Gains/(losses) on investments	(2.1)	8.2	0.6	6.9	13.6	12.2
Market value at 31 December 2024	101.1	100.9	20.4	56.8	279.2	256.3
Original cost	76.3	111.3	18.7	46.1	252.4	252.4
c) Investment income						
Equities	–	0.2	–	–	0.2	0.1
Absolute return funds	0.2	–	–	–	0.2	0.3
Fixed interest	1.5	1.1	–	–	2.6	2.6
Property unit trusts	–	1.0	–	–	1.0	1.4
Deposits and cash	0.5	0.1	–	–	0.6	0.2
Total	2.2	2.4	–	–	4.6	4.6

Saving lives on the River Thames: helm Samantha Armatage and her crew mates at Teddington RNLI launched more than 100 times in 2024

RNLI	General funds £M	Restricted funds £M	Permanent endowed funds £M	Investment in subsidiaries £M	Total 2024 £M	Total 2023 £M
a) Investment assets						
Equities	–	32.2	4.0	–	36.2	39.1
Unlisted subsidiary companies	–	–	–	6.5	6.5	5.5
Absolute return funds	23.8	–	–	–	23.8	32.0
Fixed interest	38.6	39.0	–	–	77.6	97.6
Property unit trusts	–	8.0	7.2	–	15.2	15.0
Infrastructure	–	0.8	9.2	–	10.0	9.6
Deposits and cash	38.7	20.9	–	–	59.6	12.8
Market value at 31 December 2024	101.1	100.9	20.4	6.5	228.9	211.6
b) Analysis of movement						
Market value at 1 January 2024	82.3	104.0	19.8	5.5	211.6	230.4
Additions	41.5	21.2	0.6	1.0	64.3	20.9
Transfers	1.7	(1.7)	–	–	–	–
Disposals	(22.3)	(30.8)	(0.6)	–	(53.7)	(47.5)
Gains/(losses) on investments	(2.1)	8.2	0.6	–	6.7	7.8
Market value at 31 December 2024	101.1	100.9	20.4	6.5	228.9	211.6
Original cost	76.3	111.3	18.7	6.5	212.8	211.8
c) Investment income						
Equities	–	0.2	–	–	0.2	0.1
Absolute return funds	0.2	–	–	–	0.2	0.3
Fixed interest	1.5	1.1	–	–	2.6	2.6
Property unit trusts	–	0.7	–	–	0.7	1.0
Deposits and cash	0.5	0.1	–	–	0.6	0.2
Total	2.2	2.1	–	–	4.3	4.2

Investment in subsidiaries of £6.5M (2023: £5.5M) comprises RNLI (Sales) Limited £1.5M (2023: £1.5M), RNLI College Limited £1.0M (2023: £1.0M) and Clayton Engineering Limited £4.0M (2023: £3.0M).

The RNLI held no derivative instruments as at 31 December 2024 (2023: none). Several of the pooled investment funds held by the RNLI use derivative products within their portfolios to reduce market risk in line with their investment strategies.

A story of kindness: 2024 was a momentous year for our charity, yet we remained focused on our number one priority: saving lives at sea

CONTENTS

8. STOCKS

	Consolidated		RNLI	
	2024 £M	2023 £M	2024 £M	2023 £M
Operational stock	**25.5**	26.7	**23.7**	25.3
Gifts and souvenirs	**3.8**	3.7	**–**	–
Total	**29.3**	30.4	**23.7**	25.3

Women in search in rescue: Wells crew member Mandy Humphreys takes part in a training exercise during the RNLI's 2024 Women in SAR conference

9. DEBTORS

	Consolidated		RNLI	
	2024 £M	2023 £M	2024 £M	2023 £M
Legacies receivable	**49.6**	52.7	**49.6**	52.7
Inter-company debtors	**–**	–	**2.8**	1.8
Trade and other debtors	**2.0**	1.9	**1.9**	1.7
VAT and Gift Aid recoverable	**2.5**	2.4	**3.0**	2.6
Prepayments and accrued income	**5.0**	5.3	**4.9**	5.1
Total	**59.1**	62.3	**62.2**	63.9

A proportion of legacies receivable may be received after more than 1 year, but this figure cannot be determined with any accuracy due to the inherent uncertainty in the timing of legacy income receipt.

The estimated value of legacies notified but neither received nor included in income is £124.9M (2023: £107.0M).

10. CREDITORS AND PENSION LIABILITIES

	Consolidated		RNLI	
	2024 £M	2023 £M	2024 £M	2023 £M
Amounts falling due within 1 year				
Trade creditors	**7.9**	8.3	**7.5**	7.1
Other creditors	**0.7**	1.2	**0.7**	1.2
Inter-company creditors	**–**	–	**2.6**	2.8
PAYE taxes and social security	**2.1**	2.2	**1.9**	2.1
Pension creditor	**1.4**	1.3	**1.3**	1.2
Dependants' pensions liability	**0.2**	0.2	**0.2**	0.2
Accruals	**5.7**	5.8	**4.6**	4.9
Total	**18.0**	19.0	**18.8**	19.5
Amounts falling due after more than 1 year				
Dependants' pensions liability	**2.4**	2.7	**2.4**	2.7
Defined benefit pension liability	**5.3**	13.8	**5.3**	13.8

11. PENSION SCHEMES

The RNLI provides a number of pension schemes for its employees:

- The RNLI UK Group Personal Pension Plan is the main scheme for UK employees. It is a contract-based defined contribution scheme where member retirement benefits are linked to the investment performance of contributions made.
- The RNLI RoI Group Fusion Pension Plan is the main scheme for Republic of Ireland employees. It is a contract-based defined contribution scheme where member retirement benefits are linked to the investment performance of contributions made.
- The RNLI 1983 Contributory Pension Scheme, a defined benefit scheme, was closed to new entrants from 1 January 2007 and closed to future benefit accrual on 30 September 2012, although benefits for active members accrued up to 30 September 2012 continue to be subject to any increases in pensionable pay.

Dependants' pensions are paid by the RNLI to dependants of former crew members who lost their lives on lifeboat service.

In 2024, the RNLI paid contributions of £15.0M (2023: £14.8M) in respect of members of the defined contribution pension schemes.

The RNLI paid deficit reduction contributions of £3M in 2024 (2023: £9.1M), with no further deficit reduction contributions planned, as agreed as part of the 2023 Triennial Valuation.

Details of the defined benefit scheme, produced in accordance with the requirements of section 28 of FRS102, are disclosed below and cover both the RNLI 1983 Contributory Pension Scheme and payments to certain dependants.

The figures in this note have been calculated by a qualified independent actuary based on a full actuarial valuation of the pension scheme as at 31 December 2023 rolled forward to 31 December 2024 using summarised cash flow and membership details, and a full actuarial valuation of the dependants' pensions as at 31 December 2023, on the basis required by FRS102.

On this basis, the FRS102 accounting deficit for the defined benefit pension scheme as at 31 December 2024 was £5.3M (2023: £13.8M), and £2.6M (2023: £2.9M) for the dependants' pensions. The FRS102 basis is a prescribed basis that requires the discount rate to be the rate of return on high-quality corporate bonds with a duration equivalent to that of the liabilities.

Each year, the scheme actuary assesses the financial position of the scheme for the formal actuarial valuation, allowing for an expected rate of return on all assets at the discount rate, based on bond yields. These assets would not typically consist of 100% in corporate bonds.

a) The following amounts were measured in accordance with the requirements of FRS102

	2024			2023		
	Pension scheme £M	Dependants' pensions £M	Total £M	Pension scheme £M	Dependants' pensions £M	Total £M
Total fair market value of assets	**235.2**	**–**	**235.2**	255.3	–	255.3
Present value of liabilities	**(240.5)**	**(2.6)**	**(243.1)**	(269.1)	(2.9)	(272.0)
Net pension liability	**(5.3)**	**(2.6)**	**(7.9)**	(13.8)	(2.9)	(16.7)

b) Changes in the present value of the defined benefit obligation are as follows

	2024			2023		
	Pension scheme £M	Dependants' pensions £M	Total £M	Pension scheme £M	Dependants' pensions £M	Total £M
Opening defined benefit obligation	**269.1**	**2.9**	**272.0**	265.2	3.3	268.5
Interest cost	**12.3**	**0.1**	**12.4**	12.9	0.2	13.1
Actuarial (gain)/loss	**(28.2)**	**(0.2)**	**(28.4)**	4.2	(0.4)	3.8
Benefits paid	**(12.7)**	**(0.2)**	**(12.9)**	(13.2)	(0.2)	(13.4)
Defined benefit obligation at year end	**240.5**	**2.6**	**243.1**	269.1	2.9	272.0

11. PENSION SCHEMES (CONTINUED)

c) Changes in the fair value of the scheme assets are as follows

	2024			2023		
	Pension scheme £M	Dependants' pensions £M	Total £M	Pension scheme £M	Dependants' pensions £M	Total £M
Opening fair value of scheme assets	**255.3**	**–**	**255.3**	241.9	–	241.9
Interest income on scheme assets	**11.8**	**–**	**11.8**	11.9	–	11.9
Return on scheme assets (less than)/greater than discount rate	**(22.2)**	**–**	**(22.2)**	5.6	–	5.6
Employer contributions	**3.0**	**0.2**	**3.2**	9.1	–	9.1
Benefits paid	**(12.7)**	**(0.2)**	**(12.9)**	(13.2)	–	(13.2)
Fair value of scheme assets at year end	**235.2**	**–**	**235.2**	255.3	–	255.3

The actual return on scheme assets was a loss of £10.4M (2023: gain £17.5M).

d) The market values of the scheme assets are as follows

	2024			2023		
	Pension scheme £M	Dependants' pensions £M	Total £M	Pension scheme £M	Dependants' pensions £M	Total £M
Equity securities	**12.1**	**–**	**12.1**	14.4	–	14.4
Debt securities	**15.0**	**–**	**15.0**	19.2	–	19.2
Diversified growth	**124.2**	**–**	**124.2**	122.3	–	122.3
Cash and net current assets	**24.1**	**–**	**24.1**	9.6	–	9.6
Liability-driven investment	**59.8**	**–**	**59.8**	89.8	–	89.8
Total	**235.2**	**–**	**235.2**	255.3	–	255.3

11. PENSION SCHEMES (CONTINUED)

e) The amounts included within the Statement of Financial Activities are as follows

	2024			2023		
	Pension scheme £M	Dependants' pensions £M	Total £M	Pension scheme £M	Dependants' pensions £M	Total £M
Net interest on net defined benefit liability	**0.5**	**0.1**	**0.6**	1.0	0.2	1.2
Total amount charged within net expenditure	**0.5**	**0.1**	**0.6**	1.0	0.2	1.2
Actuarial (gain)/loss	**(28.2)**	**(0.2)**	**(28.4)**	4.2	(0.4)	3.8
Return on scheme assets less than/(greater than) discount rate	**22.2**	**–**	**22.2**	(5.6)	–	(5.6)
Remeasurement effects recognised in overall funds movement	**(6.0)**	**(0.2)**	**(6.2)**	(1.4)	(0.4)	(1.8)
Total amount credited to the Statement of Financial Activities	**(5.5)**	**(0.1)**	**(5.6)**	(0.4)	(0.2)	(0.6)

f) The assumptions used in pension scheme accounting are as follows

	31/12/2024 % pa	31/12/2023 % pa
Discount rate†	**5.6**	4.7
Rate of increase in salaries	**4.1**	4.0
Rate of increase in pensions in payment‡:		
Post-1988 GMP increases (CPI capped at 3%)	**2.4**	2.3
Pre-1997 increases (RPI capped at 4%)	**3.0**	3.0
1997–2005 increases (RPI capped at 4%, CPI 5%)	**3.2**	3.1
2005–07 increases (RPI capped at 5%, CPI 2.5%)	**3.0**	2.9
Post-2007 increases (CPI capped at 2.5%)	**2.2**	2.1
Rate of increase in deferred pensions:		
Pre-April 2009 accrual (RPI capped at 4%)	**3.1**	3.0
Post-April 2009 accrual (CPI capped at 2.5%)	**2.5**	2.8
Rate of retail price inflation (RPI)†	**3.5**	3.4
Rate of consumer price inflation (CPI)	**3.2**	3.1

†Represents the weighted average discount rate and inflation rate of the respective curves at the scheme's average duration.
‡In excess of the Guaranteed Minimum Pension (GMP) element. Life expectancy is based on the assumptions provided by our qualified independent actuaries.

Assumes life expectancy on retirement age 65 of:

	31/12/2024 Years	31/12/2023 Years
Retiring today – males	**21.6**	21.8
Retiring today – females	**24.4**	24.3
Retiring in 15 years – males	**22.8**	22.9
Retiring in 15 years – females	**25.7**	25.6

If the discount rate reduced by 0.5%, pension liabilities would increase by approximately 6%. If retail price inflation (RPI) reduced by 0.5% the impact would be a decrease in pension liabilities of approximately 4% and if pensionable salary reduced by 0.5% the impact would be a decrease of less than 1%.

12. TOTAL FUNDS ANALYSIS

a) Consolidated Balance Sheet – analysis of funds 2024 summary

	Unrestricted funds			Restricted funds £M	Endowed funds £M	Total 2024 £M	Total 2023 £M
	General funds £M	Designated funds £M	Fixed asset funds £M				
Fixed assets	–	–	**470.4**	–	–	**470.4**	481.4
Investments	**96.1**	**5.0**	–	**100.9**	**77.2**	**279.2**	256.3
Net current assets	**64.2**	–	–	**10.4**	–	**74.6**	75.1
Creditors falling due after more than 1 year	**(2.4)**	–	–	–	–	**(2.4)**	(2.7)
Defined benefit pension liability	**(5.3)**	–	–	–	–	**(5.3)**	(13.8)
Total	**152.6**	**5.0**	**470.4**	**111.3**	**77.2**	**816.5**	796.3
Total 2023 (see Note 16)	124.2	5.2	481.4	115.5	70.0	796.3	

b) Endowed funds – analysis of major funds

Name of fund	Purpose of fund	Opening balance (see Note 16) £M	Investment gains £M	Transfers £M	Closing balance 2024 £M
RNLI Lifesaving Endowment – expendable	The advancement of saving lives at sea by establishing, building and investing an endowment fund	**50.2**	**6.9**	**(0.3)**	**56.8**
Roy Barker – permanent	All-weather lifeboat construction	**12.7**	**0.1**	–	**12.8**
Morrell – permanent	Dungeness Lifeboat Station – general	**5.7**	**0.4**	–	**6.1**
Other endowed funds – permanent		**1.4**	**0.1**	–	**1.5**
Total endowed funds		**70.0**	**7.5**	**(0.3)**	**77.2**

12. TOTAL FUNDS ANALYSIS (CONTINUED)

c) Restricted funds – analysis of major funds

The RNLI has a large number of restricted funds, which are summarised aside, grouped by purpose. Transfers represent either a transfer to a fixed asset fund, where the fund is for the purpose of asset construction and the asset is completed, or an adjustment to reflect where a donor or legator has added a restriction at a later date or the restriction has been subject to negotiation.

Other restricted funds include amounts related to linked charities as shown in Note 13.

Fund	Opening balance (see Note 16) £M	Income and investment gains £M	Expenditure £M	Transfers £M	Closing balance 2024 £M
Lifeboat station running costs	59.8	39.0	(30.7)	0.6	68.7
Crew kit and training	0.6	1.1	(1.0)	–	0.7
Lifeboat construction	21.3	5.3	(13.3)	(3.0)	10.3
Launch equipment construction	0.9	–	(0.6)	(0.2)	0.1
Lifeboat station construction	8.3	2.2	(1.4)	(0.2)	8.9
Life-boatmen's Benevolent Fund	2.8	0.4	(0.2)	–	3.0
Legacy debtor	11.4	(1.0)	–	–	10.4
Other restricted funds	10.4	4.7	(2.8)	(3.1)	9.2
Total restricted funds	**115.5**	**51.7**	**(50.0)**	**(5.9)**	**111.3**

d) Designated funds – analysis of funds

Designated funds are set aside at the discretion of the Trustees. The Special Projects Fund continues to be held in 2024 to ensure funds are available where significant financial assurances have been made to third parties.

Name of fund	Purpose of fund	Opening balance (see Note 16) £M	Transfers £M	Closing balance 2024 £M
Special Projects Fund	To ensure that where significant financial assurances have been made to third parties, funds are available for the purpose. This fund currently relates only to the project at Weston-super-Mare.	5.2	(0.2)	5.0
Total designated funds		**5.2**	**(0.2)**	**5.0**

13. LINKED CHARITIES

The RNLI has several linked charities that have been established over the years, separated from the charity for a variety of reasons, such as the nature of the fund or the original terms of the legacy or donation. All of the funds of these charities are consolidated into the RNLI's accounts and included within restricted funds (see Note 12).

The current active linked charities with a funds balance over £0.1M as at 31 December 2024 are as shown in the table aside:

Name of fund	Purpose of fund	Opening balance (see Note 16) £M	Income and investment gains £M	Expenditure £M	Closing balance 2024 £M
Life-boatmen's Benevolent Fund	Grants for distressed past or present crew members	**2.8**	**0.4**	**(0.2)**	**3.0**
Langstreth Culliford Trust	Grants for dependants of lifesavers	**0.3**	**–**	**–**	**0.3**
John William Archer	All-weather lifeboat construction	**0.2**	**0.4**	**–**	**0.6**
Charles Carr Ashley	Lifeboat maintenance and support for crew	**0.1**	**–**	**(0.1)**	**–**
Anna Stock Memorial Fund	*Colonel Stock* lifeboat – construction and maintenance	**0.1**	**0.1**	**–**	**0.2**
Total of linked charities		**3.5**	**0.9**	**(0.3)**	**4.1**

The RNLI also has other active linked charities with a fund balance of less than £0.1M, or nil, and these are as follows: John Jones Rowland, Isabella Irwin, James Michael Bower Gift, Mrs Alice Gottwald, Ralph Glister Award, Louise George Anderson Dunn, Mrs Sadie Hughes, William Stephen Mellis, Gorleston Volunteer Lifeboat Association, Miss Maud Smith's Reward, Salcombe Lifeboat Disaster Relief Fund, Miss Annie Gertrude Shayler, The George Nichol Charity for the RNLI, and RNLI Heritage Collection Trust 2012.

14. CAPITAL COMMITMENTS

At 31 December 2024, approved and contracted capital commitments amounted to £19.8M (2023: £25.0M), which will be funded from designated, restricted and general funds.

15. OPERATING LEASE COMMITMENTS

At 31 December the ageing of total minimum lease payments was as follows:

	Land and buildings		Other	
	2024 £M	2023 £M	2024 £M	2023 £M
Payable within 1 year	**1.2**	1.2	**0.7**	1.4
Payable between 1 and 5 years	**2.4**	2.3	**1.2**	0.9
Payable after more than 5 years	**9.8**	9.2	**–**	0.1
Total	**13.4**	12.7	**1.9**	2.4

Certain property leases are for an indefinite period, with the RNLI having the right to early termination should the need arise. In calculating minimum lease payments for these leases, a 50-year duration has been assumed.

16. 2023 COMPARATIVES

a) Consolidated Statement of Financial Activities 2023

	Unrestricted funds			Restricted funds £M	Endowed funds £M	Total 2023 £M
	General funds £M	Designated funds £M	Fixed asset funds £M			
Income and endowments from:						
Legacies	125.5	–	–	31.4	–	156.9
Donations	55.6	–	–	10.1	–	65.7
Trading activities	16.3	–	–	–	–	16.3
Investments	1.7	–	–	2.9	–	4.6
Charitable activities	4.9	–	–	–	–	4.9
Other income	1.2	–	–	–	–	1.2
Total income and endowments	205.2	–	–	44.4	–	249.6
Expenditure on:						
Legacies and donations	(43.3)	–	(1.6)	–	–	(44.9)
Trading activities	(11.8)	–	(0.1)	–	–	(11.9)
Investment management	(0.1)	–	–	(0.1)	–	(0.2)
Raising funds	**(55.2)**	**–**	**(1.7)**	**(0.1)**	**–**	**(57.0)**
Lifeboat service	(39.3)	–	(2.6)	(11.7)	–	(53.6)
Lifeboats, property and equipment	(54.9)	–	(21.7)	(22.0)	–	(98.6)
Lifeboat rescue	(94.2)	–	(24.3)	(33.7)	–	(152.2)
Lifeguard rescue	(21.9)	–	(1.7)	(0.1)	–	(23.7)
International	(2.9)	–	–	(0.2)	–	(3.1)
Water safety, education and awareness	(6.4)	–	(0.2)	–	–	(6.6)
Charitable activities	(125.4)	–	(26.2)	(34.0)	–	(185.6)
Total expenditure	(180.6)	–	(27.9)	(34.1)	–	(242.6)
Net gain/(loss) on investments	(4.4)	–	–	11.6	5.0	12.2
Net income/(expenditure)	20.2	–	(27.9)	21.9	5.0	19.2
Transfers between funds	(11.5)	(0.3)	33.9	(22.0)	(0.1)	–
Actuarial gain on pension schemes	1.8	–	–	–	–	1.8
Net movement in funds	10.5	(0.3)	6.0	(0.1)	4.9	21.0
Reconciliation of funds:						
Funds at 1 January	113.7	5.5	475.4	115.6	65.1	775.3
Movement in funds	10.5	(0.3)	6.0	(0.1)	4.9	21.0
Funds at 31 December	124.2	5.2	481.4	115.5	70.0	796.3

16. 2023 COMPARATIVES (CONTINUED)

b) RNLI Statement of Financial Activities 2023

	Unrestricted funds			Restricted funds £M	Endowed funds £M	Total 2023 £M
	General funds £M	Designated funds £M	Fixed asset funds £M			
Income and endowments from:						
Legacies	125.5	–	–	31.4	–	156.9
Donations	55.7	–	–	10.0	–	65.7
Donations from subsidiary companies	4.4	–	–	0.5	–	4.9
Investments	1.7	–	–	2.5	–	4.2
Charitable activities	4.9	–	–	–	–	4.9
Other income	1.2	–	–	–	–	1.2
Total income and endowments	193.4	–	–	44.4	–	237.8
Expenditure on:						
Legacies and donations	(43.3)	–	(1.6)	–	–	(44.9)
Trading activities	–	–	–	–	–	–
Investment management	(0.1)	–	–	(0.1)	–	(0.2)
Raising funds	(43.4)	–	(1.6)	(0.1)	–	(45.1)
Lifeboat service	(39.3)	–	(2.6)	(11.7)	–	(53.6)
Lifeboats, property and equipment	(55.5)	–	(21.7)	(22.0)	–	(99.2)
Lifeboat rescue	(94.8)	–	(24.3)	(33.7)	–	(152.8)
Lifeguard rescue	(21.9)	–	(1.7)	(0.1)	–	(23.7)
International	(2.9)	–	–	(0.2)	–	(3.1)
Water safety, education and awareness	(6.4)	–	(0.2)	–	–	(6.6)
Charitable activities	(126.0)	–	(26.2)	(34.0)	–	(186.2)
Total expenditure	(169.4)	–	(27.8)	(34.1)	–	(231.3)
Net gain/(loss) on investments	(4.4)	–	–	11.6	0.6	7.8
Net income/(expenditure)	19.6	–	(27.8)	21.9	0.6	14.3
Transfers between funds	(11.8)	(0.3)	34.1	(22.0)	–	–
Actuarial gain on pension schemes	1.8	–	–	–	–	1.8
Net movement in funds	9.6	(0.3)	6.3	(0.1)	0.6	16.1
Reconciliation of funds:						
Funds at 1 January	116.0	5.5	472.8	115.6	19.2	729.1
Movement in funds	9.6	(0.3)	6.3	(0.1)	0.6	16.1
Funds at 31 December	125.6	5.2	479.1	115.5	19.8	745.2

16. 2023 COMPARATIVES (CONTINUED)

c) Cash Flow Statement - Analysis of changes in net funds 2023

	2022 £M	Cashflows £M	Non-cash movements £M	2023 £M
Cash	2.3	(0.9)	–	1.4
Lease liability falling due within one year	(1.1)	1.1	(0.6)	(0.6)
Lease liability falling due after more than one year	(0.6)	–	0.6	–
Total 2023	0.6	0.2	–	0.8

d) Note 5: Total expenditure 2023

	Staff costs £M	Depreciation/ amortisation £M	Other direct costs £M	Other allocated costs £M	Total 2023 £M
Legacies and donations	17.7	1.1	19.6	6.5	44.9
Trading activities	1.2	0.1	10.6	–	11.9
Investment management	–	–	0.2	–	0.2
Lifeboat service	20.6	2.0	23.3	7.7	53.6
Lifeboats, property and equipment	34.9	20.5	29.0	14.2	98.6
Lifeguard rescue	15.2	1.4	3.7	3.4	23.7
International	1.0	–	1.7	0.4	3.1
Water safety, education and awareness	4.1	0.1	1.4	1.0	6.6
Support	16.2	2.7	14.3	(33.2)	–
Total 2023	110.9	27.9	103.8	–	242.6

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

	Governance £M	General admin £M	Finance £M	Human resources £M	Information technology £M	Total 2023 £M
Legacies and donations	0.1	1.2	0.7	1.2	3.3	6.5
Lifeboat service	0.1	1.5	0.7	1.5	3.9	7.7
Lifeboats, property and equipment	0.2	2.7	1.5	2.7	7.1	14.2
Lifeguard rescue	0.1	0.6	0.4	0.6	1.7	3.4
International	–	0.1	–	0.1	0.2	0.4
Water safety, education and awareness	–	0.2	0.1	0.2	0.5	1.0
Total 2023	0.5	6.3	3.4	6.3	16.7	33.2

16. 2023 COMPARATIVES (CONTINUED)

e) Note 12: Consolidated Balance Sheet – analysis of funds 2023

	Unrestricted funds			Restricted funds £M	Endowed funds £M	Total 2023 £M
	General funds £M	Designated funds £M	Fixed asset funds £M			
Fixed assets	–	–	481.4	–	–	481.4
Investments	77.1	5.2	–	104.0	70.0	256.3
Net current assets	63.6	–	–	11.5	–	75.1
Creditors falling due after more than 1 year	(2.7)	–	–	–	–	(2.7)
Defined benefit pension liability	(13.8)	–	–	–	–	(13.8)
Total	124.2	5.2	481.4	115.5	70.0	796.3

f) Note 12: Endowed funds – analysis of major funds 2023

Name of fund	Purpose of fund	Opening balance £M	Income £M	Expenditure £M	Investment gains £M	Transfers £M	Closing balance 2023 £M
RNLI Lifesaving Endowment – expendable	The advancement of saving lives at sea by establishing, building and investing an endowment fund	45.9	–	–	4.4	(0.1)	50.2
Roy Barker – permanent	All-weather lifeboat construction	12.3	–	–	0.4	–	12.7
Morrell – permanent	Dungeness Lifeboat Station – general	5.6	–	–	0.1	–	5.7
Other endowed funds – permanent		1.3	–	–	0.1	–	1.4
Total endowed funds		65.1	–	–	5.0	(0.1)	70.0

16. 2023 COMPARATIVES (CONTINUED)

g) Note 12: Restricted funds - analysis of major funds 2023

Fund	Opening balance £M	Income and Investment gains £M	Expenditure £M	Transfers £M	Closing balance 2023 £M
Lifeboat station running costs	53.8	37.0	(29.5)	(1.5)	59.8
Crew kit and training	0.6	1.0	(1.0)	–	0.6
Lifeboat refit	0.3	–	(0.3)	–	–
Lifeboat construction	30.7	5.9	–	(15.3)	21.3
Launch equipment construction	2.7	1.3	–	(3.1)	0.9
Lifeboat station construction	6.7	2.6	–	(1.0)	8.3
Life-boatmen's Benevolent Fund	2.2	0.7	(0.1)	–	2.8
Legacy debtor	6.7	4.7	–	–	11.4
Restricted other	11.9	2.8	(3.2)	(1.1)	10.4
Total restricted funds	115.6	56.0	(34.1)	(22.0)	115.5

h) Note 12: Designated funds – analysis of funds 2023

Name of fund	Purpose of fund	Opening balance £M	Income and investment gains £M	Expenditure £M	Transfers £M	Closing balance 2023 £M
Special Projects Fund	To ensure that where significant financial assurances have been made to third parties, funds are available for the purpose. For 2023, this is entirely for the project at Weston-super-Mare	5.5	–	–	(0.3)	5.2
Total designated funds		5.5	–	–	(0.3)	5.2

16. 2023 COMPARATIVES (CONTINUED)

i) Note 13 - Linked charities 2023

Name of fund	Purpose of fund	Opening balance £M	Income and investment gains £M	Expenditure £M	Transfers £M	Closing balance 2023 £M
Life-boatmen's Benevolent Fund	Grants for distressed past or present crew members	2.2	0.7	(0.1)	–	2.8
Langstreth Culliford Trust	Grants for dependants of lifesavers	0.3	–	–	–	0.3
John William Archer	All-weather lifeboat construction	0.2	–	–	–	0.2
Charles Carr Ashley	Lifeboat maintenance and support for crew	0.1	–	–	–	0.1
Anna Stock Memorial Fund	*Colonel Stock* lifeboat – construction and maintenance	0.1	–	–	–	0.1
Total of linked charities		2.9	0.7	(0.1)	–	3.5

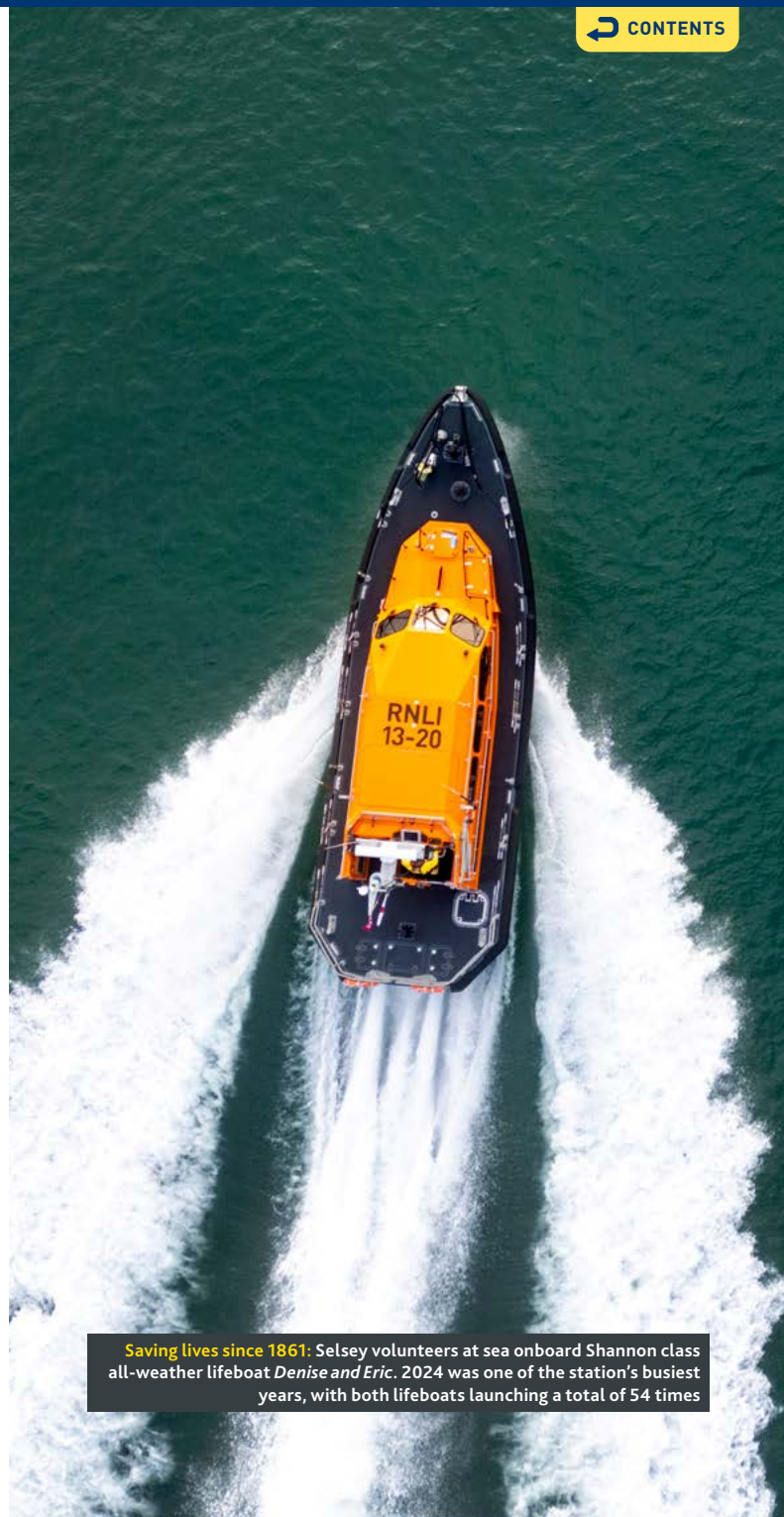
Heartfelt thanks: Burry Port volunteers chat with with donors Hilary and David Cole during the naming ceremony of the station's new D class lifeboat in July 2024

16. 2023 COMPARATIVES (CONTINUED)

j) Note 17 - Financial review reconciliation 2023

	SoFA £M	Asset purchases £M	Asset depreciation/ amortisation £M	Asset disposal £M	Total 2023 £M
Charitable spend					
Lifeboat service	53.6	–	(2.6)	–	51.0
Lifeboats, property and equipment	98.6	31.3	(21.7)	–	108.2
Lifeboat rescue	152.2	31.3	(24.3)	–	159.2
Lifeguard rescue	23.7	0.5	(1.7)	–	22.5
International	3.1	–	–	–	3.1
Water safety, education and awareness	6.6	–	(0.2)	–	6.4
Total charitable spend	185.6	31.8	(26.2)	–	191.2
Income available for charitable spend					
Legacies	156.9	–	–	–	156.9
Donations	65.7	–	–	–	65.7
Trading (net)	4.4	(2.0)	0.1	–	2.5
Charitable trading	4.9	–	–	–	4.9
Investments (net)	4.4	–	–	–	4.4
Other	1.2	–	–	0.5	1.7
Total income available for charitable spend	237.5	(2.0)	0.1	0.5	236.1
Cost of generating income	(44.9)	(0.6)	1.6	–	(43.9)
Net income available for charitable spend	192.6	(2.6)	1.7	0.5	192.2
Operating surplus/(deficit)	7.0	(34.4)	27.9	0.5	1.0

Asset purchases comprise fixed asset additions. Asset sales comprise proceeds of disposal of £1.2M less profit on disposal of £0.7M.



Saving lives since 1861: Selsey volunteers at sea onboard Shannon class all-weather lifeboat *Denise and Eric*. 2024 was one of the station's busiest years, with both lifeboats launching a total of 54 times

17. FINANCIAL REVIEW RECONCILIATION

The financial analysis in the financial review (pages 22–26) has been revised to show the total charitable spend, including that spent on asset purchases, together with the cashflow effect of this spend. This note shows the reconciliation between the financial statements and this analysis. The main difference reflects the actual spend on fixed assets, for example lifeboats and lifeboat stations, as opposed to the depreciation charge.

	SoFA £M	Asset purchases £M	Asset depreciation, amortisation and impairment £M	Asset sales £M	Total 2024 £M
Charitable spend					
Lifeboat service	**54.7**	**0.3**	**(2.0)**	**–**	**53.0**
Lifeboats, property and equipment	**107.5**	**21.3**	**(23.7)**	**–**	**105.1**
Lifeboat rescue	**162.2**	**21.6**	**(25.7)**	**–**	**158.1**
Lifeguard rescue	**23.1**	**0.7**	**(1.5)**	**–**	**22.3**
International	**3.1**	**–**	**–**	**–**	**3.1**
Water safety, education and awareness	**6.9**	**0.1**	**(0.2)**	**–**	**6.8**
Total charitable spend	**195.3**	**22.4**	**(27.4)**	**–**	**190.3**
Income available for charitable spend					
Legacies	**151.3**	**–**	**–**	**–**	**151.3**
Donation	**71.1**	**–**	**–**	**–**	**71.1**
Trading (net)	**8.9**	**–**	**–**	**–**	**8.9**
Charitable trading	**5.2**	**–**	**–**	**–**	**5.2**
Investments (net)	**4.3**	**–**	**–**	**–**	**4.3**
Other	**0.9**	**–**	**–**	**5.2**	**6.1**
Total income available for charitable spend	**241.7**	**–**	**–**	**5.2**	**246.9**
Cost of generating income	**(45.8)**	**(0.5)**	**2.0**	**–**	**(44.3)**
Net income available for charitable spend	**195.9**	**(0.5)**	**2.0**	**5.2**	**202.6**
Operating surplus/(deficit)	**0.6**	**(22.9)**	**29.4**	**5.2**	**12.3**
2023 operating surplus/(deficit) (see Note 16)	7.0	(34.4)	27.9	0.5	1.0

Asset purchases comprise fixed asset additions shown in Note 6, less retentions included in creditors at year end.
Asset sales comprise proceeds of disposal of £5.5M less profit on disposal of £0.3M.
Depreciation, amortisation and impairment charges are also shown in Note 6.

Sharing skills and experience: in 2024 we hosted another Leaders in Lifesaving course at the RNLI College, bringing lifesavers together from all around the world

18. GOVERNMENT GRANTS

	2024 £M	2023 £M
International grants	**0.1**	0.3
Total	**0.1**	0.3

The RNLI does not normally seek funding from government, to ensure that we retain independence in all that we do to save lives at sea. However, there are exceptions made where such independence is not compromised.

During 2024, the RNLI received funding from the UK Government Foreign, Commonwealth and Development Office for the amount of £5,000 (2023: £107,280). These funds were spent entirely on the project Creches for Bangladesh – Reducing drowning mortality and improving early childhood development of children aged 1–4 in rural communities of Barishal Division, under UK Aid Match grant reference number 205210-301. €100,000 (2023: €125,000) was received from the Irish Government Department of Foreign Affairs for the project Artisanal fishing communities work more safely to prevent drowning in Tanzania and globally through shared learning, under grant reference: CSF 13-24. The Isle of Man Government supported our Lake Victoria Drowning Prevention Project in Tanzania with a grant of £45,846 (2023: £50,942), grant reference number SG-007.24.

19. RELATED PARTIES

The group had no related party transactions in the year other than the transactions between group entities which are disclosed in Note 2.

Details of transactions with Trustees and the Executive Team are disclosed in Notes 3 and 4.

20. EVENTS AFTER THE REPORTING DATE

The group has had no reportable events after the reporting date.

Workhorse of the fleet: our D class inshore lifeboat crews launched more than 2,500 times in 2024 – around 27% of the RNLI's total launches for the year

RNLI OFFICERS AND CONTACTS

PATRON

His Majesty The King (from May 2024)

PRESIDENT

HRH The Duke of Kent KG

TRUSTEES

Janet Legrand OBE KC (Hon) | Chair
Fiona Fell | Deputy Chair
Jim Islam | Treasurer
Denis Woulfe OBE | Senior Independent Trustee
Roger Fairhead (retired February 2025)
Dr Philip Goodwin
Andrew Jordan
Dr John Killeen
Paddy McLaughlin MBE
Sonia Modray
Lord Mark Sedwill GCMG
Mike Sturrock
Mark Wordsworth

OUTGOING TRUSTEES IN 2024

Chris Walters

Find out more about OUR TRUSTEES here

COUNCIL

HRH The Duke of Kent KG | President
Dr Peter Aitken
James Allan
Neil Appleton
Alison Appleyard
Orlene Badu (retired April 2024)
Robert Boddington
Simon Bowen
Tim Bryan
John Burke
Katie Cadden
Ffion Chambers
Professor John Chudley (retired June 2024)
Allen Corlett
Philip Davies
The Hon Andrew Dixon
Simon Dudley
Louise Evans
Sir Jeremy Fleming KCMG CB
David Hallam
Jonathan Hart
Gillian Hodgetts
Mark James
Paul Jevons
Al Kassim
Professor Anthony Kessell
Jacquie Leitch
Peter Lloyd
James Marshall
Captain Ian McNaught CVO MNM (retired June 2024)
Lynn McSeveney
Alastair Miller
Judy Nelson (retired June 2024)
John Newell MBE
Rosie Norris (retired February 2024)
Paul O'Leary
Scott Parsons
Melissa Potter
Sinéad Reen
Simon Robinson
Chris Smith
Professor Mike Tipton MBE
Jane Totten
Hugh Tully
Ian Venner
Dinesh Visavadia
Chris Walters (retired June 2024)
Lesley Wilkin (retired February 2025)
Kate Wilson

EX OFFICIO GOVERNORS

The Lord Mayor of London
The Chairman of The Baltic Exchange
The First Sea Lord
The Chairman of Lloyd's
The Master of The Honourable Company of Master Mariners
The Deputy Master of Trinity House
The Chair of The Royal Yachting Association
The Chair of The Northern Lighthouse Board
The Chairman of The Commissioners of Irish Lights
The UK National Hydrographer

INVESTMENT ADVISER

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London W1U 1DQ

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Oxford OX2 0JB

AUDITOR

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London
W1U 7EU

PRINCIPAL SOLICITORS

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Salisbury SP2 7RJ

BTO Solicitors LLP
48 St Vincent Street
Glasgow G2 5HS

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7/8 Wilton Terrace
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Blake Morgan LLP
Harbour Court
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North Harbour
Portsmouth PO6 4ST

Wedlake Bell
71 Queen Victoria Street
London EC4V 4AY

Maclaine & Co Solicitors
Imperial Buildings
72 High Street
Belfast BT1 2BE

STANDING COMMITTEES

Membership Nomination Committee
Chair: Janet Legrand OBE KC (Hon)

Remuneration Committee
Chair: Roger Fairhead (to February 2025)

Audit and Risk Committee
Chair: Denis Woulfe OBE

Investment Committee
Chair: Mark Wordsworth

Property Committee
Chair: Sonia Modray

Finance Committee
Chair: Jim Islam

ADVISORY COMMITTEES

Operations Committee
Chair: Andrew Jordan

Technical Committee
Chair: Chris Walters (to June 2024)
Interim Chair: Simon Bowen (from June 2024)

Heritage Committee
Chair: Tim Bryan

Medical Committee
Chair: Dr Peter Aitken

Scottish Council
Chair: Chris Smith
Deputy Chairs: Sheona Smith and Karen Stewart

Council for Ireland
Chair: Dr John Killeen
Deputy Chair: Paddy McLaughlin MBE

People Committee (disbanded December 2024)
Chair: Roger Fairhead (to December 2024)
Acting Chair and Executive Sponsor:
Caren Thomas, RNLI Director of People (from January 2024)

COMPANY SECRETARY

Nick Giles (to July 2024)
Ethan Fleming (from October 2024)

The RNLI thanks its past chairs and vice presidents for their ongoing support and commitment

EXECUTIVE TEAM

Chief Executive
Mark Dowie CBE DL (to June 2024)
Peter Sparkes (from June 2024)

Director of Engineering and Supply
Jamie Chestnutt (to October 2024)
Ross Barraclough (interim, from October 2024)

Chief Information Officer
Claire Deuchar

Director of Fundraising, Marketing and Media
Jayne George

General Counsel
Nicky Nelson (to February 2025)

Director of Lifesaving Operations
John Payne (to March 2025)

Chief Operating Officer and Director of Regions
Leanna Lakes (from March 2025)

Chief Finance Officer
Steven Peacock (to February 2025)
Matthew Waterfall (interim, from February to March 2025)

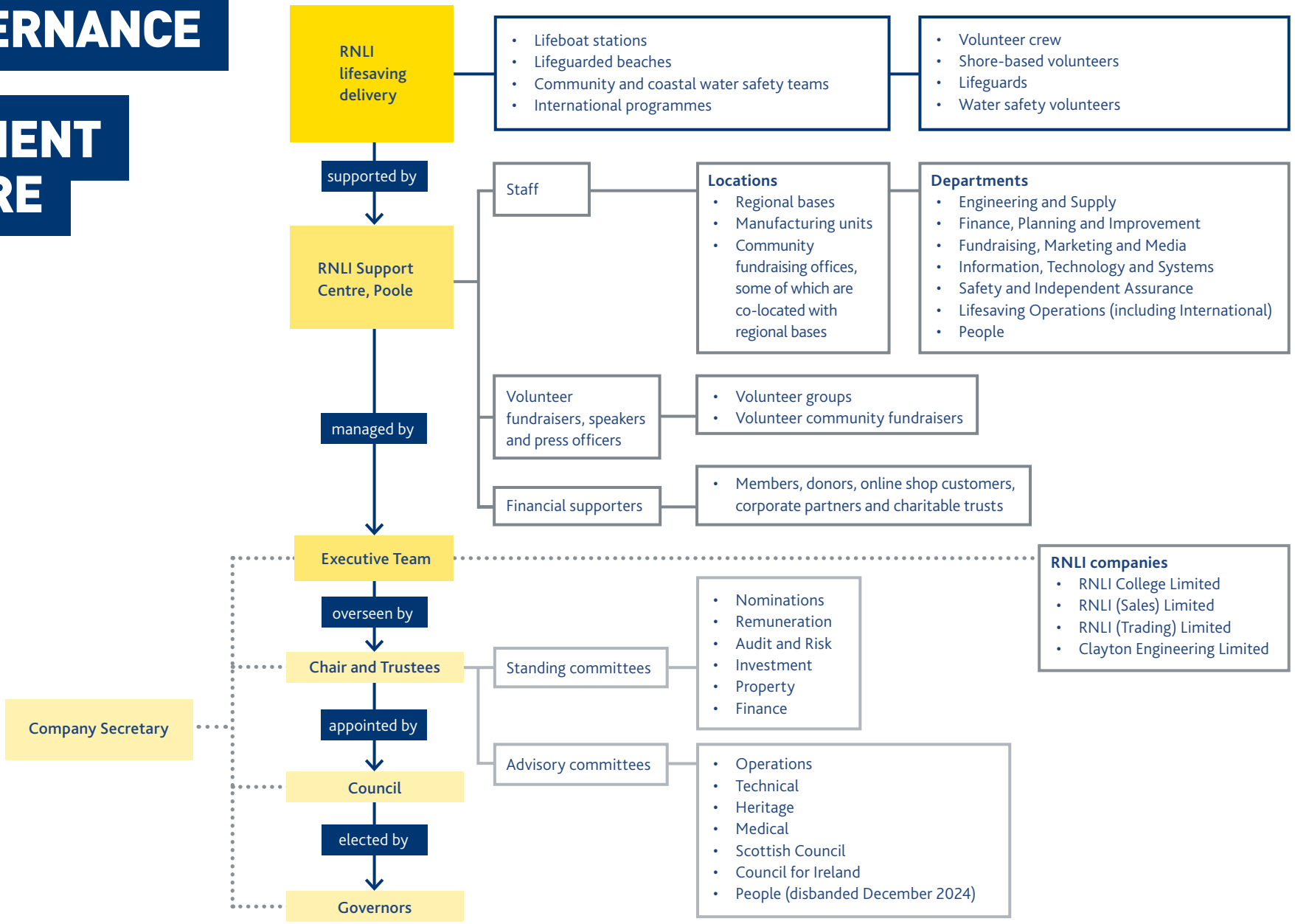
Chief Finance Officer and Corporate Services Director
Sarah Davies (from April 2025)

Director of People
Caren Thomas (to February 2025)
Carolyn Greene (interim, from February 2025)

Safety and Independent Assurance Director
Rob Faricy

Find out more about our EXECUTIVE TEAM here

RNLI GOVERNANCE AND MANAGEMENT STRUCTURE



THANK YOU

The RNLI would like to say a huge thank you to the thousands of people who made our lifesaving work possible in 2024.

LEGACIES

The RNLI is grateful for every legacy, big or small. Here are just a few of the kind people who left a gift in their Will last year:

- **John Evans** was an engineer with the Merchant Navy before retiring at 65. He had a few close calls over the years and was onboard *London Valour* when it sank off the coast of Genoa. John was pulled from the water by a local lifeboat crew and was forever grateful. This motivated his support for the RNLI.

- **Sue Turner's** father was a captain in the Merchant Navy who sadly lost his life during the Second World War. Sue moved to Aldeburgh with her second husband, Hugh, where she lived until her death. Both were supporters of the RNLI and her legacy reflects that strong connection to the Suffolk coast.

- **Donald Worsman** and his family were rescued from a yacht by the RNLI in 1970, following a dramatic 13-hour rescue off the coast of Holyhead. This experience left him with a high regard for the RNLI and was the reason he left a legacy.

TRUSTS, FOUNDATIONS AND INSTITUTIONAL DONORS

We are extremely lucky to work with so many generous charitable organisations and individuals. Many of them support on a regular basis or phase their gifts over several years. This helps us plan for the future and match lifesaving projects to the specific objectives of these trusts, foundations and donors. Thank you to:

- Christopher Laing Foundation
- Dr Scholl Foundation
- Ellen Mavis Chalk Charitable Trust
- Ganton Furze Settlement
- Goldman Sachs Gives
- Horlock Educational Trust
- Houghton Dunn Charitable Trust
- Irish Aid, Government of Ireland
- Isle of Man Government
- Jean and Roger Miller's Charitable Trust
- Julia Rausing Trust
- Logan Charitable Trust
- Miss Isabel Harvey Charitable Trust
- Miss Kathleen Beryl Sleigh Charitable Trust
- Moondance Foundation
- Mrs Jennifer Anderson
- Mrs KLJ Bartlett Deceased Charitable Trust
- Muriel and Gershon Coren Charitable Foundation
- Myristica Trust
- National Institute of Health Research, UK Government
- Norbury Boathouse Fund
- Northwood Charitable Trust
- Princess Charlene of Monaco Foundation
- Q Charitable Trust
- Shanly Foundation
- Sir James Knott Trust
- Starkie Bence Charitable Trust
- The Beacon Owl Trust
- The Bothwell Charitable Trust
- The Calleva Foundation
- The Elizabeth Frankland Moore and Star Foundation
- The Grace Trust
- The Hogg Hardie Trust
- The Hugh Fraser Foundation
- The Kathleen Smith Foundation
- The Kenneth & Susan Green Charitable Foundation
- The Mullion Charitable Trust
- The Nancy Bateman Charitable Trust
- The Olivemount Trust
- The Pauline Bishop Charitable Trust
- The Revitalising Trusts Project
- The RS Macdonald Charitable Trust
- The Sally Odell Charitable Trust
- The Samuel and Freda Parkinson Charitable Trust
- The Snooks Foundation.

MEMBERS AND SUPPORTERS

Every pound or euro has a part to play in saving lives at sea. We are grateful for the generosity of all our supporters, including those who donate in memory of a loved one or have made an anonymous gift. We thank the following (or their donors) for their significant contributions last year:

- Alan Gosling
- Alan Underwood
- Alec and Sue Smith
- Alison and Michael Veale in memory of Sir Alan Veale
- Andrew and Lynn Richmond
- Andy and Dominie Walters
- Andy Todd and Jane Miles
- Anita Hurrell in memory of Stephen Hurrell
- Anne Lawson
- Anonymous supporters from Singapore
- Audrey Buxton
- Bill Wraith
- Brenda and David Leigh
- Bromley and District branch number 26 of the British Sub Aqua Club
- Charles and Sheila Ford
- Christopher and Angela Perkins
- Christopher Lean
- Dave and Gráinne Henderson
- David and Eleanor Holloway
- Diane Walker in memory of Sandra Walker
- Eric and Elaine Murrell
- Freda Kendall

- Gill Mold in memory of Peter Mold
- Grace L Strong
- Helen Spittal in memory of Michael Cobby
- Hilary and Cameron Shepherd
- In memory of Alison Gemmell
- In memory of Barry and Peggy High
- In memory of Conor McLoughlin
- In memory of James, Alex and Glenda Jappy
- In memory of John Hennell
- In memory of Norman and Phyllis Westbury
- In memory of Sheila and Lewis Ritchie
- In memory of Stan and Norah
- In memory of Sue Sorotos
- Jean Cass in memory of Eric Cass
- Jeffrey and Barbara Court
- Joan Allport in memory of Maurice James Allport
- John Hill in memory of Marjorie Hill
- Julie Bartrop in memory of her brother Paul Bartrop
- Kate Chorlton in memory of Alan Chorlton (Motivation)
- Lizzie Wallis
- Loretta Haran in memory of Bill Haran
- Marion Minett
- Martin and Roni Lovegrove
- Martin Dickinson
- Mick Gumbrill in memory of Jean and Elizabeth
- Mike and Celia Shadwell
- Mike and Gill Baldwin
- Mike and Jane Stephenson
- Mrs Monica Teresa Young in memory of Peter John Young
- Neale Dougan
- Norman and Pamela Murray in memory of Niall and Andrew Murray
- Pat and Susan Russell
- Pat Sydes in memory of Steve Sydes
- Paul Skinner in memory of Sue Skinner
- Penelope Nicholls
- Racle Family
- Sam Gillies
- Sheila McGinley on behalf of Nicky Royle
- Stephen Warren in memory of Julie Attenborough
- Stuart Doole
- Tim O'Connor in memory of Monica O'Connor
- Trevor and Mary Tomsett.

PARTNERSHIP SUPPORTERS

We would like to thank all the companies and organisations that supported us in 2024. In particular, for their continued and significant support, we thank:

- Alta Advisers Limited
- Associated British Ports
- Bremont Watch Company Limited
- Burts Snacks
- DPDgroup Community Fund
- Dryrobe Limited
- EDF
- Finisterre
- Ford Motor Company Limited
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- Scania Limited
- The Lifeboat Fund
- The Royal Mint
- The Royal Navy
- Uber Boat by Thames Clippers
- Woodmansterne Publications Limited
- XTRATUF
- YETI UK Limited
- Zoggs.

REGIONAL PARTNERS

We would also like to thank all of our regional partners for their support:

- Amgueddfa Cymru (National Museum Wales)
- Baltic Exchange
- Boat Race
- Cellecta
- Cement Fields
- Choir Community
- Cornish Pirates Rugby Team
- Dawsons Auctioneers
- DrinK in a Hand
- Fynoderee
- GWR
- Highland Park
- Ignite Marine
- Isle of Man Stamps
- Peter Beales Roses
- Pocket Planet
- Salcombe Gin
- SC Dogs
- Scotmid
- Sea2Shore
- Sizewell/Suffolk County
- Stagecoach Sussex
- St Austell Brewery
- Taylor Wimpey
- Thames Clippers
- Whitby Gin Distillery
- Yates Brewery.

CONTENTS

THE FUNDRAISERS

A heartfelt thank you goes out to the thousands of volunteers in RNLI branches, supporter groups, guilds, museums and visitor experiences. Your hard work, passion and determination raised around £16M through a range of imaginative activities that truly celebrated our anniversary year. Thank you also to your communities for their generous donations and support. Thanks to our shop and souvenir volunteers for achieving over £10M through souvenir sales and opening our shop doors for over 40,000 days, and also to the hundreds of independent fundraisers who took on all sorts of challenges, real and virtual. You keep the lifesavers ready for anything.

THE RNLI 200 CLUB

Thank you to our 200 Club members who as individuals, businesses, or part of a group very generously funded the range of activities and programmes that marked the RNLI's 200th anniversary. This included exhibitions, education programmes, youth development opportunities, photographic events and thanksgiving services.

These activities and programmes were pivotal in commemorating the RNLI lifesavers of years gone by, celebrating the incredible lifesavers of today and inspiring the next generation. Generous funding from the 200 Club meant that this was all delivered without using general lifesaving funds. Thank you for making that possible.

Pembroke Castle Lifeboat Festival: thousands descended on this iconic fortress for a day of family fun in June. Marking 200 years of saving lives at sea, the event gave the public a chance to meet their local RNLI lifesavers and learn how to stay safe in the water

‘With courage, nothing is impossible’

Sir William Hillary, RNLI founder

The RNLI is the charity that saves lives at sea

Royal National Lifeboat Institution, a charity registered in England and Wales (209603), Scotland (SC037736), the Republic of Ireland (CHY 2678 and 20003326) the Bailiwick of Jersey (14), the Isle of Man (1308 and 006329F), the Bailiwick of Guernsey and Alderney (CH135 and CH386), of West Quay Road, Poole, Dorset BH15 1HZ

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info@rnli.org.uk

RNLI.org

Cover image: This wonderful photo mosaic captures the special moment 6.24pm (18.24) on 1 August 2024 (1.8.24), when hundreds of RNLI communities came together as One Crew to mark the RNLI’s 200th anniversary

Photos: Harry Barea, @iconized.ltd/Felix Bluethner, Dean and Chapter of Westminster/Picture Partnership, Stephen Duncombe, Peter Grogan, Peter Hancock, EMEDO/Peter Kimisha, Dave James, Luc Lacey, Laura Lewis, Chris Mason, Serena Munro, Cathal Noonan, RNLI/(Lizz Armstrong, Harrison Bates, Katie Beney, North Berwick, Matman Photography/Dover Media Group/Dover RNLI, Maura Hickey, Charis Jefferson, Simon Johnson, @oslo.ethan.will_swcp, Lerwick, Nigel Millard, James Smerdon, Photodrones, Anya Walton, James Williams, Nathan Williams), Hannah Scoular, Chris Smith

J24996600

Lifeboats

THE ROYAL NATIONAL LIFEBOAT INSTITUTION

England & Wales - Charity number 209603

Accounts

Lifeboats

RNLI ANNUAL REPORT AND ACCOUNTS 2023

We're getting ready to face any storm

Kurt Jackson

Whoever we are Wherever we are from

We are one crew

Ready to save lives

We're powered by passion **talent** and **kindness**

Like generations of selfless lifesavers before us

This is our watch

We lead the way

Valuing each other **Trusting each other** **Depending on one another**

Volunteering to face the storm together

Knowing that **with courage nothing is impossible**

That is what has always driven us

to save every one we can

It's what makes every one of us

a lifesaver

Training as One Crew: Tenby RNLI lifeboat crew and lifeguards hone their skills together during a medical exercise

Annual Report of the Trustees of the Royal National Lifeboat Institution

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‘We faced the storm together, building foundations to ensure the future of our extraordinary organisation’

As supporters across the generations gather to commemorate and celebrate 200 years of RNLI lifesaving, we should pause to reflect on the vital work our people carried out in 2023.

As you read this, special RNLI anniversary events are in full swing around our nations and regions – and I am looking forward to seeing our communities come together as One Crew at 18.24pm on 1 August. But, for now, it is an honour to look back on what our people achieved in 2023.

Despite an ongoing cost-of-living crisis and conflict overseas, the RNLI family continued to pull together and adapt to an unpredictable environment. We worked hard to ensure the sustainability of our charity and we built new partnerships, raised more funds and saved many lives. Our lifeboat crews and lifeguards were busy, facing everything from 90mph winds and freezing seas to mass beach rescues in the heat of the summer season.

One of the things that really struck me in my first year as RNLI Chair, was how many different people, in so many different places, support our cause. For example, I was lucky enough to be at Croke Park in Dublin, for a hurling semi-final. It was deeply moving to see our crew members walk onto the pitch alongside the Gaelic Athletic Association (GAA) players at half time.

They got a wonderful response from the 80,000 people in the crowd, and it really highlighted the powerful relationship we have with the GAA, which raises water safety awareness to millions of people around Ireland.

Another highlight was in September, at Margate, when people young and old turned out for the naming ceremony of the station’s new Atlantic 85. There is something very special about this form of ceremony and service that’s been passed through the generations. It is still relevant today, with its unique blend of community and tradition, and all the innovation of a modern emergency service. The day happened to be the 30th year of volunteering for Lifeboat Operations Manager Del Amas too, so it was an honour to present him with a long service award.

In Queensferry, it was also a privilege to present a long service medal to Tom Robertson, who has volunteered in crew and station roles for 50 years. Tom was one of many RNLI people I met in Scotland as part of a coast review. This was a whistlestop tour of six stations where I met lots of inspirational people, from shop volunteers to lifeboat launchers. The trip provided valuable insight for our operations specialists, to understand the range of rescues and challenges the volunteers face. It was good to hear that, although the types and numbers of shouts have shifted over the years, the supportive bond and camaraderie of the crews remain unchanged.

Sometimes their rescues deserve special recognition, like when Penlee lifeboat crew battled gale force winds, rough seas and driving rain to save eight people from a disabled yacht (page 7). Coxswain Patch Harvey is to be awarded the RNLI’s Silver Medal for his courage, leadership and excellent boathandling skills during this epic rescue.

Our crew would not have the boats and protection they need to save lives without our fundraisers, and it was amazing to learn about some of their adventures in 2023. Like Alan Cheesley, who completed a 5,000-mile cycle challenge in May. He raised £10,000 for our lifesavers by visiting 200 lifeboat stations, a fitting number to mark our special birthday.

Of course, we also put in an immense amount of work to prepare us for our 200th anniversary in 2024. Together, we planned a lifeboat festival and a myriad of other events across the UK and Ireland, introduced a new range of anniversary themed gifts, developed a *Storm Force Rescue* video game, and launched our *200 Voices* podcast series that brought a new RNLI voice to the world every day, for 200 days.

However you supported the RNLI in 2023 – whether that was heading to the rescue yourself, ensuring our lifeguards and lifeboat crews had everything they needed, sharing water safety messages or raising crucial funds – you helped to power our charity with your passion, talent and kindness.

Thank you for everything you continue to do for the RNLI.

Janet Legrand OBE KC (Hon)
RNLI Chair

‘It has been an honour to lead the Royal National Lifeboat Institution into our 200th anniversary year’

As I look back on my final full year at the helm of this special Institution, I feel extremely proud of our charity’s achievements, and of the remarkable people who made them possible.

One of my personal highlights of 2023 was meeting so many of them: volunteers and staff at lifeboat stations, lifeguarded beaches, shops, fundraising branches, offices and boat-building facilities.
It sometimes comes as a surprise to new RNLI supporters that we build and maintain our own lifeboats. But as a lifesaving charity, it is essential we have control over the quality and costs involved. The team at the Inshore Lifeboat Centre in Cowes on the Isle of Wight built 18 and refitted 52 inshore craft in 2023, while the All-weather Lifeboat Centre team in Poole, Dorset, built four new all-weather lifeboats and refitted a further nine.

A day doesn’t go by without at least one of our courageous volunteer crews launching their highly capable lifeboats to the rescue. While 2023 was not quite as busy as the previous year in terms of launches, hundreds of people are only here today because our crews saved their lives during the course of 2023. Meanwhile our lifeguards attended thousands of incidents, despite the wet summer, as part of their highly effective patrols on 239 beaches around the UK and Channel Islands.

In addition to our rescue work, we continued to conduct vital safety projects and share messages at home and overseas, all in a bid to tackle the drowning tragedies that devastate families and communities every day, around the world. At the end of the year, we were honoured to learn that our international endeavours were to be recognised by UNESCO as part of their commemoration of our 200th anniversary.

In September, drowning prevention experts from around the globe visited the RNLI College to take part in our Leaders in Lifesaving course. The course brought together 15 people from eight countries to share lifesaving expertise and experience – just one of the many ways in which the RNLI is playing a part in tackling the global drowning problem.

Whether we are sharing safety campaigns and knowledge or providing our lifesavers with the equipment, skills and facilities they need; it all comes at a financial cost. This means that all our lifesaving activity is thanks to our supporters and fundraisers, who provided an incredible £236.1M in net income in 2023.

To them, and indeed to every member of our One Crew that powers this charity, I would like to say a heartfelt ‘thank you’ for everything you did last year to help us Save Every One we can.

It has been an honour to lead the Royal National Lifeboat Institution into our 200th anniversary year, and to have played a part in laying firm foundations for many more years to come.

Mark Dowie
RNLI Chief Executive

Keeping us ready to face any storm

The past 5 years have been some of the most turbulent in RNLI history: dealing with the impact of a pandemic and rising inflation, a significant increase in demand, and heightened public scrutiny – especially in response to small boat crossings in the English Channel.

Mark Dowie has been the right leader at the right time. He has tackled criticism head-on, reaffirming the RNLI’s vision to save every one. He has stayed true to the RNLI’s purpose throughout – generating amazing support and income, sector-wide recognition, and new heights of global influence. He has much to be proud of, not least maintaining a 24/7 rescue service throughout and bringing the RNLI’s people together as one crew.

Thank you, Mark. We wish you fair winds and following seas.

Peter Sparkes takes up the helm as Chief Executive in June 2024. We are confident he has the right skills, experience and gravitas to take our charity forward into its third century of saving lives at sea.

Janet Legrand OBE KC (Hon) | *RNLI Chair*

WHAT WE DO

We won't stand by while anyone, anywhere, drowns. The RNLI saves lives and prevents drowning through these core activities:

LIFEBOATS

Our lifeboat crews aim to reach at least 90% of casualties within 10 nautical miles of the coast, within 30 minutes of a lifeboat launch, in any weather. Most crew members are volunteers. See page 10 for more.

LIFEGUARDS

Our lifeguards aim to reach anyone up to 300m from shore, within the red and yellow flags on RNLI-patrolled beaches, within 3½ minutes. Most of their work is about helping people avoid getting into danger. See page 14.

WATER SAFETY

Our water safety experts work with lifeboat and lifeguard teams to break the drowning chain – prioritising by risk, working with others, positively educating all and remaining inclusive to reach every one. See page 16.

INTERNATIONAL

We also work with partners globally and in countries where drowning is a significant problem to raise awareness, widen the research base and help develop solutions to save more lives. See page 17.

FUNDRAISING

As a charity independent of government, we rely on the generous support of donors to meet the cost of our lifesaving activities. We set exacting standards in our fundraising to protect and maintain good relationships with our supporters and ensure financial stability. See page 18.

Powered by kindness: Coldingham lifeguards with Eyemouth crew, onboard their new D class lifeboat *Sheila*. The inshore craft, generously funded by Ann Wilson and named in memory of her sister, arrived on station in May 2023

READY TO SAVE LIVES

RNLI volunteer lifeboat crews provide a 24-hour search and rescue service in the UK and Ireland, and our seasonal lifeguards look after people on busy beaches.

MORE THAN A RESCUE SERVICE

We are here to save every one we can. To save every one, we need to reach every one. That's why, with your support, the RNLI also makes early interventions by influencing, supervising and educating people. We work with partners to understand the risks and offer innovative solutions, and our water safety teams give that knowledge to as many people as they can. We are proud to share that expertise internationally too. We give support in countries where drowning rates are significant, and work with like-minded organisations to raise awareness of the problem globally and how we can address it together.

These lifesaving activities are underpinned by people and initiatives that raise funds and ensure that we are well-governed and compliant.

POWERED BY PASSION, TALENT AND KINDNESS

Volunteers are at the heart of our charity, supported by expert staff to enable communities to save lives. More than 10,000 of our operational crew members, and around 100 of our lifeguards, are volunteers. More than 14,000 dedicated volunteers also raise funds and awareness, give water safety advice and help in our shops, museums and offices.

OUR IMPACT IN 2023

People from all across our charity came together as One Crew to save hundreds of lives and protect thousands more people.

Lifeboats, lifeguards and water safety teams united once again to deliver a world-class lifesaving service, with 238 lifeboat crews launching around the clock to people in distress, and lifeguards delivering a seasonal lifesaving service on 239 beaches (see page 8).

Despite it being another busy year, the number of incidents was lower than in 2022, especially for lifeguards. Poor weather meant fewer people visited our coasts in July and August, although a late heatwave triggered a spike in water-based activity during September. We continued to see a growing trend in paddle sports and the use of larger inflatables.

Together, our lifeboat crews and lifeguards saved a total of 355 lives in 2023, an average of nearly one life every day. RNLI lifeboat crews aided 10,734 people (16,476 in 2022) and saved 269 lives (389). Our lifeguards carried out more than 2.9M (4M+) preventative actions and saved 86 lives (117). Lifeguards aided a further 19,979 individuals, compared with 23,204 in 2022. See page 8 for more lifesaving statistics.

While 2023 saw fewer people crossing the English Channel in small boats, it remained an important area of activity for a number of our lifeboat stations on the south-east coast of England. We shared our latest innovations for dealing with multiple people in the water with our fellow lifesavers at Société Nationale de Sauvetage en Mer (SNSM) in France.

Beyond search and rescue, we continued using our expertise to prevent people from getting into danger in the first place. Following our latest research with the University of Portsmouth, we carefully honed our Float to Live messaging for a new campaign in May.

We maintained awareness of this core safety message among our target audience and it continued to make real-world impacts, with more examples of adults and children saving themselves or helping others by remembering our advice.

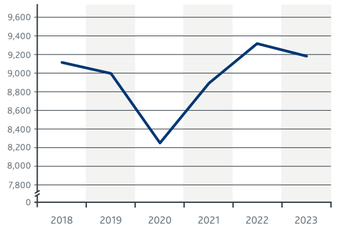
Thousands of young people received free Swim Safe sessions and many thousands more learned crucial safety advice directly from lifeguards and water safety volunteers. We also worked with scout and guide organisations to spread water safety knowledge to more young people.

More Gaelic Athletic Association (GAA) clubs and communities got involved in our blossoming water safety partnership in Ireland in 2023 and we continued our vital work with the Black Swimming Association, in their Blue Hour programme and other pioneering research. Meanwhile, our Ambassador Scheme grew to 1,000 local businesses amplifying our water safety messages at the coast.

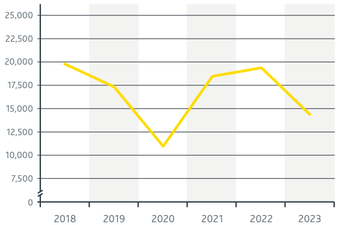
The RNLI continued to take action on global drowning. In 2023, we provided technical expertise and support to the governments of Ireland and Bangladesh, resulting in the World Health Assembly adopting its first-ever resolution on global drowning prevention. We welcomed 15 delegates from lifesaving organisations around the world to our Leaders in Lifesaving course at the RNLI College, and were proud to join forces with partners at home and abroad to commemorate World Drowning Prevention Day.

Read about our plans and performance in detail on page 20.

LIFEBOAT LAUNCHES



LIFEGUARD INCIDENTS



Facing the storm: the crew of Penlee's Severn class lifeboat *Ivan Ellen*

Courage, leadership and boathandling skills: Coxswain Patch Harvey (third from right) is to be awarded a Silver Medal for Gallantry. His crew mates will receive Medal Service Certificates

CASE STUDY

Torn to shreds

In an epic 5-hour rescue, Penlee lifeboat crew battled 90mph winds, rough seas and driving rain to save eight people from a devastated yacht.

The yacht was stranded in a hurricane off the Cornish coast, knocked sideways to the wind with her mainsail ripped to pieces. She was pitching and rolling violently, and taking on water. Some of the people onboard were severely seasick.

Light was fading as Penlee RNLI volunteers launched their Severn class lifeboat *Ivan Ellen*. 'We couldn't see the yacht until we were right on top of it,' says Coxswain Patch Harvey. 'The 8m swell made it too dangerous to put one of my crew onboard with a pump. We had no choice but to try towing them into safer water.'

When an attempt to secure the first tow failed, the yacht was less than a mile from land. Meanwhile, the all-weather lifeboat was rolling heavily and repeatedly hit by large breaking waves. The RNLI volunteers on deck were up to their waists in water as they prepared a second tow. Time was short and they knew this was their last attempt.

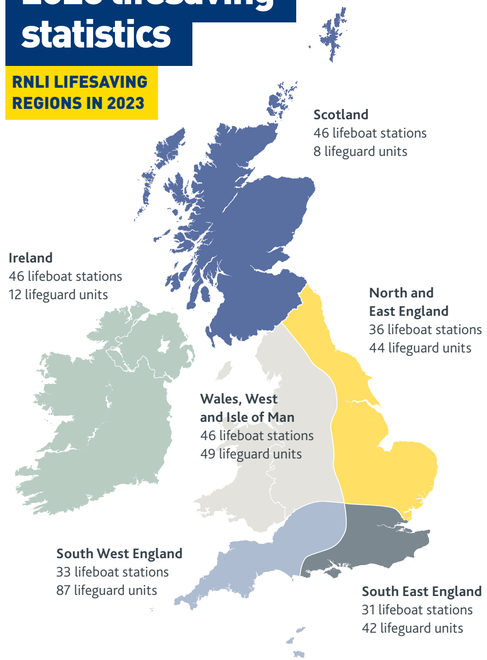
Finding a brief lull between sets of waves, Patch expertly manoeuvred the lifeboat close enough to pass the rope and shout instructions across. Although the tow was secured successfully this time, water continued to flood into the yacht and Patch knew the people onboard needed airlifting out.

Patch inched both vessels away from shore while they waited for the coastguard helicopter. Once on scene, the helicopter crew began the tricky task of winching all eight casualties to safety. 'When the last person was taken off I felt very relieved,' says Patch. 'We all did!' The lifeboat then increased speed and towed the stricken yacht into harbour, where Penlee's inshore crew helped to secure it alongside.

Visit **RNLI.org/magazine** to read about more 2023 lifeboat rescues

2023 lifesaving statistics

RNLI LIFESAVING REGIONS IN 2023



Although the number of RNLI beach lifeguard units in 2023 was 242, recruitment challenges meant that there was no lifeguard service at three of these units: Berrow in Somerset, Bexhill-on-Sea in East Sussex and Minster-on-Sea in Kent.

In 2023, we saw fewer lifeboat launches and lifeguard incidents than in 2022. This was probably due to poor weather in July and August, and a higher than average rainfall throughout the year. However, it was the second busiest year for launches in the past decade, and 75% of all lifeguard incidents occurred during June, July and August.

LIFEBOATS: BY RNLI LIFESAVING REGION

Lifesaving region	Launches	Lives saved*	People aided	Hours at sea by vessel	Hours at sea by crew	Crew assemblies
South East England	2,839	93	4,397	3,259	15,110	249
Wales, West and Isle of Man	1,593	60	1,731	2,154	9,927	346
South West England	1,505	34	1,432	2,110	10,147	147
Scotland	1,251	15	1,093	2,034	10,283	149
North and East England	1,041	33	779	1,428	5,924	241
Ireland	963	34	1,302	1,363	6,456	96
Total	**9,192**	**269**	**10,734**	**12,348**	**57,847**	**1,228**

LIFEBOATS: BY CASUALTY TYPE

Casualty type	Launches	Lives saved	People aided
People†	3,887	85	4,011
Miscellaneous‡	1,360	5	67
Powered boats	1,272	62	2,885
Sailing	900	0	1,683
Manual watercraft	512	34	620
Suspected self-harm§	485	69	307
Commercial	384	14	1,161
False alarm	303	0	0
Animals	89	0	0
Total	**9,192**	**269**	**10,734**

Round the Island Race: Cowes RNLI volunteers help a yacht crew in trouble off The Needles

*Someone who would have lost their life had the RNLI not been there.
†Anyone without a craft or in unknown activity. People accounted for 42% of all launches.
‡Including aircraft, body recoveries, distress signals, motor vehicles, objects in the sea, small craft, criminal activity and unknown.
§Self-harm accounted for 3% of the people we assisted. The number of these incidents was the highest since 2018.

LIFEBOATS: BY CLASS

Lifeboat	Launches	Lives saved	People aided	Number of vessels used	Hours at sea by vessel
B class	2,991	63	3,100	123	3,398
D class	2,660	91	2,025	140	2,685
Severn	933	30	2,383	41	1,971
E class	848	20	426	4	529
Tamar	545	17	721	27	1,138
Shannon	525	22	995	44	1,174
Trent	494	13	803	30	961
Hovercraft	103	6	70	7	115
Mersey	60	6	45	8	139
A class	18	0	8	3	12
Rescue watercraft	10	0	3	1	19
Other	2	1	150	2	201
Y class	2	0	5	1	2
XP class	1	0	0	1	4
Total	**9,192**	**269**	**10,734**	**432**	**12,348**

TOTAL LAUNCHES: **9,192**
TOTAL LIFEBOATS USED: **432**

146,277
LIVES SAVED SINCE 1824

Making prevention the priority: Senior Lifeguard Nick Ellison puts up a windbreak displaying safety messaging at Le Braye Beach, Jersey

LIFEGUARDS: BY RNLI LIFESAVING REGION

Lifesaving region	Preventative actions	Incidents	Lives saved	People rescued	People aided	Casualty care	Minor first aid	Searches	Missing and found	Non aquatic assists	Near misses	False alarms	Antisocial behaviour	Animals	Other
South West England	1,297,382	7,501	38	1,933	10,398	613	4,124	57	528	124	971	38	112	58	111
Wales, West and Isle of Man	582,103	2,300	17	303	4,037	206	986	47	196	555	285	22	38	76	52
South East England	396,614	2,167	14	168	2,436	269	1,055	30	360	28	51	12	70	6	29
North and East England	445,378	1,859	13	156	2,181	222	1,028	38	154	45	136	2	52	19	5
Scotland	43,292	197	0	5	613	13	77	2	7	9	307	1	21	3	0
Ireland	225,159	189	4	32	314	16	107	1	12	4	0	0	50	1	1
Total	**2,989,928**	**14,213**	**86**	**2,597**	**19,979**	**1,339**	**7,377**	**175**	**1,257**	**765**	**1,750**	**75**	**343**	**163**	**198**

Lifeboats

Our volunteer crews have been saving lives for 200 years. Their work remained at the heart of the RNLI in 2023.

Together with shore crews and other station volunteers, RNLI lifeboat crews continued to provide a ring of safety around the UK and Ireland. They remained ready to launch 24/7 from 238 lifeboat stations.

Despite it being Ireland's warmest year on record, and the second hottest for the UK, 2023 brought more than its fair share of heavy rain and storms. Consequently, there was a drop in the number of people visiting our coasts in July and August and, in turn, a lower number of lifeboat rescues than normal for the period.

It was a busy year overall though, with our lifeboat crews launching 9,192 times in 2023 (9,321 in 2022). They aided 10,734 people and saved 269 lives. More than a third of launches were carried out in darkness and 5% involved casualty care. Tower and Poole were our busiest overall and coastal stations respectively, with inshore lifeboat crews carrying out the majority of total launches (see page 13 for more on the D class). We saw a further rise in the number of people using paddleboards and large inflatables but the most cited reason for lifeboat rescues continued to be people getting into difficulty in and around the water (cut off by the tide, slips, trips and falls). See the 2023 lifesaving statistics on page 8 to delve deeper into the numbers.

As ever, our crews relied on first-class kit and training to save lives and get home safely. In 2023, engineers at our Clayton Engineering factory built two new Shannon Launch and Recovery Systems and carried out refits on four launch tractors. Our team at the Inshore Lifeboat Centre built six Atlantic 85 and twelve D class lifeboats, and carried out refits on 52 more inshore boats. Meanwhile, staff at our All-weather Lifeboat Centre built four new Shannons (for New Quay, Whitby, Anstruther and Oban) and carried out refits on nine other all-weather craft.

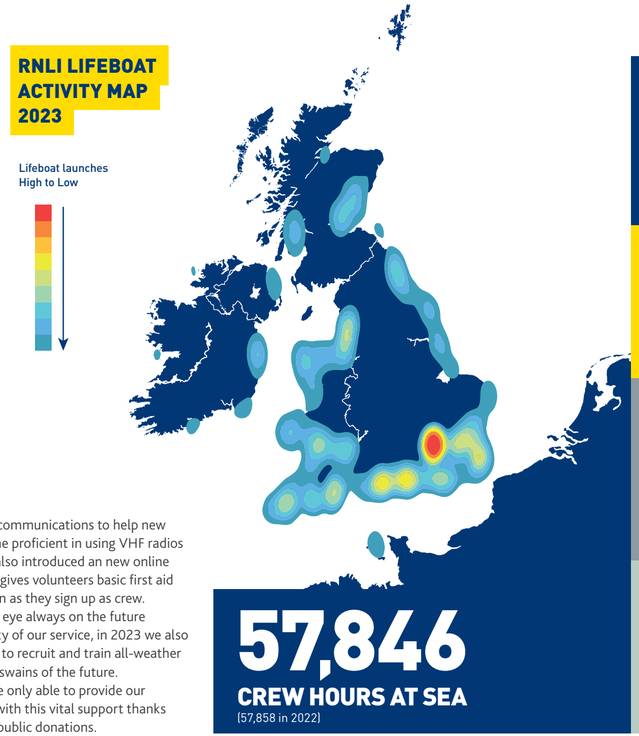
In-house experts also worked with crews to develop, test and deploy new rescue equipment for dealing with multiple people in the water, including an inflatable staircase that can recover 20 people from the sea within 90 seconds. We also worked with crews to update towing systems onboard Severn and Tamar class lifeboats. A new, lightweight line means that tows can be established with less physical effort, and it also reduces risk to volunteers when they are towing small craft.

We continued to deliver a comprehensive programme of competence-based crew training around the coast, and provided more than 40 specialist courses at the RNLI College. In 2023, we increased our range of training videos and digital learning courses to help volunteers learn new skills remotely. Our training specialists created new videos for helicopter operations and inshore lifeboat mechanics, and an eLearning course in search and rescue communications to help new crew become proficient in using VHF radios at sea. We also introduced an new online course that gives volunteers basic first aid skills as soon as they sign up as crew.

With an eye always on the future sustainability of our service, in 2023 we also began work to recruit and train all-weather lifeboat coxswains of the future.

We were only able to provide our volunteers with this vital support thanks to ongoing public donations.

RNLI LIFEBOAT ACTIVITY MAP 2023



57,846
CREW HOURS AT SEA
(57,858 in 2022)

5,557
CREW ATTENDED TRAINING SESSIONS
(including online courses and webinars)
(5,846 in 2022)

9,192
LIFEBOAT LAUNCHES
(9,321 in 2022)

22
NEW LIFEBOATS CONSTRUCTED
(22 in 2022)

280+
LIFEBOATS REFITTED, MODIFIED OR REPAIRED
(220+ in 2022)

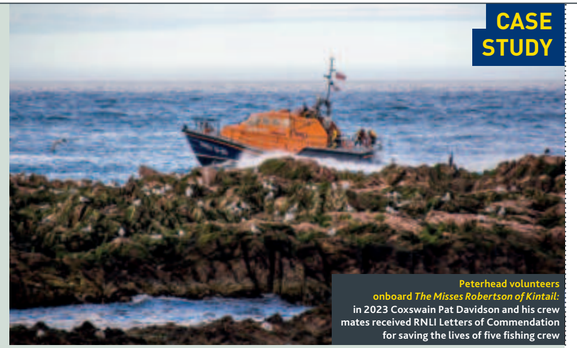
Seconds from disaster

With a fishing crew dangerously close to rocks in a powerful gale, Pat Davidson knew his first shout as Peterhead's volunteer coxswain would be one he'd never forget.

A large fishing vessel had lost power and was being tossed around in violent seas outside Peterhead's breakwater. Her five crew were in imminent danger.

The RNLI crew launched their Tamar class lifeboat into the fray. 'It was tough getting out of the harbour against the wind,' says Pat. 'I didn't think we'd reach them in time. It was a balancing act between throttles down and keeping her steady enough for the volunteers on deck.' In large swells, the lifeboat was struck by a freak wave which threw Pat around the upper steering position. Immediately looking behind, he was relieved to see his crew mates secure and on their feet.

At the scene, Pat knew he only had one attempt to place his craft in a good position. Timing between swells, he got them in close enough for his deck crew to safely set up a tow. With an expert throw, the heaving line hit its mark first time but, with ferocious waves sweeping it down the side of their boat, the fishing crew struggled to haul the rope onboard. With excellent seamanship, Pat allowed the lifeboat to be washed alongside the casualty vessel, keeping her head to sea, and the fishing crew were able to get the rope onboard and make it fast.



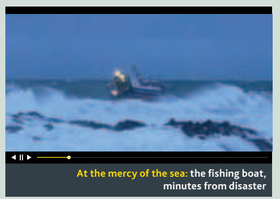
CASE STUDY

Peterhead volunteers onboard *The Misses Robertson of Kintail*: in 2023 Coxswain Pat Davidson and his crew mates received RNLI Letters of Commendation for saving the lives of five fishing crew

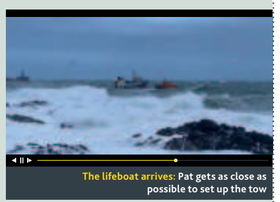
Pat used the Tamar's powerful engines to pull the 160-tonne fishing vessel clear of the rocks. 'Once we had momentum I just feathered the throttles, praying the tow wouldn't part,' he says. When they reached the relative safety of the harbour, local tugs took over and got the vessel to a safe mooring.

'My heart was in my mouth a few times. If their vessel had hit the rocks, they would have had no chance'

PAT DAVIDSON
COXSWAIN | PETERHEAD RNLI



At the mercy of the sea: the fishing boat, minutes from disaster



The lifeboat arrives: Pat gets as close as possible to set up the tow

Visit **RNLI.org/magazine** to read about more 2023 lifeboat rescues

CASE STUDY

Swallowed by the dark

With two people missing on Lough Derg in the early hours, the lifeboat crew needed all their local knowledge, sharp eyes and kit to find them.

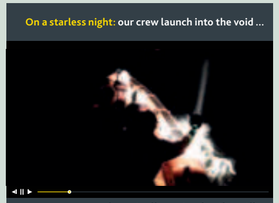
When a yacht was reported overdue in Mountshannon, friends said they had not heard from the pair onboard for 7 hours. RNLI pagers went off at 1.30am and, within 10 minutes, Helm Eleanor Hooker and her crew mates Doireann Kennedy, Ciara Lynch and Chris Parker launched Lough Derg RNLI's Atlantic 85 lifeboat *Jean Spier*.

The cold, starless night presented a challenge. Eleanor says: 'It felt like we were being absorbed by a huge cave. We had to dim our navigation gear to adjust our eyes.' The volunteers quickly oriented themselves, confirming their position with local knowledge and emerging light patterns back on land.

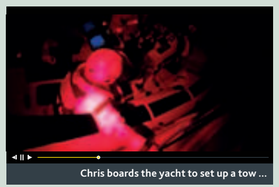
They searched in the pitch dark until Ciara spotted a ghostly outline. It was an eerie scene: there were no lights, sounds or signals but they had found the missing vessel dead in the water at a notoriously dangerous spot. 'Anyone onboard was at risk of hypothermia from just being out on the lough all night,' says Chris. 'If they had gone overboard, their chances of survival were low.'

As the lifesavers got closer, they were relieved to see the two men onboard who were cold and anxious, but otherwise OK. 'We were close enough to Garrykennedy to tow them alongside,' says Eleanor. 'We needed them where we could see they were safe.' Chris boarded their yacht and set up a tow and, as both vessels approached Garrykennedy 20 minutes later, the crew drew on all their experience and skill to get everyone safely through the tricky breakwater and safely into harbour. By 2.30am the RNLI crew had secured the yacht alongside and arranged for a friend to collect the casualties.

Visit **RNLI.org/magazine** to read about more 2023 lifeboat rescues



On a starless night: our crew launch into the void ...

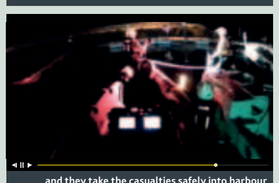


and eventually spot a ghostly outline

Chris boards the yacht to set up a tow ...

'Nobody calls us that time of the morning **unless it's serious**'

ELEANOR HOOKER
HELM | LOUGH DERG RNLI



and they take the casualties safely into harbour

New hand at the helm: in 2023, Ruth Oliver qualified as Whitstable RNLI's first female helm

'The training was very comprehensive. I look forward to serving the station and town for many years to come'

RUTH OLIVER
HELM | WHITSTABLE RNLI

Saving lives in the heart of London: RNLI crews at Tower have launched more than 10,000 times since the station opened in 2002

New Brighton volunteers recognised (l–r): Nelson Ramsey, Michael Stannard, Emily Craven and Thomas McGinn received Medal Service Certificates and a Framed Letter of Appreciation in 2023 for the rescue of a man and his dog. Helm Michael received the RNLI's Bronze Medal in 2022 for his skill and courage during the incident

CASE STUDY

Small but mighty

The RNLI's beloved D class lifeboat has been saving lives for an incredible 60 years.

The number of lifeboat shouts increased dramatically in the 1960s, as people discovered new and affordable ways to enjoy the seaside. But the lifeboats of the time were not designed for quick rescues in shallow, rocky waters. A simple, high-speed rescue craft was needed.

Following much research and hard work, the RNLI trialled a new inshore rescue boat at eight busy lifeboat stations in 1963. These D class lifeboats were such a success that just 3 years later, more than 70 stations were operating them during the summer. Today you can find this craft at nearly half of all RNLI stations and, with its top speed of 25 knots, the D class is widely regarded as the workhorse of the fleet.

Our designers, engineers, boat builders and crew have worked together to continually improve its design over the years. RNLI volunteers now operate the D class day and night, summer and winter. With night vision equipment, searchlights and parachute illuminating flares to light up the area, they can locate casualties in the dark.

In its 60 years, this versatile vessel has saved thousands of lives: families cut off by the tide, fishing crews adrift with engine failure, and children dragged out to sea while paddling. Its agility and speed enables RNLI crews to quickly reach people in desperate need. Of course, the development and outstanding service of this small but mighty craft has only been made possible by generous donations.

From the 1960s to the 21st century: D class lifeboats have saved more than 18,700 lives

'Being a helm of a D class lifeboat is a privilege. I love its power and capability. It makes such a difference in saving lives at sea'

ALAN FLOOD
HELM | CONWY RNLI

Lifeguards

RNLI lifeguards continued to deliver vital lifesaving services to local communities and tourists across the UK and Channel Islands.

Our lifeguards kept watch over millions of beachgoers, delivering more than 204,056 hours of patrols across 239 of our busiest beaches. Their priority is the prevention of incidents and, in 2023, they instigated more than 2.9M preventative actions. But they also responded to 14,213 incidents, helping around 20,000 people with everything from rescue to casualty care, and saving a total of 86 lives. 75% of all lifeguard incidents occurred during June, July and August.

In 2023, we had the lowest number of lifeguard incidents in a season since 2009 (except for 2020 which was affected by the pandemic). This was likely due to poor weather, with it being Ireland's wettest July on record and the UK seeing a 39% increase in average rainfall. August was also significantly wetter than the previous year, with rain further increasing above average right through to December.

Despite the decline in emergencies, it remained an active season for our lifeguards, and not without its challenges. Sadly, we saw an increase in anti-social and criminal behaviour that was sometimes targeted at our lifeguards, or our equipment and property. We continued our efforts to discourage this by using public beach signage to reinforce the RNLI's zero-tolerance stance and continued to provide welfare support for anyone affected.

RNLI lifeguards, staff and volunteers observed our coasts and beaches before the start of the season. They fed back data on visitor numbers and water use, which helped us set the right level of preparations and respond to changes in the way people access the water. We saw an increase in the number of beach visitors during heat spikes and a growth in the use of different recreational equipment, such as stand-up paddleboards and large inflatables.

The RNLI continued to explore the use of beach cameras and image recognition to increase the quality of its data, rolling out the system to a further 10 beaches in Northern Ireland. The technology allows us to count beach visitors and capture the number and timing of incidents attended by lifeguards. Knowing that the number of incidents is higher at a certain time of year and day means that our lifesavers are forewarned of trends and can hone their patrol strategy for maximum efficiency.

In partnership with the Royal Life Saving Society UK, we began trialling a new emergency response drone on Crantock Beach in Newquay. The waterproof craft allows lifeguards to quickly observe a wide area, then broadcast appropriate safety advice to the public through the drone's speaker system. The craft also has the potential to deploy lifesaving equipment.

Meanwhile, we fully assessed another three non-RNLI beaches, highlighting hazards and suggesting control measures to help local authorities and private beach owners plan comprehensive beach safety management. Our lifeguards also visited primary and secondary schools, providing 118,485 children with key water safety advice, and also led the delivery of our Meet the Lifeguards sessions and other water safety schemes.

These vital services would not be possible without trained and competent lifeguards. RNLI coastal teams continued to provide training, assessments and verifications in a range of disciplines, across many locations. In 2023, this included the development of a new lifeguard competency framework and the delivery of new training resources.

Head to RNLI.org/LifeguardsReport2023 for more.

Fast and manoeuvrable: in the hands of a skilled lifeguard, our rescue watercraft can handle big surf and cover large stretches of water quickly

204,056 SUPERVISED BEACH PATROL HOURS (206,304 IN 2022)

2.9M+ PREVENTATIVE ACTIONS BY OUR LIFEGUARDS (4M+ IN 2022)

19,979 PEOPLE AIDED BY RNLI LIFEGUARDS (23,204 IN 2022)

239 LIFEGUARDED BEACHES (242 in 2022)

CASE STUDIES

Lifeguarding 101: the RNLI's trusty rescue board is a crucial piece of lifesaving kit

All overboard

Four people suddenly found themselves in danger when their pleasurecraft capsized off The Wirral and threw them into the sea.

Two casualties decided to stay with the craft while the other two tried to swim the 300m to shore for help. Spotting the four people struggling in the water, Lifeguards Hayley Webb and Holly Barden from Harrison Drive Beach immediately alerted the Coastguard. Holly, who was on her first-ever RNLI shift, then quickly paddled to the scene on her rescue board. Meanwhile, Lifeguard Cameron Jacobie from New Brighton Beach, heard the alert over his radio and headed out to help on a rescue watercraft.

Holly soon reached the pair who were swimming away from the vessel and helped them to a place where she knew they could get to shore more easily. After ensuring both were safe, Holly then headed back out to the upturned vessel.

When Holly and Cameron reached the boat, they saw that the two remaining casualties were in distress and shouting for help. The lifeguards swiftly helped the pair onto the watercraft and got them safely back to shore. Inshore lifeboat volunteers from New Brighton were also alerted and arrived shortly after to recover the upturned boat.

All three lifeguards were presented with the RNLI's Alison Saunders Award in 2023 for their skill and bravery. Lifeguard Lead Pete Rooney said the award recognised the 'exemplary decision-making, timely communications and excellent teamwork between the two lifeguard units.'

Lifesaving trio (l–r): Cameron, Hayley and Holly received the RNLI's Alison Saunders Award for rescuing four people from a capsized boat

On patrol: Lifeguard Ellen keeps watch on beachgoers at Portrush

Caught in a flash rip

When a family of three were caught out by a sudden rip current, quick-thinking lifeguards powered to the rescue.

It was sunny and warm at Whiterocks Beach, Portrush; the perfect weather for Andrew Todd, his children Issy (18) and Zack (13), and friends, to enjoy a day on the beach. The group made their way into the sea. It was rough, but they made a point of staying between the red and yellow lifeguard flags. As they played in the water they began to stray beyond the flags, outside the safe swim zone. It was only when they started to swim back to shore that Zack, Issy and Andrew realised the trouble they were in: a flash rip current was dragging them out to sea.

Ellen Knox was one of three lifeguards on duty that day. 'Flash rips can be unpredictable, appearing quickly and without warning,' she explains. After radioing base, Ellen grabbed her rescue board and ran into the water. She needed to reach the swimmers as quickly, and safely, as possible.

> 'I felt nervous. The waves and rip currents were the biggest and strongest I had seen all season'
>
> **ELLEN KNOX** LIFEGUARD | PORTRUSH

Skilfully, she made her way through the choppy surf to reach Andrew and his children, while her lifeguard colleagues Adam and Luke launched their rescue watercraft (RWC).

Ellen reached Issy first, reassuring her and getting her to hold onto the rescue board to help her stay afloat. Before she could get to Andrew and Zack, the other lifeguards arrived. Adam and Luke took them safely ashore with the RWC and returned for Issy, who was still grabbing onto Ellen's board. Once the family had been reunited, the lifeguards checked that everyone was OK before letting them go on their way.

Visit **RNLI.org/magazine** for more 2023 lifeguard rescue accounts

Water safety

Our charity continued its critical role in preventing people from getting into trouble in the first place.

In 2023, our water safety experts continued to make an impact by engaging with the general public and our partners, face to face and through a range of media.

The RNLI's summer safety campaign built on our latest research with the University of Portsmouth, which revealed that we all float best in different positions but that tilting your head back and submerging your ears is key. A new film, produced in-house, put a refined Float to Live message front and centre, and formed part of the campaign, which we delivered with minimal budget. Results showed that we maintained awareness across the UK and Ireland.

This highlights the essential part our partners and local ambassadors played in amplifying our messages. In 2023, we continued to grow our lifesaving partnership with the Gaelic Athletic Association (GAA), with more clubs and communities joining the fold, and we recruited more than 250 new volunteer local ambassadors, bringing the total to 1,000 business people.

Behind all RNLI water safety advice and initiatives is a team of in-house water safety experts and data analysts who use evidence, insight and behaviour change theory to inform what we say and do. In 2023, they worked closely with experts at other organisations including Water Safety Ireland, British Canoeing, Seafish and the Black Swimming Association (BSA), to gain further insight and help keep more people safe.

In 2023, we teamed up with Bangor University to better understand people's knowledge of tides and explore why some get caught out by them. Findings included that around 40% of the UK public were unaware that the tide typically comes in twice a day or that the rises and falls change every day. The results will help us hone our safety messaging to ensure maximum effect.

Swim Safe, with Swim England, enjoyed another busy summer with around 14,000 young people completing the programme. Meanwhile, we joined forces with triathlete and former *BBC Breakfast* presenter Louise Minchin to help educate open water swimmers on cold water shock.

We also collaborated with Girlguiding South West England and Scouting Cymru to create new badges and teach children how to stay safe in, on and around the water.

118,485
SCHOOLCHILDREN GIVEN WATER SAFETY ADVICE BY RNLI LIFEGUARDS

14,000
YOUNG PEOPLE TOOK PART **IN SWIM SAFE**

CASE STUDY

'Thank you for helping Harvey save my daughter's life'

A youngster received a special award for remembering RNLI water safety advice.

Harvey (5) and his sister Elliemay (8) were on holiday in Majorca when Elliemay got into trouble in a swimming pool. Mum Zoe Wheelan says: 'Elliemay got out of her depth and started to panic. She was in serious danger of drowning.'

Harvey knew exactly what to do: he kept calm and clearly raised the alarm. This attracted the attention of others who then rushed to help his sister.

RNLI volunteers from Llandudno had visited Harvey's school just days earlier to talk to the children about water safety. They had taught him not to panic, and to put his hands up and call for help if he ever got into trouble in the water. Zoe believes that advice helped to save her daughter's life.

Water Safety Volunteer Myfanwy Jones returned to the school and presented Harvey with a special certificate to congratulate him on listening so attentively.

'The first thing I did when I got home was to thank the RNLI'

ZOE WHEELAN | HARVEY'S MUM

'He did exactly the right thing': Llandudno RNLI's Myfanwy Jones presents Harvey with a special award

International

Lifesaving without borders.

Every other minute, someone drowns around the world. The RNLI works with international partners and in-country experts to help stop these needless deaths.

In 2023, we provided technical assistance, capacity building and training to lifesaving organisations around the world, including a number of British Overseas Territories. In September, 15 candidates from eight countries attended our Leaders in Lifesaving course at the RNLI College in Poole to increase their knowledge and share drowning prevention experience.

In Bangladesh, the RNLI helped more than 9,000 children graduate from a series of survival swimming lessons. We also helped keep over 11,000 youngsters safe from drowning, through community creches operating at peak drowning times. Activities to mark World Drowning Prevention Day in July included an art competition in which youngsters drew pictures about drowning prevention.

In Tanzania, we continued to work with local partner Environmental Management and Economic Development Organization (EMEDO) to address the high number of drowning deaths in fishing communities around Lake Victoria. Identified risks include poor water safety awareness, inadequate access to personal flotation devices, unseaworthiness of fishing vessels, inability to swim, and lack of access to weather information. In 2023, local workshops tested prototypes of different buoyancy aids and explored how weather reporting could be improved.

In May, the World Health Assembly adopted its first-ever resolution on global drowning prevention. It was officially proposed by the governments of Ireland and Bangladesh and co-sponsored by more than 70 other countries. The RNLI was closely involved in the process, providing technical expertise and support.

In 2023, our international work received funding from the overseas aid budgets of the Irish and Isle of Man governments. The Lifeboat Fund, Beacon Owl Trust, the Princess Charlene of Monaco Foundation and Lloyd's Register Foundation also provided generous support.

Skills for life: we continued to support SwimSafe in Bangladesh during 2023. These swim survival lessons give powerful protection to children who complete the course

CASE STUDY

Sound guidance

Over the past decade, the RNLI's International Team has developed technical resources to provide guidance to other lifesaving organisations, particularly those in low-resource settings. These guides are freely available and focus on areas such as water safety education, survival swimming, and maritime search and rescue.

We carried out a review of these resources in 2023 to better understand how they are being used and identify ways to improve future content and distribution. Findings included:

- The RNLI's *Maritime Search and Rescue Service Implementation Guide* was used to support the establishment of a new coastguard service in Kenya.
- International humanitarian organisation MOAS is using our manuals to support its training with Rohingya refugees in Bangladesh.
- Our aquatic survival resources were used to develop a series of webinars for teachers in Malaysia during the Covid pandemic.

Meanwhile, the Royal Life Saving Society Commonwealth said that our *Aquatic Survival Programme Implementation Guide* resources are: 'very well regarded and give good attention to culture and religion.'

'With the aid of RNLI resources, we have trained more than 3.5M people in water safety'

NATIONAL SEA RESCUE INSTITUTE SOUTH AFRICA

Our technical resources: used here to deliver water safety education to children in Ghana

9,000
CHILDREN LEARNED SWIM SURVIVAL SKILLS IN BANGLADESH

194 COUNTRIES ADOPTED WHA RESOLUTION **ON GLOBAL DROWNING PREVENTION**

Fundraising

People from across the UK and Ireland came together as One Crew, in a huge effort to raise money for our charity in 2023.

Our fundraisers had a strong year and, with ingenuity, kindness and sheer hard work, exceeded RNLI income targets. Community fundraising teams in branches, guilds, shops, museums and visitor centres drove engagement and donations back to pre-pandemic levels, with branch income and supporter group income reaching £14.1M.

Our integrated appeals continued to generate vital income too, with the Christmas Appeal raising more than £1.9M in donations. Launch a Memory went from strength to strength, with around 6,800 people securing the name of a loved one on the side of another Shannon class lifeboat and helping to bring in around £500,000 in donations.

In 2023, we launched a new-look RNLI membership for adults, following research with members and future supporters. The new offering, which replaces Shoreline, encourages people to join a force for good and aims to bring members closer to their crew. Exclusive benefits include a new welcome pack and member handbook, quarterly *Lifeboat* magazine and an email newsletter. In the 3 months following launch, the value of the average gift almost doubled. The total number of sign-ups in 2023 was nearly double that of the previous year and we saw a significant drop in cancellations.

We also announced a new partnership with Scotmid who are aiming to fund a new Atlantic 85 lifeboat. The company has around 300 retail outlets across Scotland, Northern Ireland and England, and employees have been championing our water safety messages as well as fundraising, holding in-store events and selling RNLI merchandise.

Meanwhile, RNLI mascot Stormy Stan celebrated his 30-year stint at the helm of Storm Force and helping the children's club raise more than £2.4M since its launch. We also created our very first video game *Storm Force Rescue* and tested it with members, using their feedback to refine play and safety messaging in time for its launch in 2024.

Awareness remains a key component of fundraising and, in 2023, we launched our anniversary podcast series *200 Voices*. Its stories of kindness, courage and pride have been heard more than 153,000 times. BBC's *Saving Lives at Sea* returned for another season, with each episode typically drawing more than 1M viewers. RNLI social media channels also saw remarkable levels of engagement, with people interacting with our posts more than 8M times.

Read more about our finances on page 26.

WHERE YOUR MONEY GOES

19p/19c in every £1/€1 donated is used to generate more funds

81p/81c funds our lifesaving activities

CASE STUDY

Dream house in Blakeney, Norfolk: everyone who bought a draw ticket is a lifesaver

A partnership to bring them home safe

The RNLI joined forces with Omaze in summer 2023 for a Million Pound House Draw that raised an incredible £1.4M for our charity.

The draw's Grand Prize was a dreamy five-bedroom house on the Norfolk coast, with a separate four-bedroom guest annexe, home gym, steam room, cinema and heated swimming pool. Lucky winner Daren Bell also received £100,000 in cash. Jason from Orpington scooped the Early Bird Prize, receiving £250,000 in cash.

The RNLI received 80% of the net proceeds, totalling £1.4M. This extraordinary sum was raised over just 6 weeks, with the help of a small in-house RNLI team. Our campaign emails and social channels generated more than £93,000 in ticket sales and triggered hundreds of subscriptions to the RNLI newsletter, new memberships and one-off donations. The wider publicity created around 58M opportunities for people to learn more about the RNLI and our lifesaving work.

RNLI Head of Region Ross Barraclough says: 'We are incredibly grateful to the Omaze community for supporting the campaign. £1.4M is a fantastic amount of money, which will support our volunteer lifeboat crews and lifeguards with the training, kit and equipment they need to rescue those in danger. The campaign also helped us spread vital water safety messages to new audiences.'

> 'I'm so chuffed that the money raised is going to the RNLI'
>
> **DAREN BELL** | OMAZE WINNER

The extra mile: from future crew Henry putting in the legwork, to Lily leading the way on her mobility scooter, supporters really pushed the boat out for Mayday Mile in 2023, raising more than £187,000

Grateful fan: Chart-topping musician Ren Gill raised £21,000 for our crews on Anglesey, who searched tirelessly for his lost friend

£14M+ RAISED BY RNLI BRANCHES AND SUPPORTER GROUPS

CASE STUDY

Survivor story: the joint gift Bernie and Rene left to the RNLI helps ensure the safe and swift launch of Selsey lifeboat today

An extraordinary legacy

RNLI supporter Bernie Jordan survived not only Dunkirk, but D-Day too. So when, aged 89 and living in a care home in Hove, he was told that he couldn't attend the D-Day anniversary in France, Bernie had other ideas.

The Great Escaper, the 2023 film starring Michael Caine and the late Glenda Jackson, is the moving true tale of the war veteran's last hurrah. For the 50th episode of the RNLI's *200 Voices* podcast, Billy Ivory (BAFTA-nominee and script writer for the film) describes Bernie's extraordinary adventure and why he and wife Rene left a joint gift to the RNLI in their Wills.

'As survivors, they felt they had a duty to give back as much as they could,' Billy explains. 'Both survived the war and what they bequeathed to the RNLI makes complete sense because Bernie was a leading seaman in the Royal Navy, and very proud of that. The couple recognised the value and service given by the institution and they wanted to support that.'

Bernie and Rene had mirror Wills in which they left everything to each other but, in the event the other died, the entire estate was to be left to the RNLI, following a small gift to someone else. They left our charity more than £600,000, which helped to fund vital shoreworks at Selsey lifeboat station, where the couple's names appear on a plaque.

6 in 10 LAUNCHES ARE ONLY POSSIBLE THANKS TO **GIFTS IN WILLS**

Hear the podcast at RNLI.org/200voices

OUR PLANS

We look at the RNLI's performance in 2023 and lay out the key areas of focus for 2024 to help us achieve our strategic outcomes.

REFLECTING ON WHAT WE ACHIEVED IN 2023

We set out plans for 2023 with a focus on protecting our lifesaving service, while navigating a volatile economic environment. The rising cost of living put extreme pressure on our expenditure, and our supporters and volunteers, who we rely on to run the service.

During the year, we focused on maintaining lifesaving delivery while looking at more ways to make every penny and cent go as far as possible. We continued to invest in our fundraising efforts, as we know that this is critical to keep the service running both now and in the future, particularly as we mark 200 years of lifesaving.

We set out four key priorities to guide us through this challenging year, and can celebrate what we have achieved. Here follows just a handful of 2023 achievements that have contributed to delivering our organisational priorities.

WE DELIVER OUR LIFESAVING SERVICE

- We celebrated our volunteers and thanked them for their continued service and commitment. Almost 300 meritorious awards were given, including gallantry awards and commendations.
- We developed and delivered new policy, procedure, training and equipment to support mass rescue operations.
- We launched new Float to Live resources online and made them available to all volunteers.
- We led numerous successful multi-country projects, including a workshop on safe rescue and resuscitation in low-resource settings.

WE PROTECT OUR INCOME

- We prepared for the RNLI's anniversary by creating over 70 programmes and activities that are ready to launch in 2024.
- We grew our income through our engagement teams, as communities returned to pre-pandemic levels of activity.
- We exceeded our income targets, using data and insights to help us maximise opportunities.

WE INVEST IN OUR FUTURE

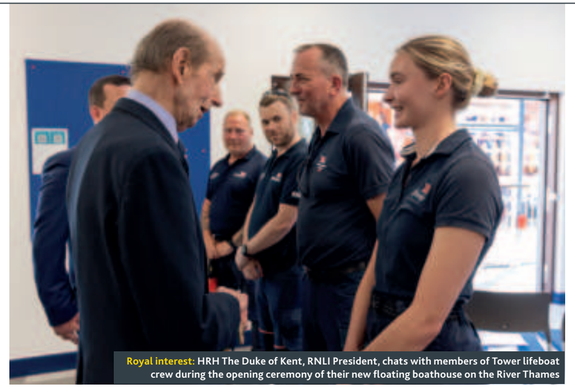
- We created and piloted the RNLI's new Operational Competency Framework, which will help us to ensure our lifesavers have the right training, at the right time, in a way that is easy to access.
- We made significant progress on modernising our network connectivity around the coast.
- We developed new volunteer welcome sessions and improved our induction approach and processes.

WE IMPROVE OUR SUSTAINABILITY

- We switched to a 100% renewable electricity supply.
- We collectively reviewed how we work and redoubled our focus on becoming more financially sustainable.
- We hosted the first ever RNLI International Women's Day Panel.
- We implemented hybrid contracts and reviewed our resourcing models to ensure that we are set up in a way that is more sustainable for the future.

Lifesaving legend: Samshun Nahar has trained more than 19 000 people in lifesaving techniques. Our partnership with the Centre for Injury Prevention and Research, Bangladesh continued to support her work in 2023

World Health Organization, Geneva: our International Team joins Ireland's Ambassador to the UN and Chief Medical Officer to mark the World Health Assembly resolution on global drowning prevention



Royal interest: HRH The Duke of Kent, RNLI President, chats with members of Tower lifeboat crew during the opening ceremony of their new floating boathouse on the River Thames

Investing in people: Apprentice Technician Jack Domoney from the RNLI's All-weather Lifeboat Centre helps to keep lifeboats running smoothly

Ahead of the trend: Troon RNLI joins forces with the Outdoor Partnership to help a growing number of paddleboarders keep safe while having fun on the water

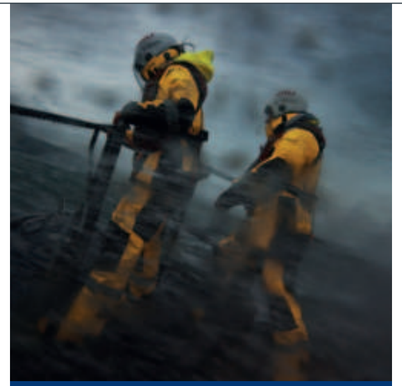
Support at the deep end: VIPs from corporate partners Helly Hansen and Ineos get a taste of sea survival training during a visit to the RNLI College

HOW WELL DID WE PERFORM IN 2023?

In *Our Watch*, the organisation set out a clear vision, supported by six Strategic Outcomes that help to inform our plans. We monitor whether we are on track to achieve these outcomes through a framework of strategic key performance indicators (KPIs) that provide a focus for how all teams across the RNLI measure the success of the activities they deliver.

Performance against our strategic KPIs is reviewed quarterly by our Executive Team and Trustees to ensure we remain on track, or to prompt corrective action where it may be required for us to get back on track.

10,734
PEOPLE RESCUED OR AIDED BY **LIFEBOAT CREWS IN 2023**



WE KEEP OUR PEOPLE SAFE

AFLOAT INJURIES PER 1,000 LAUNCHES

IN 2022	IN 2023
5.9 injuries per 1,000 launches	**4.5** injuries per 1,000 launches

Despite a small increase during the summer period, we have seen a consistent reduction in the number of injuries occurring while afloat, compared to last year. Introduction of an equivalent metric for lifeguarding is in progress.

WE FOCUS ON WHAT WILL SAVE THE MOST LIVES IN OR NEAR THE WATER

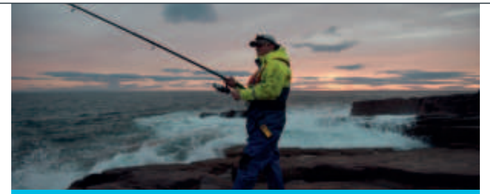
NUMBER OF PEOPLE RESCUED OR AIDED BY LIFEBOATS

IN 2022	IN 2023
16,535 people	**10,734** people

NUMBER OF PEOPLE RESCUED OR AIDED BY LIFEGUARDS

IN 2022	IN 2023
24,451 people	**22,576** people

The total number of people aided by our lifeboat crews and people aided by our lifeguards fell to its lowest levels since 2020. However, 2023 remains above the long-term average for number of people aided in a calendar year for both metrics, and the current trend shows a continued increase in demand for our lifesaving services.



WORKING WITH PARTNERS, WE INFLUENCE IMPROVED SAFETY ON AND BESIDE THE WATER

SERIOUS WATER INCIDENTS

IN 2022	IN 2023
859	**836**

In 2023, more than 40% of serious incidents involved suspected self-harm and mass rescue. However we saw a significant decrease in serious incidents involving the top eight high-risk activities identified in our Water Safety Strategy. Attributing this decline to the success of the strategy is difficult, as we know that the weather has a significant influence on the likelihood of people needing rescue. Nonetheless, the scale of the reduction is significant and we celebrate that our continuing sharp focus is having an impact.

BETTER DROWNING PREVENTION

IN 2022	IN 2023
ALL INTERNATIONAL PROGRAMMES ON TRACK	**ALL INTERNATIONAL PROGRAMMES ON TRACK**

Despite the need to reschedule a small number of project activities, our efforts to drive better drowning prevention globally met or exceeded targets through 2023.

OUR PEOPLE LOVE BEING PART OF THE RNLI

VOLUNTEER ENGAGEMENT SCORE

IN 2021	IN 2022
NOT MEASURED	**91%** (8% response rate)

This indicator is now being collected every 2 years and is next due for update in 2024.

STAFF ENGAGEMENT SCORE

IN 2021	IN 2022
83% (58% response rate)	**85%** (71% response rate)

This indicator is now being collected every 2 years and is next due for update in 2024.

WE RAISE THE FUNDS WE NEED AND SPEND DONORS' MONEY WISELY

FREE RESERVES COVER

END OF 2022	END OF 2023
9.3 months	**8.9** months

At 8.9 months of charitable expenditure, free reserves are within the range approved by Trustees. There is an expectation that free reserves will reduce in the coming years as we continue to invest in our services and infrastructure, and inflationary pressures persist.

OUR FUTURE IS SUSTAINABLE AND SECURE

STRATEGY DEVELOPMENT STATUS

IN 2022	IN 2023
ON TRACK VS PLAN	**COMPLETE**

Long-term ambitions to 2030 and beyond were agreed in 2023 and will inform the next update to *Our Watch* in 2024.

LOOKING AHEAD

2024 is a once-in-a-lifetime milestone for our charity. We will be marking an incredible 200 years of lifesaving, paying tribute to the RNLI's remarkable history and paving the way for our future. Our plan for 2024 recognises this momentous occasion, while we continue to do what we do best: saving lives at sea.

While this is a significant achievement for the RNLI, we also recognise that the economic environment is not getting any easier and the political landscape is constantly changing around us. Therefore, we need to remain focused on what matters most: maintaining our ability to save lives, mitigating critical risks, reducing costs while maximising our income, and supporting our people, who are at the heart of our organisation.

In 2024, we will not only celebrate 200 years of lifesaving, but make courageous decisions to secure our future for the next 200 years.

'Our collective focus will be on delivering the lifesaving service, mitigating critical safety, compliance and technology risks, supporting our volunteer communities (who face their own challenges), reducing our cost base while maximising our income, and commemorating our 200-year anniversary.

'We will prioritise activity to make sustainable cost reductions and continue to look for ways to spend RNLI donations as efficiently as possible. We will work towards becoming a smaller, leaner organisation with a sharp focus on what will save the most lives.'

MARK DOWIE | RNLI CHIEF EXECUTIVE

Maintaining our ability to save lives

Two hundred years ago, the RNLI was founded to save lives at sea. People continue to rely on our service today and, despite the challenges the organisation faces, we remain focused on maintaining our ability to save lives.

Protecting the RNLI by addressing critical risks

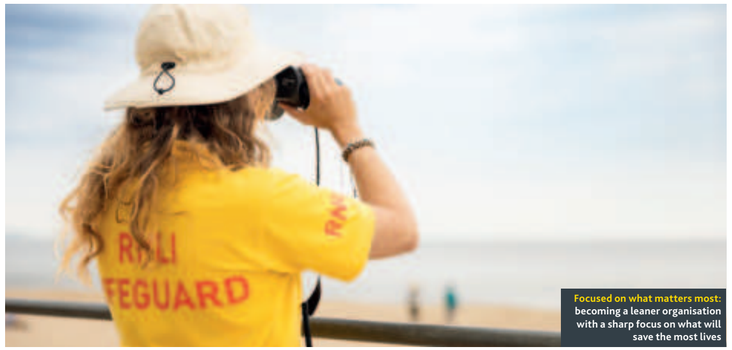
To protect our people and service in response to a constantly changing external environment, we will prioritise activity to mitigate critical risk relating to service availability, safety, compliance and technology capability.

Reducing our costs while maximising income

All of our teams have worked hard to make significant savings in 2023, and we must continue with this momentum. To keep financially sustainable, we will continue to reduce our costs while maximising our income and leveraging the once-in-a-lifetime opportunity our 200th anniversary presents.

Supporting our staff and volunteers

We recognise that we are operating in a volatile and uncertain environment. As an organisation, we need to adapt and evolve. People are at the heart of the organisation and power our lifesaving work. In order to save every one we can, we will need to work together and support each other.



Focused on what matters most: becoming a leaner organisation with a sharp focus on what will save the most lives

A passion for saving lives: Hartlepool RNLI join other emergency services and medical experts for a highly successful water safety event at Seaton Carew

Race to rescue: Plymouth RNLI featured in series 8 of *Saving Lives at Sea*, when a fisherman fell overboard and was adrift in chilly seas

200th anniversary

200 years ... and counting

With you by our side we are commemorating our past, celebrating today's lifesavers and inspiring a new generation

The RNLI celebrated many important milestones in 2023, including 60 years of the D class lifeboat, the 50th anniversary of Clayton Engineering (our factory that builds and maintains lifeboat launch and recovery vehicles) and 30 years of our kid's club favourite, Stormy Stan. 2024 marks something even grander: the RNLI's 200th birthday.

Since the RNLI was formed on 4 March 1824, a year hasn't passed without extraordinary rescues and bravery in the face of horrendous storms, and we've seen leaps in lifesaving technology. Courage, selflessness and innovation have propelled our lifesavers through busy summers, wild winters, wars and pandemics. There are so many ways to reflect on our remarkable heritage. Show your love for the charity today and help ensure we're ready to save lives for another 200 years.

You're invited to be part of our history. Get the latest on events near you at RNLI.org/2024programmes

Connecting our communities: our anniversary van will be visiting a place near you, as part of a special 2024 relay-style event

FINANCIAL REVIEW

FOR THE YEAR ENDED 31 DECEMBER 2023

Total net income increased in 2023, thanks to the continued generosity of our supporters, despite many facing their own cost challenges. The RNLI continued to face significant cost pressures against the backdrop of a tough global economic landscape. Through careful budgetary control we were able to mitigate some of the effects of high inflation and disrupted supply chains. The net effect of these drivers was a decrease in cash and investments for the second year running of £15.4M (2022: £37.3M). This deficit has been reduced by a significant investment gain of £12.2M (2022: loss £26.3M). We remain in a stable financial position and that provides the resilience to navigate an uncertain economic climate faced by the RNLI and its supporters.

Total net income available for charitable spend increased by 8.3% in 2023. Legacy income held up well with an increase of 11.4%, however much of this can be attributed to an increase in the legacies recognised in 2023 that had not yet been received.

Charitable spend increased by 1.7% in 2023. The majority of this can be attributed to our lifeboat and lifeguard rescue service, with growth of 2.4% and 3.7% respectively. Rigorous cost control across the organisation has limited the impact of inflationary pressures.

Free reserves increased by £1.0M in 2023 and, at 8.9 months, remains at the upper end of the range prescribed by the Trustees of 4–10 months. There is an expectation that free reserves will reduce in the coming years as investment continues in our services and infrastructure, and inflationary pressures persist. However, through robust financial planning and control and thanks to our generous supporters, we are confident this will remain within the prescribed range.

FINANCIAL ANALYSIS

The analysis in this review has been produced to simplify the financial statements and show how much the RNLI spends on its operations each year, how it is funded, and the movement in its financial resources.

It is based on the financial statements on pages 48–52, adjusted to show the net income that is available for charitable expenditure. It also includes the actual capital costs, rather than depreciation, in the charitable spend. Further analysis on how this reconciles to the financial statements can be found in Note 17 on page 79.

CHARITABLE SPEND

Charitable spend increased to £191.2M, an increase of £3.2M compared with 2022. Overall movements were as follows:

- **Lifeboat service (+£2.6M: 5.4%)** – costs increased as we spent more on our crews through activities such as operational training and kit.
- **Lifeboats, property and equipment (+£1.1M: 1.0%)** – costs in this area increased as we continued to invest in our lifeboats and stations. 2023 saw increases in the maintenance of our older fleet coupled with additional investment in lifeboat stations.
- **Lifeguard rescue (+£0.8M: 3.7%)** – 2023 saw the full year impact of mid-season pay increases and regional lifeguard management structure, both implemented in 2022. In addition, there was an alignment of the 2023 pay award for seasonal lifeguards with the permanent employee pay award.
- **International (+£0.2M: 6.9%)** – costs in this area increased in line with a planned expansion into an additional priority country in 2023. These costs are partially offset by income generated specifically for the RNLI's international work.
- **Water safety, education and awareness (-£1.5M: -19.0%)** – in 2023 costs were lower due to a change in our relationships with partners such as BSA and Swim Safe.

INCOME AVAILABLE FOR CHARITABLE SPEND

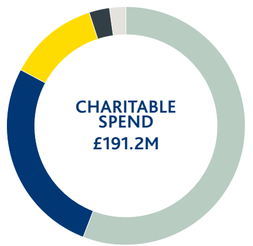
Total income available for charitable spend amounted to £236.1M, which was £14.5M above 2022. The main reasons for the income movements were:

- **Legacies (+£16.1M: 11.4%)** – legacy income was significantly ahead of 2022 and held up well, considering the economic environment. £11.2M of this related to an increase in the legacies recognised at year-end but not yet received. The estimated value of future legacies notified, but neither received nor included in 2023 income, remains healthy (see Note 9 on page 64).
- **Donations (-£0.8M: -1.2%)** – a small decrease on 2022, but the prior year was boosted by a £3.5M donation from The Royal Naval Volunteer Reserve Officers' Association towards Tower Lifeboat Station.
- **Trading (net) (-£2.9M: -53.7%)** – £2M of work was undertaken in 2023 to improve the RNLI College facilities, updating the air conditioning in the bedrooms, pipework throughout the College and refurbishing the catering facilities. While gross trading income remained consistent with 2022, the increase in trading costs of £1M (9.2%) has driven a reduction in the net trading surplus. Retail margins were impacted by inflationary cost price increases and trading conditions affected by the cost-of-living crisis. There were significant increases in cost of goods sold, postage and surcharge costs. We also incurred transition costs moving to a new fulfilment centre. For 2024, we have started a full review of retail profitability and performance and expect to see improvements in 2024.
- **Charitable trading (+£0.5M: 11.4%)** – this represents lifeguard income which has increased in 2023 as a result of inflation driven increases charged to local authorities.
- **Investments (net) (+£1.4M: 46.7%)** – investment income has increased as multi-asset-credit holdings yielded higher returns than expected. Overall investment returns are noted in the Investments section on page 62.
- **Other income (+£0.2M: 13.3%)**

The cost of generating income decreased slightly by £0.3M (-1%) as inflationary pressures were offset by efficiency savings. This was delivered as a result of multi-year contracts with key suppliers and reduced spend on external creative development and professional support.

CHARITABLE SPEND

	2023 Total £M	2022 Total £M
Lifeboat service	51.0	48.4
Lifeboats, property and equipment	108.2	107.1
Lifeboat rescue	**159.2**	**155.5**
Lifeguard rescue	22.5	21.7
International	3.1	2.9
Water safety, education and awareness	6.4	7.9
Total charitable spend	**191.2**	**188.0**



Lifeboats, property and equipment	56%
Lifeboat service	27%
Lifeguard rescue	12%
Water safety, education and awareness	3%
International	2%

£3.2M INCREASE IN CHARITABLE SPEND IN 2023

£14.5M INCREASE IN TOTAL INCOME FOR CHARITABLE SPEND

FINANCIAL RESOURCES

Investments and bank holdings decreased by £15.4M in 2023. Although asset prices recovered in 2023 with an investment gain of £12.2M, this was more than offset by a significant increase in working capital. Stocks increased by £5.4M, to meet supply chain disruption; debtors increased by £11.3M, reflecting an increase in the legacies recognised at year-end but not yet received and £9.1M of deficit reduction payments in respect of the defined benefit pension scheme.

Legacies	66%
Donation	28%
Trading (net)	1%
Charitable trading	2%
Investments (net)	2%
Other	1%

INCOME

	2023 Total £M	2022 Total £M
Legacies	**156.9**	140.8
Donation	**65.7**	66.5
Trading (net)	**2.5**	5.4
Charitable trading	**4.9**	4.4
Investments (net)	**4.4**	3.0
Other	**1.7**	1.5
Total income available for charitable spend	**236.1**	**221.6**
Cost of generating income	**(43.9)**	(44.2)
Net income available for charitable spend	**192.2**	**177.4**

INVESTMENTS

Investments performed well in 2023, as the economy stabilised from the inflationary shock of 2022. The RNLI's investments returned £16.6M in total, with £4.4M of income (net) and gains of £12.2M. The overall return on the investment portfolio was 6.9% for the year (2022: loss 7.5%). The charity has underperformed on its benchmarks, being 1.4% below the overall benchmark in 2023 and 0.2% below the 3-year benchmark. The benchmark represents the target agreed with investment managers to assess their performance.

Most asset classes were in positive territory, with exceptional returns of 11.5% on multi-asset credit and 12.1% on global corporate bonds (both classed as fixed interest investments in Note 7 on page 62). Negative returns were experienced in property and absolute return funds. Despite the negative return in 2022, the RNLI has returned an overall 3-year annual average of 2.4% on its investments.

SUBSIDIARIES

The RNLI has three subsidiary companies that were actively trading in 2023. RNLI (Sales) Limited is used for non-charitable fundraising activities, with net assets of £1.5M, and generated a donation to the RNLI of £4.1M for 2023. The activities of RNLI College Limited relate directly to the charitable activities of the RNLI and comprise the training of lifeboat crew and lifeguards, although there are external sales of excess capacity which offset some of the costs of this training. This company has net assets of £1.0M and generated a donation of £0.3M. Clayton Engineering Limited is a specialist engineering company that designs and manufactures lifeboat launch and recovery equipment for the RNLI. It has net assets of £3.8M and made a profit of £0.8M, which it is retaining to invest in the business and improve efficiency.

The RNLI also has a charitable incorporated organisation (CIO), the RNLI Lifesaving Endowment Fund (LEF). This CIO has been created to establish, build and invest in an endowment fund (from which income is donated to the RNLI for lifesaving purposes) with a donation of £0.5M in 2023 (2022: £0.5M). At 31 December 2023, the LEF held investments to the value of £50.2M (2022: £45.9M), the increase driven by investment gains of £4.3M in 2023.

FINANCIAL HEALTH

As of 31 December 2023, the RNLI had consolidated net assets of £796.3M (2022: £775.3M), primarily representing fixed assets of £481.4M and investments of £256.3M. There was an increase in fixed assets of £6.0M in 2023. However, despite an increase in investment values, investments decreased by £14.5M as funds were required to finance the increase in working capital. This is explained in more detail under Financial Resources (above).

The RNLI's Trustees ensure the overall health of the organisation by overseeing our free reserves levels (the sums retained to withstand any short-term financial risks).

At the end of 2023, these free reserves stood at £138.0M. This represents 8.9 months' worth of charitable expenditure, which is at the upper end of the Trustees' requirement of 4–10 months (as described in the Fund Accounting Policy on page 56). The Trustees recognise the need for a higher level of free reserves in the current uncertain economic environment and have approved 2024 plans in recognition of this fact. There is a planned deficit in 2024 but it is expected that free reserves will continue to cover short-term financial risks.

Free reserves cover is calculated in months, by dividing the total free reserves by the charitable expenditure (from the Statement of Financial Activities) and then multiplying by 12 to represent the number of months.

FINANCIAL PLANS

While we continue to operate in an uncertain economic environment, the RNLI still needs significant investment for its lifesaving services and infrastructure. This has been reflected in the plans for 2024, which show that there is likely to be a significant drawdown on investments and free reserves. It is anticipated that we will need to reduce expenditure over the coming years to counter the impacts of a challenging economic environment and as we continue to evolve the 5-year plan with the focus on long-term affordability.

We depend more than ever on the public's generosity to support our work in saving lives at sea and our fundraisers are working harder than ever to increase supporter numbers and income.

FINANCIAL RESOURCES

	2023 Total £M	2022 Total £M
Net income less charitable spend	**1.0**	(10.6)
Investment gain / (loss)	**12.2**	(26.3)
Stock (increase)	**(5.4)**	(1.9)
Debtors (increase)/decrease	**(11.3)**	6.2
Creditors (decrease)/increase	**(2.7)**	4.6
Adjusting for impact of defined benefit scheme accounting	**(8.1)**	(8.2)
Lease liability decrease	**(1.1)**	(1.1)
Investment/bank deficit	**(15.4)**	**(37.3)**

£15.4M
DECREASE IN FINANCIAL RESOURCES IN 2023

GOING CONCERN

The Trustees reviewed the RNLI's financial plans for 2024 in November 2023 as part of their normal annual review. At that time, they felt that the RNLI had sufficient resources to continue operating to the end of 2024. Our plans continue to evolve through 2024, as we seek to address our principal financial risks, and there are ongoing reviews of forecasts throughout the year.

The review of the RNLI's annual plan has continued in the light of the current cost-of-living crisis and legacy of the recent increase in inflation. Through rigorous planning, we anticipate the RNLI will be able to develop plans to bring the finances into balance. The Trustees are exploring all options to reprioritise activity and respond to the changing financial picture, prioritising our frontline lifesaving services. They are satisfied that the RNLI's future viability has not been critically affected by the current situation, with the key financial risk being managing costs in a high-inflation environment.

The Trustees continue to review plans with the Executive Team and will make any necessary changes to remain within the free reserves level over the life of our plans, in line with the free reserves policy. These plans continue to evolve to support our requirements for financial balance in the medium term.

The charity has a strong balance sheet, with unrestricted liquid investments of around £82.3M and cash of £1.4M, in addition to the LEF that is available as a last resort. The RNLI also has a revolving credit facility of £15M in place to cover any downside risks. Taking this into account, the Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as required.

As such, they remain satisfied that the RNLI can continue operating for at least 12 months from the date of signing these accounts, and that the accounts have been prepared in the knowledge that the RNLI is a financially viable organisation, with no material uncertainties to its going concern position.

FINANCIAL POLICIES

INVESTMENT POLICY

The RNLI's funds (excluding fixed assets) are substantially held in investments.

The RNLI's Statement of Investment Principles and its Investment Policy were reviewed in detail in 2022, and approved by the Investment Committee and the Trustees.

The RNLI's investments are held in line with the nature of its reserves, as detailed in the investment strategy. This is either to ensure that donors' directions are met, in the case of the permanent endowment and the restricted reserves, or to withstand any short-term financial risks and requirements, in the case of the free reserves and designated funds. The RNLI's objective (at an aggregate level) is to maintain and, if possible, enhance the real value of the reserves represented by its investments, in line with its plans. The Investment Committee seeks to meet this overarching objective by maintaining an appropriate balance between maximising long-term returns and avoiding undue risk and volatility in capital values.

These objectives are pursued through a range of strategic investment policies which involve investing in a broadly diversified spread of assets, covering global equities, UK and overseas government and non-government bonds, pooled property funds, infrastructure funds, multi-asset funds, cash on deposit and other financial instruments and investments.

In formulating and reviewing the RNLI's investment policies, the Investment Committee has considered a range of investment options and the need for diversification, and has regard to the investment policy being pursued by the Trustees of the RNLI 1983 Contributory Pension Scheme (the Scheme) and the LEF; recognising that the RNLI's overall market exposure is to the aggregate of its own assets and those of the Scheme and the LEF. The assets of the Scheme are under Fiduciary Management and this has been taken into account in the way the RNLI's Investment Committee operates. There is no oversight of the Scheme by the RNLI's Investment Committee, although there is still liaison between the two Investment Committees and an annual overview of both portfolios by representatives of these Committees.

FUNDS ANALYSIS

	2023 £M	2022 £M	Change %	Ratio %
Permanent endowed funds	**19.8**	19.2	3.1%	2%
Expendable endowed funds	**50.2**	45.9	9.4%	6%
Restricted funds	**115.5**	115.6	(0.1%)	15%
Fixed asset funds	**481.4**	475.4	1.3%	61%
Designated funds	**5.2**	5.5	(5.5%)	1%
Free reserves	**138.0**	137.0	0.7%	17%
Pension reserve	**(13.8)**	(23.3)	(40.8%)	(2%)
Total funds	**796.3**	**775.3**	**2.7%**	–

£115.5M
RESTRICTED FUNDS
(can only be spent as donor directs)

FUNDS POLICY

The RNLI's funds policy is reviewed on an annual basis and is detailed in Note 1h on page 56 and summarised below.

FUND ACCOUNTING

At the end of the year, the RNLI held total funds of £796.3M. The RNLI's funds are held for a variety of purposes, to ensure that the organisation can operate as a going concern in the future and fulfil its legal obligations. This are summarised as follows:

- **Fixed asset funds (£481.4M)** – these make up the bulk of funds held, representing the operational assets of the RNLI, without which it could not operate. The vast majority of these are the lifeboats, launching equipment and operational properties, such as lifeboat stations and lifeguard units.
- **Restricted funds (£115.5M)** – these are held under trust law and can only be used for specific purposes, as agreed with the donor. For example, we could have a legacy for the cost of a lifeboat and these funds would be held until we construct that lifeboat. There are hundreds of these funds that the RNLI is managing at any one time. Most of these funds are held in investments but there is also an element that relates to the legacy accrual (£11.5M) where funds have not yet been received. Restricted funds remained consistent with the prior year, despite investment gains in 2023 of £11.6M. This was offset by the transfer of £14.1M of certain restricted funds into unrestricted, with the consent of the donor or executor.
- **Expendable endowed funds (£50.2M)** – these are funds where the capital sums donated are invested and the income arising may be used for a particular purpose, as agreed with the donor. These funds represent the LEF, a charity that was established in 2019 to help preserve the RNLI's lifesaving services for the future, providing a steady income stream and a capital sum that can be used if the RNLI is ever 'in extremis'. The capital sum may be spent at the discretion of the Trustees of the LEF, and in line with the terms of the donation, where necessary.
- **Permanent endowed funds (£19.8M)** – these are funds where the capital sums donated are invested and the income arising may be used for a particular purpose, as agreed with the donor. As opposed to the expendable endowed funds, the capital sum can only be spent in exceptional circumstances with the agreement of the Charity Commission.

The remainder of the RNLI's funds are its general funds:

- **Designated funds (£5.2M)** – this represents the special projects fund, where significant financial assurances have been made to third parties to ensure monies are available. This is entirely for the project at Weston-super-Mare, where the local council are seeking significant funds to repair the pier that will give access to the lifeboat station and the RNLI has given assurances that funds will be available for this work.
- **Free reserves (£138.0M)** – these are sums that are freely available for general use. They are held at a level to withstand any short-term financial risks, the main ones being in investment markets, pension scheme funding, key sources of income (such as legacies) and inflation. Most of these funds are held in investments, but they also include any unrestricted legacy values accrued (£42.6M), which will take time to be received. The Trustees have a policy of maintaining a range of 4–10 months of charitable expenditure. This range was determined using risk modelling techniques to determine the value of our financial risks, in conjunction with our investment advisers. At 8.9 months of charitable expenditure, free reserves are currently at the upper end of the Trustees' range. The RNLI is planning to reduce this in the coming years because of essential investment in our lifesaving services and infrastructure, while also managing inflationary pressures through rigorous financial planning.
- **Pension reserve (deficit £13.8M)** – this represents the defined benefit pension liability that is managed separately to our free reserves. The value of this long-term liability is calculated annually in accordance with FRS102 by a qualified independent actuary.

INVESTMENT CRITERIA

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

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

£481.4M FIXED ASSET FUNDS
(including lifeboats and stations)

INVESTMENT STRATEGY

PERMANENT ENDOWMENT –
long-term income generation for a specific purpose:

- Generates income over the long-term with a focus on real capital preservation.
- Some liquidity required for income and gains above capital value.
- Some mark-to-market volatility is acceptable.

EXPENDABLE ENDOWMENT (LEF) –
long-term growth portfolio with modest income requirement:

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

OPERATIONAL FUNDS –
short- to medium-term reserves held for the RNLI's lifesaving operations. They comprise restricted, designated and free reserves:

- No income requirement, but cognisant of income across all portfolios.
- Some liquidity needed.
- Generates a real return (ie inflation plus returns) over the medium-term while controlling volatility.

In the race to save lives: supporter Emma Baker raises funds with the RNLI Running Crew at the 2023 TCS London Marathon

GOVERNANCE

The Royal National Lifeboat Institution (RNLI) is a registered charity. It is headed by an independent Trustee Board and relies on its dedicated volunteers and staff. The RNLI is a company incorporated by Royal Charter. This section provides information on how the charity is run, how we engage with our stakeholders, manage our risks and ensure that we are building a sustainable organisation that's fit for the future.

Good governance is fundamental to our sustained success as a charity. With it, we are best placed to deliver on our organisational purpose and vision to save lives at sea and to save every one. It enables all our people to use their skills, along with our resources, to best effect. It helps us to ensure that we are compliant with relevant legislation and to continually review the risks we are facing. It also helps us to oversee our standard of operations and supports a positive culture.

As part of our annual governance processes, we review our application of the principles and recommended practice of the relevant charity governance codes in all of the jurisdictions in which we are registered as a charity. We also ensure that we are adhering to the UK Code of Fundraising Practice, and The Charities Regulatory Authority Guidelines for Charitable Organisations for Fundraising from the Public in Ireland.

CHARITY STATUS

The RNLI was founded in 1824. It was granted a Royal Charter of Incorporation in 1860, with Supplemental Charters granted in 1932, 1986 and further amendments in 1998, 2002 and 2011. It is a charity registered in England and Wales (209603), Scotland (SC037736), the Republic of Ireland (CHY 2678 and 20003326), the Bailiwick of Jersey (14), the Isle of Man (1308 and 006329F), the Bailiwick of Guernsey and Alderney with its address at West Quay Road, Poole, Dorset, BH15 1HZ.

The RNLI has four wholly owned subsidiaries registered in England and Wales, one of which is currently dormant. Each is managed by a board of directors (executive and non-executive) to ensure that company and charity law requirements are met and business activities are properly managed.

The RNLI also has a number of linked charities, one of which is a charitable incorporated organisation (CIO), the RNLI Lifesaving Endowment (1184013). This CIO holds and invests funds on endowment for the long-term operations of the RNLI. There are 19 other linked charities that are listed in Note 13 to the accounts on page 70.

Organisational purpose

We are the charity that saves lives at sea. That's our organisational purpose, the same as our public benefit. We have specific goals for domestic accidental coastal fatalities and the impact that we have globally.

As an organisation, both domestically and internationally, we track the number of individuals assisted, rescued and the number of lives that the RNLI saves, often in collaboration with others. As an organisation, we also have a set of metrics, the Quarterly Performance Report, that covers the RNLI's broader operations and capabilities. These metrics are used by the Executive Team (ET) and senior management to track progress against our organisational priorities and provide an appropriate mechanism by which progress in key areas can be reported to the Trustee Board.

Leadership

THE TRUSTEE BOARD

The RNLI is led and governed by our Trustee Board. The role of the Board is set out in our Royal Charter, Bye-Laws and Regulations. It has collective responsibility for setting and agreeing the overall direction, strategy and culture of the RNLI. It leads by example and supports the chief executive in the daily delivery of our lifesaving plans and activities, and regularly monitors our performance against agreed measures. The Board delegates responsibility for the execution of the strategy to the chief executive, who leads the ET.

The Board has responsibility for the identification and evaluation of the strategic risks to the organisation and the policies we have in place to mitigate their impact. The Board also has responsibility to provide appropriate assurance to regulators and donors that we are meeting our legal and compliance requirements, and that the charity is properly controlled and managed.

The names of those individuals who served as Trustees of the RNLI during the year and/or were Trustees of the charity as at the date of this report, can be found on pages 80–81. Many have a lifelong interest in the sea and a passion for saving lives at sea. All are volunteers. For more details on the skills, experience and diversity of our Board, see page 82.

TRUSTEE BOARD EFFECTIVENESS

TRUSTEE BOARD RESPONSIBILITIES

As part of the standing items of business considered at each meeting, the Board reviews the strategic risks that the charity faces and the mitigation controls that are in place.

The Board has an agreed set of Matters Reserved for its approval, which defines the Board's responsibilities and what can be delegated to standing committees or the chief executive and the ET. For the full list of the key standing and advisory committees, turn to page 85.

Each committee of the Board has defined terms of reference. Our advisory committees enable experienced volunteer specialists to contribute to key aspects of the RNLI's affairs.

APPOINTMENTS TO THE TRUSTEE BOARD

The Membership Nomination Committee (MNC) is responsible for considering the appropriateness of those individuals proposed for appointment to the Board, Council and other committees of the RNLI. The MNC currently comprises the Chair, the Deputy Chair, the chief executive, one additional Trustee, a Council member and a vice president.

Trustees are appointed by our Council. Ordinarily, when looking to appoint Trustees, the MNC recommends only those individuals who currently stand as Governors and whom are also Council members, while ensuring the appropriate balance of skills, diversity of background and experience. Recommendations to appoint individuals to the Council are considered by Governors at the Annual General Meeting.

In 2023, Janet Legrand was elected as a Trustee and Chair of the RNLI. Andy Jordan and Roger Fairhead were appointed Trustees.

MAINTAINING INDEPENDENCE

The Trustees of the RNLI were all considered independent on appointment. This ensures independence of thought as well as action to ensure that we are able to demonstrate that any decision or action is aligned with the delivery of our charitable aims and there is no personal or individual bias. Any communications we make internally or externally aim to demonstrate our independence of thought and action.

All members of the Board complete an annual declaration with respect to conflicts of interest and are obliged to declare any new conflicts at each meeting. The organisation's Gifts and Hospitality Policy and Register makes sure that any gifts offered are clearly recorded and any potential conflicts are recognised.

LENGTH OF SERVICE

Trustees and Council members currently serve an initial 3-year term with an option to be reappointed for a further two terms. We aim to match the skills in the Council to our strategic goals as well as our business plan.

The MNC reviews the composition of the Board and the Council at each meeting. This enables the MNC to evaluate the skills and experience required to ensure sustainable governance in the future.

GENDER BALANCE

At the end of 2023, the Board comprised 14 Trustees: 3 women and 11 men who bring a broad range of backgrounds, skills and experience. We continue to promote and encourage diversity across all the governing groups of the charity. The improvement of gender balance is just one part of our overall aim to improve inclusion and diversity across these groups.

Rough seas and a rugged coastline: Macduff crew in action onboard their new Atlantic 85 lifeboat *Skipasund*, which entered service in 2023. RNLI volunteers have been saving lives here for more than 160 years

TRUSTEE BOARD MEETINGS

The Trustee Board meets formally at least four times a year. There is a list of standing agenda items covering strategy, performance, risk and compliance matters. This list is supplemented with other items that are relevant to the Trustees' broader responsibilities.

There are twice-yearly Board and ET workshops that focus on the key strategic opportunities and risks that the RNLI may face in the future. In 2023, these workshop discussions included how the charity would save lives in the future, the Board's risk appetite and safeguarding.

REFRESHING SKILLS AND KNOWLEDGE

On appointment, new Trustees, Council and committee members have an induction programme to familiarise themselves with the work of the RNLI and their role requirements. Inductions cover their core responsibilities plus a tailored section, personalised for their individual needs. From time to time, Trustees and Council members may undertake training specifically designed to support their role. An externally facilitated effectiveness review of the Trustee Board is planned for 2024. See the Board skills and experience infographic on page 82.

SUCCESSION PLANNING

The MNC maintains a record of the terms of office of all our governing volunteers. This is reviewed as part of succession planning discussions and ensures that we have the right diversity of people, thought and skills available. This enables every committee to deliver on its governance responsibilities, to the very best effect, now and in the future.

THE COUNCIL

The Council is a general committee of the RNLI. The purpose of the Council is to advise and assist the Board primarily on broader policy and strategic issues facing the charity that are not specifically addressed by other committees. The Council is made up of volunteers who are expected to act collectively and individually, as ambassadors for the charity. Members of the Council will also be called upon from time to time to provide support and specialist advice to the ET. Their experience and knowledge are appreciated and considered to be of great benefit to the RNLI.

THE EXECUTIVE TEAM

The ET comprises eight members, led by the chief executive. Collectively they are responsible for the execution of the strategy and policies set by the Board as well as the day-to-day leadership and management of the organisation. Details of those individuals who constitute the ET can be found on page 85. The organisation's governance and management structure can be found on page 87.

As a team, they are committed not only to the delivery of our core lifesaving activities, but also to looking towards the future to ensure that the RNLI remains sustainable as an organisation and is able to respond to changing trends and external factors. The ET takes engagement with our volunteers and staff seriously. It provides direction and motivation, as well as acting as a conduit to the Board.

Each member of the ET undergoes an annual performance appraisal and feedback is also sought through the regular engagement survey, which drives improvement actions.

Decision making, risk and control

STATEMENT OF TRUSTEES' FINANCIAL RESPONSIBILITIES

The RNLI Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations. Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and its subsidiaries (the group), and of its and the group's, surplus or deficit for that period.

In preparing these financial statements, the Trustees are required to:

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

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

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements. This may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements on RNLI.org.

FINANCIAL OVERSIGHT

As part of its financial responsibilities, the Board approves a high-level business plan; a detailed annual budget, which defines specific projects and detailed departmental plans for the next financial year; and a regular forecast process that reviews the annual plans and makes changes, as necessary.

Financial authority is granted through the approval of specific budgets and by the authorisation of individual managers to approve specified levels of expenditure.

The Finance Department is involved in any major project or programme work, providing the necessary support to ensure the appropriate financial decisions are made.

FINANCIAL REPORTING

As part of its reporting obligations, the RNLI prepares and publishes a set of Annual Report and Accounts that are produced in line with the Trustee's financial responsibilities set out on page 34 and existing statutory requirements.

The ET consider the organisation's management accounts and associated reports monthly. These contain sufficient detail to provide the ET with an appropriate level of information to be in a position to make informed financial decisions.

FINANCIAL POLICIES AND PROCEDURES

The Trustees are responsible for safeguarding the assets of the charity and its subsidiaries. This is enabled through the RNLI's financial policies and procedures. Compliance with these policies and procedures is mandatory for all employees, honorary officials and volunteers of the RNLI and its subsidiary companies. Non-compliance may lead to disciplinary proceedings.

FINANCIAL RISK

The most significant financial risks to the operations of the RNLI include those relating to investments, pension liabilities, inflation and income uncertainty. The RNLI reviews its financial plans on a regular basis and manages these risks accordingly, through income pipelines, budgetary control, programme management and capital planning. In particular, the strategy for those investments held by both the RNLI and the defined benefit pension scheme are managed at a committee level, using professional investment advisers to minimise risk and maximise return.

In relation to pension liabilities, the RNLI employs a pensions actuary to advise on the assumptions and calculations needed for our pension negotiations with the pension scheme trustees. Risks around income uncertainty are managed through a funding strategy that reviews income pipelines through the main sources of income to ensure targets are met, both short and long term.

In 2022, in line with other organisations, a major risk emerged on expenditure through high inflation. The RNLI ensures financial rigour through budgetary control and stringent financial planning to ensure that we live within our means. There has been significant work on such planning in the last 2 years, and this work is continuing to ensure that we manage our free reserves levels in line with Trustee requirements.

The RNLI's free reserves are set at a level to withstand any short-term financial risks, helping to mitigate these risks and give the RNLI time to change its financial plans accordingly.

RISK AND COMPLIANCE MANAGEMENT

Our approach to organisational risk management aims to mitigate the RNLI's risk exposure to an acceptable level across a broad spectrum of strategic and operational risk. Wherever possible, we aim to balance the risks taken with the reward gained in the pursuit of our organisational purpose.

Effective and efficient management of the risks faced by the RNLI is an important factor in the achievement of our strategic objectives and protecting the future sustainability of the organisation. Our risk management framework is also considered a key component of our governance, and our approach aligns with Charity Commission guidance through a process that identifies our major strategic and operational risks, assesses the level of risk, and evaluates their mitigation. For compliance risk, an assurance framework is in place, where performance against external obligations and internal standards is monitored by compliance duty holders.

The management of each of the risks on our Strategic Risk Register is owned by a member of the ET and is governed by the broader ET, the Audit and Risk Committee and the Board. Where risk is not considered to be at an acceptable level, then further mitigation of the risk is planned and prioritised along with other organisational activities and projects.

The relationship between risk and decision-making is key for our organisation. In 2023, we continued to strengthen the alignment of our plans with the mitigation of our risks, to ensure planning decisions continue to be robust and aligned to our risk management approach. Similarly, we have also worked to align our risk management approach with our long-term strategy development and have used this insight to help identify new longer-term risks, such as those posed by climate change.

During 2023, we remained focused on monitoring and managing our risks in the context of a challenging external environment and economic climate. Our commitment to managing risks successfully across the organisation helps to ensure we keep our people safe, make the right decisions, successfully deliver our objectives and protect the future sustainability of the RNLI.

AUDIT AND RISK COMMITTEE – COMPOSITION AND RESPONSIBILITIES

The Audit and Risk Committee is a standing committee of the Board and has delegated authority to act on behalf of the Board in relation to the matters set out in its terms of reference. The Audit and Risk Committee is chaired by a Trustee, who is a finance professional with significant senior leadership and management expertise. The committee's main duties are to:

- review and challenge the work of the ET and of the internal and external auditors; and
- provide the Board with an independent and unbiased view of the effectiveness and appropriateness of the financial reporting, internal controls, risk management and regulatory compliance procedures of the RNLI.

INTERNAL AND EXTERNAL AUDIT – INDEPENDENCE AND RESPONSIBILITIES

The internal audit function delivers independent and objective assurance advice, and provides insight on the RNLI's risk management, governance and internal control processes to the Board, Audit and Risk Committee and senior management in the discharge of their responsibilities. The function continues to be a co-sourced arrangement with external support from Crowe UK LLP, who were appointed by the Audit and Risk Committee in 2022.

To ensure its independence, the internal auditor reports to both the chair of the Audit and Risk Committee and the Director of Safety and Independent Assurance, who appraises their performance and has oversight of all proposed activities. The Audit and Risk Committee approves the appointment of the internal auditor and reviews its activities and effectiveness. It also approves the internal audit plan and ensures that significant findings and recommendations made by the internal auditor are received, while reviewing the appropriateness of the content and promptness of the ET responses to recommended actions.

The external auditors are responsible for completing a statutory audit of the RNLI's annual financial statements

and those of the group, and providing an independent audit opinion to the RNLI Trustees. The Audit and Risk Committee recommends the appointment, remuneration, reappointment and removal of the external auditors in relation to statutory audit arrangements. It also reviews the scope of the planned external work.

PROVISION OF INFORMATION TO AUDITORS

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

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

- there is no relevant audit information of which the charity's external auditors are unaware; and
- the Trustees have taken all appropriate steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

FUNDRAISING STANDARDS AND REGULATION COMPLIANCE

CONTACTING OUR SUPPORTERS AND SUPERVISING OUR FUNDRAISERS

The RNLI prides itself on a high standard of ethical fundraising and we continually review how we contact the public to ask for support. This ensures that we follow regulations, meet our own high standards and exceed the public's expectations.

The scope of fundraising activity in 2023 included legacy marketing and administration; membership and individual donations; third party partnerships and fundraising; regionally-based, volunteer-led, branch fundraising including events, local appeals and collections; face-to-face fundraising; retail and other commercial activities; hospitality in the College; and lottery.

RNLI volunteers and staff carry out the vast majority of the charity's fundraising activities. In 2023, we worked with three professional fundraising organisations and three payroll giving agencies. Each of these undertakes professional fundraising on our behalf. We have a formal agreement with each of them, with specified standards of performance, for example in terms of data protection compliance, in order to protect donors, supporters and the organisation from poor practices. Each is also independently audited.

Over the course of 2023, we had 31 charity partnership and licensing agreements in place with companies at a national level. At a regional level, we had 21 regional partnerships in place, either commercial participator agreements or business licensing agreements.

Joining a force for good: relaunched in 2023, the new-look RNLI membership aims to bring members closer to the crew with exclusive benefits

COMPLIANCE WITH FUNDRAISING LAWS AND REGULATION

The RNLI aims to meet and exceed the UK Fundraising Regulator's and The Charities Regulatory Authority Ireland guidelines and standards by applying our own additional fundraising standards to ensure that we are open, honest and respectful. The RNLI adhered to the appropriate fundraising standards in 2023.

We are registered members of the Fundraising Regulator and maintained our registration during 2023. We continue to undertake an organisation-wide review of our compliance against the latest version of the Fundraising Regulator's Code of Fundraising Practice to ensure we are fully adhering to the latest guidance. During the year, we updated our outbound calling processes and procedures in line with the latest guidance.

In 2023, the RNLI achieved Triple Lock status from Charities Institute Ireland. Triple Lock status is awarded to charities that uphold the highest standards in transparent reporting, ethical fundraising, and strong governance structures. This recognition is the gold standard for Irish charities to offer assurances to donors, members and the general public. To achieve Triple Lock status we have ensured that:

- we have adopted and maintain compliance with the Guidelines for Charitable Organisations on Fundraising from the Public
- we prepare our annual financial statements in compliance with the Charity SORP (Statement of Recommended Practice under FRS102) accounting standard
- we completed the full implementation of the Charities Regulator Charities Governance Code
- we are committed to keeping our compliance with the above standards under ongoing review.

We have reviewed and assured ourselves that in 2023 we met the Charities (Protection and Social Investment) Act 2016: Fundraising Reporting Requirements. The relevant information is reported throughout the Governance section of this Annual Report.

The Trustees are satisfied that the RNLI adhered to the appropriate fundraising standards in 2023.

COMPLIANCE WITH RECOGNISED STANDARDS

Each fundraising team is responsible for making sure that they are compliant with the standards laid out in the codes of fundraising practice in the relevant jurisdiction. Examples of how we have supported volunteer compliance during 2023 include:

- Post pandemic, we continued to make sure the safety and welfare of our fundraising volunteers and staff remained a high priority, ensuring the latest best practice and guidance was taken into account across all our regional income-generating activities as appropriate.
- We continue to review and update our Donations Acceptance Policy and improve processes to support this policy.
- We completed additional training resources for our branches and specifically Branch Treasurers to ensure they are supported in the role.
- We developed a new partnership framework to support our volunteers when seeking to partner with businesses nationally and regionally.
- We contacted all our supporter groups, including retail, shops, branches and visitor experience sites, to ensure their data was up to date and contact preferences were correct.
- We rolled out a new volunteer training pack to support our volunteers, developed by our Fundraising Team.
- We created an events registration form that has been rolled out across all our fundraising groups. It enables us to review our event activity and ensure risk assessments, training and additional support are in place where required.

We monitor our overall fundraising compliance and the lessons learned from various regulators, to improve our fundraising practices. It is this approach that has led us to manage and run internal compliance rather than outsource this activity as some charities do. We are satisfied that we meet all current standards. Each element of the fundraising, commercial and marketing regulatory and best practice codes has a designated RNLI subject matter expert for compliance matters. Every year, these experts review their areas and ensure any compliance matters requiring attention are managed appropriately. This activity is recorded on the RNLI central compliance register and reviewed by the Fundraising Senior Leadership Team.

In 2023, there were no serious incidents reported in relation to non-compliance with the various fundraising standards and regulations that we operate within and abide by.

The RNLI has a Safeguarding Policy (see page 39), which also applies to our fundraising teams, and we specifically protect people who might be in vulnerable circumstances when carrying out any fundraising activity. We also have a Vulnerable Circumstances Policy with specific guidance notes for our teams who provide our marketing communications. Our Supporter Experience Team are trained on the Vulnerable Circumstances Policy, which includes key indicators to listen out for on calls and to observe in written correspondence in order to protect those who might be in a vulnerable circumstance. Staff can both flag a supporter as potentially being in vulnerable circumstances on our database, as well as provide preferences around the communications they might receive from the RNLI. We have crafted letters to support those who might be in a vulnerable circumstance when they have indicated that they would like to donate to the RNLI, making doing the right thing for the supporter our priority. We specifically protect supporters who might play the lottery by offering a self-exclusion form and we have the ability to prevent this type of communication reaching someone who might be in a vulnerable circumstance. See page 40 for more information on the RNLI's Lifeboat Lottery.

We monitor our performance by reviewing the Vulnerable Circumstances Policy in line with any regulatory best practice and then share those updates with our Supporter Experience Team and those responsible for marketing communications. We also monitor any feedback and complaints related to vulnerable circumstances and, should the need arise, we would offer retraining to staff and a review of the policy.

GRANT-MAKING POLICY

Our support of partners is guided by the requirement that any grant payment is linked to a legal Deed of Grant negotiated and agreed with the recipient. In addition, we require completion of a satisfactory due diligence audit of the recipient's senior management, governance controls, financial capability, safeguarding systems and overall capacity to deliver desired results. These checks include both the recipient and any of their associates who are relevant to the work being supported. This includes checking for absence from government sanction lists of proscribed individuals and/or organisations.

The payment of grants is linked to reaching agreed project milestones and is controlled under the RNLI's financial policies. The annual grant provision is sanctioned by the ET under a delegated authority from the Board as part of the annual budget approval process. Payments require senior management and Finance Department approval. All payments can be audited through our financial management system and are available for review by the ET. Each year, the Board is provided with an annual summary of payments made in the previous year and those planned in the coming year.

To maintain high standards of assurance, our teams continually monitor best practice and any legislative changes that might impact the policy.

Openness and accountability

ONE AMAZING CREW

We regularly connect with our supporters, donors and the wider public in all aspects of our lifesaving work. We strive to inspire and inform people and build mutually beneficial relationships with partners, groups, organisations and individuals who use the water and have an interest in our charitable work.

We all come together as One Crew, the beating heart of the RNLI. We value our engaged employees and volunteers greatly, and know how much they positively impact and support our lifesaving work.

We know that high levels of engagement mean teams perform at their best, often going above and beyond. It reduces the likelihood of accidents and periods of absences and develops a deep connection to the organisation.

We adopt a model of engagement that can be categorised into three areas:

- Say – an individual's likelihood to be an advocate for the organisation
- Stay – their commitment to the organisation and their role
- Strive – their motivation for the purpose and ambitions of the organisation.

PEOPLE (EMPLOYEES)

Employees' levels of engagement are measured through the confidential biennial survey One Crew: Your View. The last survey took place in 2022 and will run again in the summer of 2024. The surveys provide us with a brilliant insight to understand the key drivers of engagement for people and develop action plans from their feedback.

In a year where, externally, there was a significantly buoyant recruitment market leading to labour shortages, the organisation maintained low levels of staff turnover at 15.3%, of which, 11.1% were voluntary. Our exit surveys for leavers enable us to track trends at point of resignation and our new starter survey, introduced in 2022, helps us to track the employee experience of our new joiners by asking for feedback at key stages of their initial 3 months with us.

Recognising the importance of wellbeing, we have continued to invest and profile the breadth of wellbeing support accessible to our people.

The last employee engagement survey was completed in 2022 with the full results being shared with all employees. The survey identified six key drivers of engagement for our employees. It was a positive set of results, but we have an ambition to strive for further improvements to achieve a better experience for our people. Managers continue to work with their teams and listen to feedback to understand how we can address areas for improvement.

SERIOUS INCIDENT REPORTING

Seven serious incidents were reported to the Charity Commission in 2023, none of which were pursued.

RAISING CONCERNS INTERNALLY

We work to ensure our people have a variety of ways in which they can raise organisational concerns while being confident that they will be listened to. This includes a confidential independent reporting line. Our Whistleblowing Policy and process sets out our commitment and approach.

HEALTH AND SAFETY

The safety of our people, irrespective of environment, location or activity remains our priority. Our ability to save every one we can is dependent on the safety of our people. It's our number one strategic outcome: We keep our people safe. This approach is being further embedded as the organisation's safety management system evolves and adapts to the changing demographics and needs of the operating environment.

Our legal and moral duty towards the health, safety and wellbeing of our people and the culture we wish to encapsulate is set out in the Chief Executive's Safety Statement.

We recognise the challenges of delivering a world-leading maritime search and rescue capability, including manufacturing the lifeboats used to enable this, along with lifeguarding, fundraising and water safety activities. So the organisation has continued to invest in developing safety leadership, training and assurance activities to make this all happen. Despite resource pressures, the organisation has continued to invest in safety improvement. This has included recruitment into specialist roles within the Safety Learning function and the Regional Health, Safety and Environment Support Team.

Launch and recovery experts: Wells RNLI shore crew volunteers onboard their Shannon launch and recovery system

At the same time, team structures have been re-set to better support the regional and functional activity areas.

Maintaining the commitment to continuously improve our safety performance, we have made some significant improvements in 2023:

- The introduction of a comprehensive Human Factors course for full-time crew to support enhanced operational decision making and human performance considerations. The training will roll out more widely in 2024 to people with safety responsibilities.
- The refinement of the Platform Safety Review process to ascertain and affirm that equipment is safe to operate and can be operated safely by suitably qualified and experienced personnel.
- The provision of technical solutions and implementation of modifications to reduce whole-body vibration for crew operating in the D class inshore lifeboat.
- The introduction of safety information dashboards, giving activity owners detailed analysis of safety data.

In addition, work to further improve the effectiveness of our safety management system has been informed through a comprehensive internal audit of safety processes and a number of external consultations. Identification of training requirements for people holding safety leadership or management responsibilities has also taken place. This will enable targeted training for non-operational roles charged with safety management responsibilities. Active safety risk management remains an area of focus, as does the rapid implementation of learning from Safety Learning Reviews and other activities to prevent re-occurrence and to improve resilience.

OUR COMMITMENT TO SAFEGUARDING

The RNLI is committed to looking after the wellbeing and dignity of everyone who comes into contact with our charity, whether beneficiaries, supporters, volunteers or staff. Safeguarding is part of our business; it's everyone's business. Everybody working or volunteering at the RNLI should understand safeguarding. Safeguarding is about supporting and protecting people. It's about not causing harm through our interactions. It's about being aware of people's wellbeing and welfare. It's about keeping each other and ourselves safe, and it's about speaking out and taking appropriate action to prevent harm or abuse.

Our commitment to safeguarding is embedded within the leadership of the organisation, with a dedicated Trustee safeguarding champion, the appointment of a designated safeguarding lead, a newly appointed safeguarding officer and a 5-year strategic plan.

The RNLI's safeguarding training and guidance has traditionally been focused on safeguarding young people and vulnerable adults. While this remains an important part of safeguarding as shown by developing and rolling out a safeguarding eLearning package, we need to develop a better understanding of safeguarding all people across the charity and continue to upskill our volunteers and staff as legislation and best practice develops. During 2023, volunteers and staff had opportunities to learn more, building on our existing knowledge to ensure that everyone knows the risks and types of harm that fall under safeguarding guidance and law, and how and when to report concerns.

To help our people understand their responsibilities, we have a dedicated Safeguarding Policy and procedure. In 2023, a new Safeguarding Policy was drafted in line with changing legislative and regulatory arrangements and best practice. The new policy will be launched across the organisation in 2024.

We have strengthened our Safer Recruitment practice across the organisation and support managers in ensuring safeguarding is at the heart of any recruitment process across both employees and volunteers.

We have promoted and raised awareness of safeguarding in 2022 and 2023 and have seen an increase in people identifying and raising concerns. We have delivered multiple bespoke safeguarding workshops to managers across lifesaving operations, volunteering, employee relations, community managers, face-to-face fundraising managers and water safety education managers.

We encourage individuals to report concerns and we are committed to improving reporting mechanisms. When concerns are raised, we investigate them, to understand the causes and how we can take steps to prevent similar occurrences. Staff and volunteers can report any type of abuse and harassment through various mechanisms, including the independent whistleblowing process. In 2023, four of our safeguarding concerns (three in 2022) were subsequently reported to the Charity Commission of England and Wales.

In 2023, we supported partners across our international work by providing advice and mentoring to embed a robust safeguarding culture.

Not all safeguarding matters concern abuse of RNLI staff, volunteers or beneficiaries. Some relate to a risk notified to us by statutory agencies about the behaviour of individuals outside their involvement with the RNLI or reports of safeguarding concerns raised within the communities in which we operate. We work closely with partner organisations to help seek justice for those affected.

OPEN AND ACCOUNTABLE FUNDRAISING STANDARDS

The RNLI is a member of the Fundraising Regulator, and in 2023 paid the fundraising levy in full as part of our membership.

The RNLI works hard to ensure that everyone supporting the charity understands how their money will be used to save lives. We include this information on our website, in many of our communications and in all of our appeals. This clarity that we provide is reflected in the low level of complaints received. When we receive complaints, we respond on a one-to-one basis in line with our Supporter Charter. We annually complete a complaints return for the Fundraising Regulator and we use the insight from the Fundraising Regulator's annual complaints report to influence and inform future fundraising strategies and communications.

COMPLAINTS AND FEEDBACK

We received 2,531 complaints in 2023. This is a significant decrease on the 4,481 received in 2022 and volumes remain low in relation to our activity. We have seen the majority of decreases in four areas: relating to data errors, mail order/shop, fundraising and relating to our work in the English Channel. We also saw a decrease in the amount of positive feedback logged, receiving 214 items compared to 388 in 2022.

In 2023, we had 206 requests via the Fundraising Preference Service to remove individuals from our database. This is slightly up on last year's 198, but still very low in relation to our marketing activity. We continue to log all feedback and we internally deliver a weekly Supporter Sentiment report, highlighting trends and themes. These allow us to learn, adapt and continuously improve the supporter experience.

CERTIFICATIONS AND REGISTRATIONS

The RNLI had a number of certifications and registrations in place during 2023:

FUNDRAISING REGULATOR

We take our fundraising extremely seriously and as such we are registered with the Fundraising Regulator. This demonstrates that we promote best practice, defend the sector and demonstrate our compliance with the law. We follow the regulator's process for reporting our fundraising complaints to them annually in April. In our April 2023 submission we reported 1,038 complaints to the regulator. This is in relation to sending out just over 32M items of targeted marketing communication which is an increase from April 2022 of approximately 7M. The Regulator records sector benchmarks as an average 1 complaint for every 18,000 addressed mail items sent (0.0056%), so our complaint volumes of 1 in 30,933 (0.0032%) are well below the benchmark.

DIGITAL CODE OF CONDUCT

The RNLI follows the Charity Digital Code principles.

UK GAMBLING COMMISSION REGULATION

The RNLI's quarterly Lifeboat Lottery is licensed by the Gambling Commission under the Gambling Act 2005. This is to ensure our gambling activities are safe, fair and crime-free. We hold a non-remote and an ancillary remote licence and strictly adhere to the Licence Conditions and Codes of Practice regulated by the Gambling Commission.

In 2023, the RNLI received £2,889,141 in Lifeboat Lottery ticket sales and 75% of money raised by the Lifeboat Lottery went directly towards the RNLI contributing towards its lifesaving mission, 2% on prizes and 23% on expenses. This complies with the Gambling Commission's requirements that a society lottery must apply a minimum of 20% of the gross proceeds of each lottery directly to the purposes of the society.

We have procedures and protective measures in place to encourage responsible gambling and to identify and help those with gambling problems. We strictly adhere to the Gambling Commission's directive on social responsibility and problem gambling. See more at RNLI.org/lottery.

ACCREDITATION OF TRAINING AND ASSESSMENT STANDARDS

Our powerboating, motorcruising, personal watercraft, VHF and shore-based theory courses are accredited by the Royal Yachting Association.

The Association of Marine Electronic and Radio Colleges accredits our Long Range Certificate Satellite Endorsement courses.

Our Standards of Training, Certification, and Watchkeeping for Seafarers Personal Survival Techniques, Elementary First Aid and Approved Engine Certificate courses are accredited by the Maritime and Coastguard Agency.

Our Casualty Care course is approved by the Anaesthesia Trauma and Critical Care Group and the Royal College of Surgeons.

Our Lifeguard Trainer Assessor course is accredited by Skills for Justice.

UK MUSEUM ACCREDITATION

The RNLI Henry Blogg Museum and RNLI Grace Darling Museum continued to meet the standard for UK Museum Accreditation.

UNESCO RECOGNITION OF RNLI 200TH ANNIVERSARY

The RNLI's 200th anniversary received official worldwide recognition by the United Nations Educational, Scientific and Cultural Organization (UNESCO) on 22 November 2023. UNESCO confirmed it will officially recognise the 200th anniversary of the formation of the RNLI in 2024. This is because of the RNLI's international reach and recognition, and how it reflects the ideals, values and cultural diversity of UNESCO.

The UK Delegation to UNESCO (part of the UK Government's Foreign, Commonwealth and Development Office, and the UK National Commission for UNESCO) proposed the RNLI's 200th anniversary be recognised. The proposal received support from the UNESCO delegations of Ireland, Tanzania and Bangladesh.

The RNLI and UNESCO organisations will work closely throughout 2024 on a range of domestic and international opportunities, such as working with UNESCO designations, including World Heritage Sites, Biosphere Reserves, Creative Cities and Global Geoparks across the UK and overseas, to help promote drowning prevention messages.

Integrity

Integrity is about doing what is right, openly and honestly for the charity as a whole, its people (supporters, volunteers, and staff), and those it helps or for the general public. It includes the use of reliable data to ensure that we put the right lifeboats in the right locations, making sure that we spend our supporters' generous donations appropriately, and maintaining the high standards that are essential to any modern emergency service. Maintaining our integrity is a critical part of how the RNLI operates.

We aim to uphold the organisation's values, standards and policies. The Board and Council have appropriate oversight of our decision-making processes and ensure that we meet the standards we set ourselves, as well as those set by regulators such as the Charity Commission for England and Wales, the Fundraising Regulator for England, Wales and Northern Ireland, and The Charities Regulator, Ireland. We record positive feedback and complaints, the latter of which are declared annually to the Fundraising Regulator (see page 40).

AVOIDING CONFLICTS OF INTEREST

Our policy regarding conflicts of interest applies to all of our Trustees, Council members, standing committee members, and the ET, all of whom are required to make an annual declaration that is collated and retained on the organisation's conflict of interest register. In addition, any new conflicts of interest are declared and recorded at the start of every Board meeting. Annual conflict of interest declarations are reviewed in line with the charity regulator disqualification criteria guidelines by jurisdiction, the accounting rules for charities laid down in the Statement of Recommended Practice and HM Revenue and Customs 'fit and proper persons' requirements.

There were no externally reportable conflicts of interests declared in 2023.

TRANSPARENCY AND DONOR TRUST

As a charity, holding our supporters' and the public's trust is incredibly important. We work hard to ensure that we manage our money and other assets responsibly and do all we can to maintain our good reputation by being transparent, trustworthy and responsible.

We review the UK public's opinion of the RNLI using YouGov's CharityIndex survey, which continuously tracks public brand perception of 76 UK charities. The RNLI is regularly among the top 10 charities the UK public would speak positively about or have a positive experience of. In the UK, we ranked sixth (recommend) and fourth (satisfaction) respectively for these factors in 2023 (source: YouGov Charity Index Donor Consideration Score 1 January–31 December 2023).

In the Republic of Ireland, we ranked fourth and third out of 12 charities for the same factors (source: YouGov CharityIndex 1 January–31 December 2023).

Transparency is also key to building trust and demonstrating integrity, which we aim to do whenever practical and possible. There will be some occasions when there are legal and ethical circumstances where we cannot be transparent, either because of legislation (for example, data protection) or because we need to make an ethical choice to protect an individual (for example, the details we give of a distressing rescue or fatality). We consider very carefully what we share and when, particularly if it has an impact on a local community or an individual.

Transparency is only one part of building trust. It must be followed up with clear actions appropriate to each situation. For example, we would not publish graphic details of a distressing rescue without the consent of those involved; and then only if it were not distressing for others, even if that meant foregoing valuable publicity. Equally, we might choose not to give details of a dispute between volunteers or staff while an investigation or appeals process is ongoing so as not to prejudice a later decision, even if those details would help to explain the RNLI's actions to others.

We are committed to keeping our volunteer and supporter data safe, and we treat information security and data governance as strategic risks (see page 32).

ELIMINATION OF MODERN SLAVERY AND HUMAN TRAFFICKING

The RNLI is committed to ensuring that modern slavery and human trafficking are not present in its supply chains or partnerships. We continue to work with our suppliers and partners to ensure compliance with the UK Modern Slavery Act 2015. All contracts include up-to-date clauses on modern slavery and human trafficking to ensure that our suppliers are aware of their obligations (our statement on Modern Slavery and Human Trafficking can be found on our website at RNLI.org to ensure it is publicly accessible).

Concurrently, we continue to use our Supplier Code of Conduct, which sets out the organisation's minimum expectations of suppliers regarding business ethics, working conditions and human rights. Through this code, we seek to ensure that all our suppliers share our values and take a zero-tolerance approach to modern slavery. We undertake due diligence in our supply chain tenders, corporate partnerships, associations with other organisations, and in our international work. This due diligence includes assurance that modern slavery is not present. We are continuing to develop our supplier processes and procedures to make it easier to capture, analyse and manage data from suppliers – covering their ethical, environmental and social practices.

ETHICS IN THE SUPPLY CHAIN

The RNLI has a clear set of values that underpin the strong ethical position expected from our supporters, volunteers and staff. We apply the same values in developing relations with our contractors and suppliers to further our supply chain strategy and processes, and to reflect our commitment to good employment practice.

We have an engineering and supply director, and a Procurement and Logistics Team, including category managers, who are dedicated to developing and improving our supply chain strategy and processes.

The RNLI has a varied supply chain and a broad supplier base that supports the construction of our lifeboats, the running of the RNLI College, the range of retail goods sold in our shops and online, and the marketing and advertising of our fundraising and prevention campaigns, as well as the day-to-day operation of the RNLI. We continually ensure that we carry out these activities in the most ethical way we can, by reviewing where we source our goods and services, the processes and governance we follow, and the methods of manufacture and distribution.

During the year, we continued to drive improvement and awareness on ethics and sustainability via our Procurement Policy and related processes, and through the use of our Supplier Code of Conduct. We also completed the new Bribery and Corruption Policy. All of these documents and processes aim to provide clear expectations on our values and ethical standards.

INFORMATION SECURITY

Cyber attacks remained a constant and prevalent threat throughout 2023. Organisations of all sizes have fallen victim to them, due to cyber criminals keeping ahead of technologies and associated vulnerabilities. Mainstream media reporting of cyber crime continues to increase the general cultural and public awareness of cyber threats.

In response, the RNLI regularly reviews and tests the effectiveness of our cyber defence, response and recovery capabilities, against industry standards. We implement recognised good practices by assessing emerging and persistent threats with our trusted partners and suppliers. We continue taking action to keep our exposure at an acceptable level and are constantly working to keep pace with the evolving cyber risks.

ENVIRONMENT

ENVIRONMENTAL MANAGEMENT

Our Environmental Sustainability Programme sets out our strategic environmental priorities and activities, aligned to the RNLI strategic 5-year plan *Our Watch*. Our Environmental Policy and ambitions continue to underpin our approach to environmental management (see RNLI.org/sustainability for further information).

We continue to pursue our zero waste to landfill by 2030 ambition by seeking to apply the Waste Hierarchy. Where disposal is required, we aim to put waste to energy recovery contracts in place where available. Work with our suppliers is ongoing to eliminate or reduce single use plastics where practical.

We aim to adopt a circular approach to resources where it is cost effective, and solutions are available. Examples include upcycling some of our decommissioned lifejackets into a limited product range to support our 2024 celebrations and recycling of lifeguard wetsuits that are no longer fit for purpose.

The RNLI won the Southern Sustainability Partnership 2023 Waste Award for our approach to tackling waste reduction and management.

The RNLI leadership has recognised climate change as a strategic risk. We continue to share information and work with external organisations. This is to help us better understand the real impacts and develop adaptation strategies and plans to become more prepared and resilient.

We continue our work to ensure robust environmental management with regular reviews of both our compliance with relevant legislation and actions taken to mitigate environmental impacts of our operations. We are developing our approach to environmental site risk assessments and assurance of pollution prevention.

Our Sustainability Apprentice manages a Sustainability Champions Group and won the Make UK SW Region 2023 Business Apprentice Rising Star Award.

We continue to work with external groups such as the Fit for the Future Network, Emergency Services Environmental Group and International Maritime Rescue Federation, sharing knowledge and support to deliver improved lifesaving and environmental outcomes for all.

ENERGY, FUEL AND CARBON

Reducing our energy consumption and carbon emissions is key to becoming a more sustainable organisation, and progress is being made across all areas of RNLI operations. The overall energy and fuel use of the organisation was 38GWh (2022: 44.8GWh), which resulted in 9,252 tonnes of CO^2 equivalent emissions (2022: 10,000 tonnes of CO^2); with a renewable portfolio that provided 93MWh (2022: 617MWh) and earned an income of £36,000 (2022: £90,500) and a saving of £14,000 during 2023 (2022: £118,000).

The renewables portfolio grew by 60kWp for solar over the course of 2023.

The RNLI has entered into new flexible electricity (zero carbon) and gas contracts, which will take advantage of falling energy prices and reduce risk of potential future shocks to the market. The RNLI intends to use energy consumption data from our suppliers to engage with our building users, so we can reduce energy use where possible and increase energy efficiency across the estate.

Energy efficiency and decarbonisation principles are embedded within our asset management, project, and decision-making processes to ensure that opportunities to make immediate and long-term improvements are captured.

The RNLI is continuing to collaborate with others and has partnerships with Innovate UK funded projects in the field of alternative fuelling and maritime decarbonisation. This provides opportunities to support data gathering and technology development and advocate for practical solutions for decarbonisation.

CARBON REPORTING

The RNLI aspires to achieve a sustainable decarbonisation of our operations by 2050.

A roadmap for this decarbonisation is needed, so we will develop an RNLI Carbon Reduction Plan in the first half of 2024. This will utilise the ongoing calculation of the organisation's scope one and two emissions to identify investment opportunities which give best value for money in reducing carbon emissions.

2023 RNLI ENERGY AND CARBON REPORT

EMISSIONS
(tonnes of CO^2 equivalent)

	2023	2022
Fuel for fleet vehicles and vessels	**6,290**	7,057
Electricity	**2,153**	1,984
Gas	**808**	1,232
Total	**9,251**	10,273

METHODOLOGY

Our overall approach aligns with the Greenhouse Gas Reporting protocol corporate standard. Electricity and gas emissions include all sites supplied by our central energy contracts. Vehicle and vessel emissions include all fuel used by lifeboats, launch and recovery vehicles, lifeguard assets and our road vehicle fleet.

EQUALITY AND FAIRNESS IN RNLI PAY, REWARDS AND RECOGNITION

VOLUNTEERS AND PAID STAFF

The vast majority of RNLI people are volunteers, including all the members of the Board and members of the Council.

While our operational volunteers give their time freely to help save lives, the RNLI does make some payments to recognise the cost and disruption that this can cause. To ensure they are not out of pocket, these volunteers can claim necessary expenses and, in specific cases, a contribution for lost wages, such as when attending a residential training course. The RNLI also, in certain circumstances, may make a fixed payment where there is a shortage of specific skills, such as maintaining and operating our increasingly technical lifeboats or driving heavy equipment.

The RNLI also employs people to run and and support a complex service in a hazardous environment.

There are a number of specific skills needed to keep such an organisation running as safely as possible and at peak efficiency. The RNLI has to compete in the labour market and have an appropriate pay policy in place to ensure we can attract and retain the people with the right skills to deliver our lifesaving work. We must offer a suitably competitive level of reward and appropriate recognition for our people.

REMUNERATION COMMITTEE – COMPOSITION AND RESPONSIBILITIES

The pay policy of the RNLI is approved by the Remuneration Committee as part of its terms of reference. As part of this decision, it may seek external legal advice as well as recommendations from the chief executive and the people director.

The Remuneration Committee is a committee of the Trustee Board. It is made up of three Trustees and two independent committee members.

The committee has delegated authority to act on behalf of the Board to ensure remuneration policies meet the charity's aims and legal responsibilities, and to review and monitor how these are communicated both internally and externally.

The committee reviews the remuneration levels as part of the annual pay review. As part of this process, it considers prevailing market conditions and relevant external benchmarks, staff retention and satisfaction, the charity budget, our future plans and past performance. It also undertakes an annual review of ET pay in line with performance, and considers the RNLI gender pay gap, plus the overall remuneration report and pay disclosure statements for the Annual Report.

PAY POLICY

In setting overall pay levels for our staff, we consider the pay practice in other similarly sized charities and, where necessary, private-sector organisations for specialist and technical roles (for example in IT, finance, maritime operations, marine design and manufacturing, and engineering).

We aim for a sustainable and consistent pay strategy that meets the diverse requirements of the RNLI. This includes a pay practice that ensures individual pay decisions are supported by a rigorous performance management process that applies to all employees.

GENDER PAY GAP

As part of our commitment to demonstrate equality and fairness in recruitment, pay, promotion and development, we comply with the requirements of the UK Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. In 2023, the gender pay gap for the RNLI was 1.5% based on an average hourly rate for men and women. This means our average hourly rate was marginally higher for men than women. Our full gender pay gap report can be found on RNLI.org.

Insights from this report enable us to plan to tackle any gender pay gaps that may have arisen from recruitment, development, pay review or other personnel practices. Gender pay gap data will continue to be reviewed by the Remuneration Committee and any actions to address gender pay gaps forms part of our annual pay review cycle, as well as linking to the RNLI Inclusion and Diversity Strategy.

PAY PRINCIPLES

The RNLI adheres to the UK Government's statutory national minimum and living wage rates. To maintain a fair, rational pay structure, the RNLI has a formal grading structure and pay range for each grade. The grades are based on jobs of common size, taking into account the breadth of responsibility, complexity, knowledge, skills and value to the RNLI.

The RNLI encourages good performance. Individual pay is reviewed annually and considers pay position in the range, market conditions, any relevant new qualifications or skills developed, and internal pay relativities. Pay is reviewed consistently using the same approach for all staff, including the ET and the chief executive. While no individual performance bonuses are paid as typically recognised, our seasonal fundraising employees are eligible for a small incentive payment. Annual pay budgets take into account affordability, economic trends and external market pay movement.

SENIOR EXECUTIVE PAY DISCLOSURE

The RNLI acknowledges the recommendations made following the Report of the Inquiry into Charity Senior Executive Pay and Guidance for Trustees on Setting Remuneration by the UK National Council for Voluntary Organisations. The inquiry advocates greater transparency, and the RNLI recognises and accepts those recommendations. As a result, the RNLI has provided greater clarity, with greater disclosure on the pay of the ET, as well as continuing to disclose the chief executive's pay in full (see page 58 or visit RNLI.org for more information).

The current chief executive started at the RNLI in May 2019 and, since he started, has chosen not to accept any annual pay increase.

The RNLI is committed to openness and transparency on senior executive pay and will continue to keep this under review.

Equity, diversity and inclusion

PLANNING

We have brought forward the Equity, Diversity and Inclusion (EDI) themes from our 5-year plan into our detailed plans for 2024.

EDUCATION AND AWARENESS

EDI events have given our staff and people managers the opportunity to explore, enhance awareness and discuss how to make practical changes to help embed EDI best practices in their areas. Some sessions have been for people managers only as these have included information of equality legislation and discussion on how to create an inclusive and diverse team.

Disability Means Business and Disability Confident Managers events delivered by Leonard Cheshire have supported our people to develop skills and confidence to understand disability in the workplace in an inclusive way with disabled colleagues.

An Inclusive Leadership event has supported our strategic leaders to explore how they can demonstrate inclusive leadership behaviours. This session focuses on helping leaders to maximise the full benefit from all of their workforce, with an increased focus on culture, relationships and decision making.

Let's Talk About Race events have given our people the opportunity to explore and understand the importance of addressing race inclusion and how to reduce and overcome bias. These interactive events have been delivered by Diverse Matters and helps people think about how to remove barriers to inclusion for people of colour, including volunteers, employees, supporters and the people we rescue.

COLLABORATION WITH LEONARD CHESHIRE CHARITY

We have continued our partnership with the Leonard Cheshire charity and have focused on the recruitment, retention and treatment of people with disabilities, health conditions and those who are neurodiverse. Leonard Cheshire was also commissioned to produce a report on reasonable adjustments at the RNLI with the aim to develop the RNLI's workplace adjustment process. The RNLI and Leonard Cheshire worked together on understanding workplace adjustments and the process for making them, reviewing the RNLI's existing process and resources, and identifying the actions that will improve the workplace adjustment process. The objective of the partnership is for RNLI to have an outstanding workplace adjustment process, which delivers for both disabled employees and the charity.

EQUALITY DATA CAPTURE

We have made progress with our initiative to significantly improve the quality and availability of the RNLI's equality data.

NETWORK ACTIVITY

The networks have been active in 2023 informing the planning process and working on their own focus areas and the interests of their membership. Three networks have had a change of leadership as some of our staff seek new roles. There has been a welcome initiative to establish a Women's Community that draws together a number of existing strands of activity.

DISABILITY NETWORK

The Disability Network trialled a Buddy Scheme helping to link up staff and volunteers who expressed an interest in finding others in the organisation to form peer support groups. This is now being rolled out on our intranet, Viva Engage, to make it easier for anyone to join or create a peer support group. The Viva Engage RNLI Peer Support Groups community is a public community for staff and volunteers to promote and join private support groups, for example, Maternity Support, Dyslexia Support and Carers Support. The network also collaborated with the EDI Book Club to host a session and choose the book read that quarter.

YOUNG PEOPLE'S NETWORK

The Young Professional's Network (YPN) was rebranded at the end of 2023 to the Young People's Network to ensure there is no unconscious exclusivity. It is moving into 2024 with two new co-chairs and a new executive sponsor. The YPN will continue to work alongside the other networks to influence behaviour change across the RNLI.

The 2023 wave of the reverse mentoring scheme with senior leaders across the organisation now sees over 40 pairings, to help challenge and shape the future of the RNLI. There are plans to revisit in early 2024. The YPN has also delivered two hybrid events, in collaboration with other networks (Race Equality Network and Harbour Network), bringing in speakers to share their career stories with protected characteristics. 2023 saw the YPN launch debate sessions throughout the year to welcome open, transparent, and honest debate on subjects affecting staff and volunteers around the RNLI and where relevant sharing this with the ET sponsor or appropriate organisational leads.

WOMEN'S COMMUNITY

We're working to establish a women's community: a space to empower, connect, and support women across the RNLI. We will bring together all the existing groups that represent women across the organisation and provide support to amplify their voices, such as the Female Lifeguard Group, Women in Engineering, Women in Search and Rescue and other groups. For 200 years women have played a critical role in the RNLI's history, from lifesaving to fundraising and everything in between. This community will be a celebration of the unique perspectives that each woman brings to our charity. The community will create a space to share experiences and support each other using this as a catalyst to improve inclusivity and remove barriers. It will be a place where every woman can be herself and thrive as well as benefit from working with other women from across the organisation.

In 2023, we hosted our first International Women's Day online panel session. We hosted six schools, along with members of the Women's Engineering Society, at our Lifesaving Support Centre for International Women in Engineering Day. We also continued to celebrate Women in search and rescue on our social media channels.

HARBOUR NETWORK (LGBT+)

The Harbour Network is continuing its work on the LGBT+ Accreditation Scheme which gives recognition to RNLI stations and places that visibly acknowledge inclusivity. We are working on how to make this a much easier process within regions and hope to roll this out in early 2024. The Harbour Network has been working on further rolling out the Ambassador's programme and we have seen an increase in both staff and volunteers in 2023 in the programme. The network has represented the organisation at Pride across the UK and Ireland, inspiring and educating people from the LGBT+ community about the work of the RNLI and how they can stay safe when around the coast. In 2023, the Harbour Network rolled out a new LGBT+ training programme for staff and are in discussions on how we can implement this to the volunteers too. The network has also been assisting with the development of a Transgender Policy. In addition, the network has been working alongside the other networks to influence behaviour change across the RNLI via online and in-person presentations.

Float to Live: Olympic swimmer Alice Dearing joins the Black Swimming Association (BSA), RNLI and the University of Portsmouth for the latest in lifesaving research

BLACK SWIMMING ASSOCIATION

Our partnership with the Black Swimming Association (BSA) continues to strengthen as the Water Safety Team work to ensure our influence, safety messaging and relevance can reach a broad and diverse audience. Specifically, the BSA supports access to targeted at-risk African, Caribbean and Asian individuals through:

- Research – to help understand population knowledge base, behaviour change requirements and deployment of messaging.
- Intervention – an immersive programme known as the Blue Hour aimed at teaching the RNLI Float to Live message, calling for help and basic swimming.
- Float to Live – a tri-party effort between the RNLI, BSA and University of Portsmouth to further advance Float research and awareness with ethnically diverse communities.
- Diversity – BSA supports the RNLI in becoming more relevant to ethnically diverse audiences.

STATEMENT OF PUBLIC BENEFIT

The RNLI provides public benefit in those jurisdictions where it operates as a charity by saving lives at sea. The governments of the UK and Ireland have a statutory duty to provide a maritime search and rescue service.

HM Coastguard, the Irish Coast Guard and the requisite Tasking Authorities in the Isle of Man, Jersey, Guernsey and Alderney, initiate search and rescue and rely extensively on the RNLI's expertise and resources to save lives at sea. The RNLI relies on donations to meet the cost of providing this public service.

RNLI Trustees have complied with their duty to have due regard to the Charity Commission's public benefit guidance when exercising relevant powers or duties.

Conclusion

The Annual Report of the RNLI was approved by the Board of Trustees on 8 May 2024 and signed on their behalf by

Janet Legrand OBE KC (Hon)
RNLI Chair

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE ROYAL NATIONAL LIFEBOAT INSTITUTION

OPINION ON THE FINANCIAL STATEMENTS

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 December 2023 and of the Group's and Parent Charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended and the Charities Act (Northern Ireland) 2008 as amended by the Charities Act (Northern Ireland 2013).

We have audited the financial statements of The Royal National Lifeboat Institution ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 31 December 2023 which comprise the RNLI Consolidated and RNLI Statement of Financial Activities, the RNLI Consolidated and RNLI balance sheets, the RNLI Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

BASIS FOR OPINION

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

INDEPENDENCE

We remain independent of the Group and the Parent Charity in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

CONCLUSIONS RELATED TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements 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, Charities Accounts (Scotland) Regulations 2006 and the Charities Act (Northern Ireland) 2008 require us to report to you if, in our opinion;

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is inconsistent in any material respect with the financial statements; or
- adequate and proper accounting records have not been kept by the Parent Charity; or
- the Parent Charity 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 Trustee Board Responsibilities section, 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 Group's and the Parent 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 Group or the parent 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 151 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and section 65 of the Charities Act (Northern Ireland) 2008 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

EXTENT TO WHICH THE AUDIT WAS CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

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

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

In addition, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment law, data protection and health and safety legislation. In order to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, we made enquiries of management and those charged with Governance about whether the entity is in compliance with such laws and regulations and we inspected any relevant regulatory and legal correspondence. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Audit procedures performed by the engagement team included:

- Discussions with management and internal audit, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading minutes of meeting of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the various charity regulators;
- Reviewing items included in the group's fraud and theft database as well as the results of internal audit's investigation into these matters;
- Review of sample of gift aid claims and ensuring these have been made in accordance with the regulations;
- Challenging assumptions made by management in their significant accounting estimates in particular in relation to the legacy accrual and assumptions used in the calculation of the defined benefit pension liability; and
- In addressing the risk of fraud through management override of controls; testing the appropriateness of journal entries and other adjustments, in particular any journals posted by senior management or with unusual accounts combinations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Act (Northern Ireland) 2008. 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.

BDO LLP

BDO LLP, statutory auditor
London, UK
Date: 9 May 2024

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

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

FINANCIAL STATEMENTS

RNLI CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2023

	Note	Unrestricted funds			Restricted funds	Endowed funds	Total 2023	Total 2022
		General funds	Designated funds	Fixed asset funds				
		£M	£M	£M	£M	£M	£M	£M
Income and endowments from:								
Legacies		125.5	–	–	31.4	–	156.9	140.8
Donations		55.6	–	–	10.1	–	65.7	66.5
Trading activities		16.3	–	–	–	–	16.3	16.3
Investments	7c	1.7	–	–	2.9	–	4.6	3.3
Charitable activities		4.9	–	–	–	–	4.9	4.4
Other income		1.2	–	–	–	–	1.2	0.5
Total income and endowments		205.2	–	–	44.4	–	249.6	231.8
Expenditure on:								
Legacies and donations		(43.3)	–	(1.6)	–	–	(44.9)	(44.6)
Trading activities		(11.8)	–	(0.1)	–	–	(11.9)	(10.9)
Investment management		(0.1)	–	–	(0.1)	–	(0.2)	(0.3)
Raising funds		(55.2)	–	(1.7)	(0.1)	–	(57.0)	(55.8)
Lifeboat service		(39.3)	–	(2.6)	(11.7)	–	(53.6)	(50.1)
Lifeboats, property and equipment		(54.9)	–	(21.7)	(22.0)	–	(98.6)	(94.3)
Lifeboat rescue		(94.2)	–	(24.3)	(33.7)	–	(152.2)	(144.4)
Lifeguard rescue		(21.9)	–	(1.7)	(0.1)	–	(23.7)	(22.2)
International		(2.9)	–	–	(0.2)	–	(3.1)	(2.9)
Water safety, education and awareness		(6.4)	–	(0.2)	–	–	(6.6)	(7.7)
Charitable activities		(125.4)	–	(26.2)	(34.0)	–	(185.6)	(177.2)
Total expenditure	5	(180.6)	–	(27.9)	(34.1)	–	(242.6)	(233.0)
Net gain/(loss) on investments	7b	(4.4)	–	–	11.6	5.0	12.2	(26.3)
Net income/(expenditure)		20.2	–	(27.9)	21.9	5.0	19.2	(27.5)
Transfers between funds	1h	(11.5)	(0.3)	33.9	(22.0)	(0.1)	–	–
Actuarial gain on pension schemes	11d	1.8	–	–	–	–	1.8	4.6
Net movement in funds		10.5	(0.3)	6.0	(0.1)	4.9	21.0	(22.9)
Reconciliation of funds:								
Funds at 1 January		113.7	5.5	475.4	115.6	65.1	775.3	798.2
Movement in funds		10.5	(0.3)	6.0	(0.1)	4.9	21.0	(22.9)
Funds at 31 December		124.2	5.2	481.4	115.5	70.0	796.3	775.3

The Statement of Financial Activities includes all gains and losses recognised in the year. Total consolidated income of the RNLI during the year, including investment gains/(losses), was £261.8M (2022: £205.5M) less resources expended of £242.6M (2022: £233.0M). This led to a surplus of £19.2M (2022: deficit of £27.5M). All income, expenditure and resulting net movements are derived from continuing activities.

Notes 1–19 form part of these accounts.

RNLI CONSOLIDATED BALANCE SHEET

as at 31 December 2023

	Note	2023		2022	
		£M	£M	£M	£M
Assets employed					
Fixed assets					
Intangible assets	6b	7.6		10.9	
Tangible assets	6a	473.8		464.5	
			481.4		475.4
Investments	7		256.3		270.8
Current assets					
Stocks	8	30.4		25.0	
Debtors	9	62.3		51.0	
Bank and cash		1.4		2.3	
		94.1		78.3	
Creditors – amounts falling due within 1 year	10	(19.0)		(22.2)	
Net current assets			75.1		56.1
Creditors					
Amounts falling due after more than 1 year	10		(2.7)		(3.7)
Defined benefit pension liability	10		(13.8)		(23.3)
Net assets			796.3		775.3
Funds					
Endowed funds: Permanent	12b	19.8		19.2	
Expendable		50.2		45.9	
			70.0		65.1
Restricted funds	12c		115.5		115.6
Unrestricted funds					
Fixed asset funds			481.4		475.4
Designated funds	12d		5.2		5.5
General funds: Free reserves		138.0		137.0	
Pension reserve		(13.8)		(23.3)	
			124.2		113.7
Total funds			796.3		775.3

Janet Legrand OBE KC (Hon)
RNLI Chair

Mark Dowie
Chief Executive

Notes 1–19 form part of these accounts. The accounts of the RNLI and the consolidated accounts were approved and authorised for issue by the Trustees on 8 May 2024 and signed on their behalf.

RNLI CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 December 2023

	2023 £M	2022 £M
Cash flow from operating activities:		
Net cash provided by operating activities (see note below)	**2.1**	23.2
Cash flows from investing activities:		
Investment income	**4.6**	3.3
Proceeds from the sale of fixed assets	**1.2**	0.8
Purchase of fixed assets	**(34.4)**	(37.2)
Purchase of investments	**(22.2)**	(32.7)
Proceeds from sale of investments	**48.9**	43.3
Net cash used in investing activities	**(1.9)**	(22.5)
Cash flows from financing activities:		
Payment of short-term lease liability	**(1.1)**	(1.1)
Net cash used in financing activities	**(1.1)**	(1.1)
Change in cash and cash equivalents in the reporting period	**(0.9)**	(0.4)
Reconciliation of cash flow:		
Cash and cash equivalents at the beginning of the reporting period	**2.3**	2.7
Change in cash and cash equivalents in the reporting period	**(0.9)**	(0.4)
Cash and cash equivalents at the end of the reporting period	**1.4**	2.3

	2023 £M	2022 £M
Note to the consolidated cash flow statement		
Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Net income/(expenditure) for the period (as per the SoFA)	**19.2**	(27.5)
Depreciation and amortisation charges	**27.9**	26.8
(Gain)/ loss on investments	**(12.2)**	26.3
Investment income	**(4.6)**	(3.3)
(Profit)/loss on disposal of fixed assets	**(0.7)**	0.2
Increase in stock	**(5.4)**	(1.9)
(Increase)/decrease in debtors	**(11.3)**	6.2
(Decrease)/increase in creditors	**(2.7)**	4.6
Adjusting for impact of defined benefit scheme accounting	**(8.1)**	(8.2)
Net cash provided by operating activities	**2.1**	23.2

This year, we have amended the presentation of the movement in creditors and the way in which we account for the defined benefit pension schemes within the reconciliation of net income/(expenditure) to net cash flow from operating activities. Previously, the movement in creditors incorrectly included the defined pension scheme liabilities and the reconciliation added back the actuarial gain on pension schemes. The defined pension schemes are now considered separately in the reconciliation as impact of defined benefit scheme accounting. This has changed the previously reported 2022 figure for the movement in creditors from a decrease of £8.2M to an increase of £4.6M. The actuarial gain on pension schemes of £4.6M in 2022 is no longer in the reconciliation. All defined benefit pension schemes adjustments are now included in the reconciliation as impact of defined benefit scheme accounting and for 2022 this was a decrease of £8.2M. There is no change in net cash provided by operating activities for 2022.

Analysis of changes in net funds

	2022 £M	Cashflows £M	Non-cash movements £M	2023 £M
Cash	2.3	**(0.9)**	–	**1.4**
Lease liability falling due within one year	(1.1)	**1.1**	**(0.6)**	**(0.6)**
Lease liability falling due after more than one year	(0.6)	**–**	**0.6**	**–**
Total	0.6	**0.2**	**–**	**0.8**

Notes 1–19 form part of these accounts.

RNLI STATEMENT OF FINANCIAL ACTIVITIES†

for the year ended 31 December 2023

	Note	Unrestricted funds: General funds £M	Unrestricted funds: Designated funds £M	Unrestricted funds: Fixed asset funds £M	Restricted funds £M	Endowed funds £M	Total 2023 £M	Total 2022 £M
Income and endowments from:								
Legacies		**125.5**	**–**	**–**	**31.4**	**–**	**156.9**	140.8
Donations		**55.7**	**–**	**–**	**10.0**	**–**	**65.7**	66.5
Donations from subsidiary companies		**4.4**	**–**	**–**	**0.5**	**–**	**4.9**	6.1
Investments	7c	**1.7**	**–**	**–**	**2.5**	**–**	**4.2**	2.9
Charitable activities		**4.9**	**–**	**–**	**–**	**–**	**4.9**	4.4
Other income		**1.2**	**–**	**–**	**–**	**–**	**1.2**	0.5
Total income and endowments		**193.4**	**–**	**–**	**44.4**	**–**	**237.8**	221.2
Expenditure on:								
Legacies and donations		**(43.3)**	**–**	**(1.6)**	**–**	**–**	**(44.9)**	(44.6)
Trading activities		**–**	**–**	**–**	**–**	**–**	**–**	–
Investment management		**(0.1)**	**–**	**–**	**(0.1)**	**–**	**(0.2)**	(0.3)
Raising funds		**(43.4)**	**–**	**(1.6)**	**(0.1)**	**–**	**(45.1)**	(44.9)
Lifeboat service		**(39.3)**	**–**	**(2.6)**	**(11.7)**	**–**	**(53.6)**	(50.1)
Lifeboats, property and equipment		**(55.5)**	**–**	**(21.7)**	**(22.0)**	**–**	**(99.2)**	(94.4)
Lifeboat rescue		**(94.8)**	**–**	**(24.3)**	**(33.7)**	**–**	**(152.8)**	(144.5)
Lifeguard rescue		**(21.9)**	**–**	**(1.7)**	**(0.1)**	**–**	**(23.7)**	(22.2)
International		**(2.9)**	**–**	**–**	**(0.2)**	**–**	**(3.1)**	(2.9)
Water safety, education and awareness		**(6.4)**	**–**	**(0.2)**	**–**	**–**	**(6.6)**	(7.7)
Charitable activities		**(126.0)**	**–**	**(26.2)**	**(34.0)**	**–**	**(186.2)**	(177.3)
Total expenditure		**(169.4)**	**–**	**(27.8)**	**(34.1)**	**–**	**(231.3)**	(222.2)
Net gain/(loss) on investments	7b	**(4.4)**	**–**	**–**	**11.6**	**0.6**	**7.8**	(23.9)
Net income/(expenditure)		**19.6**	**–**	**(27.8)**	**21.9**	**0.6**	**14.3**	(24.9)
Transfers between funds	1h	**(11.8)**	**(0.3)**	**34.1**	**(22.0)**	**–**	**–**	–
Actuarial gain on pension schemes	11d	**1.8**	**–**	**–**	**–**	**–**	**1.8**	4.6
Net movement in funds		**9.6**	**(0.3)**	**6.3**	**(0.1)**	**0.6**	**16.1**	(20.3)
Reconciliation of funds:								
Funds at 1 January		**116.0**	**5.5**	**472.8**	**115.6**	**19.2**	**729.1**	749.4
Movement in funds		**9.6**	**(0.3)**	**6.3**	**(0.1)**	**0.6**	**16.1**	(20.3)
Funds at 31 December		**125.6**	**5.2**	**479.1**	**115.5**	**19.8**	**745.2**	729.1

Notes 1–19 form part of these accounts.

† The RNLI statement of financial activities shows the financial performance for the year of the charity excluding its subsidiaries.

RNLI BALANCE SHEET†

as at 31 December 2023

	Note	2023		2022	
		£M	£M	£M	£M
Assets employed					
Fixed assets					
Intangible assets		**7.5**		10.7	
Tangible assets		**471.6**		462.1	
			479.1		472.8
Investments	7		**211.6**		230.4
Current assets					
Stocks	8	**25.3**		21.2	
Debtors	9	**63.9**		51.7	
Bank and cash		**1.3**		1.5	
		90.5		74.4	
Creditors – amounts falling due within 1 year	10	**(19.5)**		(21.5)	
Net current assets			**71.0**		52.9
Creditors					
Amounts falling due after more than 1 year	10		**(2.7)**		(3.7)
Defined benefit pension liability	10		**(13.8)**		(23.3)
Net assets			**745.2**		729.1
Funds					
Endowed funds: Permanent		**19.8**		19.2	
			19.8		19.2
Restricted funds	12c		**115.5**		115.6
Unrestricted funds					
Fixed asset funds			**479.1**		472.8
Designated funds	12d		**5.2**		5.5
General funds: Free reserves Pension reserve		**139.4** **(13.8)**		139.3 (23.3)	
			125.6		116.0
Total funds			**745.2**		729.1

Janet Legrand OBE KC (Hon)
RNLI Chair

Mark Dowie
Chief Executive

Notes 1–19 form part of these accounts. The accounts of the RNLI and the consolidated accounts were approved and authorised for issue by the Trustees on 8 May 2024 and signed on their behalf.

† The RNLI balance sheet shows the financial position of the charity excluding its subsidiaries.

Keeping skills sharp: Llandudno's inshore lifeboat volunteers on exercise aboard their D class lifeboat *Dr Barbara Saunderson*. RNLI crews have been saving lives out of Llandudno since 1861

RNLI NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1. RNLI STRUCTURE AND ACCOUNTING POLICIES

The RNLI was founded in 1824 and was incorporated by Royal Charter granted in 1860, with Supplemental Charters granted in 1932, 1986, 2002 and 2011. The RNLI is a charity registered in England and Wales (209603), Scotland (SC037736), the Republic of Ireland (CHY 2678 and 20003326), the Bailiwick of Jersey (14), the Isle of Man (1308 and 006329F), the Bailiwick of Guernsey (CH135) and Alderney (CH386). The address of the registered office is West Quay Road, Poole, Dorset, BH15 1HZ.

a) Basis of accounting

- The accounts (financial statements) have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP), Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011.
- The accounts (financial statements) have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following Accounting and Reporting by Charities, preparing their accounts in accordance with The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).
- The RNLI meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note. Certain investments are held at fair value, see Note 7 for details.
- In preparing the separate financial statements of the charity, advantage has been taken of the following disclosure exemptions available in FRS 102:
  - No cash flow statement has been presented for the Parent Charity.
  - Disclosures in respect of the Parent Charity's financial instruments have not been presented, as equivalent disclosures have been provided in respect of the Group as a whole.
  - No disclosure has been given for the aggregate remuneration of the key management personnel of the Parent Charity as their remuneration is included in the totals for the Group as a whole.

GOING CONCERN

The Trustees reviewed the RNLI's financial plans for 2024 in November 2023 as part of their normal annual review. They were content that these plans were affordable and that the accounts should be prepared on a going concern basis. Our plans continue to evolve through 2024, as we seek to address our principal financial risks, and there are ongoing reviews of forecasts throughout the year.

The review of the RNLI's annual plan has continued in the light of the current cost-of-living crisis and legacy of the recent increase in inflation. Through rigorous planning, we anticipate the RNLI will be able to develop plans to bring the finances into balance. The Trustees are exploring all options to reprioritise activity and respond to the changing financial picture, prioritising our frontline lifesaving services. They are satisfied that the RNLI's future viability has not been critically affected by the current situation, with the key financial risk being managing costs in a high-inflation environment.

The RNLI Executive and Finance Committee also review short-term forecasts on a regular basis, through the review of financial risks and opportunities, and are content that the RNLI has sufficient resources to continue operating for a period of at least 12 months from the date of signing these accounts.

Given the strength of the balance sheet and availability and liquidity of unrestricted investments, totalling around £82.3M, the Trustees believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the charity's ability to continue as a going concern. The Trustees, therefore, consider it appropriate for the accounts to be prepared on a going-concern basis.

b) Critical accounting judgements and key sources of estimation

In the application of the Charity's accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period to which they relate.

In preparing these financial statements, a key judgement has been made in respect of the following:

- Residuary legacies – a debtor is recognised at the point it can be reliably measured and that the RNLI is entitled to the legacy. This recognition point is reached when the executors make the first interim distribution.

The key sources of estimation are summarised below:

- Residuary legacies – the valuation of the legacy debtor involves making estimates in relation to the valuation that the RNLI will receive from the estate. Key components of this estimate relate to the estimated disposal value of capital assets and an estimate of the costs to be incurred administrating the estate. In 2023, the residuary legacy debtor was £46.3M (2022: £35.7M).
- Pension liabilities – the charity recognises its liability to its defined benefit pension scheme, which involves several estimations as disclosed in Note 11. The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation include items such as standard rates of inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions can significantly influence the value of the liability recorded and annual defined benefit expense (see Note 11 on page 66 for sensitivity information). Assumptions used are based on actuarial advice.

c) Basis of consolidation

All subsidiary companies and charities, as listed in Note 2, have been consolidated on a line-by-line basis. Their objectives contribute to those of the RNLI Group strategy and under the test of control they are deemed to be subsidiaries of the RNLI. The intra-group transactions, balances and unrealised profits are eliminated in full.

RNLI (Trading) Limited was inactive throughout 2023 and has not been consolidated on that basis.

d) Depreciation, amortisation and impairment

Tangible and intangible fixed assets costing more than £10,000 are capitalised and included at cost.

Fixed assets are reviewed annually to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment an impairment loss is recognised in the Statement of Financial Activities.

Fixed assets are depreciated or amortised over their current anticipated lives, which are assessed as follows:

Goodwill and intellectual property	Straight line over 10 years
Assets under construction	No depreciation is charged on assets in the course of construction
Freehold lifeboat stations and shoreworks	Straight line over 50 years
Other freehold/ leasehold buildings	Straight line over 50 years/period of lease
Lifeboats	Straight line over 15–25 years. Shannon and Tamar lifeboat hulls over 50 years
Launching equipment	Straight line over 10–25 years
Office furniture and depot plant	Straight line over 5–10 years
Computer hardware and software	Straight line over 4–10 years

e) Pension schemes

The RNLI operates a defined benefit pension scheme covering its employees in the UK and the Republic of Ireland. The scheme was closed to new entrants from 1 January 2007 and closed to future benefit accrual on 30 September 2012, although benefits for active members accrued up to 30 September 2012 continue to be subject to any increases in pensionable pay.

A defined contribution pension scheme was established for new staff joining from 1 January 2007 and this was also offered as an alternative to members of the defined benefit pension scheme on its closure.

The RNLI also operates a dependants' pension scheme where benefits are paid by the RNLI to dependants of former crew members who lost their lives on lifeboat service. The defined benefit and dependants' pension scheme assets are both held in separate trustee-administered funds. The cost charged in the Statement of Financial Activities (SoFA) represents current service costs and gains and losses on settlements and curtailments calculated in accordance with Accounting Standard FRS102. Further details are shown in Note 11.

For the defined benefit pension and dependants' pension scheme, the current service costs, gains and losses on settlements and curtailments, and administrative expenses are charged to expenditure.

Similarly, pension finance costs arising from changes in the net of the interest costs and expected return on assets are charged to expenditure. Actuarial gains and losses are recognised immediately in the Statement of Financial Activities as Actuarial gain/(loss) on pensions scheme. Contributions in respect of defined contribution schemes are recognised as expenditure as they become payable.

The difference between the fair value of the assets held in the group's defined benefit pension scheme and the scheme's liabilities, measured on an actuarial basis using the projected unit method, are recognised in the group's balance sheet as a pension asset or liability as appropriate.

f) Income

Incoming resources are included in the SoFA when the RNLI is entitled to the income, the receipt is probable and the amount can be quantified with reasonable accuracy. If these conditions are not met the income is deferred. The following specific policies apply to categories of income.

Legacy income is recognised either at the point that the future income from an estate meets the recognition category or, for legacies not previously recognised, the point that the first cash payment is received. For pecuniary legacies, unpaid legacies are accrued into the accounts when they are notified unless there is any evidence that the legacy is contested, or the estate is impaired. For residuary legacies, a debtor is recognised at the point that it can be reliably measured, and that the RNLI is entitled to the legacy. This recognition point is reached when the executors make the first interim distribution. Legacies that do not meet the recognition criteria but where a value can be estimated represent a contingent asset and the value of these are disclosed in Note 9. In the rare cases where legacy property assets are legally transferred to the RNLI, rather than sold during the process to settle the estate, they are capitalised under tangible fixed assets at market value. When sold, the profit or loss on disposal is recognised in the SoFA as legacy income rather than profit or loss on disposal of fixed assets.

All donations are accounted for when received. Subscription income is treated as a donation, as there is no material benefit given, and is accounted for when received. Lottery income is recognised at the point the associated draw occurs. Charitable activity income represents lifeguard income which is accounted for over the period the service is provided. Investment income is accounted for on a receivable basis. The trading companies recognise revenue when the amount can be reliably measured; and it is probable that future economic benefits will flow to the entity.

On receipt, and where material, donations in kind are recognised on the basis of the value of the gift to the charity, which is the amount the charity 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. Gifts in kind that are not material are not disclosed.

The Gift Aid element of donations made to the charity is recognised as income in the charity at the same point as the linked donation. Donations from subsidiaries, made as a qualifying charitable donation, are recognised as income when paid, or at the date when the subsidiary has a legal liability to make the donation payment if earlier.

g) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Support costs representing expenditure on governance, general administration, finance, human resources and information technology have been allocated to expenditure, excluding merchandising and investment management, on the basis of cost (see Note 5).

Employee benefits paid on termination include accrued amounts where the RNLI is demonstrably committed to make these payments.

The cost of volunteer time is not accounted for as this cannot be estimated reliably.

h) Fund accounting

The RNLI's funds fall into the following categories:

Permanent endowments are capital sums that are donated under the restriction that they are invested and that only the income arising is available for expenditure in accordance with the donors' directions. These capital sums can only be spent in exceptional circumstances with the agreement of the Charity Commission.

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

Restricted funds are only available for expenditure in accordance with the donors' directions. This will include any restricted legacy value accrued on an estimated basis, in accordance with the policy on income detailed in this note.

Fixed asset funds represent the assets of the RNLI, the vast majority of which are the lifeboats, launching equipment and operational properties, such as lifeboat stations and lifeguard units. Without them the RNLI could not operate. They are shown separately to other unrestricted funds due to the size and importance of these assets to the RNLI.

Designated funds are set aside at the discretion of the Trustees. A Special Projects fund has been established to designate funds where significant financial assurances have been made to third parties to ensure monies are available. This is entirely for the project at Weston-super-Mare, where the local Council are seeking significant funds to repair the pier that will give access to the lifeboat station and the RNLI has given assurances that these funds will be available for the construction of the lifeboat station and access.

The above funds are committed funds.

General funds are sums that are freely available for general use. They comprise:

- **Free reserves**, which are retained to enable the Trustees to provide assurance to those at sea, the public and the governments of the UK and Republic of Ireland that the RNLI will be able to sustain its commitment to provide the lifeboat and lifeguard service. The free reserves are set at a level to withstand any short-term financial risks, the main ones being in the investment markets, pension scheme funding, key sources of income, such as legacies, and inflation. Based on this value, if free reserves fall outside the range of 4–10 months' charitable expenditure cover, the Trustees will review the business plan and make changes, as they consider appropriate. These free reserves will include any unrestricted legacy values accrued.
- **Pension reserve**, which represents the FRS102 accounting deficit for the defined benefit pension scheme as at the year end. The FRS102 basis is a prescribed accounting basis that requires the discount rate to be the rate on high-quality corporate bonds with a duration equivalent to that of the scheme liabilities. Each year, the scheme actuary assesses the financial position of the scheme, allowing for the returns expected to be generated by the assets planned to be held by the scheme in the future. These assets would not typically consist of 100% in corporate bonds. Further details are shown in Note 11.

Transfers between funds represent the completion of capital projects funded from restricted and general funds and the satisfaction of the restriction or designation on completion of the project. Transfers to the fixed asset fund are required to maintain the committed value of the fund. Transfers from certain restricted to general funds are made with the consent of the donor or executor. In 2023, these transfers totalled £14.1M.

i) Operating leases

Rentals applicable to operating leases are charged to the SoFA over the period in which the cost is incurred on a straight-line basis.

j) Investments

Investments for which there is a quoted market value are valued at the bid-price ruling at the balance sheet date. Other investments are valued at their realisable market value. Investment gains and losses arising during the year are included in the SoFA. Investments in subsidiaries are valued at cost less impairment. Investments in loans are carried at cost with an allowance for impairment. Cash deposits held with investment managers are excluded from cash and cash equivalents on the balance sheet.

k) Stocks

Stocks are valued at cost or written-down value. Stocks are reviewed on a line-item basis at least annually and provision is made against cost to reduce carrying value to estimated net realisable value. Included within operational stock are lifeboat manufacturing and repair materials, spares, crew kit, safety equipment and consumables. These are held as stock until distribution from the warehouse, at which point they are expensed if consumable or capitalised to fixed assets.

l) Presentation currency

The functional currency of the RNLI and its subsidiaries is considered to be in pounds sterling because that is the currency of the primary economic environment in which the organisation operates. The consolidated financial statements are also presented in pounds sterling.

m) Exchange rate gains and losses

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

n) Cash at bank and short-term deposits

Cash at bank and short-term deposits include cash and short-term highly liquid investments with a short maturity of 3 months or less from the date of acquisition or opening of the deposit or similar account. All cash and short-term deposits are basic instruments and are measured at amortised cost.

o) Financial instruments

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

2. SUBSIDIARY UNDERTAKINGS

a) Subsidiary companies

The RNLI has four wholly owned subsidiaries, RNLI (Trading) Limited, RNLI College Limited, RNLI (Sales) Limited, and Clayton Engineering Limited. All are registered in England and Wales, and each has a year end of 31 December 2023. RNLI (Trading) Limited was not trading throughout 2023.

The activities of RNLI College Limited relate directly to the charitable activities of the RNLI and comprise the training of lifeboat crew and lifeguards, although there are external sales of excess capacity which offset some of the costs of the training of lifeboat crew and lifeguards.

RNLI (Sales) Limited is used for non-charitable fundraising activities: selling gifts and souvenirs through the RNLI's network of station branches, fundraising branches and guilds, and running the Lifeboat Lottery.

Clayton Engineering Limited is a specialist engineering company which designs and manufactures lifeboat launch and recovery equipment.

The RNLI charges certain subsidiaries for the use of any shared resources. In 2023, a total of £0.8M (2022: £0.8M) was charged to subsidiaries on a cost basis.

The subsidiary company boards have decided that all the net profit will be donated to the RNLI and any profit shown in this note will be donated within 9 months of the year-end. There may be occasion where profits are retained if taxable losses are available, at the discretion of the board.

No provision for corporation tax has been made on subsidiary company profits for the year. This is due to the policy of donating all tax adjusted profits available for distribution under qualifying charitable donations, to its ultimate charitable parent undertaking within 9 months of the year-end date.

b) Charitable incorporated organisation

RNLI Lifesaving Endowment Fund (LEF) is registered as a charitable incorporated organisation (CIO) with the Charity Commission for England and Wales (registration number: 1184013). Its year end is 31 December. The LEF is a separate legal entity, able to hold property in its own name. The purpose of the LEF is the advancement of saving livesat sea by establishing, building and investing an endowment fund.

Subsidiary company financial information	RNLI (Sales) Limited Company number 02202240		RNLI College Limited Company number 07705470		Clayton Engineering Limited Company number 01274923	
	2023 £M	2022 £M	2023 £M	2022 £M	2023 £M	2022 £M
Merchandising and other trading income	**14.5**	14.2	**1.8**	2.1	**–**	–
Internal supplies to the RNLI	**–**	–	**8.1**	8.1	**7.5**	4.8
Cost of sales	**(6.0)**	(5.3)	**(0.8)**	(0.8)	**(5.0)**	(2.7)
Operating costs	**(4.4)**	(4.8)	**(8.8)**	(8.1)	**(1.7)**	(1.8)
Net profit	**4.1**	4.1	**0.3**	1.3	**0.8**	**0.3**
Amount of qualifying charitable donation	**(4.1)**	(4.1)	**(0.3)**	(1.3)	**–**	(0.2)
Retained in subsidiary	**–**	–	**–**	–	**0.8**	**0.1**
Fixed assets	**0.4**	0.3	**0.2**	0.4	**1.6**	1.7
Current assets	**4.1**	3.5	**0.2**	0.1	**1.6**	1.8
Current liabilities	**(1.2)**	(1.0)	**(0.9)**	(1.1)	**(0.7)**	(1.1)
Amounts owed (to)/from RNLI group	**(1.8)**	(1.3)	**1.5**	1.6	**1.3**	0.6
Net assets	**1.5**	1.5	**1.0**	1.0	**3.8**	3.0

Income is donated to the RNLI from this fund for lifesaving purposes and in 2023 a donation of £0.5M was made (2022: £0.5M). As at 31 December 2023, the LEF held investments to the value of £50.2M (2022: £45.9M) and the total return on investments in 2023, including income, was a gain of £4.7M (2022: £2.0M loss).

3. STAFF COSTS

The RNLI relies heavily on the work of volunteers to launch and crew the lifeboats, support our lifeguard service and operate the large network of station branches, fundraising branches and groups. We are founded on these volunteers who account for the vast majority of the RNLI's people and include more than 5,700 volunteer crew members (2022: 5,700) and over 4,100 volunteer shore crew and lifeboat station management (2022: 4,000).

The majority of our volunteers, in number, however, are the fundraisers who raise money and help in our shops, museums and offices. Staff costs, both to support these volunteers and to save lives in areas such as lifeguards,are as follows:

	2023 £M	2022 £M
Wages and salaries	**86.1**	80.6
Social security costs	**8.6**	8.2
Pension costs	**14.8**	13.5
Total	**109.5**	102.3
Severance pay	**1.4**	0.7

Pension costs include the cost of the pension salary sacrifice scheme, which involves employees sacrificing a proportion of their salary to contribute into their defined contribution pension scheme.

Staff costs have increased since 2022, due to headcount, pay increases and additional social security and pension costs arising.

These pay increases included the RNLI's annual pay uplifts and some exceptional increases linked to the external economic environment, ensuring that salaries continue to attract and retain talent.

The following number of employees received emoluments (excluding employer pension and NI contributions) in excess of £60,000:

Membership of Executive Team shown in brackets	Including severance pay		Excluding employees receiving severance pay	
	2023 Number	2022 Number	2023 Number	2022 Number
£60,000–£69,999	**81 (–)**	53 (–)	**68 (–)**	52 (–)
£70,000–£79,999	**24 (–)**	23 (–)	**18 (–)**	22 (–)
£80,000–£89,999	**27 (–)**	5 (–)	**22 (–)**	5 (–)
£90,000–£99,999	**9 (1)**	3 (–)	**3 (1)**	2 (–)
£100,000–£109,999	**5 (1)**	5 (2)	**3 (1)**	4 (2)
£110,000–£119,999	**4 (3)**	5 (4)	**3 (3)**	4 (4)
£120,000–£129,999	**2 (2)**	– (–)	**2 (2)**	– (–)
£140,000–£149,999	**– (–)**	1 (–)	**– (–)**	1 (–)
£160,000–£169,999	**2 (1)**	2 (1)	**1 (1)**	1 (1)
Total	**154 (8)**	97 (7)	**120 (8)**	91 (7)

Full-time equivalent employees	Average including seasonal staff		Average excluding seasonal staff		At 31 December	
	2023 Number	2022 Number	2023 Number	2022 Number	2023 Number	2022 Number
Lifeboat service	**374**	371	**374**	371	**353**	378
Lifeboats, property and equipment	**765**	760	**765**	760	**745**	771
Lifeguard rescue	**524**	490	**47**	44	**45**	47
International	**15**	14	**15**	14	**17**	16
Water safety, education and awareness	**83**	91	**83**	91	**80**	94
Support	**289**	279	**289**	279	**283**	278
Legacies and donations	**368**	374	**342**	335	**334**	359
Trading activities	**27**	26	**27**	26	**27**	29
Total	**2,445**	2,405	**1,942**	1,920	**1,884**	1,972

The Executive Team (ET), including the chief executive, are regarded as the Charity's key management personnel under FRS102. Aggregate employee benefits of the ET totalled £1,274,635 (2022: £1,073,432). Aggregate employee benefits comprise salaries, company cars, pension costs and employer NI contributions. RNLI Chief Executive Mark Dowie receives an annual salary of £160,000 (2022: £160,000). The chief executive received aggregate employee benefits of £180,825 (2022: £181,934), which included £20,825 employer's NI (2022: £21,934).

Of the 154 employees who received emoluments in excess of £60,000 (including severance pay) in 2023, 150 (2022: 93) were members of defined contribution schemes and received employer contributions of £1,445,838 (2022: £925,238).

The average monthly headcount was 2,501 (2022: 2,460). The total average number of employees, calculated on a full-time equivalent (FTE) basis, analysed by function was:

The RNLI employs seasonal staff in the form of lifeguards and face-to-face fundraisers. Lifeguards are recruited and deployed on beaches when required and have been included above in lifeguard rescue as FTE of 477 (2022: 446). The peak number of lifeguards employed during the summer months (excluding volunteers) was 1,565 (2022: 1,591). Face-to-face fundraisers are also recruited and deployed on beaches during the summer and have been included in legacies and donations as FTE of 26 (2022: 39).

4. TRUSTEE, COUNCIL AND COMMITTEE COSTS

No Trustees, or any persons connected with them, received remuneration. Travelling expenses are reimbursed, if claimed, to Trustees and members of the standing and advisory committees and the Council. In total, £15,309 (2022: £44,507) was reimbursed to 3 Trustees and 17 Council members and members of advisory committees (2022: 5 Trustees, 30 Council members and members of advisory committees). No material donations were made during the year by these persons.

5. TOTAL RESOURCES EXPENDED

	Staff costs £M	Depreciation/ amortisation £M	Other direct costs £M	Other allocated costs £M	Total 2023 £M	Total 2022 £M
Legacies and donations	**17.7**	**1.1**	**19.6**	**6.5**	**44.9**	44.6
Trading activities	**1.2**	**0.1**	**10.6**	**–**	**11.9**	10.9
Investment management	**–**	**–**	**0.2**	**–**	**0.2**	0.3
Lifeboat service	**20.6**	**2.0**	**23.3**	**7.7**	**53.6**	50.1
Lifeboats, property and equipment	**34.9**	**20.5**	**29.0**	**14.2**	**98.6**	94.3
Lifeguard rescue	**15.2**	**1.4**	**3.7**	**3.4**	**23.7**	22.2
International	**1.0**	**–**	**1.7**	**0.4**	**3.1**	2.9
Water safety, education and awareness	**4.1**	**0.1**	**1.4**	**1.0**	**6.6**	7.7
Support	**16.2**	**2.7**	**14.3**	**(33.2)**	**–**	–
Total 2023	**110.9**	**27.9**	**103.8**	**–**	**242.6**	233.0
Total 2022	103.0	26.8	103.2	–		

Support costs are allocated to relevant categories based on their percentage share of overall direct costs.
Support costs are not allocated to trading activities as this is managed through the Intercompany charge shown in Note 2.

	Governance £M	General admin £M	Finance £M	Human resource £M	Information technology £M	Total 2023 £M	Total 2022 £M
Legacies and donations	**0.1**	**1.2**	**0.7**	**1.2**	**3.3**	**6.5**	6.2
Lifeboat service	**0.1**	**1.5**	**0.7**	**1.5**	**3.9**	**7.7**	6.9
Lifeboats, property and equipment	**0.2**	**2.7**	**1.5**	**2.7**	**7.1**	**14.2**	13.0
Lifeguard rescue	**0.1**	**0.6**	**0.4**	**0.6**	**1.7**	**3.4**	3.1
International	**–**	**0.1**	**–**	**0.1**	**0.2**	**0.4**	0.4
Water safety, education and awareness	**–**	**0.2**	**0.1**	**0.2**	**0.5**	**1.0**	1.1
Total 2023	**0.5**	**6.3**	**3.4**	**6.3**	**16.7**	**33.2**	30.7
Total 2022	0.6	6.2	2.8	6.1	15.0		

A significant element of the increase in support costs relates to the Mainstay project of £2.3M (2022: £1.6M), which is upgrading our current enterprise-wide software to a newer version, as Microsoft will no longer support the version we have. Governance includes audit costs (both internal and external), the AGM and committee costs. Recurring audit fees of £175,940 (2022: £115,375), fees for gambling commission returns of £2,970 (2022: £2,750) and tax fees of £Nil (2022: £6,730) were payable to the external auditor.

Safe home in winter: shore crew volunteers recover their crew mates onboard Shannon class lifeboat *Frank and Brenda Winter*. Peel is one of five RNLI stations on the Isle of Man

6. FIXED ASSETS

a) Tangible assets

	Assets under construction £M	Lifeboats £M	Lifeboat stations and shoreworks £M	Launch and recovery equipment £M	Depots, offices and training facilities £M	Computer equipment, plant and vehicles £M	Total £M
Cost							
At 1 January 2023	37.7	359.4	318.4	64.4	99.9	80.7	960.5
Additions	33.0	–	–	–	0.5	0.9	34.4
Transfers	(25.5)	8.4	14.1	1.9	–	1.1	–
Disposals	–	(3.6)	(2.1)	(0.5)	(0.3)	(1.0)	(7.5)
At 31 December 2023	45.2	364.2	330.4	65.8	100.1	81.7	987.4
Depreciation and impairment							
At 1 January 2023	–	247.9	113.3	39.4	29.8	65.6	496.0
Charge for the year	–	7.3	7.5	3.9	1.7	4.2	24.6
Disposals	–	(3.5)	(1.8)	(0.5)	(0.2)	(1.0)	(7.0)
At 31 December 2023		251.7	119.0	42.8	31.3	68.8	513.6
Net book amount							
At 31 December 2023	45.2	112.5	211.4	23.0	68.8	12.9	473.8
At 31 December 2022	37.7	111.5	205.1	25.0	70.1	15.1	464.5

Cumulative impairment costs to date were £1.8M (2022: £2.7M). In 2023, £0.9M of impaired assets were disposed of.

The net book amounts include the following property:

	Freehold £M	Leasehold £M	Total £M
Lifeboat stations and shoreworks	64.2	147.2	211.4
Depots, offices and training facilities	63.8	5.0	68.8
At 31 December 2023	128.0	152.2	280.2

b) Intangible assets

	Computer software £M	Goodwill £M	Total £M
Cost			
At 1 January 2023	21.9	0.2	22.1
Additions	–	–	–
Transfers	–	–	–
Disposals	–	–	–
At 31 December 2023	21.9	0.2	22.1
Depreciation and impairment			
At 1 January 2023	11.2	–	11.2
Charge for the year	3.2	0.1	3.3
Disposals	–	–	–
At 31 December 2023	14.4	0.1	14.5
Net book amount			
At 31 December 2023	7.5	0.1	7.6
At 31 December 2022	10.7	0.2	10.9

Goodwill arose on the acquisition of Clayton Engineering Limited.

c) Subsidiary company assets

The consolidated schedule of fixed assets includes assets owned by subsidiary companies with the following net book amounts:

	2023 £M	2022 £M
Assets under construction	0.1	–
Lifeboats	0.1	0.1
Computer equipment, plant and vehicles	0.9	1.1
Depots, offices and training facilities	1.1	1.2
Total	2.2	2.4

d) Financial review analysis

The table below shows the asset purchase cost and depreciation analysis by type of expenditure for the financial review (see Note 17).

	Asset purchases			Depreciation/amortisation charge		
	£M	Allocated £M	Total £M	£M	Allocated £M	Total £M
Expenditure						
Lifeboat service	2.0	–	2.0	2.0	0.6	2.6
Lifeboats, property and equipment	31.5	(0.2)	31.3	20.5	1.2	21.7
Lifeguard rescue	0.5	–	0.5	1.4	0.3	1.7
International	–	–	–	–	–	–
Water safety, education and awareness	–	–	–	0.1	0.1	0.2
Legacies and donations	0.7	(0.1)	0.6	1.1	0.5	1.6
Trading activities	–	–	–	0.1	–	0.1
Support	(0.3)	0.3	–	2.7	(2.7)	–
Total	34.4	–	34.4	27.9	–	27.9

Asset purchases comprise fixed asset additions and movements in assets under construction.

7. INVESTMENTS

The RNLI held no derivative instruments as at 31 December 2023 (2022: none). Several of the pooled investment funds held by the RNLI use derivative products within their portfolios to reduce market risk in line with their investment strategies.

All investments are basic financial instruments and are measured at fair values, except for investment in subsidiaries, which are held at cost, less any provision for impairment.

Consolidated	General funds £M	Restricted funds £M	Permanent endowed funds £M	Expendable endowed funds £M	Total 2023 £M	Total 2022 £M
a) Investment assets						
Equities	–	35.4	3.6	32.3	71.3	61.6
Absolute return funds	32.0	–	–	–	32.0	39.6
Fixed interest	41.5	56.2	–	–	97.7	97.4
Property unit trusts	–	7.6	7.4	6.9	21.9	22.9
Infrastructure	–	0.8	8.8	10.9	20.5	19.2
Deposits and cash	8.8	4.0	–	0.1	12.9	30.1
Market value at 31 December 2023	**82.3**	**104.0**	**19.8**	**50.2**	**256.3**	270.8
b) Analysis of movement						
Market value at 1 January 2023	96.8	108.9	19.2	45.9	270.8	307.7
Additions	1.7	18.9	0.6	1.0	22.2	32.7
Transfers	2.8	(2.8)	–	–	–	–
Disposals	(14.6)	(32.6)	(0.6)	(1.1)	(48.9)	(43.3)
Gains/(losses) on investments	(4.4)	11.6	0.6	4.4	12.2	(26.3)
Market value at 31 December 2023	**82.3**	**104.0**	**19.8**	**50.2**	**256.3**	270.8
Original cost	**76.3**	**111.3**	**18.7**	**46.1**	**252.4**	283.4
c) Investment income						
Equities	0.1	–	–	–	0.1	0.3
Absolute return funds	0.3	–	–	–	0.3	0.3
Fixed interest	1.3	1.3	–	–	2.6	1.7
Property unit trusts	–	1.4	–	–	1.4	1.0
Infrastructure	–	–	–	–	–	–
Deposits and cash	–	0.2	–	–	0.2	–
Total	**1.7**	**2.9**	**–**	**–**	**4.6**	3.3

RNLI	General funds £M	Restricted funds £M	Permanent endowed funds £M	Investment in subsidiaries £M	Total 2023 £M	Total 2022 £M
a) Investment assets						
Equities	–	35.5	3.6	–	39.1	34.4
Unlisted companies	–	–	–	5.5	5.5	5.5
Absolute return funds	32.0	–	–	–	32.0	39.6
Fixed interest	41.4	56.2	–	–	97.6	97.4
Property unit trusts	–	7.6	7.4	–	15.0	15.6
Infrastructure	–	0.8	8.8	–	9.6	8.8
Deposits and cash	8.9	3.9	–	–	12.8	29.1
Market value at 31 December 2023	**82.3**	**104.0**	**19.8**	**5.5**	**211.6**	230.4
b) Analysis of movement						
Market value at 1 January 2023	96.8	108.9	19.2	5.5	230.4	264.2
Additions	1.7	18.6	0.6	–	20.9	23.4
Transfers	2.8	(2.8)	–	–	–	–
Disposals	(14.6)	(32.3)	(0.6)	–	(47.5)	(33.3)
Gains/(losses) on investments	(4.4)	11.6	0.6	–	7.8	(23.9)
Market value at 31 December 2023	**82.3**	**104.0**	**19.8**	**5.5**	**211.6**	230.4
Original cost	**76.3**	**111.3**	**18.7**	**5.5**	**211.8**	242.8
c) Investment income						
Equities	0.1	–	–	–	0.1	0.3
Absolute return funds	0.3	–	–	–	0.3	0.3
Fixed interest	1.3	1.3	–	–	2.6	1.7
Property unit trusts	–	1.0	–	–	1.0	0.6
Infrastructure	–	–	–	–	–	–
Deposits and cash	–	0.2	–	–	0.2	–
Total	**1.7**	**2.5**	**–**	**–**	**4.2**	2.9

Investment in subsidiaries comprises RNLI (Sales) Limited £1.5M (2022: £1.5M), RNLI College Limited £1.0M (2022: £1.0M) and Clayton Engineering Limited £3.0M (2022: £3.0M).

***Roy Barker III* in action:** generations of Howth RNLI lifeboat volunteers have been saving lives in and around Dublin Bay for almost 200 years

8. STOCKS

	Consolidated		RNLI	
	2023 £M	2022 £M	2023 £M	2022 £M
Operational stock	**26.7**	22.1	**25.3**	21.2
Gifts and souvenirs	**3.7**	2.9	**–**	–
Total	**30.4**	25.0	**25.3**	21.2

9. DEBTORS

	Consolidated		RNLI	
	2023 £M	2022 £M	2023 £M	2022 £M
Legacies receivable	**52.7**	41.6	**52.7**	41.6
Inter-company debtors	**–**	–	**1.8**	1.3
Trade and other debtors	**1.9**	2.4	**1.7**	1.8
VAT and Gift Aid recoverable	**2.4**	3.1	**2.6**	3.3
Prepayments and accrued income	**5.3**	3.9	**5.1**	3.7
Total	**62.3**	51.0	**63.9**	51.7

A proportion of legacies receivable may be received after more than 1 year, but this figure cannot be determined with any accuracy due to the inherent uncertainty in the timing of legacy income receipt.

The estimated value of legacies notified but neither received nor included in income is £107.0M (2022: £92.7M).

All debtors are basic financial instruments measured at amortised cost.

10. CREDITORS AND PENSION LIABILITIES

	Consolidated		RNLI	
	2023 £M	2022 £M	2023 £M	2022 £M
Amounts falling due within 1 year				
Trade creditors	**8.3**	11.9	**7.1**	9.9
Other creditors	**1.2**	1.9	**1.2**	1.9
Inter-company creditor	**–**	–	**2.8**	2.2
PAYE taxes and social security	**2.2**	2.2	**2.1**	2.0
Pension creditor	**1.3**	1.3	**1.2**	1.2
Dependants' pensions liability	**0.2**	0.2	**0.2**	0.2
Accruals	**5.8**	4.7	**4.9**	4.1
Total	**19.0**	22.2	**19.5**	21.5
Amounts falling due after more than 1 year				
Lease liability due 1–5 year	**–**	0.6	**–**	0.6
Dependants' pensions liability	**2.7**	3.1	**2.7**	3.1
Defined benefit pension liability	**13.8**	23.3	**13.8**	23.3

The lease liability is a 4-year interest-free loan with Cisco, which commenced in July 2020, to pay for new telecommunications and infrastructure.

11. PENSION SCHEMES

The RNLI provides a number of pension schemes for its employees:

- The RNLI 1983 Contributory Pension Scheme, a defined benefit scheme, was closed to new entrants from 1 January 2007 and closed to future benefit accrual on 30 September 2012, although benefits for active members accrued up to 30 September 2012 continue to be subject to any increases in pensionable pay.
- The RNLI UK Group Personal Pension Plan is the main scheme for UK employees who joined the RNLI from 1 January 2007. It is a contract-based defined contribution scheme. Member retirement benefits are linked to the investment performance of contributions made.
- The RNLI RoI Group Fusion Pension Plan is the main scheme for Republic of Ireland employees who joined the RNLI from 1 January 2012. It is a contract-based defined contribution scheme. Member retirement benefits are linked to the investment performance of contributions made.

In 2023, the RNLI paid contributions of £14.8M (2022: £13.5M) in respect of members of the defined contribution pension schemes. Details of the defined benefit scheme, produced in accordance with the requirements of section 28 of The Financial Reporting Standard 102 (FRS102), are disclosed below and cover both the RNLI 1983 Contributory Pension Scheme and the payments to certain dependants.

Dependants' pensions are paid by the RNLI to dependants of former crew members who lost their lives on lifeboat service.

The figures in this note have been calculated by a qualified independent actuary based on a full actuarial valuation of the pension scheme as at 31 December 2020 rolled forward to 31 December 2023 using summarised cash flow and membership details and a full actuarial valuation of the dependants' pensions as at 31 December 2020 on the basis required by FRS102.

On this basis, the FRS102 accounting deficit for the defined benefit pension scheme as at 31 December 2023 was £13.8M (2022: £23.3M) and £2.9M (2022: £3.3M) for the dependants' pensions. The FRS102 basis is a prescribed basis that requires the discount rate to be the rate of return on high-quality corporate bonds with a duration equivalent to that of the liabilities.

Each year, the scheme actuary assesses the financial position of the scheme for the formal actuarial valuation, allowing for an expected rate of return on all assets at the discount rate, based on bond yields. These assets would not typically consist of 100% in corporate bonds.

The RNLI paid deficit reduction contributions of £9.1M in 2023 (2022: £8.7M), while for 2024 a total payment of £5.1M has been agreed as part of the 2020 Triennial Valuation.

The main financial assumptions used as at 31 December 2023 and the corresponding assumptions at 31 December 2022 and 31 December 2021 were:

	31/12/2023 % pa	31/12/2022 % pa	31/12/2021 % pa
Discount rate†	**4.7**	5.0	1.9
Rate of increase in salaries	**4.0**	4.0	4.1
Rate of increase in pensions in payment‡:			
Post-1988 GMP increases (CPI capped at 3%)	**2.3**	2.4	2.5
Pre-1997 increases (RPI capped at 4%)	**3.0**	3.0	3.1
1997–2005 increases (RPI capped at 4%, CPI 5%)	**3.1**	3.2	3.2
2005–07 increases (RPI capped at 5%, CPI 2.5%)	**2.9**	3.0	2.9
Post-2007 increases (CPI capped at 2.5%)	**2.1**	2.1	2.1
Rate of increase in deferred pensions:			
Pre-April 2009 accrual (RPI capped at 4%)	**3.0**	3.1	3.3
Post-April 2009 accrual (CPI capped at 2.5%)	**2.8**	3.0	3.3
Rate of retail price inflation (RPI)†	**3.4**	3.5	3.6
Rate of consumer price inflation (CPI)	**3.1**	3.1	3.2

†Represents the weighted average discount rate and inflation rate of the respective curves at the scheme's average duration.
‡In excess of the Guaranteed Minimum Pension (GMP) element. Life expectancy is based on the assumptions provided by our qualified independent actuaries.

Atlantic waves: lifeguards Jean-Louis Angoumare and Theo Cabot patrol one of Jersey's best-loved surfing spots

11. PENSION SCHEMES (CONTINUED)

Assumes life expectancy on retirement age 65 of:	31/12/2023 Years	31/12/2022 Years	31/12/2021 Years
Retiring today – males	**21.8**	22.3	21.6
Retiring today – females	**24.3**	24.8	24.1
Retiring in 15 years – males	**22.9**	23.5	22.7
Retiring in 15 years – females	**25.6**	26.1	25.4

If the discount rate reduced by 0.5%, pension liabilities would increase by approximately 7%. If price inflation (RPI) reduced by 0.5% the impact would be a decrease in pension liabilities of approximately 4% and if pensionable salary reduced by 0.5% the impact would be a decrease of less than 1%.

	31/12/2023		31/12/2022		31/12/2021	
	Expected rate of return % pa	Market value of assets £M	Expected rate of return % pa	Market value of assets £M	Expected rate of return % pa	Market value of assets £M
Equity securities		**14.4**		31.4		57.7
Debt securities		**19.2**		44.5		94.2
Real estate/property		**–**		29.8		41.7
Diversified growth		**122.3**		39.7		50.8
Cash and net current assets		**9.6**		13.5		2.3
Liability-driven investment		**89.8**		83.0		135.8
Total	**4.7**	**255.3**	5.0	241.9	1.9	382.5

a) The following amounts were measured in accordance with the requirements of FRS102:

	2023			2022		
	Pension scheme £M	Dependants' pensions £M	Total £M	Pension scheme £M	Dependants' pensions £M	Total £M
Total fair market value of assets	**255.3**	**–**	**255.3**	241.9	–	241.9
Present value of liabilities	**(269.1)**	**(2.9)**	**(272.0)**	(265.2)	(3.3)	(268.5)
Net pension liability	**(13.8)**	**(2.9)**	**(16.7)**	(23.3)	(3.3)	(26.6)

b) Changes in the present value of the defined benefit obligation are as follows:

	2023			2022		
	Pension scheme £M	Dependants' pensions £M	Total £M	Pension scheme £M	Dependants' pensions £M	Total £M
Opening defined benefit obligation	**265.2**	**3.3**	**268.5**	416.9	5.0	421.9
Interest cost	**12.9**	**0.2**	**13.1**	7.8	0.1	7.9
Actuarial loss/(gain)	**4.2**	**(0.4)**	**3.8**	(147.1)	(1.6)	(148.7)
Benefits paid	**(13.2)**	**(0.2)**	**(13.4)**	(12.4)	(0.2)	(12.6)
Defined benefit obligation at the year end	**269.1**	**2.9**	**272.0**	265.2	3.3	268.5

c) Changes in the fair value of the scheme assets are as follows:

	2023			2022		
	Pension scheme £M	Dependants' pensions £M	Total £M	Pension scheme £M	Dependants' pensions £M	Total £M
Opening fair value of scheme assets	**241.9**	**–**	**241.9**	382.5	–	382.5
Interest income on scheme assets	**11.9**	**–**	**11.9**	7.2	–	7.2
Return on scheme assets greater than/(less than) discount rate	**5.6**	**–**	**5.6**	(144.1)	–	(144.1)
Employer contributions	**9.1**	**–**	**9.1**	8.7	–	8.7
Benefits paid	**(13.2)**	**–**	**(13.2)**	(12.4)	–	(12.4)
Fair value of scheme assets at the year end	**255.3**	**–**	**255.3**	241.9	–	241.9

The actual return on scheme assets was a gain of £17.5M (2022: a loss of £136.9M).

d) The amounts included within the Statement of Financial Activities are as follows:

	2023			2022		
	Pension scheme £M	Dependants' pensions £M	Total £M	Pension scheme £M	Dependants' pensions £M	Total £M
Net interest on net defined benefit liability	**1.0**	**0.2**	**1.2**	0.6	0.1	0.7
Total amount charged within net income/(expenditure)	**1.0**	**0.2**	**1.2**	0.6	0.1	0.7
Actuarial loss/(gain)	**4.2**	**(0.4)**	**3.8**	(147.1)	(1.6)	(148.7)
Return on scheme assets (greater than)/less than discount rate	**(5.6)**	**–**	**(5.6)**	144.1	–	144.1
Remeasurement effects recognised in overall funds movement	**(1.4)**	**(0.4)**	**(1.8)**	(3.0)	(1.6)	(4.6)
Total amount (credited)/charged to the Statement of Financial Activities	**(0.4)**	**(0.2)**	**(0.6)**	(2.4)	(1.5)	(3.9)

12. TOTAL FUNDS ANALYSIS

a) Consolidated balance sheet – analysis of funds 2023 summary

	Unrestricted funds			Restricted funds	Endowed funds	Total 2023
	General funds £M	Designated funds £M	Fixed asset funds £M	£M	£M	£M
Fixed assets	–	–	481.4	–	–	481.4
Investments	77.1	5.2	–	104.0	70.0	256.3
Net current assets	63.6	–	–	11.5	–	75.1
Creditors falling due after more than 1 year	(2.7)	–	–	–	–	(2.7)
Defined benefit pension liability	(13.8)	–	–	–	–	(13.8)
Total	**124.2**	**5.2**	**481.4**	**115.5**	**70.0**	**796.3**

b) Endowed funds – analysis of major funds

Name of fund	Purpose of fund	Opening balance 2023 £M	Income 2023 £M	Expenditure 2023 £M	Investment gains 2023 £M	Transfers 2023 £M	Closing balance 2023 £M
RNLI Lifesaving Endowment – expendable	The advancement of saving lives at sea by establishing, building and investing an endowment fund	45.9	–	–	4.4	(0.1)	50.2
Roy Barker – permanent	All-weather lifeboat construction	12.3	–	–	0.4	–	12.7
Morrell – permanent	Dungeness Lifeboat Station – general	5.6	–	–	0.1	–	5.7
Other endowed funds – permanent		1.3	–	–	0.1	–	1.4
Total endowed funds		**65.1**	**–**	**–**	**5.0**	**(0.1)**	**70.0**

c) Restricted funds – analysis of major funds

This table details all restricted funds by purpose. The transfers represent either a transfer to a fixed asset fund, where the fund is for the purpose of asset construction and the asset is completed, or a previous year adjustment, where a donor or legator has added a restriction at a later date or the restriction has been subject to negotiation.

The format of the note has been enhanced this year to provide the reader with a better understanding of the RNLI's restricted fund structure. Previously, all restricted funds over £2M were listed with a focus on location, thereby limiting the analysis. In 2023, as there are over 1,000 of these restricted funds, they have been grouped by expenditure category. This provides the reader with an appreciation of how restricted funds are allocated.

Fund	Opening balance 2023 £M	Income and Investment gains 2023 £M	Expenditure 2023 £M	Transfers 2023 £M	Closing balance 2023 £M
Lifeboat station running costs	53.8	37.0	(29.5)	(1.5)	59.8
Crew kit and training	0.6	1.0	(1.0)	–	0.6
Lifeboat refit	0.3	–	(0.3)	–	–
Lifeboat construction	30.7	5.9	–	(15.3)	21.3
Launch equipment construction	2.7	1.3	–	(3.1)	0.9
Lifeboat station construction	6.7	2.6	–	(1.0)	8.3
Life-boatmen's Benevolent Fund	2.2	0.7	(0.1)	–	2.8
Legacy debtor	6.7	4.7	–	–	11.4
Restricted other	11.9	2.8	(3.2)	(1.1)	10.4
Total restricted funds	**115.6**	**56.0**	**(34.1)**	**(22.0)**	**115.5**

d) Designated funds – analysis of funds

Designated funds are set aside at the discretion of the Trustees. The Special Projects Fund continues to be held in 2023 to ensure funds are available where significant financial assurances have been made to third parties.

Name of fund	Purpose of fund	Opening balance 2023 £M	Income and investment gains 2023 £M	Expenditure 2023 £M	Transfers 2023 £M	Closing balance 2023 £M
Special Projects Fund	To ensure that where significant financial assurances have been made to third parties, funds are available for the purpose. For 2023, this is entirely for the project at Weston-super-Mare	5.5	–	–	(0.3)	5.2
Total designated funds		**5.5**	**–**	**–**	**(0.3)**	**5.2**

13. LINKED CHARITIES

The RNLI has several linked charities that have been established over the years, separated from the charity for a variety of reasons, due to the nature of the fund or the original terms of the legacy or donation. All of the funds of these charities are consolidated into the RNLI's accounts and included within restricted funds. The current active linked charities with a funds balance over £0.1M as at 31 December 2023 are as follows:

Donor name	Purpose of fund	Opening balance 2023 £M	Income and investment gains 2023 £M	Expenditure 2023 £M	Transfers 2023 £M	Closing balance 2023 £M
Life-boatmen's Benevolent Fund	Grants for distressed past or present crew members	2.2	0.7	(0.1)	–	2.8
Langstreth Culliford Trust	Grants for dependants of lifesavers	0.3	–	–	–	0.3
John William Archer	All-weather lifeboat construction	0.2	–	–	–	0.2
Charles Carr Ashley	Lifeboat maintenance and support for crew	0.1	–	–	–	0.1
Anna Stock Memorial Fund	Col Stock lifeboat – construction and maintenance	0.1	–	–	–	0.1
Total of linked charities		2.9	0.7	(0.1)	–	3.5

The RNLI also has other active linked charities with a fund balance of less than £0.1M, or nil, and these are as follows: John Jones Rowland, Isabella Irwin, James Michael Bower Gift, Mrs Alice Gottwald, Ralph Glister Award, Louise George Anderson Dunn, Mrs Sadie Hughes, William Stephen Mellis, Gorleston Volunteer Lifeboat Association, Miss Maud Smith's Reward, Salcombe Lifeboat Disaster Relief Fund, Miss Annie Gertrude Shayler, The George Nichol Charity for the RNLI and RNLI Heritage Collection Trust 2012.

14. CAPITAL COMMITMENTS

At 31 December 2023, approved and contracted capital commitments amounted to £25.0M (2022: £30.2M) which will be funded from designated, restricted and general funds.

15. OPERATING LEASE COMMITMENTS

At 31 December the ageing of total minimum lease payments was as follows:	Land and buildings		Other	
	2023 £M	2022 £M	2023 £M	2022 £M
Payable within 1 year	1.2	1.1	1.4	1.3
Payable between 1 and 5 years	2.3	1.9	0.9	1.4
Payable after more than 5 years	9.2	9.1	0.1	–
Total	12.7	12.1	2.4	2.7

Certain property leases are for an indefinite period, with the RNLI having the right to early termination should the need arise. In calculating minimum lease payments for these leases, a 50-year duration has been assumed.

16. 2022 COMPARATIVES – FUNDS AND LINKED CHARITIES

a) Consolidated statement of financial activities – previous year comparatives

	Unrestricted funds			Restricted funds	Endowed funds	Total 2022
	General funds £M	Designated funds £M	Fixed asset funds £M	£M	£M	£M
Income and endowments from:						
Legacies	110.6	–	–	30.2	–	140.8
Donations	52.8	–	–	13.7	–	66.5
Trading activities	16.3	–	–	–	–	16.3
Investments	1.0	–	–	2.3	–	3.3
Charitable activities	4.4	–	–	–	–	4.4
Other income	0.5	–	–	–	–	0.5
Total income and endowments	185.6	–	–	46.2	–	231.8
Expenditure on:						
Legacies and donations	(43.4)	–	(1.2)	–	–	(44.6)
Trading activities	(10.8)	–	(0.1)	–	–	(10.9)
Investment management	(0.2)	–	–	(0.1)	–	(0.3)
Raising funds	(54.4)	–	(1.3)	(0.1)	–	(55.8)
Lifeboat service	(32.3)	–	(2.6)	(15.2)	–	(50.1)
Lifeboats, property and equipment	(56.9)	–	(21.2)	(16.2)	–	(94.3)
Lifeboat rescue	(89.2)	–	(23.8)	(31.4)	–	(144.4)
Lifeguard rescue	(20.4)	–	(1.6)	(0.2)	–	(22.2)
International	(1.5)	–	–	(1.4)	–	(2.9)
Water safety, education and awareness	(7.3)	–	(0.1)	(0.3)	–	(7.7)
Charitable activities	(118.4)	–	(25.5)	(33.3)	–	(177.2)
Total expenditure	(172.8)	–	(26.8)	(33.4)	–	(233.0)
Net loss on investments	(13.1)	–	–	(11.3)	(1.9)	(26.3)
Net (expenditure)/income	(0.3)	–	(26.8)	1.5	(1.9)	(27.5)
Transfers between funds	12.9	(15.6)	36.2	(33.4)	(0.1)	–
Actuarial gain on pension schemes	4.6	–	–	–	–	4.6
Net movement in funds	17.2	(15.6)	9.4	(31.9)	(2.0)	(22.9)

Calm hands on deck: whether it's performing casualty care onboard a lifeboat or coping with the after-effects of a traumatic rescue, RNLI Medical Director Aroop Mozumder uses his experience as a military doctor to support our volunteers treating injured and distressed people at sea

16. 2022 COMPARATIVES – FUNDS AND LINKED CHARITIES (CONTINUED)

b) RNLI statement of financial activities – previous year comparatives

	Unrestricted funds			Restricted funds	Endowed funds	Total 2022
	General funds £M	Designated funds £M	Fixed asset funds £M	£M	£M	£M
Income and endowments from:						
Legacies	110.6	–	–	30.2	–	140.8
Donations	52.8	–	–	13.7	–	66.5
Donations from subsidiary companies	5.6	–	–	0.5	–	6.1
Investments	1.0	–	–	1.9	–	2.9
Charitable activities	4.4	–	–	–	–	4.4
Other income	0.5	–	–	–	–	0.5
Total income and endowments	174.9	–	–	46.3	–	221.2
Expenditure on:						
Legacies and donations	(43.4)	–	(1.2)	–	–	(44.6)
Trading activities	–	–	–	–	–	–
Investment management	(0.2)	–	–	(0.1)	–	(0.3)
Raising funds	(43.6)	–	(1.2)	(0.1)	–	(44.9)
Lifeboat service	(32.3)	–	(2.6)	(15.2)	–	(50.1)
Lifeboats, property and equipment	(57.0)	–	(21.2)	(16.2)	–	(94.4)
Lifeboat rescue	(89.3)	–	(23.8)	(31.4)	–	(144.5)
Lifeguard rescue	(20.4)	–	(1.6)	(0.2)	–	(22.2)
International	(1.5)	–	–	(1.4)	–	(2.9)
Water safety, education and awareness	(7.3)	–	(0.1)	(0.3)	–	(7.7)
Donation to CIO	–	–	–	–	–	–
Charitable activities	(118.5)	–	(25.5)	(33.3)	–	(177.3)
Total expenditure	(162.1)	–	(26.7)	(33.4)	–	(222.2)
Net (loss)/gain on investments	(13.1)	–	–	(11.3)	0.5	(23.9)
Net (expenditure)/income	(0.3)	–	(26.7)	1.6	0.5	(24.9)
Transfers between funds	13.1	(15.6)	36.0	(33.5)	–	–
Actuarial gain on pension schemes	4.6	–	–	–	–	4.6
Net movement in funds	17.4	(15.6)	9.3	(31.9)	0.5	(20.3)

c) Reconciliation of net funds – previous year comparatives

	2021 £M	Cashflows £M	Non-cash movements £M	2022 £M
Cash	2.7	(0.4)	–	2.3
Loans falling due within 1 year	(1.1)	1.1	(1.1)	(1.1)
Loans falling due after more than 1 year	(1.7)	–	1.1	(0.6)
Total	(0.1)	0.7	–	0.6

d) Total resources expended – previous year comparatives

	Staff costs £M	Depreciation/ amortisation £M	Other direct costs £M	Other allocated costs £M	Total 2022 £M
Legacies and donations	16.1	0.7	21.6	6.2	44.6
Trading activities	1.1	0.1	9.7	–	10.9
Investment management	–	–	0.3	–	0.3
Lifeboat service	18.7	2.1	22.4	6.9	50.1
Lifeboats, property and equipment	32.8	20.2	28.3	13.0	94.3
Lifeguard rescue	14.2	1.4	3.5	3.1	22.2
International	0.8	–	1.7	0.4	2.9
Water safety, education and awareness	4.5	–	2.1	1.1	7.7
Support	14.8	2.3	13.6	(30.7)	–
Total	103.0	26.8	103.2	–	233.0

Prime mission: Trainee Crew Member Karen Arnold helped with an urgent medical evacuation in 2023 – her first ever shout with Achill Island RNLI

16. 2022 COMPARATIVES – FUNDS AND LINKED CHARITIES (CONTINUED)

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

	Governance £M	General admin £M	Finance £M	Human resource £M	Information technology £M	Total 2022 £M
Legacies and donations	0.1	1.3	0.6	1.2	3.0	6.2
Lifeboat service	0.1	1.4	0.6	1.4	3.4	6.9
Lifeboats, property and equipment	0.3	2.6	1.2	2.6	6.3	13.0
Lifeguard rescue	0.1	0.6	0.3	0.6	1.5	3.1
International	–	0.1	–	0.1	0.2	0.4
Water safety, education and awareness	–	0.2	0.1	0.2	0.6	1.1
Total	0.6	6.2	2.8	6.1	15.0	30.7

e) Consolidated balance sheet – analysis of funds 2022 summary

	Unrestricted funds			Restricted funds	Endowed funds	Total 2022
	General funds £M	Designated funds £M	Fixed asset funds £M	£M	£M	£M
Fixed assets	–	–	475.4	–	–	475.4
Investments	91.3	5.5	–	108.9	65.1	270.8
Net current assets	49.4	–	–	6.7	–	56.1
Creditors falling due after more than 1 year	(3.7)	–	–	–	–	(3.7)
Defined benefit pension liability	(23.3)	–	–	–	–	(23.3)
Total	113.7	5.5	475.4	115.6	65.1	775.3

f) Endowed funds – analysis of major funds

Name of fund	Purpose of fund	Opening balance 2022 £M	Income 2022 £M	Expenditure 2022 £M	Investment gains 2022 £M	Transfers 2022 £M	Closing balance 2022 £M
RNLI Lifesaving Endowment – expendable	The advancement of saving lives at sea by establishing, building and investing an endowment fund	48.4	–	–	(2.4)	(0.1)	45.9
Roy Barker – permanent	All-weather lifeboat construction	12.0	–	–	0.3	–	12.3
Morrell – permanent	Dungeness Lifeboat Station – general	5.4	–	–	0.2	–	5.6
Other endowed funds – permanent		1.3	–	–	–	–	1.3
Total endowed funds		67.1	–	–	(1.9)	(0.1)	65.1

Rough weather training: Dunmore East lifesavers put their Shannon class lifeboat through her paces. Their crew mates involved in 2020's *Lily B* rescue received prestigious RNLI Medal Service Certificates in 2023

16. 2022 COMPARATIVES – FUNDS AND LINKED CHARITIES (CONTINUED)

g) Analysis of 2022 restricted funds in 2023 format

Fund	Opening balance 2022 £M	Income and investment (losses) 2022 £M	Expenditure 2022 £M	Transfers 2022 £M	Closing balance 2022 £M
Lifeboat station running costs	52.9	28.1	(27.2)	–	53.8
Crew kit and training	0.6	1.1	(1.1)	–	0.6
Lifeboat refit	–	0.3	–	–	0.3
Lifeboat construction	39.8	(0.9)	–	(8.2)	30.7
Launch equipment construction	4.3	(0.2)	–	(1.4)	2.7
Lifeboat station construction	12.7	9.1	–	(15.1)	6.7
Life-boatmen's Benevolent Fund	2.5	(0.2)	(0.1)	–	2.2
Legacy debtor	15.2	(8.5)	–	–	6.7
Restricted other	19.5	6.1	(5.0)	(8.7)	11.9
Total restricted funds	147.5	34.9	(33.4)	(33.4)	115.6

h) Designated funds – analysis of funds

Name of fund	Purpose of fund	Opening balance 2022 £M	Income and investment gains 2022 £M	Expenditure 2022 £M	Transfers 2022 £M	Closing balance 2022 £M
Pandemic Fund	To ensure that the urgent projects that have been delayed by the pandemic have funds available to be completed	12.4	–	–	(12.4)	–
Special Projects Fund	To ensure that where significant financial assurances have been made to third parties, funds are available for the purpose. For 2021, this is entirely for the project at Weston-super-Mare	8.7	–	–	(3.2)	5.5
Total designated funds		21.1	–	–	(15.6)	5.5

i) Linked charities

Donor name	Purpose of fund	Opening balance 2022 £M	Income 2022 £M	Expenditure 2022 £M	Transfers 2022 £M	Closing balance 2022 £M
Life-boatmen's Benevolent Fund	Grants for distressed past or present crew members	2.6	(0.2)	(0.2)	–	2.2
Langstreth Culliford Trust	Grants for dependants of lifesavers	0.3	–	–	–	0.3
John William Archer	All-weather lifeboat construction	0.2	–	–	–	0.2
Charles Carr Ashley	Lifeboat maintenance and support for crew	0.1	–	–	–	0.1
Anna Stock Memorial Fund	Col Stock lifeboat – construction and maintenance	0.1	–	–	–	0.1
Total of linked charities		3.3	(0.2)	(0.2)	–	2.9

j) Financial review reconciliation

	SoFA £M	Asset purchases £M	Asset depreciation/ amortisation £M	Asset disposal £M	Total 2022 £M
Charitable spend					
Lifeboat service	50.1	0.9	(2.6)	–	48.4
Lifeboats, property and equipment	94.3	34.0	(21.2)	–	107.1
Lifeboat rescue	144.4	34.9	(23.8)	–	155.5
Lifeguard rescue	22.2	1.1	(1.6)	–	21.7
International	2.9	–	–	–	2.9
Water safety, education and awareness	7.7	0.3	(0.1)	–	7.9
Total charitable spend	177.2	36.3	(25.5)	–	188.0
Income available for charitable spend					
Legacies	140.8	–	–	–	140.8
Donation	66.5	–	–	–	66.5
Trading (net)	5.4	(0.1)	0.1	–	5.4
Charitable trading	4.4	–	–	–	4.4
Investments (net)	3.0	–	–	–	3.0
Other	0.5	–	–	1.0	1.5
Total income available for charitable spend	220.6	(0.1)	0.1	1.0	221.6
Cost of generating income	(44.6)	(0.8)	1.2	–	(44.2)
Net income available for charitable spend	176.0	(0.9)	1.3	1.0	177.4
Operating surplus/(deficit)	(1.2)	(37.2)	26.8	1.0	(10.6)

Throwing a lifeline: RNLI water safety volunteers delivered waterside responder training to Port of London Authority staff in 2023. The course included dealing with cold water shock and practical sessions on using throwbags to save casualties in the water

Saving lives at Bridlington since 1805: lifesavers tackle rough seas onboard D class lifeboat *Ernie Wellings*

17. FINANCIAL REVIEW RECONCILIATION

The financial analysis in the financial review (pages 26–27) has been revised to show the total charitable spend, including that spent on asset purchases, together with the cashflow effect of this spend. This note shows the reconciliation between the financial statements and this analysis. The main difference is to reflect the actual spend on fixed assets, for example lifeboats and lifeboat stations, as opposed to the depreciation charge.

	SoFA £M	Asset purchases £M	Asset depreciation/ amortisation £M	Asset sales £M	Total 2023 £M
Charitable spend					
Lifeboat service	53.6	–	(2.6)	–	51.0
Lifeboats, property and equipment	98.6	31.3	(21.7)	–	108.2
Lifeboat rescue	152.2	31.3	(24.3)	–	159.2
Lifeguard rescue	23.7	0.5	(1.7)	–	22.5
International	3.1	–	–	–	3.1
Water safety, education and awareness	6.6	–	(0.2)	–	6.4
Total charitable spend	185.6	31.8	(26.2)	–	191.2
Income available for charitable spend					
Legacies	156.9	–	–	–	156.9
Donation	65.7	–	–	–	65.7
Trading (net)	4.4	(2.0)	0.1	–	2.5
Charitable trading	4.9	–	–	–	4.9
Investments (net)	4.4	–	–	–	4.4
Other	1.2	–	–	0.5	1.7
Total income available for charitable spend	237.5	(2.0)	0.1	0.5	236.1
Cost of generating income	(44.9)	(0.6)	1.6	–	(43.9)
Net income available for charitable spend	192.6	(2.6)	1.7	0.5	192.2
Operating surplus/(deficit)	7.0	(34.4)	27.9	0.5	1.0

Asset purchases comprise fixed asset additions shown in Note 6. Asset sales comprise proceeds of disposal of £1.2M less profit on disposal of £0.7M. Depreciation and amortisation are also shown in Note 6.

18. GOVERNMENT GRANTS

	2023 £M	2022 £M
International grants	0.3	0.4
Total	0.3	0.4

The RNLI does not normally seek funding from government, to ensure that we retain independence in all that we do to save lives at sea. However, there are exceptions made where such independence is not compromised.

During 2023, the RNLI received funding from the Foreign, Commonwealth and Development Office of the UK Government, for the total amount of £107,280, (2022: £286,907), and from the Isle of Man Government for the amount of £50,942. These funds were spent entirely on the project Creches for Bangladesh. This aims to reduce drowning mortality and improve early childhood development of children aged 1–4 in rural communities of Barishal Division, under UK Aid Match Grant Reference number: 205210-301 and Isle of Man Grant Reference number: SG00321.

Funding of €125,000 was also received from the Department of Foreign Affairs, Government of Ireland for the project Preventing drowning in artisanal fishing communities of Lake Victoria, Tanzania, under grant Ref: CSF 12-22.

19. RELATED PARTIES

The group had no related party transactions in the year other than the transactions between group entities which are disclosed in Note 2.

Details of transactions with Trustees and the Executive Team are disclosed in Notes 3 and 4.

RNLI OFFICERS AND CONTACTS

PRESIDENT

HRH The Duke of Kent KG

TRUSTEE BOARD

Janet Legrand
OBE KC (Hon)
CHAIR

The first woman senior partner of a global law firm, Janet was appointed an honorary Queen's Counsel in 2018 for her contribution to the legal profession. She is former chair of The Children's Society, current Senior Lay Member of Court at the University of Edinburgh and an honorary fellow at Trinity Hall, Cambridge. She was appointed RNLI Chair in January 2023 and awarded an OBE in 2024.

'The RNLI has a remarkable 200-year history and I feel honoured and excited to be able to play a role in guiding this wonderful charity into the start of its third century, maintaining its important traditions while helping to shape it to meet the increasing demands on its modern-day lifesaving service.'

Fiona Fell
DEPUTY CHAIR

Fiona has been a non-executive director for the past 20 years, including in the charitable and not-for-profit sectors. Elected to the RNLI Council in 2012 and appointed a Trustee in 2020, she became Deputy Chair in 2022 and is a member of the Operations and Property Committees.

'A shared wish to save lives and to prevent drowning is deeply motivating and draws us together.'

Denis Woulfe OBE
SENIOR INDEPENDENT TRUSTEE

Denis is a business advisor, non-executive director and formerly a vice chair at Deloitte LLP. Denis was appointed a Trustee of the RNLI in 2019 and was appointed Senior Independent Trustee in 2022. He is also chair of the Audit and Risk Committee. Denis also co-chairs the UK government-sponsored LACA - Lead the Change Board. Denis was awarded an MBE in 2018 and an OBE in 2023.

'The courage and dedication of RNLI staff and volunteers is truly inspiring. It is an incredible privilege to have the opportunity to support them.'

Jim Islam
TREASURER

A qualified actuary, Jim has extensive board-level leadership experience in financial services. He was elected to the RNLI Council in 2021 and was appointed to the Finance Committee as Treasurer Designate in the same year. In 2022, he became RNLI Treasurer and was appointed to the Remuneration Committee.

'I feel privileged to be part of the RNLI, an Institution that reflects the best values of our communities, with courageous and inspiring people achieving marvellous feats.'

Roger Fairhead

Roger is a chartered accountant with over 25 years' experience in international finance and people management. He joined the RNLI Council in 2017, serving on the Remuneration and People Committees, and was appointed a Trustee in 2023. He is also a crew member at his local RNLI station in Calshot.

'I am constantly inspired by the volunteers who work so hard, and dedicate so much of their time, to fund and support the RNLI.'

Dr Philip Goodwin

Dr Goodwin has been chief executive of Voluntary Service Overseas (VSO) since 2015. He has a background in international development with a PhD in environmental policy and planning. Dr Goodwin was elected to the RNLI Council and appointed a Trustee in 2018. He is also a member of the Membership Nomination Committee.

'The poorest countries globally account for 90% of drowning deaths. I'm delighted to be working with the RNLI to help bring about change.'

Andy Jordan

Andy has extensive maritime experience after a 30-year career in the Royal Navy, both at sea on operations and ashore in finance, training, safety and assurance roles. He was elected to the RNLI Council and appointed a Trustee in 2023. He also serves as chair of the Operations Committee.

'It is a huge privilege to be able to contribute to such a worthy cause and play my part in saving lives at sea.'

Dr John Killeen

John is chairman of the Marine Institute and president of the Timoney Leadership Institute. He has an engineering background and is founding president of the Irish Academy of Engineering. Elected to the Council in 2017, he was appointed a Trustee in 2020, chairs the Irish Council and serves on the Audit and Risk Committee.

'I am honoured to be a volunteer in an organisation that delivers an invaluable service to society and has saved lives for more than 200 years.'

Paddy McLaughlin

Paddy has been an RNLI volunteer for over 40 years and is a serving coxswain of Red Bay's all-weather lifeboat. He is a company director with 30 years of experience in the hospitality supply industry throughout Ireland and the UK. Paddy joined the RNLI Council in 2014 and became a Trustee in 2020.

'I've always lived in a coastal community, and the RNLI has featured hugely throughout my life. It's a privilege to support and honour the Institution's lifesaving work.'

Sonia Modray

Sonia was originally appointed interim finance director at the RNLI. Subsequent to this appointment she was elected to the RNLI Council in 2014 and appointed a Trustee in 2015. Sonia is chair of the Property Committee, a member of the Finance Committee and the Trustee responsible for safeguarding.

'From my first day at the RNLI, I was impressed by the selfless dedication and professionalism of everyone involved with this inspiring organisation.'

Lord Mark Sedwill

Lord Sedwill is a cross-bench member of the House of Lords. He was national security adviser, cabinet secretary and chairman of the Civil and Public Service Lifeboat Fund. Before that he had a diplomatic and security career, mostly in the Middle East and South Asia. He was elected to the Council in 2021 and appointed a Trustee in 2022.

'As a lifelong watersports enthusiast, I'm proud to be a member of the RNLI's One Crew to save lives at sea.'

Mike Sturrock

With a background in technology spanning numerous industries and sectors, Mike is now on the board of several businesses. His early career was at sea as a professional yacht captain. Mike was elected to the RNLI Council in 2015 and appointed a Trustee in 2016.

'I've had a passion for the sea all my life and it's a huge privilege to be member of the RNLI crew.'

Chris Walters
CEng MEng MBA FIMarEST FRINA

Chris is a chartered engineer and naval architect with over 30 years' experience in the marine and energy sectors, including executive positions with Lloyd's Register and P&O Group. Chris joined the RNLI Technical Committee in 2012 and was appointed a Trustee in 2015. He chaired the Technical Committee from 2015 to 2019 and was reappointed in November 2022.

'Inspired by the courage of RNLI volunteer crews, communities and staff, I am delighted to play a role in saving lives at sea.'

Mark Wordsworth

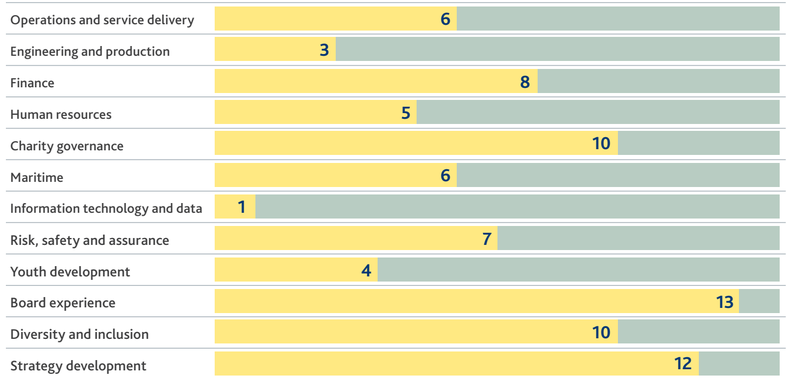
Mark is an executive chair and trustee with significant commercial and investment experience. Elected to the RNLI Council in 2018 and appointed a Trustee and Chair of the Investment Committee in 2021, Mark also serves on the Finance Committee and Bicentenary Steering Group.

'As a former crew volunteer, I am proud to help ensure that the selfless humanitarian work delivered by RNLI crews for 200 years will continue for many generations.'

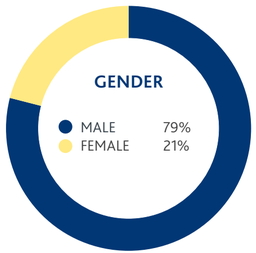
World Drowning Prevention Day 2023: RNLI Chief Executive Mark Dowie champions our lifesaving cause at 10 Downing Street

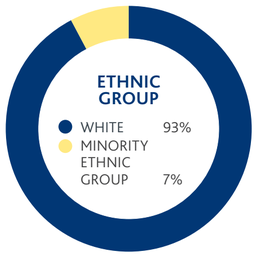
DIVERSITY OF SKILLS AND EXPERIENCE: by number of Trustees

Our 14 Trustees possess a wealth of knowledge and experience that is beneficial to the RNLI. Taking the range of skills listed below, we asked the Trustees to identify the categories in which they have a significant level of skill or experience.



DIVERSITY CHARACTERISTICS





Deserving of our best protection: Ballyglass volunteers face off the elements onboard their Severn class lifeboat *Bryan and Gordon*

OUTGOING TRUSTEES IN 2023

Janet Cooper OBE (Acting and Deputy Chair)
Rear Admiral Roger Lockwood CB

COUNCIL

HRH The Duke of Kent KG (President)
Janet Legrand OBE KC (Hon) (Chair) (elected January 2023)
Janet Cooper OBE (Deputy Chair and Acting Chair) (retired July 2023)
Fiona Fell (Deputy Chair)
Denis Woulfe OBE (Senior Independent Trustee)
Jim Islam (Treasurer)
Dr Peter Aitken MB ChB MRCGP FRCPsych FHEA DCH DRCOG
James Allan
Neil Appleton
Alison Appleyard BEd (Hons) NPQH ARCM LTCL FCMI
Robert Boddington
Simon Bowen
Tim Bryan FMA
John Burke
Katie Cadden B.Corp Law, LL.B, LL.M. Solicitor
Professor John Chudley BSc PhD CMarEng CEng FIMarEST
Andrew Cooper CMG (retired July 2023)
Allen Corlett
Philip Davies FAICD
The Hon Andrew Dixon
Simon Dudley
Louise Evans
Roger Fairhead
Jeremy Fleming (elected July 2023)
Dr Philip Goodwin
Martin Gregory (retired July 2023)
Adam Griffin (retired July 2023)
David Hallam
Jonathan Hart
Gillian Hodgetts MSc MCIPR BA (Hons) DMS DN RGN
Sir Peter Housden KCB
Mark James
Paul Jevons
Commodore Andrew Jordan (elected July 2023)
Al Kassim CFA MSc BSc
Professor Anthony Kessell MBBS MPhil MSc FFPH MRCGP MD
Dr John Killeen
Jacquie Leitch
Peter Lloyd MBE MBA MA
Rear Admiral Roger Lockwood CB (retired July 2023)
Althea Loderick (retired November 2023)
James Marshall
Paddy McLaughlin
Captain Ian McNaught CVO MNM
Lynn McSeveney
Alastair Miller BSc (Econ) FCA
Sonia Modray
Sandra Morson (retired July 2023)
Judy Nelson MBA
John Newell MBE BSc MSc CEng FIMarEST
Rosie Norris
Paul O'Leary
Scott Parsons
Melissa Potter
Sinead Reen
Simon Robinson
Lord Mark Sedwill
Captain (Retd) Chris Smith (elected July 2023)
Mike Sturrock
Professor Phil Sutton CBE FREng PhD (retired July 2023)
Professor Mike Tipton MBE MSc PhD
Jane Totten
Hugh Tully
Ian Venner
Dinesh Visavadia
Chris Walters CEng MEng MBA FIMarEST FRINA
Lesley Wilkin
Kate Wilson
Mark Wordsworth

EX OFFICIO GOVERNORS

The Lord Mayor of London
The Chairman of The Baltic Exchange
The First Sea Lord
The Chairman of Lloyd's
The Master of The Honourable Company of Master Mariners
The Deputy Master of Trinity House
The Chairman of The Royal Yachting Association
The Chairman of The Northern Lighthouse Board
The Chairman of The Commissioners of Irish Lights
The UK National Hydrographer

INVESTMENT ADVISER

Lane Clark & Peacock LLP
95 Wigmore Street
London W1U 1DQ

PRINCIPAL BANKERS

Barclays
Wytham Court,
11 West Way,
Oxford OX2 0JB

AUDITOR

BDO LLP
55 Baker Street,
London, W1U 7EU

PRINCIPAL SOLICITORS

Wilsons Solicitors
Alexandra House
St Johns Street
Salisbury SP1 2SB

BTO Solicitors LLP
48 St Vincent Street
Glasgow G2 5HS

Philip Lee LLP
Connaught House
One Burlington Road
Dublin 4 D04 C5Y6

Charles Russell Speechleys LLP
5 Fleet Place
London EC4M 7RD

Womble Bond Dickinson
Oceana House
39–49 Commercial Road
Southampton SO15 1GA

Blake Morgan LLP
New Kings Court
Tollgate, Chandler's Ford
Eastleigh SO53 3LG

Sackers & Partners LLP
20 Gresham Street
London EC2V 7JE

STANDING COMMITTEES

Membership Nomination Committee
Chair: Janet Legrand OBE KC (Hon)

Remuneration Committee
Chair: Roger Fairhead

Audit and Risk Committee
Chair: Denis Woulfe OBE

Investment Committee
Chair: Mark Wordsworth

Property Committee
Chair: Sonia Modray

Finance Committee
Chair: Jim Islam

ADVISORY COMMITTEES

Operations Committee
Chair: Rear Admiral Roger Lockwood CB (to April 2023)
Interim Chair: Fiona Fell (from April to October 2023)
Chair: Commodore Andrew Jordan (appointed October 2023)

Technical Committee
Chair: Chris Walters CEng MEng MBA FIMarEST FRINA

Heritage Committee
Chair: Tim Bryan FMA

Medical Committee
Chair: Dr Peter Aitken MB ChB MRCGP FRCPsych FHEA DCH DRCOG

Scottish Council
Chair: Rear Admiral Roger Lockwood CB (to July 2023)
Chair: Captain (Retd) Chris Smith (appointed July 2023)
Deputy Chairs: Sheona Smith and Karen Stewart

Council for Ireland
Chair: Dr John Killeen
Deputy Chair: Paddy McLaughlin

People Committee
Chair: Roger Fairhead (to November 2023)

EXECUTIVE TEAM

Chief Executive
Mark Dowie

Director of Engineering and Supply
Jamie Chestnutt

Chief Information Officer
Claire Deuchar

Director of Fundraising, Marketing and Media
Jayne George

General Counsel
Nicky Nelson

Director of Lifesaving Operations
John Payne

Chief Finance Officer
Steven Peacock

Director of People
Sue Barnes (retired October 2023)
Caren Thomas (appointed October 2023)

Safety and Independent Assurance Director
Rob Faricy

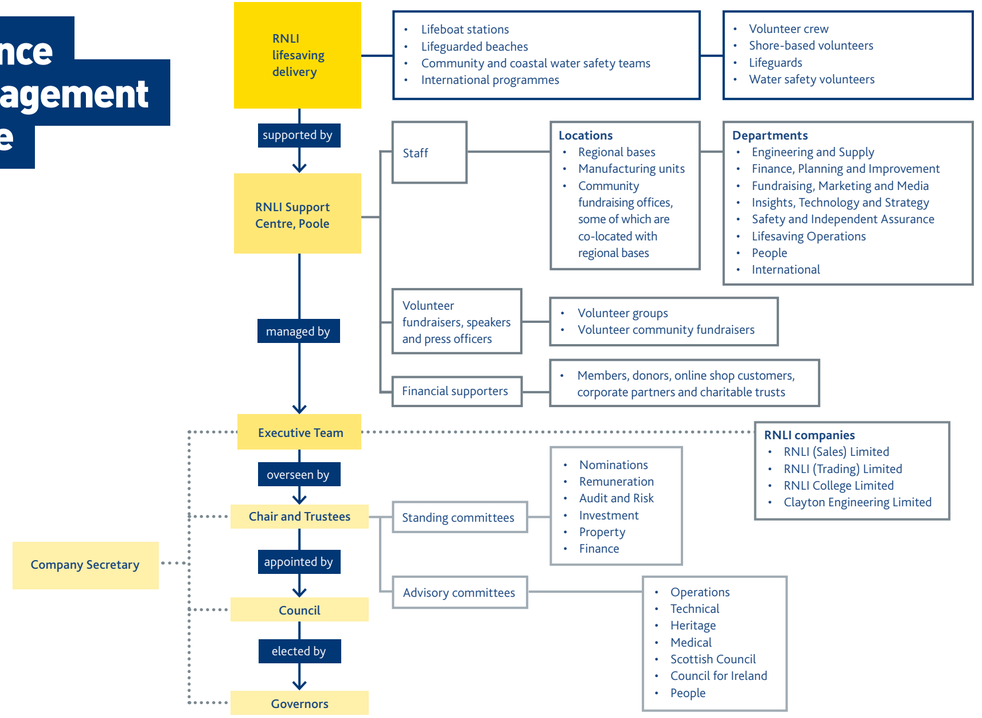
COMPANY SECRETARY

Nick Giles

The RNLI thanks its past chairs and vice presidents for their ongoing support and commitment.

Lifesaving generations: Ben Greenslade, shown in action off Lyme Regis Beach, comes from a family of RNLI lifesavers. His sister Abi and dad Malcolm are fellow lifeguards

RNLI governance and management structure



THANK YOU

The RNLI would like to say a huge thank you to the thousands of individuals who made our lifesaving work possible in 2023.

LEGACIES

The RNLI is grateful for every legacy, big or small. Here are just a few of the kind people who left a gift in their Will last year:

- **Chris West** and his wife, Jo, were stranded in Tobermory Harbour while onboard *Highland Princess*. They were so impressed that the only boat going out in the foul weather was the lifeboat, that they decided to leave most of their estate to the RNLI.

- **Elizabeth Lyle Watson**, from Belfast, was the daughter of a sea captain who worked between Scotland and Ireland, and the widow of a ship's engineer who was lost at sea in 1989. All three were loyal supporters of the RNLI and Mrs Watson left a legacy to be used for a boat that would help to save lives in the Irish Sea.

- **Keith Swinburne Stephens** was a Southampton man with strong family connections with the sea. He flew search and rescue missions with the RAF during the Second World War so had direct experience of saving lives at sea, which was just one of the reasons behind the legacy he left to the RNLI.

TRUSTS, FOUNDATIONS AND INSTITUTIONAL DONORS

We are extremely lucky to work with so many generous charitable organisations and individuals. Many of them support on a regular basis or phase their gifts over several years. This helps us plan for the future and match lifesaving projects to the specific objectives of these trusts, foundations and donors. Thank you to:

- Allan and Nesta Ferguson Charitable Settlement
- Blue Light Card Foundation
- Dorothy Mary Twiggins Charitable Trust
- Dr Scholl Foundation
- Ellen Mavis Chalk Charitable Trust
- Foreign, Commonwealth and Development Office, UK Government
- Goldman Sachs Gives
- Horlock Educational Trust
- Irish Aid, Government of Ireland
- Isle of Man Government
- Jean and Roger Miller's Charitable Trust
- John Scott Trust Fund
- John W Ross Charitable Fund
- Lloyd's Register Foundation
- Logan Charitable Trust
- Miss Kathleen Beryl Sleigh Charitable Trust
- Mollie Lind Charitable Trust
- Mrs K L J Bartlett Deceased Charitable Trust
- Myristica Trust
- National Institute of Health Research, UK Government
- Princess Charlene of Monaco Foundation
- Q Charitable Trust
- Small Grants Scheme, Lloyd's Register Foundation
- Stelios Philanthropic Foundation
- The Beacon Owl Trust
- The Bothwell Charitable Trust
- The Calleva Foundation
- The Corton Hill Trust
- The Coysh Family Charitable Trust
- The Ganton Furze Settlement
- The Hadley Trust
- The Harry Bacon Foundation
- The Houghton Dunn Charitable Trust
- The Iliffe Family Charitable Trust
- The Joe and Helen O'Toole Charitable Trust
- The John Horseman Trust
- The Kenneth & Susan Green Charitable Foundation
- The Lawson Trust
- The Lidbury Family Trust
- The Lois Cumbers Charitable Foundation
- The Misses Barrie Charitable Trust
- The Orr Mackintosh Foundation
- The Portishead Lifeboat Trust
- The RS Macdonald Charitable Trust
- The Sally Odell Charitable Trust
- The Samuel & Freda Parkinson Charitable Trust
- The Sula Trust
- TOD Fund at Community Foundation Ireland
- Trustees of the Shinfield Trust

MEMBERS AND SUPPORTERS

Every pound or euro has a part to play in saving lives at sea. We are grateful for the generosity of all our supporters, including those who donate in memory of a loved one or have made an anonymous gift. We thank the following (or their donors) for their significant contributions last year:

- Andrew and Lynn Richmond
- Andy and Dominie Walters
- Anita Hurrell in memory of Stephen Hurrell
- Anne Lawson
- Anthony Fountain
- Bill Wraith
- Chris Timson and Anne Timson in memory of William
- Christopher Lean
- Cyril and William Pidduck
- Dave and Barbara Smithson
- Dave Mill in memory of Lesley Mill
- David and Eleanor Holloway
- David Mulroy in memory of Helen Marie Byrne
- Diana Porterfield
- Diane Walker in memory of Sandra Walker
- Donald Andrew
- Elizabeth Russell
- Gavin and Donna Moule
- Geoffrey and Christine Grime
- Gordon Abbotts
- Hazel Adamson
- In memory of Alison Gemmell
- In memory of Barry and Peggy High
- In memory of Carole and Peter Chivers
- In memory of John Murrell
- In memory of Kim Aldridge
- In memory of Marjorie Buchanan
- In memory of Martyn Gardiner
- In memory of Mary Wilkinson
- In memory of Michael Anthony Homer
- In memory of Molly Griffiths
- In memory of Mrs Joyce Low
- In memory of Ruth Margaret Gregory
- In memory of Winston Neame
- Isobel Roach
- Jean Keen
- Jeffery and Barbara Court
- John and Patricia Glithero
- John Hill
- John Rickman
- Ken MacRae in memory of Mona Turley
- Kenneth Edward Ansell
- Margaret Cameron
- Margaret Morris
- Norman and Pamela Murray in memory of Niall and Andrew Murray
- Pat and Susan Russell
- Patricia and Nigel Dewar Gibb
- Paul Rosenfeld and Alan Barham
- Paul Skinner in memory of Sue Skinner
- Peter Antram
- Peter John Sobey
- Racle Family
- Raymond Massey in memory of Dee Massey
- Rhyllis Mellors in memory of Stan Mellors
- The Hill-Norton Family
- The Speirs Family in memory of Simon Speirs

PARTNERSHIP SUPPORTERS

We would like to thank all the companies and organisations that supported us in 2023. In particular, for their continued and significant support, we thank:

- Bremont Watch Company Limited
- BT
- Burts Snacks
- Dryrobe Limited
- EDF
- Finisterre
- Ford Motor Company Limited
- Fred. Olsen Cruise Lines
- GJW Direct
- HarperCollins Publishers Limited
- Haven
- Helly Hansen
- Kärcher (UK) Ltd
- Omaze UK Limited
- Ørsted
- The Royal Mint
- The Lifeboat Fund
- Uber Boat by Thames Clippers

THE RNLI 200 CLUB

Thank you to all our 200 Club members who have joined as an individual, as a business, or as part of a group, by donating £10,000 or €10,000 to fund the range of programmes and activities which are taking place to mark the historic milestone of the RNLI's 200th anniversary in 2024. These include exhibitions, education programmes, youth development opportunities, photographic events and services of thanksgiving, to name just a few. These programmes will play a key role in raising awareness of the RNLI in its 200th year, commemorating its history, celebrating the lifesaving service it is today, and perhaps most importantly, inspiring the future generations of lifesavers and supporters who will be vital in taking the charity into its third century and beyond. With these activities being independently funded, our core funds can remain focused on our essential lifesaving service.

THE FUNDRAISERS

A heartfelt thank you goes out to the thousands of volunteers in RNLI branches and guilds. Your hard work and determination raised vital funds through a range of imaginative activities. Thank you to your communities for their generous donations and support too.

Huge thanks to our shop and souvenir volunteers, and to the hundreds of independent fundraisers who took on all sorts of challenges, real and virtual.

You keep our lifesavers ready for anything

‘With courage, nothing is impossible’

Sir William Hillary, RNLI founder

The RNLI is the charity that saves lives at sea

Royal National Lifeboat Institution, a charity registered in England and Wales (209603), Scotland (SC037736), the Republic of Ireland (20003326) the Bailiwick of Jersey (14), the Isle of Man (1308 and 006329F), the Bailiwick of Guernsey and Alderney, of West Quay Road, Poole, Dorset BH15 1HZ

Tel 0300 300 9990 (UK) 1800 991802 (Ireland)

info@rnli.org.uk

RNLI.org

Cover image: ***Punching through 2022***, mixed media on canvas by Kurt Jackson. Taken from his 2023 solo exhibition *RNLI Cornwall*, which donated all profits to the RNLI

Photos: Alex Brenner, Andy Delme, Stephen Duncombe, Martin Fish, Charlotte Hill, David Jenkins, Nicholas Leach, Leanne McColm, Craig Meheut, Phil Monckton, Michael Morley, Omaze, Mike Patrick, Miriam Power, Nihab Rahman, RNLI/(Richard Adams, Harrison Bates, Tom Collins, Claire Elshaw, Andrew Hastings, Lifeguards Scotland, Lough Derg Lifeboat Station, Faye Maher, Nigel Millard, New Brighton Lifeboat Station, Andy Parish, Peterhead Lifeboat Station, Plymouth Lifeboat Station, Troon Lifeboat Station, Nathan Williams, Jimmy Young), Shutterstock.com, Harry Simpson, Chloe Spooner, Stephen Hamilton Photography

ARA23

Lifeboats

THE ROYAL NATIONAL LIFEBOAT INSTITUTION

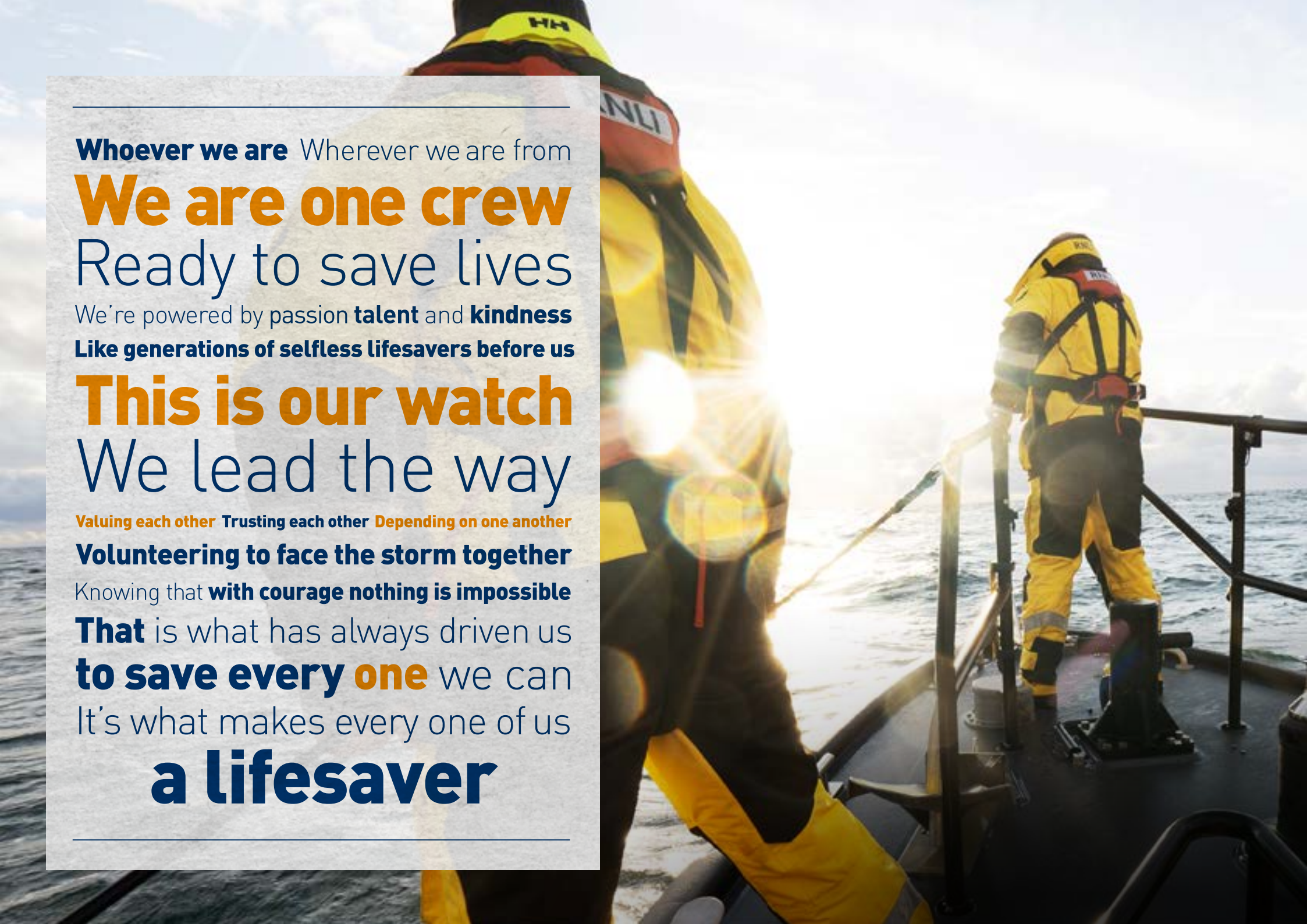
England & Wales - Charity number 209603

Accounts

Lifeboats

RNLI ANNUAL REPORT AND ACCOUNTS 2022

Powered by passion, talent and kindness



Whoever we are Wherever we are from

We are one crew

Ready to save lives

We're powered by passion **talent** and **kindness**

Like generations of selfless lifesavers before us

This is our watch

We lead the way

Valuing each other **Trusting each other** **Depending on one another**

Volunteering to face the storm together

Knowing that **with courage nothing is impossible**

That is what has always driven us

to save every one we can

It's what makes every one of us

a lifesaver

Clifden volunteers at the bow of Shannon class lifeboat *St Christopher*. This special Launch a Memory lifeboat arrived on station in May 2022, carrying the names of over 10,000 loved ones on her hull

Annual Report of the Trustees of the Royal National Lifeboat Institution

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WELCOME FROM THE ACTING CHAIR AND CHIEF EXECUTIVE

‘Our communities collaborated in ways never seen before. We saved more lives, raised more funds, and found new support’

Everyone involved in this charity is passionate, talented and kind. Our people continued to stand together and save lives through some really tough times.

Waves of Covid-19, economic storms and global crises have all had an impact on our loved ones, our ways of working, and our physical and mental health. But the RNLI family continues to adapt to a changing environment. In fact, we’ve grown.

In 2022 we saved more lives, raised more funds, and found new support. Our communities collaborated in ways never seen before and our people struck a new balance in their volunteering, work and home lives.

Our crews and lifeguards had another very busy year. From saving a group of bodyboarders caught in a rip current off the beach, to plucking people from the open sea in a terrifying storm, our lifesavers worked tirelessly to keep people safe.

Every rescue deserves recognition but some outstanding acts of courage and skill merited gallantry awards in 2022. Crew and lifeguards from across Ireland and the UK joined our President, His Royal Highness The Duke of Kent, at St James’s Palace, where they received awards for the 27 lives they had saved. They included Lee Duncan, who made history as the first ever Atlantic 85 helm to receive the Silver Medal, and Lifeguard Vittoria Farmer, who received the RNLI’s Bronze Medal.

Vittoria is one of a growing number of women saving lives, alongside people like Jane Hier who became the first female Atlantic 85 helm at Kessock Lifeboat Station, Samantha Armatage who took up the helm at Teddington, and Cara McEachern who qualified as coxswain at Islay. A number of stations made rescues with all-female crews for the first time too.

I was delighted to see great work being done throughout the year towards being fully inclusive. Our focus on diversity and inclusion applies to every part of the charity. Some of the new volunteers in governance roles include the 13 council members who joined in July – they bring an exciting new mix of expertise from wide-ranging backgrounds.

In the summer, we celebrated all sorts of hard-working RNLI volunteers at recognition events around the UK and Ireland. Many of these people have raised countless funds through collections, events and selling souvenirs – and alongside our talented staff and kind donors, they provide the crucial kit, training and support that our lifesavers rely on.

At the Chelsea Flower Show, where we had our very own RNLI garden created by Chris Beardshaw and paid for by Project Giving Back, I met so many supporters, volunteers and families of people our crews and lifeguards have rescued over the years. We raised the profile of our work with new audiences, which helped to raise around half a million pounds in new donations. Her Majesty Queen Elizabeth II paid a visit to our gold-medal winning garden too. It was to be our Patron’s final interaction with the RNLI, after 70 years of dedicated service.

All of these advancements, achievements and events leave me with such admiration for what RNLI people do – and the lifesaving work they power. Whether you’re a governor or supporter, tour guide or tractor operator, lifeguard or lorry driver, crew member or accountant – thank you for being part of our passionate, talented and kind crew.

Janet Cooper
RNLI Acting Chair

WELCOME TO OUR NEW CHAIR

Janet Legrand KC(Hon) was appointed RNLI Chair in January 2023. She is a former senior partner and co-chair of a global law firm, and current and former chair of two large not-for-profit organisations. Janet understands the world of volunteering and is adept at helping organisations meet the challenges of delivering a charitable mission. We look forward to introducing her to you at the 2023 Annual General Meeting. See page 78 for more on our Trustees.

‘As one crew, we will continue to do what we have done for 199 years: strive to save every one’

Thanks to the ingenuity, flexibility and hard work of our volunteers, supporters and staff, the RNLI met the extraordinary challenges of 2022. We had a summer like no other, with around 35M people visiting the Irish and UK coasts and sparking a significant increase in watersports. In total, our lifeboat crews aided 16,476 people and saved 389 lives. RNLI lifeguards aided 23,204 people, saving 117 lives, and our water safety teams reached more than 14M people with vital messages.

We really got back to business at the start of the year, fixing and finishing some of the activities that were paused or delayed during the height of the pandemic. This included the launch of an ambitious 5-year plan, which set out our detailed plans up to the end of 2026. However, before the ink had even dried, we found ourselves facing a significantly different financial landscape with the cost-of-living crisis and rising inflation. Inevitably, this uncertain economic climate means we will need to dial back on some of the plan’s short- to mid-term ambition and refocus our efforts on our security and sustainability in the longer-term.

Despite these challenges, we have much to be proud of. We celebrated the Platinum Jubilee right across the RNLI, and 4,500 Platinum Jubilee Medals were presented to RNLI volunteers and staff. Some are crew on the south-east coast of England, involved in our humanitarian response to vulnerable people risking their lives crossing the English Channel. Again, we saw an increase in the number of incidents here and an increase in the public scrutiny of our involvement but, as one of our supporters rightly put it: ‘The sea is utterly indifferent, uncaring and cruel. The RNLI is the exact opposite.’ That is why we worked alongside the other agencies involved to carry out a special exercise in October, testing new equipment and training crews in mass rescue response.

All of our frontline services were backed by excellent support from engineering teams, who kept the equipment and facilities operational, the training team who delivered courses to maintain crew and lifeguard competence and keep our people safe, the connectivity provided by our IT teams, the meticulous planning and insight of our Finance Team, the guidance and support provided by our People Team, the incredible efforts of our fundraising and retail volunteers keeping vital funds coming in, and everyone else continuing to pull together to deliver as one crew.

That includes our volunteer Trustees. In July, we bid farewell to our Chairman, Stuart Popham, and long-standing Trustees Eddie Donaldson and Peter Housden. We owe them all immense gratitude for giving so much of their time and expertise to the charity over many years. Stuart had not been well since July 2021 and Eddie kindly stepped up as Co-Chair alongside Janet Cooper – who later became sole Acting Chair.

Meanwhile, our three factories produced four new Shannon class, twelve D class and six Atlantic 85 lifeboats, built two Shannon launch and recovery vehicles, and carried out extensive refit work. One very special development was the launch of the first prototype from the Severn Life Extension Programme – essentially breathing another 25 years of lifesaving into existing Severn class lifeboats by fitting the latest technology and crew safety features. Meanwhile, our Estates Team completed the build of four new lifeboat stations and carried out major refurbishments to others. Work continued across a number of other locations, including Tower’s new state-of-the-art floating station, which recently went into service.

In 2022, I was fortunate to see our international work in Zanzibar and Tanzania first-hand. It is only by being there that you can really appreciate the extent of the global drowning epidemic and its effect on ordinary lives. The key to all this work is not just the impact it has on the small number of communities where we are working actively, but its influence on drowning prevention strategies around the world.

Looking ahead, we continue to face the unexpected and unpredictable. I have no doubt we will encounter new challenges, but I am very confident we have the right people and plans in place to protect the security and sustainability of this extraordinary charity through its 200th anniversary and into the future.

Thank you for everything you do for the RNLI. As one crew we will continue to do what we have done for 199 years: strive to save every one.

Mark Dowie
RNLI Chief Executive

WHAT WE DO

We won't stand by while anyone, anywhere, drowns. The RNLI saves lives and prevents drowning through these core activities:

LIFEBOATS

Our lifeboat crews aim to reach at least 90% of casualties within 10 nautical miles of the coast, within 30 minutes of a lifeboat launch – in any weather. Most crew members are volunteers. See page 10 for more.

LIFEGUARDS

Our lifeguards aim to reach anyone up to 300m from shore, within the red and yellow flags on RNLI-patrolled beaches, within 3½ minutes. Most of their work is about prevention. See page 14.

WATER SAFETY

Our water safety experts work with lifeboat and lifeguard teams to break the drowning chain – prioritising by risk, working with others, positively educating all and remaining inclusive to reach every one. See page 16.

INTERNATIONAL

We also work with partners globally and in countries where drowning is a significant problem to raise awareness, widen the research base and help develop solutions to save more lives. See page 17.

FUNDRAISING

As a charity independent of government, we rely on the generous support of donors to meet the cost of our lifesaving activities. We set exacting standards in our fundraising to protect and maintain good relationships with our supporters and ensure financial stability. See page 18.

Regular training, afloat and ashore: Red Bay volunteers on exercise onboard Trent class lifeboat *Corinne Whiteley*

READY TO SAVE LIVES

RNLI volunteer lifeboat crews provide a 24-hour search and rescue service in the UK and Ireland, and our seasonal lifeguards look after people on busy beaches.

MORE THAN A RESCUE SERVICE

We are here to save every one we can. That's why, with your support, the RNLI also makes early interventions by influencing, supervising and educating people. We work with partners to understand the risks and offer innovative solutions – and our water safety teams share that knowledge with anyone using the water to make them safer. We are proud to share that expertise internationally too. We give support in countries where drowning rates are significant, and work with like-minded organisations to raise awareness of the problem globally and how we can address it together.

These lifesaving activities are underpinned by people and initiatives that raise funds and ensure that we are well governed and compliant.

POWERED BY PASSION, TALENT AND KINDNESS

Volunteers are at the heart of our charity, supported by expert staff to enable communities to save lives. 97% of our operational crew are volunteers – including more than 5,700 lifeboat crew members, 4,000 shore crew (including station management) and 119 lifeguards. Thousands more dedicated volunteers raise funds and awareness, give water safety advice and help in our shops, museums and offices.

OUR IMPACT IN 2022

People from all across our charity came together to face a demanding year, saving hundreds of lives and protecting many thousands of people.

Our three core services of lifeboats, lifeguards and water safety united once again – with 238 lifeboat crews continuing to launch around the clock to people in distress, and lifeguards providing a seasonal lifesaving service on 242 of our busiest beaches.

The record-breaking summer heatwave and removal of nearly all Covid-19 restrictions meant an intense summer for our lifesavers. Around 35M people visited the Irish and UK coasts, bringing a significant increase in water users.

Together, our lifeboat crews and lifeguards saved a total of 506 lives in 2022 – more than one life every day. RNLI lifeboat crews aided 16,476 people (12,903 in 2021), and saved 389 lives (296). Our lifeguards carried out more than 4M (3.7M) preventative actions and saved 117 lives (112). Lifeguards aided a further 23,204 individuals in 2022 – compared with 40,794 in 2021, an outlier year, mainly due to a huge number of people rescued from sandbanks in North Wales. See the operational statistics on page 8 for more.

Lifeboat stations on the south-east coast of England continued their difficult humanitarian work, with His Majesty's Coastguard tasking our volunteers to an increasing number of people who risked their lives crossing the English Channel in small boats. Our crews responded impeccably to these mass rescue incidents, using specialised kit and training to save more lives, and treating everyone involved with kindness and dignity.

Meanwhile, we continued to innovate beyond search and rescue, using knowledge and behaviour change to prevent people from getting into danger in the first place. Our water safety experts engaged with the public and partners face to face – and saw greater community support for our water safety work than ever before.

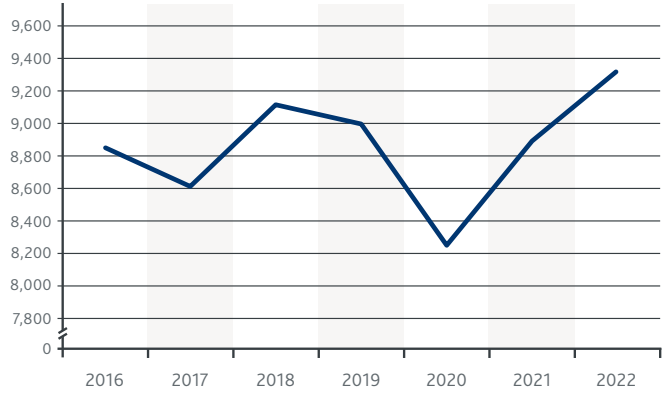
In partnership again with the GAA (Gaelic Athletic Association) and HM Coastguard, we reached more than 14M people with advice on how to keep safe at the beach. One in three people of the target audience saw our messages at least five times. Our Float to Live and dial 999/112 messages continued to make an impact, with real-life examples of both adults and children saving themselves or helping others by recalling advice from our TV adverts and other materials. Thousands of young people took part in free Swim Safe sessions and tens of thousands more learned crucial safety advice directly from lifeguards and water safety volunteers visiting schools. Our Ambassador Scheme grew to more than 780 business people and we continued to work closely with the Black Swimming Association.

The RNLI continued to take action on global drowning – working with people in countries where drowning is a significant problem, and speaking at UN headquarters, where representatives from 81 countries pledged to take further action. In Bangladesh, working with our in-country partner, we helped to secure a $32M (USD) commitment from the Bangladesh government to scale up interventions across the country and help keep children safe from drowning. We also worked with around 50 other organisations to launch a new Respect the Water campaign on World Drowning Prevention Day – itself marked by more than 30 countries.

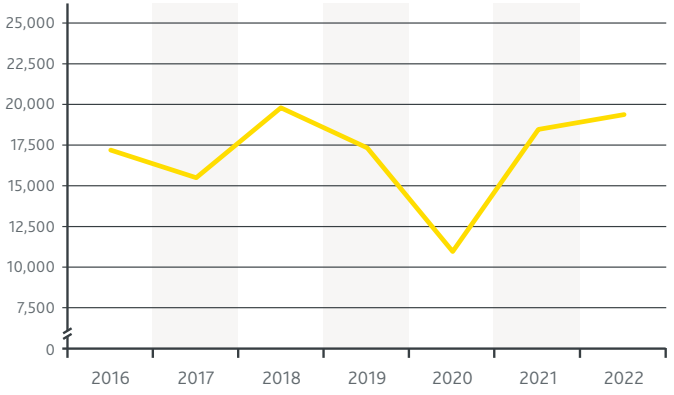
In 2022, we reviewed the RNLI's flood rescue service, which had been on pause since 2020. DEFRA confirmed there was no defined requirement for the RNLI to be involved with the UK's national flood rescue operations and, as a result, our Trustees made the decision to remove us from the National Flood Rescue Asset Register.

Read about our plans and performance in detail on page 20.

LIFEBOAT LAUNCHES



LIFEGUARD INCIDENTS



In action at Llangrannog Beach: Bethan Phillips and her fellow lifeguards in the RNLI's Wales, West and Isle of Man region watched over more than 4M beach visitors in 2022

109
PEOPLE AIDED EACH DAY ON AVERAGE BY RNLI CREWS AND LIFEGUARDS
(147 IN 2021)

39,680
PEOPLE AIDED BY RNLI CREWS AND LIFEGUARDS
(53,665 IN 2021)

506
LIVES SAVED BY RNLI CREWS AND LIFEGUARDS
(408 IN 2021)

LIFESAVERS RECOGNISED

Our awardees enjoy a special presentation lunch with RNLI President HRH The Duke of Kent at St James's Palace in May 2022

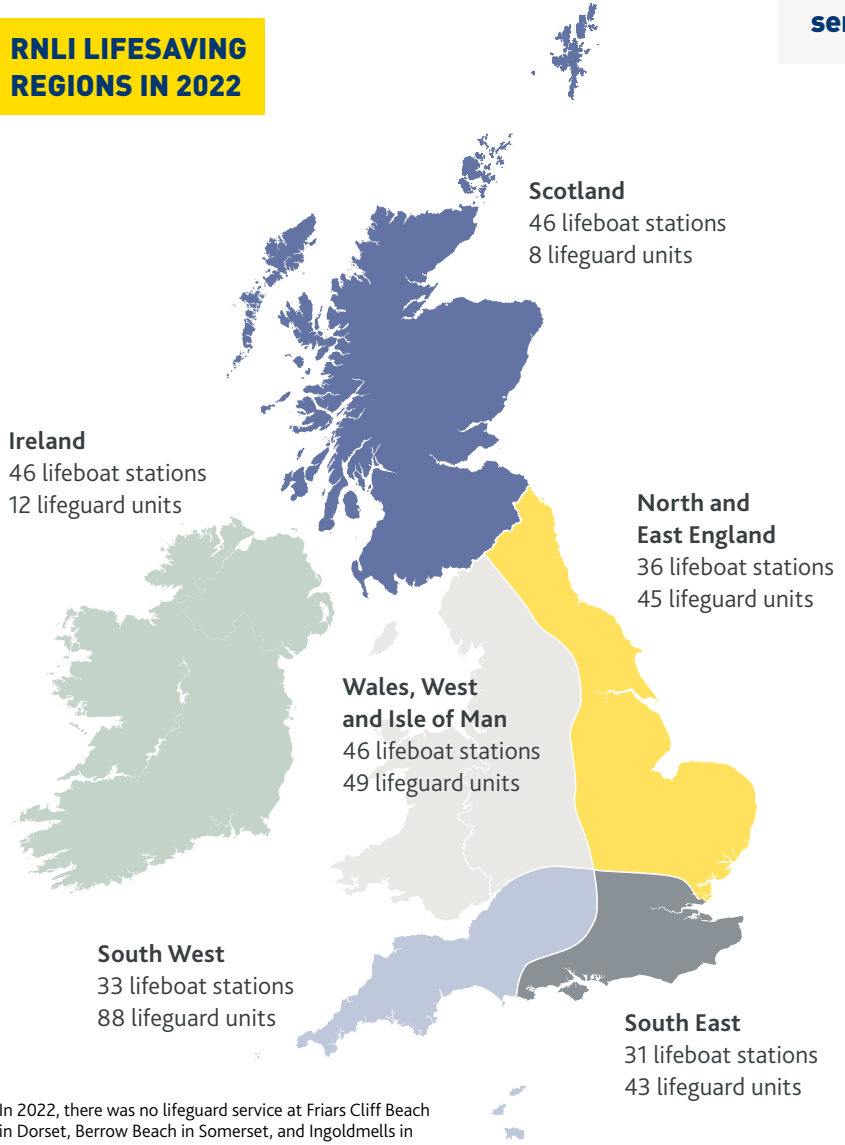
An RNLI Medal for Gallantry is a rare honour but HRH The Duke of Kent presented 12 of them to RNLI lifesavers at a special lunch in 2022. Awardees included lifeguards from Mawgan Porth, together with coxswains, helms and crew from Castletownbere, Dunmore East, Kilmore Quay, New Brighton, Rosslare Harbour, Salcombe and Trearddur Bay. The awardees saved 27 lives among them. Trearddur Bay's Lee Duncan made lifeboat history as the first ever Atlantic 85 helm to receive the Silver Medal. You can read about this incredible rescue on page 11.

Newlyweds James and Aby Davies, both volunteers at Flint Lifeboat Station, receive Platinum Jubilee Medals on their special day

2022 lifesaving statistics

In 2022, our lifeboat crews launched the highest number of times ever – aiding more than 16,400 people. Our lifeguards watched over more than 25M people, one of the highest number of beach visitors recorded since the RNLI introduced its lifeguard service 2 decades ago.

RNLI LIFESAVING REGIONS IN 2022



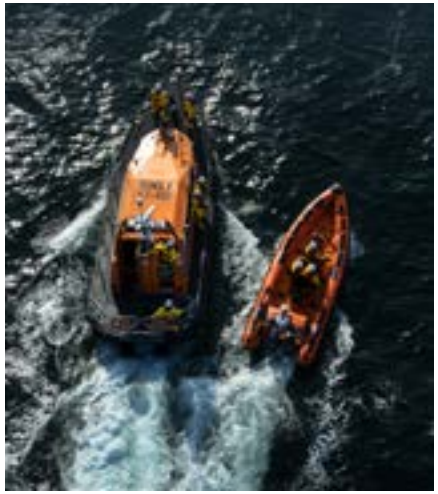
In 2022, there was no lifeguard service at Friars Cliff Beach in Dorset, Berrow Beach in Somerset, and Ingoldmells in Lincolnshire due to recruitment challenges. Therefore, service was provided on 242 of the RNLI's 245 lifeguarded beaches.

LIFEBOATS: BY RNLI LIFESAVING REGION

Lifesaving region	Launches	Lives saved	People aided	Hours at sea by vessel	Hours at sea by crew	Crew assemblies
South East England	3,050	177	9,914	3,475	15,967	193
Wales, West and Isle of Man	1,583	68	1,607	2,157	9,871	350
South West England	1,413	42	1,544	1,917	9,341	180
Scotland	1,115	33	1,050	1,682	8,808	118
North and East England	1,090	39	974	1,569	7,104	177
Ireland	1,061	30	1,387	1,445	6,767	116
Total	**9,312**	**389**	**16,476**	**12,245**	**57,858**	**1,134**

LIFEBOATS: BY CASUALTY TYPE

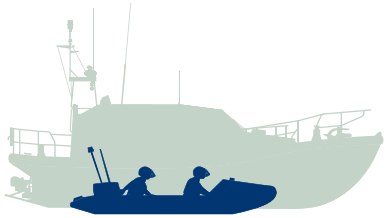
Casualty type	Launches	Lives saved	People aided
People†	4,281	95	9,318
Powered boats	1,393	57	3,404
Miscellaneous‡	899	103	208
Sailing	864	1	1,720
Manual watercraft	587	59	634
Suspected self-harm	480	65	278
Commercial	396	9	914
False alarm	337	0	0
Animals	75	0	0
Total	**9,312**	**389**	**16,476**



†Anyone without a craft or in unknown activity
‡Including aircraft, body recoveries, distress signals, motor vehicles, objects in the sea, small craft, criminal activity and unknown

LIFEBOATS: BY CLASS

Lifeboat	Launches	Lives saved	People aided	Number of vessels used	Hours at sea by vessel
B class	2,925	93	3,461	122	3,292
D class	2,645	113	1,871	143	2,682
E class	985	24	197	4	597
Severn	894	11	4,966	41	1,917
Trent	562	55	2,021	33	1,006
Tamar	545	11	852	27	1,153
Shannon	536	69	2,796	40	1,229
Hovercraft	107	2	109	7	162
Mersey	87	5	96	11	179
A class	14	0	7	3	13
Rescue watercraft	5	1	2	2	9
Boarding boat	4	0	4	3	3
Y class	3	0	0	2	3
No lifeboat used	0	5	94	0	0
Total	**9,312**	**389**	**16,476**	**438**	**12,245**



TOTAL LAUNCHES: **9,312**
TOTAL LIFEBOATS USED: **438**

25M+
BEACH VISITORS

Summer heatwave: Lifeguard Henry Bramwell-Reeks keeps watch at Bournemouth Beach

LIFEGUARDS: BY RNLI LIFESAVING REGION

Lifesaving region	Preventative actions	Incidents	Lives saved	People rescued	People aided	Casualty care	Minor first aid	Searches	Missing and found	Mass rescue	Non aquatic assists	Near misses	False alarms	Antisocial behaviour	Suspicious behaviour	Animals	Other
South West England	1,733,299	9,835	34	1,971	11,858	683	6,118	68	723	1,048	84	196	21	69	11	44	174
North and East England	807,104	2,236	18	204	2,667	208	1,195	91	238	218	33	88	7	29	14	13	29
South East England	633,079	3,320	19	234	3,779	287	1,924	46	501	230	9	235	14	31	10	17	43
Wales, West and Isle of Man	681,341	2,960	33	461	4,216	280	1,323	62	293	1,020	192	54	4	45	18	45	55
Ireland	151,606	308	13	96	405	32	117	12	19	25	1	0	0	2	0	1	2
Scotland	60,963	238	0	28	279	25	118	2	36	7	3	0	2	6	1	1	2
Total	**4,067,392**	**18,897**	**117**	**2,994**	**23,204**	**1,515**	**10,795**	**281**	**1,810**	**2,548**	**322**	**573**	**48**	**182**	**54**	**121**	**305**

Lifeboats

Our volunteer crews have been saving lives for 199 years. Their work remained at the heart of the RNLI throughout 2022.

It was a summer like no other for lifeboat crews. With national lockdowns over, record heatwaves and an extraordinary Jubilee weekend, millions of people flocked to our coasts to celebrate and enjoy the great outdoors. Together with shore crews and other station volunteers, our crews provided a ring of safety around the UK and Ireland, and remained ready to launch 24/7 from 238 lifeboat stations and to protect more people than ever.

Overall, lifeboat crews launched 9,312 times in 2022 – a 5% increase on 2021 and the highest number in one year since records began. They aided 16,476 people and saved 389 lives. 3,484 services were carried out in darkness and 533 involved casualty care. Tower and Dover were our busiest overall and coastal stations respectively, with inshore lifeboat crews carrying out the majority of total launches.

Even excluding our humanitarian work in the English Channel, the total number of launches has climbed steadily over the last 3 years, with launches to paddleboarding and self-harm incidents continuing to rise year on year. To delve deeper into the numbers, see the 2022 lifesaving statistics on page 8.

Lifeboat crews rely on well-maintained craft, regular face-to-face training, the best personal protective equipment and robust shore facilities to save lives. We have a responsibility to bring the lifesavers home safe to their families too, which is why in 2022 we pulled together to provide them with the best crew kit, new sea towing equipment and the latest mass-casualty rescue gear.

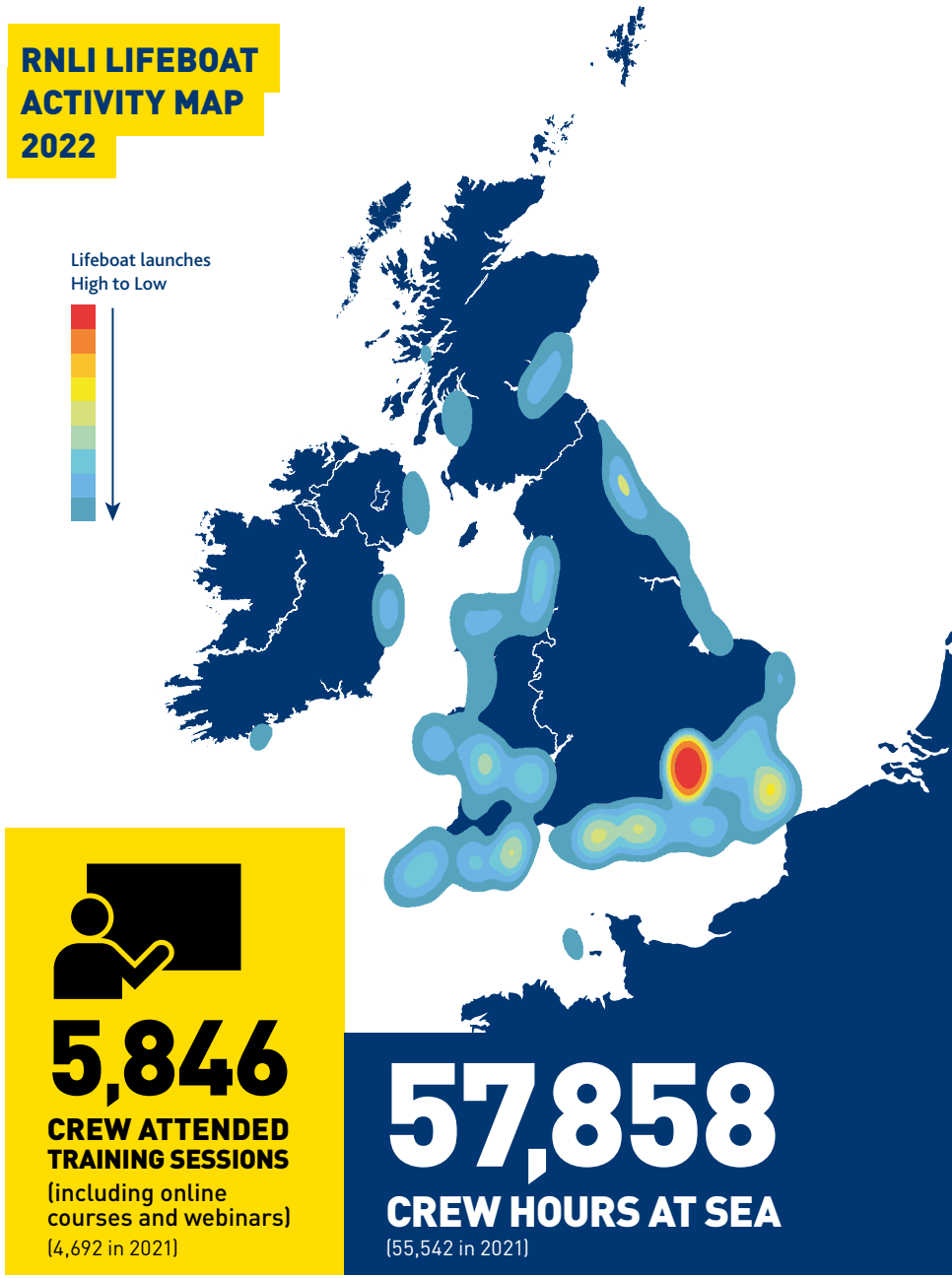
RNLI engineers also looked to cutting-edge materials to give crew better protection, including the development of a new mattress deck for inshore D class lifeboats.

Lifeboat construction and maintenance returned to full strength, with 22 new lifeboats and 2 Shannon launch and recovery systems coming off the production line. Eight all-weather craft saw major refits and, although supply issues slowed our Severn Life Extension Programme initially, the prototype was completely refitted with the latest technology and safety systems to support another 25 years of lifesaving. Staff also carried out many modifications and repairs, including the refit of inshore launching vehicles at the Inshore lifeboat Centre and the planned maintenance of relief and training boats at the All-weather Lifeboat Centre.

We continued to maximise training and assessment opportunities for our crews by not only providing our regular RNLI College and coastal courses, but also increasing the range of videos, webinars and online courses for volunteers to learn remotely. We worked with the National Maritime College of Ireland to provide the Crew Emergency Procedures course locally for Irish crews – as well as increasing capacity at the RNLI College. We also updated our casualty care course to include new equipment, and trialled a new course for launch vehicle drivers dealing with difficult terrain.

We were only able to provide them with this vital support thanks to ongoing public donations.

RNLI LIFEBOAT ACTIVITY MAP 2022



5,846
CREW ATTENDED TRAINING SESSIONS
(including online courses and webinars)
(4,692 in 2021)

57,858
CREW HOURS AT SEA
(55,542 in 2021)

Launching into the maelstrom aboard Trearddur Bay's Atlantic inshore lifeboat *Hereford Endeavour*

'It's the most treacherous position I have ever faced on a service'

LEIGH McCANN
VOLUNTEER CREW | TREARDDUR BAY RNLI

CASE STUDY

Battling the surf

Trearddur Bay volunteers push themselves to the limit to save the life of a surfer in the first ever Silver Medal rescue onboard an Atlantic 85 lifeboat

Our lifesavers headed into a severe gale when a woman became engulfed in violent surf and was dangerously close to being dashed on rocks. With Trearddur Bay a swirling mess from 45-knot winds, it wasn't an easy launch. Waves crashed through the open top of the launch vehicle and sea conditions outside the bay were worse, with 5m waves breaking all around the lifeboat.

Crew Member Dafydd Griffiths caught a glimpse of the woman, and Helm Lee Duncan executed a raft of skilled manoeuvres to reach her with expert placement and timing. This allowed his crew mates to quickly grab her between sets of waves. 'We dragged her onboard and held onto her for dear life,' says Daffyd. Lee powered the lifeboat through the waves into calmer waters, where his crew mates were able to move the casualty and check her for injuries.

Meanwhile, the station tractor driver and shore crew prepared for bad weather recovery – a manoeuvre where Lee would power the lifeboat straight onto its trailer to be captured by a collapsing net. The surf threatened to lift up both tractor and trailer at one point but, thanks to slick teamwork, the exhausted crew members and casualty were eventually home safe.

'Without doubt, they performed one of the finest acts of selflessness and courage of recent times,' says Lee Firman, RNLI Area Lifesaving Manager for North Wales. The RNLI's Silver Medal for Gallantry was awarded to Helm Lee Duncan in May 2022, with Bronze Medals for Crew Members Dafydd Griffiths, Leigh McCann and Michael Doran. Volunteer Tractor Driver Mark Smith received a Commendation from the RNLI's Director of Operations.

The lifeboat crew (l–r): Leigh McCann, Dafydd Griffiths, Mike Doran and Lee Duncan

Visit **RNLI.org/magazine** to read about more 2022 lifeboat rescues

220+
LIFEBOATS REFITTED, MODIFIED OR REPAIRED
(220+ in 2021)

22
NEW LIFEBOATS CONSTRUCTED
(19 in 2021)

9,312
LIFEBOAT LAUNCHES
(8,868 in 2021)

CASE STUDY

Lifesaving teamwork: Richard (third right) and Mike (centre) with some of the crew from the Bronze Medal rescue

'The lobster line could have snapped at any point. That would have been the yacht gone and those fellows on the rocks'

RICHARD LEIGH
HELM | PORT ST MARY RNLI

No safe harbour

Port St Mary RNLI crews are honoured for saving three lives in rough seas

Three yachtsmen were seeking a safe haven in rough weather, when bad luck nearly cost them their lives. It was dark and they didn't spot a lobster pot line, which fouled their rudder and propeller. Powerless, they drifted dangerously close to rocks off the Isle of Man.

Arriving on scene, RNLI Coxswain Mike Keggen skilfully manoeuvred the Trent class all-weather lifeboat around the shallows while providing protection for the inshore crew to take a closer look. They saw the yacht's stern rising out of the water and how badly it was entangled. D class Helm Richard Leigh knew it wasn't safe to tow it. With time against them, both lifeboat crews agreed it was best to get the people off quickly and transfer them to the all-weather craft for the journey to the Alfred Pier.

Evacuating the men onto the D class lifeboat wasn't risk-free – the lifesavers had to place themselves between the battered yacht and the rocks to do so. In gusting force 7 winds and a 3m swell, Richard made an expert approach and his crew were able to snatch all three men to safety. The yacht was later smashed up on rocks off Carrick.

Port St Mary Lifeboat Operations Manager (and Mike's daughter) Sarah Keggen says: 'This was a very difficult rescue but the crew demonstrated great teamwork. They put their training into action and saved lives.' Helm Richard Leigh was awarded the Bronze Medal in May 2022 for his superb boathandling, seamanship, and courage. His nine crew mates received special letters of thanks.

Visit **RNLI.org/magazine** to read about more 2022 lifeboat rescues

CASE STUDY

Swept into darkness

Ballyglass lifeboat volunteers bring hope to a man trapped in a cave off the wild Atlantic coast

In September 2022, a couple were swept off a cliff ledge in a strong tidal surge near the Dún Briste sea stack at Downpatrick Head. The woman was rescued by paddleboarders but the man was forced deep into a cave, taking refuge on a ledge above the surf.

Coxswain Francie Gibbons carefully navigated the Severn class lifeboat through a narrow channel and the shallows for a closer look. 'It was very rocky, with a serious wash in the cave mouth,' he says. 'It must have been horrendous for the man inside.'

A local Coast Guard unit had tried to get a line in to the casualty but was stood down as darkness fell. The gathered rescue agencies agreed it would be best to send in the Irish Cave Rescue team when sea levels dropped. 'We had to stick with him and keep his spirits up,' says Francie. 'There was a risk he could succumb to hypothermia or try to swim for it if he thought he'd been abandoned.'

With little room for manoeuvre, it was a challenging watch. The crew worked in shifts to keep in contact with the casualty throughout the night. Every half hour they moved into position, shone searchlights into the cave, and called over the loudhailer to reassure the man and check he was OK. At first light, the RNLI crew guided the cave team down the cliff and towards the cave mouth. Come early afternoon, the man had been safely extracted and flown to hospital.

'There was a serious wash in the cave mouth. It must have been horrendous for the man inside'

FRANCIE GIBBONS
COXSWAIN | BALLYGLASS RNLI

Before nightfall: Ballyglass volunteers carefully navigate their all-weather lifeboat between the jagged coastline and sea stack

Porthcawl volunteers tackle the raging surf onboard their Atlantic 85 inshore lifeboat *Rose of the Shires*. The station's two inshore crews launched a total of 70 times in 2022

Dover lifeboat crew look after sick people during a mass rescue in the English Channel. In October 2022, our lifesavers from the south east coast of England took part in a special training exercise using new apparatus that can help save dozens of casualties at the same time

'People are often seasick – suffering from cold, exhaustion or dehydration. Some are injured or missing limbs. Others are holding children or are pregnant'

RNLI VOLUNTEER CREW MEMBER
SPEAKING ABOUT PEOPLE CROSSING THE ENGLISH CHANNEL

Lifeguards

Once again, RNLI lifeguards delivered vital lifesaving services to local communities and tourists across the UK and Channel Islands.

Our lifeguards kept watch over more than 25M beachgoers through a record heatwave, delivering more than 206,300 hours of patrols across 242 of our busiest beaches.

A lifeguard's priority is the prevention of incidents, which was demonstrated by the 4M preventative actions they instigated. But they also responded to around 18,900 incidents – helping some 23,200 people with everything from rescue to casualty care, and saving a total of 117 lives. Almost 90% of these incidents occurred during June, July and August, with our Newquay and Padstow area reporting the highest number of rescues.

RNLI lifeguards, staff and volunteers observed our coasts and beaches before the start of the 2022 season. They fed back data on visitor numbers and water use, which helped us set the right level of preparations and respond to changes in the way people access the water. This included an increase in the number of beach visitors during heat spikes and a growth in different recreational equipment used, such as stand-up paddleboards and large inflatables.

Lifeguard recruitment wasn't without its challenges. It began during a worldwide shortage of lifeguards and swimming teachers – residual effects of the pandemic. But, despite some localised challenges, over 98% of service delivery was achieved.

This was thanks in part to the prompt and successful delivery of all the required lifeguard training and verifications, and the full induction of new lifeguards.

We continued to explore the use of beach cameras and image recognition to support our pre-season data gathering. This technology allows us to count visitors and capture the number of incidents attended by lifeguards. We hope that by measuring trends in water use more accurately like this, our lifesavers can be more strategic with their patrols and extra diligent during anticipated surges.

We fully assessed another five non-RNLI beaches – highlighting hazards and suggesting control measures to help local authorities and private beach owners plan comprehensive beach safety management. Our experts also gave public rescue equipment and beach safety signage recommendations to around 30 holiday parks.

Head to RNLI.org/LifeguardsReport2022 for more.

Ready for anything: Lifeguard Jake McGarry hones his skills during a rescue training exercise off Cromer Beach

Protecting people on Towan Beach: Renato Dos Santos from Brazil is part of a diverse team of lifeguards in Newquay

206,304
HOURS OF BEACH SUPERVISION

4M+
PREVENTATIVE ACTIONS BY OUR LIFEGUARDS
(3.7M+ in 2021)

23,204
PEOPLE AIDED BY RNLI LIFEGUARDS
(40,762 in 2021)

242
LIFEGUARDED BEACHES
(245 in 2021)

On patrol: Croyde lifeguards dealt with a range of incidents during the summer heatwave, including paddleboarders blown out to sea, people suffering heat exhaustion and a number of serious medical emergencies

Enhanced for lifesaving: the RNLI's rescue watercraft allows lifeguards to get to people fast in surf or shallow water

CASE STUDY

Immense skill and determination

Lifeguards save two bodyboarders from raging surf in dramatic rescue at Gunwalloe Beach

RNLI Lifeguards Zack Martin and Adam Wiltshire were carrying out their final patrol of 2022 as the end of the season approached. With the first hurricane swells of September beginning to roll in, surf was building when Zack spotted two bodyboarders caught in a powerful rip current. The pair were quickly being dragged towards rocks. Zack signalled for Adam to head across to them, promptly joining him on a second rescue board after alerting the coastguard.

Our lifeguards swiftly reached the man and woman but, as a large wave suddenly crashed over them, their rescue boards were snatched away and all four were washed towards Dollar Cove. The male boarder was washed into a small rocky opening with Adam, where they were churned around by the water. The female casualty, who had also lost her board, was swept into a small gully with Zack. She was exhausted and Zack fought to keep her head above the raging surf.

Meanwhile, RNLI Lifeguard Owen Goose from nearby Poldhu Cove could hear the rescue playing out over his radio. He ran along the coastal path to the man by the rocks, where a local surfer joined him.

Owen, Adam and the surfer used rescue tubes to haul the man up to the relative safety of the boulders above. Nearby, the woman and Zack were being pinned against a cliff by crashing waves. Finding moments between sets of waves, Adam swam to Zack with a rescue tube and together they guided the woman to shore. Owen lifted her out of the water with the help of onlookers. The trio of lifeguards then took the casualties back to the beach, where coastguard medics assessed them. Apart from some minor cuts and bruises, the pair came away unscathed.

Lead RNLI Lifeguard Supervisor Adam Harris says: 'This rescue took immense skill and determination. Zack and Adam willingly placed themselves in harm's way to rescue two bodyboarders in very difficult conditions.'

Visit **RNLI.org/magazine** for more 2022 lifeguard rescue accounts

Two lives would have been lost had it not been for the brave actions of Adam and Zack in September 2022

Water safety

As the charity's third core lifesaving activity, water safety remained essential in our vision to save every one.

In 2022, RNLI water safety staff and volunteers returned to what they do best – engaging with the general public and our partners, face to face. We refreshed some of our interventions, spoke with new boating audiences and continued to update our resources and materials with the latest expert advice.

Our summer safety campaign put the Float to Live message front and centre for adult men, while still maintaining a reminder to all beach users, and #RespectTheWater was relaunched by members of the UK National Water Safety Forum to foster a truly collaborative safety campaign on World Drowning Prevention Day.

The RNLI's Ambassador Scheme grew to 788 people from local businesses who shared our summer messages, and we continued to work closely with the Black Swimming Association to understand the barriers to swimming and water safety for Black, Caribbean and Asian communities. Meanwhile, our water safety volunteers delivered lively presentations to around 1,000 school, college and youth groups.

Our Commercial Fishing Team ran 23 man overboard events in survival pools across the UK and Ireland to highlight the risks of not wearing a lifejacket to fishermen. With the number of rescues to stand-up paddleboarders increasing, we also ran a paddleboarding event at the RNLI College to bring industry experts together and create consistent messaging across the sector.

In 2022, we also made significant progress with how the RNLI can help with the issue of water-related suicide. This will see us increasing support for our lifesavers dealing with these types of incidents and partnering with external experts to help with prevention where appropriate.

14M
PEOPLE REACHED WITH RNLI SAFETY MESSAGES

93M+
VIEWS OF OUR TV ADVERTS

12,000+
CHILDREN TOOK PART IN SWIM SAFE

Crowds flock to sea safety day

Children and adults alike had lots of fun and picked up crucial safety tips at Hartlepool RNLI's sea safety event at Seaton Carew in June. The volunteer crew were joined by fellow lifesavers from Cleveland Fire Brigade, Hartlepool Coastguard, Hartlepool Beach Lifeguards and Cipher Medical, along with representatives from On Water Training and Hartlepool Youth Service, and swimming experts from Puddle Ducks Tees Valley.

RNLI Water Safety Officer Jayne Mandeville says: 'It was an amazing day, with all the activities centred around being safe at the seaside or on the sea. We had a great response from members of the public who asked lots of questions and took part in events where they learned resuscitation techniques and how to use a throw bag.'

CASE STUDY

Water Safety Officer Jayne Mandeville welcomes visitors with RNLI hero Stormy Stan and baby swimming mascot Puddle

CASE STUDY

Finley used RNLI advice to help another child. Lifeguard Guy Potter presents him with a special certificate

Young Finley saves a life

Thanks to RNLI kids' club Storm Force, Finley Hassall knew exactly what to do when he saw a young lad drowning while on holiday.

'I saw waves going over this boy's head and he was splashing and struggling,' says Finley (11). 'He was clearly panicking. I'd read about how to float like a starfish in *Storm Force*, so that's what I asked him to do. He went onto his back and I was talking to him, and getting him to take deep breaths to calm down. An RNLI lifeguard soon arrived to help.'

Guy Potter, the RNLI lifeguard on duty that day, met up with Finley in July 2022 to present him with a special certificate. 'Finley did a fantastic job,' he says. 'Being able to keep a clear head in situations like that is really important.'

International

Lifesaving without borders.

Every other minute, someone drowns around the world. That is why, in 2022, the RNLI continued to work with international partners and in-country experts to help stop these needless deaths.

Throughout the year, we provided technical assistance, capacity building and training to lifesaving organisations around the world – including search and rescue organisations in Uruguay, Chile and a number of British Overseas Territories.

In Bangladesh, we helped more than 5,000 children graduate from a series of survival swimming lessons and kept more than 9,500 young children safe through their attendance at community-based creches that operate during peak drowning times. Meanwhile, in Tanzania, we continued to work with our local partner, the Environmental Management and Economic Development Organisation, to address the high burden of drowning deaths in fishing communities around Lake Victoria and to raise the profile of fishing safety. In September, we helped to organise the first ever Tanzania Drowning Prevention Symposium – bringing together representatives from community organisations, government, academic institutions and the United Nations to share knowledge and commit to scaling up drowning prevention efforts.

Perhaps most crucially, our international work received funding from the overseas aid budgets of the UK and Isle of Man governments and, for the first time, from the Irish government. Generous support was also provided by The Lifeboat Fund, Beacon Owl Trust, Princess Charlene of Monaco Foundation and Lloyd's Register Foundation.

Fishing on Lake Victoria can be a hazardous profession. In 2022, the RNLI hosted the first Tanzania Drowning Prevention Symposium which brought global lifesaving experts together to advance action on drowning prevention

9 COUNTRIES JOINED OUR LEADERS IN LIFESAVING COURSE

30+ COUNTRIES UNITED TO MARK WORLD DROWNING PREVENTION DAY

Specially adapted ponds create safe spaces to teach children swim survival skills

5,608 CHILDREN LEARNED SWIM SURVIVAL SKILLS IN BANGLADESH

SKILLS LEARNED INCLUDED:

- Swimming 25m
- Floating >30 seconds
- Performing safe rescue techniques on land and in water

CASE STUDY

Leaders in lifesaving

The RNLI's new Leaders in Lifesaving course is one example of how we're sharing our knowledge globally to help save as many lives as possible.

The new RNLI course aims to increase a lifesaver's knowledge and skills in areas such as leadership, drowning prevention and technical lifesaving skills. Twelve delegates from nine countries travelled to Poole in October 2022 to take part. During the week-long course, they met with experts from key UK lifesaving organisations – including Dorset and Wiltshire Fire and Rescue Service and the UK Maritime and Coastguard Agency – as well as lifesavers from across the RNLI.

The delegates arrived ready to learn and share their drowning prevention experience, and everyone left with invaluable lifesaving knowledge. Asif Ahmed from the Maldives Coastguard says: 'I've learned skills in how to command in an emergency situation and how to collaborate. I learned a lot in a week, including from colleagues from Africa, the Caribbean and other parts of the world.'

Lifesavers from around the world learned and shared skills at the RNLI's Leaders in Lifesaving course

Fundraising

With soaring prices affecting everything from the supply of vital lifesaving kit to the fuel for lifeboats, the RNLI relied on people's kindness more than ever.

Our fundraisers are powered by passion, talent and kindness. In 2022, they knew the emerging cost-of-living crisis not only affected them, but also made RNLI lifesaving essentials significantly more expensive – everything from buying crew lifejackets to keeping the lights on at lifeboat stations.

Hundreds of branches got back to business, with events, shops, station visits, open days and naming ceremonies all at full strength. Local fundraisers continued to find new and exciting ways to keep the pounds and euros rolling in, including a scenic cycle around Lough Derg and a whimsical duck race along the Gogo Burn in Largs. Individuals and groups continued to think outside the box too, like student Claire Thomson who celebrated her 21st birthday by swimming 840 lengths of a pool to raise money for her local crews. Meanwhile, our face-to-face teams signed up more than 5,000 new regular donors across their communities.

We built on what we had learned from our national campaigns in 2021 and continued to integrate door-drops with local fundraising, online events and cash appeals. Our partners got involved too, like Helly Hansen and Haven Holidays who boosted our Mayday appeal by more than £300,000. Seasonal appeals also worked in tandem with online elements – and our new RNLI Gardens campaign proved to be a big hit in the summer, with people hosting barbecues or simply opening their beautiful gardens for others to enjoy.

Launch a Memory, where supporters can add the name of a loved one to the side of a lifeboat, exceeded expectations in 2022. The third Launch a Memory Shannon class lifeboat more than doubled its original funding target and is now saving lives at Wells. The fourth and fifth boats, in construction and bound for Anstruther and Whitby, also saw thousands of special names added in memory.

Volunteer Elly and canine mascot Sapphy give customers a warm welcome as Fraserburgh's RNLI shop opens again after a refit

We were excited to launch a new partnership with dryrobe® in October, worth £300,000 over 3 years. As well as donating £1 for each changing robe sold, the company will help us reach new audiences and promote our safety messages. Meanwhile, our friends at Beacon Owl Trust increased their already generous support to help fund extra Swim Safe lessons and support new apprenticeships at the All-Weather Lifeboat Centre.

BBC Two's *Saving Lives at Sea* drew large audiences once again, with series 7 reminding viewers of the vital and often difficult work our lifesavers do. We also gained more than 4M views within days of launching on social media platform TikTok, making us the third highest ranking UK charity on the channel at the time and bringing our total number of social media followers to more than a million.

Despite it being another turbulent year, we managed to raise over £221M together in 2022. Generating the right level of income in 2023 will be a huge challenge, and we thank all our supporters for staying onboard and standing with the lifesavers in their mission to save every one.

You can find out more about our finances on page 26.

WHERE YOUR MONEY GOES

81p/81c in every £1/€1 donated funds our lifesaving activities

19p/19c is used to generate more funds

A Mayday Mile but not as we know it: Natalie Joseph puts her own stamp on the RNLI challenge by doing 30 minutes of aerial fitness every day in May

If the RNLI was a garden, it would probably be this delicate blend of horticultural history and cutting-edge modernity

A chance to flourish

The RNLI showcased a very special lifesaving garden at the RHS Chelsea Flower Show in May 2022. The garden was brought to life by a team of dedicated people – all fuelled by passion, talent and kindness. Heading them up was lifelong RNLI supporter and multi-award-winning garden designer and plantsman Chris Beardshaw. This unique opportunity was made possible by the generous support of Project Giving Back, which kindly funded all costs associated with the design and build.

Some very special guests came to admire the garden, from supporters and volunteers to famous faces and families of people our crews and lifeguards have rescued over the years. The garden also introduced the vital work of the RNLI to a new audience, which helped to boost donations.

To top it all, the RNLI garden was awarded a Gold Medal in the Show Garden category – a real testament to all the mud, sweat and secateurs that Chris's team put in!

A gift that lasts

Fifty years on, Chris Huxley will never forget his rescue by Newhaven lifeboat crew. It's the reason he is leaving the RNLI a gift in his Will

In April 1972, Chris and four crew mates were sailing to France when the weather took a horrible turn. After enduring 48 hours of force-10 winds and 10m waves, they had no idea where they were. Newhaven lifeboat crew found them seasick and exhausted.

'The RNLI volunteers were the angels on our shoulders,' says Chris. 'When I had begun to think we weren't going to make it, they were there for us. They escorted us to safe harbour and, to this day, I can recall the enormous relief I felt. Those volunteers braved atrocious conditions to help people they never even knew. And the reason they were there for us was because of the generosity of supporters before me. That includes those who leave gifts in their Wills. Without them, the majority of launches just wouldn't be possible.'

Chris now wants to be there for the volunteer crews and, by making a gift in his Will, he has become part of the RNLI's future. His gift could help to train a new volunteer or fund the lifesaving kit they rely on – like the thermal blankets Newhaven crew used to keep another casualty alive after they had plucked him from the bitter sea on Christmas Eve 2021.

'The current cost of living is putting a squeeze on all of us,' says Chris. 'But leaving a gift is a way to do some good in the future without feeling the pinch today. Even a modest amount can make a real difference.'

CASE STUDY

'I'll never forget what the RNLI did for me. They'll never forget me either'

Chris Huxley was rescued by Newhaven lifeboat crew in 1972

Fifty years on, Newhaven crew haul a frozen and exhausted Dermot Ryan onboard their lifeboat. They had the gear to keep him alive thanks to the generosity of RNLI supporters, including those who leave a gift in their Will

6 in 10 LAUNCHES ARE ONLY POSSIBLE THANKS TO GIFTS IN WILLS

OUR PLANS

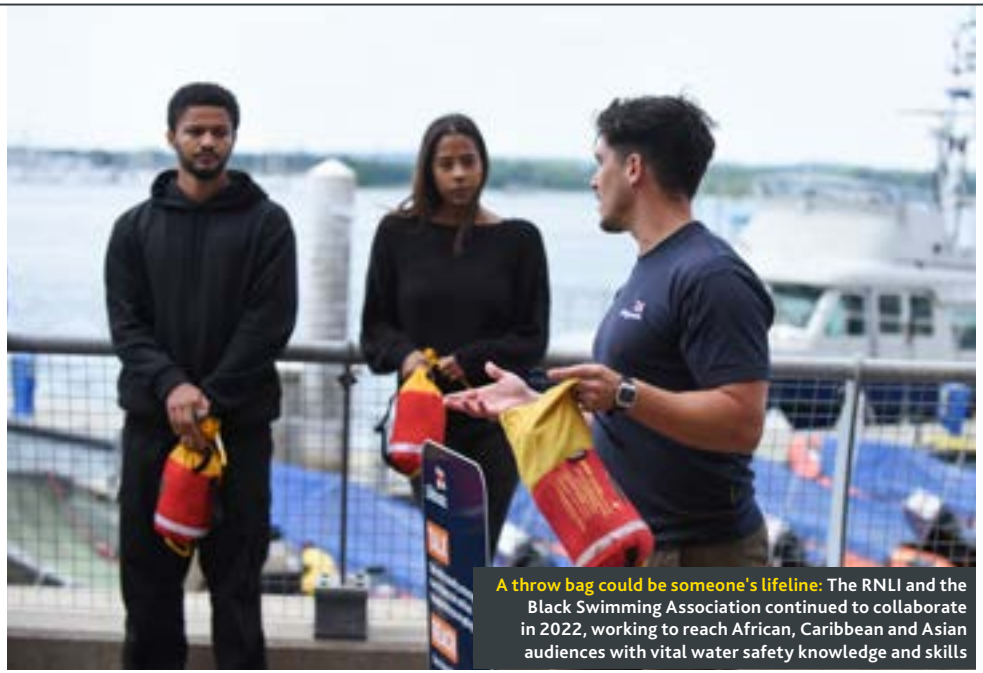
This section looks at the RNLI's performance in 2022 and lays out the key areas of focus for 2023 to help us achieve our strategic outcomes.

REFLECTING ON WHAT WE ACHIEVED IN 2022

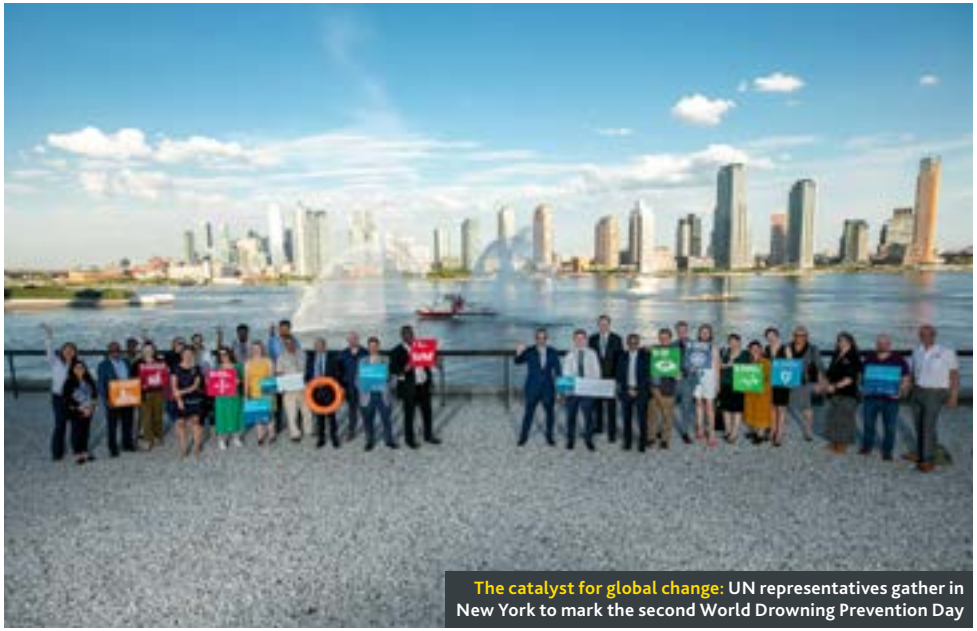
We set out plans for 2022 to help us get back on track with delivering the commitments within *Our Watch: RNLI Strategic Intent 2020–24*. Our plan invested in our future with a particular focus on enhancing our lifesaving effect, growing income and making key improvements to support the RNLI, both now and in the future.

During another hot and busy summer, we continued to provide an integrated service through lifeboats, lifeguards and water safety:

- We continued our humanitarian work in the English Channel, including testing and successfully implementing new mass-casualty equipment and procedures.
- We continued to invest in our operational footprint, including upgrading our connectivity with better networks and broadband in stations, and welcoming new Shannon class lifeboats into our fleet.
- We continued to invest in our lifeguarding service, gathering pre-season intelligence to improve our effectiveness. We celebrated a key milestone: 20 years of delivering a world-class lifeguard service to coastal communities across the UK.
- We continued to work with key partners like the BSA (Black Swimming Association), GAA (Gaelic Athletic Association) and HM Coastguard to broaden the reach of our water safety messages.
- Building on the success of our children's television advert in 2021, we continued to deliver vital water safety messaging through *Storm Force*, the RNLI's club for young people.
- We continued to use the UN resolution on global drowning prevention as a catalyst for change internationally and were proud to celebrate the second World Drowning Prevention Day in 2022, working with partners and lifeboat stations to raise the profile and mark this significant milestone.
- Recognising that drowning is a global issue, we welcomed rescue services from around the world to RNLI College to share experiences and expertise – including representatives from Norway, Japan and the Maldives



A throw bag could be someone's lifeline: The RNLI and the Black Swimming Association continued to collaborate in 2022, working to reach African, Caribbean and Asian audiences with vital water safety knowledge and skills



The catalyst for global change: UN representatives gather in New York to mark the second World Drowning Prevention Day

Inspiring support and keeping people safe: RNLI face-to-face fundraiser Olivia Peters at a local airshow

We also focused on raising funds and investing in securing our income for the future:

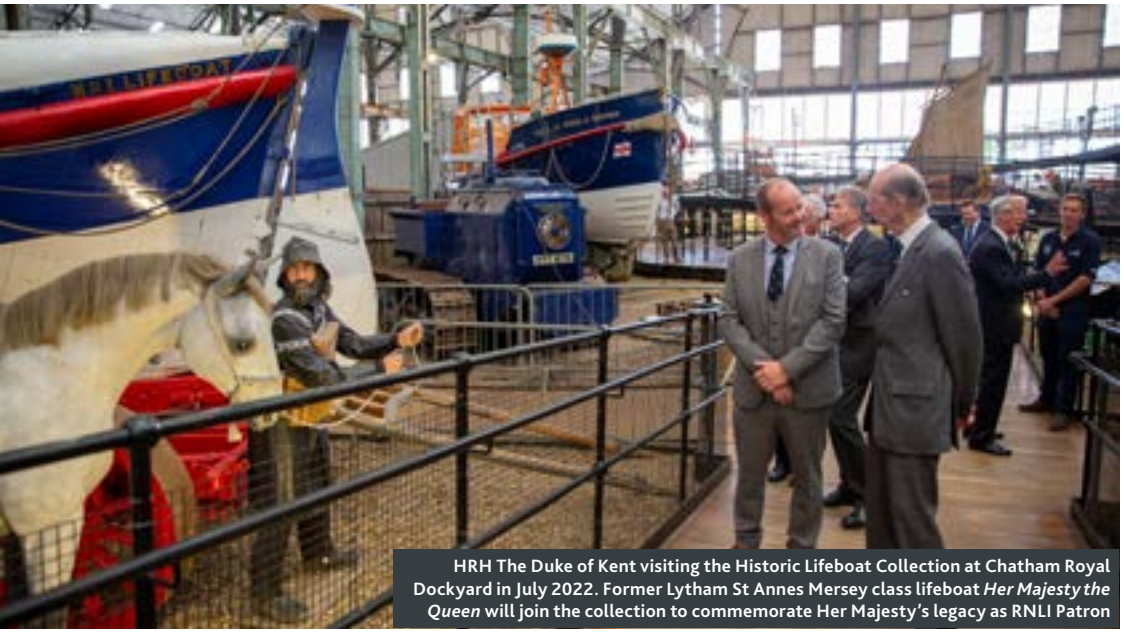
- For the first time ever, we ran face-to-face fundraising activities all year round in order to reach more people with water safety information and to attract new regular-giving supporters.
- We focused on delivering more local events to recognise our amazing volunteers and to engage with supporters in a more personalised way, including running legacy engagement events.
- We continued to prepare for the RNLI's anniversary in 2024, when we will mark 200 years of saving lives at sea.
- We were proud to have our debut RNLI Show Garden at the Chelsea Flower Show designed by RHS Gold Medal winning garden designer Chris Beardshaw.

Of course, we recognise our amazing volunteers and supporters who are at the heart of everything we do. Thanks to their passion, talent and kindness we:

- delivered a 24/7 search and rescue service at 238 stations
- provided supervision on 242 beaches
- offered water safety advice and education, both domestically and internationally
- ran 170 RNLI shops
- and undertook all of the other critical activities that helped to save lives at sea.

In 2022 we created the first iteration of a rolling 5-year plan, building on the intent set out in *Our Watch*. This continues to focus on achieving our Vision to save every one, and draws on learnings from the pandemic and takes into account the changing world we are operating in. We will refresh our rolling 5-year plan regularly as we recognise the need to be flexible and agile.

To make sure we are preparing for our next 200 years we also took steps to understand what changes would be happening in the external world over the next 10–20 years. In response to these we started to map out the key areas of focus for 2030 and beyond. This will set us up to help people enjoy the water and assist those in need far in the future. Our thinking will continue to evolve through 2023 and guide our future plans.



HRH The Duke of Kent visiting the Historic Lifeboat Collection at Chatham Royal Dockyard in July 2022. Former Lytham St Annes Mersey class lifeboat *Her Majesty the Queen* will join the collection to commemorate Her Majesty's legacy as RNLI Patron

Protecting our young: RNLI water safety volunteers delivered lively presentations to around 1,000 school, college and youth groups in 2022

HOW WELL DID WE PERFORM IN 2022?

In *Our Watch*, the organisation set out a clear vision, supported by six Strategic Outcomes that help to inform our plans. We monitor whether we are on track to achieve these outcomes through a framework of strategic key performance indicators (KPIs) that provide a focus for how all teams across the RNLI measure the success of the activities they deliver.

Performance against our strategic KPIs is reviewed quarterly by our Executive Team and Trustees to ensure we remain on track, or to prompt corrective action where it may be required for us to get back on track. The KPI framework is reviewed annually to ensure it provides the right visibility of progress across the life of our 5-year plan.

WE FOCUS ON WHAT WILL SAVE THE MOST LIVES IN OR NEAR THE WATER

NUMBER OF PEOPLE RESCUED OR AIDED BY LIFEBOATS

IN 2021
9,984
people

IN 2022
16,476
people

The total number of people aided by our lifeboat crews saw a sharp increase in 2022, primarily driven by people crossing the English Channel.

WE KEEP OUR PEOPLE SAFE

AFLOAT INJURIES PER 1,000 LAUNCHES

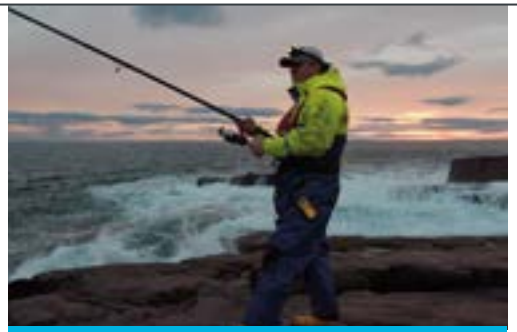
IN 2021
3.3
injuries per 1,000 launches

IN 2022
5.9
injuries per 1,000 launches

Reporting of minor injuries appeared to fall during the pandemic and its immediate aftermath. We are now seeing much better reporting that will help drive efforts to keep our people safe.

MORE THAN
50%
OF ALL INCIDENTS AND
90%
OF ACCIDENTAL FATALITIES
OCCUR WITHIN **THE TOP**
8 WATER-BASED ACTIVITIES

According to figures from the National Water Safety Forum's Water Incident Database (WAID UK) and the RNLI's lifeboat return of service data



WORKING WITH PARTNERS, WE INFLUENCE IMPROVED SAFETY ON AND BESIDE THE WATER

SERIOUS WATER INCIDENTS

IN 2021	IN 2022
874	**859**

The number of water incidents where people in need of assistance were at serious risk is in line with previous years.

BETTER DROWNING PREVENTION

IN 2021	IN 2022
NEW INDICATOR	**ALL INTERNATIONAL PROGRAMMES ON TRACK**

A new indicator in 2022, this KPI summarises our overall efforts to drive better drowning prevention globally.

OUR PEOPLE LOVE BEING PART OF THE RNLI

VOLUNTEER ENGAGEMENT SCORE

IN 2021	IN 2022
NEW INDICATOR	**91%** (8% response rate)

Our first volunteer survey showed great engagement levels but we recognise the low response rate needs improvement. We plan to improve on this for future surveys to ensure results represent the full breadth of our volunteer community.

STAFF ENGAGEMENT SCORE

IN 2021	IN 2022
83% (58% response rate)	**85%** (71% response rate)

Staff engagement levels have continued to increase year-on-year, which reflects our efforts in focusing improvement on areas that matter most to staff.

WE RAISE THE FUNDS WE NEED AND SPEND DONORS' MONEY WISELY

FREE RESERVES COVER

IN 2021	IN 2022
10.0 months	**9.3 months**

At 9.3 months of charitable expenditure, free reserves are currently at the upper end of the Trustees' range. There is an expectation that free reserves will reduce in the coming years as we continue to invest in our services and infrastructure, and inflationary pressures persist.

OUR FUTURE IS SUSTAINABLE AND SECURE

STRATEGY DEVELOPMENT STATUS

IN 2021	IN 2022
IN PROGRESS	**IN PROGRESS**

We saw steady progress in developing our long-term strategy through 2022.

LOOKING AHEAD

In 2022, we saw a number of unexpected events unfold, from the invasion of Ukraine in February to a fast-changing political landscape in the UK later in the year. These events have been key factors in the economic pressures we are all facing as energy prices increase and the cost of living rises.

What does this mean to us and what are the impacts on the RNLI? We invest a significant amount in maintaining our stations and lifeboat fleet, so the cost of construction materials increasing has a huge impact on us. Lifesaving essentials like fuel, energy and kit are also becoming significantly more expensive.

Running a 24/7 lifesaving service is expensive and costs are rising. As a charity, we are heavily reliant on the continued generosity of donors to fund our lifesaving work – but as our costs rise, we recognise that money is tight for our supporters too. It is our ongoing responsibility to make informed decisions that ensure we spend our donors' money wisely and remain sustainable and secure.

We continue to move forward in the same direction with these clear areas of focus for 2023:

Lifeguard Ted Morgan keeps a protective eye on visitors at Mundesley Beach

We deliver our lifesaving service

Our purpose is to save lives at sea and we will not compromise this. However, we recognise that the rising cost of living impacts our spend and will continue to be mindful of this throughout 2023 and beyond.

We protect our income

We expect income generation to become more challenging due to impacts of the current climate on disposable income and the housing market. We need ongoing fundraising to keep providing our lifesavers with the equipment and training they need to keep them safe while they save lives.

We invest in our future

While we are facing rising costs, we must continue to move forward as an organisation and invest in key initiatives that support our future. For example: improvements to information flow, processes and systems, updating the way we train our operational staff and volunteers, and continuing to enable greater autonomy within our lifesaving regions.

We improve our sustainability

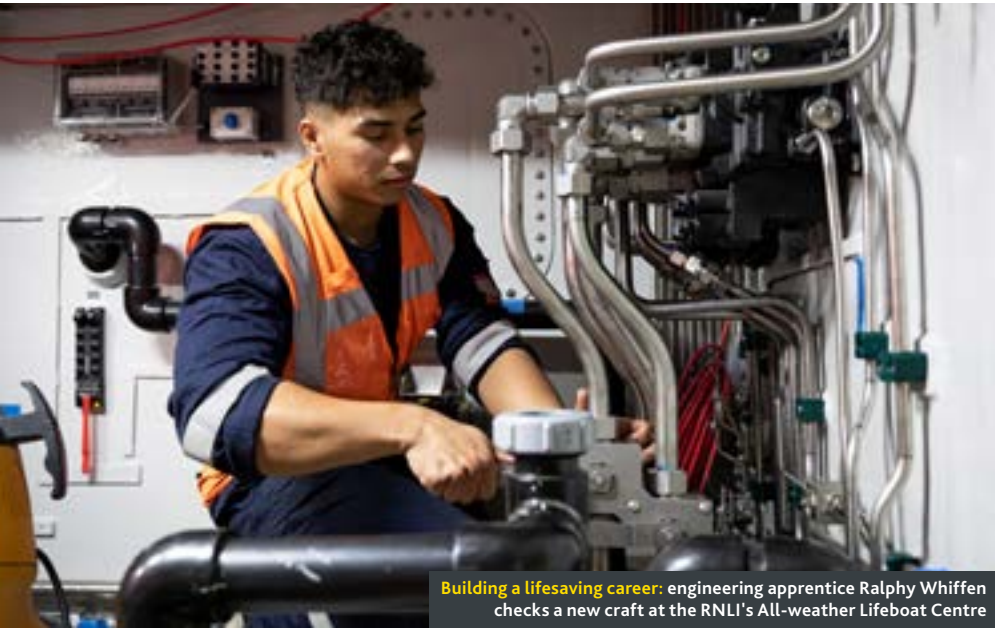
We are looking at how we respond to the changing financial picture in a sustainable way that supports the organisation for the next 200 years. We anticipate the RNLI, like many other charities, will need to reduce expenditure over the coming years, and are reprioritising and sequencing activity in response to this changing financial picture.

'Our plan for 2023 will take us through to our 200th anniversary and ensure that we are set up to continue saving lives for the next 200 years.

'We are immensely grateful to our supporters who already do so much for the RNLI – without their support, our lifesavers could not rescue the thousands of people who need help every year.'

MARK DOWIE | RNLI CHIEF EXECUTIVE

Flying the flag: our supporters cheer on RNLI runners in the TCS London Marathon



Building a lifesaving career: engineering apprentice Ralphy Whiffen checks a new craft at the RNLI's All-weather Lifeboat Centre

200th anniversary

199 years ... and counting

With you by our side we'll commemorate our past, celebrate today's lifesavers and inspire a new generation

The RNLI celebrated many important milestones in 2022, including 20 years of saving lives on the Thames, the 50th anniversary of B class lifeboats and 170 years of *Lifeboat* magazine. 2024 marks something even grander: the RNLI's 200th birthday.

Since the RNLI was formed on 4 March 1824, a year hasn't passed without extraordinary rescues and bravery in the face of horrendous storms, plus we've seen leaps in lifesaving technology. Courage, selflessness and innovation have propelled our lifesavers through busy summers, wild winters, wars and pandemics. So, in 2024, there will be many ways to reflect on our remarkable heritage. Share your love for the charity today and help ensure we're ready to save lives for another 200 years.

Get the latest on events near you at **RNLI.org/2024events**

Unforgettable bravery: six RNLI crews rescued 146 people from the hospital ship *Rohilla* when she struck a reef off Whitby during the First World War

FINANCIAL REVIEW

FOR THE YEAR ENDED 31 DECEMBER 2022

Spend increased significantly in 2022, in line with our plans to catch up on the vital activities that were paused during the pandemic. Income levels also continued to grow as fundraising activities increased, with net income now 15.7% above the pre-pandemic levels of 2019. There was an overall deficit for the year, but this was expected as we used some of the investments built up in the last 2 years to support our post pandemic growth plans. We remain in a stable financial position and that puts us in a good position to help with the significant cost-of-living challenges faced by the RNLI and its supporters.

Charitable spend increased in 2022 by 17.8% against a suppressed 2021 position. The majority of this was in our lifeboat and lifeguard rescue services, which increased by 17.0%. A large part of this was in lifeboats, property, and equipment, with growth of 21.0%. This was mainly due to increased work on our lifeboat stations as we were able to increase construction and maintenance activity. Costs in 2022 have also been affected by inflationary pressures.

Total net income increased by 3.5% in 2022. Legacy income held up well with a small increase of 2.3%. Donations increased by 10.5% as we were able to increase our fundraising in areas such as face-to-face and fundraising branches once again. This was also helped by a large donation towards the work on Tower Lifeboat Station.

Free reserves cover increased by £6.1M in 2022 and, at 9.3 months, is at the upper end of the range prescribed by the Trustees of 4–10 months. There is an expectation that free reserves will reduce in the coming years as we continue to invest in our services and infrastructure, and inflationary pressures persist. However, through rigorous financial planning and control, and thanks to our generous supporters, we will ensure that this remains within the prescribed range.

FINANCIAL ANALYSIS

The analysis in this review has been produced to simplify the financial statements and show how much the RNLI spends on its operations each year, how it is funded, and the movement in its financial resources.

It is based on the financial statements on pages 48–52, but we have adjusted it to show the net income that is available for charitable expenditure. We have also reflected the actual capital costs, rather than depreciation, in the charitable spend. Further analysis on how this reconciles to the financial statements can be found in note 17 on page 77.

CHARITABLE SPEND

Charitable spend increased to £188.0M, an increase of £28.4M compared with 2021. This increase is reflective of the ambition of the organisation to catch up on the activities that have been delayed in the last couple of years due to the pandemic. Inflation has also been a contributory factor in a multitude of areas, examples being construction, fuel, and kit. Overall movements were as follows:

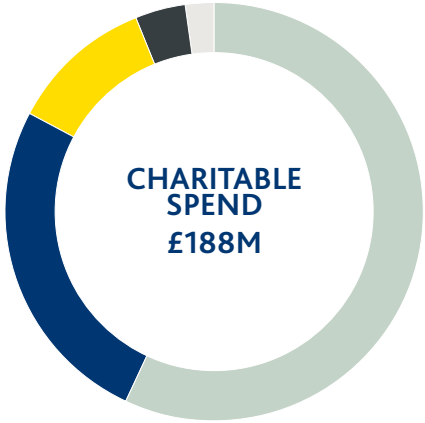
- **Lifeboat service (+£5.0M:11.5%)** – costs increased as we spent more on our crews through activities such as operational training and kit. Inflation also affected most costs, particularly fuel.
- **Lifeboats, property and equipment (+£18.6M:21.0%)** – the construction and maintenance costs of both lifeboats and lifeboat stations increased significantly. This is especially true in lifeboat station construction with increased spend on projects such as Tower and Wells. Inflation has also affected the cost of parts, labour and contractors. A few lifeboat stations were hit by storm damage in the early part of the year at a cost of £1.4M, with the damage to the roof at Sennen Cove being £0.3M alone.
- **Lifeguard rescue (+£2.2M:11.3%)** – this was mainly affected by an increase to lifeguard salaries in 2022. This was to address both significant recruitment issues and ensure that we continue to meet the requirements of the Living Wage Foundation.
- **International (+£0.8M:38.1%)** – this area was the most disrupted in 2021 from the continuing effects of the pandemic, hence the significant increase in 2022. International programmes were revived in Tanzania, Bangladesh, and India. Training programmes were run again at the RNLI College for a cohort of global participants. While this is a comparatively

CHARITABLE SPEND

	2022 Total £M	2021 Total £M
Lifeboat service	48.4	43.4
Lifeboats, property and equipment	107.1	88.5
Lifeboat rescue	**155.5**	**131.9**
Lifeguard rescue	21.7	19.5
International	2.9	2.1
Water safety, education and awareness	7.9	6.1
Total charitable spend	**188.0**	**159.6**

large increase, the spend in 2022 was 21.6% below 2019 levels and represents 1.5% of our total charitable spend.

- **Water safety, education and awareness (+£1.8M:29.5%)** – again, the growth in this area was influenced by the ability to carry out more activities and the effect of inflation. The face-to-face water safety activities increased in 2022 and we expanded resource in this area to enable this. As an illustration of the additional activities, we spent £0.5M on our work with the Black Swimming Association (see page 16). Even with this increase, spend in this area was 25.4% below 2019 levels.



Lifeboats, property and equipment	57%
Lifeboat service	26%
Lifeguard rescue	11%
Water safety, education and awareness	4%
International	2%

INCOME AVAILABLE FOR CHARITABLE SPEND

2022 was the first year since 2020 that fundraising and commercial activities were not interrupted due to lockdowns. Total net income amounted to £221.6M, which was £7.4M above 2021 and £30.0M ahead of 2019. The main reasons for the income movements were:

- **Legacies (+£3.2M:2.3%)** – legacy income was marginally ahead of 2021 and held up well considering the wider macro-economic and geopolitical challenges that have affected investment values. The legacy pipeline remains healthy (see note 9 on page 64) and there is a growing number of new pledgers that is providing confidence for the future.
- **Donations (+£6.3M:10.5%)** – the major contributor to this increase was a £3.5M donation from The Royal Naval Volunteer Reserve Officers' Association towards Tower Lifeboat Station. The increase in face-to-face activity also helped, with increases in regular giving, membership, and Gift Aid as a result. Income from fundraising branches increased year-on-year with a full year of events across our regions and countries.

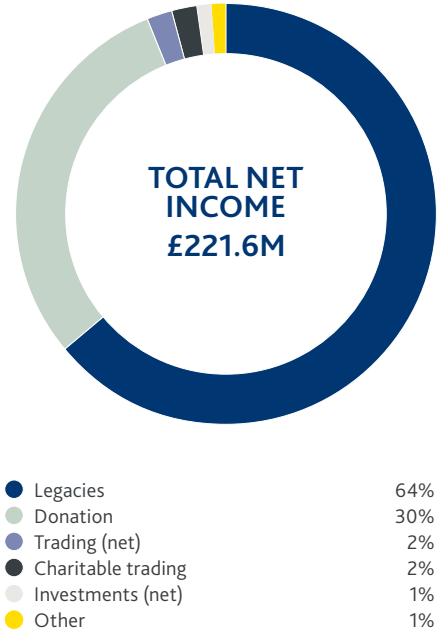
- **Trading (net) (-£0.6M:10.0%)** – while there has been a £2.4M (17.3%) increase in gross trading income, the increase in trading costs of £2.9M (36.3%) has driven a reduction in the net trading surplus. The cost increase is a result of rapidly escalating fulfilment costs, such as postage and surcharges, and we have not been able to pass all this cost on to customers. The RNLI is reviewing its commercial activities to see how we can improve, and changes have already been made with the move to a different fulfilment house and postal provider.
  Charitable trading (+£0.2M:4.8%) – a marginal increase in 2022 with a small rise in the amounts charged to local authorities for the lifeguard service.
- **Investments (net) (+£2.2M:275%)** – investment income has increased where changes in our investments have changed the way investment returns are received. More of the income is now received in the form of investment income, as opposed to investment gains. Overall investment returns are noted in the Investments section on page 28.

- **Other income (-£3.9M:-72.2%)** – a sizeable reduction this year where the profit on asset disposals is substantially less.

The cost of generating income increased by £11.7M (36.0%). The increase in fundraising activity during 2022 was needed to generate additional income in the coming years. The return on this investment helped to increase net income by £7.1M, acquire 181,000 new supporters, and add 3,965 new legacy pledgers (a 73% increase on 2021). This will help to pay for the significant investment that is needed in our lifesaving services and infrastructure, as well as helping us to cope with an uncertain economic environment and the rise in costs from inflation.

FINANCIAL RESOURCES

Investments and bank holdings decreased by £37.3M in 2022 against an expectation at the beginning of the year of a £19.2M reduction. This was mainly due to an investment loss of £26.3M. There was a deficit (net income less charitable spend) of £10.6M where we have managed to catch up on some of the activities that were delayed by the pandemic, as planned. Stock increased by £1.9M as stock levels have increased with the greater activity and rising inflation. Debtors have decreased by £6.2M, mainly due to a £5.1M reduction in legacies receivable. Creditors have reduced by £3.6M where payments have been made to reduce the defined benefit pension liability. Payments of £1.1M have been made on the long-term loan. See note 10 on page 64 for further details on this loan.



INCOME

	2022 Total £M	2021 Total £M
Legacies	**140.8**	137.6
Donation	**66.5**	60.2
Trading (net)	**5.4**	6.0
Charitable trading	**4.4**	4.2
Investments (net)	**3.0**	0.8
Other - including Government subsidies	**1.5**	5.4
Total Net Income	**221.6**	**214.2**
Cost of generating income	**(44.2)**	(32.5)
Net income available for charitable spend	**177.4**	**181.7**

INVESTMENTS

Almost every major asset class delivered negative returns over 2022 against the background of the war in Ukraine and the resultant inflationary shock. The RNLI's portfolio was not immune in this environment and performance was also, unfortunately, negative. The charity is run with a long-term investment horizon and although negative returns in a specific period are unwelcome, they are not necessarily permanent.

Investment returns declined by £23.3M (net), with losses of £26.3M partially offset by £3.0M of income. The portfolio returned -7.5% (2021:+8.6%), with the value of bond investments impacted by a background of inflationary pressure and rising interest rates. Over the three-year period, the annual average return for RNLI remains positive at 1.6%, influenced by the decision to hold a significant amount of cash through the pandemic to reduce risk and ensure monies were available, when necessary.

It is disappointing to report that the charity underperformed on its benchmark (agreed with the investment managers for performance monitoring purposes) by 1.6%. However, it is important to note that performance objectives are set over multi-year periods and it is not unusual to see deviations over shorter time periods. The underperformance can be explained by the 'cash plus' benchmarks of some portfolios, which are not designed to deliver annual positive returns in all market conditions. Performance is, therefore, consistent with expectations in a falling market for the underlying assets.

Overall, the investment strategy has broadly performed as expected, given the prevailing market conditions and the RNLI has a positive average return on its investments over the last 3 years. It should be noted that post-year-end investment performance has started more positively, with gains of 3.0% (around £8.1M) over January 2023.

£6.3M
INCREASE IN DONATIONS IN 2022

SUBSIDIARIES

The RNLI has three subsidiary companies that were actively trading in 2022. RNLI (Sales) Ltd is used for non-charitable fundraising activities, with net assets of £1.5M, and generated a donation to the RNLI of £4.1M for 2022. The activities of RNLI College Ltd relate directly to the charitable activities of the RNLI and comprise the training of lifeboat crew and lifeguards, although there are external sales of excess capacity which offset some of the costs of this training. This company has net assets of £1.0M and generated a donation of £1.3M. Clayton Engineering Ltd is a specialist engineering company that designs and manufactures lifeboat launch and recovery equipment for the RNLI. It has net assets of £3.0M and made a profit of £0.3M, retaining £0.1M of these profits to invest in the business and improve efficiency, utilising tax losses made in 2020.

FINANCIAL RESOURCES	2022 Total £M	2021 Total £M
Net income less charitable spend	**(10.6)**	22.1
Investment (loss)/gain	**(26.3)**	18.3
Stock (increase)/decrease	**(1.9)**	2.9
Debtors decrease/(increase)	**6.2**	(4.1)
Creditors decrease	**(3.6)**	(1.3)
Long-term loan	**(1.1)**	(1.1)
Investment/bank increase	**(37.3)**	**36.8**

The RNLI also has a charitable incorporated organisation (CIO), the RNLI Lifesaving Endowment Fund (LEF). This CIO has been created to establish, build, and invest an endowment fund, from which income is donated to the RNLI for lifesaving purposes, with a donation of £0.5M in 2022 (2021: £0.9M). As at 31 December 2022, the LEF held investments to the value of £45.9M (2021: £49.0M), with the reduction mainly due to a reduction in investment values in 2022 of £2.0M.

FINANCIAL ANALYSIS

FINANCIAL HEALTH

As of 31 December 2022, the RNLI had consolidated net assets of £775.3M, primarily representing fixed assets of £475.4M and investments of £270.8M. There was an increase in fixed assets of £9.4M in 2022 where we were able to catch up on some important capital projects, especially in lifeboat station construction. However, the net assets of the organisation decreased by £23.0M overall, mainly in investments. This is largely due to a reduction in investment values of £26.3M in 2022.

The RNLI's Trustees ensure the overall health of the organisation by overseeing our free reserves levels (the sums retained to withstand any short-term financial risks).

At the end of 2022, these free reserves stood at £137.0M. This represents 9.3 months' worth of charitable expenditure, which is at the upper end of the Trustees' requirement of 4–10 months, as described in the Fund Accounting Policy on page 56. The Trustees recognise the need for a higher level of free reserves in the current uncertain economic environment and have approved 2023 plans in recognition of this fact. There is a planned deficit in 2023 but it is expected that free reserves will continue to cover our short-term financial risks.

Free reserves cover is calculated in months by dividing the total free reserves by the charitable expenditure (from the Statement of Financial Activities) and then multiplying by 12 to represent the number of months.

FINANCIAL PLANS

While we continue to operate in an uncertain economic environment, the RNLI still needs significant investment for its lifesaving services and infrastructure. In addition, unforeseen external factors beyond the RNLI's control have rapidly changed the financial environment we are operating in. These factors are both reflected in the plans for 2023, which show that there is likely to be a significant drawdown on investments and free reserves. It is anticipated that we will need to reduce expenditure over the coming years to counter the impacts of this challenging economic environment and the Trustees are reviewing our latest 5-year plan with financial rigour to ensure it is affordable.

We depend more than ever on the public's generosity to support our work in saving lives at sea and our fundraisers are working harder than ever to increase supporter numbers and income.

GOING CONCERN

The Trustees reviewed the RNLI's financial plans for 2023 in November 2022 as part of their normal annual review. At that time, they felt that the RNLI had sufficient resources to continue operating to the end of 2023. The review of our plans has continued into 2023 at both the January and April meetings, including our principal financial risks, and there are ongoing reviews of forecasts throughout the year.

FUNDS ANALYSIS	2022 £M	2021 £M	Change %	Ratio %
Permanent endowed funds	**19.2**	18.7	2.7%	2%
Expendable endowed funds	**45.9**	48.4	(5.2%)	6%
Restricted funds	**115.6**	147.5	(21.6%)	15%
Fixed asset funds	**475.4**	466.0	2.0%	61%
Designated funds	**5.5**	21.1	(73.9%)	1%
Free reserves	**137.0**	130.9	4.7%	18%
Pension reserve	**(23.3)**	(34.4)	(32.3%)	(3%)
Total funds	**775.3**	**798.2**	**(2.9%)**	–

From these reviews, the Trustees feel that the RNLI has sufficient resources to continue operating for a period of at least 12 months from the date of signing these accounts.

The RNLI is currently reviewing its 5-year plans in the light of the current cost-of-living crisis and high levels of inflation. Through rigorous financial planning, we anticipate the RNLI will be able to reduce expenditure over the coming years to counter the impacts of this challenging economic environment. The Trustees are exploring all options to reprioritise activity and respond to the changing financial picture, prioritising our frontline lifesaving services. They are satisfied that the RNLI's future viability has not been critically affected by the current situation, with the key financial risk being managing costs in a high-inflation environment.

The Trustees continue to review plans with the Executive Team and will make any necessary changes to remain within the free reserves level over the life of our plans, in line with the free reserves policy. The main planning activity at present is the adaptation of the current 5-year plan to provide assurance in the medium term.

The charity has a strong balance sheet, with unrestricted liquid investments of around £96.8M, along with the RNLI Lifesaving Endowment that is available as a last resort. In addition, the RNLI has a revolving credit facility in place for £15M to cover any downside risks. Taking this into account, the Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as required.

As such, they remain satisfied that the RNLI can continue operating for at least 12 months from the date of signing these accounts, and accounts have been prepared in the knowledge that the RNLI is a financially viable organisation.

FINANCIAL POLICIES

INVESTMENT POLICY

The RNLI's funds (excluding fixed assets) are substantially held in investments.

The RNLI's Statement of Investment Principles and its Investment Policy were reviewed in detail in 2019, in light of the new investment strategy, and approved by the Investment Committee and the Trustees.

The RNLI's investments are held in line with the nature of its reserves, as detailed in the investment strategy. This is either to ensure that donors' directions are met, in the case of the permanent endowment and the restricted reserves, or to withstand any short-term financial risks and requirements, in the case of the free reserves and designated funds. The RNLI's objective (at an aggregate level) is to maintain and, if possible, enhance the real value of the reserves represented by its investments in line with its plans. The Investment Committee seeks to meet this overarching objective by maintaining an appropriate balance between maximising long-term returns and avoiding undue risk and volatility in capital values.

These objectives are pursued through a range of strategic investment policies which involve investing in a broadly diversified spread of assets, covering global equities,

INVESTMENT CRITERIA

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

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

INVESTMENT STRATEGY

PERMANENT ENDOWMENT –
long-term income generation for a specific purpose:

- Generates income over the long-term with a focus on real capital preservation.
- Some liquidity required for income and gains above capital value.
- Some mark-to-market volatility is acceptable.

EXPENDABLE ENDOWMENT (LEF) –
long-term growth portfolio with modest income requirement:

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

OPERATIONAL FUNDS –
short- to medium-term reserves held for the RNLI's lifesaving operations. They comprise restricted, designated and free reserves:

- No income requirement, but cognisant of income across all portfolios.
- Some liquidity needed.
- Generates a real return (ie inflation plus returns) over the medium-term while controlling volatility.

£115.6M
RESTRICTED FUNDS
(can only be spent as donor directs)

£475.4M
FIXED ASSET FUNDS
(including lifeboats and stations)

UK and overseas government and non-government bonds, pooled property funds, infrastructure funds, multi-asset funds, cash on deposit and other financial instruments and investments.

In formulating and reviewing the RNLI's investment policies, the Investment Committee has considered a range of investment options and the need for diversification and has regard to the investment policy being pursued by the Trustees of the RNLI 1983 Contributory Pension Scheme (the Scheme) and the RNLI Lifesaving Endowment Fund (LEF), recognising that the RNLI's overall market exposure is to the aggregate of its own assets and those of the Scheme and the LEF. The Trustees of the Scheme moved to Fiduciary Management of their investments in 2022 and this has been taken into account in the way the RNLI's Investment Committee now operates. There is no longer any oversight of the Scheme by the RNLI's Investment Committee, although there is still liaison between the two Investment Committees and an annual overview of both portfolios by representatives of these Committees.

FUNDS POLICY

The RNLI's funds policy is reviewed on an annual basis and is detailed in note 1h on page 56 and summarised below.

FUND ACCOUNTING

At the end of the year, the RNLI held total funds of £775.3M. The RNLI's funds are held for a variety of purposes, to ensure that the organisation can operate as a going concern in the future and fulfil its legal obligations.

This is summarised as follows:

- **Fixed asset funds (£475.4M)** – these make up the bulk of funds held, representing the operational assets of the RNLI without which it could not operate. The vast majority of these are the lifeboats, launching equipment and operational properties, such as lifeboat stations and lifeguard units.
- **Restricted funds (£115.6M)** – these are held under trust law and so can only be used for specific purposes, as agreed with the donor. For example, we could have a legacy for the cost of a lifeboat and these funds would be held until we construct that lifeboat. There are hundreds of these funds that the RNLI is managing at any one time. Most of these funds are held in investments but there is also an element that relates to the legacy accrual (£6.7M) where funds have not yet been received. Restricted funds reduced substantially (£31.9M) in 2022 due to a combination of investment losses (£11.3M) and considerable spend on restricted projects as we caught up on essential work.
- **Expendable endowed funds (£45.9M)** – these are funds where the capital sums donated are invested and the income arising may be used for a particular purpose, as agreed with the donor. These funds represent the RNLI Lifesaving Endowment (Charitable Incorporated Organisation), a charity that was established in 2019 to help preserve the RNLI's lifesaving services for the future, providing a steady income stream and a capital sum that can be used if the RNLI is ever 'in extremis'. The capital sum may be spent at the discretion of the Trustees of the Lifesaving Endowment where necessary and in line with the terms of the donation.
- **Permanent endowed funds (£19.2M)** – these are funds where the capital sums donated are invested and the income arising may be used for a particular purpose, as agreed with the donor. As opposed to the expendable endowed funds, the capital sum can only be spent in exceptional circumstances with the agreement of the Charity Commission.

The remainder of the RNLI's funds are its general funds:

- **Designated funds (£5.5M)** – this represents the special projects fund, where significant financial assurances have been made to third parties to ensure monies are available. This is entirely for the project at Weston-super-Mare, where the local council are seeking significant funds to repair the pier that will give access to the lifeboat station and the RNLI has given assurances that funds will be available for this work. The pandemic fund, established in 2020, has now been closed where the prioritisation of those lifeboat station projects that were delayed by the pandemic have become part of business as usual.
- **Free reserves (£137.0M)** – these are sums that are freely available for general use. They are held at a level to withstand any short-term financial risks, the main ones being in investment markets, pension scheme funding, key sources of income (such as legacies) and inflation. Most of these funds are held in investments, but they also include any unrestricted legacy values accrued (£34.9M), which will take time to be received. The Trustees have a policy of maintaining a range of 4–10 months of charitable expenditure. This range was determined using risk modelling techniques to determine the value of our financial risks, in conjunction with our investment advisers. At 9.3 months of charitable expenditure, free reserves are currently at the upper end of the Trustees' range. The RNLI is planning to reduce this in the coming years because of essential investment in our lifesaving services and infrastructure, while also managing inflationary pressures through rigorous financial planning.
- **Pension reserve** – this represents the defined benefit pension liability that is managed separately to our free reserves as a long-term liability at a value of £23.3M, as valued under FRS102.

GOVERNANCE

The RNLI is a registered charity, controlled by its Trustee Board, and depends on volunteers and staff. Read on to find out how the charity is run and how we engage with all of our stakeholders, manage risk and ensure we are building a sustainable organisation that's fit for the future.

Good governance is fundamental to our sustained success as a charity. With it, we are best placed to deliver on our organisational purpose, which is to save lives at sea, and our vision, which is to save every one. It enables all our people to use their skills, along with our resources, to best effect. It helps us to ensure that we are compliant with relevant legislation and to continually review the risks we are facing. It also enables us to oversee our standard of operations and support a positive culture.

We review our charity governance, adhering to the Code of Fundraising Practice and the Charity Governance Code and regulations for England and Wales, Scotland, Northern Ireland, the Republic of Ireland, Jersey, the Isle of Man, and Guernsey and Alderney.

We maintain a record of all these code elements, and the recommended practice sets out that we provide evidence of application of the code or, alternatively, provide an explanation as to why certain elements of the code may be managed differently.

It also captures areas for improvement or implementation and is periodically reviewed and updated as part of our year end, and Board effectiveness and review processes.

Organisational purpose

We are the charity that saves lives at sea. That's our organisational purpose – the same as our public benefit. We have specific goals for domestic accidental coastal fatalities and the impact that we have globally.

As an organisation, both domestically and internationally, we track the number of individuals assisted, rescued and the number of lives that the RNLI saves, often in collaboration with others. This is reported formally each year in our Annual Report. As an organisation we also have a set of metrics, the Quarterly Performance Report, that covers our broader operations and capabilities. These metrics are used by the Executive Team and senior management to guide the organisational priorities and to report back to the Trustees on our progress in key areas.

CHARITY STATUS

The Royal National Lifeboat Institution (RNLI) was founded in 1824. It was granted a Royal Charter of incorporation in 1860, with Supplemental Charters granted in 1932, 1986 and further amendments in 1998, 2002 and 2011.

The RNLI is a charity registered in England and Wales (209603), Scotland (SC037736), the Republic of Ireland (CHY 2678 and 20003326), the Bailiwick of Jersey (14), the Isle of Man (1308 and 006329F), the Bailiwick of Guernsey and Alderney.

The address of the UK registered office is West Quay Road, Poole, Dorset, BH15 1HZ.

The RNLI has four wholly owned subsidiaries registered in England and Wales, one of which is currently dormant. Each is managed by a board of directors (executive and non-executive) to ensure that company and charity law requirements are met and business activities are properly managed.

The RNLI also has a number of linked charities, one of which is a charitable incorporated organisation (CIO), the RNLI Lifesaving Endowment (1184013). This CIO holds and invests funds on endowment for the long-term operations of the RNLI. There are 19 other linked charities that are listed in Note 13 on page 70.

Leadership

THE TRUSTEE BOARD

The RNLI is led and governed by our Board of Trustees (the Trustee Board). The role of the Trustee Board is defined in our Royal Charter, Bye-Laws and Regulations. In summary, the Trustee Board has collective responsibility for setting and agreeing the overall direction, strategy and culture of the RNLI. It leads by example and supports the chief executive in the daily delivery of our lifesaving plans and activities, and regularly monitors our performance against agreed measures. The Trustee Board delegates responsibility for the execution of the strategy to the chief executive who leads the Executive Team.

The Trustee Board evaluates the risks we carry and policies we have in place, with regular review and discussion throughout the year. In addition, the Trustee Board has legal responsibility to provide assurance to our regulators and donors that we are meeting our legal and compliance requirements, and to ensure that the charity is properly controlled and managed.

Names of RNLI Trustees who served at any time during 2022 and/or were Trustees of the charity as at the date of this report, can be found on pages 78–79. Many have a lifelong interest in the sea and a passion for saving lives at sea. All are volunteers. For more details on the skills, experience and diversity of our Trustee Board, see page 80.

THE COUNCIL

The Council is the general committee of the RNLI. Its purpose is to advise and assist the Trustee Board primarily on broader policy and strategic issues facing the charity that are not specifically addressed by our other committees. The Council is made up of Council members who are volunteers and are expected to act collectively and individually, as ambassadors for the charity. They will also be called upon from time to time to provide support and specialist advice to the Executive Team and their functions. Their experience and knowledge is appreciated and a benefit to the RNLI.

THE EXECUTIVE TEAM

The Executive Team (shown right) is made up of eight individuals and is led by the chief executive. Together, they are the RNLI's senior managers. Collectively they are responsible for the day-to-day leadership and running of the RNLI and for the execution of the strategy and policies agreed by the Trustee Board. Their names are on page 82 and the overall management structure can be found on page 83.

As a team, they are committed not only to the delivery of our core lifesaving activities, but also on looking forward to ensure we remain sustainable as an organisation, able to respond to changing trends and external factors. We note that we are in particularly challenging times, not least as we deal with the long-term consequences of the pandemic and the cost-of-living crisis. The Executive Team takes engagement with our volunteers and staff seriously – providing direction and motivation, as well as acting as a conduit to the Trustee Board.

The Executive Team undergo an annual performance appraisal and also seek feedback through the annual engagement survey, which drives improvement actions.

Integrity

Integrity is about doing what is right, openly and honestly. This can be for the charity as a whole, for its people (supporters, volunteers, staff) and those it helps or for the public. It can mean using reliable data to put the right lifeboats in the right locations, ensuring we spend our supporters' generous donations appropriately, or maintaining the high standards of operations and behaviour essential to any modern emergency service and charity. Maintaining our integrity is critical to how the RNLI operates.

We aim to uphold our values, standards and agreed policies. Our Trustee Board and Council govern and scrutinise our decision-making to ensure we meet the standards we set ourselves, as well as those set by regulators such as the Charity Commission for England and Wales and the Fundraising Regulator for England, Wales and Northern Ireland. We record positive feedback and complaints, the latter of which are declared annually to the Fundraising Regulator (see page 45).

The Executive Team is responsible for the day-to-day leadership and running of the RNLI

AVOIDING CONFLICTS OF INTEREST

The RNLI operates a Conflict of Interest Policy for all Trustees, Council members, committee members with standing authority, and the Executive Team.

Conflicts of interest are declared and collated annually, and any new conflicts of interest are declared and recorded at the start of every formal meeting. The Trustees and Executive Team review all declarations in line with the charity regulator disqualification criteria guidelines by jurisdiction, the accounting rules for charities laid down in the Statement of Recommended Practice and HM Revenue and Customs 'fit and proper persons' requirements.

There were no externally reportable conflicts of interests declared in 2022.

TRANSPARENCY AND DONOR TRUST

As a charity, holding our supporters' and the public's trust is incredibly important. We work hard to ensure that we manage our money and other assets responsibly and do all we can to maintain our good reputation by being transparent, trustworthy and responsible.

We review the UK public's opinion of the RNLI using YouGov's CharityIndex survey which continuously tracks public brand perception of 79 UK charities. The RNLI is regularly among the top 10 charities the UK public would speak positively about or have a positive experience of. In the UK, we ranked fifth (recommend) and fourth (satisfaction) respectively for these factors in 2022 (source: *YouGov CharityIndex 1 January–31 December 2022)*.

In the Republic of Ireland, we ranked fourth and third out of nine charities for the same factors (source: *Source YouGov CharityIndex 1 January–31 December 2022*).

Transparency is also key to building trust and demonstrating integrity, which we aim to do whenever practical and possible. There will be some occasions when there are legal and ethical circumstances where we cannot be transparent – either because of legislation (for example, data protection) or because we need to make an ethical choice to protect an individual (for example, the details we give of a distressing rescue or fatality). We consider very carefully what we share and when, particularly if it has an impact on a local community or an individual.

STATEMENT OF PUBLIC BENEFIT

The RNLI provides public benefit in those jurisdictions where it operates as a charity by saving lives at sea. The governments of the UK and Ireland have a statutory duty to provide a maritime search and rescue service.

The UK Coastguard, the Irish Coast Guard and the requisite Tasking Authorities in the Isle of Man, Jersey, Guernsey and Alderney, initiate search and rescue and rely extensively on the RNLI's expertise and resources to save lives at sea. The RNLI relies on donations to meet the cost of providing this public service.

RNLI Trustees have complied with their duty to have due regard to the Charity Commission's public benefit guidance when exercising relevant powers or duties.

Transparency is only one part of building trust. It must be followed up with clear actions appropriate to each situation. For example, we would not share graphic details of a distressing rescue without the consent of those involved – and then only if it were not distressing for others – even if that meant foregoing valuable publicity. Equally, we might choose not to give details of a dispute between volunteers or staff while an investigation or appeals process is ongoing so as not to prejudice a later decision, even if those details would help to explain the RNLI's actions to others.

We are committed to keeping our volunteer and supporter data safe, and we treat information security and data governance as key risks (see right).

ELIMINATION OF MODERN SLAVERY AND HUMAN TRAFFICKING

The RNLI is committed to ensuring that modern slavery and human trafficking are not present in its supply chains or partnerships. We continue to work with our suppliers and partners to ensure compliance with the UK Modern Slavery Act 2015. RNLI contracts include up-to-date clauses on modern slavery and human trafficking to ensure that our suppliers are aware of their obligations.

We undertake due diligence in our supply chain tenders and as part of our corporate partnerships and associations with other organisations, and international work. This due diligence includes assurance that modern slavery is not present. We are continuing to develop our supplier processes and procedures to make it easier to capture, analyse and manage data from suppliers – covering their ethical, environmental and social practices.

During 2022, we implemented our Supplier Code of Conduct, setting out the RNLI's minimum expectations of suppliers regarding business ethics, working conditions and human rights. Through this code, we seek to ensure that all our suppliers share our values and take a zero-tolerance approach to modern slavery. At the end of March 2022, we published our updated Modern Slavery and Human Trafficking Statement. There is a link to this statement on RNLI.org to ensure it is publicly accessible.

ETHICS IN THE SUPPLY CHAIN

The RNLI has a clear set of values that underpin the strong ethical position expected from our supporters, volunteers and staff. We apply the same values in developing relations with our contractors and suppliers to further our supply chain strategy and processes, and to reflect our commitment to good employment practice.

We have an engineering and supply director, and a Procurement and Logistics Team, including category managers, who are dedicated to developing and improving our supply chain strategy and processes.

The RNLI has a varied supply chain and a broad supplier base that supports the construction of our lifeboats, the running of RNLI College, the range of retail goods sold in our shops and online, and the marketing and advertising of our fundraising and prevention campaigns, as well as the day-to-day operation of the RNLI. We continually ensure that we carry out these activities in the most ethical way we can, by reviewing where we source our goods and services, the processes and governance we follow, and the methods of manufacture and distribution.

During the year, we continued to drive improvement and awareness on ethics and sustainability via our Procurement Policy and related processes, and through the launch of our new Supplier Code of Conduct. We also began work on updating our Bribery and Corruption Policy, ready for an update to be rolled out during 2023. All of these documents and processes aim to provide clear expectations on our values and ethical standards.

INFORMATION SECURITY

Cyber-attacks remained a constant and prevalent threat throughout 2022. Organisations of all sizes have fallen victim to them, due in no small part to post-pandemic challenges and consequent changes to work/life habits. Mainstream media reporting of cyber-crime continues to increase the general cultural and public awareness of cyber-threats.

In response, the RNLI regularly reviews and tests the effectiveness of our cyber defence and response and recovery capabilities against industry standards. We implement recognised good practices by assessing emerging and persistent threats with our trusted partners and suppliers. We continue taking actions to keep our exposure at an acceptable level and are constantly working to keep pace with the evolving external risks.

ENVIRONMENT

ENVIRONMENTAL MANAGEMENT

Our Environmental Sustainability Programme sets our strategic environmental priorities and activities, aligned to the RNLI strategic 5-year plan *Our Watch*. Our Environmental Policy and ambitions continue to underpin our approach to environmental management. Public information can be found at RNLI.org/sustainability.

Our new Waste Management Policy clarifies responsibilities to eliminate or reduce waste across the RNLI. The Retail Team is leading our upcycling activities, turning some RNLI wastes into products and income to support saving lives. Our waste electrical and electronic equipment is reused or recycled, reducing costs and creating income. We continue to eliminate or reduce single use plastics wherever possible, practical and affordable.

Pollution prevention and spill response preparedness has been a key focus during 2022. Enabling our people to be more aware of potential environmental risks and ensuring that they have the right equipment and knowledge to respond rapidly should a spill occur.

Climate change impacts and the need to adapt to a changing climate, is accepted as a strategic risk for the RNLI. Through better understanding of the likely impacts on both our lifesaving services and our ability to deliver those services, we can ensure we will remain resilient and able to save lives at sea for generations to come.

Our work to ensure robust environmental management continues with regular reviews of environmental legal compliance, mitigation actions on incident reports, and as part of internal and external audits.

A new sustainability apprentice joined us in September 2022. Over the 2-year programme, our apprentice will be developing and contributing to our environmental management improvements, as well as our wider work on sustainability.

We continue to work with external groups such as the Fit for the Future Network and other emergency services, sharing knowledge and peer-to-peer support to deliver improved environmental outcomes for all.

ENERGY, FUEL AND CARBON

Reducing our energy consumption and carbon emissions is key to becoming a more sustainable organisation and progress is being made across all areas of RNLI operations. The overall energy and fuel use of the organisation was 44.8GWh, which resulted in 10,000 tonnes of CO_2 equivalent emissions – with a renewable portfolio that provided 617MWh and earned an income of £90,500 and a saving of £118,000 during 2022.

Due to a significant increase in the cost of renewable certification for electricity supplies, we decided to withdraw from this purchase. We are investing the equivalent value in energy reduction activities in our built assets. This will deliver a more focused and direct improvement on an ongoing and sustained basis.

Energy efficiency and decarbonisation principles are embedded within our asset management, project, and decision-making processes to ensure that opportunities to make immediate and long-term improvements are captured.

The RNLI has developed collaborations and has partnerships with Innovate UK funded projects in the field of alternative fuelling and maritime decarbonisation. This provides opportunities to support technology development and advocate for practical solutions to enable an incremental move away from fossil fuels.

CARBON REPORTING

The RNLI aspires to achieve a sustainable decarbonisation of our operations by 2050. We have already started designing sustainable low-carbon buildings and exploring alternative fuels and propulsion methods for lifeboats, building upon the work we are already doing to install renewable technologies and reduce the energy use in our existing buildings. To drive progress, we have been monitoring our direct carbon emissions and are proud to be able to present the calculated emissions resulting from use of electricity, gas and fuel for buildings, vehicles and vessels during 2022. This carbon reporting and monitoring marks an exciting milestone in the reduction in the environmental impacts of the RNLI.

2022 RNLI ENERGY AND CARBON REPORT

EMISSIONS (tonnes of CO_2 equivalent)

Gas	1,232
Fuel for fleet vehicles and vessels	7,057
Electricity	1,984
Total	**10,273**

METHODOLOGY

Our overall approach aligns with the Greenhouse Gas Reporting protocol corporate standard. Electricity and gas emissions include all sites supplied by our central energy contracts, which represents approximately 90% of our consumption. Data for the remaining 10%, which represents supplies procured through Ports and Harbour Authorities or in jurisdictions outside of the UK and Ireland, will be included in future reports. Vehicle and vessel emissions includes all fuel used by lifeboats, launch and recovery vehicles, lifeguard assets and our road vehicle fleet.

ENERGY EFFICIENCY ACTION

- Sustainable design standards published for new build and refurbishment projects.
- Rollout of LED lighting across the RNLI Support Centre in Poole and major sites, and LED lighting is fitted as standard in all new builds, refurbishments and in the replacement of failed fittings.
- Continuing improvement in routine meter readings for manually read meters.
- Energy data visibility and regular review meetings with regional teams to take corrective action.

EQUALITY AND FAIRNESS IN RNLI PAY, REWARDS AND RECOGNITION

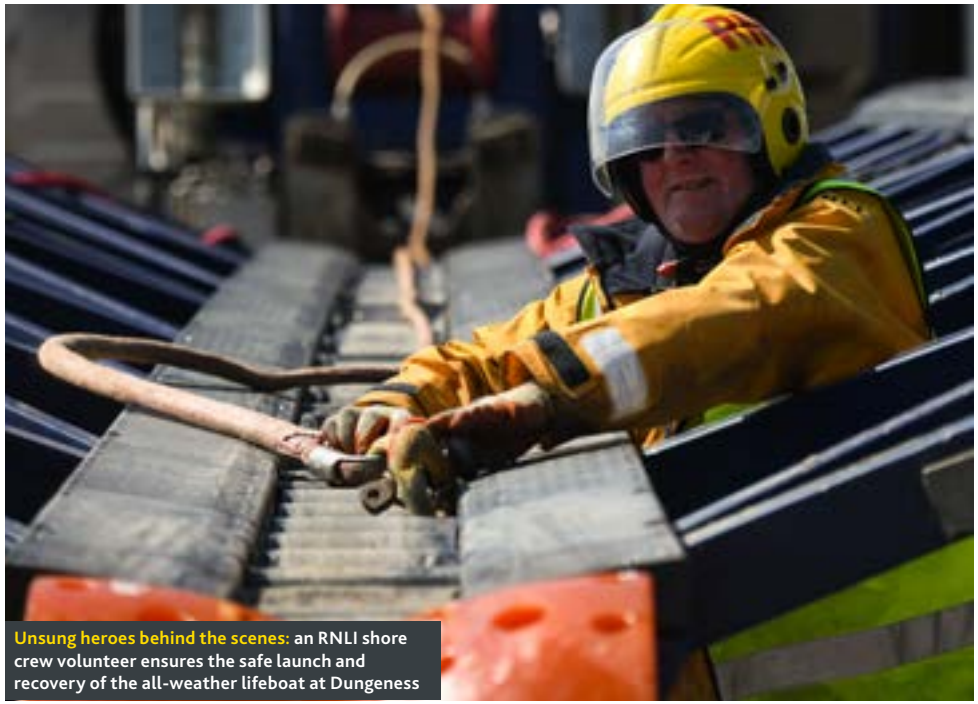
VOLUNTEERS AND PAID STAFF

The vast majority of RNLI people are volunteers, including all the members of the Trustee Board, the Chair and members of the Council.

While our operational volunteers give their time freely to help save lives, the RNLI does make some payments to recognise the cost and disruption that this can cause. To ensure they are not out of pocket, these volunteers can claim necessary expenses and, in specific cases, a contribution for lost wages, such as when attending a residential training course. The RNLI also, in certain circumstances, may make a fixed payment where there is a shortage of specific skills, such as maintaining and operating our increasingly technical lifeboats or driving heavy equipment.

The RNLI only employs paid staff where necessary to run and support what is a complex service in a hazardous environment.

There are a number of specific skills needed to keep such an organisation running as safely as possible and at peak efficiency. The RNLI has to compete in the labour market and have an appropriate pay policy in place to ensure we can attract and retain the people with the right skills to deliver our lifesaving work. We must offer a suitably competitive level of reward and appropriate recognition for our people.



Unsung heroes behind the scenes: an RNLI shore crew volunteer ensures the safe launch and recovery of the all-weather lifeboat at Dungeness

REMUNERATION COMMITTEE – COMPOSITION AND RESPONSIBILITIES

The pay policy of the RNLI is approved by the Remuneration Committee. The Remuneration Committee may seek external legal advice as well as recommendations from the chief executive and the director of people.

The Remuneration Committee is a committee of the Trustee Board. It is made up of four Trustees (including the Chair and the Treasurer), one Council member and one independent committee member.

The committee has delegated authority to act on behalf of the Trustee Board to ensure remuneration policies meet the charity's aims and legal responsibilities, and to review and monitor how these are communicated both internally and externally.

The committee reviews the remuneration levels as part of the annual pay review. It bears in mind the prevailing market conditions and relevant external benchmarks, staff retention and satisfaction, the charity budget, our future plans and past performance. It also undertakes an annual review of Executive Team pay in line with performance, and considers the RNLI gender pay gap, plus the overall remuneration report and pay disclosure statements in readiness for the Annual Report and Accounts.

PAY POLICY

In setting overall pay levels for our staff, we consider the pay practice in other similarly sized charities and, where necessary, private-sector organisations for specialist and technical roles (for example in IT, finance, maritime operations, marine design and manufacturing, and engineering).

We aim for a sustainable and consistent pay strategy that meets the diverse requirements of the RNLI. This includes a pay practice that ensures individual pay decisions are supported by a rigorous performance management process that applies to all employees.

GENDER PAY GAP

In our continuing commitment to demonstrate equality and fairness in recruitment, pay, promotion and development, we disclosed the RNLI's gender pay gap details. Reporting in line with the UK Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, in 2022 the gender pay gap for the RNLI was 1.1% based on an average hourly rate for men and women. This means our average hourly rate was marginally higher for men than women. The details are published on the government's designated website and RNLI.org.

Insights from this report enable us to progress a plan to address any gender pay gaps that may have arisen from recruitment, development, pay review or other personnel practices. Gender pay gap data will continue to be reviewed by the Remuneration Committee and any actions to address gender pay gaps forms part of our annual pay review cycle, as well as linking to the RNLI Inclusion and Diversity Strategy.

PAY PRINCIPLES

The RNLI adheres to the UK Government's statutory national minimum and living wage rates. These are the key principles that apply to pay at all levels in the RNLI:

- In order to maintain a fair, rational pay structure, the RNLI has a formal grading structure and pay range for each grade. The grades are based on jobs of common size, taking into account the breadth of responsibility, complexity, knowledge, skills and value to the RNLI.
- The RNLI encourages good performance. Individual pay is reviewed annually and considers pay position in the range, market conditions, any relevant new qualifications or skills developed, and internal pay relativities.
- Pay is reviewed consistently using the same approach for all staff, including the Executive Team and the chief executive. While no individual performance bonuses are paid as typically recognised, our seasonal fundraising employees are eligible for a small incentive payment.
- Annual pay budgets take into account affordability, economic trends and external market pay movement.

SENIOR EXECUTIVE PAY DISCLOSURE

The RNLI acknowledges the recommendations made following the Report of the Inquiry into Charity Senior Executive Pay and Guidance for Trustees on Setting Remuneration by the UK National Council for Voluntary Organisations. The inquiry advocates greater transparency, and the RNLI recognises and accepts those recommendations. As a result, the RNLI has provided greater clarity, with greater disclosure on the pay of the Executive Team, as well as continuing to disclose the chief executive's pay in full (see page 58 or visit RNLI.org for more).

The current Chief Executive started at the RNLI in May 2019 and, since he started, has chosen not to accept any annual pay increase.

The RNLI is committed to openness and transparency on senior executive pay and will continue to keep this under review.

Decision making, risk and control

TRUSTEE BOARD RESPONSIBILITIES

At each Board meeting the Trustees review the strategic risks that the charity faces and the controls in place.

The Matters Reserved for the Board Statement defines the Trustee Board's responsibilities and where there are clear delegated authorities to act on their behalf. The delegated authorities are discharged through the standing committees of the Trustee Board, or through the chief executive. The chief executive is responsible to the Trustee Board for the day-to-day running of the RNLI and the execution of the overall RNLI strategy and policies agreed by the Trustee Board. For a full list of Trustee Board standing and advisory committees, turn to page 82.

Each committee of the Board has defined terms of reference, detailing the delegated authorities where appropriate. The advisory committees enable experienced volunteer specialists to contribute to key aspects of the RNLI's affairs.

STATEMENT OF TRUSTEES' FINANCIAL RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations. Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the group, and of its, and the group's, surplus or deficit for that period. In preparing these financial statements, the Trustees are required to:

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

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

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements. This may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements on RNLI.org.

FINANCIAL OVERSIGHT

The strategic management of the RNLI is entrusted to the Trustee Board. The execution of that management – the responsibility for implementing strategy and the day-to-day management of the RNLI – is the responsibility of the chief executive. The chief executive delegates authority to the Executive Team and through it to individual budget holders.

Financial authority is granted by the approval of specific budgets and by the authorisation of individual managers to approve specified levels of expenditure.

The financial plans form part of these overall plans and consist of a high-level business plan; a detailed annual budget, which defines specific projects and detailed departmental plans for the next financial year; and a regular forecast process that reviews the annual plans and makes changes, as necessary. The Finance Department is also involved in any major project or programme work, providing the necessary support to ensure the appropriate financial decisions are made.

FINANCIAL REPORTING

There are two elements to financial reporting:

- Annual Report and Accounts – this is produced in line with the responsibilities described previously; and
- monthly accounts and statutory returns – these are produced in line with the responsibilities described previously and with statutory requirements. The monthly accounts, and associated reports, are of sufficient detail to allow the Executive Team to make ongoing financial decisions.

FINANCIAL POLICIES AND PROCEDURES

The Trustees are responsible for safeguarding the assets of the charity and the group. This is enabled through the RNLI's financial policies and procedures. Compliance with these policies and procedures is mandatory for all employees, honorary officials and volunteers of the RNLI and its subsidiary companies. Non-compliance may lead to disciplinary proceedings.

FINANCIAL RISK

Historically, the most significant financial risks for the RNLI have been in investments, pension liabilities and income uncertainty. The RNLI reviews its financial plans on a regular basis and manages these significant risks accordingly, through income pipelines, budgetary control, programme management and capital planning. In particular, the investment strategy for the RNLI's and the pension scheme's investments are managed at committee level, using professional investment advisers to minimise risk and maximise return.

In relation to pension liabilities, the RNLI employs a pensions actuary to advise on the assumptions and calculations needed for our pension negotiations with the pension scheme trustees. Risks around income uncertainty are managed through a funding strategy that reviews income pipelines through the four main sources of income to ensure targets are met, both short- and long-term.

However in 2022, in line with other charities, a major risk emerged on expenditure through high inflation. The RNLI ensures financial rigour through budgetary control and stringent financial planning to ensure that we live within our means. There has been significant work on such planning for 2022, and beyond, to ensure that we manage our free reserves levels.

The RNLI's Fundraising Strategy and its free reserves, which are set at a level to withstand any short-term financial risks, will also help to mitigate these risks and give the RNLI time to change its financial plans accordingly.

RISK AND COMPLIANCE MANAGEMENT

Our organisational purpose is to save lives at sea by reducing the risk of drowning – but this is not the only risk we manage. Our approach to organisational risk management aims to mitigate the RNLI's risk exposure to an acceptable level across a broad spectrum of strategic and operational risk. Wherever possible, we aim to balance the risks taken with the reward gained in the pursuit of our organisational purpose.

Effective and efficient management of the risks faced by the RNLI is an important factor in the achievement of our strategic objectives and protecting the future sustainability of the organisation. Our risk management framework is also considered a key component of our governance, and our approach aligns with Charity Commission guidance.

This approach identifies the major strategic and operational risks, assesses the level of risk, and evaluates their mitigation. For compliance risk, an assurance framework is in place, where performance against external obligations and internal standards are monitored by compliance duty holders.

The management of each of the risks on our Strategic Risk Register is owned by a member of the Executive Team and is governed by the Executive Team, the Audit and Risk Committee and the Trustee Board. Where risk is not considered to be at an acceptable level, then further mitigation of the risk is planned and prioritised along with other organisational activities and projects.

The relationship between risk and decision-making is key for our organisation. In 2022, we continued to strengthen the alignment of our plans with the mitigation of our risks, to ensure planning decisions continue to be robust and aligned to our risk management approach. Similarly, we have also worked to align our risk management approach with our long-term strategy development and have used this insight to help identify new longer-term risks, such as those posed by climate change.

During 2022, we remained focused on monitoring and managing our risks in the context of a challenging external

Celebrating the lives of loved ones: thousands of special names are added to the hull of Clifden's Shannon class lifeboat *St Christopher*

environment and economic climate. Our commitment to managing risks successfully across the organisation helps to ensure we keep our people safe, make the right decisions, successfully deliver our objectives, and protect the future sustainability of the RNLI.

AUDIT AND RISK COMMITTEE – COMPOSITION AND RESPONSIBILITIES

The Audit and Risk Committee is a standing committee of the Trustee Board and has delegated authority to act on behalf of the Board in relation to the matters set out in its terms of reference, as well as providing advice, guidance and insight to the Executive Team on issues within its scope. The Audit and Risk Committee is chaired by a Trustee, who is a finance professional with significant senior leadership and management expertise. The committee's main duties are to:

- review and challenge the work of the Executive Team and of the internal and external auditors; and
- provide the Trustee Board with an independent and unbiased view of the effectiveness and appropriateness of the financial reporting, internal controls, risk management and regulatory compliance procedures of the RNLI.

INTERNAL AND EXTERNAL AUDIT – INDEPENDENCE AND RESPONSIBILITIES

The internal audit function delivers independent and objective assurance advice, and provides insight of the RNLI's risk management, governance and internal control processes to the Trustees, Audit and Risk Committee and senior management in the discharge of their responsibilities. The RNLI's internal audit function moved to a co-sourced arrangement in 2022, when Crowe UK LLP were appointed as the internal auditors by the Audit and Risk Committee.

To assure independence the internal auditor reports to both the chair of the Audit and Risk Committee and the Director of Safety and Independent Assurance, who appraises their performance and has oversight of all proposed activities. The Audit and Risk Committee reviews the activities and effectiveness of the internal audit function and ensures, reviews and approves the audit plan before its implementation. It also approves the appointment and removal of the internal auditor, ensures that significant findings and recommendations made by the internal auditor are received, and reviews the appropriateness of the content and promptness of the Executive Team responses.

The external auditors review the RNLI's annual financial statements and give an opinion on them. The Audit and Risk Committee approves the appointment, remuneration, reappointment and removal of the external auditors in relation to statutory audit arrangements. The committee also reviews the scope of the planned external work.

PROVISION OF INFORMATION TO AUDITORS

In determining how amounts are presented within items in the statement of financial activities and balance sheet, the Trustees have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice. So far as each of the Trustees is aware, at the time the report is approved:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

FUNDRAISING STANDARDS AND REGULATION COMPLIANCE

CONTACTING OUR SUPPORTERS AND SUPERVISING OUR FUNDRAISERS

The RNLI prides itself on a high standard of ethical fundraising and we continually review how we contact the public to ask for support. This ensures that we follow regulations, meet our own high standards and exceed the public's expectations.

The scope of fundraising activity in 2022 included legacy marketing and administration; membership and individual donations; third party partnerships and fundraising; regionally-based, volunteer-led, branch fundraising including events, local appeals and collections; face-to-face fundraising; retail and other commercial activities; hospitality in the College; and lottery.

RNLI volunteers and staff carry out the vast majority of the charity's fundraising activities. In 2022, we worked with three professional fundraising organisations and three payroll giving agencies. Each of these undertakes professional fundraising on our behalf. We have a formal agreement with each of them, with specified standards of performance, for example in terms of data protection compliance, in order to protect donors, supporters and the organisation from poor practices. Each is also independently audited.

Over the course of 2022, we had 24 charity partnership and licensing agreements in place with companies at a national level. At a regional level we have 20 regional partnerships in place, either commercial participator agreements or business licencing agreements.

SUPPORTER DATA AND COMMUNICATIONS

At the RNLI, we are committed to protecting personal data entrusted to us and maintaining high standards of data governance and risk management. Throughout the year, our Privacy Programme has continued to mature. Progress has been made on our Data Ownership and Accountability model, underpinned by focused training and regional engagement events. Privacy by design continues to be at the core of all new projects, ensuring data protection principles are at the forefront of project design.

COMPLIANCE WITH FUNDRAISING LAWS AND REGULATION

The RNLI aims to meet and exceed the UK Fundraising Regulator's and The Charities Regulatory Authority Ireland guidelines and standards by applying our own additional fundraising standards to ensure that we are open, honest and respectful. The RNLI adhered to the appropriate fundraising standards in 2022. As such, we are registered members of the Fundraising Regulator and

continued to renew our registration in 2022. We continue to undertake an organisation-wide review of our compliance against the latest version of the Fundraising Regulator's Code of Fundraising Practice to ensure we are fully adhering to the latest guidance.

We have reviewed and assured ourselves that in 2022 we met the Charities (Protection and Social Investment) Act 2016: Fundraising Reporting Requirements. The relevant information is reported throughout the Governance section of this Annual Report.

The Trustees are satisfied that the RNLI adhered to the appropriate fundraising standards in 2022.

COMPLIANCE WITH RECOGNISED STANDARDS

Each fundraising team is responsible for making sure that they are compliant with the standards laid out in the codes of fundraising practice in the relevant jurisdiction. Examples of how we have supported volunteer compliance during 2022 include:

- Following the pandemic, we continued to make sure the safety and welfare of our fundraising volunteers and staff remained a high priority, ensuring the latest best practice and guidance was taken into account across all our regional income-generating activities as appropriate.
- We completed an update of our Donations Acceptance Policy and developed processes to support this policy.
- Our Corporate Associations Policy and process was rolled out further in 2022 to support our volunteers, ensuring that we maintain the highest standards of fundraising across all jurisdictions.
- Our Fundraising Leads developed a new volunteer training pack to support our volunteers and this will be rolled out in 2023.
- We further developed our relationship with The Wheel and Charities Institute Ireland to adopt a new Triple Locked Standard.

We monitor our overall fundraising compliance and actively monitor the lessons learned from various regulators, to improve our fundraising practices. It is this approach that has led us to manage and run internal compliance rather than outsource this activity as some charities do. We are satisfied that we meet all current standards. Each element of the fundraising, commercial and marketing regulatory and best practice codes has a designated RNLI subject matter expert for compliance matters. Every year, these experts review their areas and ensure any compliance matters requiring attention are managed appropriately. This activity is recorded on the RNLI central compliance register and reviewed by the Fundraising Senior Leadership Team.

In 2022, there were no serious incidents reported in relation to non-compliance with the various fundraising standards and regulations within which we operate and abide by.

In addition to the dedicated RNLI Safeguarding Policy and procedure (see page 44), which also applies to our fundraising teams, while fundraising we specifically protect people who might be in vulnerable circumstances by having in place a robust Vulnerable Circumstances Policy, with processes to support the policy and specific guidance notes for our teams who provide our marketing communications. Our Supporter Experience Team are trained on the Vulnerable Circumstances Policy, which includes key indicators to listen out for on calls and to observe in written correspondence in order to protect those who might be in a vulnerable circumstance. Staff can both flag a supporter as potentially being in vulnerable circumstances on our database, as well as provide preferences around the communications they might receive from the RNLI. We specifically protect supporters who might play the lottery by offering a self-exclusion form and we have the ability to prevent this type of communication reaching someone who might be in a vulnerable circumstance. See page 45 for more information on the RNLI lottery.

We monitor our performance by reviewing the Vulnerable Circumstances Policy in line with any regulatory best practice and then socialise those updates with our Supporter Experience Team and those responsible for marketing communications. We also monitor any feedback and complaints related to vulnerable circumstances and should the need arise, we would offer retraining to staff and a review of the policy.

GRANT-MAKING POLICY

Our support of partners is guided by the requirement that any grant payment is linked to a legal Deed of Grant negotiated and agreed with the recipient. In addition, we require completion of a satisfactory due diligence audit of the recipient's senior management, governance controls, financial capability, safeguarding systems and overall capacity to deliver desired results. These checks include both the recipient and any of their associates who are relevant to the work being supported. This includes checking for absence from government sanction lists of proscribed individuals and/or organisations.

The payment of grants is linked to reaching agreed project milestones and is controlled under the RNLI's financial policies. The annual grant provision is sanctioned by the Executive Team under a delegated authority from the Trustees as part of the annual budget approval process. Payments require senior management and Finance Department approval. All payments can be audited through our financial management system and are available for review by the Executive Team. Each year, Trustees are provided with an annual summary of payments made in the previous year and those planned in the coming year.

To maintain high standards of assurance, our teams continually monitor best practice and any legislative changes that might impact the policy.

Trustee Board effectiveness

APPOINTMENTS TO THE TRUSTEE BOARD

The Membership Nomination Committee (MNC) reviews the individuals proposed for appointment to the Trustee Board, Council and committees of the RNLI. The MNC

comprises the Chair, the Deputy Chair, the chief executive, one additional Trustee and a Council member.

Trustees are appointed by our Council. Ordinarily, when looking to appoint Trustees, the MNC recommends only those individuals who currently stand as Governors and whom are also Council members, while ensuring the appropriate balance of skills, diversity of background and experience.

Recommendations to appoint individuals to the Council are taken to the Chair of the Trustees for consideration by Governors at the Annual General Meeting.

In 2022, Janet Cooper OBE was elected Acting Chair, Fiona Fell was elected Deputy Chair and both Jim Islam and Lord Mark Sedwill were appointed Trustees.

MAINTAINING INDEPENDENCE

As well as having a Conflict of Interest Policy for our Trustees and Council members, we also have a Gifts and Hospitality Policy and Register. Any gift offered is clearly recorded and any conflicts that this may cause recognised.

The RNLI also keeps its independence of thought as well as action to ensure that it can demonstrate that any decision or action is aligned with the delivery of our charitable aims and there is no personal or individual bias. All Trustee Board decisions are recorded in a decision resolutions log, which is reviewed annually by the Trustees. Any communications we make internally or externally aim to demonstrate our independence of thought and action.

LENGTH OF SERVICE

Trustee Board members serve a 3-year term and may be reappointed for a further two succeeding terms. Following this, after a 3-year break, Trustees can be reappointed.

Council members serve a 3-year term and may be re-elected by the governors for two succeeding terms. We aim to match the skills in the Council to our strategic goals as well as our business plan.

At every meeting, the MNC reviews the composition of the Trustee Board and the Council, and future vacancies. This means we can plan to refresh the skills, experience, regional representation and diversity needed to ensure sustainable governance in the future.

GENDER BALANCE

At the end of 2022, the Board comprised 13 Trustees – three women and 10 men who bring a broad range of background, skills and experience. We continue to promote and encourage diversity across all the governing groups of the charity. The improvement of gender balance is just one part of our overall aim to improve inclusion and diversity across these groups.

TRUSTEE BOARD MEETINGS

The Trustee Board meets formally at least four times a year. We have a list of standing agenda items covering strategy, performance, risk and compliance matters. This list is supplemented with other items of relevance to the Trustees' role and responsibilities.

While the Executive Team are present at the Trustee Board meetings, they do not have any voting rights and decisions are made by the Trustee Board. The Trustees also have a private meeting with the chief executive prior to each Board meeting.

We also hold a twice-yearly Trustee Board and Executive Team workshop to focus on the key strategic opportunities and risks we may face in the future. In 2022, the workshop discussions included a communications and crisis management planning review.

REFRESHING SKILLS AND KNOWLEDGE

On appointment, new Trustees, Council and committee members have an induction programme to familiarise themselves with the work of the RNLI and their role requirements. Inductions cover their core responsibilities plus a tailored section, personalised for their individual needs. From time to time, Trustees and Council members may undertake training specifically designed to support their role.

See the Board skills and experience infographics on page 80.

SUCCESSION PLANNING

The MNC keeps a log of the terms of office of all our governing volunteers. This is reviewed at every MNC meeting. Using the comprehensive recruitment process and working with the MNC recruitment sub-group, together with each committee chair, the MNC ensures that we have the right diversity of people, thought and skills available. This enables every committee to deliver on its governance responsibilities, to the very best effect, now and in the future.

Equality, diversity and inclusion

EDI STRATEGY AND 5-YEAR PLAN

As part of the development of our 5-year plan, we wanted to ensure that EDI was embedded in our thinking. Our networks played a key role in developing our plans to help ensure key EDI themes were considered and the activities to address these were captured in our plan.

COLLABORATION WITH LEONARD CHESHIRE CHARITY

We began the year with a clear outline of the work we intended to do to transform the experiences of people with disabilities at the RNLI. This work has progressed in partnership with Leonard Cheshire disability charity and has focused on the recruitment, retention and treatment of people with disabilities, health conditions and those who are neurodiverse. Workshops were held to raise awareness and develop skills, while seeking to transform systems and processes to ensure greater inclusivity, maximising the contribution that disabled people can make.

EQUALITY DATA CAPTURE

In 2021, we finalised a system for gathering equality data from staff and operational crew and in June 2022 we launched a web-based form version. This has resulted in a large increase in complete staff data. Our crew data has also increased by a small margin, mostly from new joiners.

We are working to ensure we are able to gather volunteer data by improving access to our systems so that we have a more complete picture of all our operational crew by the end of 2023.

EDI WORKSHOPS

As part of the focus on disability awareness, we have added two new workshops to our suite. In addition to this, a number of key teams in the People Department have completed specific workshops to ensure they have a full understanding of excellence in disability practice to inform their day-to-day work.

In consultation with our Harbour Network, a new workshop to encourage awareness of LGBT+ inclusion was launched in the new year taking our suite of EDI workshops to eight, two of which will become mandatory induction workshops in 2023.

The emphasis for all these workshops is on raising awareness in a safe space, where discussion is encouraged and professionally facilitated. The impact on practice will be measured as part of the comprehensive evaluation process embedded in the EDI strategy.

RECRUITMENT

Our Recruitment Team has been working hard to improve systems, processes and practice to attract greater diversity and ensure an inclusive recruitment experience for all candidates. The team has produced a toolkit, which is now mandatory learning for all hiring managers. Managers are encouraged to share interview questions prior to interview as this has been proven to be beneficial to many, in particular those who are neurodiverse. Adverts are now routinely scanned to eradicate gender-biased language which has been proven to be more likely to deter women from considering certain positions, especially in leadership or search and rescue (SAR) roles.

We have also been working closely with colleagues from Leonard Cheshire to raise their own awareness and levels of skill in relation to disability recruitment practice.

ACCESS TO ASSETS PROJECT

This project, launched by our Engineering and Supply Department, aims to establish inclusive practices in asset design and procurement, and to ensure the removal of barriers to people who will need to use those assets. This includes boats, equipment, personal protective equipment (PPE) and certain buildings.

DIGITAL ACCESSIBILITY

As the digital environment permeates so much of our lives, work is underway to ensure that we are offering the highest standards of digital accessibility to all our people, both internally and externally, wherever we can.

NETWORK ACTIVITY

Each network has been represented in the 5-year planning process, and the chairs of each network are in regular attendance at the cross-organisational EDI Coordination Group to ensure that the views and concerns of their members are reflected. They have also played a pivotal role working with our Recruitment Team to develop inclusive recruitment practices. The networks have been working alongside one another to influence behaviour change across the RNLI.

HARBOUR

The Harbour LGBT+ Network has continued to progress the LGBT+ Accreditation Scheme which gives recognition to RNLI stations and places that visibly acknowledge inclusivity. The Harbour LGBT+ Network has recognised the Scottish Regional Base as being openly inclusive by striving to encourage good practice in inclusivity across all of RNLI Scotland.

After 2 years without Pride events due to Covid-19, the Network has been back representing the organisation at Pride across the UK and Ireland, inspiring and educating people from the LGBT+ community about the work of the RNLI.

Harbour has been working closely with the inclusion and diversity manager on the LGBT+ workshop and has assisted with the development of a Transgender Policy.

The network has also been working alongside the other networks to influence behaviour change across the RNLI via online and in-person presentations.

YOUNG PROFESSIONALS' NETWORK (YPN)

The YPN has used 2022 to restart and refocus. It has been concentrating on objectives set at the end of 2021, including reverse mentoring, career stories events and other networking and support-focused initiatives.

The network has relaunched the Reverse Mentoring scheme with senior leaders across the organisation, to help challenge and shape the future of the RNLI. It has also delivered two online events bringing in external and internal speakers to share their career stories.

The YPN is further developing support initiatives and sees connectivity across the organisation as a high priority for the network in 2023, alongside continuing events and reverse mentoring.

Like Harbour, The YPN has been working alongside the other networks to influence behaviour change across the RNLI.

RACE EQUALITY NETWORK

2022 saw the Race Equality Network celebrate 1 year since its inception. In that time, it has contributed, among other things, to the Racism, Discrimination and Diversity Action Team and a review of the Race Inclusion Awareness workshops. In celebration of Black History Month, the network focused on the work of author Candice Brathwaite to help highlight both black literature and the issues facing young black people in the UK and Ireland today.

DISABILITY NETWORK

The Disability Network has grown considerably and has played a crucial role in the work we have been doing in partnership with Leonard Cheshire. In 2022, the network collaborated with the YPN on a career stories event featuring the career of the outgoing chief executive officer of a major global business, who became a wheelchair user following an accident.

BLACK SWIMMING ASSOCIATION

Our partnership with the Black Swimming Association (BSA) continues to strengthen as the Water Safety Team work to ensure our influence, education and safety messaging can reach a broad and diverse audience. Specifically, the BSA supports access to targeted African, Caribbean and Asian individuals through:

- Research – to help understand population knowledge base, behaviour change requirements and deployment of messaging.
- Intervention – an immersive programme known as the Blue Hour aimed at teaching the RNLI Float to Live message, calling for help and basic swimming.
- Partner support – joint RNLI collaboration with the BSA on community engagement, prevention interventions and water safety education.
- Diversity – BSA supports the RNLI in becoming more relevant to ethnically diverse audiences and aiding diverse recruitment of volunteers, supporters and staff.

Openness and accountability

ONE AMAZING CREW

We regularly connect with our supporters, donors and the wider public in all aspects of our lifesaving work. We strive to inspire and inform people and build mutually beneficial relationships with partners, groups, organisations and individuals who use the water and have an interest in our charitable work.

We all come together as one crew – the beating heart of the RNLI. We value our engaged employees and volunteers greatly, and know how much they positively impact and support our lifesaving work.

We know that high levels of engagement mean teams perform at their best, often going above and beyond. It reduces the likelihood of accidents and periods of absences and develops a deep connection to the organisation.

We adopt a model of engagement that can be categorised into three areas:

- Say – an individual's likelihood to be an advocate for the organisation
- Stay – their commitment to the organisation and their role
- Strive – their motivation for the purpose and ambitions of the organisation.

Employees' levels of engagement are generally measured on an annual basis through the confidential survey One Crew: Your View. The results of the 2022 survey were published in December 2022. The surveys provide us with a brilliant insight to understand the key drivers of engagement for people and develop action plans from their feedback.

PEOPLE (EMPLOYEES)

In a year where, externally, there was a significantly buoyant recruitment market leading to labour shortages, the organisation maintained low levels of staff turnover at 10.8%, of which, 9.3% were voluntary. Exit surveys for leavers were introduced in 2020, enabling us to track trends on point of resignation on a quarterly basis. In 2022, to ensure we can track that the employee experience is as great as we want it to be for those joining the charity, we introduced a new starter survey, seeking feedback at key stages of their initial 3 months with us.

Recognising the importance of wellbeing, we have continued to invest and profile the breadth of wellbeing support accessible to our people.

The annual employee engagement survey in 2022 was completed by over 70% of our people. The results showed a continuing high level of engagement at 85%, which was a 2% improvement on the 2021 survey. Of the questions asked, the result showed that 19 were notably more positive than in 2021 and 46 were in line with the levels of 2021. None were notably below the levels from 2021. The full results were shared with all employees in December 2022. The survey insight identified six key drivers of engagement for our employees. This was a positive set of results, but we have an ambition to strive for further improvements to achieve a better experience for our people. Managers will work with their teams and listen to feedback to understand how we can address areas for improvement.

SERIOUS INCIDENT REPORTING

Seven serious incidents were reported to the Charity Commission in 2022, none of which were pursued by the department.

RAISING CONCERNS INTERNALLY

We work to ensure our people have a variety of ways in which they can raise organisational concerns while being confident that they will be listened to. This includes a confidential independent reporting line. Our Whistleblowing Policy and process sets out our commitment and approach.

HEALTH AND SAFETY

To save lives at sea, the RNLI must keep its people safe. Safety is an enabler to all that we do; it is a shared endeavour. It is the RNLI's number one Strategic Outcome: We keep our people safe. Recognising the hazardous nature of many aspects of our lifesaving activities, we aim to continually improve our safety performance through an effective safety management system and embedded learning culture. To be more resilient, we commit to:

- put safety at the top of our executive and senior leadership team meetings, with regular reporting to the Executive Team, Trustee Board and relevant committees.
- align and regularly review our safety management system to ensure continuous improvement against recognised standards.
- provide appropriate training against a competency framework to ensure those undertaking lifesaving and other hazardous activities have the skills to do so safely.
- implement lines of defence in our assurance framework, including independent and external assurance activity as determined by level of risk.
- work collaboratively across functions and regions, sharing information and good practice regarding risks to health and safety.

- promote a positive reporting culture and provide effective processes to ensure we learn from incidents and near misses.
- offer trauma risk management (TRiM) support to those volunteers and staff exposed to potentially traumatic incidents, through a network of trained TRiM practitioners.

As commercial and leisure activities on the water are recovering to pre-pandemic norms, the RNLI has seen levels of lifesaving activity rise and, with this, a corresponding increase in health and safety incidents. Improvements to incident reporting and information analysis, through safety learning reviews, have enabled effective targeting of recommendations that can be swiftly implemented to drive better outcomes and prevent reoccurrence.

Many safety elements have evolved or have been delivered over the period, including: activity risk assessments, safety management system mapping, safety learning training, Institution of Occupational Safety and Health (IOSH) safety management training and our Safe to the Shout driving safety campaign. Risk identification and effective controls for our most hazardous activities and equipment continues to play an increasing role in keeping our people safe. Other activity continues, such as trials of new technologies to reduce whole body vibration, noise and ergonomic risks, along with work to identify and reduce hazards associated with lifeboat refit and construction activity. A regionalised approach to providing health and safety expertise to those engaged in activity is also bringing benefits, with a recent review of how safety information is communicated across the organisation.

Under the new Safety and Independent Assurance Directorate, the profile, presence and productivity of the safety team continues to develop, shaping a clear narrative and objectives within this crucial area. In the drive to embed safety learning, we have reviewed how activities are conducted, trained and reported. We continue to work towards resilience, effectiveness and assurance within the safety management system, while leadership, accountability, simplicity and people remain at its heart. Identification, assessment and management of critical safety risks remains in sharp focus, along with the necessary lines of assurance to check the effectiveness of our safety management system and risk controls.

OUR COMMITMENT TO SAFEGUARDING

The RNLI is committed to looking after the wellbeing and dignity of everyone who comes into contact with our charity, whether beneficiaries, supporters, volunteers or staff. Safeguarding is part of our business; it's everyone's business. Everybody working or volunteering at the RNLI should understand safeguarding. Safeguarding is about supporting and protecting people. It's about not causing harm through our interactions. It's about being aware of people's wellbeing and welfare. It's about keeping each other and ourselves safe, and it's about speaking out and taking appropriate action to prevent harm or abuse.

Protecting young people and vulnerable adults is an important part of safeguarding. However, safeguarding is about protecting all people and enabling them to live free from harm, abuse, and neglect.

Safeguarding is essentially about duty of care – the moral or legal responsibility not to allow someone to be harmed. Any one of us can be vulnerable at any point in our lives. And vulnerability in all its forms becomes a safeguarding matter.

Our commitment to safeguarding is embedded within the leadership of the organisation, with a dedicated Trustee safeguarding champion, the appointment of a designated safeguarding lead, a newly appointed safeguarding officer and a 5-year strategic plan.

The RNLI's safeguarding training and guidance has traditionally been focused on safeguarding young people and vulnerable adults. While this remains an important part of safeguarding as shown by developing and rolling out a safeguarding e-learning package, we need to develop a better understanding of safeguarding all people across the charity and continue to upskill our volunteers and staff as legislation and best practice develops. Over the course of 2023, all volunteers and staff will have opportunities to learn more, building on our existing knowledge to ensure that everyone knows the risks and types of harm that fall under safeguarding guidance and law, and how and when to report concerns.

To help our people understand their responsibilities, we have a dedicated Safeguarding Policy and procedure, which will be refreshed as changes in safeguarding legislation and best practice evolve.

We have strengthened our Safer Recruitment practice across the organisation and support managers in ensuring safeguarding is at the heart of any recruitment process across both employees and volunteers.

We have promoted and raised awareness of safeguarding in 2022 and have seen an increase in people identifying and raising concerns. We have delivered multiple bespoke safeguarding workshops to managers across lifesaving operations, volunteering, employee relations, community managers, face-to-face fundraising managers and water safety education managers.

We encourage individuals to report concerns and we are committed to improving reporting mechanisms. When concerns are raised, we investigate them to understand the causes and how we can take steps to prevent similar occurrences. Staff and volunteers can report any type of abuse and harassment through various mechanisms, including the independent whistleblowing process. In 2022, three of our safeguarding concerns were subsequently reported to the Charity Commission of England and Wales.

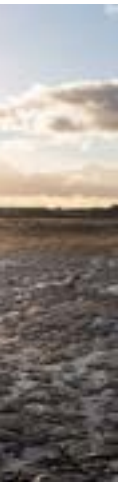
60-years' service: the D class inshore lifeboat has helped RNLI crews save thousands of lives and continues to be the workhorse of our fleet

Not all safeguarding matters concern abuse of RNLI staff, volunteers or beneficiaries. Some relate to a risk notified to us by statutory agencies about the behaviour of individuals outside their involvement with the RNLI or reports of safeguarding concerns raised within the communities in which we operate. We work closely with partner organisations to help seek justice for those affected.

OPEN AND ACCOUNTABLE FUNDRAISING STANDARDS

The RNLI is a member of the Fundraising Regulator, and in 2022 paid the fundraising levy in full as part of our membership.

The RNLI works hard to ensure that everyone supporting the charity understands how their money will be used to save lives. We include this information on our website, in many of our communications and in all of our appeals. This clarity that we provide is reflected in the low level of complaints received. When we receive complaints, we respond on a one-to-one basis in line with our Supporter Charter. We annually complete a complaints return for the Fundraising Regulator and we use the insight from the Fundraising Regulator's annual complaints report to influence and inform future fundraising strategies and communications.



COMPLAINTS AND FEEDBACK

We received 4,481 complaints in 2022. This is a significant decrease on the 5,261 received in 2021 and volumes continue to remain low in relation to our activity. We have seen the majority of decreases in two areas: relating to the RNLI's response in the English Channel (2022: 966 complaints/2021: 1,322) and relating to our online shop (2022: 1,880 complaints/2021: 2,348). We also saw a decrease in the amount of positive feedback logged, receiving 388 items compared to 780 in 2021.

In 2022, we had 198 requests via the Fundraising Preference Service to remove individuals from our database. It was slightly up on last year's 168, but still very low in relation to our marketing activity. We continue to log all feedback and we internally share a weekly Supporter Sentiment report highlighting trends and themes. These allow us to learn, adapt and continuously improve the supporter experience.

CERTIFICATIONS AND REGISTRATIONS

The RNLI had a number of certifications and registrations in place during 2022:

FUNDRAISING REGULATOR

We take our fundraising extremely seriously and as such we are registered with the Fundraising Regulator. This demonstrates that we promote best practice, defend the sector and demonstrate our compliance with the law. We follow the regulator's process for reporting our fundraising complaints to them annually in April. In our April 2022 submission we reported 1,105 complaints to the regulator. This is in relation to sending out just under 25.5M items of targeted marketing communication and reaching over 190M marketing impressions, up on last year's 186M. The Regulator records sector benchmarks as an average 1 complaint for every 19,000 addressed mail items sent, so our complaint volumes remain extremely low.

DIGITAL CODE OF CONDUCT

The RNLI follows the Charity Digital Code principles. In 2022, we focused on a number of areas, including the accessibility of RNLI websites, reviewing our strategic intent and continuing to test emerging technologies.

UK GAMBLING COMMISSION REGULATION

The RNLI's quarterly Lifeboat Lottery is licensed by the Gambling Commission under the Gambling Act 2005. This is to ensure our gambling activities are safe, fair and crime-free. We hold a non-remote and an ancillary remote licence and strictly adhere to the Licence Conditions and Codes of Practice regulated by the Gambling Commission.

In 2022 the RNLI received £3,168,746 in Lifeboat Lottery ticket sales and 78% of money raised by the Lifeboat Lottery went directly towards the RNLI 's lifesaving mission, 1% on prizes and 21% on expenses. This complies with the Gambling Commission's requirements that a society lottery must apply a minimum of 20% of the gross proceeds of each lottery directly to the purposes of the society.

We have procedures and protective measures in place to encourage responsible gambling and to identify and help those with gambling problems. We strictly adhere to the Gambling Commission's directive on social responsibility and problem gambling. See more at RNLI.org/lottery.

ACCREDITATION OF TRAINING AND ASSESSMENT STANDARDS

Our powerboating, motorcruising, personal watercraft, VHF and shore-based theory courses are accredited by the Royal Yachting Association.

The Association of Marine Electronic and Radio Colleges accredits our Long Range course certificates.

Our STCW Personal Survival Techniques, Elementary First Aid and Approved Engine Certificate courses are accredited by the Maritime and Coastguard Agency.

Our Casualty Care course is approved by the Anaesthesia Trauma and Critical Care Group and the Royal College of Surgeons.

Our Trainer Assessor course is accredited by Skills for Justice.

UK MUSEUM ACCREDITATION

The RNLI Henry Blogg Museum and RNLI Grace Darling Museum continued to meet the standard for UK Museum Accreditation.

Conclusion

The Annual Report of the Trustees of the RNLI was approved by the Trustees of the RNLI on 19 April 2023 and signed on their behalf by

Janet Cooper
RNLI Acting Chair

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE ROYAL NATIONAL LIFEBOAT INSTITUTION

OPINION ON THE FINANCIAL STATEMENTS

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 December 2022 and of the Group's and Parent Charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended and the Charities Act (Northern Ireland) 2008 as amended by the Charities Act (Northern Ireland 2013).

We have audited the financial statements of The Royal National Lifeboat Institution ('the Parent Charity') and its subsidiaries ('the Group') for the year ended 31 December 2022 which comprise the RNLI Consolidated Statement of Financial Activities, RNLI Statement of Financial Activities, RNLI Consolidated Balance Sheet, RNLI balance sheet, and RNLI Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

BASIS FOR OPINION

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

INDEPENDENCE

We remain independent of the Group and the Parent Charity in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

CONCLUSIONS RELATED TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements 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, Charities Accounts (Scotland) Regulations 2006 and the Charities Act (Northern Ireland) 2008 require us to report to you if, in our opinion;

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is inconsistent in any material respect with the financial statements; or
- adequate and proper accounting records have not been kept by the Parent Charity; or
- the Parent Charity 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 Trustee Board Responsibilities section, 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 Group's and the Parent 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 Group or the parent 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 151 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and section 65 of the Charities Act (Northern Ireland) 2008 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

EXTENT TO WHICH THE AUDIT WAS CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

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

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

In addition, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment law, data protection and health and safety legislation. In order to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, we made enquiries of management and those charged with Governance about whether the entity is in compliance with such laws and regulations and we inspected any relevant regulatory and legal correspondence. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Audit procedures performed by the engagement team included:

- Discussions with management and internal audit, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading minutes of meeting of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the various charity regulators;
- Reviewing items included in the group's fraud and theft database as well as the results of internal audit's investigation into these matters;
- Review of a sample of Gift Aid claims and ensuring these have been made in accordance with the regulations;
- Challenging assumptions made by management in their significant accounting estimates in particular in relation to the legacy accrual and assumptions used in the calculation of the defined benefit pension liability; and
- In addressing the risk of fraud through management override of controls; testing the appropriateness of journal entries and other adjustments, in particular any journals posted by senior management or with unusual accounts combinations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ('FRC's') website at 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 the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Act (Northern Ireland) 2008. 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.

BDO LLP

BDO LLP, statutory auditor
London, UK
26 April 2023

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

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

FINANCIAL STATEMENTS

RNLI CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2022

	Note	Unrestricted funds			Restricted funds	Endowed funds	Total 2022	Total 2021
		General funds	Designated funds	Fixed asset funds				
		£M	£M	£M	£M	£M	£M	£M
Income and endowments from:								
Legacies		110.6	–	–	30.2	–	140.8	137.6
Donations		52.8	–	–	13.7	–	66.5	60.2
Trading activities		16.3	–	–	–	–	16.3	13.9
Investments	7c	1.0	–	–	2.3	–	3.3	1.3
Charitable activities		4.4	–	–	–	–	4.4	4.2
Other income		0.5	–	–	–	–	0.5	2.7
Total income and endowments		185.6	–	–	46.2	–	231.8	219.9
Expenditure on:								
Legacies and donations		(43.4)	–	(1.2)	–	–	(44.6)	(33.5)
Trading activities		(10.8)	–	(0.1)	–	–	(10.9)	(8.0)
Investment management		(0.2)	–	–	(0.1)	–	(0.3)	(0.5)
Raising funds		(54.4)	–	(1.3)	(0.1)	–	(55.8)	(42.0)
Lifeboat service		(32.3)	–	(2.6)	(15.2)	–	(50.1)	(46.2)
Lifeboats, property and equipment		(56.9)	–	(21.2)	(16.2)	–	(94.3)	(83.7)
Lifeboat rescue		(89.2)	–	(23.8)	(31.4)	–	(144.4)	(129.9)
Lifeguard rescue		(20.4)	–	(1.6)	(0.2)	–	(22.2)	(19.6)
International		(1.5)	–	–	(1.4)	–	(2.9)	(2.1)
Water safety, education and awareness		(7.3)	–	(0.1)	(0.3)	–	(7.7)	(6.2)
Charitable activities		(118.4)	–	(25.5)	(33.3)	–	(177.2)	(157.8)
Total expenditure	5	(172.8)	–	(26.8)	(33.4)	–	(233.0)	(199.8)
Net (loss)/gain on investments	7b	(13.1)	–	–	(11.3)	(1.9)	(26.3)	18.3
Net (expenditure)/income		(0.3)	–	(26.8)	1.5	(1.9)	(27.5)	38.4
Transfers between funds	1h	12.9	(15.6)	36.2	(33.4)	(0.1)	–	–
Actuarial gain on pension scheme		4.6	–	–	–	–	4.6	2.4
Net movement in funds		17.2	(15.6)	9.4	(31.9)	(2.0)	(22.9)	40.8
Reconciliation of funds:								
Funds at 1 January		96.5	21.1	466.0	147.5	67.1	798.2	757.4
Movement in funds		17.2	(15.6)	9.4	(31.9)	(2.0)	(22.9)	40.8
Funds at 31 December		113.7	5.5	475.4	115.6	65.1	775.3	798.2

The Statement of Financial Activities includes all gains and losses recognised in the year. Total consolidated income of the RNLI during the year, including investment gains/(losses), was £205.5M (2021: £238.2M) less resources expended of £233.0M (2021: £199.8M) led to a deficit of £27.5M (2021: surplus of £38.4M). All income, expenditure and resulting net movements are derived from continuing activities.

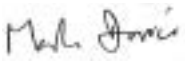
Notes 1 to 19 form part of these accounts.

RNLI CONSOLIDATED BALANCE SHEET

as at 31 December 2022

	Note	2022		2021	
		£M	£M	£M	£M
Assets employed					
Fixed assets					
Intangible assets	6b	**10.9**		13.1	
Tangible assets	6a	**464.5**		452.9	
			475.4		466.0
Investments	7		**270.8**		307.7
Current assets					
Stocks	8	**25.0**		23.1	
Debtors	9	**51.0**		57.2	
Bank and cash		**2.3**		2.7	
		78.3		83.0	
Creditors – amounts falling due within 1 year	10	**(22.2)**		(17.7)	
Net current assets			**56.1**		65.3
Creditors					
Amounts falling due after more than 1 year	10		**(3.7)**		(6.4)
Defined benefit pension liability	10		**(23.3)**		(34.4)
Net assets			**775.3**		798.2
Funds					
Endowed funds: Permanent Expendable	12b	**19.2** **45.9**		18.7 48.4	
			65.1		67.1
Restricted funds	12c		**115.6**		147.5
Unrestricted funds					
Fixed asset funds			**475.4**		466.0
Designated funds	12d		**5.5**		21.1
General funds: Free reserves Pension reserve		**137.0** **(23.3)**		130.9 (34.4)	
			113.7		96.5
Total funds			**775.3**		798.2

Janet Cooper
Acting Chair



Mark Dowie
Chief Executive

Notes 1 to 19 form part of these accounts. The accounts of the RNLI and the consolidated accounts were approved and authorised for issue by the Trustees on 19 April 2023 and signed on their behalf.

RNLI CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 December 2022

	2022 £M	2021 £M
Cash flow from operating activities:		
Net cash provided by operating activities (see note below)	**23.2**	43.5
Cash flows from investing activities:		
Investment income	**3.3**	1.3
Proceeds from the sale of fixed assets	**0.8**	2.1
Purchase of fixed assets	**(37.2)**	(27.3)
Purchase of investments	**(32.7)**	(169.2)
Proceeds from sale of investments	**43.3**	148.4
Net cash used in investing activities	**(22.5)**	(44.7)
Cash flows from financing activities:		
Payment of short term lease liability	**(1.1)**	(1.1)
Net cash used in financing activities	**(1.1)**	(1.1)
Change in cash and cash equivalents in the reporting period	**(0.4)**	(2.3)
Reconciliation of cash flow:		
Cash and cash equivalents at the beginning of the reporting period	**2.7**	5.0
Change in cash and cash equivalents in the reporting period	**(0.4)**	(2.3)
Cash and cash equivalents at the end of the reporting period	**2.3**	2.7

	2022 £M	2021 £M
Note to the consolidated cash flow statement		
Reconciliation of net (expenditure)/income to net cash flow from operating activities		
Net (expenditure)/income for the period (as per the SoFA)	**(27.5)**	38.4
Depreciation and amortisation charges	**26.8**	26.6
Loss/(gain) on investments	**26.3**	(18.3)
Investment income	**(3.3)**	(1.3)
Loss on disposal of fixed assets	**0.2**	0.6
(Increase)/decrease in stock	**(1.9)**	2.9
Decrease/(increase) in debtors	**6.2**	(4.1)
Decrease in creditors	**(8.2)**	(3.7)
Actuarial gain on pension schemes	**4.6**	2.4
Net cash provided by operating activities	**23.2**	43.5

Analysis of changes in net funds

	2021 £M	Cashflows £M	Non-cash movements £M	2022 £M
Cash	2.7	**(0.4)**	**–**	**2.3**
Loans falling due within one year	(1.1)	**1.1**	**(1.1)**	**(1.1)**
Loans falling due after more than one year	(1.7)	**–**	**1.1**	**(0.6)**
Total	(0.1)	**0.7**	**–**	**0.6**

Notes 1 to 19 form part of these accounts.

RNLI STATEMENT OF FINANCIAL ACTIVITIES†

for the year ended 31 December 2022

	Note	Unrestricted funds			Restricted funds	Endowed funds	Total 2022	Total 2021
		General funds £M	Designated funds £M	Fixed asset funds £M	£M	£M	£M	£M
Income and endowments from:								
Legacies		**110.6**	**–**	**–**	**30.2**	**–**	**140.8**	137.6
Donations		**52.8**	**–**	**–**	**13.7**	**–**	**66.5**	60.2
Donations from subsidiary companies		**5.6**	**–**	**–**	**0.5**	**–**	**6.1**	7.0
Investments	7c	**1.0**	**–**	**–**	**1.9**	**–**	**2.9**	1.0
Charitable activities		**4.4**	**–**	**–**	**–**	**–**	**4.4**	4.2
Other income		**0.5**	**–**	**–**	**–**	**–**	**0.5**	2.6
Total income and endowments		**174.9**	**–**	**–**	**46.3**	**–**	**221.2**	212.6
Expenditure on:								
Legacies and donations		**(43.4)**	**–**	**(1.2)**	**–**	**–**	**(44.6)**	(33.5)
Trading activities		**–**	**–**	**–**	**–**	**–**	**–**	–
Investment management		**(0.2)**	**–**	**–**	**(0.1)**	**–**	**(0.3)**	(0.5)
Raising funds		**(43.6)**	**–**	**(1.2)**	**(0.1)**	**–**	**(44.9)**	(34.0)
Lifeboat service		**(32.3)**	**–**	**(2.6)**	**(15.2)**	**–**	**(50.1)**	(46.2)
Lifeboats, property and equipment		**(57.0)**	**–**	**(21.2)**	**(16.2)**	**–**	**(94.4)**	(84.1)
Lifeboat rescue		**(89.3)**	**–**	**(23.8)**	**(31.4)**	**–**	**(144.5)**	(130.3)
Lifeguard rescue		**(20.4)**	**–**	**(1.6)**	**(0.2)**	**–**	**(22.2)**	(19.6)
International		**(1.5)**	**–**	**–**	**(1.4)**	**–**	**(2.9)**	(2.1)
Water safety, education and awareness		**(7.3)**	**–**	**(0.1)**	**(0.3)**	**–**	**(7.7)**	(6.2)
Donation to CIO		**–**	**–**	**–**	**–**	**–**	**–**	(0.3)
Charitable activities		**(118.5)**	**–**	**(25.5)**	**(33.3)**	**–**	**(177.3)**	(158.5)
Total expenditure		**(162.1)**	**–**	**(26.7)**	**(33.4)**	**–**	**(222.2)**	(192.5)
Net (loss)/gain on investments	7b	**(13.1)**	**–**	**–**	**(11.3)**	**0.5**	**(23.9)**	13.5
Net (expenditure)/income		**(0.3)**	**–**	**(26.7)**	**1.6**	**0.5**	**(24.9)**	33.6
Transfers between funds	1h	**13.1**	**(15.6)**	**36.0**	**(33.5)**	**–**	**–**	–
Actuarial gain on pension schemes		**4.6**	**–**	**–**	**–**	**–**	**4.6**	2.4
Net movement in funds		**17.4**	**(15.6)**	**9.3**	**(31.9)**	**0.5**	**(20.3)**	36.0
Reconciliation of funds:								
Funds at 1 January		**98.6**	**21.1**	**463.5**	**147.5**	**18.7**	**749.4**	713.4
Movement in funds		**17.4**	**(15.6)**	**9.3**	**(31.9)**	**0.5**	**(20.3)**	36.0
Funds at 31 December		**116.0**	**5.5**	**472.8**	**115.6**	**19.2**	**729.1**	749.4

Notes 1 to 19 form part of these accounts.

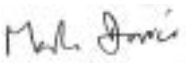
† The RNLI statement of financial activities shows the financial performance for the year of the charity excluding its subsidiaries of these accounts.

RNLI BALANCE SHEET†

as at 31 December 2022

	Note	2022		2021	
		£M	£M	£M	£M
Assets employed					
Fixed assets					
Intangible assets		**10.7**		12.9	
Tangible assets		**462.1**		450.6	
			472.8		463.5
Investments	7		**230.4**		264.2
Current assets					
Stocks	8	**21.2**		20.3	
Debtors	9	**51.7**		58.1	
Bank and cash		**1.5**		1.7	
		74.4		80.1	
Creditors – amounts falling due within 1 year	10	**(21.5)**		(17.6)	
Net current assets			**52.9**		62.5
Creditors					
Amounts falling due after more than 1 year	10		**(3.7)**		(6.4)
Defined benefit pension liability	10		**(23.3)**		(34.4)
Net assets			**729.1**		749.4
Funds					
Endowed funds: Permanent		**19.2**		18.7	
			19.2		18.7
Restricted funds	12c		**115.6**		147.5
Unrestricted funds					
Fixed asset funds			**472.8**		463.5
Designated funds	12d		**5.5**		21.1
General funds: Free reserves Pension reserve		**139.3** **(23.3)**		133.0 (34.4)	
			116.0		98.6
Total funds			**729.1**		749.4

Janet Cooper
Acting Chair



Mark Dowie
Chief Executive

Notes 1 to 19 form part of these accounts. The accounts of the RNLI and the consolidated accounts were approved and authorised for issue by the Trustees on 19 April 2023 and signed on their behalf.

† The RNLI balance sheet shows the financial position of the charity excluding its subsidiaries.

Saving lives here since 1865: Shoreham Harbour's volunteer crew head to station across the shingle beach. They launched 61 times in 2022, clocking up more than 400 hours at sea

RNLI NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1. RNLI STRUCTURE AND ACCOUNTING POLICIES

The RNLI was founded in 1824 and was incorporated by Royal Charter granted in 1860, with Supplemental Charters granted in 1932, 1986, 2002 and 2011. The RNLI is a charity registered in England and Wales (209603), Scotland (SC037736), the Republic of Ireland (CHY 2678 and 20003326), the Bailiwick of Jersey (14), the Isle of Man (1308 and 006329F), the Bailiwick of Guernsey (CH135) and Alderney (CH386). The address of the registered office is West Quay Road, Poole, Dorset, BH15 1HZ.

a) Basis of accounting

- The accounts (financial statements) have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP), Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011.
- The accounts (financial statements) have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following Accounting and Reporting by Charities, preparing their accounts in accordance with The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).
- The RNLI meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.
- In preparing the separate financial statements of the charity, advantage has been taken of the following disclosure exemptions available in FRS 102:
  - No cash flow statement has been presented for the Parent Charity.
  - Disclosures in respect of the Parent Charity's financial instruments have not been presented, as equivalent disclosures have been provided in respect of the Group as a whole.
  - No disclosure has been given for the aggregate remuneration of the key management personnel of the Parent Charity as their remuneration is included in the totals for the Group as a whole.

Going concern

The Trustees reviewed the RNLI's plans for 2023 in November 2022 and were content that these plans were affordable and that the accounts should be prepared on a going-concern basis considering the effects of the cost-of-living crisis and the expectations in 2023. These reviews have continued into 2023 at both the January and April meetings. Unforeseen external factors beyond the RNLI's control have rapidly changed the financial environment we are operating in. It is anticipated that we will need to reduce expenditure over the coming years to counter the impacts of this challenging economic environment. The Trustees have reviewed the latest 5-year plans with financial rigour to ensure our plans are affordable.

The RNLI Executive and Finance Committee also review short-term forecasts on a regular basis, through the review of financial risks and opportunities, and are content that the RNLI has sufficient resources to continue operating for a period of at least 12 months from the date of signing these accounts, having considered the effects of inflation.

Given the strength of the balance sheet and availability and liquidity of unrestricted investments, totalling around £96.8M, the Trustees believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the charity's ability to continue as a going concern. The Trustees, therefore, consider it appropriate for the accounts to be prepared on a going-concern basis.

b) Critical accounting judgements and key sources of estimation

In the application of the Charity's accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period to which they relate.

In preparing these financial statements, a key judgement has been made in respect of the following:

- Residuary legacies – a debtor is recognised at the point it can be reliably measured and that the RNLI is entitled to the legacy. This recognition point is reached when the executors make the first interim distribution.

The key sources of estimation are summarised below:

- Residuary legacies – the valuation of the legacy debtor involves making estimates in relation to the valuation that the RNLI will receive from the estate. Key components of this estimate relate to the estimated disposal value of capital assets and an estimate of the costs to be incurred administrating the estate.
- Pension liabilities – the charity recognises its liability to its defined benefit pension scheme, which involves several estimations as disclosed in note 11. The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation include items such as standard rates of inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions can significantly influence the value of the liability recorded and annual defined benefit expense. Assumptions used are based on actuarial advice.

c) Basis of consolidation

All subsidiary companies and charities, as listed in note 2, have been consolidated on a line-by-line basis. Their objectives contribute to those of the RNLI Group strategy and under the test of control they are deemed to be subsidiaries of the RNLI. The intra-group transactions, balances and unrealised profits are eliminated in full.

RNLI (Trading) Limited was inactive throughout 2022 and has not been consolidated on that basis.

d) Depreciation, amortisation and impairment

Tangible and intangible fixed assets costing more than £10,000 are capitalised and included at cost.
Fixed assets are reviewed annually to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment an impairment loss is recognised immediately in the Statement of Financial Activities.

Fixed assets are depreciated or amortised over their current anticipated lives, which are assessed as follows:

Goodwill and intellectual property	Straight line over 10 years
Assets under construction	No depreciation is charged on assets in the course of construction
Freehold lifeboat stations and shoreworks	Straight line over 50 years
Other freehold/ leasehold buildings	Straight line over 50 years/ period of lease
Lifeboats	Straight line over 15–25 years. Shannon and Tamar lifeboat hulls over 50 years.
Launching equipment	Straight line over 10–25 years
Office furniture and depot plant	Straight line over 5–10 years
Computer hardware and software	Straight line over 4–10 years

e) Pension schemes

The RNLI operates a defined benefit pension scheme covering its employees in the UK and the Republic of Ireland. The scheme was closed to new entrants from 1 January 2007 and closed to future benefit accrual on 30 September 2012, although benefits for active members accrued up to 30 September 2012 continue to be subject to any increases in pensionable pay.

A defined contribution pension scheme was established for new staff joining from 1 January 2007 and this was also offered as an alternative to members of the defined benefit pension scheme on its closure.
The RNLI also operates a dependants' pension scheme where benefits are paid by the RNLI to dependants of former crew members who lost their lives on lifeboat service. The defined benefit and dependants' pension scheme assets are both held in separate trustee-administered funds. The cost charged in the Statement of Financial Activities (SoFA) represents current service costs and gains and losses on settlements and curtailments calculated in accordance with Accounting Standard FRS102. Further details are shown in note 11.

For the defined benefit pension and dependants' pension scheme, the current service costs, gains and losses on settlements and curtailments, and administrative expenses are charged to expenditure.

Similarly, pension finance costs arising from changes in the net of the interest costs and expected return on assets are charged to expenditure. Actuarial gains and losses are recognised immediately in the Statement of Financial Activities as Actuarial gain/(loss) on pensions scheme. Contributions in respect of defined contribution schemes are recognised as expenditure as they become payable.

The difference between the fair value of the assets held in the group's defined benefit pension scheme and the scheme's liabilities, measured on an actuarial basis using the projected unit method, are recognised in the group's balance sheet as a pension asset or liability as appropriate.

f) Income

Incoming resources are included in the SoFA when the RNLI is entitled to the income, the receipt is probable and the amount can be quantified with reasonable accuracy. If these conditions are not met the income is deferred. The following specific policies apply to categories of income.

Legacy income is recognised either at the point that the future income from an estate meets the recognition category or, for legacies not previously recognised, the point that the first cash payment is received. For pecuniary legacies, unpaid legacies are accrued into the accounts when they are notified unless there is any evidence that the legacy is contested, or the estate is impaired. For residuary legacies, a debtor is recognised at the point that it can be reliably measured, and that the RNLI is entitled to the legacy. This recognition point is reached when the executors make the first interim distribution. Legacies that do not meet the recognition criteria but where a value can be estimated represent a contingent asset and the value of these are disclosed in Note 9 on page 64. In the rare cases where legacy property assets are legally transferred to the RNLI, rather than sold during the process to settle the estate, they are capitalised under tangible fixed assets at market value. When sold, the profit or loss on disposal is recognised in the SoFA as legacy income rather than profit or loss on disposal of fixed assets.

All donations are accounted for when received. Subscription income is treated as a donation, as there is no material benefit given, and is accounted for when received. Lottery income is recognised at the point the associated draw occurs. Charitable activity income represents lifeguard income which is accounted for when receivable. Investment income is accounted for on a receivable basis. The trading companies recognise revenue when the amount can be reliably measured; and it is probable that future economic benefits will flow to the entity.

On receipt, and where material, donations in kind are recognised on the basis of the value of the gift to the charity, which is the amount the charity 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. Gifts in kind that are not material are not disclosed.

Gift Aid donations made to the charity are recognised as income in the charity when claimed. Donations from subsidiaries, made under Gift Aid, are recognised as income when paid, or at the date when the subsidiary has a legal liability to make the donation payment if earlier.

g) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Support costs representing expenditure on governance, general administration, finance, human resources, and information technology have been allocated to expenditure, excluding merchandising and investment management, on the basis of cost (see note 5).

Employee benefits paid on termination include accrued amounts where the RNLI is demonstrably committed to make these payments.

The cost of volunteer time is not accounted for as this cannot be estimated reliably.

h) Fund accounting

The RNLI's funds fall into the following categories:

Permanent endowments are capital sums that are donated under the restriction that they are invested and that only the income arising is available for expenditure in accordance with the donors' directions. These capital sums can only be spent in exceptional circumstances with the agreement of the Charity Commission.

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

Restricted funds are only available for expenditure in accordance with the donors' directions. This will include any restricted legacy value accrued on an estimated basis, in accordance with the policy on income detailed in this note.

Fixed asset funds represent the assets of the RNLI, the vast majority of which are the lifeboats, launching equipment and operational properties, such as lifeboat stations and lifeguard units. Without them the RNLI could not operate. They are shown separately to other unrestricted funds due to the size and importance of these assets to the RNLI.

Designated funds are set aside at the discretion of the Trustees. The Pandemic fund, established in 2020, has now been closed where the prioritisation of those lifeboat station projects that were delayed by the pandemic have become part of business as usual. A Special Projects fund has been established to designate funds where significant financial assurances have been made to third parties to ensure monies are available. This is entirely for the project at Weston-super-Mare, where the local Council are seeking significant funds to repair the pier that will give access to the lifeboat station and the RNLI has given assurances that these funds will be available for the construction of the lifeboat station and access.

The above funds are committed funds.

General funds are sums that are freely available for general use. They comprise:

- **Free reserves**, which are retained to enable the Trustees to provide assurance to those at sea, the public and the governments of the UK and Republic of Ireland that the RNLI will be able to sustain its commitment to provide the lifeboat and lifeguard service. The free reserves are set at a level to withstand any short-term financial risks, the main ones being in the investment markets, pension scheme funding, key sources of income, such as legacies, and inflation. Based on this value, if free reserves fall outside the range of 4–10 months' charitable expenditure cover, the Trustees will review the business plan and make changes, as they consider appropriate. These free reserves will include any unrestricted legacy values accrued.
- **Pension reserve**, which represents the FRS102 accounting deficit for the defined benefit pension scheme as at the year end. The FRS102 basis is a prescribed accounting basis that requires the discount rate to be the rate on high-quality corporate bonds with a duration equivalent to that of the scheme liabilities. Each year, the scheme actuary assesses the financial position of the scheme, allowing for the returns expected to be generated by the assets planned to be held by the scheme in the future. These assets would not typically consist of 100% in corporate bonds. Further details are shown in note 11.

Transfers between funds represent the completion of capital projects funded from restricted and designated funds and the satisfaction of the restriction or designation on completion of the project. Transfers to the fixed asset fund are required to maintain the committed value of the fund.

i) Operating leases

Rentals applicable to operating leases are charged to the SoFA over the period in which the cost is incurred on a straight-line basis.

j) Investments

Investments for which there is a quoted market value are valued at the bid-price ruling at the balance sheet date. Other investments are valued at their realisable market value. Investment gains and losses arising during the year are included in the SoFA. Investments in loans are carried at cost with an allowance for impairment.

k) Stocks

Stocks are valued at cost or written-down value. Stocks are reviewed on a line-item basis at least annually and provision is made against cost to reduce carrying value to estimated net realisable value. Included within operational stock are lifeboat manufacturing and repair materials, spares, crew kit, safety equipment and consumables. These are held as stock until distribution from the warehouse, at which point they are expensed if consumable or capitalised to fixed assets.

l) Presentation currency

The functional currency of the RNLI and its subsidiaries is considered to be in pounds sterling because that is the currency of the primary economic environment in which the organisation operates. The consolidated financial statements are also presented in pounds sterling.

m) Exchange rate gains and losses

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

n) Cash at bank and short-term deposits

Cash at bank and short-term deposits include cash and short-term highly liquid investments with a short maturity of 3 months or less from the date of acquisition or opening of the deposit or similar account. All cash and short-term deposits are basic instruments and are measured at amortised cost.

o) Financial instruments

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

2. SUBSIDIARY UNDERTAKINGS

a) Subsidiary companies

The RNLI has four wholly owned subsidiaries, RNLI (Trading) Limited, RNLI College Limited, RNLI (Sales) Limited, and Clayton Engineering Limited. All are registered in England and Wales, and each has a year end of 31 December 2022. RNLI (Trading) Limited was not trading throughout 2022.

The activities of RNLI College Limited relate directly to the charitable activities of the RNLI and comprise the training of lifeboat crew and lifeguards, although there are external sales of excess capacity which offset some of the costs of the training of lifeboat crew and lifeguards.

RNLI (Sales) Limited is used for non-charitable fundraising activities: selling gifts and souvenirs through the RNLI's network of station branches, fundraising branches and guilds, and running the Lifeboat Lottery.

Clayton Engineering Limited is a specialist engineering company which designs and manufactures lifeboat launch and recovery equipment.

The RNLI charges its subsidiaries for the use of any shared resources. In 2022, a total of £0.8M (2021: £0.8M) was charged to subsidiaries on a cost basis.

The subsidiary company boards have decided that all the net profit will be donated to the RNLI and any profit shown in this note will be donated within 9 months of the year-end. There may be occasion where profits are retained if taxable losses are available, at the discretion of the board.

No provision for corporation tax has been made on subsidiary company profits for the year. This is due to the policy of donating all tax adjusted profits available for distribution under Gift Aid, to its ultimate charitable parent undertaking within 9 months of the year-end date.

b) Charitable incorporated organisation

RNLI Lifesaving Endowment Fund (LEF) is registered as a charitable incorporated organisation (CIO) with the Charity Commission for England and Wales (registration number: 1184013). Its year end is 31 December. The LEF is a separate legal entity, able to hold property in its own name. The purpose of the LEF is the advancement of saving lives at sea by establishing, building and investing an endowment fund.

Subsidiary company financial information	RNLI (Sales) Limited Company number 02202240		RNLI College Limited Company number 07705470		Clayton Engineering Limited Company number 01274923	
	2022 £M	2021 £M	2022 £M	2021 £M	2022 £M	2021 £M
Merchandising and other trading income	**14.2**	12.4	**2.1**	1.5	**–**	–
Other income	**–**	0.1	**–**	–	**–**	–
Internal supplies to the RNLI	**–**	–	**8.1**	7.0	**4.8**	4.4
Cost of sales	**(5.3)**	(4.0)	**(0.8)**	(0.4)	**(2.7)**	(2.6)
Gross profit	**8.9**	8.5	**9.4**	8.1	**2.1**	1.8
Operating costs	**(4.8)**	(4.0)	**(8.1)**	(6.6)	**(1.8)**	(1.5)
Net profit	**4.1**	4.5	**1.3**	1.5	**0.3**	**0.3**
Amount of Gift Aid to the RNLI	**(4.1)**	(4.5)	**(1.3)**	(1.5)	**(0.2)**	(0.1)
Retained in subsidiary	**–**	–	**–**	–	**0.1**	**0.2**
Fixed assets	**0.3**	0.3	**0.4**	0.5	**1.7**	1.5
Current assets	**3.5**	2.5	**0.1**	–	**1.8**	2.0
Current liabilities	**(1.0)**	(0.6)	**(1.1)**	(0.7)	**(1.1)**	(0.8)
Amounts owed (to)/from RNLI group	**(1.3)**	(0.7)	**1.6**	1.2	**0.6**	0.2
Net assets	**1.5**	1.5	**1.0**	1.0	**3.0**	2.9

Income is donated to the RNLI from this fund for lifesaving purposes and in 2022 a donation of £0.5M was made (2021: £0.9M). No donations were made from the RNLI to the LEF during the year (2021: £0.3M). As at 31 December 2022, the LEF held investments to the value of £45.9M (2021: £49.0M) and the total return on investments in 2022, including income, was a loss of £2.0M (2021: £5.1M gain).

3. STAFF COSTS

The RNLI relies heavily on the work of volunteers to launch and crew the lifeboats, support our lifeguard service and operate the large network of station branches, fundraising branches and groups. We are founded on these volunteers who account for the vast majority of the RNLI's people and include more than 5,700 volunteer crew members (2021: 5,600) and over 4,000 volunteer shore crew and lifeboat station management (2021: 3,700).

The majority of our volunteers, in number, however, are the fundraisers who raise money and help in our shops, museums and offices. Staff costs, both to support these volunteers and to save lives in areas such as lifeguards, are as follows:

	2022 £M	2021 £M
Wages and salaries	**80.6**	73.7
Social security costs	**8.2**	7.1
Pension costs	**13.5**	12.5
Total	**102.3**	93.3
Severance pay	**0.7**	0.5

Staff costs have increased since 2021, due to a 4.5% increase in the number of FTEs (Dec 2022: 1,972, Dec 2021: 1,887), pay increases and additional social security costs.

These pay increases included the RNLI's usual annual performance related pay uplifts and some further exceptional increases during the year linked to the external economic environment, ensuring that salaries continue to attract and retain talent.

	Including severance pay		Excluding severance pay	
	2022 Number	2021 Number	2022 Number	2021 Number
£60,000–£69,999	**53 (–)**	25 (–)	**52 (–)**	28 (–)
£70,000–£79,999	**23 (–)**	19 (–)	**22 (–)**	19 (–)
£80,000–£89,999	**5 (–)**	9 (1)	**5 (–)**	6 (1)
£90,000–£99,999	**3 (–)**	1 (–)	**2 (–)**	– (–)
£100,000–£109,999	**5 (2)**	7 (3)	**4 (2)**	4 (3)
£110,000–£119,999	**5 (4)**	3 (2)	**4 (4)**	3 (2)
£140,000-£149,999	**1 (–)**	– (–)	**1 (–)**	– (–)
£160,000–£169,999	**2 (1)**	1 (1)	**1 (1)**	1 (1)
Total	**97 (7)**	65 (7)	**91 (7)**	61 (7)

Pension costs include the cost of the pension salary sacrifice scheme, which involves employees sacrificing a proportion of their salary to contribute into their defined contribution pension scheme.

The following number of employees received emoluments (excluding employer pension and NI contributions) in excess of £60,000 (of which members of the Executive Team who served during the year are shown in brackets):

The Executive Team (ET) including the chief executive are regarded as the Charity's key management personnel under FRS102. Aggregate employee benefits of the ET totalled £1,073,432 (2021: £1,002,244). Aggregate employee benefits comprise salaries, severance pay, company cars, pension costs and employer NI contributions. RNLI Chief Executive Mark Dowie receives an annual salary of £160,000 (2021: £160,000). The chief executive received aggregate employee benefits of £181,934 (2021: £180,861), which included £21,934 employer's NI (2021: £20,861).

In 2022, there were 93 (2021: 63) employees who received emoluments in excess of £60,000 (including severance pay) and are members of defined contribution schemes and received employer contributions of £925,238 (2021: £646,853).

The average monthly headcount was 2,460 (2021: 2,452). The total average number of employees, calculated on a full-time equivalent (FTE) basis, analysed by function was:

	Average including seasonal staff		Average excluding seasonal staff		At 31 December	
Full-time equivalent employees	2022 Number	2021 Number	2022 Number	2021 Number	2022 Number	2021 Number
Lifeboat service	**371**	349	**371**	349	**378**	354
Lifeboats, property and equipment	**760**	758	**760**	758	**771**	775
Lifeguard rescue	**490**	590	**44**	50	**47**	47
International	**14**	12	**14**	12	**16**	13
Water safety, education and awareness	**91**	89	**91**	89	**94**	89
Support	**279**	257	**279**	257	**278**	267
Legacies and donations	**374**	321	**335**	293	**359**	318
Trading activities	**26**	22	**26**	22	**29**	24
Total	**2,405**	2,398	**1,920**	1,830	**1,972**	1,887

The RNLI employs seasonal staff in the form of lifeguards and face-to-face fundraisers. Lifeguards are recruited and deployed on beaches when required and have been included above in lifeguard rescue as FTE of 446 (2021: 540). The peak number of lifeguards employed during the summer months (excluding volunteers) was 1,591 (2021: 1,529). Face-to-face fundraisers are also recruited and deployed on beaches during the summer and have been included in legacies and donations as FTE of 39 (2021: 28).

4. TRUSTEE, COUNCIL AND COMMITTEE COSTS

No Trustees, or any persons connected with them, received remuneration. Travelling expenses are reimbursed, if claimed, to Trustees and members of the standing and advisory committees and the Council. In total, £44,507 (2021: £9,803) was reimbursed to 5 Trustees and 30 Council members and members of advisory committees (2021: 6 Trustees, 10 Council members and members of advisory committees and the Audit and Risk Committee). No material donations were made during the year by these persons.

5. TOTAL RESOURCES EXPENDED

	Staff costs £M	Depreciation/ amortisation £M	Other direct costs £M	Other allocated costs £M	Total 2022 £M	Total 2021 £M
Legacies and donations	**16.1**	**0.7**	**21.6**	**6.2**	**44.6**	33.5
Trading activities	**1.1**	**0.1**	**9.7**	**–**	**10.9**	8.0
Investment management	**–**	**–**	**0.3**	**–**	**0.3**	0.5
Lifeboat service	**18.7**	**2.1**	**22.4**	**6.9**	**50.1**	46.2
Lifeboats, property and equipment	**32.8**	**20.2**	**28.3**	**13.0**	**94.3**	83.7
Lifeguard rescue	**14.2**	**1.4**	**3.5**	**3.1**	**22.2**	19.6
International	**0.8**	**–**	**1.7**	**0.4**	**2.9**	2.1
Water safety, education and awareness	**4.5**	**–**	**2.1**	**1.1**	**7.7**	6.2
Support	**14.8**	**2.3**	**13.6**	**(30.7)**	**–**	–
Total 2022	**103.0**	**26.8**	**103.2**	**–**	**233.0**	199.8
Total 2021	93.8	26.6	79.4	–		

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

	Governance £M	General admin £M	Finance £M	Human resource £M	Information technology £M	Total 2022 £M	Total 2021 £M
Legacies and donations	**0.1**	**1.3**	**0.6**	**1.2**	**3.0**	**6.2**	4.4
Lifeboat service	**0.1**	**1.4**	**0.6**	**1.4**	**3.4**	**6.9**	6.0
Lifeboats, property and equipment	**0.3**	**2.6**	**1.2**	**2.6**	**6.3**	**13.0**	11.0
Lifeguard rescue	**0.1**	**0.6**	**0.3**	**0.6**	**1.5**	**3.1**	2.6
International	**–**	**0.1**	**–**	**0.1**	**0.2**	**0.4**	0.3
Water safety, education and awareness	**–**	**0.2**	**0.1**	**0.2**	**0.6**	**1.1**	0.8
Total 2022	**0.6**	**6.2**	**2.8**	**6.1**	**15.0**	**30.7**	25.1
Total 2021	0.5	4.5	3.0	5.6	11.5		

A significant element of the increase in support costs relates to the Mainstay project (£1.6M), which is upgrading our current enterprise-wide software to a newer version where Microsoft will no longer support the version we currently have. Governance includes audit costs (both internal and external), the AGM and committee costs. Recurring audit fees of £115,375 (2021: £88,300 plus one off audit fee of £39,000 relating to extended audit procedures), fees for gambling commission returns of £2,750 (2021: £2,500) and tax fees of £6,730 (2021: £5,880) were payable to the external auditor.

8,000 miles on vintage wheels: Harry Bott visited every RNLI lifeboat station on his grandad's Sunbeam motorcycle in 2022. With some engineering know-how and a tank full of determination, he raised almost £10,000 for lifesaving funds

6. FIXED ASSETS

a) Tangible assets

	Assets under construction £M	Lifeboats £M	Lifeboat stations and shoreworks £M	Launch and recovery equipment £M	Depots, offices and training facilities £M	Computer equipment, plant and vehicles £M	Total £M
Cost							
At 1 January 2022	32.6	349.0	306.6	61.2	99.3	79.6	928.3
Additions	34.0	0.7	–	–	0.7	1.8	37.2
Transfers	(28.7)	11.6	13.1	3.4	–	0.4	(0.2)
Disposals	(0.2)	(1.9)	(1.3)	(0.2)	(0.1)	(1.1)	(4.8)
At 31 December 2022	37.7	359.4	318.4	64.4	99.9	80.7	960.5
Depreciation and Impairment							
At 1 January 2022	–	242.5	106.7	35.8	28.1	62.3	475.4
Charge for the year	–	7.3	7.3	3.8	1.7	4.3	24.4
Disposals	–	(1.9)	(0.7)	(0.2)	–	(1.0)	(3.8)
At 31 December 2022		247.9	113.3	39.4	29.8	65.6	496.0
Net book amount							
At 31 December 2022	37.7	111.5	205.1	25.0	70.1	15.1	464.5
At 31 December 2021	32.6	106.5	199.9	25.4	71.2	17.3	452.9

Cumulative impairment costs to date were £2.7M (2021: £2.8M).

The net book amounts include the following property:

	Freehold £M	Leasehold £M	Total £M
Lifeboat stations and shoreworks	64.5	140.6	205.1
Depots, offices and training facilities	64.8	5.3	70.1
At 31 December 2022	129.3	145.9	275.2

b) Intangible assets

	Computer software £M	Goodwill £M	Total £M
Cost			
At 1 January 2022	**21.7**	**0.2**	**21.9**
Additions	**–**	**–**	**–**
Transfers	**0.2**	**–**	**0.2**
Disposals	**–**	**–**	**–**
At 31 December 2022	**21.9**	**0.2**	**22.1**
Depreciation and Impairment			
At 1 January 2022	**8.8**	**–**	**8.8**
Charge for the year	**2.4**	**–**	**2.4**
Disposals	**–**	**–**	**–**
At 31 December 2022	**11.2**	**–**	**11.2**
Net book amount			
At 31 December 2022	**10.7**	**0.2**	**10.9**
At 31 December 2021	12.9	0.2	13.1

Goodwill arose on the acquisition of Clayton Engineering Limited.

c) Subsidiary company assets

The consolidated schedule of fixed assets includes assets owned by subsidiary companies with the following net book amounts:

	2022 £M	2021 £M
Assets under construction	**–**	–
Lifeboats	**0.1**	0.1
Computer equipment, plant and vehicles	**1.1**	1.0
Depots, offices and training facilities	**1.2**	1.2
Total	**2.4**	2.3

d) Financial review analysis

The table below shows the asset purchase cost and depreciation analysis by type of expenditure for the financial review (see note 17a).

	Asset purchases			Depreciation/amortisation charge		
	£M	Allocated £M	Total £M	£M	Allocated £M	Total £M
Expenditure						
Lifeboat service	**0.7**	**0.2**	**0.9**	**2.1**	**0.5**	**2.6**
Lifeboats, property and equipment	**33.6**	**0.4**	**34.0**	**20.2**	**1.0**	**21.2**
Lifeguard rescue	**1.0**	**0.1**	**1.1**	**1.4**	**0.2**	**1.6**
International	**–**	**–**	**–**	**–**	**–**	**–**
Water safety, education and awareness	**0.3**	**–**	**0.3**	**–**	**0.1**	**0.1**
Legacies and donations	**0.6**	**0.2**	**0.8**	**0.7**	**0.5**	**1.2**
Trading activities	**0.1**	**–**	**0.1**	**0.1**	**–**	**0.1**
Support	**0.9**	**(0.9)**	**–**	**2.3**	**(2.3)**	**–**
Total	**37.2**	**–**	**37.2**	**26.8**	**–**	**26.8**

Asset purchases comprise fixed asset additions and acquisitions.

A famous spot for seaside family holidays: Senior Lifeguard Chris Panter marks out the safest place to swim and bodyboard off Margate's main beach

7. INVESTMENTS

The RNLI held no derivative instruments as at 31 December 2022 (2021: none). Several of the pooled investment funds held by the RNLI use derivative products within their portfolios to reduce market risk in line with their investment strategies.

All investments are basic financial instruments and are measured at fair values, except for investment in subsidiaries, which are held at cost.

Consolidated	General funds £M	Restricted funds £M	Permanent endowed funds £M	Expendable endowed funds £M	Total 2022 £M	Total 2021 £M
a) Investment assets						
Equities	–	30.9	3.5	27.2	61.6	63.4
Absolute return funds	39.6	–	–	–	39.6	37.4
Fixed interest	47.1	50.3	–	–	97.4	118.7
Property unit trusts	–	8.0	7.6	7.3	22.9	25.8
Infrastructure	–	0.7	8.1	10.4	19.2	–
Deposits and cash	10.1	19.0	–	1.0	30.1	62.4
Market value at 31 December 2022	96.8	108.9	19.2	45.9	270.8	307.7
b) Analysis of movement						
Market value at 1 January 2022	108.2	132.4	18.7	48.4	307.7	268.6
Additions	1.0	10.2	12.4	9.1	32.7	169.2
Transfers	0.7	11.3	(12.0)	–	–	–
Disposals	–	(33.7)	(0.4)	(9.2)	(43.3)	(148.4)
Gains/(losses) on investments	(13.1)	(11.3)	0.5	(2.4)	(26.3)	18.3
Market value at 31 December 2022	96.8	108.9	19.2	45.9	270.8	307.7
Original cost	89.1	129.5	18.7	46.1	283.4	288.5
c) Investment income						
Equities	–	0.3	–	–	0.3	–
Absolute return funds	0.3	–	–	–	0.3	0.2
Fixed interest	0.7	1.0	–	–	1.7	0.1
Property unit trusts	–	1.0	–	–	1.0	1.0
Infrastructure	–	–	–	–	–	–
Deposits and cash	–	–	–	–	–	–
Total	1.0	2.3	–	–	3.3	1.3

RNLI	General funds £M	Restricted funds £M	Permanent endowed funds £M	Investment in subsidiaries £M	Total 2022 £M	Total 2021 £M
a) Investment assets						
Equities	–	**30.9**	**3.5**	–	**34.4**	33.6
Unlisted companies	–	–	–	**5.5**	**5.5**	5.5
Absolute return funds	**39.6**	–	–	–	**39.6**	37.4
Fixed interest	**47.1**	**50.3**	–	–	**97.4**	118.7
Property unit trusts	–	**8.0**	**7.6**	–	**15.6**	17.4
Infrastructure	–	**0.7**	**8.1**	–	**8.8**	–
Deposits and cash	**10.1**	**19.0**	–	–	**29.1**	51.6
Market value at 31 December 2022	**96.8**	**108.9**	**19.2**	**5.5**	**230.4**	264.2
b) Analysis of movement						
Market value at 1 January 2022	**108.1**	**131.9**	**18.7**	**5.5**	**264.2**	230.1
Additions	**1.1**	**9.9**	**12.4**	–	**23.4**	140.7
Transfers	**0.7**	**11.3**	**(12.0)**	–	–	–
Disposals	–	**(32.9)**	**(0.4)**	–	**(33.3)**	(120.1)
Gains/(losses) on investments	**(13.1)**	**(11.3)**	**0.5**	–	**(23.9)**	13.5
Market value at 31 December 2022	**96.8**	**108.9**	**19.2**	**5.5**	**230.4**	264.2
Original cost	**89.1**	**129.5**	**18.7**	**5.5**	**242.8**	248.4
c) Investment income						
Equities	–	**0.3**	–	–	**0.3**	–
Absolute return funds	**0.3**	–	–	–	**0.3**	0.2
Fixed interest	**0.7**	**1.0**	–	–	**1.7**	0.1
Property unit trusts	–	**0.6**	–	–	**0.6**	0.7
Infrastructure	–	–	–	–	–	–
Deposits and cash	–	–	–	–	–	–
Total	**1.0**	**1.9**	–	–	**2.9**	1.0

Investment in subsidiaries comprises RNLI (Sales) Limited £1.5M (2021: £1.5M), RNLI College Limited £1.0M (2021: £1.0M) and Clayton Engineering Limited £3.0M (2021: £3.0M).

Star of sea and screen: RNLI Oban volunteer Kevin Lockhart featured in BBC Two's *Saving Lives at Sea* in September 2022. The episode told the story of how Kevin and his crew mates helped an injured woman on the island of Kerrera

8. STOCKS

	Consolidated		RNLI	
	2022 £M	2021 £M	2022 £M	2021 £M
Operational stock	**22.1**	20.8	**21.2**	20.3
Gifts and souvenirs	**2.9**	2.3	**–**	–
Total	**25.0**	23.1	**21.2**	20.3

9. DEBTORS

	Consolidated		RNLI	
	2022 £M	2021 £M	2022 £M	2021 £M
Legacies receivable	**41.6**	46.7	**41.6**	46.7
Inter-company debtors	**–**	–	**1.3**	1.2
Trade and other debtors	**2.4**	2.1	**1.8**	1.9
VAT and Gift Aid recoverable	**3.1**	4.5	**3.3**	4.5
Prepayments and accrued income	**3.9**	3.9	**3.7**	3.8
Total	**51.0**	57.2	**51.7**	58.1

A proportion of legacies receivable may be received after more than 1 year, but this figure cannot be determined with any accuracy due to the inherent uncertainty in the timing of legacy income receipt.

The estimated value of legacies notified but neither received nor included in income is £92.7M (2021: £88.6M).

All debtors are basic financial instruments measured at amortised cost.

10. CREDITORS

	Consolidated		RNLI	
	2022 £M	2021 £M	2022 £M	2021 £M
Amounts falling due within 1 year				
Trade creditors	**11.9**	9.1	**9.9**	8.5
Other creditors	**1.9**	1.5	**1.9**	1.4
Inter-company creditor	**–**	–	**2.2**	1.4
PAYE taxes and social security	**2.2**	1.8	**2.0**	1.7
Pension creditor	**1.3**	1.1	**1.2**	1.0
Dependants' pensions liability	**0.2**	0.3	**0.2**	0.3
Accruals	**4.7**	3.9	**4.1**	3.3
Total	**22.2**	17.7	**21.5**	17.6
Amounts falling due after more than 1 year				
LT Lease Liability due 1–5 year	**0.6**	1.7	**0.6**	1.7
Dependants' pensions liability	**3.1**	4.7	**3.1**	4.7
Defined benefit pension liability	**23.3**	34.4	**23.3**	34.4
Total	**27.0**	40.8	**27.0**	40.8

The LT Lease Liability is a 4-year interest-free loan with Cisco, which commenced in July 2020, to pay for new telecommunications and infrastructure.

11. PENSION SCHEMES

The RNLI provides a number of pension schemes for its employees:

- The RNLI 1983 Contributory Pension Scheme, a defined benefit scheme, was closed to new entrants from 1 January 2007 and closed to future benefit accrual on 30 September 2012, although benefits for active members accrued up to 30 September 2012 continue to be subject to any increases in pensionable pay.

- The RNLI UK Group Personal Pension Plan is the main scheme for UK employees who joined the RNLI from 1 January 2007. It is a contract-based defined contribution scheme. Member retirement benefits are linked to the investment performance of contributions made.

- The RNLI RoI Group Fusion Pension Plan is the main scheme for Republic of Ireland employees who joined the RNLI from 1 January 2012. It is a contract-based defined contribution scheme. Member retirement benefits are linked to the investment performance of contributions made.

In 2022, the RNLI paid contributions of £13.5M (2021: £12.5M) in respect of members of the defined contribution pension schemes. Details of the defined benefit scheme, produced in accordance with the requirements of section 28 of The Financial Reporting Standard 102 (FRS102), are disclosed below and cover both the RNLI 1983 Contributory Pension Scheme and the payments to certain dependants.

Dependants' pensions are paid by the RNLI to dependants of former crew members who lost their lives on lifeboat service.

The figures in this note have been calculated by a qualified independent actuary based on a full actuarial valuation of the pension scheme as at 31 December 2020 rolled forward to 31 December 2022 using summarised cash flow and membership details and a full actuarial valuation of the dependants' pensions as at 31 December 2020 on the basis required by FRS102.

On this basis, the FRS102 accounting deficit for the defined benefit pension scheme as at 31 December 2022 was £23.3M (2021: £34.4M) and £3.3M (2021: £5.0M) for the dependants' pensions. The FRS102 basis is a prescribed basis that requires the discount rate to be the rate of return on high-quality corporate bonds with a duration equivalent to that of the liabilities.

Each year, the scheme actuary assesses the financial position of the scheme for the formal actuarial valuation, allowing for an expected rate of return on all assets at the discount rate, based on bond yields. These assets would not typically consist of 100% in corporate bonds.

The RNLI paid deficit reduction contributions of £8.7M in 2022 (2021: £4.7M), while for 2023 a total payment of £9.1M has been agreed as part of the 2020 Triennial Valuation. The main financial assumptions used as at 31 December 2022 and the corresponding assumptions at 31 December 2021 and 31 December 2020 were:

	31/12/2022 % pa	31/12/2021 % pa	31/12/2020 % pa
Discount rate†	**5.0**	1.9	1.5
Rate of increase in salaries	**4.0**	4.1	3.6
Rate of increase in pensions in payment‡:			
Post-1988 GMP increases (CPI capped at 3%)	**2.4**	2.5	CPI-0.5%
Pre-1997 increases (RPI capped at 4%)	**3.0**	3.1	RPI-0.5%
1997–2005 increases (RPI capped at 4%, CPI 5%)	**3.2**	3.2	RPI-0.5%
2005–07 increases (RPI capped at 5%, CPI 2.5%)	**3.0**	2.9	RPI-0.5%
Post-2007 increases (CPI capped at 2.5%)	**2.1**	2.1	CPI-0.8%
Rate of increase in deferred pensions:			
Pre-April 2009 accrual (RPI capped at 4%)	**3.1**	3.3	RPI-0.5%
Post-April 2009 accrual (CPI capped at 2.5%)	**3.0**	3.3	CPI
Rate of retail price inflation (RPI)†	**3.5**	3.6	3.1
Rate of consumer price inflation (CPI)	**3.1**	3.2	2.7

†Represents the weighted average discount rate and inflation rate of the respective curves at the scheme's average duration.
‡In excess of the Guaranteed Minimum Pension (GMP) element. Life expectancy is based on the assumptions provided by our qualified independent actuaries.

Assumes life expectancy on retirement age 65 of:	Years	Years	Years
Retiring today – males	**22.3**	21.6	21.6
Retiring today – females	**24.8**	24.1	24.0
Retiring in 15 years – males	**23.5**	22.7	22.7
Retiring in 15 years – females	**26.1**	25.4	25.4

11. PENSION SCHEMES (CONTINUED)

	31/12/2022		31/12/2021		31/12/2020	
	Expected rate of return % pa	Market value of assets £M	Expected rate of return % pa	Market value of assets £M	Expected rate of return % pa	Market value of assets £M
Equity securities		**31.4**		57.7		49.2
Debt securities		**44.5**		94.2		98.5
Real estate/property		**29.8**		41.7		37.3
Diversified growth		**39.7**		50.8		49.2
Cash and net current assets		**13.5**		2.3		1.5
Liability-driven investment		**83.0**		135.8		137.6
Total	**5.0**	**241.9**	1.9	382.5	1.5	373.3

a) The following amounts were measured in accordance with the requirements of FRS102:

	2022			2021		
	Pension scheme £M	Dependants' pensions £M	Total £M	Pension scheme £M	Dependants' pensions £M	Total £M
Total fair market value of assets	**241.9**	**–**	**241.9**	382.5	–	382.5
Present value of liabilities	**(265.2)**	**(3.3)**	**(268.5)**	(416.9)	(5.0)	(421.9)
Net pension liability	**(23.3)**	**(3.3)**	**(26.6)**	(34.4)	(5.0)	(39.4)

b) Changes in the present value of the defined benefit obligation are as follows:

	2022			2021		
	Pension scheme £M	Dependants' pensions £M	Total £M	Pension scheme £M	Dependants' pensions £M	Total £M
Opening defined benefit obligation	**416.9**	**5.0**	**421.9**	414.1	5.3	419.4
Interest cost	**7.8**	**0.1**	**7.9**	6.1	0.1	6.2
Actuarial loss/(gain)	**(147.1)**	**(1.6)**	**(148.7)**	9.2	(0.1)	9.1
Benefits paid	**(12.4)**	**(0.2)**	**(12.6)**	(12.5)	(0.3)	(12.8)
Defined benefit obligation at the year end	**265.2**	**3.3**	**268.5**	416.9	5.0	421.9

c) Changes in the fair value of the scheme assets are as follows:

	2022			2021		
	Pension scheme £M	Dependants' pensions £M	Total £M	Pension scheme £M	Dependants' pensions £M	Total £M
Opening fair value of scheme assets	**382.5**	**–**	**382.5**	373.3	–	373.3
Interest income on scheme assets	**7.2**	**–**	**7.2**	5.5	–	5.5
Return on scheme assets greater than/(less than) discount rate	**(144.1)**	**–**	**(144.1)**	11.5	–	11.5
Employer contributions	**8.7**	**–**	**8.7**	4.7	–	4.7
Benefits paid	**(12.4)**	**–**	**(12.4)**	(12.5)	–	(12.5)
Fair value of scheme assets at the year end	**241.9**	**–**	**241.9**	382.5	–	382.5

The actual return on scheme assets was a loss of £136.9M (2021: a gain of £17.0M).

d) The amounts included within the Statement of Financial Activities are as follows:

	2022			2021		
	Pension scheme £M	Dependants' pensions £M	Total £M	Pension scheme £M	Dependants' pensions £M	Total £M
Net interest on net defined benefit liability	**0.6**	**0.1**	**0.7**	0.6	0.1	0.7
Total amount charged within net income/(expenditure)	**0.6**	**0.1**	**0.7**	0.6	0.1	0.7
Actuarial loss/(gain)	**(147.1)**	**(1.6)**	**(148.7)**	9.2	(0.1)	9.1
Return on scheme assets (greater than)/less than discount rate	**144.1**	**–**	**144.1**	(11.5)	–	(11.5)
Remeasurement effects recognised in overall funds movement	**(3.0)**	**(1.6)**	**(4.6)**	(2.3)	(0.1)	(2.4)
Total amount (credited)/charged to the Statement of Financial Activities	**(2.4)**	**(1.5)**	**(3.9)**	(1.7)	–	(1.7)

Relief Mersey class lifeboat *Keep Fit Association* is recovered by volunteers at New Quay Lifeboat Station following an exercise. The station's new Shannon class lifeboat *Roy Barker V* will go on service in summer 2023

12. TOTAL FUNDS ANALYSIS

a) Consolidated balance sheet – analysis of funds 2022 summary

	Unrestricted funds			Restricted funds	Endowed funds	Total 2022
	General funds £M	Designated funds £M	Fixed asset funds £M	£M	£M	£M
Fixed assets	–	–	475.4	–	–	475.4
Investments	91.3	5.5	–	108.9	65.1	270.8
Net current assets	49.4	–	–	6.7	–	56.1
Creditors falling due after more than 1 year	(3.7)	–	–	–	–	(3.7)
Defined benefit pension liability	(23.3)	–	–	–	–	(23.3)
Total	113.7	5.5	475.4	115.6	65.1	775.3

b) Endowed funds – analysis of major funds

Name of fund	Purpose of fund	Opening balance 2022 £M	Income 2022 £M	Expenditure 2022 £M	Investment gains 2022 £M	Transfers 2022 £M	Closing balance 2022 £M
RNLI Lifesaving Endowment – expendable	The advancement of saving lives at sea by establishing, building and investing an endowment fund	48.4	–	–	(2.4)	(0.1)	45.9
Roy Barker – permanent	All-weather lifeboat construction	12.0	–	–	0.3	–	12.3
Morrell – permanent	Dungeness Lifeboat Station – general	5.4	–	–	0.2	–	5.6
Other endowed funds – permanent		1.3	–	–	–	–	1.3
Total endowed funds		67.1	–	–	(1.9)	(0.1)	65.1

c) Restricted funds – analysis of major funds

There are over 700 of these restricted funds and so this table only details those funds with a balance of more than £2M. The transfers represent either a transfer to a fixed asset fund, where the fund is for the purpose of asset construction and the asset is completed, or a previous year adjustment, where a donor or legator has added a restriction at a later date or the restriction has been subject to negotiation.

Donor name	Purpose of fund	Opening balance 2022 £M	Income and Investment (losses) 2022 £M	Expenditure 2022 £M	Transfers 2022 £M	Closing balance 2022 £M
Various donors	Jersey Lifeboat Station – general	7.5	–	(0.7)	–	6.8
Various donors	Guernsey Lifeboat Station – general	5.6	(0.5)	(0.2)	–	4.9
Various donors	Sheringham Lifeboat Station – general	3.7	0.1	(0.2)	–	3.6
Various donors	Morecambe Lifeboat Station – general	3.0	0.1	(0.2)	–	2.9
Anonymous legacy	All-weather lifeboat construction – Anstruther	2.5	(0.2)	–	–	2.3
Roy Barker	All-weather lifeboat construction	5.3	(0.6)	–	(1.3)	3.4
Various donors	Wells-next-the-Sea shoreworks	2.6	–	–	(2.6)	–
Various donors	Life-boatmen's Benevolent Fund	2.6	(0.2)	(0.2)	–	2.2
Various donors	Bridlington Lifeboat Station – general	2.7	0.2	(0.2)	–	2.7
Anonymous legacy	Great Yarmouth and Gorleston	2.5	–	–	(2.5)	–
Mrs DJ Pearce	All-weather lifeboat construction	3.1	–	–	–	3.1
D W Filby	All-weather lifeboat construction	2.9	(0.2)	–	–	2.7
Various donors	All-weather lifeboat construction – Douglas	2.7	(0.2)	–	–	2.5
Dorothy Hunter	All-weather lifeboat construction – Aldeburgh	2.4	(0.2)	–	–	2.2
Various donors	All-weather lifeboat construction – Arbroath	2.4	(0.2)	–	–	2.2
Various donors	Cromer Lifeboat Station – general	2.4	0.9	(0.3)	–	3.0
Various donors	All-weather lifeboat construction – Ramsey	2.2	–	–	(2.2)	–
Various donors	Walton and Frinton Lifeboat Station – general	2.0	(0.1)	(0.3)	–	1.6
Various donors	All-weather lifeboat construction – Wicklow	1.5	0.5	–	–	2.0
C M Harris	All-weather lifeboat construction – Clifden	–	2.2	–	(2.2)	–
Total of major funds		59.6	1.6	(2.3)	(10.8)	48.1
Other restricted funds		87.9	33.3	(31.1)	(22.6)	67.5
Total restricted funds		147.5	34.9	(33.4)	(33.4)	115.6

12. TOTAL FUNDS ANALYSIS (CONTINUED)

d) Designated funds – analysis of funds

Designated funds are set aside at the discretion of the Trustees.

The Pandemic Fund has been discontinued in 2022 as these projects have moved into business as usual and economic circumstances have changed.

The Special Projects Fund continues to be held in 2022 to ensure funds are available where significant financial assurances have been made to third parties.

Name of fund	Purpose of fund	Opening balance 2022 £M	Income and investment gains 2022 £M	Expenditure 2022 £M	Transfers 2022 £M	Closing balance 2022 £M
Pandemic Fund	To ensure that the urgent projects that have been delayed by the pandemic have funds available to be completed	12.4	–	–	(12.4)	–
Special Projects Fund	To ensure that where significant financial assurances have been made to third parties, funds are available for the purpose. For 2022, this is entirely for the project at Weston-super-Mare	8.7	–	–	(3.2)	5.5
Total designated funds		**21.1**	**–**	**–**	**(15.6)**	**5.5**

13. LINKED CHARITIES

The RNLI has several linked charities that have been established over the years, separated from the charity for a variety of reasons, due to the nature of the fund or the original terms of the legacy or donation. All of the funds of these charities are consolidated into the RNLI's accounts. The current active linked charities with a funds balance over £0.1M as at 31 December 2022 are as follows:

Donor name	Purpose of fund	Opening balance 2022 £M	Income and Investment (losses) 2022 £M	Expenditure 2022 £M	Transfers 2022 £M	Closing balance 2022 £M
Life-boatmen's Benevolent Fund	Grants for distressed past or present crew members	2.6	(0.2)	(0.2)	–	2.2
Langstreth Culliford Trust	Grants for dependants of lifesavers	0.3	–	–	–	0.3
John William Archer	All-weather lifeboat construction	0.2	–	–	–	0.2
Charles Carr Ashley	Lifeboat maintenance and support for crew	0.1	–	–	–	0.1
Anna Stock Memorial Fund	Col Stock lifeboat – construction and maintenance	0.1	–	–	–	0.1
Total of linked charities		**3.3**	**(0.2)**	**(0.2)**	**–**	**2.9**

The RNLI also has other active linked charities with a fund balance of less than £0.1M, or nil, and these are as follows: John Jones Rowland, Isabella Irwin, James Michael Bower Gift, Mrs Alice Gottwald, Ralph Glister Award, Louise George Anderson Dunn, Mrs Sadie Hughes, William Stephen Mellis, Gorleston Volunteer Lifeboat Association, Miss Maud Smith's Reward, Salcombe Lifeboat Disaster Relief Fund, Miss Annie Gertrude Shayler, The George Nichol Charity for the RNLI and RNLI Heritage Collection Trust 2012.

14. CAPITAL COMMITMENTS

At 31 December 2022, approved and contracted capital commitments amounted to £30.2M (2021: £23.8M) which will be funded from designated, restricted and general funds.

15. OPERATING LEASE COMMITMENTS

	Land and buildings		Other	
	2022 £M	2021 £M	2022 £M	2021 £M
At 31 December the ageing of total minimum lease payments was as follows:				
Payable within 1 year	**1.1**	1.1	**1.3**	1.6
Payable between 1 and 5 years	**1.9**	2.2	**1.4**	2.4
Payable after more than 5 years	**9.1**	9.0	**–**	–
Total	**12.1**	12.3	**2.7**	4.0

Certain property leases are for an indefinite period, with the RNLI having the right to early termination should the need arise. In calculating minimum lease payments for these leases, a 50-year duration has been assumed.

16. 2021 COMPARATIVES – FUNDS AND LINKED CHARITIES

a) Consolidated statement of financial activities – previous year comparatives

	Unrestricted funds			Restricted funds	Endowed funds	Total 2021
	General funds £M	Designated funds £M	Fixed asset funds £M	£M	£M	£M
Income and endowments from:						
Legacies	109.0	–	–	28.6	–	137.6
Donations	49.1	–	–	11.1	–	60.2
Trading activities	13.9	–	–	–	–	13.9
Investments	0.5	–	–	0.8	–	1.3
Charitable activities	4.2	–	–	–	–	4.2
Other income	2.7	–	–	–	–	2.7
Total income and endowments	179.4	–	–	40.5	–	219.9
Expenditure on:						
Legacies and donations	(32.3)	–	(1.2)	–	–	(33.5)
Trading activities	(7.9)	–	(0.1)	–	–	(8.0)
Investment management	(0.3)	–	–	(0.2)	–	(0.5)
Raising funds	(40.5)	–	(1.3)	(0.2)	–	(42.0)
Lifeboat service	(31.7)	(0.5)	(2.8)	(11.2)	–	(46.2)
Lifeboats, property and equipment	(49.2)	(3.3)	(20.8)	(10.4)	–	(83.7)
Lifeboat rescue	(80.9)	(3.8)	(23.6)	(21.6)	–	(129.9)
Lifeguard rescue	(17.8)	–	(1.6)	(0.2)	–	(19.6)
International	(1.7)	–	–	(0.4)	–	(2.1)
Water safety, education and awareness	(5.7)	–	(0.1)	(0.4)	–	(6.2)
Charitable activities	(106.1)	(3.8)	(25.3)	(22.6)	–	(157.8)
Total expenditure	(146.6)	(3.8)	(26.6)	(22.8)	–	(199.8)
Net gain on investments	1.3	–	–	10.7	6.3	18.3
Net income/(expenditure)	34.1	(3.8)	(26.6)	28.4	6.3	38.4
Transfers between funds	(21.4)	13.5	24.6	(16.3)	(0.4)	–
Actuarial gain on pension schemes	2.4	–	–	–	–	2.4
Net movement in funds	15.1	9.7	(2.0)	12.1	5.9	40.8

To inspire and attract tomorrow's talent: the RNLI celebrated International Women in Engineering Day in June 2022 by inviting schoolgirls for an interactive day of science, technology, engineering, and maths (STEM) activities at RNLI College

16. 2021 COMPARATIVES – FUNDS AND LINKED CHARITIES (CONTINUED)

b) RNLI statement of financial activities – previous year comparatives

	Unrestricted funds			Restricted funds	Endowed funds	Total 2021
	General funds £M	Designated funds £M	Fixed asset funds £M	£M	£M	£M
Income and endowments from:						
Legacies	109.0	–	–	28.6	–	137.6
Donations	49.1	–	–	11.1	–	60.2
Donations from subsidiary companies	6.1	–	–	0.9	–	7.0
Investments	0.5	–	–	0.5	–	1.0
Charitable activities	4.2	–	–	–	–	4.2
Other income	2.6	–	–	–	–	2.6
Total income and endowments	171.5	–	–	41.1	–	212.6
Expenditure on:						
Legacies and donations	(32.3)	–	(1.2)	–	–	(33.5)
Trading activities	–	–	–	–	–	–
Investment management	(0.3)	–	–	(0.2)	–	(0.5)
Raising funds	(32.6)	–	(1.2)	(0.2)	–	(34.0)
Lifeboat service	(31.7)	(0.5)	(2.8)	(11.2)	–	(46.2)
Lifeboats, property and equipment	(49.6)	(3.3)	(20.8)	(10.4)	–	(84.1)
Lifeboat rescue	(81.3)	(3.8)	(23.6)	(21.6)	–	(130.3)
Lifeguard rescue	(17.8)	–	(1.6)	(0.2)	–	(19.6)
International	(1.7)	–	–	(0.4)	–	(2.1)
Water safety, education and awareness	(5.7)	–	(0.1)	(0.4)	–	(6.2)
Donation to CIO	(0.3)	–	–	–	–	(0.3)
Charitable activities	(106.8)	(3.8)	(25.3)	(22.6)	–	(158.5)
Total expenditure	(139.4)	(3.8)	(26.5)	(22.8)	–	(192.5)
Net gain on investments	1.3	–	–	10.7	1.5	13.5
Net income/(expenditure)	33.4	(3.8)	(26.5)	29.0	1.5	33.6
Transfers between funds	(21.3)	13.5	24.7	(16.9)	–	–
Actuarial gain/(loss) on pension schemes	2.4	–	–	–	–	2.4
Net movement in funds	14.5	9.7	(1.8)	12.1	1.5	36.0

c) Reconciliation of net funds – previous year comparatives

	2020 £M	Cashflows £M	Non-cash movements £M	2021 £M
Cash	5.0	(2.3)	–	2.7
Loans falling due within 1 year	(1.1)	1.1	(1.1)	(1.1)
Loans falling due after more than 1 year	(2.8)	–	1.1	(1.7)
Total	1.1	(1.2)	–	(0.1)

d) Total resources expended – previous year comparatives

	Staff costs £M	Depreciation/ amortisation £M	Other direct costs £M	Other allocated costs £M	Total 2021 £M
Legacies and donations	13.1	0.8	15.2	4.4	33.5
Trading activities	0.9	0.1	7.0	–	8.0
Investment management	–	–	0.5	–	0.5
Lifeboat service	17.3	2.2	20.7	6.0	46.2
Lifeboats, property and equipment	31.7	19.7	21.3	11.0	83.7
Lifeguard rescue	13.1	1.4	2.5	2.6	19.6
International	0.8	–	1.0	0.3	2.1
Water safety, education and awareness	3.9	–	1.5	0.8	6.2
Support	13.0	2.4	9.7	(25.1)	–
Total	93.8	26.6	79.4	–	199.8

Lifejackets inflated and spray hoods up: lifeboat volunteers undergo sea survival training at RNLI College in Poole

16. 2021 COMPARATIVES – FUNDS AND LINKED CHARITIES (CONTINUED)

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

	Governance £M	General admin £M	Finance £M	Human resource £M	Information technology £M	Total 2021 £M
Legacies and donations	0.1	0.8	0.5	1.0	2.0	4.4
Lifeboat service	0.1	1.1	0.7	1.3	2.8	6.0
Lifeboats, property and equipment	0.2	1.9	1.4	2.4	5.1	11.0
Lifeguard rescue	0.1	0.5	0.3	0.6	1.1	2.6
International	–	0.1	–	0.1	0.1	0.3
Water safety, education and awareness	–	0.1	0.1	0.2	0.4	0.8
Total	0.5	4.5	3.0	5.6	11.5	25.1

e) Consolidated balance sheet – analysis of funds 2021 summary

	Unrestricted funds			Restricted funds	Endowed funds	Total 2021
	General funds £M	Designated funds £M	Fixed asset funds £M	£M	£M	£M
Fixed assets	–	–	466.0	–	–	466.0
Investments	87.1	21.1	–	132.4	67.1	307.7
Net current assets	50.2	–	–	15.1	–	65.3
Creditors falling due after more than 1 year	(6.4)	–	–	–	–	(6.4)
Defined benefit pension liability	(34.4)	–	–	–	–	(34.4)
Total	96.5	21.1	466.0	147.5	67.1	798.2

f) Endowed funds – analysis of major funds

Name of fund	Purpose of fund	Opening balance 2021 £M	Income 2021 £M	Expenditure 2021 £M	Investment gains 2021 £M	Transfers 2021 £M	Closing balance 2021 £M
RNLI Lifesaving Endowment – expendable	The advancement of saving lives at sea by establishing, building and investing an endowment fund	44.0	–	–	4.8	(0.4)	48.4
Roy Barker – permanent	All-weather lifeboat construction	11.0	–	–	1.0	–	12.0
Morrell – permanent	Dungeness Lifeboat Station – general	5.0	–	–	0.4	–	5.4
Other endowed funds – permanent		1.2	–	–	0.1	–	1.3
Total endowed funds		61.2	–	–	6.3	(0.4)	67.1

g) Restricted funds – analysis of major funds

Donor name	Purpose of fund	Opening balance 2021 £M	Income and investment gains 2021 £M	Expenditure 2021 £M	Transfers 2021 £M	Closing balance 2021 £M
Various donors	Jersey Lifeboat Station – general	6.7	1.0	(0.2)	–	7.5
Various donors	Guernsey Lifeboat Station – general	5.0	0.7	(0.1)	–	5.6
Various donors	Sheringham Lifeboat Station – general	3.0	0.8	(0.1)	–	3.7
Various donors	Morecambe Lifeboat Station – general	2.7	0.4	(0.1)	–	3.0
Anonymous legacy	All-weather lifeboat construction – Anstruther	2.3	0.2	–	–	2.5
Roy Barker	All-weather lifeboat construction	3.3	2.0	–	–	5.3
Various donors	Wells-next-the-Sea shoreworks	2.4	0.2	–	–	2.6
Various donors	Life-boatmen's benevolent fund	2.4	0.2	–	–	2.6
Various donors	Bridlington Lifeboat Station – general	2.6	0.3	(0.2)	–	2.7
Anonymous legacy	Great Yarmouth and Gorleston	2.3	0.2	–	–	2.5
Various donors	All-weather lifeboat construction – Invergordon	2.2	–	–	(2.2)	–
Mr R Smith	All-weather lifeboat construction – Pwllheli	2.1	–	–	(2.1)	–
Mrs D J Pearce	All-weather lifeboat construction	2.0	1.1	–	–	3.1
D W Filby	All-weather lifeboat construction	–	2.9	–	–	2.9
Various donors	All-weather lifeboat construction – Douglas	2.4	0.3	–	–	2.7
Dorothy Hunter	All-weather lifeboat construction – Aldeburgh	2.2	0.2	–	–	2.4
Various donors	All-weather lifeboat construction – Arbroath	2.2	0.2	–	–	2.4
Various donors	Cromer Lifeboat Station – general	1.6	1.0	(0.2)	–	2.4
Various donors	All-weather lifeboat construction – Ramsey	2.0	0.2	–	–	2.2
Various donors	Walton and Frinton Lifeboat Station – general	1.7	0.4	(0.1)	–	2.0
Total of major funds		51.1	12.3	(1.0)	(4.3)	58.1
Other restricted funds		84.3	38.9	(21.8)	(12.0)	89.4
Total restricted funds		135.4	51.2	(22.8)	(16.3)	147.5

Lifeboat volunteers, like Carol O'Brien at Red Bay RNLI, need and deserve the very best training and equipment to keep them safe when they launch to the rescue. That's only possible thanks to our generous supporters

16. 2021 COMPARATIVES – FUNDS AND LINKED CHARITIES (CONTINUED)

h) Designated funds – analysis of funds

Name of fund	Purpose of fund	Opening balance 2021 £M	Income and investment gains 2021 £M	Expenditure 2021 £M	Transfers 2021 £M	Closing balance 2021 £M
Pandemic Fund	To ensure that the urgent projects that have been delayed by the pandemic have funds available to be completed.	11.4	–	(3.8)	4.8	12.4
Special Projects Fund	To ensure that where significant financial assurances have been made to third parties, funds are available for the purpose. For 2021, this is entirely for the project at Weston-super-Mare	–	–	–	8.7	8.7
Total designated funds		11.4	–	**(3.8)**	13.5	21.1

i) Linked charities

Donor name	Purpose of fund	Opening balance 2021 £M	Income 2021 £M	Expenditure 2021 £M	Transfers 2021 £M	Closing balance 2021 £M
Life-boatmen's Benevolent Fund	Grants for distressed past or present crew members	2.4	0.2	–	–	2.6
Langstreth Culliford Trust	Grants for dependants of lifesavers	0.3	–	–	–	0.3
John William Archer	All-weather lifeboat construction	0.1	0.1	–	–	0.2
Charles Carr Ashley	Lifeboat maintenance and support for crew	0.1	–	–	–	0.1
Anna Stock Memorial Fund	Col Stock lifeboat – construction and maintenance	0.1	–	–	–	0.1
Total of linked charities		3.0	0.3	–	–	3.3

17. FINANCIAL REVIEW RECONCILIATION

The financial analysis in the financial review (page 26) has been revised to show the total charitable spend, including that spent on asset purchases, together with the cashflow effect of this spend. This note shows the reconciliation between the financial statements and this analysis. The main difference is to reflect the actual spend on fixed assets, for example lifeboats and lifeboat stations, as opposed to the depreciation charge, with the adjustments for this shown in (a).

a) Operating performance

	SoFA £M	Asset purchases £M	Asset depreciation/ amortisation £M	Asset disposal £M	Total 2022 £M
Charitable spend					
Lifeboat service	50.1	0.9	(2.6)	–	48.4
Lifeboats, property and equipment	94.3	34.0	(21.2)	–	107.1
Lifeboat rescue	144.4	34.9	(23.8)	–	155.5
Lifeguard rescue	22.2	1.1	(1.6)	–	21.7
International	2.9	–	–	–	2.9
Water safety, education and awareness	7.7	0.3	(0.1)	–	7.9
Total charitable spend	177.2	36.3	(25.5)	–	188.0
Income available for charitable spend					
Legacies	140.8	–	–	–	140.8
Donation	66.5	–	–	–	66.5
Trading (net)	5.4	(0.1)	0.1	–	5.4
Charitable trading	4.4	–	–	–	4.4
Investments (net)	3.0	–	–	–	3.0
Other	0.5	–	–	1.0	1.5
Total Net Income	220.6	(0.1)	0.1	1.0	221.6
Cost of generating income	(44.6)	(0.8)	1.2	–	(44.2)
Net income available for charitable spend	176.0	(0.9)	1.3	1.0	177.4
Operating surplus/(deficit)	(1.2)	(37.2)	26.8	1.0	(10.6)

Asset purchases comprise fixed asset additions and acquisitions. Further analysis of fixed assets is shown in note 6.

18. GOVERNMENT GRANTS

	2022 £M	2021 £M
Coronavirus Job Retention Scheme	–	0.1
Republic of Ireland (RoI) wage subsidy schemes	–	0.4
Retail, hospitality and leisure grants	–	0.1
International grants	0.4	0.2
Total	0.4	0.8

The RNLI does not normally seek funding from government, to ensure that we retain independence in all that we do to save lives at sea. However, there are exceptions made where such independence is not compromised.

During 2022, the RNLI received funding from the Foreign, Commonwealth and Development Office, for the total amount of £286,907 (2021: £144,733). These funds were spent entirely on the project 'Reducing mortality and improving early childhood development of children aged 1–4 in rural communities of Barisal, Bangladesh' under UK Aid Match Grant Reference number: 205210-301. Funding of €75,000 was also received from Irish Aid for the project 'Preventing drowning in artisanal fishing communities of Lake Victoria, Tanzania' under grant Ref: CSF 12-22.

19. RELATED PARTIES

The group had no related party transactions in the year other than the transactions between group entities which are disclosed in Note 2.

Details of transactions with Trustees and the Executive Team are disclosed in notes 3 and 4.

RNLI OFFICERS AND CONTACTS

PATRON

HM The Queen (until September 2022)

PRESIDENT

HRH The Duke of Kent KG

TRUSTEE BOARD

Janet Cooper OBE
Acting Chair

Janet is an entrepreneur and non-executive director in both the private and public sector. As one of the first women partners in global law firm Linklaters, she was a corporate partner for over 20 years and advised global companies on corporate governance and remuneration.

Janet was elected to the RNLI Council and Trustee Board in 2014, appointed as Chair of the Remuneration Committee in 2019, and became Deputy Chair in 2020, Acting Co-Chair in 2021 and Acting Chair in 2022. Janet is also a member of Membership Nomination and the People Committees.

Janet received an OBE in 2017 for services to equality, women's empowerment and employee share ownership.

'I am inspired by the many volunteers who work so hard to provide the RNLI's invaluable service and feel hugely privileged to be involved in such a great organisation.'

Fiona Fell
Deputy Chair

Fiona has been a non-executive director for the past 20 years, including in the charitable and not-for-profit sectors. Elected to the RNLI Council in 2012 and appointed as a Trustee in 2020, she became Deputy Chair in 2022 and is a member of the Operations and Property Committees.

'A shared wish to save lives and to prevent drowning is deeply motivating and draws us together.'

Dr Philip Goodwin

Dr Goodwin has been chief executive of Voluntary Service Overseas (VSO) since 2015. He has a background in international development with a PhD in environmental policy and planning. Dr Goodwin was elected to the RNLI Council and appointed a Trustee in 2018. He is also a member of the Membership Nomination Committee.

'The poorest countries globally account for 90% of drowning deaths. I'm delighted to be working with the RNLI to help bring about change.'

Jim Islam
Treasurer

A qualified actuary, Jim has extensive board-level leadership experience in financial services. He was elected to the RNLI Council in 2021 and was appointed to the Finance Committee as Treasurer Designate in the same year. In 2022, he became RNLI Treasurer and was appointed to the Remuneration Committee.

'I feel privileged to be part of the RNLI, an Institution that reflects the best values of our communities, with courageous and inspiring people achieving marvellous feats.'

Dr John Killeen

Dr Killeen is chairman of Marine Institute and president of Timoney Leadership Institute. He has an engineering background and is founding president of the Irish Academy of Engineering. Elected to the RNLI Council in 2017, he was appointed a Trustee in 2020, chairs the Irish Council and serves on the Audit and Risk Committee.

'I am honoured to be a volunteer in an organisation that delivers an invaluable service to society and has saved many lives for almost 200 years.'

Rear Admiral Roger Lockwood CB

Following careers in the Royal Navy and the Northern Lighthouse Board, Roger was elected to the RNLI Council in 2015 and appointed a Trustee in 2018. He is also chair of the Operations Committee and the Scottish Council.

'With my maritime background it is a great honour to play a full role in the RNLI and contribute to saving lives at sea.'

Paddy McLaughlin

Paddy has been an RNLI volunteer for over 40 years and is a serving coxswain of Red Bay's all-weather lifeboat. He is a company director with 30 years of experience in the hospitality supply industry throughout Ireland and the UK. Paddy joined the RNLI Council in 2014 and became a Trustee in 2020.

'Living in a coastal community, the RNLI has featured hugely throughout my life. It's a privilege to support and honour the Institution's lifesaving work.'

Sonia Modray
Sonia was originally appointed interim finance director at the RNLI. Subsequent to this appointment she was elected to the RNLI Council in 2014 and appointed a Trustee in 2015. Sonia is chair of the Property Committee, a member of the Finance Committee and is the Trustee responsible for safeguarding.

'From my first day at the RNLI, I was impressed by the selfless dedication and professionalism of everyone involved with this inspiring organisation.'

Lord Mark Sedwill
Lord Sedwill is a cross-bench member of the House of Lords. He was national security adviser, cabinet secretary and chairman of the Communications and Public Service Lifeboat Fund. Before that, he had a diplomatic and security career, mostly in the Middle East and South Asia. He was elected to the RNLI Council in 2021 and appointed a Trustee in 2022.

'As a lifelong watersports enthusiast, I'm proud to be a member of the RNLI's one crew to save lives at sea.'

Mike Sturrock
With a background in technology spanning numerous industries and sectors, Mike is now on the board of several businesses. His early career was at sea as a professional yacht captain. Mike was elected to the RNLI Council in 2015 and appointed a Trustee in 2016.

'I've had a passion for the sea all my life and it's a huge privilege to be a member of the RNLI crew.'

Chris Walters
CEng MEng MBA FIMarEST FRINA
Chris is a chartered engineer and naval architect with over 25 years' experience in the marine and energy sectors, including executive positions with Lloyd's Register and P&O Group. Chris joined the RNLI Technical Committee in 2012, was appointed a Trustee in 2015 and chaired the Technical Committee from 2015 to 2019, and again from 2022.

'Inspired by the courage of RNLI volunteer crews, communities and staff, I am delighted to play a role in saving lives at sea.'

Mark Wordsworth
Mark is an executive chair and trustee with significant commercial and investment experience. Elected to the RNLI Council in 2018 and appointed a Trustee and chair of the Investment Committee in 2021, Mark also serves on the Finance Committee and is chair of the Bicentenary Steering Group.

'As a former crew volunteer, I am proud to help ensure that the selfless humanitarian work delivered by RNLI crews for 200 years will continue for many generations.'

Denis Woulfe MBE
Senior Independent Trustee
Denis is a business advisor, non-executive director and formally a vice chair at Deloitte LLP. Denis was appointed as a Trustee of the RNLI in 2019 and appointed Senior Independent Trustee in 2022. He is also chair of the Audit and Risk Committee. Denis co-chairs the UK government-sponsored LACA - Lead the Change board and was awarded an MBE in 2018.

'The courage and dedication of RNLI staff and volunteers is truly inspiring. It is an incredible privilege to have the opportunity to support them.'

Agile in all weathers: Dunmore East's new Shannon class lifeboat was officially named *William and Agnes Wray* in June 2022

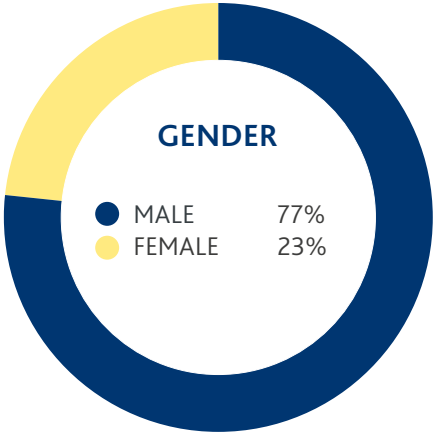
Home safe: lifeboat helm Steve Burton and his crew mates Phil Playford (left) and Matt McNally (right) return to station. Volunteer crews at Cleethorpes RNLI have been saving lives since 1868

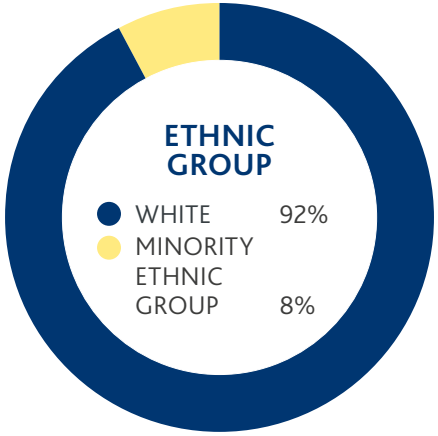
DIVERSITY OF SKILLS AND EXPERIENCE: by number of Trustees

Our 13 Trustees possess a wealth of knowledge and experience that is beneficial to the RNLI. Taking the range of skills listed below, we asked the Trustees to identify in which categories they have a significant level of skill or experience.

Operations and service delivery	6
Engineering and production	2
Finance	7
Human resources	5
Charity governance	10
Maritime	5
Information technology and data	3
Risk, safety and assurance	7
Youth development	3
Board experience	13
Diversity and inclusion	9
Strategy development	12

DIVERSITY CHARACTERISTICS





CHAIR

Stuart Popham CMG KC(Hon) (retired July 2022)
Janet Cooper OBE (acting Co-Chair with Eddie Donaldson from July 2021, sole Acting Chair from July 2022)

DEPUTY CHAIRS

Eddie Donaldson OBE(Hon) FCA (until July 2022)
Janet Cooper
Fiona Fell (appointed July 2022)

TREASURER

Jim Islam

SENIOR INDEPENDENT TRUSTEE

Denis Woulfe MBE

OUTGOING TRUSTEES IN 2022

Eddie Donaldson OBE(Hon) FCA
Sir Peter Housden KCB
Stuart Popham CMG KC(Hon)

COUNCIL

HRH The Duke of Kent KG (President)
Stuart Popham CMG KC(Hon) (Chairman) (retired July 2022)
Janet Cooper OBE (Acting Chair)
Dr Peter Aitken MB ChB MRCGP FRCPsych FHEA DCH DRCOG
James Allan (elected July 2022)
Neil Appleton
Alison Appleyard BEd (Hons) NPQH ARCM LTCL FCMI
Robert Boddington
Simon Bowen (elected July 2022)
Tim Bryan FMA
John Burke
Katie Cadden B.Corp Law, LL.B, LL.M. Solicitor
Professor John Chudley BSc PhD CMarEng CEng FIMarEST
Andrew Cooper CMG
Allen Corlett (elected July 2022)
Philip Davies FAICD
The Hon Andrew Dixon
Eddie Donaldson OBE FCA (retired July 2022)
Simon Dudley
Louise Evans (elected July 2022)
Roger Fairhead
Fiona Fell
Dr Philip Goodwin
Martin Gregory
Adam Griffin
David Hallam
Jonathan Hart
Gillian Hodgetts MSc MCIPR BA (Hons) DMS DN RGN
Professor Dominic Houlder (retired July 2022)
Sir Peter Housden KCB (retired July 2022)
Mark James (elected July 2022)
Paul Jevons (elected July 2022)
Charles Jones (retired July 2022)
Al Kassim CFA MSc BSc
Professor Anthony Kessell MBBS MPhil MSc FFPH MRCGP MD
Dr John Killeen
Jacquie Leitch (elected July 2022)
Peter Lloyd MBE MBA MA (elected July 2022)
Rear Admiral Roger Lockwood CB
Althea Loderick
Alan Marsh MBE FICS (retired July 2022)
James Marshall (elected July 2022)
Niamh McCutcheon (retired July 2022)
Paddy McLaughlin
Captain Ian McNaught CVO MNM
Lynn McSeveney (elected July 2022)
Alastair Miller BSc (Econ) FCA
Sonia Modray
Sandra Morson
Judy Nelson MBA
John Newell MBE BSc MSc CEng FIMarEST
Rosie Norris
Paul O'Leary
Scott Parsons
Melissa Potter
Mark Pritchard (retired July 2022)
Sinead Reen (elected July 2022)
Simon Robinson (elected July 2022)
Lord Mark Sedwill
Mike Sturrock
Professor Phil Sutton CBE FREng PhD
Professor Mike Tipton MBE MSc PhD
Jane Totten
Hugh Tully
Dr Jean Venables CBE (retired July 2022)
Ian Venner
Dinesh Visavadia
Chris Walters CEng MEng MBA FIMarEST FRINA
Lesley Wilkin
Kate Wilson
Mark Wordsworth
Denis Woulfe MBE

EX OFFICIO GOVERNORS

The Lord Mayor of London
The Chairman of The Baltic Exchange
The First Sea Lord
The Chairman of Lloyd's
The Master of The Honourable Company of Master Mariners
The Deputy Master of Trinity House
The Chairman of The Royal Yachting Association
The Chairman of The Northern Lighthouse Board
The Chairman of The Commissioners of Irish Lights
The UK National Hydrographer

INVESTMENT ADVISER

Lane Clark & Peacock LLP
95 Wigmore Street
London W1U 1DQ

PRINCIPAL BANKERS

Barclays
Wytham Court, 11 West Way, Oxford OX2 0JB

AUDITOR

BDO LLP
55 Baker Street,
London, W1U 7EU

PRINCIPAL SOLICITORS

Wilsons Solicitors
Steynings House
Fisherton Street
Salisbury SP2 7RJ

BTO Solicitors LLP
48 St Vincent Street
Glasgow G2 5HS

Phillips Lee
7/8 Wilton Terrace
Dublin D02 KC57

Charles Russell Speechleys LLP
8–10 Fetter lane
London EC4A 1RS

Womble Bond Dickinson
Oceana House
39–49 Commercial Road
Southampton SO15 1GA

Blake Morgan LLP
Harbour Court
Compass Road
North Harbour
Portsmouth PO6 4ST

Sackers & Partners LLP
20 Gresham Street
London EC2V 7JE

STANDING COMMITTEES

Membership Nomination Committee
Chair: Janet Cooper OBE

Remuneration Committee
Chair: Janet Cooper OBE

Audit and Risk Committee
Chair: Denis Woulfe MBE

Investment Committee
Chair: Mark Wordsworth

Property Committee
Chair: Sonia Modray

ADVISORY COMMITTEES

Operations Committee
Chair: Rear Admiral Roger Lockwood CB

Technical Committee
Chair: John Newell MBE BSc MSc CEng FIMarEST (to September 2022)
Chair: Chris Walters CEng MEng MBA FIMarEST FRINA (from September 2022)

Finance Committee
Chair: Jim Islam

Heritage Committee
Chair: Tim Bryan FMA

Medical Committee
Chair: Dr Peter Aitken MB ChB MRCGP FRCPsych FHEA DCH DRCOG

Scottish Council
Chair: Rear Admiral Roger Lockwood CB
Deputy Chairs: Sheona Smith and Karen Stewart

Council for Ireland
Chair: Dr John Killeen
Deputy Chair: Paddy McLaughlin

People Committee
Chair: Sir Peter Housden KCB (to July 2022)
Chair: Roger Fairhead (appointed July 2022)

EXECUTIVE TEAM

Chief Executive
Mark Dowie

Director of Engineering and Supply
Jamie Chestnutt

Chief Information Officer
Claire Deuchar

Director of Fundraising, Marketing and Media
Jayne George

Director of Lifesaving Operations
John Payne

Chief Finance Officer
Steven Peacock

Director of People
Sue Barnes

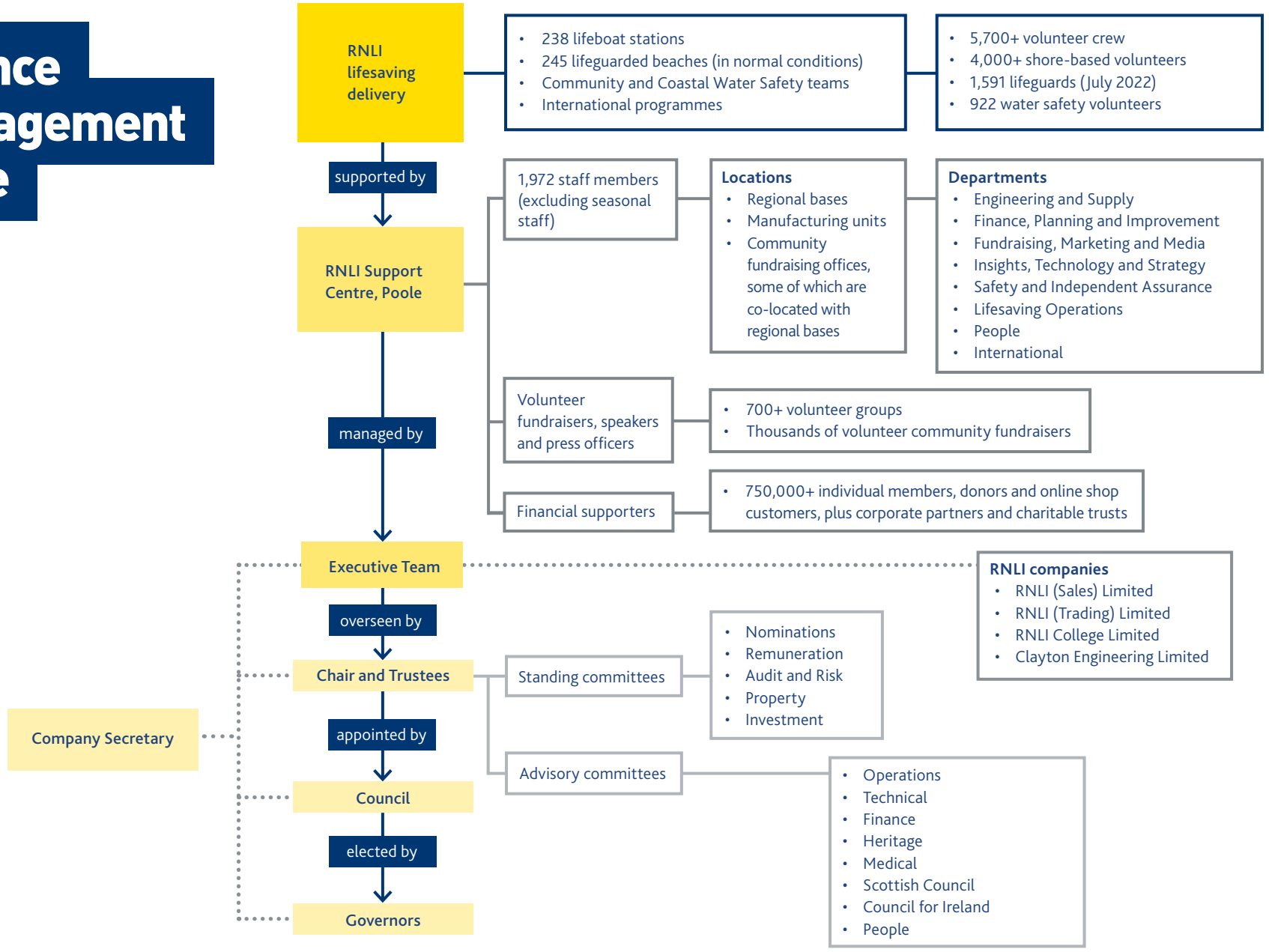
General Counsel
Nicky Nelson (appointed April 2022)

COMPANY SECRETARY

Simon Payne (retired March 2022)
Kerry Round (interim appointment March 2022)
Nick Giles (appointed February 2023)

The RNLI thanks its past chairs and vice presidents for their ongoing support and commitment.

RNLI governance and management structure



THANK YOU

The RNLI would like to say a huge thank you to the thousands of individuals who made our lifesaving work possible in 2022.

LEGACIES

The RNLI is grateful for every legacy, big or small. Here are just a few of the kind people who left a gift in their Will last year:

- **Annie Barham** left a legacy in honour of her father, a merchant seaman who served on the Atlantic convoys during the Second World War. He held lifeboat crews in the highest regard and, while he had no direct need for their services, he took great comfort in knowing they were there.

- **Helen Faulkner** was president of RNLI Mirfield Fundraising Branch. Joining in the 1980s, when it was a Ladies Guild, she continued to fundraise for 38 years. As a keen yachtswoman, Helen always had an interest in the work of RNLI crews and left them a generous gift in her Will.

- **Corris Keen** saw the RNLI in action many times and was impressed by the bravery of our volunteers. He used to take his family on holiday in North Wales, including a memorable stay in Barmouth where they heard the maroons going off before the lifeboat crew launched into the storm.

- **Pauline Smith** and her husband owned a newsagents in Charing, Kent and always kept an RNLI donation box on the counter. The RNLI was one of their favourite charities and, as well as supporting the crews during her lifetime, Pauline left them a generous gift in her Will.

- **Sheila Temple** was a member of Sunderland Yacht Club for many years and enjoyed sailing as part of a crew. Like many who sail for pleasure, she was aware of the important lifesaving role played by RNLI crews around our coasts.

- **Dorothy Warden** was from a seafaring family in Seaton Carew and regularly volunteered for RNLI fundraising events. Many generations of her family were involved with fishing, piloting and lifeboating in and around the River Tees, including her grandad who was accorded the RNLI's Thanks on Vellum in 1896.

TRUSTS, FOUNDATIONS AND INSTITUTIONAL DONORS

We are extremely lucky to work with so many generous charitable organisations and individuals. Many of them support on a regular basis or phase their gifts over several years. This helps us plan for the future and match lifesaving projects to the specific objectives of these trusts, foundations and donors. Thank you to:

- CAF America
- D R Spalding's Charitable Trust
- Dr Scholl Foundation
- Foreign, Commonwealth and Development Office, UK Government
- George & Effie Taylor Charitable Trust
- Goldman Sachs Gives
- Irish Aid, Government of Ireland
- Isle of Man Government
- Late Jill Brown Family Protection Trust
- Lloyd's Register Foundation
- Logan Charitable Trust
- Miss Isabel Harvey Charitable Trust
- Mrs J B Wood's Charitable Trust
- North 150 Fund
- Princess Charlene of Monaco Foundation
- Project Giving Back
- Robert Barr's Charitable Trust
- The Beacon Owl Trust
- The Bothwell Charitable Trust
- The Bradbury Foundation
- The Calleva Foundation
- The Edward Sharples Charitable Trust
- The Ellen Mavis Chalk Charitable Trust
- The Ganton Furze Settlement
- The Hugh Fraser Foundation
- The Joe and Helen O'Toole Charitable Trust
- The John Scott Trust
- The Jones Family Charitable Trust
- The Joyce Isobel Lucie Utting Will Trust
- The Joyce Kathleen Stirrup deceased Charity Trust
- The Kenneth & Susan Green Charitable Foundation
- The Laurence Misener Charitable Trust
- The Lawson Trust
- The MacRobert Trust
- The Mullion Charitable Trust
- The Row Fogo Charitable Trust
- The Royal Naval Volunteer Reserve Officers' Association
- The RS Macdonald Charitable Trust
- The Samuel & Freda Parkinson Charitable Trust
- The Skipasund Foundation
- Thomas Robertson's Trust.

MEMBERS AND SUPPORTERS

Whether your donation pays for welly boots or a boat, every pound or euro has a part to play. We are grateful for the generosity of all our supporters, including those who donated in memory of a loved one or made an anonymous gift. We thank the following (or their donors) for their significant contributions last year:

- Ken Brown in memory of Margaret Olive Brown
- Jean Cass in memory of Eric Cass
- Andrew Cox
- Patricia Delahunty
- Paula and Hazel Dibbin in memory of Clive Dibbin
- Martin Dickinson
- Joan Donnelly
- Wilson and Sylvia Evans
- Dr Pamela Fisher BEM
- Carolyn Forrester
- Patricia and Nigel Dewar Gibb
- Anthony and Gillian Gill
- Isabella Grant in memory of Murdo Grant
- David and Eleanor Holloway
- Edwin Holmes
- Anita and Stephen Hurrell
- Jack Kelly
- Anne Lawson
- Roy McWilliams
- Norman and Pamela Murray in memory of Niall and Andrew Murray
- Mick Parker in memory of Maureen Parker
- Chloe Percy in memory of Douglas Percy
- Cyril Pidduck in memory of Sheila Pidduck
- Maureen Pope
- In memory of Brenda Mary Sadler
- Roger Smith
- David Spicer in memory of Barbara Spicer
- Andy and Dominie Walters
- In memory of Mary Wilkinson
- Bill Wraith
- Major and Mrs Tim Young.

PARTNERSHIP SUPPORTERS

We would like to thank all the companies and organisations that supported us in 2022. In particular, for their continued and significant support, we thank:

- Aquapac
- Burts Snacks
- Commonwealth Mint
- Dryrobe Limited
- Elliot Brown Limited
- Finisterre
- Ford Motor Company Limited
- Fred. Olsen Cruise Lines
- GJW Direct
- HarperCollins Publishers Limited
- Haven
- Helly Hansen
- Kärcher (UK) Ltd
- Ørsted
- The Lifeboat Fund
- The Light Fund
- The Royal Mint
- Woodmansterne Publications Ltd.

THE FUNDRAISERS

A heartfelt thank you goes out to the thousands of volunteers in RNLI branches and guilds. Your hard work and determination raised vital funds through a range of imaginative activities. Thank you to your communities for their generous donations and support too.

Thanks to our shop and souvenir volunteers for helping to generate a donation of £4.1M to the RNLI in 2022 – and to the hundreds of independent supporters who took on all sorts of real and virtual fundraising challenges.

You keep our lifesavers ready for anything

‘With courage, nothing is impossible’

Sir William Hillary, RNLI founder

The RNLI is the charity that saves lives at sea

Royal National Lifeboat Institution, a charity registered in England and Wales (209603), Scotland (SC037736), the Republic of Ireland (20003326) the Bailiwick of Jersey (14), the Isle of Man (1308 and 006329F), the Bailiwick of Guernsey and Alderney, of West Quay Road, Poole, Dorset BH15 1HZ

Tel 0300 300 9990 from the UK, 01 511 9836 from Ireland, or +44 1202 663234 from any other country

info@rnli.org.uk

RNLI.org

Cover image: RNLI crew kit protects Ballyglass lifesavers from the elements onboard the Severn class lifeboat *Bryan and Gordon*. The volunteer crew have been saving lives here since 1989

Photos: James Archibald, Alex Brenner, Bephoto.co.uk, Britt Willoughby Dyer, Stephen Duncombe, Lynda Huxley, Gavin Jones, Natalie Joseph, Syed Naem, Nihab Rahman, RNLI/(Ballyglass, Harrison Bates, Tom Collins, John Heston, Andrew Hodgson, Port St Mary, James Mangan, Nigel Millard, Andres Otero, Paul@twonamesphotography.com, James Smerdon, Justin Smyth, Charis Walker, Billy Watson, Nathan Williams, Jimmy Young), Shutterstock.com, Tim Thompson

Lifeboats

ARA22

THE ROYAL NATIONAL LIFEBOAT INSTITUTION

England & Wales - Charity number 209603

Accounts

Lifeboats

RNLI ANNUAL REPORT AND ACCOUNTS 2021

To save every one

Whoever we are Wherever we are from

We are one crew

Ready to save lives

We're powered by passion **talent** and **kindness**

Like generations of selfless lifesavers before us

This is our watch

We lead the way

Valuing each other **Trusting each other** **Depending on one another**

Volunteering to face the storm together

Knowing that **with courage nothing is impossible**

That is what has always driven us

to save every one we can

It's what makes every one of us

a lifesaver

St Davids crew launch their Tamar class lifeboat *Norah Wortle* down the slipway on a training exercise. RNLI volunteers have been launching lifeboats here since 1867 and have saved hundreds of lives

Annual Report of the Trustees of the Royal National Lifeboat Institution

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6 *Our impact*

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WELCOME FROM THE DEPUTY CHAIRS AND CHIEF EXECUTIVE

‘We pulled together with courage and kindness in another difficult year’

We really want to pass on our huge thanks to everyone at the RNLI who has helped our charity advance even further in its lifesaving mission in 2021.

There’s no denying it was another tough year, with so many juggling work, family life and volunteering under a range of Covid-19 restrictions. But it was wonderful to see everyone coming together, supporting one another.

We knew that despite the restrictions, an unprecedented number of people would visit the coast – and the RNLI made sure its incredible lifeboat crews and lifeguards were there to protect them. They rescued thousands of people and saved hundreds of lives, delivering lifesaving without borders and never judging those they helped.

That included desperate people crossing the English Channel. Our Kent and East Sussex crews continued to deal with this ever-present crisis on top of their usual abundance of rescue missions. We are so very proud of their humanitarian work, which firmly aligns with our charity’s core principles.

This pride extends to every RNLI lifesaver, and some of their most outstanding acts were recognised with awards in 2021. The coxswains of Dunmore East, Kilmore Quay and Rosslare Harbour will receive RNLI Bronze Medals for Gallantry for saving nine lives and preventing a huge cargo ship from hitting rocks in horrendous conditions (see page 7). Salcombe’s Y Boat helm and a fellow crew member are to receive Bronze Medals for saving two people from a yacht in a severe gale (page 10), and two of our lifeguards from Mawgan Porth will receive the same honour for rescuing a man from a powerful rip current (page 13).

This rare but highly-deserved award for lifeguards was particularly poignant, as it coincided with the 20th anniversary of the RNLI’s lifeguard service. And it was a relief to see our lifeguards back to full strength again after a reduced service in 2020. Crowded beaches kept them busier than ever – saving lives, preventing accidents and sharing safety tips and advice with people enjoying the beach.

That advice wasn’t limited to just beachgoers. We ramped up our water safety campaign early in 2021, focusing on those most at risk. These lifesaving messages reached more communities than ever: a new partnership began with the Black Swimming Association, we developed a scheme that translated water safety advice into multiple languages, and more organisations adopted our #RespectTheWater messages.

Reaching further afield, we continued to influence and encourage governments, the United Nations (UN) and other organisations to take action on global drowning. 2021 marked our 10th anniversary of working on international drowning prevention and, in April, the UN adopted an important resolution that acknowledges the scale of drowning globally and sets out measures that every country should take. Together with the World Health Organization, UNICEF and many other partners and organisations around the world, we observed the first ever annual World Drowning Prevention Day on 25 July, a historic landmark that was established by the UN resolution.

Our charity couldn’t have achieved any of this without faithful fundraisers and many other volunteers and supporters. Despite the challenges they faced, they did a truly incredible job – raising vital funds through a range of virtual and real-life activities and selling souvenirs through our network of shops.

We backed this with a fully integrated Mayday campaign, which saw our engagement and community teams come together with a targeted fundraising appeal for the first time. We also launched our most successful quarterly appeal ever: *To Save Every One*.

Whatever you did for our charity in 2021, you’re crucial to its continuing success. You enable lifesavers to rescue those in danger, while helping others enjoy the water more safely.

Thank you so much for helping us in this vital work.

Janet Cooper **Eddie Donaldson**
RNLI Deputy Chairs, in absence of the Chairman (see page 41)

‘We have the right people and plans to face the challenges ahead’

I am immensely proud of how our staff, volunteers, donors and supporters responded to the challenges of 2021. Their dedication ensured that our 24/7 lifesaving service never faltered. RNLI lifeboat crews aided 12,903 people and saved 296 lives. Our lifeguards aided 40,762 people, saving 112 lives, and RNLI water safety teams reached more than 27M people with essential messaging, undoubtably saving more lives and keeping families together as we strive to save every one.

The integration of our frontline services really came of age as we resumed full activity across lifeboats, lifeguards and water safety. All three were backed with excellent support – whether that was engineering teams keeping the equipment and facilities operational, the connectivity provided by our IT teams, the incredible efforts of our fundraising and shop volunteers keeping vital funds coming in, or the way that everyone across the UK and Ireland came together as One Crew.

We have made great efforts to better serve those at the sharp end and their wider communities by continuing to develop our regional teams – providing dedicated, close-at-hand support to all volunteers engaged in our important work and giving our people the tools to deliver.

Of course, there were periods when people needed to self-isolate, and times when planned activities were impacted or postponed. But it was wonderful to see the long-anticipated return to local face-to-face engagement through our shops, station open days, museums and events. Our fundraising, sales and engagement volunteers made a point of embracing all possible opportunities to re-engage with RNLI supporters and their communities.

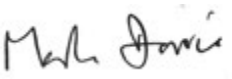
It was also great to see our manufacturing teams pulling out all the stops to deliver new lifeboats and launch and recovery rigs into the fleet, while carrying out more than 60 major refits. Meanwhile, our Estates Team completed vital infrastructure projects at Lough Ree, Pwllheli, Ramsey and Peel. Eight more major build projects also got underway, including new boathouses at Wells and at Tower on the Thames.

This important work begins to address the raft of overdue projects that has built up during the last 2 years of disruption caused by the pandemic. So, while our financial situation may appear healthy coming out of the pandemic, that’s temporary. We were only able to achieve stability by being cautious in our approach. We now need to get back on track and deliver the commitments in *Our Watch: RNLI Strategic Intent 2020–24* to protect the future of the RNLI (see page 20).

Therefore, it will come as no surprise to hear that our plan for 2022 is ambitious. It will herald a wave of investment that will set us up for the next 5 years and beyond. It will ensure our teams on the frontline have the facilities they need and deserve. There is a lot to do, as we continue to fix and finish the activities that were paused or delayed, as well as pressing ahead with a number of other key projects that we must invest in and deliver within the year.

We’ll face additional challenges along the way – not least, ensuring our long-term sustainability by growing our relevance and attracting more seagoing and land-based volunteers from all backgrounds and cultures. This will take dedication and hard work, of course, but I am confident we have the right people and plans in place to bounce back and to achieve the goals we originally set out in *Our Watch*.

Thank you so much for playing your part in this lifesaving mission. Our charity is powered by passionate, talented and kind people – and 2021 has proven beyond doubt that we’re stronger together, as One Crew.



Mark Dowie
RNLI Chief Executive

WHAT WE DO

We won't stand by while anyone, anywhere, drowns. The RNLI saves lives and prevents drowning through these core activities:

LIFEBOATS

Our lifeboat crews aim to launch within 10 minutes of being alerted and can operate up to 100 nautical miles out to sea. We aim to reach at least 90% of casualties within 10 nautical miles of the coast, within 30 minutes of a lifeboat launch – in any weather. Most crew members are volunteers.

LIFEGUARDS

Our lifeguards aim to reach anyone up to 300m from shore, within the red and yellow flags on RNLI-patrolled beaches, within 3½ minutes.

WATER SAFETY

Making people safer is core to the RNLI's operations. We use research, targeted campaigns and lifesaving plans to encourage changes in people's behaviour, in and around the water. We work alongside partners to maximise our reach and influence.

INTERNATIONAL

We also work with partners globally and in countries where drowning is a significant problem to raise awareness, widen the research base and help develop solutions to save more lives.

FUNDRAISING

As a charity independent of government, we rely on the generous support of donors to meet the cost of our lifesaving activities. We set exacting standards in our fundraising to protect and maintain good relationships with our supporters and ensure financial stability.

Crew kit protects Dunbar volunteers at the bows of their Trent class lifeboat *John Neville Taylor* during a lively search and rescue exercise

READY TO SAVE LIVES

RNLI volunteer lifeboat crews provide a 24-hour search and rescue service in the UK and Ireland, and our seasonal lifeguards look after people on busy beaches.

MORE THAN A RESCUE SERVICE

We are here to **save every one** we can. That's why, with your support, the RNLI also makes early interventions by influencing, supervising and educating people. We work with partners to understand the risks and offer innovative solutions – and our water safety teams share that knowledge with anyone using the water to keep them safer. We are proud to share that expertise internationally too. We give support to countries where drowning rates are significant, and work with like-minded organisations to raise awareness of the problem globally and how we can address it together.

These lifesaving activities are underpinned by people and initiatives that raise funds and ensure that we are well-governed and compliant.

POWERED BY PASSION, TALENT AND KINDNESS

Volunteers are at the heart of our charity, supported by expert staff to enable communities to save lives. Around 95% of RNLI people are volunteers – including around 5,600 crew members, 3,700 shore crew (including station management), 82 lifeguards and 23,000 fundraisers. Thousands more dedicated volunteers raise awareness, give water safety advice and help in our shops, museums and offices.

OUR IMPACT IN 2021

RNLI people saved hundreds of lives and protected many thousands of others during another extraordinary year.

Our 238 lifeboat crews continued to launch around the clock in 2021, with lifeguards returning to full service on 245 of the UK's busiest beaches.

When it came to the sheer number of people assisted, our lifesavers faced their busiest summer on record. Together they aided 35,247 people in just 3 months – seeing a significant surge in rescues involving watersports and other leisure activities.

There was an increase in migrants trying to cross the English Channel throughout the year too. Lifeboat stations on the south-east coast of England continued their humanitarian work here, with the Coastguard tasking our volunteers to save lives in incredibly challenging situations that were often under intense media scrutiny.

Overall, RNLI lifeboat crews aided 12,903 people in 2021 (8,344 in 2020), saving 296 lives (243). Our lifeguards aided a further 40,762 individuals (25,915), saving 112 lives (113).

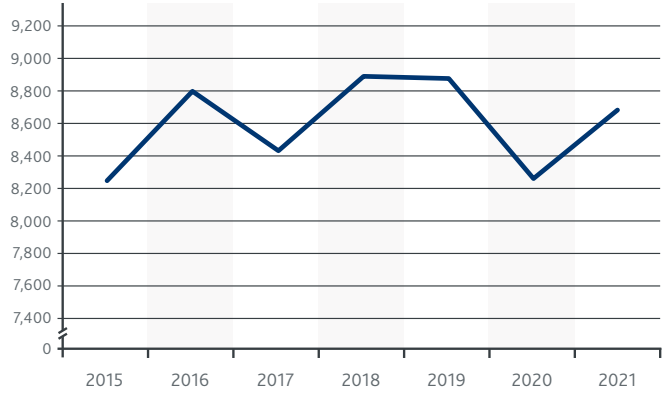
Our water safety teams prevented many others from getting into danger in the first place. In partnership with Her Majesty's Coastguard and the Gaelic Athletic Association, we reached more than 27M people with early advice on how to keep their families safe at the beach. More than 80% of the target audience saw those messages at least five times, with our children's seaside safety TV advert being viewed more than 76M times. Thousands of young people took part in Swim Safe sessions or logged on to our virtual presentations, while more local businesses joined our Ambassador Scheme to help spread our messages even further. We also forged a new partnership with the Black Swimming Association to reach more diverse communities around the UK and Ireland.

The RNLI continued to take action on global drowning, working with priority countries and the United Nations (UN) – which saw all 193 member states adopting an historic UN resolution on global drowning prevention.

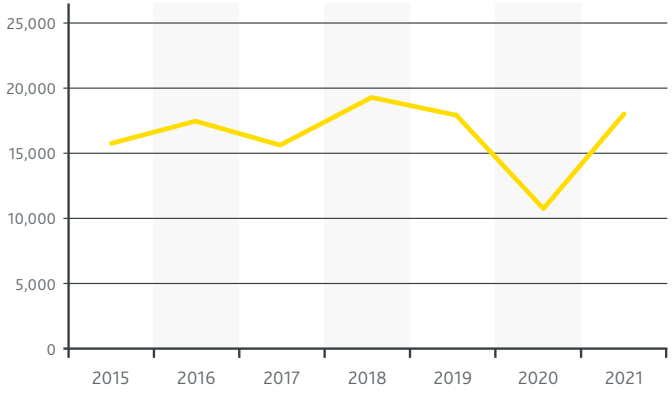
Following what we had learned in 2020, our teams continued to unite the RNLI's core services of lifeboats, lifeguards and water safety. This enhanced our overall lifesaving effect, while continuing to make the safety of our people a priority. With the pandemic seriously affecting the safe delivery of training to our flood rescue volunteers, the RNLI declared itself unavailable on DEFRA's national flood rescue asset register in the latter half of 2021. This decision will remain throughout 2022 but we will continue to review and monitor potential future demand.

Read more about our plans and performance in detail, on page 18.

LIFEBOAT LAUNCHES



LIFEGUARD INCIDENTS

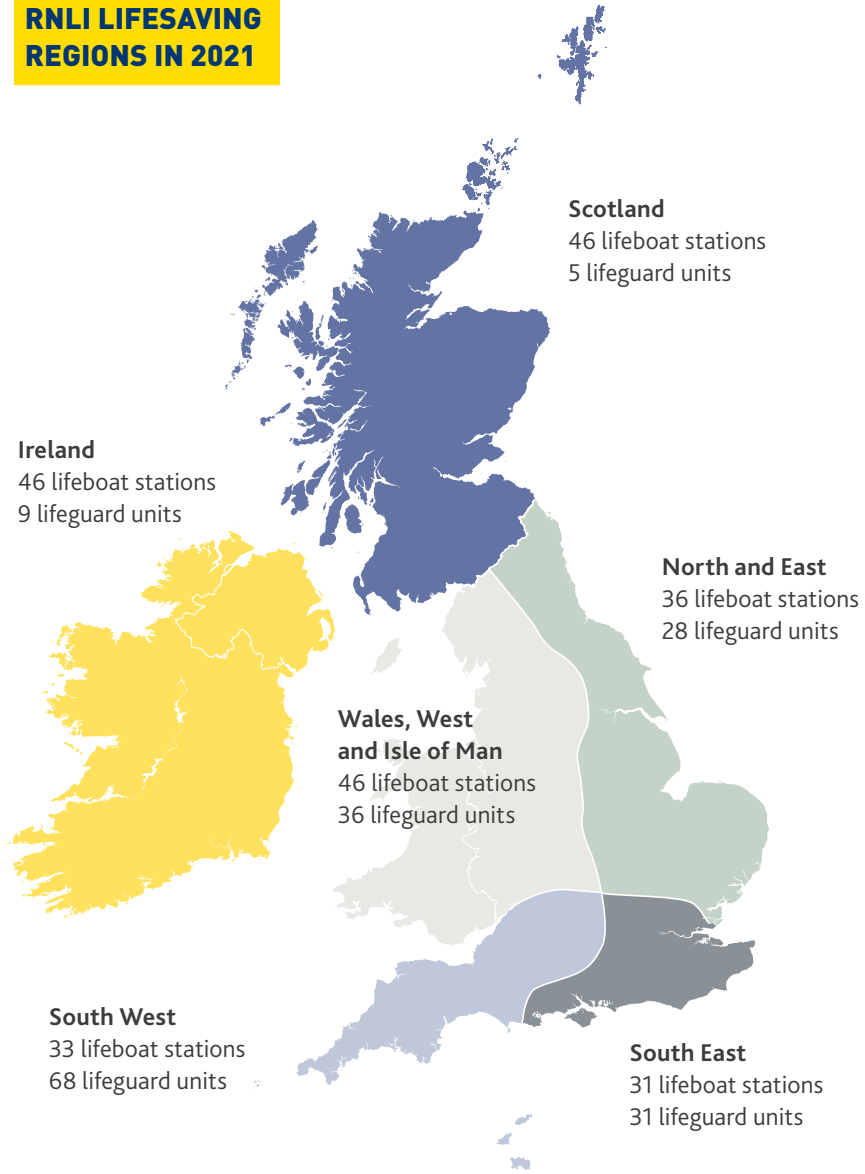


408
LIVES SAVED BY RNLI CREWS AND LIFEGUARDS
(349 IN 2020)

53,665
PEOPLE AIDED BY RNLI CREWS AND LIFEGUARDS
(33,546 IN 2020)

35 **PEOPLE AIDED EACH DAY ON AVERAGE BY LIFEBOAT VOLUNTEERS**
(23 IN 2020)

RNLI LIFESAVING REGIONS IN 2021



Scotland
46 lifeboat stations
5 lifeguard units

Ireland
46 lifeboat stations
9 lifeguard units

North and East
36 lifeboat stations
28 lifeguard units

Wales, West and Isle of Man
46 lifeboat stations
36 lifeguard units

South West
33 lifeboat stations
68 lifeguard units

South East
31 lifeboat stations
31 lifeguard units

LIFESAVERS RECOGNISED

Lifeboat crews from Dunmore East, Kilmore Quay and Rosslare Harbour were recognised in 2021 for saving nine lives and preventing a cargo ship from hitting rocks in a fierce gale off the Irish coast. Coxswains Eugene Kehoe (left), Eamonn O'Rourke (top) and Roy Abrahamsson (above) were honoured with RNLI Bronze Medals for Gallantry for their parts in this challenging rescue.

See the Spring 2022 issue of *Lifeboat* for the full story.

Lifeboats

Our volunteer lifeboat crews have been saving lives for nearly 200 years. Their work remained at the heart of the RNLI in 2021.

Together with shore crews and other station volunteers, RNLI lifeboat crews provided a ring of safety around the UK and Ireland. They remained ready to launch 24/7 from 238 lifeboat stations throughout another challenging year.

With continued restrictions on overseas travel, many people flocked to our beaches and coasts rather than holidaying abroad. This resulted in huge numbers getting into danger in and around the water – and our crews facing an extremely busy summer. In June, July and August alone, lifeboat volunteers aided 4,939 people – the highest number on record for that period.

Overall, lifeboat crews launched 8,868 times, aided 12,903 people and saved 296 lives. 3,622 lifeboat services were carried out in darkness and 84 were in at least force 8 conditions. Once again, Tower and Southend-on-Sea were our busiest overall and coastal stations respectively, with inshore lifeboat crews carrying out the majority of total launches.

To delve deeper into the numbers, download *RNLI 2021 Operational Statistics* at RNLI.org/OperationalStats2021.

Lifeboat crews depend on well-maintained rescue craft, regular training, the best personal protective equipment and robust shore facilities to save lives. Providing this level of operational support under the varying national and regional restrictions of 2021 was a massive undertaking and saw everyone pulling together as One Crew.

We continued to provide our lifesavers with the best crew kit and millions of items of medical-grade PPE to keep them and the public safe. We also delivered new sea towing equipment to every all-weather lifeboat station.

Covid-19 restrictions slowed lifeboat construction and maintenance in the first quarter of the year. But by adapting processes, shifts and ways of working, engineering staff were able to complete four new Shannon all-weather lifeboats, two Shannon launch and recovery systems, six Atlantic 85 lifeboats, nine D classes and carry out many more refits and urgent repairs. Meanwhile, the Estates Team completed four new station builds and got eight more major construction projects under way, including one for a new floating station at Tower.

Due for completion in 2022, the new RNLI boathouse at Wells will house the crew's new Shannon class lifeboat *Duke of Edinburgh*, alongside their existing inshore craft

Crew training and assessments continued apace to catch up on the backlog of 2020. Again, restrictions meant a slow start but face-to-face training and seagoing exercises soon returned to near normal. We also increased capacity for our crew emergency procedures courses at the Sea Survival Centre, with our training teams hosting more than 30 specialist webinars and online courses throughout the year so crews could enhance their skills despite not being able to travel.

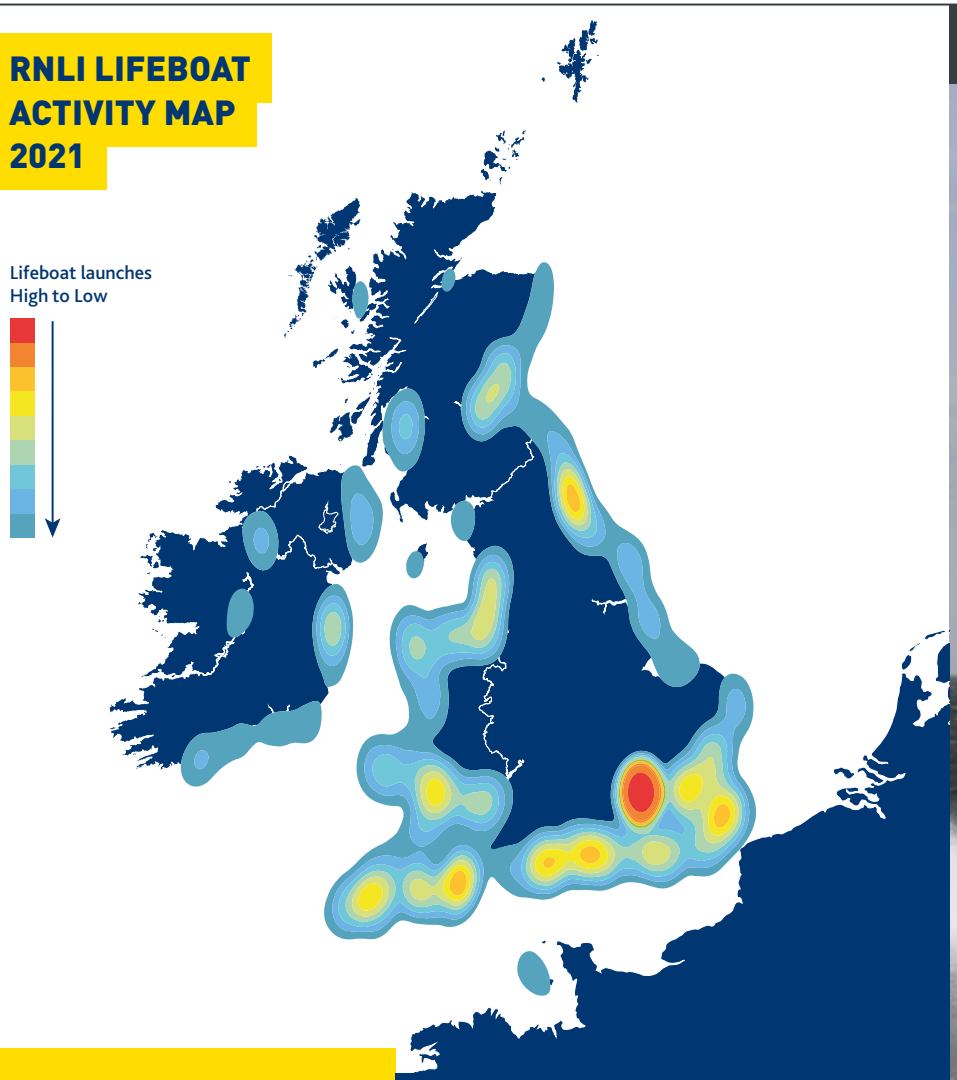
We were only able to provide them with this vital support thanks to ongoing public donations.

4,692
CREW ATTENDED TRAINING SESSIONS DELIVERED BY RNLI COLLEGE TEAMS
(including online courses and webinars)

220+
LIFEBOATS REFITTED, MODIFIED OR REPAIRED
(75 in 2020)

19
NEW LIFEBOATS CONSTRUCTED
(10 in 2020)

RNLI LIFEBOAT ACTIVITY MAP 2021



55,542
CREW HOURS AT SEA
(49,961 in 2020)

8,868
LIFEBOAT LAUNCHES
(8,254 in 2020)

Shoreham's all-weather crew punch through rough seas onboard Tamar class lifeboat *Enid Collet*

'I can't thank the lifeboat crew enough. They saved my life'

FISHERMAN SAVED BY SHOREHAM LIFEBOAT CREWS IN JULY 2021 AFTER HIS BOAT CAPSIZED AND SANK

CASE STUDY

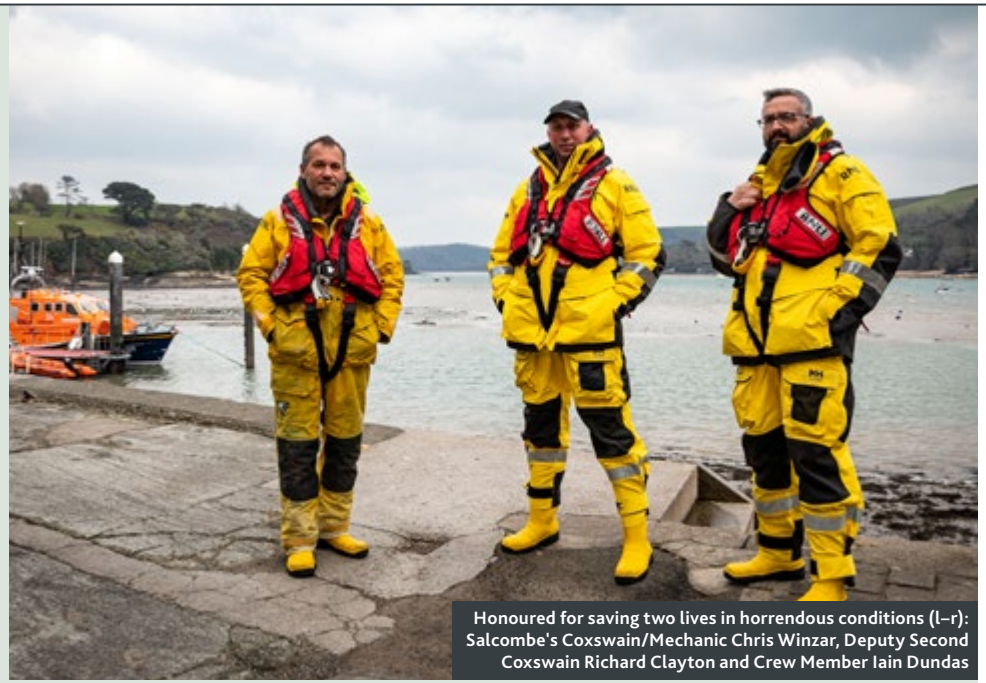
Expert skills, immense courage

Salcombe lifeboat volunteers were honoured in 2021 for the dramatic rescue of two people from a yacht that was aground in a severe gale and in pitch dark.

The lifesavers launched their all-weather Tamar class lifeboat just after 4am on 21 December 2020 to find an 8m yacht trapped on rocks, inside a tall gully near Start Point. Conditions at the scene were horrendous – with force 9 winds, huge breaking waves and driving rain.

RNLI Salcombe's Coxswain/Mechanic Chris Winzar knew the situation was critical. The battered yacht was at risk of breaking up and the lives of those onboard were in imminent danger. With the water too shallow to get the Tamar in close, the only option was to attempt a rescue with the lifeboat's daughter craft, the Y boat. Given the conditions, it was a high-risk strategy but Deputy Second Coxswain Richard Clayton and Crew Member Iain Dundas immediately volunteered for the task.

With Richard at the helm, the pair employed expert boat-handling skills and precise timing to keep the small inflatable Y boat upright on their approach. Inside the gully the two casualties were cold and scared, and one was feeling unwell. By now their yacht was partly submerged and they eagerly awaited rescue.



Honoured for saving two lives in horrendous conditions (l–r): Salcombe's Coxswain/Mechanic Chris Winzar, Deputy Second Coxswain Richard Clayton and Crew Member Iain Dundas

'Our crew demonstrated skill, tenacity and leadership – as well as immense courage and selflessness'

ANDREW ARTHUR | LIFEBOAT OPERATIONS MANAGER, RNLI SALCOMBE

In the dim light provided by Coastguard teams from the cliffs above, Richard and Iain managed to successfully bring the casualties onboard. With the Y boat now fully laden, it took considerable skill and tenacity to safely exit the gully and navigate back to the Tamar lifeboat. Once onboard the larger all-weather craft, our volunteers carried out casualty care on the two people before getting them safely back to Salcombe for around 7am.

For their critical roles in this rescue, Richard and Iain will each be awarded RNLI Bronze Medals for Gallantry. Chris will be accorded the Thanks of the Institution Inscribed on Vellum.

Visit RNLI.org/magazine to read about more 2021 lifeboat rescues.

'I joined Tower crew after seeing the incredible work they do. Watching them rescue someone was so emotional. I knew I wanted to join the team'

HOLLY MCGLINCHEY
VOLUNTEER CREW MEMBER | TOWER

Holly McGlinchey has been on the volunteer crew at Tower Lifeboat Station for 4 years. In 2021, she helped to launch their appeal for a new floating boathouse that will better serve the crew and the people they save in the heart of London

200th anniversary

RNLI 200 1824–2024

His Royal Highness The Prince of Wales climbs onboard Hastings lifeboat to chat with the crew in 1927

200 years … and counting

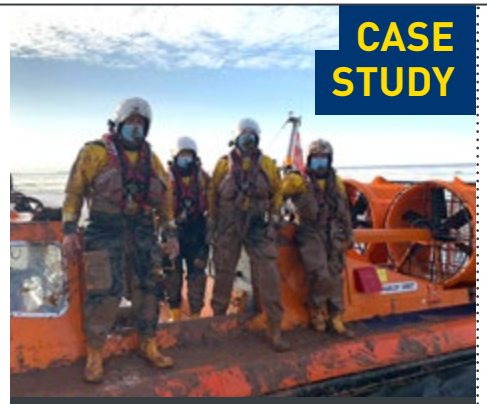
2024 marks the RNLI's 200th birthday. With you by our side we'll commemorate our past, celebrate today's lifesavers and inspire a new generation.

Ever since the RNLI was formed on 4 March 1824, a year hasn't gone by without outstanding rescues, leaps in lifesaving progress and bravery amid unforgettable storms.

Courage, selflessness and innovation have propelled our lifesavers through busy summers, wild winters, wars, pandemics and political crises.
So, in 2024, there will be many ways to reflect on our charity's remarkable heritage, including a full programme of exciting events and activities.

Keep up to date with events near you at RNLI.org/2024

CASE STUDY



Hoylake's hovercraft volunteers looking forward to a thorough washdown

'I've never seen mud like that'

Hoylake RNLI's hovercraft crew joined forces with other emergency services in February 2021 when a woman and her daughter got stuck deep in mud on the Wirral coast. The scene was hazardous following a landslide and, with the tide coming in fast, the pair were in serious danger. Working by hand, it took our volunteers and a fire crew an hour to dig the pair out of the thick mud. One had a twisted ankle but, other than that, both mother and daughter were unhurt and the hovercraft flew them to safety.

'It was incredibly viscous mud. In all my time on the crew, I've never had to deal with a situation like that'

DAVE NOBLE
CREW MEMBER | HOYLAKE RNLI

Lifeguards

With people swapping holidays abroad for staycations and coastal visits, 2021 brought one of the most challenging summer seasons ever for RNLI lifeguards.

Returning to full strength following a reduced service in 2020, our lifeguards delivered vital lifesaving services across the UK and Channel Islands – responding to changing restrictions and guidance quickly and efficiently.

They kept watch over more than 20M beachgoers, delivering more than 26,100 days of patrols and carrying out more than 3.7M preventative actions across 245 of our busiest beaches. They attended 18,180 incidents, aiding 40,762 people with everything from rescue and casualty care to searches for missing persons, and saved a total of 112 lives.

This was thanks in part to the successful delivery of the required lifeguard training and checks earlier than usual – including the full induction of 1,494 new lifeguards, the training and assessment of 142 senior lifeguards, and the training or upskilling of 77 new trainer assessors. Intelligence gathered by lifeguards, staff and volunteers monitoring beaches and the coast pre-season helped set the right level of preparations, and we looked to emerging technologies to help us enhance that data gathering in the future too. One example was image recognition, where we explored the use of existing beach cameras to analyse trends in attendance and water activity.

We continued to strengthen our partnerships with national lifesaving bodies and surf lifesaving clubs in 2021. Lifeguards worked with lifeboat crews and RNLI water safety teams closer than ever, combining resources and delivering a suite of prevention programmes to make the coast as safe as possible. We also fully assessed another 10 non-RNLI beaches – highlighting hazards and suggesting control measures to help local authorities and private beach owners plan comprehensive beach safety management strategies.

For more detail on our lifeguarding activities, and the challenges the service faced in 2021, download the *RNLI Lifeguards Report 2021* at RNLI.org/LifeguardsReport2021.

Bournemouth lifeguards Lydia Bingham and Oli Taylor hone their rescue skills with the rescue watercraft

Lifeguard Ben Colling patrols the beach at Withernsea, looking to stop people getting into danger in the first place. He is also a volunteer crew member at Filey Lifeboat Station

1,646
TOTAL LIFEGUARDS
(1,564 PAID AND 82 VOLUNTEERS)
(1,141 total in 2020)

3.7M+
PREVENTATIVE ACTIONS BY OUR LIFEGUARDS
(2.2M+ in 2020)

40,762
PEOPLE AIDED BY RNLI LIFEGUARDS
(25,915 in 2020)

245
LIFEGUARDED BEACHES
(177 in 2020)

CASE STUDY

'It was like being in a washing machine'

Jon says he is 'indebted forever' to his lifeguard rescuers Alex (left) and Tori (right) after they saved him from a rip current

Mawgan Porth lifeguards were honoured for saving the life of a swimmer who was swept out to sea.

Retired police officer Jon Marshall was paddling at Mawgan Porth Beach in June 2021 when he was suddenly caught in a powerful rip current. He knew the RNLI's safety advice and tried to float calmly, resisting the urge to thrash around. But then he found himself in the grip of a second current and was soon far out at sea. 'The swell was taking me under, I was rolling,' he says. 'That's when I thought: "This is it"'.

What Jon didn't know was that our lifeguards had already spotted him, with Alex Ashen and Tori Farmer swiftly arriving on scene moments later. Alex's attempts to grab Jon and pull him onto his rescue board were thwarted time and again by the powerful swell and currents. At one point, one of their rescue boards was whipped away. But our lifesavers weren't about to give up – they battled to keep Jon afloat in the powerful vortex for at least 20 minutes.

Back on shore, lifeguard Theresa Morokutti launched the rescue watercraft (RWC) and headed straight for the group. Sea conditions meant that manoeuvring alongside the casualty was a serious challenge, plus Jon was exhausted which made it difficult for him to grab on to the RWC when it arrived. 'I lost my grip on the first attempt but the lifeguards' encouragement gave me the strength to drag myself onto the back.'

Theresa then powered them back to the beach. Jon says: 'It was only when I lowered my foot and touched something solid that I thought: "Oh thank God." I hope they know how much I appreciate what they did.'

RNLI Area Lifesaving Manager Dickon Berriman says: 'This rescue took immense skill, determination and fitness. Tori and Alex willingly placed themselves in harm's way to rescue a stranger. Had they not acted as they did, Jon would almost certainly have drowned.'

Tori and Alex will each be awarded RNLI Bronze Medals for Gallantry, while Theresa will receive a framed Letter of Thanks from the Chairman for her vital role in the rescue.

Head to RNLI.org/magazine for more 2021 lifeguard rescue accounts

RNLI rescue boards are large surfboards modified for saving lives. Lifeguards use them to cut through waves and move powerfully against rip currents to pull people to safety. Multiple handles make them ideal for rescuing more than one person at a time

'The rip was raging. It was the most physically demanding rescue I've ever been involved in'

TORI FARMER | LIFEGUARD, MAWGAN PORTH

Water safety

Our charity continued its critical role in helping to prevent people getting into trouble in the first place.

Thanks to what we had learned from 2020 and a new regional structure, the RNLI had the resources and support to closely target high-risk groups and make a greater impact in 2021. Our Water Safety Team worked hand-in-hand with lifeboat and lifeguard colleagues to provide an enhanced service across the board, which included the early delivery of safety messages to critical locations around the UK and Ireland.

While the summer campaign focused on high-risk groups by targeting mums and older men, we saw our #RespectTheWater moniker adopted by National Water Safety Forum members. Once again, the Gaelic Athletic Association used its social media channels and player ambassadors to promote our Float to Live and cold water shock messages to more than 500,000 of its members across Ireland. We also teamed up with Swim Ireland to host a series of webinars on open water swimming.

More local businesses joined our Ambassador Scheme to help promote our core safety advice, and we worked closely with the Black Swimming Association to understand the barriers to swimming for African, Caribbean, and Asian communities in the UK and Ireland (see right). We reached even more diverse communities through the translation of our resources into 21 languages, including Mandarin and Arabic.

Meanwhile, we continued our work with Swim England to deliver Swim Safe at 17 coastal and inland sites around the UK. This practical water safety programme for young people aged 7–14 taught thousands of children, first-hand, how to transfer their pool skills to the open water. Similarly, the RNLI's Commercial Fishing Team and partners encouraged fishermen to get wet in our survival pool to highlight the risks of not wearing a lifejacket.

Sandy the lifeguard and friends shared simple advice on how to stay safe at the coast throughout the summer. This animated sing-along advert ran from July to September across a range of TV channels

CASE STUDY

A lifesaving partnership

In summer 2021, the RNLI formed a new lifesaving partnership with the Black Swimming Association (BSA). Together, we hope to reach more ethnically diverse communities around the UK and Ireland with vital water safety skills and education.

Everyone should have access to water safety advice and be able to learn swimming as a lifesaving skill. But according to Swim England, 95% of black adults and 80% of black children in England do not swim. Meanwhile, research by the Canal & River Trust shows that 14% of the national average population in England and Wales lives within 1km of waterways. This rises to 20% for those from African, Caribbean and Asian heritage – and we know these communities are at higher risk of drowning due to very little or no water safety awareness.

The RNLI and the BSA want to change this and we know we will have a greater impact by working together. The RNLI is very experienced at delivering water safety messages but we know that we're not currently reaching everyone with our advice. Meanwhile, the BSA has the connections with, and understanding of, less engaged ethnically diverse communities. By combining our strengths, we hope to build a joint water safety programme that will create lasting relationships between disengaged communities and the aquatics sector – and to highlight our shared goal of drowning prevention.

> 'We're here to change the narrative and to save lives.'
>
> **DANIELLE OBE |** CHAIR, BLACK SWIMMING ASSOCIATION

27.5M
PEOPLE REACHED WITH FLOAT TO LIVE OR FAMILY **SAFETY MESSAGES**

76M+
VIEWS OF OUR SEASIDE SAFETY TV ADVERT

9,000+
CHILDREN TOOK PART IN SWIM SAFE

International

Every other minute, someone in the world drowns. That's 2½ million lives lost in the last decade and almost half of those were children and young people.

The RNLI continued working with international partners and in-country experts in 2021 to help stop these needless deaths, which included supporting the adoption of the first ever United Nations (UN) resolution on global drowning prevention in April.

Planned activities in Bangladesh were again affected by Covid-19. A countrywide lockdown was imposed for almost half of 2021 and regular project activities were paused. With crèches closed and swim survival lessons suspended, the RNLI helped partner organisation the Centre for Injury Prevention and Research, Bangladesh (CIPRB) to reach out to families and communities and encourage them to be vigilant against the risks of drowning.

People around the UK, Ireland and other countries marked the first annual World Drowning Prevention Day on 25 July 2021. We created this sand art at Longsands Beach in Tynemouth on the day to highlight the number of lives lost to drowning. That's a staggering 2.5M deaths in the last decade, which equates to 650 a day or 27 an hour

In Tanzania, we forged new partnerships with organisations working with communities around Lake Victoria, building on research that showed high numbers of drownings related to fishing. In 2021 we supported a small study in seven fishing communities to better understand the risks and use of safety equipment by fishers, as well as their search and rescue skills and access to facilities. The findings of the interviews and group discussions will inform the next phase of the work, which will identify and start to test drowning prevention solutions with fishers and their communities.

CASE STUDY

Sharing expertise

With almost 200 years of lifesaving expertise in the UK and Ireland, and over 10 years working internationally, the RNLI has a substantial amount of experience and knowledge to share with lifesaving organisations around the world.

One element of this support includes the sale of retired RNLI lifeboats to other lifesaving organisations. We have a longstanding relationship with Uruguay's volunteer lifeboat service La Asociación Honoraria de Salvamentos Marítimos y Fluviales (ADES), which purchased three decommissioned Mersey class lifeboats in 2021. At a naming ceremony in Uruguay in December, one of these was named *ADES 28 Grace Darling* in homage to her original RNLI name and after the famous lifesaver. ADES President Jorge Diena says: 'These lifeboats always bring us home to a safe port and, for that, the ADES's big family is extremely grateful.'

SEASAFE PROJECT

The SeaSafe project aims to reduce drowning in and around Cox's Bazar, one of the most popular tourist destinations in Bangladesh, through a year-round lifeguard service on its busiest beaches, water safety information and swim survival lessons for children.

IN BANGLADESH
BETWEEN AUGUST AND DECEMBER 2021

6,658 CHILDREN ON BEACHES RECEIVED WATER SAFETY MESSAGES

38 PEOPLE WERE RESCUED BY SEASAFE LIFEGUARDS

387,629 TOURISTS RECEIVED GENERAL INFORMATION AND SAFETY MESSAGES

Fundraising

Thousands of people across the UK and Ireland came together as One Crew to raise money for our lifesaving charity in 2021.

Although varying restrictions hindered public events for the first half of the year, RNLI fundraisers and supporters found new and exciting ways to keep the pounds and euros rolling in with virtual and other real-life events. Key national campaigns like Mayday integrated community fundraising, online events and cash appeals for the first time – and to great effect. Our seasonal door-drops also worked in tandem with online appeal elements and, by carefully analysing and optimising our website donation pages, we boosted digital income to double that of 2020.

Individuals and groups continued to think smarter online too. Just one example was an interactive fundraiser from Oban RNLI.

Inspired by BBC Two's *Saving Lives at Sea*, Jack (11) and Orson (9) decided to run 100K for the RNLI in February and raised a whopping £1,000. RNLI Helm Chris Gatenby congratulates the boys on their grand finish at West Kirby Lifeboat Station

Crew Member and Press Officer Leonie Mead devised and illustrated the hidden object game *Where's Welly* which was a fantastic way of raising awareness, funds and some much-needed fun at a time when people were feeling isolated.

The return to face-to-face engagement through shops, station open days, naming ceremonies and events was long anticipated. We were almost back to full strength by the autumn, with the majority of local RNLI shops reopening and hundreds of branches getting back to what they do best.

Launch a Memory, where supporters can add the name of a loved one to the side of a lifeboat for a donation, continued its success in 2021. The call for Wells-next-the-Sea's new Shannon, had an incredible response and we are proud that this craft will be named in memory of HRH The Prince Philip, Duke of Edinburgh.

Meanwhile, the RNLI launched an exciting new partnership with Burts Snacks in June. The Plymouth-based company is raising awareness of our work and sharing vital water safety advice on special packs. The 2-year partnership is worth £50,000 a year to our charity. We also signed a new partnership with Kärcher UK. This deal is worth at least £500,000 to the RNLI over the next 4 years, with the company providing professional cleaning equipment to every RNLI lifeboat station and launching a whole raft of fundraising activities.

Supporters recreate the first-ever fundraising street collection in Manchester – 130 years later. The original RNLI collection was in response to the Southport and St Anne's lifeboat disaster in which 27 lifeboat volunteers died trying to rescue the crew of the barque *Mexico*.

Of course, the media played its part in raising awareness again. Season six of BBC Two's *Saving Lives at Sea* continued to thrill audiences and remind them of our humanitarian work – and perhaps one positive from the negative press we received surrounding the rescue of migrants in the English Channel last year was the unexpected boost of additional income from thousands of new donors.

Our fundraising methods continued to adapt to the pandemic throughout 2021 and together we managed to generate more than £210M of fundraising and trading income. Thank you so much for playing your part in this and helping us to save every one.

Find out more about the RNLI's finances on page 24.

WHERE YOUR MONEY GOES

83p/83c in every £1/€1 donated funds our lifesaving activities

17p/17c is used to generate more funds

CASE STUDY

Mayday hero

Pushing herself in her wheelchair, a mile a day for 7 days, was a huge challenge for Kristina Jackson in 2021 – all for the RNLI's Mayday Mile.

'I live close to Cardigan and New Quay lifeboat crews, and see all the great work they do. It was my dream to volunteer as crew one day but Ehlers Danlos Syndrome took that away. It's a rare condition caused by a faulty gene. It affects all my joints and connective tissue so I have to use a wheelchair to get about.

'Raising funds is the best thing I can do where I'm at now. I've always been an outdoor kind of girl and I do love a challenge. I did some training to build myself up and was blown away by the support I got from people. I had over £150 in sponsorship so was absolutely determined to go through with it.

'My daily route took me through a wildlife reserve, alongside the River Teifi. There were some really tough moments getting up the inclines but I gritted my teeth and didn't give in. At the end of the week, I was buzzing!'

CASE STUDY

From tiny acorns

Legend has it that carrying acorns will bring you good luck. Nowhere is this belief stronger than at Aldeburgh Lifeboat Station.

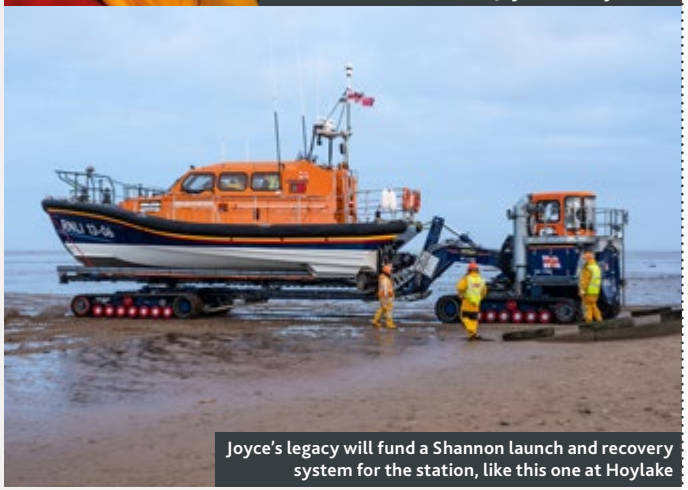
It grew from real-life tragedy when, in December 1899, seven Aldeburgh lifeboat volunteers were lost during a rescue in ferocious seas. Afterwards, Crew Member Augustus Mann believed his survival was down to the lucky acorns he had in his pocket. Those same three acorns have been carried on Aldeburgh lifeboats ever since.

This story touched Joyce Powell, a chartered accountant from Winchmore Hill in London, who spent many summers enjoying concerts and music festivals in Aldeburgh. It was here she developed a strong interest in – and respect for – the lifeboat volunteers.

On the 100th anniversary of the disaster Joyce hosted a dinner for all 50 of the station's volunteers, giving each of them a silver acorn. That remains a precious moment for them but it wasn't until Joyce's recent passing that they realised she had greater ambitions. Joyce had left them a generous gift in her Will, which will not only fund the launch and recovery system for their new Shannon lifeboat but also help with shoreworks to prepare the station for its new craft in 2022.

Following Joyce's wishes, the state-of-the-art rig will be named *Ralph*. The name is something of a riddle but Joyce's sister believes it could be a special someone from Joyce's student days at Moscow University. So, as well as having their lucky acorns, the crew will now have Joyce and mystery man Ralph powering every launch.

Aldeburgh Mechanic James Cable carries his lucky silver acorn from Joyce on every launch



Joyce's legacy will fund a Shannon launch and recovery system for the station, like this one at Hoylake

6 OUT OF 10

LIFEBOAT LAUNCHES ARE ONLY POSSIBLE DUE TO GIFTS LEFT IN WILLS

OUR PLANS

This section looks at the RNLI's performance in 2021 and lays out the key areas of focus for 2022 to help us achieve our strategic outcomes.

After a year of disruptions due to Covid-19, the RNLI set out its 2021 plans with cautious ambition. We knew we needed to get back on track with the commitments set out in *Our Watch: RNLI Strategic Intent 2020–24*, but we also knew we needed to remain flexible to respond to potential future disruptions.

We navigated our way through 2020 with a clear focus on expenditure control while ensuring the continuing delivery of our lifesaving effect. This provided the opportunity in 2021 to scale up our plans to invest in fundraising, engineering and technology while also finishing the key initiatives that had already begun.

As the backdrop for our 2021 plan included ongoing uncertainty around both Covid-19 and Brexit, we put additional controls in place to enable us to carefully monitor our finances and ensure that we remained cautious and ready to respond if circumstances changed. This helped us continue protecting the sustainability of the RNLI.

Just 4 days into the year, a third national lockdown was announced in England – in addition to continued restrictions across different jurisdictions in the UK and Ireland. We reviewed our plans in response, while retaining the focus on protecting our core services, our people and the sustainability of the RNLI as we had done throughout the pandemic. As a result, we took decisions that slowed down or paused some non-core or developmental activities, creating the organisational capacity for teams to focus on critical services.

As restrictions eased, we resumed the activities which had been slowed or paused on a phased basis, remaining ready to respond again if circumstances changed. Fast forward to September 2021, and almost all activities were back under way or had been built into our 2022 plans.

There is much to celebrate: the RNLI achieved a great deal in 2021, as detailed in pages 6–17 of this report. The continued resilience of our volunteers and staff was critical to this success. To show our appreciation, we celebrated our incredible volunteers with a special series of talks to mark Volunteers' Week in the UK and Volunteering Week in Ireland.

Our evolving regionalisation project played a part in these achievements too. Throughout 2021 we worked to bring greater clarity to roles and responsibilities with a view to moving decision making away from the centre and closer to the point of operation. A key part of the regionalisation work is around safety and assurance and we appointed a Safety and Independent Assurance Director who reports directly to the Chief Executive (but not a member of the Executive Team). The aim of the regionalisation work is to provide greater agility and quicker decision making to ensure the most effective delivery of our lifesaving services.

2021: GETTING BACK ON AN EVEN KEEL

We set out four main priorities for 2021, based on learnings from 2020. They aimed to balance our ambition against a backdrop of continued uncertainty:

1. As a lot of our 2020 commitments were disrupted, we needed to get back on track and finish the key activities that we started the previous year.
2. The challenge of 2020 had emphasised the need for strong and reliable income streams to support us in present and the future. This meant we needed to continue to invest in income generating activities more than ever.
3. We had seen our lifesaving services of lifeboats, lifeguarding and water safety unite to deliver the best possible lifesaving effect during summer 2020, given the challenges and constraints of the Covid-19 situation. We wanted to retain that momentum and look at how we could continue to improve our lifesaving effect in 2021 based on the positive learning from the previous year.
4. We also committed to continuing to meet the regulatory and statutory obligations that we cannot lose sight of, despite the disruptions of the environment we were operating in.

MEASURING 2021 PERFORMANCE

We track our performance as an organisation against the six Strategic Outcomes articulated in *Our Watch* (following page). We consider performance from a range of perspectives in a single integrated review that covers measures, strategic projects and risk to provide a more complete picture of how the RNLI is progressing towards its goals. At the end of each quarter, key performance headlines are shared with volunteers and staff – giving an opportunity for everyone to pause, reflect on how we are doing, and keep a firm eye on our mission of saving lives at sea.

The number of lifeboat launches reduced slightly in 2021 but the number of people we rescued and aided increased substantially. What we have seen is the powerful effect of enabling our three strands of lifesaving – lifeboats, lifeguards and water safety – to work together and maximise the impact of our combined service.

In 2021 we refreshed our communications to volunteers and staff to help bring the impact of their work to life. It was good to see that staff engagement levels came in above target – a strong testament to the One Crew ethos that we strive for. We also conducted a full volunteer survey in 2021 and look forward to using the results of this to better understand the experience of volunteers and how we can best support them.

Meanwhile, work to develop our safety culture across the organisation resulted in an increased level of safety reporting across RNLI sites. It is critical that we continue to

promote this to ensure that we deliver the strategic outcome of keeping our people safe.

CONCLUSION

In 2021, the RNLI continued to navigate uncertainties created by the pandemic alongside running and supporting the service to the standards we expect. We had some limited capacity to catch up on the things we had to put down in 2020. We are confident that we focused on the things that mattered most, given the constraints: ensuring the delivery of the service and protecting the RNLI for the future.

OUR PLANS FOR 2022: BOUNCING BACK

We look forward to taking more confident steps forward in 2022 to fulfil our broader ambitions. It will be a year of bouncing back. We have delivered our services carefully and efficiently over the past 2 years, which has enabled us to invest more in our 2022 plans, especially in priority areas such as our lifesaving effect and income growth.

While we recognise that we are coming out of the pandemic in a stable financial position, this is largely due to expenditure dropping significantly – Covid-19 restrictions forced us to reduce a lot of our planned activity.

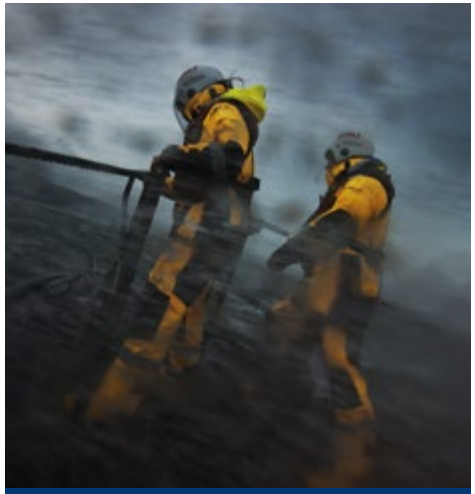
Our focus for 2022 is to get back on track to deliver the commitments in *Our Watch*, which we published in 2020. The focus on finish and fix remains, but we have now built more growth and ambition into our plans.

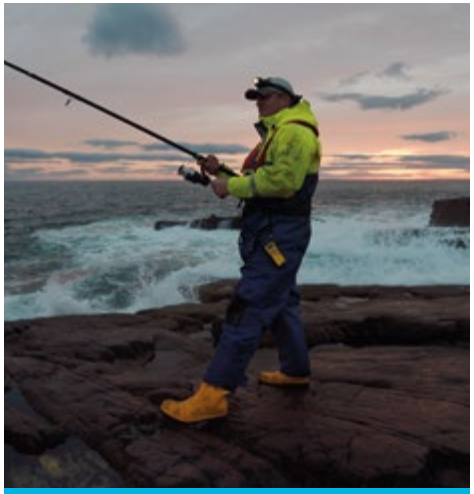
Kilmore Quay volunteers hit rough seas in their Tamar class lifeboat *Killarney*

OUR OUTCOMES

Our plans for the next 5 years are guided by our Six Outcomes.

Achieving these Outcomes will result in our saving more lives, while ensuring the safety of our volunteers and securing the future of our charity.





OUR SIX OUTCOMES	1 WE KEEP OUR PEOPLE SAFE	2 WE FOCUS ON WHAT WILL SAVE THE MOST LIVES IN OR NEAR THE WATER	3 WORKING WITH PARTNERS, WE INFLUENCE IMPROVED SAFETY ON AND BESIDE THE WATER
HOW WILL WE DO THIS?	• By giving volunteers and staff the training and tools to keep themselves safe. • By improving the technology and equipment on our boats and beaches. • By providing trauma risk management and mental health first aiders.	• By ensuring we have the right people and assets in the right places. • By upgrading our infrastructure, asset base and networks. • By working with partners to understand and prepare for the lifesaving challenges of the future.	• By focusing on the highest-risk locations and activities at home and internationally. • By forging and maintaining strong partnerships with like-minded organisations. • By working together to build awareness, gather evidence and develop effective interventions.
HOW WILL WE KNOW WE ARE SUCCEEDING?	Measured by incident trends.	Measured by the effectiveness of our rescue service, including the number of lives saved.	Measured by reduction in coastal risk score in the UK and Ireland, and data related to our targeted international activities.

4

OUR PEOPLE LOVE BEING PART OF THE RNLI

- By upscaling our training and providing greater development opportunities for everyone.
- By attracting more volunteers and staff from a variety of backgrounds.
- By providing greater support to our volunteers and staff.

Measured by staff and volunteer engagement in our regular surveys.

5

WE RAISE THE FUNDS WE NEED AND SPEND DONORS' MONEY WISELY

- By diversifying our income sources and focusing on commercial opportunities.
- By engaging with new audiences and inspiring our existing supporters.
- With continued rigour in our financial discipline, making every penny and cent count.

Measured by annual donations and our level of free reserves.

6

OUR FUTURE IS SUSTAINABLE AND SECURE

- By reaching out to younger generations.
- By maximising the impact of our Poole campus as a manufacturing, training and heritage centre to support the whole RNLI.
- By creating a sustainable strategy and roadmap to 2050.

Measured by the level of organisational risk we are carrying, and the development of our 2050 roadmap.

HOW WE APPROACHED OUR PLANNING FOR 2022

The starting point for our 2022 plans was *Our Watch*. As well as getting back to building our future, we have some other more immediate priorities for 2022. The plan centres around One Crew working to enhance our lifesaving effect and making some necessary improvements to how we work and how we protect our people.

While we hoped that we would be operating in greater certainty and less volatile times in 2022, we took our learnings from previous years and continued to plan based on a scenario of periodic disruption, with the readiness to adapt as circumstances change.

We continued to strengthen our planning approach, creating an even greater connectivity between our activities and resources through to the impact they will have in terms of strategic performance and risk. To support this, we set three guiding principles for our 2022 plan. We will:

1. focus on what we know we need to deliver in 2022, informed by *Our Watch*
2. create realistic plans, retaining space to remain adaptable, and
3. work together to build one cohesive RNLI plan.

We knew that we had an opportunity for greater investment in 2022, based on the careful financial control and delayed activities during the pandemic. This allowed us to create a plan with targeted investment to enhance both lifesaving and fundraising.

2022 PLAN OVERVIEW

Our 2022 plan is about bouncing back from a period of uncertainty, taking the opportunity to invest in our future with a particular focus on enhancing our lifesaving effect, growing our income and making key improvements to support the RNLI both now and in the future. In 2022, we will also develop our new 5-Year Plan. This will build on the strategic intent set out in *Our Watch* while considering other factors that have emerged since it was published in 2020.

Here are just a few of the key areas of investment in 2022 that will help us to improve our lifesaving effect with a continued focus on achieving our vision to save every one:

- We will continue to invest to support our increasing operational footprint as well as continuing to develop and embed our safety management systems and culture.
- Invest in the lifeguard service as part of our continued drive to build on our 20-year history in this important part of our lifesaving effect. This will improve our retention of, and forge a career path for, both long-term seasonal lifeguards as well as those that work with us as part of their graduate experience. The investment will also be an enabler for stronger contracts with new and existing partners and authorities.
- We will focus on water safety messaging and support through our partnership with the Black Swimming Association. This will accelerate and improve water safety education in African, Caribbean and Asian communities across the UK and Ireland.
- The IT network across our stations will be upgraded, giving lifeboat stations that currently have poor broadband the ability to connect at speed, which will also set us up for the future as new technologies become available across our communities.
- We will work on implementing a new learning management system to help our crews plan and record their competency development. Once we have successfully embedded this system for crews, we will extend it to lifeguards and the wider RNLI.
- In our international work, we will expand our commitments with partners in Bangladesh to build on the successes of the first phase of Project Bhasa and help secure more funding to scale up drowning prevention efforts.
- In Tanzania, we're working with local organisations to understand the drowning risks faced by fishers on Lake Victoria who have a dangerous job in an often-treacherous location – and we're starting to explore some possible solutions with local communities.
- We'll also be using the UN resolution to form new alliances with organisations that can make a real difference, and encouraging everyone to mark World Drowning Prevention Day on 25 July.

To support the continued investment required to achieve our vision, we will also need to grow our income over the coming years. So, in 2022, we will:

- for the first time ever, run face-to-face activities 365 days of the year with the aim of attracting new supporters in more diverse locations
- invest in events and logistics space to support regional teams as they deliver community events

Lifeguard Daisy Evans keeps an eye on beachgoers at Withernsea. In 2021 Daisy and fellow lifeguard Ellie Hughes gave essential first-aid to an elderly lady who fell onto rocks at the water's edge

Newbiggin's Lifeboat Operations Manager John Bryan updates the crew's mission briefing board as part of his volunteer duties

- provide support for volunteer recognition events and recruit more legacy engagement managers to cover every region, and
- use digital marketing to improve our reach, enhancing our water safety work and attracting new supporters, volunteers and employees. This will also help us find new ways to celebrate the RNLI's 200th anniversary.

We will also focus on areas where our people can work more collaboratively. A 3-year programme to replace our computer software will aim to drive greater effectiveness and efficiency through an easier staff and volunteer user experience, simplification of critical processes and better decision-making enabled through increased confidence in the flow of data.

We will continue to embed our regional ways of working, putting the people we serve at the heart of everything we do. This includes ensuring we have clear roles and responsibilities, making decisions and delivering support and expertise as close as possible to where it is required, in the most effective and timely way.

And, of course, this activity will be delivered alongside ensuring that we provide a 24/7 rescue service at 238 stations, provide supervision on 245 beaches, run 172 RNLI shops and everything else we do to keep saving lives at sea. By delivering our plan, we will:

- have enhanced our lifesaving effect through our water safety, lifeguarding and lifeboat service to deliver the RNLI's vision to save every one
- be providing better support to our frontline volunteers to make sure we have set them up for success
- have grown our income to enable us to invest in enhancing our technology and lifesaving assets, and also have invested in income growth for the future
- have improved our efficiency and capabilities to set us up for delivering the future needs of our charity while ensuring we're spending our donors' money wisely
- have strengthened our compliance and will have reduced the threat of some of our most critical organisational risks to ensure we're protecting our people and the RNLI's future.

SUMMARY

To achieve our vision we must work tirelessly to help keep every individual safe in and around the water. 'To save every one' is ambitious but this is why our lifeboat crew, lifeguards and water safety teams do what they do – because anyone can drown, but no one should.

Next year's plan is also ambitious as we seek to make accelerated progress following 2 years of impact from the pandemic. We are One Crew. We have learned to cope in unpredictable and often challenging situations, we've responded well to the pandemic, and we are stronger for it.

Our lifesaving is powered by passion and dedication, and in 2022 we will bounce back with clarity and confidence in our plan.

Visit RNLI.org/OurWatch to read more about our strategy and to download *Our Watch: RNLI Strategic Intent 2020–24*.

Crew Member Becs Miller takes part in a night-time search and rescue exercise onboard Dunbar's Trent class lifeboat *John Neville Taylor*. More than 40% of all 2021 lifeboat launches were carried out in darkness

FINANCIAL REVIEW

FOR THE YEAR ENDED 31 DECEMBER 2021

2021 was another year challenged by pandemic disruption and general uncertainty. Despite this, income continued to build steadily thanks to the generosity of our supporters. However, ongoing disruption meant that charitable spend was less than planned in 2021, although greater than 2020 levels where more lockdowns were evident. As a result, the RNLI remains in a healthy financial position and is planning to increase spend significantly in the next few years.

Charitable spend increased in 2021 by 15% against a suppressed 2020 position, but this is still falling short of where we wanted to be as disruption continued in 2021. Both the lifeboat and lifeguard rescue services returned to more usual levels of spend with an increase of £10.4M in comparison with 2020, when disruption was much more severe. There was also a £10.9M increase in investment in lifeboats, property, and equipment as we were able to increase construction and maintenance activity.

However, the pandemic continues to cause delays, especially impacting our property programme – including the deferral of eight lifeboat station development projects totalling £14.4M, and a further £2.2M of property maintenance. These activities have been moved into 2022 and beyond.

International work remained severely disrupted, mainly due to national lockdowns in our programme countries, ending the year 16.0% below 2020 and 43.2% below 2019 spend.

It was a strong year for income, ahead of both 2019 and 2020. Legacy income remained robust with an increase of £6.1M (4.6%) over 2020 levels. Fundraised and commercial income was higher than ever at £66.2M (an increase of 30.8% over 2020) as fundraising branches and shops were able to operate again for most of the year. Charitable trading represents income from local councils for the lifeguard service and this increased by £1.6M (61.5%) as the service returns to normal. Other income reduced where we only received a small amount of government support from wage subsidy schemes (£0.5M), substantially less than the £6.1M that was needed in 2020.

Free reserves increased by £8.7M in 2021 and remain at the upper end of the range prescribed by the Trustees, but there is every intention to spend some of these reserves in 2022 to catch up on the delayed activities and bring this back to the middle of the range set by Trustees.

FINANCIAL ANALYSIS

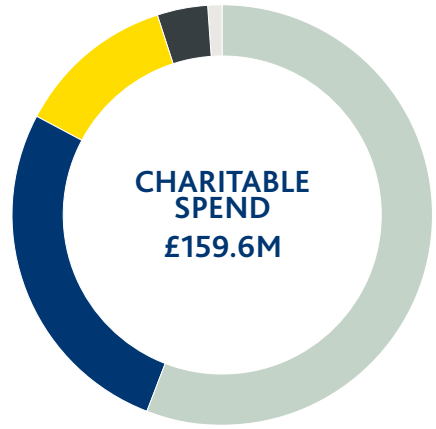
The analysis in this review has been produced to simplify the financial statements and show how much the RNLI spends on its operations each year, how it is funded, and the movement in its financial resources.

It is based on the financial statements on pages 44–48, but we have adjusted it to show the net income that is available for charitable expenditure. We have also reflected the actual capital costs, rather than depreciation, in the charitable spend. Further analysis on how this reconciles to the financial statements can be found in note 17 on page 73

CHARITABLE SPEND

Charitable spend increased by £20.4M (14.7%) compared with 2020, yet was still £21.9M (12.1%) below the 2019 pre-pandemic level. The increase in 2021 from 2020 is reflective of lower disruption from the effects of the pandemic but this did not disappear completely, as detailed below. Overall movements were as follows:

- **Lifeboat service (+£6.2M)** – costs increased in most areas as lockdowns reduced in 2021 and we learnt to live with operating a lifeboat service in an uncertain environment. This is illustrated in crew training, which increased significantly as RNLI College managed the effects of social distancing on reopening but also increased its online training.
- **Lifeboats, property, and equipment (+£10.9M)** – the construction and maintenance costs of both lifeboats and lifeboat stations increased substantially as we were able to work more effectively than in 2020. Examples of this are that 19 lifeboats were constructed in 2021 in comparison with 10 in 2020; and there were over 220 lifeboat refits, repairs and modifications in 2021 compared with 75 in 2020.
- **Lifeguard rescue (+£4.2M)** – the lifeguard season returned to some level of normality in 2021 and we patrolled 245 beaches in comparison with 177 beaches in 2020. There was also an increase in related income (£1.6M) as a result.
- **International (-£0.4M)** – out of all our lifesaving activities, this remained the most disrupted with a decrease of £0.4M in comparison with 2020 and £1.6M below 2019 spend. We planned a return to more normal operations following the significant disruptions of 2020. However, the continued impact of Covid-19, and particularly the national lockdowns in our programme countries, limited our ability to progress some of our planned work with partners. We were able to leverage funds from the World Health Organization to deliver more of the planned activity in our joint drowning prevention project in Asia, which has resulted in a cost saving for the RNLI.
- **Water safety, education, and awareness (-£0.5M)** – in 2021 we built on the advances made in 2020 to ensure that we continued to support a high number of domestic holidaymakers, maintaining our work on campaigns such as Respect the Water and Float to Live, while also bringing back important activities such as Swim Safe. The reduction in costs is a result of a more accurate allocation of our research and analysis costs across all activities.



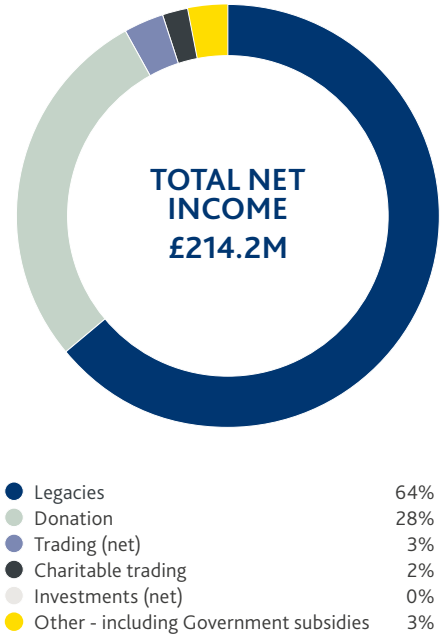
CHARITABLE SPEND

	2021 Total £M	2020 Total £M
Lifeboat service	43.4	37.2
Lifeboats, property and equipment	88.5	77.6
Lifeboat rescue	131.9	114.8
Lifeguard rescue	19.5	15.3
International	2.1	2.5
Water safety, education and awareness	6.1	6.6
Total charitable spend	**159.6**	**139.2**

INCOME AVAILABLE FOR CHARITABLE SPEND

Despite the disruptions that continued early in the year, it was an encouraging year of fundraising. Total net income amounted to £214.2M, which was £20.1M above 2020 and £22.6M ahead of 2019. The main reasons for the income movements were:

- **Legacies (+£6.1M)** – legacy income was ahead of 2020 (4.6%), largely because of income now received that was delayed by probate issues through the pandemic. While ongoing probate concerns place continued uncertainty on 2022 income, there is confidence that legacy income should remain at these levels due to the relatively high value of the legacy pipeline (see note 9 on page 60).
- **Donations (+£13.1M)** – an impressive year for donations as supporters continued their generosity throughout these difficult times in the form of increased income from membership, regular giving, campaigns and appeals with an increase of £8.1M, including Gift Aid. We also saw significant donations from individuals and grants, examples of which can be seen on pages 80–81. This is despite the continued disruption in some of our regional activities, such as fundraising events.
- **Trading (net) (+£2.5M)** – this significant year-on-year increase was due to the closure of most of our shops and RNLI College in 2020. Despite further closures in the first quarter of the year, trading income was remarkable, being £0.6M ahead of 2019. This is thanks to the continuing success of the RNLI Lottery and online shop sales.
- **Charitable trading (+£1.6M)** – in 2020, income for our lifeguard services from local authorities reduced substantially as we patrolled fewer beaches in 2020 and had a shorter season. This returned to normal levels in 2021, indeed there was a £0.3M increase from 2019 where local councils asked for increased services in this busy summer season.
- **Investments (net) (-£0.3M)** – investment income reduced where the move to a new investment strategy changed the way investment returns are received such that much of the income is now received in the form of investment gains. Overall investment returns are noted in the Investments section of this financial review on page 26.



INCOME

	2021 Total £M	2020 Total £M
Legacies	**137.6**	131.5
Donation	**60.2**	47.1
Trading (net)	**6.0**	3.5
Charitable trading	**4.2**	2.6
Investments (net)	**0.8**	1.1
Other - including Government subsidies	**5.4**	8.3
Total Net Income	**214.2**	**194.1**
Cost of generating income	**(32.5)**	(23.5)
Net income available for charitable spend	**181.7**	**170.6**

- **Other income (-£2.9M)** – a sizeable reduction in 2021 where the various staff retention schemes supported by governments ceased and staff were able to work again. This reduced government support from £6.1M in 2020 to £0.5M in 2021. This has been partially mitigated by asset disposals of £2.7M (2020: £0.3M).

The cost of generating income increased by £9.0M (38.3%) as fundraising activity has also returned to normal, especially for fundraising branches and shops and our face-to-face activities. We are also investing more into fundraising activities, such as our various TV campaigns, to grow income in line with our growing expenditure.

FINANCIAL RESOURCES

Investments and bank holdings increased by £36.8M in 2021 against an expectation at the beginning of the year of a £10.9M reduction. This was mainly due to a surplus (net income less charitable spend) of £22.1M, where we had to postpone many charitable activities, and investment gains of £18.3M. Stock decreased by £2.9M as construction and maintenance work has increased and stock has been used for these activities, and where the requirement to hold PPE equipment has reduced. Debtors have increased by £4.1M, mainly due to a delay in payments from HMRC for VAT and Gift Aid in comparison with 2020. Creditors have reduced by £1.3M, where payments made to reduce the pension liability (£4.7M) have been largely offset by an increase in trade creditors (£2.5M) as activities return to normal. Payments of £1.1M have been made on the long-term loan. See note 10 on page 60 for further details on this loan.

£13.1M
INCREASE IN DONATIONS IN 2021

INVESTMENTS

Investments performed well in 2021 in all areas as the economy started to recover. The RNLI's investments returned £19.1M in total, with £0.8M of income (net) and gains of £18.3M, despite the disruption of finalising our move to the new investment strategy in the latter part of the year and a significant cash holding in this period as a result. The overall return on the investment portfolio was 7.3% for the year. The charity has performed well against its benchmarks, being 1.92% above the overall benchmark in 2021 and 0.85% above the 3-year benchmark. The benchmark represents the target agreed with investment managers to assess their performance.

All asset classes were in positive territory with exceptional returns on property (18.0%) and absolute return funds (8.9%). Despite the economic uncertainty in the last 5 years, the RNLI has returned an overall annual average of 4.7% on its investments.

Work on implementing the new investment strategy was substantially completed in 2021 and there have been some significant movements on asset classes this year as a result (see note 7 on page 58). While the risk and return profiles have not changed significantly in this new investment strategy,

FINANCIAL RESOURCES	2021 Total £M	2020 Total £M
Net income less charitable spend	**22.1**	31.4
Investment gains	**18.3**	8.1
Asset impairment	–	2.8
Stock decrease/(increase)	**2.9**	(2.8)
Debtors increase	**(4.1)**	(11.7)
Creditors decrease	**(1.3)**	(10.4)
Long-Term Loan	**(1.1)**	3.2
Investment/bank increase	**36.8**	**20.6**

the key driver was a reduction in investment fees and these are expected to reduce by around £0.25M per annum as a result.

SUBSIDIARIES

The RNLI has three subsidiary companies that were actively trading in 2021. RNLI (Sales) Ltd is used for non-charitable fundraising activities, with net assets of £1.5M, and generated a donation to the RNLI of £4.5M for 2021. The activities of RNLI College Ltd relate directly to the charitable activities of the RNLI and comprise the training of lifeboat crew and lifeguards, although there are external sales of excess capacity which offset some of the costs of this training. This company has net assets of £1.0M and generated a donation of £1.5M. Clayton Engineering Ltd is a specialist engineering company that designs and manufactures lifeboat launch and recovery equipment for the RNLI. It has net assets of £2.9M and made a profit of £0.3M, retaining £0.2M of these profits to invest in the business and improve efficiency, utilising tax losses made in 2020.

The RNLI also has a charitable incorporated organisation (CIO), the RNLI Lifesaving Endowment Fund (LEF). This CIO has been created to establish, build and invest an endowment fund, from which income is donated for lifesaving purposes. As at 31 December 2021, the LEF held investments to the value of £49.0M and the total return on investments in 2021, including income, was £5.1M.

FINANCIAL ANALYSIS

FINANCIAL HEALTH

As of 31 December 2021, the RNLI had consolidated net assets of £798.2M, primarily representing fixed assets of £466.0M and investments of £307.7M. There was a decrease in fixed assets of £2.0M in 2021 where we were unable to carry out construction work on lifeboats, lifeboat stations and launch equipment, as well as delaying much needed improvements on computer software and hardware. However, the net assets of the organisation

increased by £40.8M overall. This is mainly in investments, an increase of £39.1M, where the monies that would have been spent in 2021 on capital projects, and other key activities, are held to be spent over the coming years. The Trustees have designated £12.4M to ensure that there are funds available to complete projects and activities that have been delayed by the pandemic. They have also designated a further £8.7M in a special project fund for the lifeboat station project at Weston-super-Mare, where the local council are seeking significant funds to repair the pier that will give access to the lifeboat station. The RNLI has given assurances that funds will be available for the construction of the lifeboat station and access.

The RNLI's Trustees ensure the overall health of the organisation by overseeing our free reserves levels (the sums retained to withstand any short-term financial risks). At the end of 2021, these free reserves stood at £130.9M. This represents 10 months' worth of charitable expenditure, which is at the upper end of the Trustees' requirement of 4–10 months, as described in the Fund Accounting Policy on page 29. The Trustees recognise the current need for a higher level of free reserves than is usual to retain for the delayed activities and have approved 2022 plans in recognition of this fact. The planned deficit in 2022 is expected to reduce free reserves to a level that will cover our financial risks.

Free reserves months' cover is calculated by dividing the total free reserves by the charitable expenditure (from the Statement of Financial Activities) and then multiplying by 12 to represent the number of months.

FUNDS ANALYSIS	2021 £M	2020 £M	Change %	Ratio %
Permanent endowed funds	**18.7**	17.2	9%	2%
Expendable endowed funds	**48.4**	44.0	10%	6%
Restricted funds	**147.5**	135.4	9%	19%
Fixed asset funds	**466.0**	468.0	(0%)	58%
Designated funds	**21.1**	11.4	85%	3%
Free reserves	**130.9**	122.2	7%	16%
Pension reserve	**(34.4)**	(40.8)	(16%)	(4%)
Total funds	**798.2**	**757.4**	**5%**	–

FINANCIAL PLANS

While we continue to operate in an uncertain economic environment, the RNLI still needs significant investment for its lifesaving services and infrastructure. This is reflected in the plans for 2022, which show that there is likely to be a significant drawdown on investments and free reserves as we try to catch up on the work that we have not been able to complete in the last couple of years (as detailed in Our Outcomes on page 20).

We depend more than ever on the public's generosity to support our work in saving lives at sea and our fundraisers are working harder than ever to increase supporter numbers and income.

GOING CONCERN

The Trustees reviewed the RNLI's financial plans for 2022 in November 2021 as part of their normal annual review, as well as our principal financial risks. At that time, they felt that the RNLI had sufficient resources to continue operating to the end of 2022. In addition, they have reviewed ongoing forecasts and feel that the RNLI has sufficient resources to continue operating for a period of at least 12 months from the date of signing these accounts.

As part of this review the effect of Covid-19 was assessed by the Trustees, as it had been throughout the year, and they reviewed the organisation's ongoing forecasts and projections to ensure that the organisation remained financially viable. They have also taken into account the situation in Ukraine and its financial effects on the RNLI. They are satisfied that the RNLI's future viability has not been critically affected by these situations, with the key financial risks being around the management of activities that have been delayed by the pandemic and any effects on investments and the supply chain from both the pandemic and the war in Ukraine.

The Trustees continue to review plans with the Executive Team and will make any necessary changes to remain within the free reserves level over the life of our plans, in line with the free reserves policy. The main planning activity at present is the creation of a new 5-year plan in the first half of 2022, along with the associated financials, which seeks to provide assurance in the medium term.

The charity has a strong balance sheet, with unrestricted liquid investments of around £108.2M, along with the RNLI Lifesaving Endowment that is available as a last resort. In addition, the RNLI has a revolving credit facility in place for £15M to cover any downside risks. Taking this into account, the Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as required.

As such, they remain satisfied that the RNLI can continue operating for at least 12 months from the date of signing these accounts, and accounts have been prepared in the knowledge that the RNLI is a financially viable organisation.

£147.5M
RESTRICTED FUNDS
(can only be spent as donor directs)

£466M
FIXED ASSET FUNDS
(including lifeboats and stations)

INVESTMENT CRITERIA

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

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

INVESTMENT STRATEGY

PERMANENT ENDOWMENT –
long-term income generation for a specific purpose:
- Generates income over the long-term with a focus on real capital preservation.
- Some liquidity required for income and gains above capital value.
- Some mark-to-market volatility is acceptable.

LIFESAVING ENDOWMENT (LEF) –
long-term growth portfolio with modest income requirement:
- Generates a real return over the long term through both capital growth and income.
- Some illiquidity is acceptable.
- Some mark-to-market volatility is acceptable.

RESTRICTED RESERVES –
short- to medium-term reserves held for a specific purpose:
- Generates a real return over the long term while controlling volatility.
- No income requirement.
- Some liquidity needed.

FREE RESERVES AND DESIGNATED FUNDS –
covering the short-term risks of the organisation:
- High levels of liquidity needed to meet short-term cashflow requirements.
- Cognisant of income across all reserve portfolios.

FINANCIAL POLICIES

INVESTMENT POLICY

The RNLI's funds (excluding fixed assets) are substantially held in investments.

The RNLI's Statement of Investment Principles and its Investment Policy were reviewed in detail in 2019, in light of the new investment strategy, and approved by the Investment Committee and the Trustees.

The RNLI's investments are held in line with the nature of its reserves, detailed in the investment strategy. This is either to ensure that donors' directions are met, in the case of the permanent endowment and the restricted reserves, or to withstand any short-term financial risks and requirements, in the case of the free reserves and designated funds. The RNLI's objective (at an aggregate level) is to maintain and, if possible, enhance the real value of the reserves represented by its investments in line with its plans. The Investment Committee seeks to meet this overarching objective by maintaining an appropriate balance between maximising long-term returns and avoiding undue risk and volatility in capital values.

These objectives are pursued through a range of strategic investment policies which involve investing in a broadly diversified spread of assets, covering global equities, UK and overseas government and non-government bonds, pooled property funds, infrastructure funds, multi-asset funds, cash on deposit and other financial instruments and investments.

In formulating and reviewing the RNLI's investment policies, the Investment Committee has considered a range of investment options and the need for diversification and has regard to the investment policy being pursued by the Trustees of the RNLI 1983 Contributory Pension Scheme (the Scheme) and the RNLI Lifesaving Endowment Fund (LEF), recognising that the RNLI's overall market exposure is to the aggregate of its own assets and those of the Scheme and the LEF.

FUNDS POLICY

The RNLI's funds policy is reviewed on an annual basis and is detailed in note 1h on page 52 and summarised below.

FUND ACCOUNTING

At the end of the year the RNLI held total funds of £798.2M. The RNLI's funds are held for a variety of purposes, to ensure that the organisation can operate as a going concern in the future and fulfil its legal obligations. This is summarised as follows:

- **Fixed asset funds (£466.0M)** – these make up the bulk of funds held, representing the operational assets of the RNLI without which it could not operate. The vast majority of these are the lifeboats, launching equipment and operational properties, such as lifeboat stations and lifeguard units.
- **Restricted funds (£147.5M)** – these are held under trust law and so can only be used for specific purposes, as agreed with the donor. For example, we could have a legacy for the cost of a lifeboat and these funds would be held until we construct that lifeboat. There are over 700 of these funds that the RNLI is managing at any one time. Most of these funds are held in investments but there is also an element that relates to the legacy accrual (£15.1M) where funds have not yet been received.
- **Expendable endowed funds (£48.4M)** – these are funds where the capital sums donated are invested and the income arising may be used for a particular purpose, as agreed with the donor. These funds represent the RNLI Lifesaving Endowment (Charitable Incorporated Organisation), a charity that was established in 2019 to help preserve the RNLI's lifesaving services for the future, providing a steady income stream and a capital sum that can be used if the RNLI is ever 'in extremis'. The capital sum may be spent at the discretion of the Trustees of the Lifesaving Endowment where necessary and in line with the terms of the donation.
- **Permanent endowed funds (£18.7M)** – these are funds where the capital sums donated are invested and the income arising may be used for a particular purpose, as agreed with the donor. As opposed to the expendable endowed funds, the capital sum can only be spent in exceptional circumstances with the agreement of the Charity Commission.

The remainder of the RNLI's funds are its general funds:

- **Designated funds (£21.1M)** – this is made up of two types of designated funds. The first is a pandemic fund which has been established to ensure that certain urgent projects and activities, that were delayed because of the pandemic, can be completed. For 2021, this is entirely for lifeboat station construction projects at a value of £12.4M. A special projects fund of £8.7M has also been established this year where significant financial assurances have been made to third parties to ensure monies are available. This is entirely for the project at Weston-super-Mare, where the local council are seeking significant funds to repair the pier that will give access to the lifeboat station and the RNLI has given assurances that funds will be available for the construction of the lifeboat station and access.
- **Free reserves (£130.9M)** – these are sums that are freely available for general use. They are held at a level to withstand any short-term financial risks, the main ones being in investment markets, key sources of income (such as legacies) and pension funding. Most of these funds are held in investments, but they also include any unrestricted legacy values accrued (£31.6M), which will take time to be received. The Trustees have a policy of maintaining a range of 4–10 months of charitable expenditure. This range was determined using risk modelling techniques to determine the value of our financial risks, in conjunction with our investment advisers. At 10 months of charitable expenditure, free reserves are currently at the upper end of the Trustees' range. The RNLI is planning to reduce this substantially over the next 3 years through essential investment in our lifesaving services and infrastructure as we move out of the social distancing restrictions.
- **Pension reserve** – this represents the defined benefit pension liability that is managed separately to our free reserves as a long-term liability. It represents a liability of £34.4M as valued under FRS102.

GOVERNANCE

The RNLI is a registered charity, controlled by its Trustee Board, and depends on volunteers and staff. Read on to find out how the charity is run – and how we work with our communities, manage risk and ensure we are building a sustainable organisation that's fit for the future.

Good governance is fundamental to our sustained success as a charity. With it, we are best placed to deliver on our lifesaving mission and achieve our objectives. It enables all our people to use their skills, along with our resources, to best effect. It helps us to ensure that we are compliant with relevant legislation, have reviewed the risks we are facing, overseen our standard of operations and supported a positive culture.

We review our charity governance, adhering to the relevant codes of fundraising practice and the Charity Governance codes and regulations for England and Wales, Scotland, Northern Ireland, the Republic of Ireland, Jersey, the Isle of Man, and Guernsey and Alderney. We review governance requirements for all RNLI entities across all jurisdictions.

We maintain a record of all these code elements and the recommended practice sets out evidence of application of the code or explanation as to why certain elements of the code may be managed differently. It also captures areas for improvement or implementation and is periodically reviewed and updated as part of our year end and Board effectiveness processes. There is an annual presentation of the record to the Trustee Board.

Organisational purpose

We are the charity that saves lives at sea. That's our organisational purpose – the same as our public benefit. We have specific goals for domestic accidental coastal fatalities and the impact that we have globally.

As an organisation, both domestically and internationally, we track the number of individuals assisted, rescued and the number of lives that the RNLI saves, often in collaboration with others. This is reported formally each year in our annual report. As an organisation we also have a set of metrics, the Quarterly Performance Report, that covers our broader operations and capabilities. These metrics are used by the Executive Team and senior management to guide the organisational priorities and to report back to the Trustees on our progress in key areas.

Leadership

THE TRUSTEE BOARD

The RNLI is led and governed by the Trustee Board. The role of the Trustee Board is defined in our Royal Charter, Bye-Laws and Regulations. In summary, the Trustees set and agree the overall direction, strategy and culture of the RNLI. They lead by example and support the chief executive in the daily delivery of our lifesaving plans and activities, regularly monitoring our performance against agreed measures. As they carry legal responsibility, they also provide assurance to our regulators and donors that we are meeting our legal and compliance requirements. They evaluate the risks we carry and policies we have in place, with regular reviews and discussion through the year on these topics.

Names of RNLI Trustees who served at any time during 2021 and/or were Trustees of the charity as at the date of this report, can be found on pages 74–75. Many have a lifelong interest in the sea and a passion for saving lives at sea. All are volunteers.

THE COUNCIL

The Council is the general committee of the RNLI. Their purpose is to advise and assist the Trustees primarily on broad policy and strategy issues facing the charity that are not specifically addressed by our advisory committees. They are volunteers and are expected to act, collectively and individually, as ambassadors for the charity. They will also be called upon from time to time to provide

CHARITY STATUS

The Royal National Lifeboat Institution (RNLI) was founded in 1824. It was granted a Royal Charter of incorporation in 1860, with Supplemental Charters granted in 1932, 1986 and further amendments in 1998, 2002 and 2011.

The RNLI is a charity registered in England and Wales (209603), Scotland (SC037736), the Republic of Ireland (CHY 2678 and 20003326), the Bailiwick of Jersey (14), the Isle of Man (1308 and 006329F), the Bailiwick of Guernsey (CH135) and Alderney (CH386).

The address of the UK registered office is West Quay Road, Poole, Dorset, BH15 1HZ.

The RNLI has four wholly owned subsidiaries registered in England and Wales, one of which is currently dormant. Each is managed by a board of directors (executive and non-executive) to ensure that company and charity law requirements are met and business activities are properly managed.

The RNLI also has a number of linked charities, one of which is a charitable incorporated organisation (CIO), the RNLI Lifesaving Endowment (1184013). This CIO holds and invests funds on endowment for the long-term operations of the RNLI. There are 19 other linked charities that are are listed in Note 13 on page 66.

support and specialist advice to the Executive Team and its teams on an ad-hoc basis, as required and requested.

THE EXECUTIVE TEAM

The Executive Team, made up of seven individuals and led by the chief executive, are the RNLI's senior managers. Collectively they are responsible for the day-to-day leadership and running of the RNLI and for the execution of the strategy and policies agreed by the Trustee Board. Their names are on page 77 and the overall management structure can be found on page 78.

As a team they are committed to not only the delivery of our core lifesaving activities, but also to looking forward to ensuring we remain sustainable as an organisation, able to respond to changing trends and external factors. The Executive Team provides direction and motivation to our volunteers and staff.

The Executive Team undergo an annual performance appraisal, and also seek feedback through the annual engagement survey, which drives improvement actions.

Integrity

Integrity is about doing what is right, openly and honestly. This can be for the charity as a whole, for its people (supporters, volunteers, staff and those it helps) or for the public. It can mean using reliable data to put the right lifeboats in the right locations, ensuring we spend our supporters' generous donations appropriately, or maintaining the high standards of operations and behaviour essential to any modern emergency service and charity. Maintaining our integrity is critical to how the RNLI operates.

We aim to uphold our values, standards and agreed policies. Our Trustees and Council govern and scrutinise our decision-making to ensure we meet the standards we set ourselves, as well as those set by regulators such as the Charity Commission for England and Wales and the Fundraising Regulator for England, Wales and Northern Ireland. We record positive feedback and complaints, the latter of which are declared annually to the Fundraising Regulator (see page 41).

AVOIDING CONFLICTS OF INTEREST

The RNLI operates a Conflict of Interest Policy for all Trustees, Council members, Trustee Board committee members with standing authority, and the Executive Team.

Conflicts of interest are declared and collated annually, and any new conflicts of interest are declared and recorded at the start of every formal meeting. The Trustees and Executive Team review all declarations in line with the charity regulator disqualification criteria guidelines by jurisdiction, the accounting rules for charities laid down in the Statement of Recommended Practice and HM Revenue and Customs' fit and proper persons requirements.

There were no externally reportable conflicts of interests declared in 2021.

TRANSPARENCY AND DONOR TRUST

As a charity, holding our supporters' and the public's trust is incredibly important. We work hard to ensure that we manage our money and other assets responsibly and do all we can to maintain our good reputation by being transparent, trustworthy and responsible.

We review the UK public's opinion of the RNLI using YouGov's CharityIndex survey which continuously tracks public brand perception of 79 UK charities. The RNLI is consistently among the top 10 for which charities the UK public would speak positively about or have a positive experience of. We ranked sixth and fourth respectively for these factors in 2021 (source: YouGov CharityIndex 1 January–31 December 2021).

Transparency is also key to building trust and demonstrating integrity, which we aim to do whenever practical and possible. There will be some occasions when there are legal and ethical circumstances where we cannot be transparent – either because of legislation (for example data protection) or because we need to make an ethical choice to protect an individual (for example the details we give of a distressing rescue or fatality). We consider very carefully what we share and when, particularly if it has an impact on a local community or an individual.

Transparency is only one part of building trust. It must be followed up with clear actions appropriate to each situation. For example, we would not share graphic details of a distressing rescue without the consent of those involved – and then only if it were not distressing for others – even if that meant foregoing valuable publicity. Equally, we might choose not to give details of a dispute between volunteers or staff while an investigation or appeals process is going on so as not to prejudice a later decision, even if those details would help to explain the RNLI's actions to others.

We are committed to keeping our volunteer and supporter data safe, and we treat information security and data governance as key risks (see page 35).

STATEMENT OF PUBLIC BENEFIT

The RNLI provides public benefit as a charity by saving lives at sea. The governments of the UK and Ireland have a statutory duty to provide a maritime search and rescue service.

The UK Coastguard, the Irish Coast Guard and the requisite Tasking Authorities in the Isle of Man, Jersey, Guernsey and Alderney initiate search and rescue, and rely extensively on the RNLI's expertise and resources to save lives at sea. The RNLI relies on donations to meet the cost of providing this public service.

RNLI Trustees have complied with their duty to have due regard to the Charity Commission's public benefit guidance when exercising relevant powers or duties.

ELIMINATION OF MODERN SLAVERY AND HUMAN TRAFFICKING

The RNLI is committed to ensuring that modern slavery and human trafficking are not present in its supply chains or partnerships. We continue to work with our suppliers and partners to ensure compliance with the UK Modern Slavery Act 2015. RNLI contracts include up-to-date clauses on modern slavery and human trafficking to ensure that our suppliers are aware of their obligations.

We undertake due diligence in our supply chain tenders and as part of our corporate partnerships and associations with other organisations, and international work. This due diligence includes assurance that modern slavery is not present. We are continuing to develop our supplier processes and procedures to make it easier to capture, analyse and manage data from suppliers – covering their ethical, environmental and social practices.

During 2021 we finalised our Supplier Code of Conduct, setting out the RNLI's minimum expectations of suppliers regarding business ethics, working conditions and human rights. Through this code, we seek to ensure that all our suppliers share our values and take a zero-tolerance approach to modern slavery. We aim to roll out this code to our key suppliers during 2022. At the end of March 2021, we published our updated Modern Slavery and Human Trafficking Statement. There is a link to this statement on RNLI.org to ensure it is publicly accessible.

ETHICS IN THE SUPPLY CHAIN

The RNLI has a clear set of values that underpin the strong ethical position expected from our supporters, volunteers and staff. We apply the same values in developing relations with our contractors and suppliers to further our supply chain strategy and processes, and to reflect our commitment to good employment practice.

We have an engineering and supply director, and a Supply Chain Team including category managers, who are dedicated to developing and improving our supply chain strategy and processes.

The RNLI has a varied supply chain and a broad supplier base that supports the construction of our lifeboats, the running of RNLI College, the range of retail goods sold in our shops and online, and the marketing and advertising of our fundraising and prevention campaigns, as well as the day-to-day operation of the RNLI. We continually ensure that we carry out these activities in the most ethical way we can, by reviewing where we source our goods and services, the processes and governance we follow, and the methods of manufacture and distribution.

Our Procurement Policy, Procurement Standard and How to Buy Guide were updated during 2021. Additionally, we created good practice guidelines covering the end-to-end process of raising and goods receipting purchase orders, also known as the Purchase to Pay process. All of these documents and processes clearly state our values and ethical standards.

INFORMATION SECURITY

Cyber attacks have continued to grow significantly and many organisations fell victim to them in 2021. This is due in no small part to the ongoing pandemic and consequent changes to work/life habits. Mainstream media reporting of cyber crime continues to increase general cultural and citizen awareness of cyber threat.

In response, the RNLI regularly reviews and test the effectiveness of our cyber defence capabilities against industry standards and implements recognised good practices, assessing emerging and persistent threats with our trusted partners and suppliers. We continue taking actions to keep our exposure at an acceptable level and are continuing work to keep pace with the evolving external risks.

ENVIRONMENT

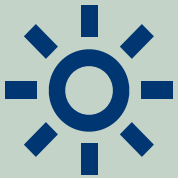
ENVIRONMENTAL MANAGEMENT

We confirmed our environmental ambitions in early 2020, guided by our sustainability advisory groups. Our vision and commitments are aligned with the 5-year *Our Watch* plan and will form part of future strategy development. Our sustainability and environmental commitments ensure that we operate as a good citizen in all our activities to sustain and secure the future. This means creating our plans, making our decisions and completing our actions, with sustainable choices in mind. By intent there is not a separate sustainability strategy. Instead, our aim is to make all strategies and plans sustainable.

During 2021 our safety, health and environment regional managers have continued to actively promote good environmental practice and support lifeboat stations, lifeguard units and RNLI people with their environmental compliance and improvements.

We began initial research in 2021 to understand the potential climate change hazards relative to our lifesaving demand and organisational capabilities. In 2022, we intend to provide recommendations for next steps.

Public information on our environmental ambitions can be found on the sustainability page at RNLI.org/sustainability.



£152,000

SAVED AND GENERATED BY RENEWABLE ENERGY INSTALLATIONS

ENERGY AND FUEL

The overall ambition for energy and fuel consumption is to reach zero carbon for Scope 1 and 2 by 2050. Scope 1 are direct emissions from burning gas and fuel. Scope 2 are indirect emissions from use of electricity. Delivery for our ambition will begin in 2022.

The overall energy and fuel usage of the organisation is 49GWh – with a renewables portfolio that provided 0.78GWh and earned an income of £63,000 and a saving of £89,000 during 2021.

Around 90% of our locations have electricity and gas supplies sourced from 100% third-party accredited renewable generation. This is an important interim step in sustainably decarbonising our electricity and gas use towards achieving zero carbon.

In 2021 we hosted, and presented at, a series of alternative asset propulsion events throughout industry, academia and government to provide insight into the requirements to sustainably decarbonise our fleet. There are many opportunities for collaboration as the industry grapples with the complexity of the challenge, not only to our boats, but the infrastructure, frameworks

and competencies too. The zero-carbon programme of work will consolidate this early insight into a delivery structure to ultimately reach our 2050 ambition.

WASTE

The RNLI is committed to eliminating and reducing waste. We are aiming for zero waste to landfill by 2030. In 2022 we plan to review opportunities for reducing, reusing and recycling. We aim to standardise processes, for example with end-of-life upcycling opportunities.

SINGLE-USE PLASTICS

Work continues on the elimination of (avoidable) single use plastics, an important milestone in our environmental sustainability ambitions.

The Retail, Engagement and Procurement Teams continue to seek opportunities to eliminate or reduce single-use plastic items and packaging where possible. We are also engaging with external organisations, including other emergency services, to better understand what others have achieved. For the second year running, all our 2021 Christmas cards and calendars had no plastic wrap or glitter. Plus, for the first time, all the 2021 RNLI magazines were sent out in a certified sustainable paper wrap.

EQUALITY AND FAIRNESS IN RNLI PAY, REWARDS AND RECOGNITION

VOLUNTEERS AND PAID STAFF

Around 95% of RNLI people are volunteers, including all the members of the Trustee Board, the Chairman and members of the Council.

While our operational volunteers give their time freely to help save lives, the RNLI does make some payments to recognise the cost and disruption that this can cause. To ensure they are not out of pocket, these volunteers can claim necessary expenses and, in specific cases, a contribution for lost wages, such as when attending a residential training course. The RNLI also, in certain circumstances, may make a fixed payment where there is a shortage of specific skills, such as maintaining and operating our increasingly technical lifeboats or driving heavy equipment.

The RNLI only employs paid staff where necessary to run and support what is a complex service in a hazardous environment.

There are a number of specific skills needed to keep such an organisation running as safely as possible and at peak efficiency. The RNLI has to compete in the labour market and have an appropriate pay policy in place to ensure we can attract and retain the people with the right skills to deliver our lifesaving work. We must offer a suitably competitive level of reward and appropriate recognition for our people.

REMUNERATION COMMITTEE – COMPOSITION AND RESPONSIBILITIES

The pay policy of the RNLI is approved by the Remuneration Committee. The Remuneration Committee may seek external legal advice as well as recommendations from the chief executive and the director of people.

The Remuneration Committee is a committee of the Trustee Board. It is made up of four Trustees (including the chairman and the treasurer), one Council member and one independent committee member.

The committee has delegated authority to act on behalf of the Trustee Board, to review remuneration policies to meet the charity's aims and our legal responsibilities, and how these are communicated both internally and externally.

The committee reviews the remuneration levels as part of the annual pay review. It bears in mind the prevailing market conditions and relevant external benchmarks, staff retention and satisfaction, the charity budget, our future plans and past performance. It also undertakes an annual review of Executive Team pay in line with performance, and considers the RNLI gender pay gap, plus the overall remuneration report and pay disclosure statements in readiness for the Annual Report and Accounts.

PAY POLICY

In setting overall pay levels for our staff, we consider the pay practice in other similarly sized charities and, where necessary, private-sector organisations for specialist and technical roles (for example in IT, finance, maritime operations, marine design and manufacturing, and engineering).

We aim for a sustainable and consistent pay strategy that meets the diverse requirements of the RNLI. This includes a pay practice that ensures individual pay decisions are supported by a rigorous performance management process that applies to all employees.

GENDER PAY GAP

In our continuing commitment to demonstrate equality and fairness in recruitment, pay, promotion and development, we disclosed the RNLI's gender pay gap details. Reporting in line with the UK Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, in 2021 the gender pay gap for the RNLI was -0.4% based on an average hourly rate for men and women. This means our average hourly rate was higher for women than men. The details are published on the government's designated website and RNLI.org.

Insights from this report enable us to progress a plan to address any gender pay gaps that may have arisen from recruitment, development, pay review or other personnel practices. Gender pay gap data will continue to be reviewed by the Remuneration Committee and any actions to address gender pay gaps forms part of our annual pay review cycle, as well as linking to the RNLI Inclusion and Diversity Strategy.

PAY PRINCIPLES

The RNLI adheres to the UK government's statutory national minimum and living wage rates. These are the key principles that apply to pay at all levels in the RNLI:

- In order to maintain a fair, rational pay structure, the RNLI has a formal grading structure and pay range for each grade. The grades are based on jobs of common size, taking into account the breadth of responsibility, complexity, knowledge, skills and value to the RNLI.
- The RNLI encourages and rewards good performance. Individual pay is reviewed annually and considers performance, pay position in the range, market conditions, any relevant new qualifications or skills developed, and internal pay relativities.

- Pay is reviewed consistently using the same approach for all staff, including the Executive Team and the chief executive. While no individual performance bonuses are paid as typically recognised, our seasonal fundraising employees are eligible for a small incentive payment.
- Annual pay budgets take into account affordability, economic trends and external market pay movement.

SENIOR EXECUTIVE PAY DISCLOSURE

The RNLI acknowledges the recommendations made following the *Report of the Inquiry into Charity Senior Executive Pay and Guidance for Trustees on Setting Remuneration by the UK National Council for Voluntary Organisations*. The inquiry advocates greater transparency and the RNLI recognises and accepts those recommendations. As a result, the RNLI has provided greater clarity, with greater disclosure on the pay of the Executive Team, as well as continuing to disclose the chief executive's pay in full (see page 54 or visit RNLI.org for more).

The RNLI is committed to openness and transparency on senior pay and will continue to keep this under review.

A wave of high-fives for supporter Chris Smith as he takes on the 2021 London Marathon for the RNLI

Decision making, risk and control

TRUSTEE BOARD RESPONSIBILITIES

In 2021 the Trustee Board participated in a governance workshop, during which they reviewed the overall governance of the RNLI. At each Board meeting the Trustees review the strategic risks that the charity faces and the controls in place.

The Matters Reserved for the Board Statement defines the Trustee Board's responsibilities and where there are clear delegated authorities to act on their behalf. The delegated authorities are discharged through the standing committees of the Trustee Board, or through the chief executive. The chief executive is responsible to the Trustee Board for the day-to-day running of the RNLI and the execution of the overall RNLI strategy and policies agreed by the Trustee Board. For a full list of Trustee Board standing and advisory committees, turn to page 77.

Each committee of the Board has defined terms of reference, detailing the delegated authorities where appropriate. The advisory committees enable experienced volunteer specialists to contribute to key aspects of the RNLI's affairs.

STATEMENT OF TRUSTEES' FINANCIAL RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations. Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the group, and of its, and the group's, surplus or deficit for that period. In preparing these financial statements, the Trustees are required to:

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

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

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements. This may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements on RNLI.org.

FINANCIAL OVERSIGHT

The strategic management of the RNLI is entrusted to the Trustee Board. The execution of that management – the responsibility for implementing strategy and the day-to-day management of the RNLI – is the responsibility of the chief executive. The chief executive delegates authority to his Executive Team and through it to individual budget holders.

Financial authority is granted by the approval of specific budgets and by the authorisation of individual managers to approve specified levels of expenditure.

The financial plans form part of these overall plans and are made up of a high-level business plan; a detailed annual budget, which defines specific projects and detailed departmental plans for the next financial year; and a regular forecast process that reviews the annual plans and makes changes, as necessary. The Finance Department is also involved in any major project or programme work, providing the necessary support to ensure the appropriate financial decisions are made.

FINANCIAL REPORTING

There are two elements to financial reporting:

- Annual Report and Accounts – this is produced in line with the responsibilities described previously.
- Monthly accounts and statutory returns – these are produced in line with the responsibilities described previously and with statutory requirements. The monthly accounts, and associated reports, are of sufficient detail to allow the Executive to make ongoing financial decisions.

FINANCIAL POLICIES AND PROCEDURES

The Trustees are responsible for safeguarding the assets of the charity and the group. This is enabled through the RNLI's financial policies and procedures. Compliance with these policies and procedures is mandatory for all employees, honorary officials and volunteers of the RNLI and its subsidiary companies. Non-compliance may lead to disciplinary proceedings.

FINANCIAL RISK

The most significant financial risks for the RNLI are in investments, pension liabilities and income uncertainty. The RNLI reviews its financial plans on a regular basis and manages these significant risks accordingly, through income pipelines, budgetary control, programme management and capital planning. In particular, investment strategy for the RNLI's and the pension scheme's investments are managed at committee level, using professional investment advisers to minimise risk and maximise return.

In relation to pension liabilities, the RNLI employs a pensions actuary to advise on the assumptions and calculations needed for our pension negotiations with the pension scheme trustees. For the risks around income uncertainty, this is managed through a funding strategy that reviews income pipelines through the four main sources of income to ensure targets are met, both short- and long-term.

In managing expenditure risk, the RNLI ensures financial rigour through budgetary control and stringent financial planning to ensure that we live within our means.

The RNLI's Fundraising Strategy and its free reserves, which are set at a level to withstand any short-term financial risks, will also help to mitigate these risks and give the RNLI time to change its financial plans accordingly. The risks around Covid-19 are an example of why we hold such free reserves and these are flexed depending on the needs of the business. Currently, these reserves are at a higher level than normal as we have been unable to carry out some essential activities.

RISK AND COMPLIANCE MANAGEMENT

Our organisational purpose is to save lives at sea by reducing the risk of drowning – but this is not the only risk we manage. Our approach to organisational risk management aims to mitigate the RNLI's risk exposure to an acceptable level across a broad spectrum of strategic and operational risk. Wherever possible, we aim to balance the risks taken with the reward gained in the pursuit of our organisational purpose.

The effective and efficient management of the risks faced by the RNLI is an important factor in the achievement of our strategic objectives and protecting the future sustainability of the organisation. Our risk management framework is also considered a key component of our governance, and our approach aligns with Charity Commission guidance.

This approach identifies the major strategic and operational risks, assesses the level of risk and evaluates their mitigation. For compliance risk, we also use an assurance framework where performance against external obligations and internal standards is assured by nominated compliance duty holders.

The management of each of our strategic and operational risks is led by a member of the Executive Team and is governed by the Executive Team, the Audit and Risk Committee and the Trustee Board. Where risk is not considered to be at an acceptable level, then further mitigation of the risk is planned and prioritised along with other organisational activities and projects.

The relationship between risk and decision-making is key for our organisation. In 2021, we have continued to strengthen the alignment of our plans with the mitigation of our risks, to ensure planning decisions continue to be robust and aligned to our risk management approach. Similarly, we have also worked to align our risk management approach with our long-term strategy development and to use this insight to help inform the identification of longer-term risks.

During 2021, we remained focused on managing the risks arising from the Covid-19 pandemic. Through the lessons

we learned, we are now better prepared to manage our organisational resilience, regardless of the nature of the external event. Our commitment to managing risks successfully across the organisation helps to ensure we keep our people safe, make the right decisions, successfully deliver our objectives and protect the future sustainability of the RNLI.

AUDIT AND RISK COMMITTEE – COMPOSITION AND RESPONSIBILITIES

The Audit and Risk Committee is a standing committee of the Trustee Board and has delegated authority to act on behalf of the Board in relation to the matters set out in its terms of reference, as well as providing advice, guidance and insight to the Executive Team on issues within its scope. The Audit and Risk Committee is chaired by a Trustee, who is a finance professional with significant senior leadership and management expertise. The committee's main duties are to:

- review and challenge the work of the Executive Team and of the internal and external auditors
- provide the Trustee Board with an independent and unbiased view of the effectiveness and appropriateness of the financial reporting, internal controls, risk management, and regulatory compliance procedures of the RNLI.

INTERNAL AND EXTERNAL AUDIT – INDEPENDENCE AND RESPONSIBILITIES

The RNLI's internal auditor delivers independent and objective assurance advice, and provides insight of the RNLI's risk management, governance and internal control processes to the Trustees, Audit and Risk Committee and senior management in the discharge of their responsibilities.

To assure independence, the internal auditor reports to both the chair of the Audit and Risk Committee and the chief executive, who appraises their performance and has oversight of all proposed activities. The Audit and Risk Committee reviews the activities and effectiveness of the internal audit function and ensures, reviews and approves the audit plan before its implementation. It also approves the appointment and removal of the internal auditor, ensures that significant findings and recommendations made by the internal auditor are received, and reviews the appropriateness of the content and promptness of the Executive Team responses.

The external auditors review the RNLI's annual financial statements and give an opinion on them. The Audit and Risk Committee approves the appointment, remuneration, reappointment and removal of the external auditors in relation to statutory audit arrangements. The committee also reviews the scope of the planned external work.

PROVISION OF INFORMATION TO AUDITORS

In determining how amounts are presented within items in the profit and loss and balance sheet, the Trustees have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice. So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the charity's auditors are unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

FUNDRAISING STANDARDS AND REGULATION COMPLIANCE

CONTACTING OUR SUPPORTERS AND SUPERVISING OUR FUNDRAISERS

The RNLI prides itself on a high standard of ethical fundraising and we continually review how we contact the public to ask for support. This ensures that we follow regulations, meet our own high standards and exceed the public's expectations.

RNLI volunteers and staff carry out the vast majority of the charity's fundraising activities. In 2021, we worked with three professional fundraising organisations and three payroll giving agencies, and we were part of one fundraising consortium (Lifelines on Call). Each of these undertakes professional fundraising on our behalf by recruiting payroll givers. We have a formal agreement with each of them, with specified standards of performance, for example in terms of General Data Protection Regulation (GDPR) compliance, in order to protect donors, supporters and the organisation from poor practices. Each is also independently audited.

Over the course of 2021 we had 31 charity partnership and licensing agreements in place with companies at a national level. At a regional level we have 19 regional partnerships in place, either commercial participator agreements or business licencing agreements.

SUPPORTER DATA AND COMMUNICATIONS

At the RNLI we are committed to protecting personal data entrusted to us and maintaining high standards of data governance and risk management. Throughout the year our Privacy Programme has continued to mature. The ongoing focus is on our Data Ownership and Accountability model, which has been supported by an expanded training and engagement programme across the organisation. Privacy considerations are now imbedded at the start of all new projects, ensuring data protection principles are at the forefront of project design.

COMPLIANCE WITH FUNDRAISING LAWS AND REGULATION

The RNLI aims to exceed the UK Fundraising Regulator's and The Charities Regulatory Authority Ireland standards by applying our own additional fundraising standards to ensure that we are open, honest and respectful in all cases. As such, we are registered members of the Fundraising Regulator and continued to renew our registration in 2021. We continue to undertake an organisation-wide review of our compliance against the latest version of the Fundraising Regulator's Code of Fundraising Practice to ensure we are fully adhering to the latest guidance. The Trustees are satisfied that the RNLI

adhered to the appropriate fundraising standards in 2021.

COMPLIANCE WITH RECOGNISED STANDARDS

Each fundraising team is responsible for making sure that they are compliant with the standards laid out in the codes of fundraising practice in the relevant jurisdiction. Examples of how we have supported volunteer compliance during 2021 include:

- Covid-19 safety training in accordance with different government requirements has continued to be fully rolled out to every fundraising group and retail outlet that was operational.
- We developed Covid Recover working groups to ensure the highest of standards across all our regions that covered all elements of our work (retail, fundraising and visits).
- A wider training-needs audit was updated with each individual fundraising group or retail outlet and all relevant training given to cover areas such as health and safety, GDPR compliance, risk management and wellbeing.
- We reviewed and updated our Supporter Charter and Complaints and Feedback Procedure at the beginning of 2021 to cover all our regions.
- Socially distanced fundraising group meetings continue via Microsoft Teams and Zoom. This enables our community managers to remain visible and supportive to every fundraising group, with updates, training, wellbeing check-ins and much more. Some face-to-face meetings have occurred when it was essential, with social distancing and face masks. We take our adherence to appropriate fundraising standards very seriously. We have policies on how and when we accept donations.

We monitor our overall fundraising compliance and actively monitor the lessons learned from various regulators, to improve our fundraising practices. It is this approach that has led us to manage and run internal compliance rather than outsource this activity as some charities do. We are satisfied that we meet all current standards. Each element of the fundraising, commercial and marketing regulatory and best practice codes has a designated RNLI subject matter expert for compliance matters. Every year these experts review their areas and ensure any compliance matters requiring attention are managed appropriately. This activity is recorded on the RNLI central compliance register and reviewed by the senior leadership.

GRANT-MAKING POLICY

Our support of partners is guided by the requirement that any grant payment is linked to a legal Deed of Grant negotiated and agreed with the recipient. In addition, we require completion of a satisfactory due diligence audit of the recipient's senior management, governance controls, financial capability, safeguarding systems and overall capacity to deliver desired results. These checks include both the recipient and any of their associates who are relevant to the work being supported. This includes checking for absence from government sanction lists of proscribed individuals and/or organisations.

The payment of grants is linked to reaching agreed project milestones and is controlled under the RNLI's Standing Financial Instructions. The annual grant provision is sanctioned by the Executive Team under a delegated authority from the Trustees as part of the annual budget approval process. Payments require senior management and finance department approval. All payments can be audited through our financial management system and are available for review by the Executive Team. Each year, Trustees are provided with an annual summary of payments made in the year passed and those planned in the coming year.

To maintain high standards of assurance, our teams continually monitor best practice and any legislative changes that might impact the policy.

Trustee Board effectiveness

APPOINTMENTS TO THE TRUSTEE BOARD

The Membership Nomination Committee (MNC) reviews the names proposed for the Council and submits its recommendations to the Chairman of the Trustees for consideration by Governors at the Annual General Meeting. The MNC comprises the Chairman, two deputy chairs, the chief executive, one additional Trustee and a Council member.

Trustees are appointed from within and by our Council, which, in turn, provides broad advice and support to the Trustees. In 2021, Mark Wordsworth was appointed a Trustee and Jim Islam was appointed Treasurer (designate).

MAINTAINING INDEPENDENCE

As well as having a Conflict of Interest Policy for our Trustees and Council members, we also have a Gifts and Hospitality Policy and Register. Any gift offered is clearly recorded and any conflicts that this may cause recognised.

The RNLI also keeps its independence of thought as well as action to ensure that it can demonstrate that any decision or action is aligned with the delivery of our charitable aims and there is no personal or individual bias. All Trustee Board decisions are recorded in a decision resolutions log, which is reviewed annually by the Trustees. Any communications we make internally or externally aim to demonstrate our independence of thought and action.

LENGTH OF SERVICE

Trustee Board members serve a 3-year term and may be reappointed for a further two succeeding terms. Following this, after a 3-year break, Trustees can be reappointed.

Council members serve a 3-year term and may be re-elected by the governors for two succeeding terms. We aim to match the skills in the Council to our strategic goals and business plan needs as well.

At every meeting, the MNC reviews the composition of the Trustee Board and the Council, and future vacancies. This means we can plan to refresh the skills, experience, regional representation and diversity needed to ensure sustainable governance in the future.

At the end of 2021, the Board comprised 14 Trustees – 3 women and 11 men. We continue to promote and encourage diversity across all the governing groups of the charity. The improvement of gender balance is just one part of our overall aim to improve inclusion and diversity across these groups.

TRUSTEE BOARD MEETINGS

The Trustee Board meets formally at least four times a year. We have a list of standing agenda items covering strategy, performance, risk and compliance matters. This list is supplemented with other items of relevance to the Trustees' role and responsibilities. While the Executive Team are present at the Trustee Board meetings, they do not have any voting rights. Decisions lie with the Trustees. The Trustees also have a private meeting with the chief executive prior to each Board meeting.

We also hold a twice-yearly Trustee Board and Executive Team workshop to discuss the strategic opportunities and risks we may face in the future. In 2021, the workshop discussions included a Governance Review, Future of Volunteering Review and Strategy Review.

REFRESHING SKILLS AND KNOWLEDGE

On appointment, new Trustees, Council and advisory committee members have an induction programme to familiarise themselves with the work of the RNLI and their role requirements. Inductions cover their core responsibilities plus a tailored section, personalised for their individual needs.

SUCCESSION PLANNING

The MNC keeps a log of all the terms of office of all our governing volunteers. This is reviewed at every MNC meeting. Using the new comprehensive recruitment process and working with the MNC Recruitment Sub Group and each advisory committee chair, the MNC ensures that we have the right skills, diversity of thinking and people available, now and in the future, to enable every advisory committee to effectively deliver on its governance responsibilities.

Equality, diversity and inclusion

This year has been one of good progress on our equality, diversity and inclusion (EDI) journey, with a variety of network events, training and awareness-raising sessions in recognition of the risks associated with failing to acheive greater diversity.

We ran a series of developmental EDI sessions for staff, to help raise awareness and improve understanding in this area. People engaged in sessions on race inclusion as well as more general EDI topics including risk and the law.

EDI INTERNAL COMMUNICATIONS

The Internal Communications Team has been busy supporting and communicating events, news and significant dates connected to EDI throughout the year. This has included ensuring that the organisation is aware of the crucial work of the Water Safety Team to bring our safety messages to life in 21 different languages, now available to download from our website. We have also been delighted to celebrate our first female full-time all-weather lifeboat coxswain, new female helms and the newly launched Harbour Network. The latter brings together a group of people across the RNLI who are keen to work towards greater inclusion for the LGBT+ community (lesbian, gay, bisexual, transgender and others) in our organisation by being visible ambassadors and advocates.

EDI GOVERNANCE

At the beginning of 2021, our Chairman strongly vocalised his support for our organisation becoming more inclusive and diverse as part of his New Year speech.

EDI has been supported by two senior leadership groups, one to ensure EDI is woven throughout departmental planning and one with a focus on encouraging better race and ethnicity inclusion. We also have a very committed group of volunteers and staff who are aligned to, and work with, these groups to help drive activity and cultural movement across the RNLI.

BLACK SWIMMING ASSOCIATION

Our partnership with the Black Swimming Associations (BSA) has been strengthened as the Water Safety Team have developed the work to include three main elements:

- Research: Float to Live within the African, Caribbean and Asian communities.
- Outreach: 2-year programme employing six people working in target areas such as Birmingham and Leeds.
- Organisational support: RNLI assistance to the BSA with applications for support to their organisation.

REDESIGNING OUR BUILDINGS

Work has begun to design new buildings, particularly lifeboat stations, which will offer private changing areas and more accessibility for those with limited mobility. We are looking at ways in which existing buildings can be adapted, although there are many challenges in relation to some of our very old stations.

EQUALITY DATA CAPTURE

In 2021 we finalised work on a mechanism for gathering data which will help us to analyse, track trends, target action and measure our progress towards a more equitable and inclusive RNLI.

NETWORKS

Our newly formed Race Equality Network ran two events this year, both online. The first, in association with Race Equality Week, gave participants the chance to discuss a variety of topics around race equality in a safe, facilitated space. The second was a talk by historian David Olusoga during Black History Month, which gave an insight into Black British history and how it relates to the RNLI.

In the autumn, the Harbour Network (LGBT+) hosted a talk in person and online with transwoman, Kellie Maloney.

This gave participants the opportunity to better understand the challenges faced by transpeople, particularly those in the public eye, and a chance to learn more about this area of diversity inclusion.

We have followed the debates in the LGBT+ communities around biological sex and gender identity and have reviewed our access to a wide range of information and advice in this developing policy area.

In the autumn, the Disability Network teamed up with volunteers and staff from south-east England to hold two disability access days at Ramsgate Lifeboat Station. Both were highly successful and gave members of a local charity for the blind and partially sighted the chance to interact with the station in a sensory way. We have learnt a lot from these pilot events and hope to run more in other regions next year.

The Young Professionals' Network has regrouped after the interruptions caused by the pandemic and are planning their activities for next year.

All the networks have priorities for action that include recruitment, training, induction, recording of issues and representation in imagery, case studies and consulting.

Openness and accountability

ENGAGEMENT WITH OUR PEOPLE AND OUR STAKEHOLDERS

We aim to engage and communicate with our supporters, donors and the wider public in all aspects of our lifesaving work. We do this through face-to-face, traditional and social media channels, and strive to develop good relationships with all the relevant groups, organisations and individuals who have an interest in our charitable work, especially at times of change. Our chief executive also holds regular webinars with all volunteers and staff, which are well attended.

We recognise the value and importance of having engaged employees, and how this can positively impact our volunteers and supporters. We know that high levels of engagement influence the performance of our teams, reduce the likelihood of accidents and periods of absences, create a greater level of discretionary effort and develop a deep connection to the organisation.

We adopt a model of engagement that can be categorised into three areas:

- Say – an individual's likelihood to be an advocate for the organisation
- Stay – their commitment to the organisation and their role
- Strive – their motivation for the purpose and ambitions of the organisation.

We measure our employees' levels of engagement generally on an annual basis through the confidential survey One Crew: Your View. While we took the decision to defer the survey in 2020 due to the impact of the pandemic, we did operate the employee survey in 2021 with results being published in November 2021. For the first time we also operated an engagement survey open to all of our volunteers during September through to November and we anticipate first visibility of these results in the first quarter of 2022. Both sets of results provide us with the ability to understand the key drivers of engagement for people and develop action plans from their feedback.

PEOPLE (EMPLOYEES)

The organisation has low levels of staff turnover at 8.9%, of which 7.7% were voluntary. Exit surveys for leavers were introduced in 2020, enabling us to track trends on point of resignation on a quarterly basis.

The annual employee engagement survey was postponed in 2020 but reinstigated in 2021, the results of which showed a continuing high level of engagement at 83% which was a one percentage point improvement on the 2019 survey. 10 questions saw significant improvements on the previous survey, 35 were in line with previous results and only 3 questions were notably lower. It was also pleasing to note that despite the impact of the pandemic and needing to furlough some staff, this had no negative impact to their levels of engagement, reinforcing the steps we had taken to keep people connected during this period and on their return to work.

Five key drivers of engagement have been identified from the survey with two being of specific focus:

- To continue to bring our teams with us on the journey to deliver the ambition set out within *Our Watch*.
- To focus on providing and investing in and signposting development opportunities for our people, so we continue to grow our capability across the organisation.

Newbiggin volunteers practise a net recovery of their Atlantic 85 lifeboat. This procedure, for safely recovering inshore lifeboats in poor weather, proved vital in 2021 when Trearddur Bay crew rescued a surfer in a force 9

SERIOUS INCIDENT REPORTING

Eight serious incidents were reported to the Charity Commission in 2021, none of which were pursued by the department.

RAISING CONCERNS INTERNALLY

It is important our people have the means and confidence to raise concerns that will be listened to and acted upon if substantiated. A whistleblowing process is in place to enable volunteers and staff to raise organisational concerns.

HEALTH AND SAFETY

The health and safety of our people is a priority for the RNLI, reflected in our number one Strategic Outcome: We keep our people safe. Recognising the sometimes hazardous nature of our lifesaving activities, we aim to continually improve our safety management system and promote a learning culture, so that we are as resilient as we can be. To do this we:

- align and regularly review our safety management system to ensure continuous improvement against internal and external standards
- work collaboratively across functions and regions to connect and share information about risks to health and safety
- put safety at the top of our executive and senior leadership team meetings, with regular reporting to the Executive Team, Trustee Board and relevant committees
- provide training against a comprehensive competency framework to ensure those undertaking lifesaving work have the skills to do so safely
- implement 'lines of defence' in our assurance framework, including independent and external assurance activity as determined by level of risk
- promote a positive reporting culture and provide appropriate systems and processes to ensure we learn from incidents and near misses, and
- offer trauma risk management (TRiM) support and interventions to those volunteers and staff exposed to potentially traumatic incidents, through a network of trained TRiM practitioners.

Levels of activity in the RNLI have gradually increased as our respective governments eased their Covid-19 restrictions in spring. In turn the number of safety, health and environment (SHE) incidents reported on our safety management system has also increased, although injuries remain significantly lower than the 2019 pre-pandemic trend.

The lifting of restrictions in spring 2021 enabled the remobilisation of our critical safety improvement projects. This included the roll-out of activity risk assessments on our improved online system, and trials of new technologies as part of our work to reduce whole body vibration, noise and ergonomic risks. We also began the detailed work of mapping our safety management system against an external standard (ISO 45001) and launched a programme of workshops to analyse our significant accident hazards.

Another significant development for RNLI safety was the creation of the new Safety and Independent Assurance Directorate. It draws together the existing Safety Team (previously within Lifesaving Operations) and combines that capability with a newly created Independent Assurance Team. This new team will enable independent, proactive, and risk-led assurance of our risks and compliance obligations across the charity. They will report to the chief executive via our newly appointed director of safety and independent assurance (not a member of the Executive Team).

OUR COMMITMENT TO SAFEGUARDING

The RNLI is committed to looking after the wellbeing and dignity of everyone who comes into contact with our charity, whether beneficiaries, supporters, volunteers or staff. Safeguarding is part of our business; it's everyone's business. Everybody working or volunteering at the RNLI should understand safeguarding. Safeguarding is about supporting and protecting people. It's about not causing harm through our interactions. It's about being aware of people's wellbeing and welfare. It's about keeping each other and ourselves safe, and it's about speaking out and taking appropriate action to prevent harm or abuse.

Our commitment to safeguarding is embedded within the leadership of the organisation, with a dedicated Trustee safeguarding champion and the appointment of a designated safeguarding lead. To help our people understand their responsibilities, we have a dedicated safeguarding policy and procedure.

To embed our understanding, a safeguarding e-learning resource is available through the Learning Zone, the RNLI's learning management system.

We are working to ensure our Safer Recruitment processes are effective and that they are meeting the relevant statutory requirements across the regions. We are working to ensure thorough scrutiny processes are in place to measure compliance and assurance.

We recognise that we have additional responsibilities to safeguard children and vulnerable adults. We encourage individuals to report concerns and we are committed to improving reporting mechanisms. When concerns are raised, we investigate them to understand the causes and how we can take steps to prevent similar occurrences. Staff and volunteers can report any type of abuse and harassment through various mechanisms, including the independent whistleblowing process.

In addition to reports of behaviour emanating from within the RNLI, we also receive reports of safeguarding concerns raised within the communities in which we operate. We work closely with partner organisations to help seek justice for survivors of abuse.

The RNLI's high standards ensure those participating in our programmes and activities are kept safe. This includes our education programme delivered in schools to prevent the risk of harm through drowning.

We have robust safeguarding systems in place and implement additional measures where we have concerns about an individual's suitability to work with vulnerable groups or other volunteers. We identified seven cases of

potential risk to a young person or vulnerable adult in 2021. We reported four safeguarding matters to the Charity Commission, one of which involved a partner organisation which we also reported through the Foreign, Commonwealth and Development Office. Not all safeguarding matters concern abuse of RNLI staff, volunteers or beneficiaries but relate to a risk notified to us by statutory agencies about the behaviour of individuals outside their involvement with the RNLI.

OPEN AND ACCOUNTABLE FUNDRAISING STANDARDS

The RNLI works hard to ensure that everyone supporting the charity understands how their money will be used to save lives. This is reflected in the low level of complaints received. When we receive complaints, we respond on a one-to-one basis in line with our Supporter Charter. We recently updated our charter and our complaints process to ensure that we have one approach for all our jurisdictions. We annually complete a complaints return for the Fundraising Regulator and we use the insight from the Fundraising Regulator's annual complaints report to influence and inform future fundraising strategies.

COMPLAINTS AND FEEDBACK

While the number of complaints we received in 2021 increased from the 1,383 received in 2020, they continued to remain low in relation to our activity, with 5,261 pieces of negative feedback to date. This increase is mainly due to the RNLI's response in the English Channel (1,322 complaints) and to a new way of logging feedback in relation to our online shop to ensure we capture all feedback in this area (2,348 complaints). We also saw an increase in our positive feedback, receiving over 780 items. More than 550 of these were in support of our lifesaving work in the Channel. In 2021 we had 168 requests via the Fundraising Preference Service to remove individuals from our database. This is the first year we have shared this statistic in the annual report. We will offer an annual comparison in future reports.

We continue to log all feedback and we internally share a weekly Supporter Sentiment report highlighting trends and themes. These allow us to learn, adapt and continuously improve the supporter experience.

CERTIFICATIONS AND REGISTRATIONS

The RNLI had a number of certifications and registrations in place during 2021:

FUNDRAISING REGULATOR

We are registered with the Fundraising Regulator. It demonstrates that we take our fundraising extremely seriously. As a registered charity it means we promote best practice, defend the sector and demonstrate our compliance with the law. We follow the Regulator's process for reporting our fundraising complaints to them annually in April. In our April 2021 submission we reported 639 complaints to the regulator, this is in relation to sending out just over 22M items of targeted marketing communication. Going forward as we test TV, radio and digital marketing platforms, future reports will also compare total number of marketing impressions, which currently stands at just over 186M. Should the need arise, we would follow the Regulator's complaints escalation process.

DIGITAL CODE OF CONDUCT

The RNLI follows the Charity Digital Code principles. In 2021 we have focused on a number of areas, including the accessibility of RNLI websites, reviewing our strategic intent and continuing to test emerging technologies.

UK GAMBLING COMMISSION REGULATION

The RNLI's quarterly Lifeboat Lottery is licensed by the Gambling Commission under the Gambling Act 2005. This is to ensure our gambling activities are safe, fair and crime-free. We hold a non-remote and an ancillary remote licence and strictly adhere to the Licence Conditions and Codes of Practice regulated by the Gambling Commission.

In 2021, the value of ticket sales for the Lifeboat Lottery was £3.5M, with an average 81% being the value returned directly for the purposes of the society. This complies with the Gambling Commission's requirements that a society lottery must apply a minimum of 20% of the gross proceeds of each lottery directly to the purposes of the society.

We have procedures and protective measures in place to encourage responsible gambling and to identify and help those with gambling problems. We strictly adhere to the Gambling Commission's directive on social responsibility and problem gambling. See more at RNLI.org/lottery.

ACCREDITATION OF TRAINING AND ASSESSMENT STANDARDS

Our powerboating, motorcruising, VHF and shore-based theory courses are accredited by the Royal Yachting Association.

The Association of Marine Electronic and Radio Colleges accredits our Search and Rescue Radio Operator's course and our Long Range course.

Our STCW Sea Survival course, Casualty Care course and Approved Engine course are accredited by the Maritime and Coastguard Agency.

Our Casualty Care course is approved by the Anaesthesia Trauma and Critical Care Group and the Royal College of Surgeons.

UK MUSEUM ACCREDITATION

The RNLI Henry Blogg Museum and RNLI Grace Darling Museum continued to meet the standard for UK Museum Accreditation.

Conclusion

The Annual Report of the Trustees of the RNLI was approved by the Trustees of the RNLI on 13 April 2022. As Chairman Stuart Popham is indisposed, it is signed on his behalf by Deputy Chairs Janet Cooper and Eddie Donaldson.

Janet Cooper
RNLI Deputy Chairs

Eddie Donaldson

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE ROYAL NATIONAL LIFEBOAT INSTITUTION

OPINION ON THE FINANCIAL STATEMENTS

We have audited the financial statements of The Royal National Lifeboat Institution ('the Parent Charity') and its subsidiaries ('the Group') for the year ended 31 December 2021 which comprise the RNLI Consolidated and RNLI Statement of Financial Activities, the RNLI Consolidated and RNLI Balance Sheets, the RNLI Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 Group's and of the Parent Charity's affairs as at 31 December 2021 and of the Group's and Parent Charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Charities and Trustee Investment (Scotland) Act 2005 and regulation 6 & 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010 and the Charities Act (Northern Ireland) 2008 as amended by the Charities Act (Northern Ireland 2013).

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 Group and the Parent Charity in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATED TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Act (Northern Ireland) 2008 requires us to report to you if, in our opinion:

- the information contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- proper accounting records have not been kept by the Parent Charity; or
- the Parent Charity 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 Trustee Board Responsibilities section, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent 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 Group or the Parent 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 section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and section 65 of the Charities Act (Northern Ireland) 2008 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

EXTENT TO WHICH THE AUDIT WAS CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

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

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

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

Audit procedures performed by the engagement team included:

- discussions with management and internal audit, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the various charity regulators;
- reviewing items included in the Group's fraud and theft database as well as the results of internal audit's investigation into these matters;
- review of sample of Gift Aid claims and ensuring these have been made in accordance with the regulations;
- challenging assumptions made by management in their significant accounting estimates in particular in relation to the legacy accrual and assumptions used in the calculation of the defined benefit pension liability, and
- in addressing the risk of fraud through management override of controls; testing the appropriateness of journal entries and other adjustments, in particular any journals posted by senior management or with unusual accounts combinations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's ('FRC's') website at: 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 the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Act (Northern Ireland) 2008. 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.

BDO LLP

BDO LLP, statutory auditor
London, UK
8 June 2022

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

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

FINANCIAL STATEMENTS

RNLI CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2021

	Note	Unrestricted funds			Restricted funds	Endowed funds	Total 2021	Total 2020
		General funds	Designated funds	Fixed asset funds				
		£M	£M	£M	£M	£M	£M	£M
Income and endowments from:								
Legacies		109.0	–	–	28.6	–	137.6	131.5
Donations		49.1	–	–	11.1	–	60.2	47.1
Trading activities		13.9	–	–	–	–	13.9	8.3
Investments	7c	0.5	–	–	0.8	–	1.3	1.6
Charitable activities		4.2	–	–	–	–	4.2	2.6
Other income		2.7	–	–	–	–	2.7	8.0
Total income and endowments		179.4	–	–	40.5	–	219.9	199.1
Expenditure on:								
Legacies and donations		(32.3)	–	(1.2)	–	–	(33.5)	(23.7)
Trading activities		(7.9)	–	(0.1)	–	–	(8.0)	(4.8)
Investment management		(0.3)	–	–	(0.2)	–	(0.5)	(0.5)
Raising funds		(40.5)	–	(1.3)	(0.2)	–	(42.0)	(29.0)
Lifeboat service		(31.7)	(0.5)	(2.8)	(11.2)	–	(46.2)	(38.6)
Lifeboats, property and equipment		(49.2)	(3.3)	(20.8)	(10.4)	–	(83.7)	(79.8)
Lifeboat rescue		(80.9)	(3.8)	(23.6)	(21.6)	–	(129.9)	(118.4)
Lifeguard rescue		(17.8)	–	(1.6)	(0.2)	–	(19.6)	(16.1)
International		(1.7)	–	–	(0.4)	–	(2.1)	(2.5)
Water safety, education and awareness		(5.7)	–	(0.1)	(0.4)	–	(6.2)	(6.6)
Charitable activities		(106.1)	(3.8)	(25.3)	(22.6)	–	(157.8)	(143.6)
Total expenditure	5	(146.6)	(3.8)	(26.6)	(22.8)	–	(199.8)	(172.6)
Net gain on investments	7b	1.3	–	–	10.7	6.3	18.3	8.1
Net income/(expenditure)		34.1	(3.8)	(26.6)	28.4	6.3	38.4	34.6
Transfers between funds	1h	(21.4)	13.5	24.6	(16.3)	(0.4)	–	–
Actuarial gain/(loss) on pension schemes		2.4	–	–	–	–	2.4	(11.0)
Net movement in funds		15.1	9.7	(2.0)	12.1	5.9	40.8	23.6
Reconciliation of funds:								
Funds at 1 January		81.4	11.4	468.0	135.4	61.2	757.4	733.8
Movement in funds		15.1	9.7	(2.0)	12.1	5.9	40.8	23.6
Funds at 31 December		96.5	21.1	466.0	147.5	67.1	798.2	757.4

The Statement of Financial Activities includes all gains and losses recognised in the year. Total consolidated income of the RNLI during the year, including investment gains/(losses), was £238.2M (2020: £207.2M) less resources expended of £199.8M (2020: £172.6M) led to a surplus of £38.4M (2020: surplus of £34.6M). All income, expenditure and resulting net movements are derived from continuing activities.

Notes 1 to 18 form part of these accounts.

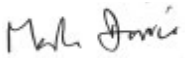
RNLI CONSOLIDATED BALANCE SHEET

as at 31 December 2021

	Note	2021		2020	
		£M	£M	£M	£M
Assets employed					
Fixed assets					
Intangible assets	6b	**13.1**		15.4	
Tangible assets	6a	**452.9**		452.6	
			466.0		468.0
Investments	7		**307.7**		268.6
Current assets					
Stocks	8	**23.1**		26.0	
Debtors	9	**57.2**		53.1	
Bank and cash		**2.7**		5.0	
		83.0		84.1	
Creditors – amounts falling due within 1 year	10	**(17.7)**		(14.7)	
Net current assets			**65.3**		69.4
Creditors					
Amounts falling due after more than 1 year	10		**(6.4)**		(7.8)
Defined benefit pension liability	10		**(34.4)**		(40.8)
Net assets			**798.2**		757.4
Funds					
Endowed funds: Permanent Expendable	12b	**18.7** **48.4**		17.2 44.0	
			67.1		61.2
Restricted funds	12c		**147.5**		135.4
Unrestricted funds					
Fixed asset funds			**466.0**		468.0
Designated funds	12d		**21.1**		11.4
General funds: Free reserves Pension reserve		**130.9** **(34.4)**		122.2 (40.8)	
			96.5		81.4
Total funds			**798.2**		757.4

Eddie Donaldson
Deputy Chair

Janet Cooper
Deputy Chair



Mark Dowie
Chief Executive

Notes 1 to 18 form part of these accounts. The accounts of the RNLI and the consolidated accounts were approved and authorised for issue by the Trustees on 13 April 2022 and signed on their behalf.

RNLI CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 December 2021

	2021 £M	2020 £M
Cash flow from operating activities:		
Net cash provided by operating activities (see note below)	**43.5**	28.1
Cash flows from investing activities:		
Investment income	**1.3**	1.6
Proceeds from the sale of fixed assets	**2.1**	0.7
Purchase of fixed assets	**(27.3)**	(17.9)
Purchase of investments	**(169.2)**	(42.4)
Proceeds from sale of investments	**148.4**	26.5
Net cash used in investing activities	**(44.7)**	(31.5)
Cash flows from financing activities:		
Payment of short term lease liability	**(1.1)**	–
Net cash used in financing activities	**(1.1)**	–
Change in cash and cash equivalents in the reporting period	**(2.3)**	(3.4)
Reconciliation of cash flow:		
Cash and cash equivalents at the beginning of the reporting period	**5.0**	8.4
Change in cash and cash equivalents in the reporting period	**(2.3)**	(3.4)
Cash and cash equivalents at the end of the reporting period	**2.7**	5.0

	2021 £M	2020 £M
Note to the consolidated cash flow statement		
Reconciliation of net income to net cash flow from operating activities		
Net income for the period (as per the SoFA)	**38.4**	34.6
Depreciation and amortisation charges	**26.6**	25.6
Impairment of fixed assets	**–**	2.8
Gain on investments	**(18.3)**	(8.1)
Investment income	**(1.3)**	(1.6)
Loss/(profit) on disposal of fixed assets	**0.6**	(0.3)
Decrease/(increase) in stock	**2.9**	(2.8)
Increase in debtors	**(4.1)**	(11.7)
(Decrease)/increase in creditors	**(3.7)**	0.6
Actuarial gain/(loss) on pension schemes	**2.4**	(11.0)
Net cash provided by operating activities	**43.5**	28.1

Reconsolidation of net funds

	2020 £M	Cashflows £M	Non–cash movements £M	2021 £M
Cash	5.0	**(2.3)**		**2.7**
Loans falling due within one year	(1.1)	**1.1**	**(1.1)**	**(1.1)**
Loans falling due after more than one year	(2.8)	**–**	**1.1**	**(1.7)**
Total	1.1	**(1.2)**	**–**	**(0.1)**

Notes 1 to 18 form part of these accounts.

RNLI STATEMENT OF FINANCIAL ACTIVITIES†

for the year ended 31 December 2021

	Note	Unrestricted funds			Restricted funds	Endowed funds	Total 2021	Total 2020
		General funds £M	Designated funds £M	Fixed asset funds £M	£M	£M	£M	£M
Income and endowments from:								
Legacies		**109.0**	**–**	**–**	**28.6**	**–**	**137.6**	131.5
Donations		**49.1**	**–**	**–**	**11.1**	**–**	**60.2**	47.1
Donations from subsidiary companies		**6.1**	**–**	**–**	**0.9**	**–**	**7.0**	4.2
Investments	7c	**0.5**	**–**	**–**	**0.5**	**–**	**1.0**	1.3
Charitable activities		**4.2**	**–**	**–**	**–**	**–**	**4.2**	2.6
Other income		**2.6**	**–**	**–**	**–**	**–**	**2.6**	7.3
Total income and endowments		**171.5**	**–**	**–**	**41.1**	**–**	**212.6**	194.0
Expenditure on:								
Legacies and donations		**(32.3)**	**–**	**(1.2)**	**–**	**–**	**(33.5)**	(23.7)
Trading activities		**–**	**–**	**–**	**–**	**–**	**–**	–
Investment management		**(0.3)**	**–**	**–**	**(0.2)**	**–**	**(0.5)**	(0.5)
Raising funds		**(32.6)**	**–**	**(1.2)**	**(0.2)**	**–**	**(34.0)**	(24.2)
Lifeboat service		**(31.7)**	**(0.5)**	**(2.8)**	**(11.2)**	**–**	**(46.2)**	(38.6)
Lifeboats, property and equipment		**(49.6)**	**(3.3)**	**(20.8)**	**(10.4)**	**–**	**(84.1)**	(79.8)
Lifeboat rescue		**(81.3)**	**(3.8)**	**(23.6)**	**(21.6)**	**–**	**(130.3)**	(118.4)
Lifeguard rescue		**(17.8)**	**–**	**(1.6)**	**(0.2)**	**–**	**(19.6)**	(16.1)
International		**(1.7)**	**–**	**–**	**(0.4)**	**–**	**(2.1)**	(2.5)
Water safety, education and awareness		**(5.7)**	**–**	**(0.1)**	**(0.4)**	**–**	**(6.2)**	(6.6)
Donation to CIO		**(0.3)**	**–**	**–**	**–**	**–**	**(0.3)**	–
Charitable activities		**(106.8)**	**(3.8)**	**(25.3)**	**(22.6)**	**–**	**(158.5)**	(143.6)
Total expenditure		**(139.4)**	**(3.8)**	**(26.5)**	**(22.8)**	**–**	**(192.5)**	(167.8)
Net gain on investments	7b	**1.3**	**–**	**–**	**10.7**	**1.5**	**13.5**	6.7
Net income/(expenditure)		**33.4**	**(3.8)**	**(26.5)**	**29.0**	**1.5**	**33.6**	32.9
Transfers between funds	1h	**(21.3)**	**13.5**	**24.7**	**(16.9)**	**–**	**–**	–
Actuarial gain/(loss) on pension schemes		**2.4**	**–**	**–**	**–**	**–**	**2.4**	(11.0)
Net movement in funds		**14.5**	**9.7**	**(1.8)**	**12.1**	**1.5**	**36.0**	21.9
Reconciliation of funds:								
Funds at 1 January		**84.1**	**11.4**	**465.3**	**135.4**	**17.2**	**713.4**	691.5
Movement in funds		**14.5**	**9.7**	**(1.8)**	**12.1**	**1.5**	**36.0**	21.9
Funds at 31 December		**98.6**	**21.1**	**463.5**	**147.5**	**18.7**	**749.4**	713.4

Notes 1 to 18 form part of these accounts.

† The RNLI statement of financial activities shows the financial performance for the year of the charity excluding its subsidiaries.

RNLI BALANCE SHEET†

as at 31 December 2021

	Note	2021		2020	
		£M	£M	£M	£M
Assets employed					
Fixed assets					
Intangible assets		**12.9**		15.2	
Tangible assets		**450.6**		450.1	
			463.5		465.3
Investments	7		**264.2**		230.1
Current assets					
Stocks	8	**20.3**		23.5	
Debtors	9	**58.1**		53.4	
Bank and cash		**1.7**		3.9	
		80.1		80.8	
Creditors – amounts falling due within 1 year	10	**(17.6)**		(14.2)	
Net current assets			**62.5**		66.6
Creditors					
Amounts falling due after more than 1 year	10		**(6.4)**		(7.8)
Defined benefit pension liability	10		**(34.4)**		(40.8)
Net assets			**749.4**		713.4
Funds					
Endowed funds: Permanent		**18.7**		17.2	
			18.7		17.2
Restricted funds	12c		**147.5**		135.4
Unrestricted funds					
Fixed asset funds			**463.5**		465.3
Designated funds	12d		**21.1**		11.4
General funds: Free reserves		**133.0**		124.9	
Pension reserve		**(34.4)**		(40.8)	
			98.6		84.1
Total funds			**749.4**		713.4

Eddie Donaldson
Deputy Chair

Janet Cooper
Deputy Chair

Mark Dowie
Chief Executive

Notes 1 to 18 form part of these accounts. The accounts of the RNLI and the consolidated accounts were approved and authorised for issue by the Trustees on 13 April 2022 and signed on their behalf.

† The RNLI balance sheet shows the financial position of the charity excluding its subsidiaries.

Cork's famous Annie Moore statue gets a 2021 makeover as part of a joint RNLI and Helly Hansen safety campaign to encourage people to wear a lifejacket when out on the water

RNLI NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1. RNLI STRUCTURE AND ACCOUNTING POLICIES

The RNLI was founded in 1824 and was incorporated by Royal Charter granted in 1860, with Supplemental Charters granted in 1932, 1986, 2002 and 2011. The RNLI is a charity registered in England and Wales (209603), Scotland (SC037736), the Republic of Ireland (CHY 2678 and 20003326), the Bailiwick of Jersey (14), the Isle of Man (1308 and 006329F), the Bailiwick of Guernsey (CH135) and Alderney (CH386). The address of the registered office is West Quay Road, Poole, Dorset, BH15 1HZ.

a) Basis of accounting

The accounts (financial statements) have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP), Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (FRS102) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following Accounting and Reporting by Charities, preparing their accounts in accordance with *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (FRS102).

The RNLI meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

In preparing the separate financial statements of the charity, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the Parent Charity.
- Disclosures in respect of the Parent Charity's financial instruments have not been presented, as equivalent disclosures have been provided in respect of the Group as a whole.
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the Group as a whole.

Going concern

The Trustees reviewed the RNLI's plans for 2022 in November 2021 and were content that these plans were affordable and that the accounts should be prepared on a going-concern basis considering the effects of the pandemic in 2021 and the expectations in 2022. The RNLI Executive and Finance Committee also review forecasts on a regular basis, through the review of financial risks and opportunities, and are content that the RNLI has sufficient resources to continue operating for a period of at least 12 months from the date of signing these accounts, having considered the effects of the war in Ukraine on investments and supply chain.

Given the strength of the balance sheet and availability and liquidity of unrestricted investments, totalling around £108.2M, the Trustees believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the charity's ability to continue as a going concern. The Trustees, therefore, consider it appropriate for the accounts to be prepared on a going-concern basis.

b) Critical accounting judgements and key sources of estimation

In the application of the Charity's accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period to which they relate.

In preparing these financial statements, a key judgement has been made in respect of the following:

- Residuary legacies – a debtor is recognised at the point it can be reliably measured and that the RNLI is entitled to the legacy. This recognition point is reached when the executors make the first interim distribution.

The key sources of estimation are summarised below:

- Residuary legacies – the valuation of the legacy debtor involves making estimates in relation to the valuation that the RNLI will receive from the estate. Key components of this estimate relate to the estimated disposal value of capital assets and an estimate of the costs to be incurred administrating the estate.
- Pension liabilities – the charity recognises its liability to its defined benefit pension scheme, which involves several estimations as disclosed in note 11. The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation include items such as standard rates of inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions can significantly influence the value of the liability recorded and annual defined benefit expense. Assumptions used are based on actuarial advice.

c) Basis of consolidation

All subsidiary companies and charities, as listed in note 2, have been consolidated on a line-by-line basis. Their objectives contribute to those of the RNLI Group strategy and under the test of control they are deemed to be subsidiaries of the RNLI. The intra-group transactions, balances and unrealised profits are eliminated in full.

RNLI (Trading) Limited was inactive throughout 2021 and has not been consolidated on that basis.

d) Depreciation, amortisation and impairment

Tangible and intangible fixed assets costing more than £10,000 are capitalised and included at cost.

Fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment an impairment loss is recognised immediately in the Statement of Financial Activities.

Fixed assets are depreciated or amortised over their current anticipated lives, which are assessed as follows:

Goodwill and intellectual property	Straight line over 10 years
Assets under construction	No depreciation is charged on assets in the course of construction
Freehold lifeboat stations and shoreworks	Straight line over 50 years
Other freehold/ leasehold buildings	Straight line over 50 years/ period of lease
Lifeboats	Straight line over 15–25 years. Shannon and Tamar lifeboat hulls over 50 years.
Launching equipment	Straight line over 10–25 years
Office furniture and depot plant	Straight line over 5–10 years
Computer hardware and software	Straight line over 4–10 years

e) Pension schemes

The RNLI operates a defined benefit pension scheme covering its employees in the UK and the Republic of Ireland. The scheme was closed to new entrants from 1 January 2007 and closed to future benefit accrual on 30 September 2012, although benefits for active members accrued up to 30 September 2012 continue to be subject to any increases in pensionable pay.

A defined contribution pension scheme was established for new staff joining from 1 January 2007 and this was also offered as an alternative to members of the defined benefit pension scheme on its closure. The RNLI also operates a dependants' pension scheme where benefits are paid by the RNLI to dependants of former crew members who lost their lives on lifeboat service. The defined benefit and dependants' pension scheme assets are both held in separate trustee-administered funds. The cost charged in the Statement of Financial Activities (SoFA) represents current service costs and gains and losses on settlements and curtailments calculated in accordance with Accounting Standard FRS102. Further details are shown in note 11.

For the defined benefit pension and dependants' pension scheme, the current service costs, gains and losses on settlements and curtailments, and administrative expenses are charged to expenditure.

Similarly, pension finance costs arising from changes in the net of the interest costs and expected return on assets are charged to expenditure. Actuarial gains and losses are recognised immediately in the Statement of Financial Activities as Actuarial gain/(loss) on pensions scheme. Contributions in respect of defined contribution schemes are recognised as expenditure as they become payable.

f) Income

Incoming resources are included in the SoFA when the RNLI is entitled to the income, the receipt is probable and the amount can be quantified with reasonable accuracy. If these conditions are not met the income is deferred. The following specific policies apply to categories of income.

Legacy income is recognised either at the point that the future income from an estate meets the recognition category or, for legacies not previously recognised, the point that the first cash payment is received. For pecuniary legacies, unpaid legacies are accrued into the accounts when they are notified unless there is any evidence that the legacy is contested, or the estate is impaired. For residuary legacies, a debtor is recognised at the point that it can be reliably measured, and that the RNLI is entitled to the legacy. This recognition point is reached when the executors make the first interim distribution. Legacies that do not meet the recognition criteria but where a value can be estimated represent a contingent asset and the value of these are disclosed in Note 9 on page 60. In the rare cases where legacy property assets are legally transferred to the RNLI, rather than sold during the process to settle the estate, they are capitalised under tangible fixed assets at market value. When sold, the profit or loss on disposal is recognised in the SoFA as legacy income rather than profit or loss on disposal of fixed assets.

All donations are accounted for when received. Subscription income is treated as a donation, as there is no material benefit given, and is accounted for when receivable. Lottery income is recognised at the point the associated draw occurs. Charitable activity income represents lifeguard income which is accounted for when receivable. Investment income is accounted for on a receivable basis.

Other income includes government support from the various schemes across our jurisdictions and these have been accounted for on a receipts basis.

On receipt, and where material, donations in kind are recognised on the basis of the value of the gift to the charity, which is the amount the charity 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. Gifts in kind that are not material are not disclosed.

Gift Aid donations made to the charity are recognised as income in the charity when claimed. Donations from subsidiaries, made under Gift Aid, are recognised as income when paid, or at the date when the subsidiary has a legal liability to make the donation payment if earlier.

g) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Support costs representing expenditure on governance, general administration, finance, human resources, and information technology have been allocated to expenditure, excluding merchandising and investment management, on the basis of cost (see note 5).

Employee benefits paid on termination include accrued amounts where the RNLI is demonstrably committed to make these payments.

The cost of volunteer time is not accounted for as this cannot be estimated reliably.

h) Fund accounting

The RNLI's funds fall into the following categories:
Permanent endowments are capital sums that are donated under the restriction that they are invested and that only the income arising is available for expenditure in accordance with the donors' directions. These capital sums can only be spent in exceptional circumstances with the agreement of the Charity Commission.

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

Restricted funds are only available for expenditure in accordance with the donors' directions. This will include any restricted legacy value accrued on an estimated basis, in accordance with the policy on income detailed in this note.

Fixed asset funds represent the assets of the RNLI, the vast majority of which are the lifeboats, launching equipment and operational properties, such as lifeboat stations and lifeguard units. Without them the RNLI could not operate. They are shown separately to other unrestricted funds due to the size and importance of these assets to the RNLI.

Designated funds are set aside at the discretion of the Trustees. A Pandemic Fund has been established to ensure that key operational projects that have been delayed because of the pandemic are completed. A Special Projects fund has also been established this year to designate funds where significant financial assurances have been made to third parties to ensure monies are available. For 2021, this is entirely for the project at Weston-super-Mare, where the local council are seeking significant funds to repair the pier that will give access to the lifeboat station and the RNLI has given assurances that these funds will be available for the construction of the lifeboat station and access.

The above funds are committed funds.
General funds are sums that are freely available for general use. They comprise:

- **Free reserves**, which are retained to enable the Trustees to provide assurance to those at sea, the public and the governments of the UK and Republic of Ireland that the RNLI will be able to sustain its commitment to provide the lifeboat and lifeguard service. The free reserves are set at a level to withstand any short-term financial risks, the main ones being in the investment markets, pension scheme funding or in key sources of income, such as legacies. Based on this value, if free reserves fall outside the range of 4–10 months' charitable expenditure cover, the Trustees will review the business plan and make changes, as they consider appropriate. These free reserves will include any unrestricted legacy values accrued.
- **Pension reserve**, which represents the FRS102 accounting deficit for the defined benefit pension scheme as at the year end. The FRS102 basis is a prescribed accounting basis that requires the discount rate to be the rate on high-quality corporate bonds with a duration equivalent to that of the scheme liabilities. Each year, the scheme actuary assesses the financial position of the scheme, allowing for the returns expected to be generated by the assets planned to be held by the scheme in the future. These assets would not typically consist of 100% in corporate bonds. Further details are shown in note 11.

Transfers between funds represent the completion of capital projects funded from restricted and designated funds and the satisfaction of the restriction or designation on completion of the project. Transfers to the fixed asset fund are required to maintain the committed value of the fund.

i) Operating leases

Rentals applicable to operating leases are charged to the SoFA over the period in which the cost is incurred on a straight-line basis.

j) Investments

Investments for which there is a quoted market value are valued at the bid-price ruling at the balance sheet date. Other investments are valued at their realisable market value. Investment gains and losses arising during the year are included in the SoFA. Investments in loans are carried at cost with an allowance for impairment.

k) Stocks

Stocks are valued at cost or written-down value. Stocks are reviewed on a line-item basis at least annually and provision is made against cost to reduce carrying value to estimated net realisable value. Included within operational stock are lifeboat manufacturing and repair materials, spares, crew kit, safety equipment and consumables. These are held as stock until distribution from the warehouse, at which point they are expensed if consumable or capitalised to fixed assets.

l) Presentation currency

The functional currency of the RNLI and its subsidiaries is considered to be in pounds sterling because that is the currency of the primary economic environment in which the organisation operates. The consolidated financial statements are also presented in pounds sterling.

m) Exchange rate gains and losses

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

n) Cash at bank and short-term deposits

Cash at bank and short-term deposits include cash and short-term highly liquid investments with a short maturity of 3 months or less from the date of acquisition or opening of the deposit or similar account. All cash and short-term deposits are basic instruments and are measured at amortised cost.

o) Financial instruments

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

2. SUBSIDIARY UNDERTAKINGS

a) Subsidiary companies

The RNLI has four wholly owned subsidiaries, RNLI (Trading) Limited, RNLI College Limited, RNLI (Sales) Limited, and Clayton Engineering Limited. All are registered in England and Wales, and each has a year end of 31 December 2021. RNLI (Trading) Limited was not trading throughout 2020 and 2021.

The activities of RNLI College Limited relate directly to the charitable activities of the RNLI and comprise the training of lifeboat crew and lifeguards, although there are external sales of excess capacity which offset some of the costs of the training of lifeboat crew and lifeguards.

RNLI (Sales) Limited is used for non-charitable fundraising activities: selling gifts and souvenirs through the RNLI's network of station branches, fundraising branches and guilds, and running the Lifeboat Lottery.

Clayton Engineering Limited is a specialist engineering company which designs and manufactures lifeboat launch and recovery equipment.

The RNLI charges its subsidiaries for the use of any shared resources. In 2021 a total of £0.8M (2020: £0.7M) was charged to subsidiaries on a cost basis.

The subsidiary company boards have decided that all the net profit will be donated to the RNLI and any profit shown in this note will be donated within 9 months of the year-end. There may be occasion where profits are retained if taxable losses are available, at the discretion of the board.

No provision for corporation tax has been made on subsidiary company profits for the year. This is due to the policy of donating all tax adjusted profits available for distribution under Gift Aid, to its ultimate charitable parent undertaking within 9 months of the year-end date.

Subsidiary company financial information	RNLI (Sales) Limited Company number 02202240		RNLI College Limited Company number 07705470		Clayton Engineering Limited Company number 01274923	
	2021 £M	2020 £M	2021 £M	2020 £M	2021 £M	2020 £M
Merchandising and other trading income	**12.4**	7.6	**1.5**	0.7	**–**	–
Other income	**0.1**	0.3	**–**	0.4	**–**	0.3
Internal supplies to the RNLI	**–**	–	**7.0**	6.2	**4.4**	3.0
Cost of sales	**(4.0)**	(1.9)	**(0.4)**	(0.3)	**(2.6)**	(1.9)
Gross profit	**8.5**	6.0	**8.1**	7.0	**1.8**	1.4
Operating costs	**(4.0)**	(3.2)	**(6.6)**	(5.6)	**(1.5)**	(1.4)
Net profit	**4.5**	2.8	**1.5**	1.4	**0.3**	–
Amount of Gift Aid to the RNLI	**(4.5)**	(2.8)	**(1.5)**	(1.4)	**(0.1)**	–
Retained in subsidiary	**–**	–	**–**	–	**0.2**	–
Fixed assets	**0.3**	0.4	**0.5**	0.7	**1.5**	1.3
Current assets	**2.5**	2.3	**–**	–	**2.0**	1.9
Current liabilities	**(0.6)**	(1.0)	**(0.7)**	(0.4)	**(0.8)**	(0.5)
Amounts owed (to)/from RNLI group	**(0.7)**	(0.2)	**1.2**	0.7	**0.2**	–
Net assets	**1.5**	1.5	**1.0**	1.0	**2.9**	2.7

b) Charitable incorporated organisation

RNLI Lifesaving Endowment Fund (LEF) is registered as a charitable incorporated organisation (CIO) with the Charity Commission for England and Wales (registration number: 1184013). Its year end is 31 December. The LEF is a separate legal entity, able to hold property in its own name. The purpose of the LEF is the advancement of saving lives at sea by establishing, building and investing an endowment fund. Income is donated to the RNLI from this fund for lifesaving purposes and in 2021 a donation of £0.9M was made (2020: £Nil). In 2021, a donation of £0.3M was made from the RNLI to the LEF (2020: £Nil). As at 31 December 2021, the LEF held investments to the value of £49.0M (2020: £44.0M) and the total return on investments in 2021, including income, was £5.1M (2020: £1.7M).

3. STAFF COSTS

The RNLI relies heavily on the work of volunteers to launch and crew the lifeboats, support our lifeguard service and operate the large network of station branches, fundraising branches and groups. We are founded on these volunteers who account for 95% of the RNLI's people and include more than 5,600 volunteer crew members (2020: 5,600) and over 3,700 volunteer shore crew and lifeboat station management (2020: 3,500).

The majority of our volunteers, in number, however, are the fundraisers who raise money and help in our shops, museums and offices. Staff costs, both to support these volunteers and to save lives in areas such as lifeguards, are as follows:

	2021 £M	2020 £M
Wages and salaries	**73.7**	65.4
Social security costs	**7.1**	6.5
Pension costs	**12.5**	11.4
Total	**93.3**	83.3
Severance pay	**0.5**	0.3

Staff costs have returned to a similar level as in 2019 (2019: £93.0M). Staff costs in 2020 were lower due to, mainly, the 2019 restructure; shorter season for seasonal staff due to lockdown measures; and employees that were on furlough, where salaries were paid at 80% rather than 100%.

Pension costs include the cost of the pension salary sacrifice scheme, which involves employees sacrificing a proportion of their salary to contribute into their defined contribution pension scheme.

The following number of employees received emoluments (excluding employer pension and NI contributions) in excess of £60,000 (of which members of the Executive Team who served during the year are shown in brackets):

	Including severance pay		Excluding severance pay	
	2021 Number	2020 Number	2021 Number	2020 Number
£60,000–£69,999	**25 (–)**	32 (–)	**28 (–)**	31 (–)
£70,000–£79,999	**19 (–)**	19 (–)	**19 (–)**	18 (–)
£80,000–£89,999	**9 (1)**	3 (–)	**6 (1)**	3 (–)
£90,000–£99,999	**1 (–)**	1 (–)	**– (–)**	1 (–)
£100,000–£109,999	**7 (3)**	6 (4)	**4 (3)**	6 (4)
£110,000–£119,999	**3 (2)**	3 (3)	**3 (2)**	3 (3)
£160,000–£169,999	**1 (1)**	– (–)	**1 (1)**	–
Total	**65 (7)**	64 (7)	**61 (7)**	62 (7)

The Executive Team (ET) including the chief executive are regarded as the Charity's key management personnel under FRS102. Aggregate employee benefits of the ET totalled £1,002,244 (2020: £943,269). Aggregate employee benefits comprise salaries, severance pay, company cars, pension costs and employer NI contributions. No member of the RNLI's Executive Team received a pay increase in 2021. RNLI Chief Executive Mark Dowie receives an annual salary of £160,000 (2020: £160,000). The chief executive received aggregate employee benefits of £180,862 (2020: £127,767), which included £20,861 employer's NI (2020: £14,433). During the 2020 pandemic Mark Dowie voluntarily reduced his salary by 50% from 1 April to 31 October 2020. He does not receive any additional allowances, nor a company car or car allowance. He has chosen not to receive RNLI employer's pension contributions, but he does have the employee benefit of salary life assurance cover at one times' salary.

In 2021, there were 63 (2020: 62) employees who received emoluments in excess of £60,000 (including severance pay) and are members of defined contribution schemes and received employer contributions of £646,853 (2020: £641,034).

The average monthly headcount was 2,452 (2020: 2,118). The total average number of employees, calculated on a full-time equivalent (FTE) basis, analysed by function was:

	Average including seasonal staff		Average excluding seasonal staff		At 31 December	
Full-time equivalent employees	**2021 Number**	**2020 Number**	**2021 Number**	**2020 Number**	**2021 Number**	**2020 Number**
Lifeboat service	**349**	324	**349**	324	**354**	326
Lifeboats, property and equipment	**758**	737	**758**	737	**775**	731
Lifeguard rescue	**590**	372	**50**	52	**47**	52
International	**12**	16	**12**	16	**13**	13
Water safety, education and awareness	**89**	101	**89**	101	**89**	102
Support	**257**	238	**257**	238	**267**	236
Legacies and donations	**321**	254	**293**	252	**318**	258
Trading activities	**22**	17	**22**	17	**24**	19
Total	**2,398**	2,059	**1,830**	1,737	**1,887**	1,737

The RNLI employs seasonal staff in the form of lifeguards and face-to-face fundraisers. Lifeguards are recruited and deployed on beaches when required and have been included above in lifeguard rescue as FTE of 540 (2020: 320). The peak number of lifeguards employed during the summer months (excluding volunteers) was 1,529 (2020: 1,141). Face-to-face fundraisers are also recruited and deployed on beaches during the summer and have been included in legacies and donations as FTE of 28 (2020: 2). The variances in FTE between year 2021 and 2020 can be attributed to the restrictions imposed by the government through the height of the pandemic, which caused a delay in our roll-out of seasonal lifeguard services and a reduced number of beaches patrolled. 2021 FTEs shows a return in similar numbers when compared to 2019 reported FTEs (2019 data: average including seasonal: 2,319, excluding seasonal: 1,843, as at 31 December: 1,746).

4. TRUSTEE, COUNCIL AND COMMITTEE COSTS

No Trustees, or any persons connected with them, received remuneration. Travelling expenses are reimbursed, if claimed, to Trustees and members of the standing and advisory committees and the Council. In total, £9,803 (2020: £11,862) was reimbursed to 6 Trustees and 10 Council members and members of advisory committees (2020: 7 Trustees, 14 Council members and members of advisory committees and the Audit and Risk Committee). No material donations were made during the year by these persons.

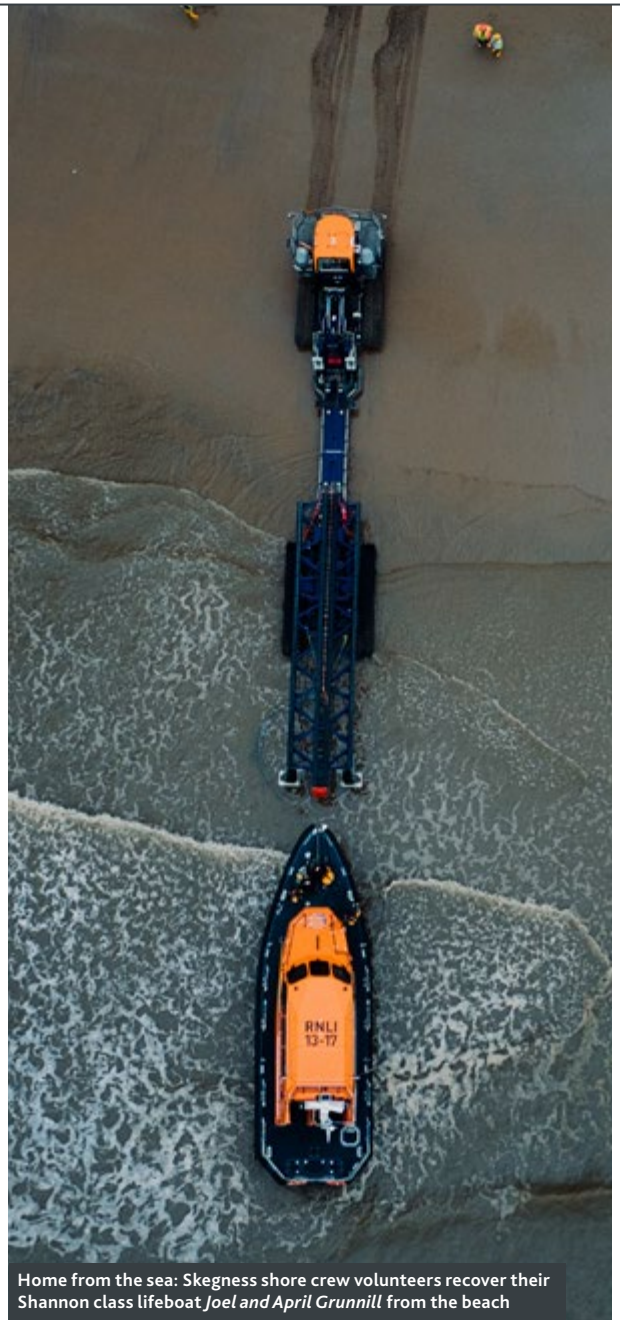
5. TOTAL RESOURCES EXPENDED

	Staff costs £M	Depreciation/ amortisation £M	Other direct costs £M	Other allocated costs £M	Total 2021 £M	Total 2020 £M
Legacies and donations	**13.1**	**0.8**	**15.2**	**4.4**	**33.5**	23.7
Trading activities	**0.9**	**0.1**	**7.0**	**–**	**8.0**	4.8
Investment management	**–**	**–**	**0.5**	**–**	**0.5**	0.5
Lifeboat service	**17.3**	**2.2**	**20.7**	**6.0**	**46.2**	38.6
Lifeboats, property and equipment	**31.7**	**19.7**	**21.3**	**11.0**	**83.7**	79.8
Lifeguard rescue	**13.1**	**1.4**	**2.5**	**2.6**	**19.6**	16.1
International	**0.8**	**–**	**1.0**	**0.3**	**2.1**	2.5
Water safety, education and awareness	**3.9**	**–**	**1.5**	**0.8**	**6.2**	6.6
Support	**13.0**	**2.4**	**9.7**	**(25.1)**	**–**	–
Total 2021	**93.8**	**26.6**	**79.4**	**–**	**199.8**	172.6
Total 2020	83.6	25.6	63.4	–		

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

	Governance £M	General admin £M	Finance £M	Human resource £M	Information technology £M	Total 2021 £M	Total 2020 £M
Legacies and donations	**0.1**	**0.8**	**0.5**	**1.0**	**2.0**	**4.4**	3.5
Lifeboat service	**0.1**	**1.1**	**0.7**	**1.3**	**2.8**	**6.0**	5.6
Lifeboats, property and equipment	**0.2**	**1.9**	**1.4**	**2.4**	**5.1**	**11.0**	11.8
Lifeguard rescue	**0.1**	**0.5**	**0.3**	**0.6**	**1.1**	**2.6**	2.4
International	**–**	**0.1**	**–**	**0.1**	**0.1**	**0.3**	0.4
Water safety, education and awareness	**–**	**0.1**	**0.1**	**0.2**	**0.4**	**0.8**	1.0
Total 2021	**0.5**	**4.5**	**3.0**	**5.6**	**11.5**	**25.1**	24.7
Total 2020	0.4	5.6	2.9	4.9	10.9		

Governance includes audit costs (both internal and external), the AGM and committee costs. Recurring audit fees of £88,300 (2020: £80,840), a one-off audit fee of £39,000 (2020: £Nil) relating to extended audit procedures, fees for gambling commission returns of £2,500 (2020: £1,650) and tax fees of £5,880 (2020: £5,605) were payable to the external auditor.



Home from the sea: Skegness shore crew volunteers recover their Shannon class lifeboat *Joel and April Grunnill* from the beach

6. FIXED ASSETS

a) Tangible assets

	Assets under construction £M	Lifeboats £M	Lifeboat stations and shoreworks £M	Launch and recovery equipment £M	Depots, offices and training facilities £M	Computer equipment, plant and vehicles £M	Total £M
Cost							
At 1 January 2021	28.1	349.1	303.5	55.2	99.7	78.5	914.1
Additions	24.8	0.1	–	0.1	0.2	2.0	27.2
Transfers	(18.6)	8.6	3.1	6.4	0.4	–	(0.1)
Disposals	(1.7)	(8.8)	–	(0.5)	(1.0)	(0.9)	(12.9)
At 31 December 2021	32.6	349.0	306.6	61.2	99.3	79.6	928.3
Depreciation and Impairment							
At 1 January 2021	–	244.0	99.4	32.9	26.5	58.7	461.5
Charge for the year	–	7.3	7.3	3.4	1.6	4.5	24.1
Disposals	–	(8.8)	–	(0.5)	–	(0.9)	(10.2)
At 31 December 2021	–	242.5	106.7	35.8	28.1	62.3	475.4
Net book amount							
At 31 December 2021	32.6	106.5	199.9	25.4	71.2	17.3	452.9
At 31 December 2020	28.1	105.1	204.1	22.3	73.2	19.8	452.6

Cumulative impairment costs to date were £2.8M (2020: £2.8M).

The net book amounts include the following property:

	Freehold £M	Leasehold £M	Total £M
Lifeboat stations and shoreworks	62.7	137.2	199.9
Depots, offices and training facilities	65.7	5.5	71.2
At 31 December 2021	128.4	142.7	271.1

b) Intangible assets

	Computer software £M	Goodwill £M	Total £M
Cost			
At 1 January 2021	21.5	0.2	21.7
Additions	0.1	–	0.1
Transfers	0.1	–	0.1
Disposals	–	–	–
At 31 December 2021	**21.7**	**0.2**	**21.9**
Depreciation and Impairment			
At 1 January 2021	6.3	–	6.3
Charge for the year	2.5	–	2.5
Disposals	–	–	–
At 31 December 2021	**8.8**	**–**	**8.8**
Net book amount			
At 31 December 2021	**12.9**	**0.2**	**13.1**
At 31 December 2020	15.2	0.2	15.4

Goodwill arose on the acquisition of Clayton Engineering Limited.

c) Subsidiary company assets

The consolidated schedule of fixed assets includes assets owned by subsidiary companies with the following net book amounts:

	2021 £M	2020 £M
Assets under construction	–	–
Lifeboats	0.1	0.1
Computer equipment, plant and vehicles	1.0	1.1
Depots, offices and training facilities	1.2	1.2
Total	**2.3**	2.4

d) Financial review analysis

The table below shows the asset purchase cost and depreciation analysis by type of expenditure for the financial review (see note 17a).

	Asset purchases			Depreciation/amortisation charge		
	£M	Allocated £M	Total £M	£M	Allocated £M	Total £M
Expenditure						
Lifeboat service	–	–	–	2.2	0.6	2.8
Lifeboats, property and equipment	25.5	0.1	25.6	19.7	1.1	20.8
Lifeguard rescue	1.5	–	1.5	1.4	0.2	1.6
International	–	–	–	–	–	–
Water safety, education and awareness	–	–	–	–	0.1	0.1
Legacies and donations	0.2	–	0.2	0.8	0.4	1.2
Trading activities	–	–	–	0.1	–	0.1
Support	0.1	(0.1)	–	2.4	(2.4)	–
Total	**27.3**	**–**	**27.3**	**26.6**	**–**	**26.6**

Asset purchases comprise fixed asset additions and acquisitions.

Lyme Regis crew members take the plunge during sea survival training at RNLI College in November 2021

7. INVESTMENTS

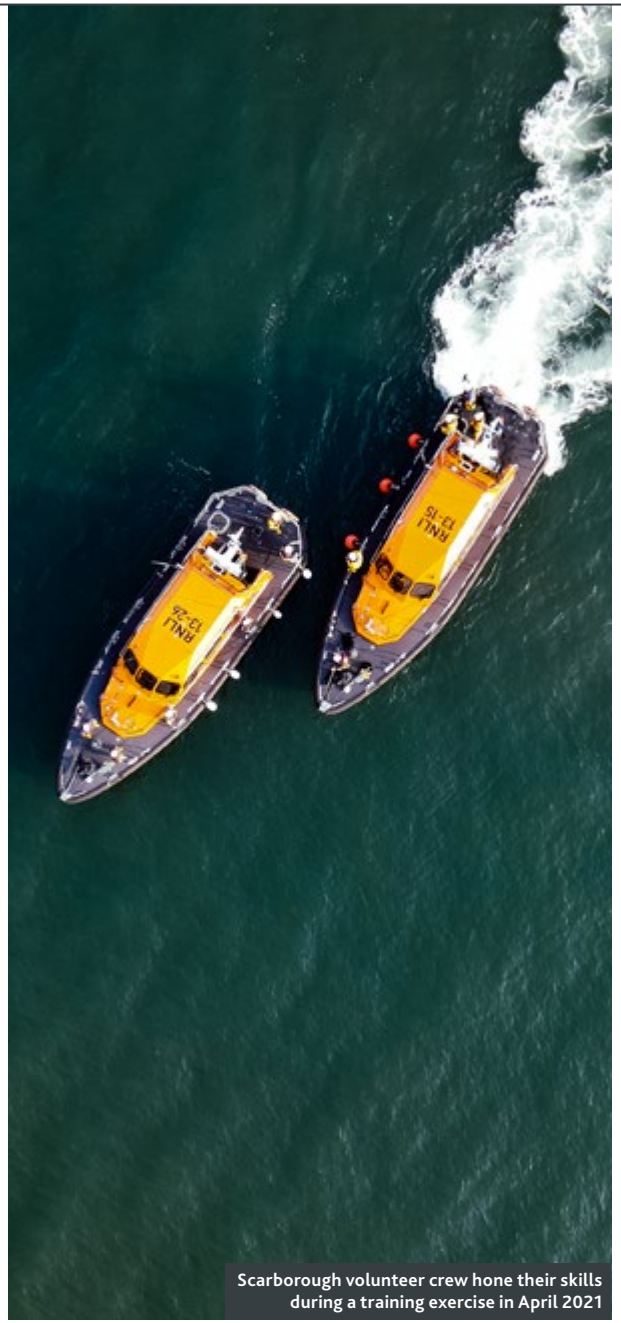
The RNLI held no derivative instruments as at 31 December 2021 (2020: none). Several of the pooled investment funds held by the RNLI use derivative products within their portfolios to reduce market risk in line with their investment strategies.

All investments are basic financial instruments and are measured at fair values, except for investment in subsidiaries, which are held at cost.

Consolidated	General funds £M	Restricted funds £M	Permanent endowed funds £M	Expendable endowed funds £M	Total 2021 £M	Total 2020 £M
a) Investment assets						
Equities	–	33.6	–	29.8	63.4	48.2
Absolute return funds	28.4	–	9.0	–	37.4	87.8
Fixed interest	58.4	60.3	–	–	118.7	64.9
Property unit trusts	0.8	7.5	9.1	8.4	25.8	22.8
Deposits and cash	20.6	31.0	0.6	10.2	62.4	44.9
Market value at 31 December 2021	108.2	132.4	18.7	48.4	307.7	268.6
b) Analysis of movement						
Market value at 1 January 2021	81.9	125.5	17.2	44.0	268.6	244.6
Additions	36.8	104.2	–	28.2	169.2	42.4
Transfers	43.1	(42.7)	–	(0.4)	–	–
Disposals	(54.9)	(65.3)	–	(28.2)	(148.4)	(26.5)
Gains/(losses) on investments	1.3	10.7	1.5	4.8	18.3	8.1
Market value at 31 December 2021	108.2	132.4	18.7	48.4	307.7	268.6
Original cost	99.6	127.6	15.7	45.6	288.5	230.9
c) Investment income						
Equities	–	–	–	–	–	0.5
Absolute return funds	0.2	–	–	–	0.2	0.1
Fixed interest	0.1	–	–	–	0.1	–
Property unit trusts	0.2	0.8	–	–	1.0	1.0
Deposits and cash	–	–	–	–	–	–
Total	0.5	0.8	–	–	1.3	1.6

RNLI	General funds £M	Restricted funds £M	Permanent endowed funds £M	Investment in subsidiaries £M	Total 2021 £M	Total 2020 £M
a) Investment assets						
Equities	–	**33.6**	–	–	**33.6**	29.0
Unlisted companies	–	–	–	**5.5**	**5.5**	5.5
Absolute return funds	**28.4**	–	**9.0**	–	**37.4**	87.8
Fixed interest	**58.4**	**60.3**	–	–	**118.7**	64.9
Property unit trusts	**0.8**	**7.5**	**9.1**	–	**17.4**	15.5
Deposits and cash	**20.5**	**30.5**	**0.6**	–	**51.6**	27.4
Market value at 31 December 2021	**108.1**	**131.9**	**18.7**	**5.5**	**264.2**	230.1
b) Analysis of movement						
Market value at 1 January 2021	**81.9**	**125.5**	**17.2**	**5.5**	**230.1**	207.8
Additions	**36.8**	**103.9**	–	–	**140.7**	42.1
Transfers	**43.0**	**(43.0)**	–	–	–	–
Disposals	**(54.9)**	**(65.2)**	–	–	**(120.1)**	(26.5)
Gains/(losses) on investments	**1.3**	**10.7**	**1.5**	–	**13.5**	6.7
Market value at 31 December 2021	**108.1**	**131.9**	**18.7**	**5.5**	**264.2**	230.1
Original cost	**100.1**	**127.1**	**15.7**	**5.5**	**248.4**	203.6
c) Investment income						
Equities	–	–	–	–	–	0.5
Absolute return funds	**0.2**	–	–	–	**0.2**	0.1
Fixed interest	**0.1**	–	–	–	**0.1**	–
Property unit trusts	**0.2**	**0.5**	–	–	**0.7**	0.7
Deposits and cash	–	–	–	–	–	–
Total	**0.5**	**0.5**	–	–	**1.0**	1.3

Investment in subsidiaries comprises RNLI (Sales) Limited £1.5M (2020: £1.5M), RNLI College Limited £1.0M (2020: £1.0M) and Clayton Engineering Limited £3.0M (2020: £3.0M).



Scarborough volunteer crew hone their skills during a training exercise in April 2021

8. STOCKS

	Consolidated		RNLI	
	2021 £M	2020 £M	2021 £M	2020 £M
Operational stock	**20.8**	23.8	**20.3**	23.5
Gifts and souvenirs	**2.3**	2.2	**–**	–
Total	**23.1**	26.0	**20.3**	23.5

9. DEBTORS

	Consolidated		RNLI	
	2021 £M	2020 £M	2021 £M	2020 £M
Legacies receivable	**46.7**	46.5	**46.7**	46.5
Inter-company debtors	**–**	–	**1.2**	0.2
Trade and other debtors	**2.1**	1.8	**1.9**	1.5
VAT and Gift Aid recoverable	**4.5**	1.3	**4.5**	1.8
Prepayments and accrued income	**3.9**	3.5	**3.8**	3.4
Total	**57.2**	53.1	**58.1**	53.4

A proportion of legacies receivable may be received after more than 1 year, but this figure cannot be determined with any accuracy due to the inherent uncertainty in the timing of legacy income receipt.

The estimated value of legacies notified but neither received nor included in income is £88.6M (2020: £76.9M).

All debtors are basic financial instruments measured at amortised cost.

10. CREDITORS

	Consolidated		RNLI	
	2021 £M	2020 £M	2021 £M	2020 £M
Amounts falling due within 1 year				
Trade creditors	**9.1**	6.6	**8.5**	6.1
Other creditors	**1.5**	1.4	**1.4**	1.4
Inter-company creditor	**–**	–	**1.4**	0.7
PAYE taxes and social security	**1.8**	1.7	**1.7**	1.6
Pension creditor	**1.1**	1.0	**1.0**	0.9
Dependants' pensions liability	**0.3**	0.3	**0.3**	0.3
Accruals	**3.9**	3.7	**3.3**	3.2
Total	**17.7**	14.7	**17.6**	14.2
Amounts falling due after more than 1 year				
LT Lease Liability due 1–5 year	**1.7**	2.8	**1.7**	2.8
Dependants' pensions liability	**4.7**	5.0	**4.7**	5.0
Defined benefit pension liability	**34.4**	40.8	**34.4**	40.8
Total	**40.8**	48.6	**40.8**	48.6

The LT Lease Liability is a 4-year interest-free loan with Cisco, which commenced in July 2020, to pay for new telecommunications and infrastructure.

11. PENSION SCHEMES

The RNLI provides a number of pension schemes for its employees:

- The RNLI 1983 Contributory Pension Scheme, a defined benefit scheme, was closed to new entrants from 1 January 2007 and closed to future benefit accrual on 30 September 2012, although benefits for active members accrued up to 30 September 2012 continue to be subject to any increases in pensionable pay.

- The RNLI UK Group Personal Pension Plan is the main scheme for UK employees who joined the RNLI from 1 January 2007. It is a contract-based defined contribution scheme. Member retirement benefits are linked to the investment performance of contributions made.

- The RNLI RoI Group Fusion Pension Plan is the main scheme for Republic of Ireland employees who joined the RNLI from 1 January 2012. It is a contract-based defined contribution scheme. Member retirement benefits are linked to the investment performance of contributions made.

In 2021, the RNLI paid contributions of £12.5M (2020: £11.4M) in respect of members of the defined contribution pension schemes. Details of the defined benefit scheme, produced in accordance with the requirements of section 28 of The Financial Reporting Standard 102 (FRS102), are disclosed below and cover both the RNLI 1983 Contributory Pension Scheme and the payments to certain dependants.

Dependants' pensions are paid by the RNLI to dependants of former crew members who lost their lives on lifeboat service.

The figures in this note have been calculated by a qualified independent actuary based on a full actuarial valuation of the pension scheme as at 31 December 2019 rolled forward to 31 December 2021 using summarised cash flow and membership details and a full actuarial valuation of the dependants' pensions as at 31 December 2019 on the basis required by FRS102.

On this basis, the FRS102 accounting deficit for the defined benefit pension scheme as at 31 December 2021 was £34.4M (2020: £40.8M) and £5.0M (2020: £5.3M) for the dependants' pensions. The FRS102 basis is a prescribed basis that requires the discount rate to be the rate of return on high-quality corporate bonds with a duration equivalent to that of the liabilities.

Each year, the scheme actuary assesses the financial position of the scheme for the formal actuarial valuation, allowing for an expected rate of return on all assets at the discount rate, based on bond yields. These assets would not typically consist of 100% in corporate bonds.

The RNLI paid deficit reduction contributions of £4.7M in 2021 (2020: £4.7M), whilst for 2022 a total payment of £8.7M has been agreed as part of the 2020 Triennial Valuation.

The main financial assumptions used as at 31 December 2021 and the corresponding assumptions at 31 December 2020 and 31 December 2019 were:

	31/12/2021 % pa	31/12/2020 % pa	31/12/2019 % pa
Discount rate†	**1.9**	1.5	2.1
Rate of increase in salaries	**4.1**	3.6	3.9
Rate of increase in pensions in payment‡:			
Post-1988 GMP increases (CPI capped at 3%)	**2.5**	CPI-0.5%	CPI-0.4%
Pre-1997 increases (RPI capped at 4%)	**3.1**	RPI-0.5%	RPI-0.5%
1997–2005 increases (RPI capped at 4%, CPI 5%)	**3.2**	RPI-0.5%	RPI-0.5%
2005–07 increases (RPI capped at 5%, CPI 2.5%)	**2.9**	RPI-0.5%	RPI-0.5%
Post-2007 increases (CPI capped at 2.5%)	**2.1**	CPI-0.8%	CPI-0.6%
Rate of revaluation on deferred pensions	**3.3**	RPI-0.5%	RPI-0.5%
Rate of retail price inflation (RPI)†	**3.6**	3.1	3.4
Rate of consumer price inflation (CPI)	**3.2**	2.7	RPI-0.8%

†Represents the weighted average discount rate and inflation rate of the respective curves at the scheme's average duration.
‡In excess of the Guaranteed Minimum Pension (GMP) element. Life expectancy is based on the assumptions provided by our qualified independent actuaries.

Assumes life expectancy on retirement age 65 of:	**Years**	**Years**	**Years**
Retiring today – males	**21.6**	21.6	21.5
Retiring today – females	**24.1**	24.0	23.9
Retiring in 15 years – males	**22.7**	22.7	22.6
Retiring in 15 years – females	**25.4**	25.4	25.2

11. PENSION SCHEMES (CONTINUED)

The assets in the pension scheme and the expected rates of return at 31 December 2021 and the corresponding amounts and assumptions at 31 December 2020 and 31 December 2019 were:

	31/12/2021		31/12/2020		31/12/2019	
	Expected rate of return % pa	Market value of assets £M	Expected rate of return % pa	Market value of assets £M	Expected rate of return % pa	Market value of assets £M
Equities		**57.5**		49.1		49.1
Fixed interest		**25.1**		24.9		24.7
Private credit		**22.4**		24.8		24.3
Absolute return funds		**51.0**		49.1		47.6
Cash and net current assets		**2.4**		1.7		1.5
Liability-driven investment		**182.4**		186.2		162.1
Real estate/property		**41.7**		37.5		37.5
Total	**1.9**	**382.5**	1.5	373.3	2.1	346.8

a) The following amounts were measured in accordance with the requirements of FRS102:

	2021			2020		
	Pension scheme £M	Dependants' pensions £M	Total £M	Pension scheme £M	Dependants' pensions £M	Total £M
Total fair market value of assets	**382.5**	**–**	**382.5**	373.3	–	373.3
Present value of liabilities	**(416.9)**	**(5.0)**	**(421.9)**	(414.1)	(5.3)	(419.4)
Net pension liability	**(34.4)**	**(5.0)**	**(39.4)**	(40.8)	(5.3)	(46.1)

b) Changes in the present value of the defined benefit obligation are as follows:

	2021			2020		
	Pension scheme £M	Dependants' pensions £M	Total £M	Pension scheme £M	Dependants' pensions £M	Total £M
Opening defined benefit obligation	**414.1**	**5.3**	**419.4**	380.9	5.2	386.1
Interest cost	**6.1**	**0.1**	**6.2**	7.9	0.1	8.0
Actuarial loss/(gain)	**9.2**	**(0.1)**	**9.1**	35.7	0.3	36.0
Benefits paid	**(12.5)**	**(0.3)**	**(12.8)**	(10.4)	(0.3)	(10.7)
Scheme change/past service cost	**–**	**–**	**–**	–	–	–
Defined benefit obligation at the year end	**416.9**	**5.0**	**421.9**	414.1	5.3	419.4

c) Changes in the fair value of the scheme assets are as follows:

	2021			2020		
	Pension scheme £M	Dependants' pensions £M	Total £M	Pension scheme £M	Dependants' pensions £M	Total £M
Opening fair value of scheme assets	**373.3**	**–**	**373.3**	346.8	–	346.8
Interest income on scheme assets	**5.5**	**–**	**5.5**	7.2	–	7.2
Return on scheme assets greater than/(less than) discount rate	**11.5**	**–**	**11.5**	25.0	–	25.0
Employer contributions	**4.7**	**–**	**4.7**	4.7	–	4.7
Benefits paid	**(12.5)**	**–**	**(12.5)**	(10.4)	–	(10.4)
Fair value of scheme assets at the year end	**382.5**	**–**	**382.5**	373.3	–	373.3

The actual return on scheme assets was a gain of £17.0M (2020: a gain of £32.2M).

d) The amounts included within the Statement of Financial Activities are as follows:

	2021			2020		
	Pension scheme £M	Dependants' pensions £M	Total £M	Pension scheme £M	Dependants' pensions £M	Total £M
Net interest on net defined benefit liability	**0.6**	**0.1**	**0.7**	0.7	0.1	0.8
Past service cost	**–**	**–**	**–**	–	–	–
Total amount charged within net income/(expenditure)	**0.6**	**0.1**	**0.7**	0.7	0.1	0.8
Actuarial loss/(gain)	**9.2**	**(0.1)**	**9.1**	35.7	0.3	36.0
Return on scheme assets (greater than)/less than discount rate	**(11.5)**	**–**	**(11.5)**	(25.0)	–	(25.0)
Remeasurement effects recognised in overall funds movement	**(2.3)**	**(0.1)**	**(2.4)**	10.7	0.3	11.0
Total amount (credited)/charged to the Statement of Financial Activities	**(1.7)**	**–**	**(1.7)**	11.4	0.4	11.8

Craster RNLI volunteers with their D class inshore lifeboat *SKPR James Ballard RNVR DSC*

12. TOTAL FUNDS ANALYSIS

a) Consolidated balance sheet – analysis of funds 2021 summary

	Unrestricted funds			Restricted funds	Endowed funds	Total 2021
	General funds £M	Designated funds £M	Fixed asset funds £M	£M	£M	£M
Fixed assets	–	–	466.0	–	–	466.0
Investments	87.1	21.1	–	132.4	67.1	307.7
Net current assets	50.2	–	–	15.1	–	65.3
Creditors falling due after more than 1 year	(6.4)	–	–	–	–	(6.4)
Defined benefit pension liability	(34.4)	–	–	–	–	(34.4)
Total	**96.5**	**21.1**	**466.0**	**147.5**	**67.1**	**798.2**

b) Endowed funds – analysis of major funds

Name of fund	Purpose of fund	Opening balance 2021 £M	Income 2021 £M	Expenditure 2021 £M	Investment gains 2021 £M	Transfers 2021 £M	Closing balance 2021 £M
RNLI Lifesaving Endowment – expendable	The advancement of saving lives at sea by establishing, building and investing an endowment fund.	44.0	–	–	4.8	(0.4)	48.4
Roy Barker – permanent	All–weather lifeboat construction	11.0	–	–	1.0	–	12.0
Morrell – permanent	Dungeness Lifeboat Station – general	5.0	–	–	0.4	–	5.4
Other endowed funds – permanent		1.2	–	–	0.1	–	1.3
Total endowed funds		**61.2**	**–**	**–**	**6.3**	**(0.4)**	**67.1**

c) Restricted funds – analysis of major funds

There are over 700 of these restricted funds and so this table only details those funds with a balance of more than £2M. The transfers represent either a transfer to a fixed asset fund, where the fund is for the purpose of asset construction and the asset is completed, or a previous year adjustment, where a donor or legator has added a restriction at a later date or the restriction has been subject to negotiation.

Donor name	Purpose of fund	Opening balance 2021 £M	Income and investment gains 2021 £M	Expenditure 2021 £M	Transfers 2021 £M	Closing balance 2021 £M
Various donors	Jersey Lifeboat Station – general	6.7	1.0	(0.2)	–	7.5
Various donors	Guernsey Lifeboat Station – general	5.0	0.7	(0.1)	–	5.6
Various donors	Sheringham Lifeboat Station – general	3.0	0.8	(0.1)	–	3.7
Various donors	Morecambe Lifeboat Station – general	2.7	0.4	(0.1)	–	3.0
Anonymous legacy	All-weather lifeboat construction – Anstruther	2.3	0.2	–	–	2.5
Roy Barker	All-weather lifeboat construction	3.3	2.0	–	–	5.3
Various donors	Wells-next-the-Sea shoreworks	2.4	0.2	–	–	2.6
Various donors	Life-boatmen's Benevolent Fund	2.4	0.2	–	–	2.6
Various donors	Bridlington Lifeboat Station – general	2.6	0.3	(0.2)	–	2.7
Anonymous legacy	Great Yarmouth and Gorleston	2.3	0.2	–	–	2.5
Various donors	All-weather lifeboat construction – Invergordon	2.2	–	–	(2.2)	–
Anonymous legacy	All-weather lifeboat construction – Pwllheli	2.1	–	–	(2.1)	–
Mrs DJ Pearce	All-weather lifeboat construction	2.0	1.1	–	–	3.1
DW Filby	All-weather lifeboat construction	–	2.9	–	–	2.9
Various donors	All-weather lifeboat construction – Douglas	2.4	0.3	–	–	2.7
Dorothy Hunter	All-weather lifeboat construction – Aldeburgh	2.2	0.2	–	–	2.4
Various donors	All-weather lifeboat construction – Arbroath	2.2	0.2	–	–	2.4
Various donors	Cromer Lifeboat Station – general	1.6	1.0	(0.2)	–	2.4
Various donors	All-weather lifeboat construction – Ramsey	2.0	0.2	–	–	2.2
Various donors	Walton and Frinton Lifeboat Station – general	1.7	0.4	(0.1)	–	2.0
Total of major funds		51.1	12.3	(1.0)	(4.3)	58.1
Other restricted funds		84.3	38.9	(21.8)	(12.0)	89.4
Total restricted funds		135.4	51.2	(22.8)	(16.3)	147.5

d) Designated funds – analysis of funds

Designated funds are set aside at the discretion of the Trustees.

The Pandemic Fund continues to be held in 2021 to ensure that key operational projects and activities that were delayed due to the pandemic are completed in 2022.

A new fund has been established this year to ensure funds are available where significant financial assurances have been made to third parties.

Name of fund	Purpose of fund	Opening balance 2021 £M	Income and investment gains 2021 £M	Expenditure 2021 £M	Transfers 2021 £M	Closing balance 2021 £M
Pandemic Fund	To ensure that the urgent projects that have been delayed by the pandemic have funds available to be completed	11.4	–	(3.8)	4.8	12.4
Special Projects Fund	To ensure that where significant financial assurances have been made to third parties, funds are available for the purpose. For 2021, this is entirely for the project at Weston-super-Mare	–	–	–	8.7	8.7
Total designated funds		**11.4**	**–**	**(3.8)**	**13.5**	**21.1**

13. LINKED CHARITIES

The RNLI has several linked charities that have been established over the years, separated from the charity for a variety of reasons, due to the nature of the fund or the original terms of the legacy or donation. All of the funds of these charities are consolidated into the RNLI's accounts. The current active linked charities with a funds balance over £0.1M as at 31 December 2021 are as follows:

Donor name	Purpose of fund	Opening balance 2021 £M	Income 2021 £M	Expenditure 2021 £M	Transfers 2021 £M	Closing balance 2021 £M
Life-boatmen's Benevolent Fund	Grants for distressed past or present crew members	2.4	0.2	–	–	2.6
Langstreth Culliford Trust	Grants for dependants of lifesavers	0.3	–	–	–	0.3
John William Archer	All-weather lifeboat construction	0.1	0.1	–	–	0.2
Charles Carr Ashley	Lifeboat maintenance and support for crew	0.1	–	–	–	0.1
Anna Stock Memorial Fund	Col Stock lifeboat – construction and maintenance	0.1	–	–	–	0.1
Total of linked charities		**3.0**	**0.3**	**–**	**–**	**3.3**

The RNLI also has other active linked charities with a fund balance of less than £0.1M, or nil, and these are as follows: John Jones Rowland, Isabella Irwin, James Michael Bower Gift, Mrs Alice Gottwald, Ralph Glister Award, Louise George Anderson Dunn, Mrs Sadie Hughes, William Stephen Mellis, Gorleston Volunteer Lifeboat Association, Miss Maud Smith's Reward, Salcombe Lifeboat Disaster Relief Fund, Miss Annie Gertrude Shayler, The George Nichol Charity for the RNLI and RNLI Heritage Collection Trust 2012.

14. CAPITAL COMMITMENTS

At 31 December 2021, approved and contracted capital commitments amounted to £23.8M (2020: £16.8M) which will be funded from designated, restricted and general funds.

15. OPERATING LEASE COMMITMENTS

	Land and buildings		Other	
	2021 £M	2020 £M	2021 £M	2020 £M
At 31 December the ageing of total minimum lease payments was as follows:				
Payable within 1 year	**1.1**	1.1	**1.6**	1.0
Payable between 1 and 5 years	**2.2**	2.4	**2.4**	1.2
Payable after more than 5 years	**9.0**	5.1	**–**	–
Total	**12.3**	8.6	**4.0**	2.2

Certain property leases are for an indefinite period, with the RNLI having the right to early termination should the need arise. In calculating minimum lease payments for these leases, a 50-year duration has been assumed.

16. 2020 COMPARATIVES – FUNDS AND LINKED CHARITIES

a) Consolidated statement of financial activities – previous year comparatives

	Unrestricted funds			Restricted funds	Endowed funds	Total 2020
	General funds £M	Designated funds £M	Fixed asset funds £M	£M	£M	£M
Income and endowments from:						
Legacies	101.0	–	–	30.5	–	131.5
Donations	39.0	–	–	8.1	–	47.1
Trading activities	8.3	–	–	–	–	8.3
Investments	0.9	–	–	0.4	0.3	1.6
Charitable activities	2.6	–	–	–	–	2.6
Other income	8.0	–	–	–	–	8.0
Total income and endowments	159.8	–	–	39.0	0.3	199.1
Expenditure on:						
Legacies and donations	(22.6)	–	(1.1)	–	–	(23.7)
Trading activities	(4.7)	–	(0.1)	–	–	(4.8)
Investment management	(0.3)	–	–	(0.2)	–	(0.5)
Raising funds	(27.6)	–	(1.2)	(0.2)	–	(29.0)
Lifeboat service	(26.3)	–	(2.1)	(10.2)	–	(38.6)
Lifeboats, property and equipment	(49.8)	–	(20.5)	(9.5)	–	(79.8)
Lifeboat rescue	(76.1)	–	(22.6)	(19.7)	–	(118.4)
Lifeguard rescue	(14.1)	–	(1.7)	(0.3)	–	(16.1)
International	(2.1)	–	–	(0.4)	–	(2.5)
Water safety, education and awareness	(6.5)	–	(0.1)	–	–	(6.6)
Charitable activities	(98.8)	–	(24.4)	(20.4)	–	(143.6)
Total expenditure	(126.4)	–	(25.6)	(20.6)	–	(172.6)
Net gain on investments	1.0	–	–	5.2	1.9	8.1
Net income/(expenditure)	34.4	–	(25.6)	23.6	2.2	34.6
Transfers between funds	(25.4)	11.4	17.9	(3.9)	–	–
Actuarial loss on pension schemes	(11.0)	–	–	–	–	(11.0)
Net movement in funds	(2.0)	11.4	(7.7)	19.7	2.2	23.6

RNLI lifeguards get their 2021 pre-season training underway at West Bay in Dorset

16. 2020 COMPARATIVES – FUNDS AND LINKED CHARITIES (CONTINUED)

b) RNLI statement of financial activities – previous year comparatives

	Unrestricted funds			Restricted funds	Endowed funds	Total 2020
	General funds £M	Designated funds £M	Fixed asset funds £M	£M	£M	£M
Income and endowments from:						
Legacies	101.0	–	–	30.5	–	131.5
Donations	39.0	–	–	8.1	–	47.1
Donations from subsidiary companies	4.2	–	–	–	–	4.2
Investments	0.9	–	–	0.4	–	1.3
Charitable activities	2.6	–	–	–	–	2.6
Other income	7.3	–	–	–	–	7.3
Total income and endowments	155.0	–	–	39.0	–	194.0
Expenditure on:						
Legacies and donations	(22.6)	–	(1.1)	–	–	(23.7)
Trading activities	–	–	–	–	–	–
Investment management	(0.3)	–	–	(0.2)	–	(0.5)
Raising funds	(22.9)	–	(1.1)	(0.2)	–	(24.2)
Lifeboat service	(26.3)	–	(2.1)	(10.2)	–	(38.6)
Lifeboats, property and equipment	(49.8)	–	(20.5)	(9.5)	–	(79.8)
Lifeboat rescue	(76.1)	–	(22.6)	(19.7)	–	(118.4)
Lifeguard rescue	(14.1)	–	(1.7)	(0.3)	–	(16.1)
International	(2.1)	–	–	(0.4)	–	(2.5)
Water safety, education and awareness	(6.5)	–	(0.1)	–	–	(6.6)
Donation to CIO	–	–	–	–	–	–
Charitable activities	(98.8)	–	(24.4)	(20.4)	–	(143.6)
Total expenditure	(121.7)	–	(25.5)	(20.6)	–	(167.8)
Net gain/(loss) on investments	1.0	–	–	5.2	0.5	6.7
Net income/(expenditure)	34.3	–	(25.5)	23.6	0.5	32.9
Transfers between funds	(25.5)	11.4	18.0	(3.9)	–	–
Actuarial gain/(loss) on pension schemes	(11.0)	–	–	–	–	(11.0)
Net movement in funds	(2.2)	11.4	(7.5)	19.7	0.5	21.9

c) Reconciliation of net funds – previous year comparatives

	2019 £M	Cashflows £M	Non-cash movements £M	2020 £M
Cash	8.4	(3.4)		5.0
Loans falling due within one year	–		(1.1)	(1.1)
Loans falling due after more than one year	–	–	(2.8)	(2.8)
Total	8.4	(3.4)	(3.9)	1.1

d) Total resources expended – previous year comparatives

	Staff costs £M	Depreciation/ amortisation £M	Other direct costs £M	Other allocated costs £M	Total 2020 £M
Legacies and donations	11.0	0.7	8.5	3.5	23.7
Trading activities	0.8	0.1	3.9	–	4.8
Investment management	–	–	0.5	–	0.5
Lifeboat service	16.6	1.5	14.9	5.6	38.6
Lifeboats, property and equipment	29.7	19.2	19.1	11.8	79.8
Lifeguard rescue	9.5	1.4	2.8	2.4	16.1
International	0.9	–	1.2	0.4	2.5
Water safety, education and awareness	3.3	–	2.3	1.0	6.6
Support	11.8	2.7	10.2	(24.7)	–
Total	83.6	25.6	63.4	–	172.6

Newbiggin Crew Members Stuart Chirnside-Ferrier and Carly Foreman look out from North Beach. RNLI volunteers have been saving lives off this shore for more than 150 years

16. 2020 COMPARATIVES – FUNDS AND LINKED CHARITIES (CONTINUED)

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

	Governance £M	General admin £M	Finance £M	Human resource £M	Information technology £M	Total 2020 £M
Legacies and donations	0.1	0.8	0.4	0.7	1.5	3.5
Lifeboat service	0.1	1.3	0.7	1.1	2.4	5.6
Lifeboats, property and equipment	0.2	2.7	1.4	2.3	5.2	11.8
Lifeguard rescue	–	0.5	0.3	0.5	1.1	2.4
International	–	0.1	–	0.1	0.2	0.4
Water safety, education and awareness	–	0.2	0.1	0.2	0.5	1.0
Total	0.4	5.6	2.9	4.9	10.9	24.7

e) Consolidated balance sheet – analysis of funds 2020 summary

	Unrestricted funds			Restricted funds	Endowed funds	Total 2020
	General funds £M	Designated funds £M	Fixed asset funds £M	£M	£M	£M
Fixed assets	–	–	468.0	–	–	468.0
Investments	70.5	11.4	–	125.5	61.2	268.6
Net current assets	59.5	–	–	9.9	–	69.4
Creditors falling due after more than 1 year	(7.8)	–	–	–	–	(7.8)
Defined benefit pension liability	(40.8)	–	–	–	–	(40.8)
Total	81.4	11.4	468.0	135.4	61.2	757.4

f) Endowed funds – analysis of major funds

Name of fund	Purpose of fund	Opening balance 2020 £M	Income 2020 £M	Expenditure 2020 £M	Investment gains 2020 £M	Transfers 2020 £M	Closing balance 2020 £M
RNLI Lifesaving Endowment – expendable	The advancement of saving lives at sea by establishing, building and investing an endowment fund	42.3	0.3	–	1.4	–	44.0
Roy Barker – permanent	All-weather lifeboat construction	10.7	–	–	0.3	–	11.0
Morrell – permanent	Dungeness Lifeboat Station – general	4.8	–	–	0.2	–	5.0
Other endowed funds – permanent		1.2	–	–	–	–	1.2
Total endowed funds		59.0	0.3	–	1.9	–	61.2

g) Restricted funds – analysis of major funds

Donor name	Purpose of fund	Restated opening balance 2020 £M	Income and investment gains 2020 £M	Expenditure 2020 £M	Transfers 2020 £M	Closing balance 2020 £M
Richard W Colton	All-weather lifeboat construction	5.4	0.2	–	(5.2)	0.4
Various donors	Jersey Lifeboat Station – general	6.2	0.8	(0.3)	–	6.7
Gough Ritchie Trust	Isle of Man lifeboat stations – general	4.7	0.3	–	(4.7)	0.3
Various donors	Guernsey Lifeboat Station – general	4.5	0.7	(0.2)	–	5.0
Various donors	Sheringham Lifeboat Station – general	2.9	0.2	(0.1)	–	3.0
Various donors	Morecambe Lifeboat Station – general	2.7	0.1	(0.1)	–	2.7
Anonymous legacy	All-weather lifeboat construction – Anstruther	2.2	0.1	–	–	2.3
Roy Barker	All-weather lifeboat construction	2.6	0.7	–	–	3.3
Various donors	Wells-next-the-Sea shoreworks	2.3	0.1	–	–	2.4
Various donors	Life-boatmen's Benevolent Fund	2.3	0.1	–	–	2.4
Various donors	Bridlington Lifeboat Station – general	2.5	0.2	(0.1)	–	2.6
Anonymous legacy	Great Yarmouth and Gorleston	2.2	0.1	–	–	2.3
Various donors	Invergordon	2.1	0.1	–	–	2.2
Anonymous legacy	Pwllheli	2.0	0.1	–	–	2.1
Mrs. D J Pearce	All-weather lifeboat construction	2.0	–	–	–	2.0
Total of major funds		46.6	3.8	(0.8)	(9.9)	39.7
Other restricted funds		69.1	40.2	(19.8)	6.2	95.7
Total restricted funds		115.7	44.0	(20.6)	(3.7)	135.4

Living the RNLI's values: volunteer Paul Weston qualified as a helm at Portishead in 2021. Being in charge of a lifeboat and crew is a huge responsibility

16. 2020 COMPARATIVES – FUNDS AND LINKED CHARITIES (CONTINUED)

h) Designated funds – analysis of funds

Name of fund	Purpose of fund	Opening balance 2020 £M	Income and investment gains 2020 £M	Expenditure 2020 £M	Transfers 2020 £M	Closing balance 2020 £M
Pandemic Fund – 2020	Projects and activities that have been delayed from 2020 as a result of Covid-19	–	–	–	11.4	11.4
Total designated funds		–	–	–	11.4	11.4

i) Linked charities

Donor name	Purpose of fund	Opening balance 2020 £M	Income 2020 £M	Expenditure 2020 £M	Transfers 2020 £M	Closing balance 2020 £M
Life-boatmen's Benevolent Fund	Grants for distressed past or present crew members	2.3	0.1	–	–	2.4
Langstreth Culliford Trust	Grants for dependants of lifesavers	0.2	0.1	–	–	0.3
John William Archer	All-weather lifeboat construction	0.1	–	–	–	0.1
Charles Carr Ashley	Lifeboat maintenance and support for crew	0.1	–	–	–	0.1
Anna Stock Memorial Fund	Col Stock lifeboat – construction and maintenance	0.1	–	–	–	0.1
Total of linked charities		2.8	**0.2**	–	–	3.0

17. FINANCIAL REVIEW RECONCILIATION

The financial analysis in the financial review (page 24) has been revised to show the total charitable spend, including that spent on asset purchases, together with the cashflow effect of this spend. This note shows the reconciliation between the financial statements and this analysis. The main difference is to reflect the actual spend on fixed assets, for example lifeboats and lifeboat stations, as opposed to the depreciation charge, with the adjustments for this shown in (a).

a) Operating performance

	SoFA £M	Asset purchases £M	Asset depreciation/ amortisation £M	Asset disposal £M	Total 2021 £M
Charitable spend					
Lifeboat service	46.2	–	(2.8)	–	43.4
Lifeboats, property and equipment	83.7	25.6	(20.8)	–	88.5
Lifeboat rescue	129.9	25.6	(23.6)	–	131.9
Lifeguard rescue	19.6	1.5	(1.6)	–	19.5
International	2.1	–	–	–	2.1
Water safety, education and awareness	6.2	–	(0.1)	–	6.1
Total charitable spend	157.8	27.1	(25.3)	–	159.6
Income available for charitable spend					
Legacies	137.6	–	–	–	137.6
Donation	60.2	–	–	–	60.2
Trading (net)	5.9	–	0.1	–	6.0
Charitable trading	4.2	–	–	–	4.2
Investments (net)	0.8	–	–	–	0.8
Other	2.7	–	–	2.7	5.4
Total Net Income	211.4	–	0.1	2.7	214.2
Cost of generating income	(33.5)	(0.2)	1.2	–	(32.5)
Net income available for charitable spend	177.9	(0.2)	1.3	2.7	181.7
Operating surplus/(deficit)	20.1	(27.3)	26.6	2.7	22.1

Asset purchases comprise fixed asset additions and acquisitions. Further analysis of fixed assets is shown in note 6.

18. GOVERNMENT GRANTS

	2021 £M	2020 £M
Coronavirus Job Retention Scheme	0.1	5.4
Republic of Ireland (RoI) wage subsidy schemes	0.4	0.7
Retail, hospitality and leisure grants	0.1	0.3
International grants	0.2	0.3
Total	0.8	6.7

The RNLI does not normally seek funding from government, to ensure that we retain independence in all that we do to save lives at sea. However, there are exceptions made where such independence is not compromised.

For 2021, the need for furlough and wage subsidy support diminished significantly as restrictions eased and the RNLI adapted to new ways of working. As such, the RNLI only claimed £0.5M in 2021 (2020: £6.1M), most of which was from the Republic of Ireland (RoI) wage subsidy scheme in the first quarter of 2021. A waiver was received in respect of business rates for RNLI (Sales) Limited where shops have been unable to open.

There are no unfulfilled conditions in respect of these grants and no other government grants were received in respect of Covid-19.

During 2021, the RNLI received funding from the Foreign, Commonwealth and Development Office, for the total amount of £144,733 (2020: £228,681). These funds were spent entirely on the project 'Reducing mortality and improving early childhood development of children aged 1–4 in rural communities of Barisal, Bangladesh' under UK Aid Match Grant Reference number: 205210-301. There was also a grant from the Isle of Man Government of £46,804 (2020: £29,000) for international work.

RNLI OFFICERS AND CONTACTS

PATRON

HM The Queen

PRESIDENT

HRH The Duke of Kent KG

TRUSTEE BOARD

Stuart Popham
CMG QC(Hon)
Chairman

Stuart has over 35 years' experience as a solicitor with Clifford Chance, then joined Citibank as vice-chairman of EMEA Banking from 2011 to 2018, and also chaired the policy institute Chatham House. He was appointed a Trustee in 2013 and became RNLI Chairman in 2016. Stuart was made a CMG in 2019.

Stuart has been indisposed since July 2021, when Janet Cooper and Eddie Donaldson, the Deputy Chairs, became acting Co-Chairs.

'As a lifelong sailor with family who recognise the real value of the RNLI, I felt I could do my bit to help.'

Janet Cooper OBE
Deputy Chair

Janet is an experienced non-executive director, corporate lawyer and entrepreneur. Janet was appointed as an RNLI Trustee in 2014 and elected deputy chair in 2020. She chairs the Remuneration and Membership Nomination Committees, and serves on the Bicentenary and People Committees.

'I am grateful for the opportunity to be part of the One Crew supporting the invaluable lifesaving work of the RNLI.'

Eddie Donaldson
OBE FCA
Deputy Chair

Eddie was a partner with KPMG for 23 years, during which time he was on both the UK and EMA executive teams. He became a Trustee in 2013 and is currently treasurer and a deputy chair. Eddie has chaired the Finance Committee since 2014.

'I have always admired those in the RNLI who risk their lives for others, so I jumped at the chance to come onboard myself.'

Fiona Fell

Fiona has been a non-executive director in the charitable and not-for profit sectors for the past 20 years. Elected to the RNLI Council in 2012 and appointed as a Trustee in 2020 she is a member of the Operations and Property Committees.

'A shared wish to save lives and to prevent drowning is deeply motivating and draws us together.'

Dr Philip Goodwin

Dr Goodwin has been chief executive of Voluntary Service Overseas (VSO) since 2015. He has a background in international development with a PhD in environmental policy and planning. Dr Goodwin was elected to the RNLI Council and appointed a Trustee in 2018.

'The poorest countries globally account for 90% of drowning deaths. I'm delighted to be working with the RNLI to help bring about change.'

Sir Peter Housden KCB

Sir Peter has a background in public services in the UK and Ireland and served as a permanent secretary in both Whitehall and in Scotland. Elected to the Council in 2012, he was appointed a Trustee in 2013, and is chair of the RNLI's People Committee.

'I am super proud to be an RNLI volunteer, helping to fulfil its mission in a changing world.'

Dr John Killeen

John is chairman of Marine Institute and president of Timoney Leadership Institute. He has an engineering background and is founding president of the Irish Academy of Engineering. Elected to the Council in 2017, he was appointed a Trustee in 2020, chairs the Irish Council and serves on the Audit and Risk Committee.

'I am honoured to be a volunteer in an organisation which delivers an invaluable service to society which saved many lives for almost 200 years.'

Rear Admiral Roger Lockwood CB
Following careers in the Royal Navy and the Northern Lighthouse Board, Roger was elected to the RNLI Council in 2015 and appointed a Trustee in 2018. He is also chair of the Operations Committee and the Scottish Council.

'With my maritime background it is a great honour to play a full role in the RNLI and contribute to saving lives at sea.'

Paddy McLaughlin
Paddy has been an RNLI volunteer for over 40 years and is a serving coxswain of Red Bay's all-weather lifeboat in Ireland. He is a company director with 30 years of experience in the hospitality supply industry throughout Ireland and the UK. Paddy joined the RNLI Council in 2014 and became a Trustee in 2020.

'Living in a coastal community, the RNLI has featured hugely throughout my life. It's a privilege to support and honour the Institution's lifesaving work.'

Sonia Modray
Sonia was originally appointed interim finance director at the RNLI. Subsequent to this appointment she was elected to the RNLI Council in 2014 and appointed a Trustee in 2015. Sonia is chair of the Property Committee, a member of the Finance Committee and the Trustee responsible for safeguarding.

'From my first day at the RNLI I was impressed by the selfless dedication and professionalism of everyone involved with this inspiring organisation.'

Mike Sturrock
With a background in technology spanning numerous industries and sectors, Mike is now on the board of several businesses. His early career was at sea as a professional yacht captain. Mike was elected to the RNLI Council in 2015 and appointed a Trustee in 2016.

'I've had a passion for the sea all my life and it's a huge privilege to be member of the RNLI crew.'

Chris Walters
CEng MEng MBA FIMarEST FRINA
Chris is a chartered engineer and naval architect with over 25 years' experience in the marine and energy sectors, including executive positions with Lloyd's Register and P&O Group. Chris joined the RNLI Technical Committee in 2012, was appointed as Trustee in 2015 and chaired the Technical Committee from 2015 to 2019.

'Inspired by the courage of RNLI volunteer crews, communities and staff, I am delighted to play a role in saving lives at sea.'

Mark Wordsworth
Mark is an executive chair and trustee with significant commercial and investment experience. Elected to the RNLI Council in 2018 and appointed a Trustee and Chair of the Investment Committee in 2021, Mark also serves on the Finance Committee and Bicentenary Steering Group.

'As a former crew volunteer, I am proud to help ensure that the selfless humanitarian work delivered by RNLI crews for 200 years will continue for many generations.'

Denis Woulfe MBE
Denis is a business adviser, non-executive director and former vice-chair of Deloitte LLP. He co-chairs the LACA-Lead the Change Board. Denis was awarded an MBE for services to women and equality in 2018. Denis became an RNLI Trustee in 2019 and chairs the Audit and Risk Committee.

'The courage and dedication of RNLI staff and volunteers is truly inspiring. It is an incredible privilege to have the opportunity to support them.'

CHAIRMAN

Stuart Popham CMG QC(Hon)

DEPUTY CHAIRS

Eddie Donaldson OBE FCA
Janet Cooper OBE

TREASURER

Eddie Donaldson OBE FCA

OUTGOING TRUSTEES IN 2021

Rosie Norris (retired April 2021)

COUNCIL

HRH The Duke of Kent KG (President)
Stuart Popham CMG QC(Hon) (Chairman)
Dr Peter Aitken MB ChB MRCGP FRCPsych FHEA DCH DRCOG
Neil Appleton
Alison Appleyard BEd (Hons) NPQH ARCM LTCL FCMI
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Professor John Chudley BSc PhD CMarEng CEng FIMarEST
Andrew Cooper CMG
Janet Cooper OBE
Philip Davies FAICD
David Delamer (retired July 2021)
The Hon Andrew Dixon
Eddie Donaldson OBE FCA
Simon Dudley
Roger Fairhead
Fiona Fell
Dr Philip Goodwin
Martin Gregory
Adam Griffin
David Hallam
Jonathan Hart
Gillian Hodgetts MSc MCIPR BA (Hons) DMS DN RGN
Geoff Holt MBE DL (retired July 2021)
Professor Dominic Houlder
Sir Peter Housden KCB
Charles Jones
Al Kassim CFA MSc BSc
Rear Admiral Mark Kerr (retired July 2021)
Professor Anthony Kessell MBBS MPhil MSc FFPH MRCGP MD
Dr John Killeen
Rear Admiral Roger Lockwood CB
Althea Loderick (elected July 2021)
Peter Lloyd MBE MBA MA
Alan Marsh MBE FICS
Niamh McCutcheon
Paddy McLaughlin
Captain Ian McNaught CVO MNM
Alastair Miller BSc (Econ) FCA
Sonia Modray
Sandra Morson
Judy Nelson MBA
John Newell MBE BSc MSc CEng FIMarEST
Rosie Norris
Paul O'Leary
Scott Parsons
Melissa Potter
Mark Pritchard
Lord Mark Sedwill (elected July 2021)
Mike Sturrock
Professor Phil Sutton CBE FREng PhD
Professor Mike Tipton MBE MSc PhD
Jane Totten
Hugh Tully
Dr Jean Venables CBE
Ian Venner
Dinesh Visavadia (elected July 2021)
Chris Walters CEng MEng MBA FIMarEST FRINA
John Whybrow (retired July 2021)
Lesley Wilkin
Kate Wilson
Mark Wordsworth
Denis Woulfe MBE

EX OFFICIO GOVERNORS

The Lord Mayor of London
The Chairman of The Baltic Exchange
The First Sea Lord
The Chairman of Lloyd's
The Master of The Honourable Company of Master Mariners
The Deputy Master of Trinity House
The Chairman of The Royal Yachting Association
The Chairman of The Northern Lighthouse Board
The Chairman of The Commissioners of Irish Lights
The UK National Hydrographer

INVESTMENT ADVISER

Lane Clark & Peacock LLP
95 Wigmore Street, London W1U 1DQ

PRINCIPAL BANKERS

Barclays
Wytham Court, 11 West Way, Oxford OX2 0JB

AUDITOR

BDO LLP
55 Baker Street, London, W1U 7EU

PRINCIPAL SOLICITORS

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Steynings House
Fisherton Street
Salisbury SP2 7RJ

BTO Solicitors LLP
48 St Vincent Street
Glasgow G2 5HS

Phillips Lee
7/8 Wilton Terrace,
Dublin D02 KC57

Charles Russell Speechleys LLP
8–10 Fetter lane
London EC4A 1RS

Womble Bond Dickinson
Oceana House
39–49 Commercial Road
Southampton SO15 1GA

Blake Morgan LLP
Harbour Court
Compass Road
North Harbour
Portsmouth PO6 4ST

Sackers & Partners LLP
20 Gresham Street
London EC2V 7JE

Solicitors also used in 2021 were:
Amory Solicitors
Suite 10, The Mall, Beacon Court,
Sandyford Business Park, Sandyford, Dublin D18 RX03

Maclaine & Co Solicitors
Imperial Buildings, 72 High Street, Belfast BT1 2BE

STANDING COMMITTEES

Membership Nomination Committee
Chairman: Stuart Popham CMG QC(Hon) (to July 2021)
Chair: Janet Cooper OBE (from July 2021)

Remuneration Committee
Chair: Janet Cooper OBE

Audit and Risk Committee
Chair: Denis Woulfe MBE

Investment Committee
Chair: Rosie Norris (retired April 2021)
Chair: Mark Wordsworth (appointed April 2021)

Property Committee
Chair: Sonia Modray

ADVISORY COMMITTEES

Operations Committee
Chair: Rear Admiral Roger Lockwood CB

Technical Committee
Chair: John Newell MBE BSc MSc CEng FIMarEST

Finance Committee
Chair: Eddie Donaldson OBE FCA

Heritage Committee
Chair: Tim Bryan FMA

Medical Committee
Chair: Dr Peter Aitken MB ChB MRCGP FRCPsych FHEA DCH DRCOG

Scottish Council
Chair: Rear Admiral Roger Lockwood CB
Deputy Chairs: Sheona Smith and Karen Stewart

Council for Ireland
Chair: Dr John Killeen
Deputy Chair: Paddy McLaughlin

People Committee
Chair: Sir Peter Housden KCB

EXECUTIVE TEAM

Chief Executive
Mark Dowie

Director of Engineering and Supply
Angus Watson (retired October 2021)
Jamie Chestnutt (appointed September 2021)

Chief Information Officer
Claire Deuchar

Director of Fundraising, Marketing and Media
Jayne George

Director of Lifesaving Operations
John Payne

Chief Finance Officer
Steven Peacock

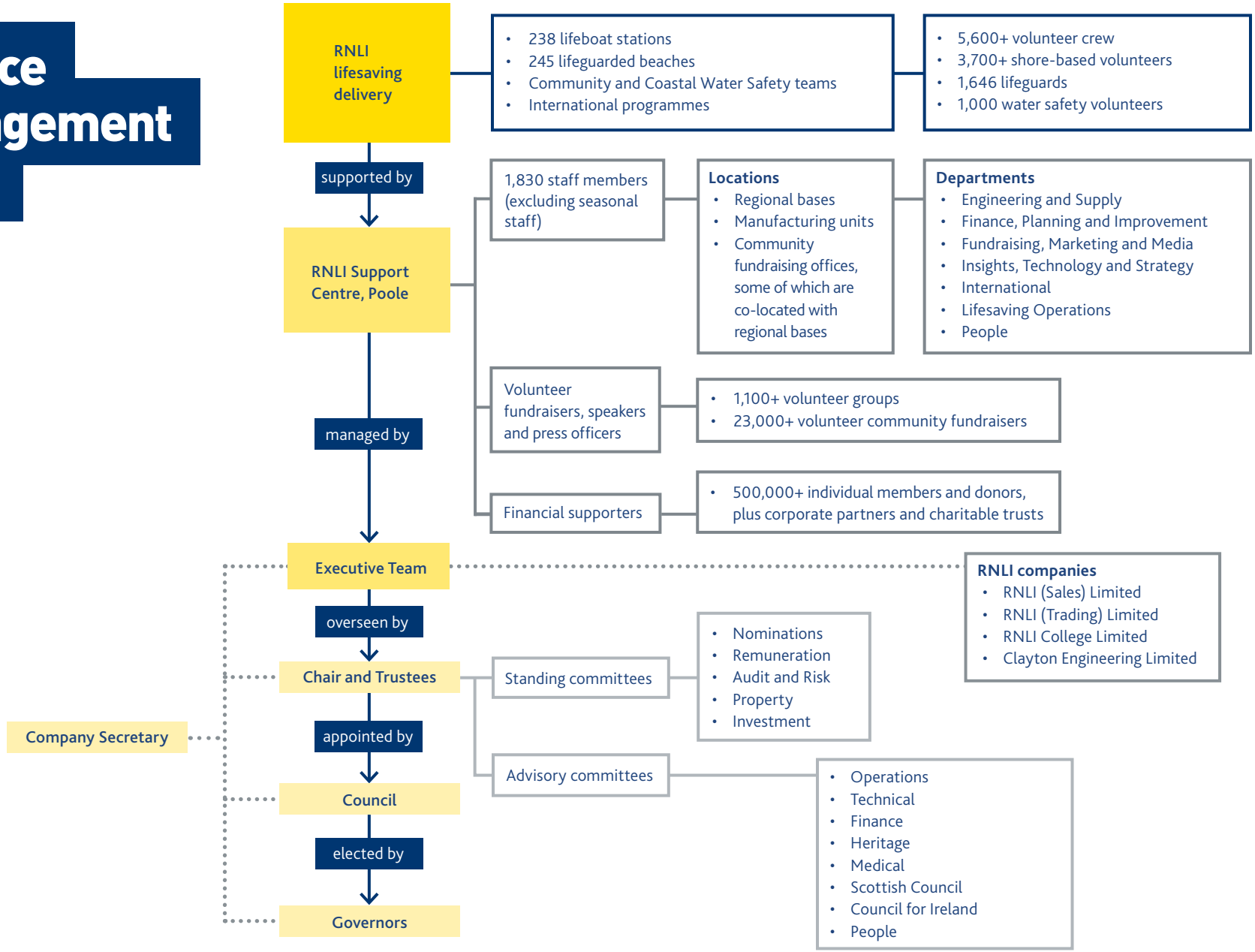
Director of People
Sue Barnes

GENERAL COUNSEL AND COMPANY SECRETARY

Simon Payne (retired March 2022)
Kerry Round (interim appointment March 2022)

The RNLI thanks its past chairs and vice presidents for their ongoing support and commitment.

RNLI governance and management structure



London lifesavers Hannah Liptrot, Craig Burn, Al Kassim and Jai Gudgeon tackle the Thames onboard E class lifeboat *Hearn Medicine Chest*. Tower is the RNLI's busiest lifeboat station

THANK YOU

The RNLI would like to say a huge thank you to the thousands of individuals who made our lifesaving work possible in 2021.

LEGACIES

The RNLI is grateful for every legacy, big or small. Here are just a few of the kind people who left a gift in their Will last year:

- **Myrtle Willis** from Stoke-on-Trent lost her father, a chief petty officer aboard HMS *Barham*, when it was sunk in the Mediterranean Sea during the Second World War. Her family had a long association with both the Royal and Merchant Navy, which were at the heart of her love of the sea and the RNLI. Her admiration for the work of our crews prompted her to leave a legacy.

- **Mrs Iris Moss's** late husband Dennis was rescued by the RNLI in July 1958, for which his family were forever grateful. Mrs Moss kindly left a legacy to the RNLI to 'ensure other families in the same situation were able to rely on this wonderful charity'.

- **Edith Abbey's** family lived and worked by the sea for many years. She was immensely moved by news of the Penlee lifeboat disaster in 1981, after which she was determined to support the work of the RNLI with a gift in her Will.

- **David Grimwade** from Kent was an officer in the Merchant Navy for 23 years, sailing with P&O, Portline and Cunard. His naval experience made him fully aware of the traumas faced by RNLI volunteers and so he held them in great respect.

- **Janet Dobbie** from London always said it was her intention to leave a legacy to the RNLI. Her father had been a lifeboat crew member in the 1930s, as well as having a distinguished service record in the Royal Navy and working as a marine engineer. All of this made Janet a loyal and dedicated supporter of our charity.

TRUSTS, FOUNDATIONS AND INSTITUTIONAL DONORS

We are extremely lucky to work with so many generous charitable organisations and individuals. Many of them support on a regular basis or phase their gifts over several years. This helps us plan for the future and match lifesaving projects to the specific objectives of these trusts, foundations and donors. Thank you to:

- Beacon Owl Trust
- Coldstones Charitable Trust
- D R Spalding's Charitable Trust
- Dr Scholl Foundation
- Foreign, Commonwealth and Development Office
- Historic England
- Hugh Fraser Foundation
- Iliffe Family Charitable Trust
- Isle of Man Government
- Leng Charitable Trust
- Logan Charitable Trust
- Miss Isabel Harvey Charitable Trust
- Moondance Foundation
- Portishead Lifeboat Trust
- Q Charitable Trust
- Richmond Parish Lands Charity
- Robert Barr's Charitable Trust
- The Alan Jones Charitable Trust
- The Ann Susman Charitable Trust
- The Band Trust
- The B&J Lloyd Family Charitable Trust
- The Bothwell Charitable Trust
- The Christopher Laing Foundation
- The Corton Hill Trust
- The Foster Wood Foundation
- The Ganton Furze Settlement
- The Gordon & Ena Baxter Foundation
- The Houghton Dunn Charitable Trust
- The John Scott Trust
- The Kenneth & Susan Green Foundation
- The Laurence Misener Charitable Trust
- The Mark Benevolent Fund
- The Master Charitable Trust
- The Mullion Charitable Trust
- The Norbury Boathouse Fund
- The Olive Herbert Charitable Trust
- The Olive Trust Fund
- The Philip and Connie Phillips Foundation
- The RS Macdonald Charitable Trust
- The Sally Odell Charitable Trust
- The Samuel & Freda Parkinson Charitable Trust
- The Sharp family in memory of John Sharp
- The Tom & Vicky Forsyth Charitable Trust
- The Valerie Evelyn Morant Trust
- The Wootton Grange Charitable Trust.

MEMBERS AND SUPPORTERS

Whether your donation pays for welly boots or a boat, every pound or euro has a part to play. We are grateful for the generosity of all our supporters, including those who donated in memory of a loved one or made an anonymous gift. We thank the following (or their donors) for their significant contributions last year:

- Val Adnams
- In memory of Charles and Agnes Bainbridge
- Tony Bedwell in memory of Maureen Bedwell
- Sylvia Blair
- Chris and Shirley Blanckley
- Roy Brabiner and in memory of Barbara Brabiner
- Ken Brown in memory of Margaret Olive Brown
- In memory of Vera Butterworth
- Jacqueline Chambers
- In memory of Eric John Davies
- Noreen Dickins in memory of John Gibson Kerr
- Martin Dickinson
- Wendy Forrester in memory of Donald Forrester
- Captain Robert Fullarton
- Brian Gilda
- Anthony and Gillian Gill
- Sam Gillies
- Raymond and Cherith Hirst
- John Holden
- David and Eleanor Holloway
- Patrick Johnson and Morgan Johnson
- Patricia Kane
- In memory of Bruce Kelland
- Jack Kelly
- Robert Harmer King
- In memory of Jim Kirkham
- Margaret McKee
- Callum Melville
- Clive Millward ISM
- John Nicholls
- Anne Lawson
- J Christopher Longridge
- Chris Perkins and Angela Hughes
- Denis Petropoulos
- In memory of Gordon and Maurice Pierssene
- Cecilia Ann Power
- In memory of Neil Procter
- Julia and Hans Rausing
- Imelda L Rawlins
- Andrew and Lynn Richmond
- Hilary Saw
- John and Doreen Scott
- In memory of Elizabeth M Sillars
- Ian and Lynda Smith
- Douglas Towler
- Andy and Dominie Walters in memory of Gwendoline Walters (nee Toms)
- Beryl Williamson
- Ann Dorothy Wilson
- Bill Wraith
- Mike and Naomi Yates.

PARTNERSHIP SUPPORTERS

We would like to thank all the companies and organisations that supported us in 2021. In particular, for their continued and significant support, we thank:

- BT
- Conker Spirit Limited
- EDF Renewables Ltd
- Elliot Brown Limited
- Ford Motor Company Limited
- Fred. Olsen Cruise Lines
- Finisterre
- Kärcher (UK) Ltd
- GFT Retail UK Limited
- GJW Direct
- HarperCollins Publishers Limited
- Haven
- Helly Hansen
- Commonwealth Mint
- Woodmansterne Publications Ltd
- Marks and Spencer – Sparks Card
- Ørsted
- The Lifeboat Fund
- The Olive Trust Fund.

THE FUNDRAISERS

A heartfelt thank you to the thousands of volunteers in our branches and guilds. Your hard work and determination throughout another difficult year raised vital funds through a range of imaginative activities. And thank you to your communities for their generous donations and support.

Thanks to our shop/souvenir volunteers for being primed and ready for business following lockdowns and raising over £5.9M. And thank you to the hundreds of independent fundraisers who took on all sorts of challenges, real and virtual, raising £7.1M in 2021.

You keep our lifesavers ready for anything.

To save every one

The RNLI is the charity that saves lives at sea

The Royal National Lifeboat Institution, a charity registered in England and Wales (209603), Scotland (SC037736), the Republic of Ireland (CHY 2678 and 20003326), the Bailiwick of Jersey (14), the Isle of Man (1308 and 006329F), the Bailiwick of Guernsey (CH135) and Alderney (CH386) of West Quay Road, Poole, Dorset, BH15 1HZ

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or +44 1202 663234 from everywhere else

info@rnli.org.uk
RNLI.org

Cover image: Lifeguard Ella Benbow shares safety advice with a young family on Praa Sands beach, Cornwall. It was a relief for many to see RNLI lifeguards back to full strength again in 2021 following the restrictions of 2020. Cover photo: RNLI/Charis Walker

Photos: Dragonflight Drones, Iolo Penri Jones, Derek O'Rourke, Cloud Dancer Photography, Alpha Press, RNLI/(Harrison Bates, Stephen Duncombe, Dave Edwards, Hoylake RNLI, Laura Lewis, Nigel Millard, Nick Walton RNLI Skegness, Justyn Smith, Justine Sykes, Charis Walker, Nathan Williams, Erik Woolcott), Shutterstock.com

Lifeboats

ARA21

THE ROYAL NATIONAL LIFEBOAT INSTITUTION

England & Wales - Charity number 209603

Accounts

Lifeboats

RNLI ANNUAL REPORT AND ACCOUNTS 2020

A year like no other

Whoever we are Wherever we are from

We are one crew

Ready to save lives

We're powered by passion **talent** and **kindness**

Like generations of selfless lifesavers before us

This is our watch

We lead the way

Valuing each other **Trusting each other** **Depending on one another**

Volunteering to face the storm together

Knowing that **with courage nothing is impossible**

That is what has always driven us

to save every one we can

It's what makes every one of us

a lifesaver

Lifeguards at Constantine Beach don goggles, masks, gloves and aprons to safely provide casualty care during the pandemic

Annual Report of the Trustees of the Royal National Lifeboat Institution

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‘What we achieved together in 2020 is nothing short of extraordinary’

Covid-19 is a wave that no-one expected. But thanks to volunteers, staff and supporters, together the RNLI kept its head above water and had a huge humanitarian impact.

What we achieved together in 2020, against the toughest of odds, is nothing short of extraordinary. Whether that was braving the sharp end and getting to grips with masks, gloves and new regulations, or keeping the support engine running while isolating at home, our people demonstrated exceptional courage and resilience in the face of an unprecedented storm.

All of us should feel proud of the lives we saved, the people we rescued and the drownings we prevented. We could not have done it without widespread public support. It’s clear that together, as One Crew, we can continue saving lives – even in a global crisis.

When the first lockdowns eased in May, people were desperate to escape. They flocked to the beaches like never before, some trying watersports for the first time. It was one of our most concentrated and energetic summer seasons ever. Lifeboat crews across the UK and Ireland valiantly bore the brunt of the lifesaving as others pulled out the stops to get our lifeguard services up and running as quickly – and as safely – as possible. They couldn’t be everywhere though. So, while we couldn’t give water safety advice face-to-face, we ramped up our messaging and influence online and in the media – and worked with organisations like Her Majesty's Coastguard in the UK and the Gaelic Athletic Association in Ireland to deliver clear advice to as many people as possible. We were able also to assist internationally, if on a reduced basis.

Meanwhile, our fundraisers found new ways to raise money at every opportunity. They inspired others online and helped people stay connected to our charity at a time when they couldn’t visit our stations or book a school visit. Despite our best efforts there was an inevitable fall in donations and trading income, and our expenditure reduced significantly as we changed our ways of working in line with government guidelines. So, while the 2020 accounts show a surplus, it belies the bigger picture.

We have some essential catching up to do with boat building, lifeboat repairs and station refurbishment. This vital work cannot be put off for long.

We don’t know what the longer-term implications of Covid-19 will be on our finances, or society at large. Many charities are suffering existential difficulties and, no doubt, there will be increasing competition for public support. But whatever the case, demand for our services will continue and we must do our utmost to meet it.

Whether you’re a volunteer, supporter, governor, trustee, member of staff – or one of the countless others standing with us to keep the RNLI afloat – I want to thank you for everything you do. Together, we bring hope and kindness to others in their darkest hours, and we seek to save every one.

Stuart Popham
RNLI Chairman

Rhyl volunteer crew members sharpen their skills, getting stuck into a training exercise after the first UK lockdown

‘By modernising, pushing the boundaries and encouraging new ways of working, we can save even more lives’

I am immensely proud of how our charity responded during 2020. Maintaining a 24/7 search and rescue service in the teeth of a global health crisis was no mean feat. We adapted to massive environmental and social impacts to deliver the best possible lifesaving effect through lifeboats, lifeguards and water safety messaging.

Although we had planned carefully for what we believed would be a staged and limited lifting of restrictions, the almost total derestriction of travel and activity in England was a surprise – and we heard about it at the same time as everyone else. This put our lifeguard service in a difficult position, due to the need to set up and train for a service with equipment which was predominantly still in winter storage.

Safely restarting this vast operation took meticulous planning, training and more than £1.5M of medical-grade PPE, but by the end of the summer we had lifeguards covering more than 70% of our normal summer beaches. Our lifeguards deserve a great deal of credit for their flexible and selfless response. The RNLI’s lifeguard service really did come of age in 2020.

Lifeboat stations and crews were able to implement safety measures more quickly and maintain a full service throughout the year. They didn’t stop for a pandemic, nor did they judge those they saved. In addition to their normal volume of service, lifeboats attended an increased number of recreational callouts involving sailors, fishermen, dog walkers, swimmers, surfers, paddleboarders, and children on inflatables. Our Kent crews also worked together to rescue desperate people crossing the English Channel and we should all be proud of the humanitarian work the RNLI continues at home and overseas.

Before the pandemic started, we made a commitment to keep the RNLI safe and secure for the next 200 years in *Our Watch: RNLI Strategic Intent 2020–24*. The Six Outcomes we set out in *Our Watch* still remain relevant and vital to our ongoing success, despite the interruption of 2020. There will be inevitable delays, as we had to pause and then restart some activities, but we will maintain a razor-sharp focus on these goals to ensure that we get back on track as soon as possible.

Our Watch describes how we are going to build foundations for the future too. By modernising, pushing the boundaries and encouraging new ways of working, we can save even more lives. People are the lifeblood of this organisation and we must also work harder to attract more, from a variety of backgrounds and generations, young and old. Our Racism, Discrimination and Diversity Action Team will also help us make the critical shifts we need to create a better and more inclusive place of work – where everyone can thrive and where we are relevant to every element of the communities we serve.

My sincere thanks to all of you who continue to show such steely determination in the most challenging of times. That includes our fantastic staff who have adapted to home working, heavier schedules, pay freezes and the frustration of furlough, with agility and good grace.

The future will undoubtedly present us with many more challenges – but I am confident that the RNLI will be in a strong position to continue delivering the best possible lifesaving effect throughout 2021 and beyond.

Mark Dowie
RNLI Chief Executive

WHAT WE DO

We save lives and prevent drowning through these key activities:

LIFEBOATS

Our lifeboat crews aim to launch within 10 minutes of being alerted and can operate up to 100 nautical miles out to sea. We aim to reach at least 90% of casualties within 10 nautical miles of the coast, within 30 minutes of a lifeboat launch – in any weather. Most crew members are volunteers.

LIFEGUARDS

Our lifeguards aim to reach anyone up to 300m from shore, within the red and yellow flags on RNLI-patrolled beaches, within 3½ minutes.

WATER SAFETY

Making people safer is core to the RNLI's operations. We use research, targeted campaigns and lifesaving plans to encourage changes in people's behaviour, in and around the water. We work alongside partners to maximize our reach and influence.

INTERNATIONAL

We work with partners globally, and in countries with a high drowning burden, to elevate the drowning problem onto the global agenda. We widen the research base, grow skills, and identify cost-effective and practical solutions to save more lives.

FUNDRAISING

As a charity independent of government, we rely on the generous support of donors to meet the cost of our lifesaving activities. We set exacting standards in our fundraising to protect and maintain good relationships with our supporters and ensure financial stability.

Trearddur Bay volunteers tackle rough seas onboard their Atlantic 85 inshore lifeboat *Hereford Endeavour*

5,600+
CREW MEMBERS

1,140+
LIFEGUARDS

AROUND
95%
OF RNLI
PEOPLE ARE
VOLUNTEERS

SAVING LIVES

RNLI volunteer lifeboat crews provide a 24-hour search and rescue service in the UK and Ireland, and our seasonal lifeguards patrol and keep people safe on busy beaches.

MORE THAN A RESCUE SERVICE

Wherever drowning occurs, we aim to defeat it. With your support the RNLI can break the drowning chain and make early interventions by influencing, supervising and educating people. We work with partners to understand the risks and offer innovative solutions – and our Water Safety teams share that knowledge with anyone using the water to keep them safer. We share this expertise internationally too. We give support to countries where drowning rates are significant, and work with like-minded organisations to raise awareness of the problem and how we can address it together.

These lifesaving activities are underpinned by people and initiatives that raise funds and ensure that we are well-governed and compliant.

OUR VOLUNTEERS

Volunteers are the keystone of our charity, supported by expert staff to enable communities to save lives. Around 95% of RNLI people are volunteers – including around 5,600 crew members, 3,500 shore crew (including station management) and 140 lifeguards. About 23,000 other dedicated volunteers raise funds and awareness, give water safety advice and help in our museums, shops and offices.

OUR IMPACT IN 2020

Despite a global pandemic, we didn't leave our post.

Together, RNLI people delivered the best possible lifesaving impact in the toughest of circumstances. Our lifeboat crews continued to be ready 24/7 and our lifeguards were up and running on 177 beaches by the end of the summer.

RNLI lifeboat crews had an intense summer, saving lives and reuniting families, while dealing with the effects that Covid-19 had on them personally. The volunteers dealt with a spike in recreational water users – with the majority of the season's activities compressed into a highly intensive few months, following a period of relative calm during the initial lockdowns. Our crews saved 239 lives in 2020 (221 in 2019), aiding 8,374 people (9,358). Meanwhile, lifeguards saved 110 lives (154), aiding 25,172 individuals (29,345 in 2019).

Our charity prevented others from getting into trouble in the first place too. In partnership with like-minded organisations, we reached more than 45M people with our beach safety campaign – and more individuals told us that our Float to Live message had helped to save their lives. We delivered water safety advice and curriculum-linked learning to thousands of children through our Water Safety Wednesday broadcasts and home-schooling packs. The beach safety campaign alone resulted in 83% of the target audience saying that they had a better knowledge of how to keep their families safe at the beach, and that it made the RNLI feel more relevant to them.

We also strengthened lifesaving partnerships with local authorities, governments and other organisations across the UK, Ireland and around the world. We continued our international drowning prevention work with the United Nations and in priority countries.

Inevitably, some of our work was delayed because of the health crisis. We constantly evaluated how best to deliver our lifesaving services while ensuring the safety of our teams. With this in mind, the RNLI's commitment to flood rescue was paused in November, pending a detailed review.

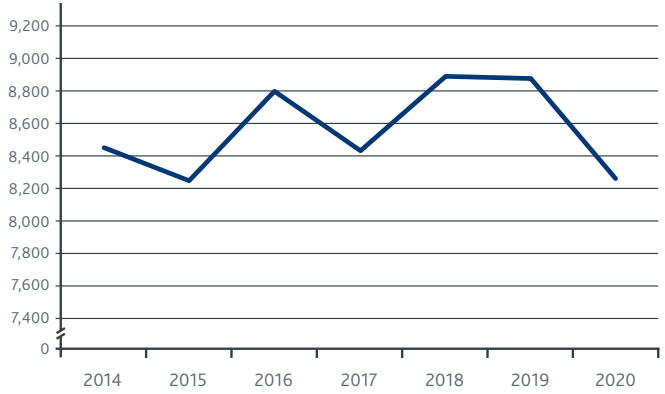
Read more about our plans and performance in detail, on page 18.

3,838
LIFEBOAT LAUNCHES DURING THE SUMMER
(despite initial lockdowns. 3,887 in 2019)

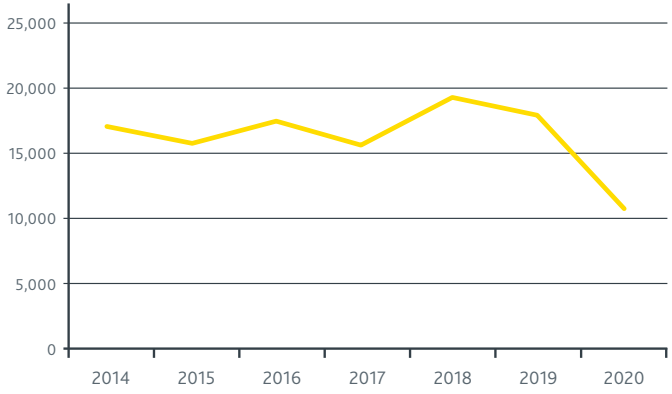
349
LIVES SAVED BY RNLI CREWS AND LIFEGUARDS
(375 IN 2019)

33,546
PEOPLE AIDED BY RNLI CREWS AND LIFEGUARDS
(38,703 IN 2019)

LIFEBOAT LAUNCHES



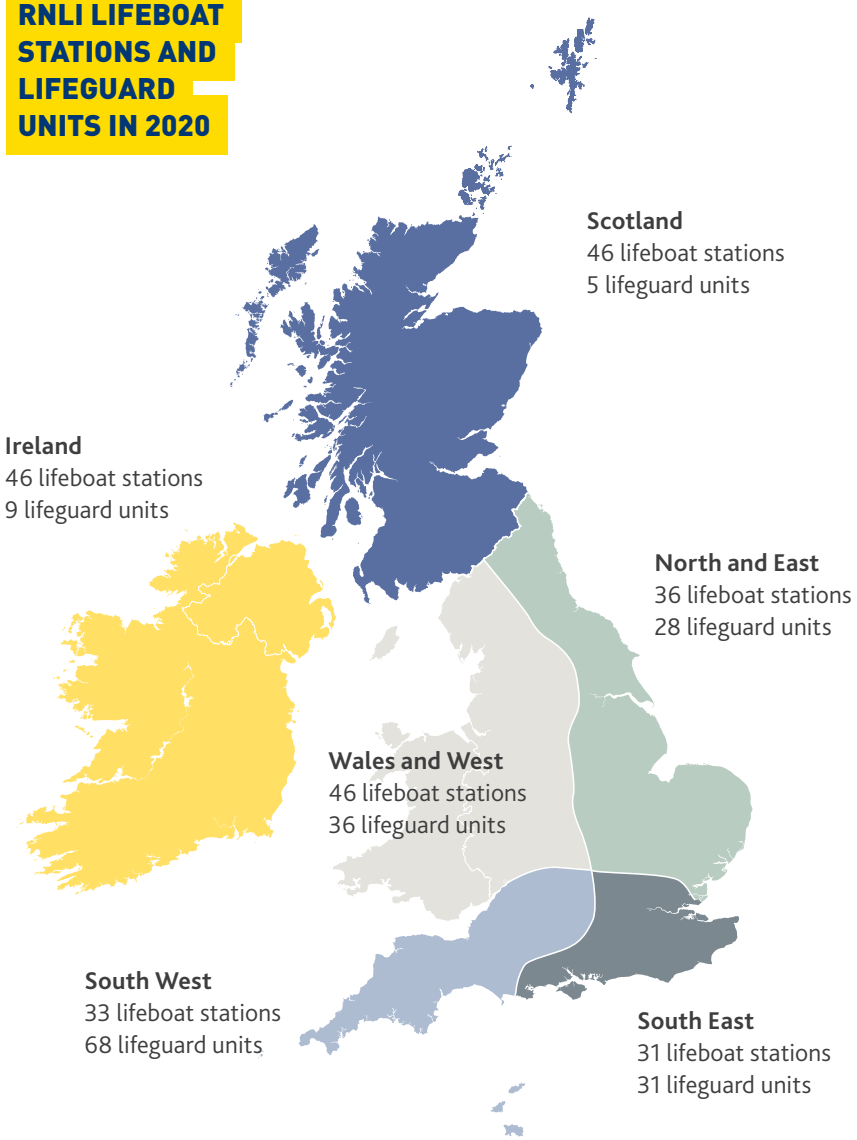
LIFEGUARD INCIDENTS



PLEASE NOTE

2020 lifeguard statistics are based on the service running at 71% capacity, on fewer beaches and for a shorter season, due to the pandemic. Further analysis is needed to interpolate a fair comparison with 2019 figures, but we know that operational lifeguarded beaches in 2020 were around 30% busier than usual.

RNLI LIFEBOAT STATIONS AND LIFEGUARD UNITS IN 2020



Scotland
46 lifeboat stations
5 lifeguard units

Ireland
46 lifeboat stations
9 lifeguard units

North and East
36 lifeboat stations
28 lifeguard units

Wales and West
46 lifeboat stations
36 lifeguard units

South West
33 lifeboat stations
68 lifeguard units

South East
31 lifeboat stations
31 lifeguard units

Baltimore's B class Atlantic 85 inshore lifeboat *Rita Daphne Smyth* was named exactly 100 years on from the day the station received their very first lifeboat on 8 September 1919. *Rita Daphne Smyth* now saves lives alongside the station's Tamar class all-weather lifeboat *Alan Massey*.

Lifeboats

Our volunteer lifeboat crews have been saving lives for 196 years. That work lies at the heart of the RNLI and it doesn't stop in a pandemic.

Our crews swiftly adapted to the environmental and societal shifts of 2020 by applying stringent new safety measures and procedures. They remained ready to launch 24/7 throughout the year, from 238 lifeboat stations around the UK and Ireland.

The easing of lockdowns from May meant crews faced one of their busiest summers, compressed into just a few months. There was a surge in the number of recreational water users compared to 2019, and lifeboat crews initially shouldered the burden of lifesaving with limited lifeguard support. Overall our crews launched 8,239 times, aided 8,374 people and saved 239 lives. 3,239 lifeboat services were carried out in darkness and 334 involved casualty care (first aid).

Tower and Southend-on-Sea were our busiest overall and coastal stations respectively, with inshore lifeboat crews carrying out the majority of launches.

To delve deeper into the numbers, download *RNLI 2020 Operational Statistics* at RNLI.org/OperationalStats2020.

Lifeboat crews depend on well-maintained rescue craft, regular training, the best personal protective equipment and robust shore facilities to save lives. While the pandemic limited the construction and maintenance of lifeboats and shore facilities, our staff focused on supporting frontline services – continuing to carry out essential repairs and other priority activities. We also sourced and provided our lifesavers with millions of items of medical-grade PPE to keep them and the public safe.

Regular training is essential too. Although regular face-to-face training and sea exercises were frustrated for much of the year, we created and delivered a range of specialist online courses and webinars for crews to sharpen their skills at home.

We were only able to provide them with these vital resources thanks to ongoing public donations.

Lytham St Anne's crew punch through waves in their Shannon class lifeboat *Barbara Anne*. The station has been saving lives since 1851

3,700+
CREW ATTENDED RNLI COLLEGE-LED TRAINING SESSIONS
(including online courses and webinars)

49,670
CREW HOURS AT SEA
(56,644 in 2019)

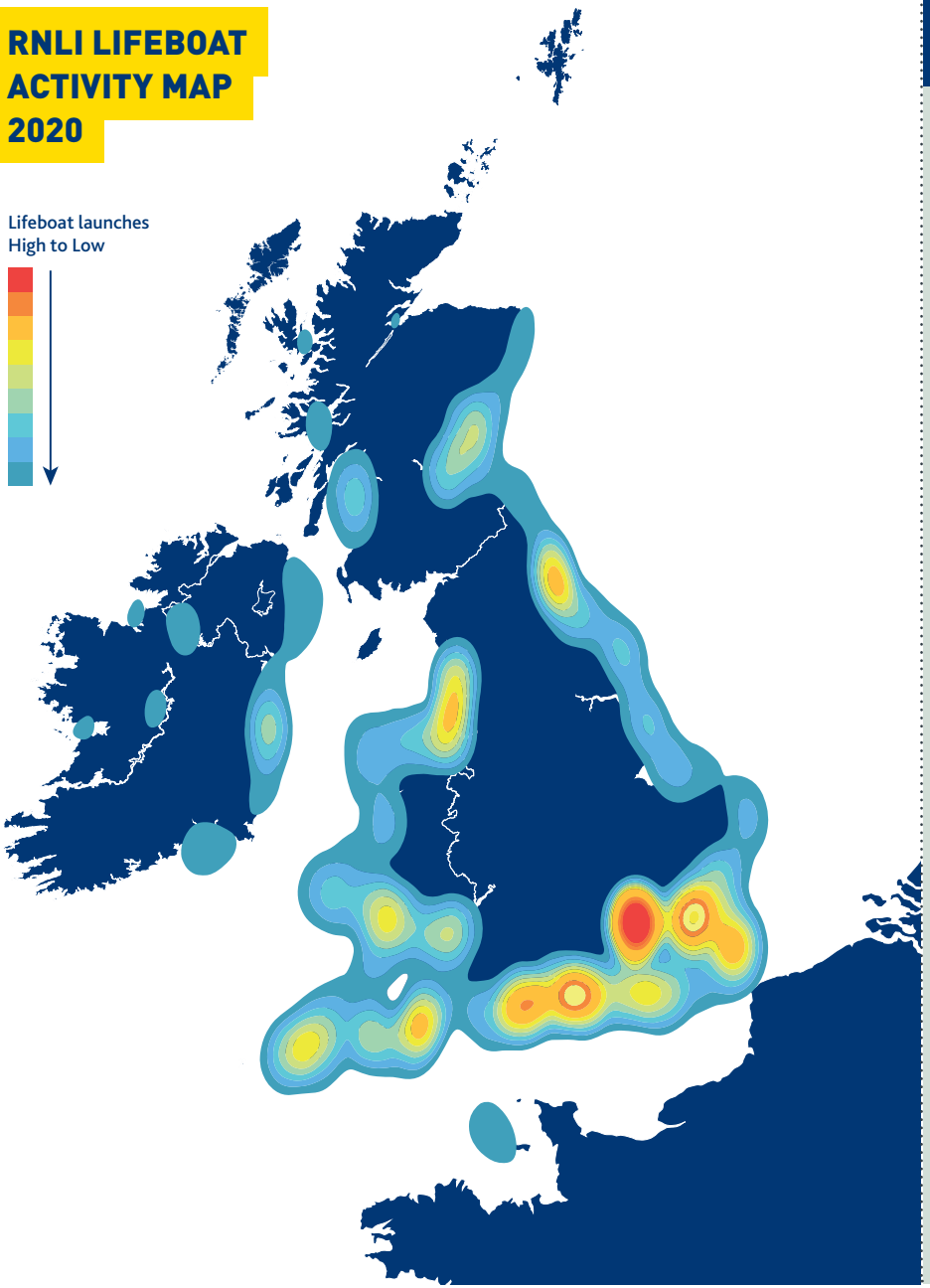
8,239
LIFEBOAT LAUNCHES
(8,941 in 2019)

6.7M
ITEMS OF COVID-19 PPE BOUGHT FOR OUR LIFESAVERS

10
NEW LIFEBOATS CONSTRUCTED
(28 in 2019)

75
LIFEBOATS REFITTED, MODIFIED OR **REPAIRED**
(157 in 2019)

RNLI LIFEBOAT ACTIVITY MAP 2020



CASE STUDY

A battle with heavy seas

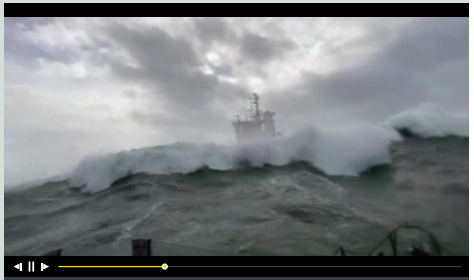
Three lifeboat crews faced off a Force 8 gale for more than 12 hours when a 4,000-tonne cargo ship came perilously close to hitting rocks off Hook Head, County Wexford.

Lily B, carrying coal and a crew of nine, had lost power and was adrift in 6m waves. When the skipper's call for help came in around 3pm on 20 October 2020, the Irish Coast Guard requested that RNLI lifeboats from Dunmore East, Kilmore Quay and Rosslare Harbour launch to the scene. A Coast Guard rescue helicopter from Waterford was also scrambled in case casualties needed to be airlifted out.

It took the combined might of the Trent, Tamar and Severn class all-weather lifeboats to keep the ship and her crew out of danger until a tug arrived. Our volunteer crews then escorted both vessels to the calmer waters of Waterford Harbour, arriving in the early hours of the following day.

'If it wasn't for the work of the three lifeboat crews out there, I fear the vessel would have hit the rocks and there could have been a serious loss of life,' says David Maloney, Lifeboat Operations Manager at Rosslare Harbour RNLI. 'The seas were huge, and it would not have been pleasant for anyone out there in those conditions. It was an incredibly difficult call out that involved serious skill and concentration. I am tremendously proud of all three lifeboat crews involved.'

***Lily B*'s crew send a mayday after losing power in Storm Barbara**



Our lifeboats and the cargo ship are dwarfed by waves the size of houses

'The seas were huge. This callout involved serious skill and concentration'

DAVID MALONEY
ROSSLARE HARBOUR RNLI

Our volunteers battle to stop the vessel being dashed on rocks

CASE STUDY

Seconds from drowning

A routine rescue turned into a race against time for our lifesavers at Weston-super-Mare in May, when a couple suddenly found themselves out at sea. Veronika and her boyfriend Rory were enjoying a stroll at the beach when they were cut off by the tide. 'The water started to rise really, really fast and waves swept us into the open sea,' she says. 'We were in big trouble. Every minute there was a wave over my head. I was choking and drowning.'

Fortunately, our volunteers Liam McDermott, David Rideout and Paul Sargent were already at sea in their D class lifeboat, having just rescued two people from mudflats. Helm Liam knew this second call was serious: 'I said to the injured casualty onboard "We have to go and get these people and haven't got time to take you back first. Are you OK with that?" Thankfully, he was.'

Meanwhile, Veronika and Rory were losing hope. 'I couldn't believe there was anyone coming for us,' she says. 'And then the lifeboat showed up. I was like, "What is this miracle?"' The crew swiftly approached and pulled them onboard. But as they assessed the couple, the radio came alive again. There was someone else in the water – a man who had gone to help the couple, only to be caught out too.

The walkers are rapidly swept out to sea

Our volunteers rescue them in the nick of time

'I just couldn't swim anymore and could feel I was giving up. I've never been so close to death.'

VERONIKA | PULLED TO SAFETY BY WESTON-SUPER-MARE CREW

The crew located the final casualty and helped him onboard.

With eight people now in the small inshore craft, it was a crowded journey back to the station. It was only when the casualties had been safely handed over for further care, that our lifesavers could pause to reflect on the extraordinary mass rescue.

Before the pandemic: a face-to-face fundraiser shares water safety advice with a member of the public at the Airborne Eastbourne event. Getting back to this level of personal engagement is key to lifesaving and the survival of our charity

'We couldn't do our face-to-face prevention work, so we found new ways to share safety messages'

HUGH DE SOUZA
RNLI VOLUNTEER WATER SAFETY ADVISER AND NHS RESPONDER

RNLI 200 years

RNLI 200
1824–2024

In 2024 we'll be marking the RNLI's bicentenary with an exciting programme of national and regional events. We want to inspire a new generation of supporters and volunteers at home, and around the world, who will ensure we can continue to save lives for another 200 years.

Please join us in commemorating our past, celebrating today and securing our future.

After serving Longhope RNLI for nearly a century, the old boathouse is now an independently run museum, complete with retired Watson class lifeboat *Thomas McCunn*. The RNLI's archive and library, collections and exhibitions – together with museums like this – keep our inspiring stories of lifeboat crew courage alive.

Lifeguards

Covid-19 had a severe impact on the safe and timely roll-out of our lifeguard services in the UK and Channel Islands. But the wider consequences of the pandemic saw people flocking to the beaches.

We faced some significant challenges in mounting a lifeguard service in 2020. These included the sourcing of medical-grade PPE, the inability of lifeguards to wear PPE and social distance while carrying out in-water rescues, evolving medical guidance, closed welfare facilities and accommodation, complications with equipment delivery and landowners or authorities not wanting services. There was also a shortage of lifeguards for specific beaches due to delayed recruitment, limited training opportunities and people seeking alternative employment.

Despite this, we were able to provide over 70% of our usual coverage and implement a range of measures to try and mitigate risk where lifeguards were not present. At peak capacity, RNLI lifeguards patrolled 177 of the busiest beaches across the UK and Channel Islands in 2020. Together, they kept watch over more than 15M beach visitors, attending 10,687 incidents, aiding 25,172 people and saving 110 lives. Some incidents required our lifeguards to carry out medical actions, including full resuscitations.

The core mission of a lifeguard is to stop people getting into trouble in the first place. That's why they also carried out more than 2.2M preventative actions in 2020 – reducing risk by providing beachgoers with expert advice, guidance and direction.

For more detail on our lifeguarding activities, and the challenges our service faced in 2020, download *RNLI Lifeguards Report 2020* at RNLI.org/LifeguardsReport2020.

Lifeguards setting up a safety advice windbreak. Preventative actions like this are key to keeping beachgoers safe

Lifeguard Tomas Thorndycraft dashes into the sea at Bournemouth with his rescue board

1,141
PEAK NUMBER OF ACTIVE LIFEGUARDS
(1,597 in 2019)

2.2M+
PREVENTATIVE ACTIONS BY OUR LIFEGUARDS
(3.9M in 2019)

25,172
PEOPLE AIDED BY RNLI LIFEGUARDS
(29,334 in 2019)

177
PEAK NUMBER OF BEACHES PATROLLED
(248 in 2019)

It was, by far, the busiest summer I have experienced in my ten seasons as a lifeguard

SAM CHAMBERLAIN
SENIOR LIFEGUARD | PERRANPORTH

Heading through the surf on a rescue watercraft at Scarborough

CASE STUDY

Binoculars: £100. Saving a life: priceless

'Waves were hammering across the rock. I knew the best way to help the boys was to jump in'

THERESA MOROKUTTI
LIFEGUARD | MAWGAN PORTH

Rescue on the rocks

Mawgan Porth lifeguards put their skills to the test in June, when two boys became stranded on a rock in angry surf.

The lifeguards were packing up after a long hot day when they were alerted to a group of people trying to climb down cliffs. Lifeguard Theresa Morokutti ran over to check they were OK. 'As I got closer, two boys jumped down and ran inside the cove which is a really dangerous place to be,' she says. The boys struggled to hear Theresa's shouts over the surf and then scrambled onto a rock. 'They looked scared,' she says. 'Waves were hammering across the rock and I knew the best way to help them was to jump in.'

Meanwhile, Senior Lifeguard Tom Houghton was launching the rescue watercraft with Stuart Weatherley.

'We could see that the guys would soon be knocked into the water. That's when Theresa made the lifesaving judgement call. I thought: "Oh god, she's in the water!" But we couldn't get the rescue watercraft close enough in the rocks. I just thought: "Right, it's just going to have to pan out this way."'

'The boys weren't confident swimmers,' says Theresa. 'So I got them to follow my motions of swim, climb, swim, climb.' With her focus on getting the two frightened boys to shore, Theresa suffered a nasty leg injury from the jagged rocks. 'I had to get stitched afterwards.'

'Half my concentration was on Theresa and the boys to make sure they were safe,' Tom explains. 'And the rest was on the other two climbers to make sure they made it to the top safely and everyone was accounted for. I was so impressed and thankful for Theresa's bravery that day.'

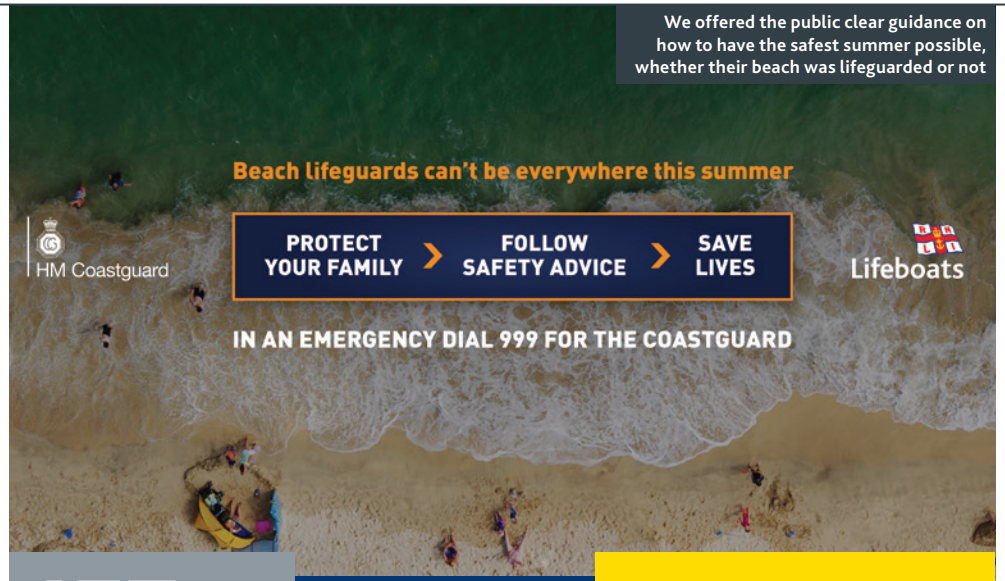
Water safety

You can count on the RNLI in an emergency but we're here to help prevent you from getting into trouble in the first place too.

As crowds flocked to our coasts after the abrupt easing of restrictions in the summer, we ramped up our safety messaging. We worked with Her Majesty's Coastguard in the UK and the Gaelic Athletic Association in Ireland to deliver clear and essential advice to as many people as possible. Collaborative working ensured our beach safety campaign messaging reached far and wide. The media coverage alone touched more than 45M people, and our supporters helped to push those numbers further by sharing the advice in their local communities.

We also delivered safety advice to young children at home through Water Safety Wednesdays and home education packs. We developed a new Volunteering Ambassador Scheme that encouraged local businesses to support our summer safety campaign and worked closely with organisations including the Royal Yachting Association, Irish Sailing and British Canoeing to drive consistent messaging.

In the autumn we reacted to the increase in outdoor swimming by producing new safety videos and partnership resources, and also made significant progress in understanding how the RNLI can help in the effort to reduce water-related suicide.



We offered the public clear guidance on how to have the safest summer possible, whether their beach was lifeguarded or not

157+
BUSINESS REPS JOINED OUR VOLUNTEERING AMBASSADOR SCHEME

45M+
PEOPLE REACHED WITH LIFESAVING ADVICE

5,000+
HOUSEHOLDS WATCHED OUR WATER SAFETY WEDNESDAY BROADCASTS

CASE STUDY

Aggie slipped and fell into this chilly canal while out jogging

'I felt a surge of panic'

Sometimes our prevention work touches the lives of people inland, or those who never expected to be in the water. One example from 2020 was Aggie from Blackburn, who slipped and fell into Leeds and Liverpool Canal while out jogging. She says our Float to Live technique saved her life.

'It was probably a year since I saw the RNLI advert but it was really ingrained,' she says. 'When you fall into cold water you've got to resist the urge to panic and thrash around, because that's what might cause you to drown. When I fell into the canal, I felt a surge of panic for a few seconds but knew I had to relax and float. That's exactly what I did.' After catching her breath, Aggie was able to call for help. A group of passers-by helped to pull her out and wrapped her in a blanket before getting her safely home.

Chris Cousens, RNLI Water Safety Lead, says: 'Aggie's story really does prove that our Float to Live advice is just as relevant inland as it is on the coast. Knowing what to do if you fall into cold water can be the difference between life and death.'

International

The pandemic had a huge impact on communities around the world, particularly those at high risk of drowning. That's why we continued to support lifesaving work in priority countries.

In 2020 we forged a new partnership in Tanzania to respond to the drowning risks of fishing communities around Lake Victoria. This work builds on research funded by the RNLI and will see us helping find solutions to prevent drowning.

Meanwhile, RNLI-funded research from West Bengal, India, showed that drowning is a major cause of death among children in the Sundarbans region. There is an urgent need for interventions to keep children safe and we are working with partners to develop a response.

We also kept in close contact with partners at the United Nations (UN) in New York as we work to support champion governments to hopefully secure a first ever UN resolution on drowning prevention.

Through projects supported by the RNLI, lifesavers in Bangladesh were able to use their skills to keep people safe during the pandemic. The RNLI works with the Centre for Injury Prevention and Research, Bangladesh (CIPRB) on projects to reduce drowning through a lifeguard service in Cox's Bazar, swim survival lessons for children aged 6–10, water safety education for communities and community-based creches for children aged 1–5 years.

Unfortunately, due to the pandemic, CIPRB was forced to stop most of the project activity in 2020, including the creches, leaving more than 10,000 young children without dedicated supervision during peak drowning times. The lifeguard service was also impacted for part of the year, in line with local restrictions.

But our partners worked hard to ensure that the risk of drowning was not forgotten. They worked with local government and other organisations to deliver drowning prevention and Covid-19 response messages to thousands of children and adults. And when their lockdown eased in August, they rolled out a coronavirus-safe lifeguard service.

Going into 2020, we helped CIPRB put plans in place for long-term sustainability by securing direct funding. The Princess Charlene of Monaco Foundation agreed to provide longer-term funding, and UK Aid Direct awarded a grant worth £1.4M over the next 4 years. This will ensure that these lifesaving services continue and allow the expansion of the swim survival and community engagement activities. The RNLI also received almost £229,000 of UK Aid Match funding from the Foreign, Commonwealth and Development Office to reduce drowning fatalities and improve the development of young children in Barisal, Bangladesh.

Anchal maas (creche caregivers) engaged with their local communities, checking on children unable to attend during lockdown and sharing drowning prevention messages with parents.

Nurjahan, an *anchal maa* from Kalapara, stitched more than 200 masks and distributed them to children, parents and other community members free of charge.

'I started these social awareness activities for the safety of my beloved anchal children. I consider them all family'

NURJAHAN | ANCHAL MAA

A SPACE IN A COMMUNITY-RUN CRECHE CAN REDUCE THE RISK **OF A CHILD DROWNING BY**

82%

225+
CHILDREN DROWN GLOBALLY **EVERY DAY**

23,757
PEOPLE RECEIVED WATER OR BEACH SAFETY **EDUCATION IN BANGLADESH**

Fundraising

With 92% of our income coming from donations and legacies, our charity relies heavily on dedicated volunteers and supporters to raise funds.

The health crisis set us a huge challenge on this front in 2020. Social restrictions meant we had to cancel public events and close our shops, museums and visitor centres for much of the year. Yet we needed to keep the money coming in to support our busy lifesavers.

RNLI fundraisers across Ireland and the UK rallied to the cry with so many clever ideas. They set themselves sponsored fitness regimes, embarked on grand virtual challenges, and filled thousands of 'Betty's Pots' with 5ps. Together we inspired supporters online too. Our well-loved national events like Mayday and Fish Supper became virtual for the first time, which encouraged people to host Cuppa for the Crew events over Zoom or Facebook Live – and saw us setting a new Guinness World Record for the biggest online fish and chip dinner.

Our lifesaving work became increasingly relevant to the general public as thousands changed their foreign holiday plans for coastal staycations. We seized this opportunity to ramp up our fundraising efforts with finely-tuned appeals and bespoke door drops – with excellent results.

The RNLI began preparations for its 200th birthday too. We gathered more than 400 ideas from our volunteers on how our charity could celebrate, commemorate and inspire the public and its supporters through our bicentenary in 2024 and beyond. Their ideas form the basis of our plans. We also launched the RNLI 200 Club: a group of 200 members who wish to donate to the bicentenary and create a living legacy that supports the future of our lifesaving charity.

We are so grateful to everyone for their support. The aftershocks of the pandemic will undoubtedly affect RNLI fundraising for some time, so innovative and responsive ways to generate income remain a high priority for us. Find out more about our finances on page 22.

Four-year-old Storm Force member Robin did a sponsored cycle at his local park, while Ken Oliver completed a virtual row of the River Humber (without leaving the 4m paddling pool in his back garden). Both great ways to beat the lockdown blues and help save lives at the same time!

CASE STUDY

Every time Invergordon crew respond to their pagers, thousands of cherished loved-ones launch by their side

Lifesaving memories

Invergordon volunteers were excited to bring their brand-new Shannon class lifeboat on station in November. This was possible thanks to a smart new funding idea called Launch a Memory.

Through Launch a Memory, people can remember a missed loved one by adding their name to the decals on the side of a lifeboat for a suggested donation. Together, these thousands of special names live on beside the crew – helping to bring the next person safely home. Supporters also had the opportunity to add a special name to the side of Clifden's new Shannon. We expect this new lifeboat to be on station and ready to save lives in 2022.

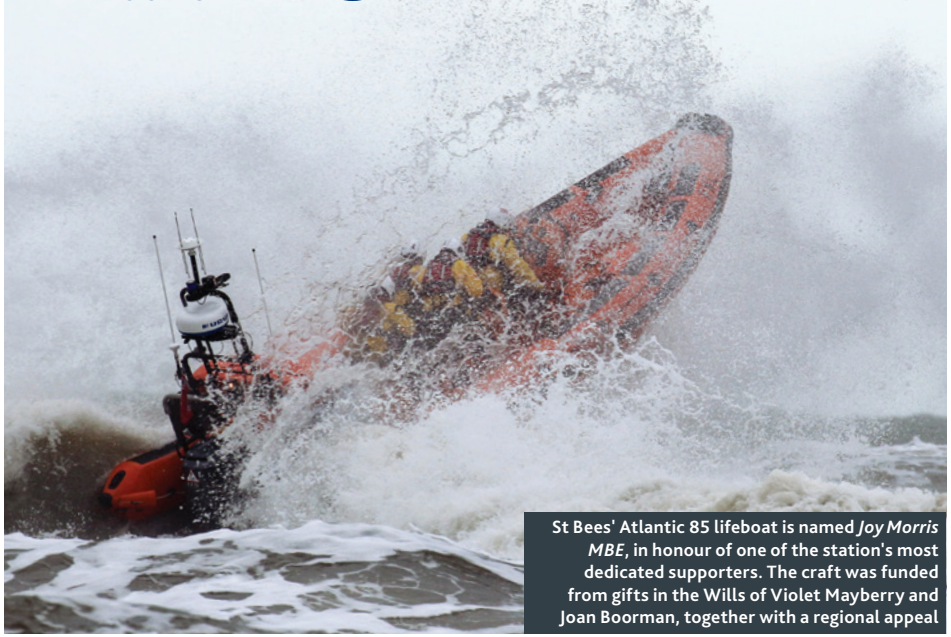
'Pleased that my dad's name, who was a lovely caring and humble man who helped others, will be with you as you help others. Thanks @RNLIInvergordon for all you do.'

WHERE YOUR MONEY GOES

14p is used to generate more funds

86p in every £1 donated funds our lifesaving activities

7 OUT OF 10 LIFEBOAT LAUNCHES ARE ONLY POSSIBLE DUE TO GIFTS LEFT IN WILLS



St Bees' Atlantic 85 lifeboat is named *Joy Morris MBE*, in honour of one of the station's most dedicated supporters. The craft was funded from gifts in the Wills of Violet Mayberry and Joan Boorman, together with a regional appeal

CASE STUDY

A lasting gift

Gerald's gift will provide vital changing facilities for our Pwllheli lifesavers

Pwllheli lifesavers saw a welcome boost to their lifeboat station appeal in November when they received a generous gift in the Will of Gerald Le Mesurier David, in honour of his sister Zoe. The gift will be used to provide a crew changing room in the new station.

Mr David's nephew, Anthony Mayled, says: 'Zoe was a great supporter of the RNLI so it did not surprise me that Gerald left them a legacy in her memory. His father was born in Pwllheli, so it seems appropriate his legacy went towards their new boathouse. He was an extremely genuine and generous man, and I know he would have approved.'

Cliff Thomas, Lifeboat Operations Manager at Pwllheli says: 'During these challenging times, this kind gesture is more appreciated than ever. Our volunteers will have a wonderfully equipped, purpose-built changing room which will be a lasting tribute to Zoe.'

Gerald Le Mesurier David

OUR PLANS

This section looks at our performance in 2020, lays out our plans for 2021 and signposts some of the key focus areas for the next 5 years to achieve our strategic outcomes

LOOKING BACK ON 2020: SAILING THROUGH CHOPPY WATERS

Like most organisations across the world, our plans for 2020 were severely disrupted by Covid-19. By February, we were starting to understand the likely impacts of the pandemic on our services and how we operate, so we set in motion our crisis management structure and readied our Business Continuity Plans. By late March, we were implementing changes to our ways of working to keep our volunteers, our staff and the public safe. We took the decision that other staff should work from home where possible and seamlessly provided the IT support to enable it.

The crisis management structure enabled the organisation to ride out the initial impacts of Covid-19, ensuring that the most critical operations and support services could continue effectively and safely. The 2019 consolidation of our lifeboats, lifeguards and water safety services under a unified command was a key factor in the success of our crisis management activity.

The concerted efforts to make our buildings safe, to procure and deliver PPE and to adapt our services to shifts in public behaviour – especially at beaches – were all well-managed through the crisis management teams.

Our control of the immediate crisis enabled us to turn our attention to planning for the summer season with the focus on:

- the safety and wellbeing of our staff and volunteers
- effective delivery of our lifesaving service
- ensuring that we have a sustainable plan for the future funding of our activities.

This required collaborative effort across the organisation, leading to the suspension or slowing down of certain activities. Consequently, from April, we took the decision to start placing people on furlough leave. A total of nearly 750 people were furloughed throughout 2020 as we stopped activities, with the associated financial compensation from government helping to ease the financial burden that has accompanied the pandemic.

Throughout this very challenging time, we continued to deliver our lifesaving services as described in previous sections of this report. As the government restrictions were lifted in July, we also began work on re-opening our shops and resuming trading at RNLI College.

We then turned our attention to beyond the critical focus of the summer, with our aim to return as many parts of the RNLI as possible to something resembling normal operations. While we had to temporarily pause other activities, we wanted to get them back up and running as soon as we could to protect the future sustainability of the organisation. Based on the key principles of delivering our lifesaving services: the intention not to re-load the organisation too quickly, the ability to return people to work safely and financial affordability, we set out a phased plan through the late summer and autumn to bring all aspects of the organisation back on line and return people from furlough. By November, we had successfully achieved this phased return.

We then entered into a phase of continued horizon scanning and review to enable the organisation to be ready to adapt to emerging scenarios such as further lockdown restrictions in the early part of 2021 and the likelihood of extraordinary pull on our services over an extended spring and summer season.

Despite the extraordinary circumstances of 2020, we still managed to provide the three key elements of our lifesaving service (lifeboats, lifeguards and water safety) in line with, and sometimes beyond, our expected standards while delivering a number of the significant additional activities that we had set out in our 2020 plan. This is testament to the dedication and resilience of volunteers and staff across the RNLI. Some of these successes included:

- a new beach safety campaign adapted to the demands of Covid-19
- completing the pilot for new equipment and standards to ensure the safe towing of casualty vessels by all-weather lifeboat crews
- delivering an updated call-out paging system and supporting infrastructure for our lifesaving service across the UK and Ireland that also links to our paging app for volunteers
- upgrading IT hardware at all our lifeboat stations to enable volunteers and staff to keep connected and perform key management and administration tasks efficiently
- upgrading all the operating systems for our laptop and desktop PCs to ensure they remain supported and to give improved security for all users across the RNLI
- continuing our vehicle fleet changeover programme that is intended to provide the right vehicles to the right people, while delivering better value for money
- delivering contactless payment technology to our fundraisers to use (once Covid-19 restrictions allow)
- providing our face-to-face team with a faster way to sign up and share our thanks with new supporters (once Covid-19 restrictions allow)
- accelerating the development of online capabilities for fundraising, e-commerce and volunteer attraction
- adapting our marketing systems to be able to confidently target customer contact on the basis of legitimate interest
- improving our safeguarding policies, processes and systems to ensure that our people are protected from harm, abuse and neglect
- implementing the first stages of our plans to provide more empowerment and control to our regional teams
- Brexit preparation work, such that we were in a good position to manage the transition on 1 January 2021 with little disruption or cost
- securing the support of countless new supporters, ambassadors and partners to help share lifesaving water safety advice.

MEASURING 2020 PERFORMANCE

We track our performance as an organisation through a framework aligned to the six Strategic Outcomes articulated in *Our Watch* (following page). We consider performance from a range of perspectives in a single integrated review that covers measures, strategic projects and risk to provide a more complete picture of how the RNLI is progressing towards its goals. At the end of each quarter, key performance headlines are shared with volunteers and staff – providing an opportunity for everyone to pause, reflect on how we are doing, and keep a firm eye on our mission of saving lives at sea.

The key trends observed through 2020 reporting reflect the impact of the pandemic on our normal operations, with launch activity lower than expected through the initial period of lockdown and early summer before climbing in the final quarter of 2020.

Injury numbers fell rapidly during the first part of the year and have remained lower than in previous years, despite the resurgence in lifesaving activity. While the overall reduction in RNLI activities resulted in a corresponding reduction in SHE incident reporting, it is encouraging to note that ratio of hazard and near-miss reports to injury reports remained at the 2019 level – a record year for that indicator.

We took the decision to pause our annual measurement of staff and volunteer engagement scores this year, as these would otherwise have taken place while the organisation was focused on responding to the pandemic. Nonetheless, engagement activities have continued as we maintained contact with volunteers and staff, and a number of smaller, targeted surveys have provided evidence of positive movement in this area.

CONCLUSION

Although the pandemic has brought monumental challenges to the RNLI and the impacts are likely to be felt for some time to come, we can look back on 2020 and reflect that we did a good job of sailing through choppy waters. We are not yet out of those waters – and there are a few areas where we could have done better and will take some learning. These include our influence on commentary in the media, how we look after the wellbeing of our people during a crisis, the preparedness of our Business Continuity Plans and how well we look ahead to anticipate the possible development of a crisis and how it could impact our operations.

OUR PLANS FOR 2021: MAINTAINING OUR DIRECTION OF TRAVEL

At the start of this year we launched our strategic intent document *Our Watch*, not knowing what was just around the corner.

To ensure we fully considered the possible long-term consequences of our plans, consultation on the content of *Our Watch* was far reaching, taking onboard the views of supporters, volunteers, Trustees, council members, staff and our external partners and stakeholders. We have been purposeful in *Our Watch* in making sure that we have understood the needs of those who use our services and support our cause, while also taking into account the emerging environmental and socio-economic factors that are likely to shape our services and the way that we raise funds in years to come. 2020 was a difficult year, but it was also a year of learning, so we have taken some time to pause and review our direction of travel.

The output of this review confirms that everything we set out to do in *Our Watch* remains valid. What we have refreshed is how we will deliver our commitments and the timings for these, particularly what we had expected to deliver by the end of 2021.

In 2021, we will be maintaining our direction while focusing on finishing the activities we started in 2020. We also intend to develop our strategic roadmap and plans to lay out how we will achieve our Strategic Outcomes and deliver the goals set out in *Our Watch* that go beyond 2021.

We will continue the work we started in 2020 to provide more empowerment and control to our regional management in the delivery of our lifesaving services. This will include greater alignment of our support services to the regional operations teams.

Staithes and Runswick crew return to station following a night-time launch and recovery exercise

OUR OUTCOMES

These six Strategic Outcomes will guide our work over the next 5 years – resulting in us saving more lives, while ensuring the safety of our volunteers and securing the future of the charity.

HOW WE APPROACHED OUR PLANNING FOR 2021

Given that we were in the midst of the pandemic when we set out our plans and budgets for the following year, we had to make the best assumptions that we could on how Covid-19 would likely impact 2021. We have based our plans on a scenario of periodic disruption with the readiness to adapt as circumstances change. One of our key priorities was to finish what we started in 2020 so we were able to carry forward a large amount of our 2020 planning and associated budget to reflect this. We then focused our efforts on replanning based on the learnings of 2020 and the additional activities needed in 2021.

The main changes included:

- Additional investment to boost income generation in the short and longer term.
- Re-phasing our capital investment in station builds and boat production.
- Reviewing our future ways of working, including plans for the Poole campus, in light of what we've learned from the pandemic.
- Reprioritising our strategic projects portfolio to focus on income generation and the critical work to support our lifesaving operations.

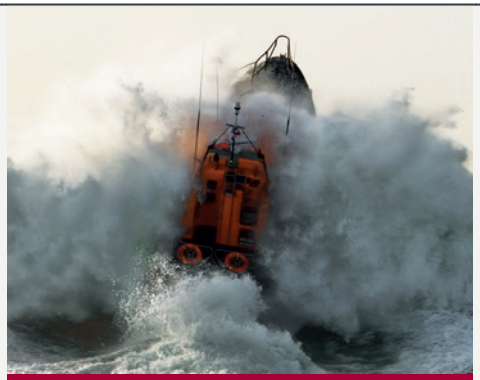
Recognising that our operational and financial landscape would remain volatile going into 2021, we have put together a plan based on cautious ambition. Consequently, our plan for 2021 is focused on four main priorities:

- **Finish the key activities that we started in 2020.** As a lot of the commitments we set out to deliver were disrupted, we need to get back on track and finish the key activities that we started in 2020.
- **Invest in income growth.** The challenge of 2020 has emphasised the need for strong and reliable income streams to support us now and in the future. This means we need to continue to invest in our income generating activities now more than ever.
- **Improve our lifesaving effect.** We have seen our lifesaving services of lifeboats, lifeguarding and water safety unite with the same goal of delivering the best possible lifesaving effect in the summer of 2020. We want to retain that momentum and look at how we can continue to improve our lifesaving effect in 2021 based on the experience of 2020.
- **Stay compliant and meet our obligations.** Despite the volatile environment we are operating in, we remain committed to ensuring that we are compliant and meet our obligations to protect the RNLI and our people.

Our ability to control expenditure in 2020 has enabled us to invest in fundraising growth earlier than anticipated. It has also enabled us to put some focus back on tackling some overdue technology and engineering needs. Beyond this targeted investment, we will focus on finishing what started and fixing today's problems. We know that we are not yet through the pandemic, and the impacts of Brexit are still emerging. So as we execute our plans in 2021, we will continue to carefully monitor our finances to ensure that we remain cautious and ready to respond if circumstances change, and will continue protecting the long-term sustainability of the RNLI.

OUR SIX OUTCOMES

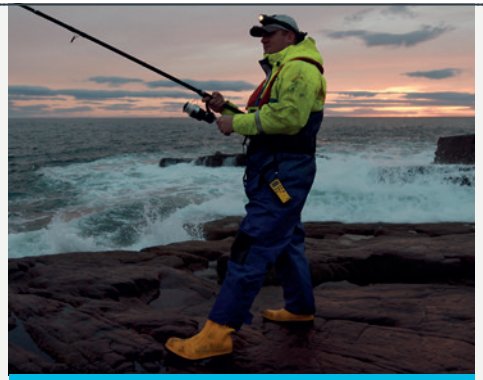
1 WE KEEP OUR PEOPLE SAFE



2 WE FOCUS ON WHAT WILL SAVE THE MOST LIVES IN OR NEAR THE WATER

HOW WILL WE KNOW WE ARE SUCCEEDING?

Measured by incident trends.	Measured by the effectiveness of our rescue service, including the number of lives saved.



3 WORKING WITH PARTNERS, WE INFLUENCE IMPROVED SAFETY ON AND BESIDE THE WATER

Measured by reduction in coastal risk score in the UK and Ireland, and data related to our targeted international activities.

4 OUR PEOPLE LOVE BEING PART OF THE RNLI

Measured by staff and volunteer engagement in our annual surveys.

5 WE RAISE THE FUNDS WE NEED AND SPEND DONORS' MONEY WISELY

Measured by annual donations and our level of free reserves.

6 OUR FUTURE IS SUSTAINABLE AND SECURE

Measured by the level of organisational risk we are carrying, and the development of our 2050 roadmap.

2021 PLAN OVERVIEW

Aside from our targeted areas of investment, most of next year's spend and resources are focused on keeping our lifesaving service running safely and effectively. This includes our direct lifesaving services and all of the other behind-the-scenes activity such as keeping our systems running, training people and managing our finances. There was much that was delayed in 2020 as a result of the pandemic and the Trustees have designated funds to ensure that, as much as we can, certain delayed projects and activities have the funds available to be completed in 2021.

The vast majority of our 2021 budget will be used to fund our lifesaving work. This includes running our lifeboat stations, delivering our lifeguard service, delivering water safety awareness programmes and ensuring we keep our people safe. This also includes our capital investment in building new stations and continuing to deliver the next generation of our all-weather and inshore lifeboats to the coast, along with the necessary launch and recovery equipment. In addition to our regular budgeted maintenance costs, we have included additional investment for unplanned and critical maintenance costs as we know that the delays experienced during the pandemic may result in more unplanned maintenance than usual next year. Alongside this, and in line with our priority to invest in income growth, we are investing additional resource across our income generating teams to ensure the future of our lifesaving.

We are in a position where we can continue investing in our future, but we are also mindful that our expenditure for 2021 is planned to be higher than our income. This means that we will still need to maintain focus on spending our donors' money wisely, making every penny and cent count.

SUMMARY

We recognise that our work during 2021 will continue to adapt at speed across all activities to ensure we can respond. We have set out our plans for 2021 based on cautious ambition and we have considered and readied ourselves for the decisions we will make in the event of the situation changing, for better or worse. Ultimately, these are plans that will ensure the ongoing delivery of our three lifesaving services – while protecting the future of the RNLI through effective management and controls, and sound financial judgement.

FINANCIAL REVIEW

FOR THE YEAR ENDED 31 DECEMBER 2020

2020 was an especially challenging year as the financial effects of the pandemic had to be managed in an ever-changing environment. While income and investments have ended the year well, our biggest challenge is that expenditure reduced significantly as we changed our ways of working in line with government guidelines.

In particular, we had to pause the building and maintenance of our lifeboats and lifeboat stations, while also delaying a variety of other activities. But this work has only been delayed, not abandoned, and still needs to be completed. We recognise that, while the RNLI has managed the financial impact of coronavirus in the short term, there is still much to do in 2021 and beyond, and the true financial impact on the charity may not be known for another 12–18 months.

The steps we took in 2019 to reduce costs, through redundancies and a rephasing of planned projects, have helped us leading into this crisis. In addition, the pausing or delay of 2020 activities primarily due to government restrictions, while not a long-term sustainable position, has helped keep our cashflow stable. For example, 16 of the 24 new lifeboats due to be built in 2020 are planned to be built in 2021. Overall charitable spend was £42.3M lower than 2019, but we will see pressure on our finances as this vital work resumes in 2021.

Similarly, the fundraising improvements that were made in the latter half of 2019 stood us in good stead to stem some of the income losses. During 2020 there was much that we could not control in managing our income. Shops were shut, fundraising events cancelled and face-to-face fundraising had to cease. However, in the areas where our supporters could help us through this crisis they did. The income from our appeals increased by £3.2M; Lifeboat Lottery income increased by 37%; and online retail sales outperformed expectations by £1.7M. In addition, furlough support of £6.1M from the governments of the UK, the Republic of Ireland and the Isle of Man helped our finances by providing support for staff who were unable to work normally.

Largely due to postponed expenditure, our free reserves have increased by £4.7M in 2020. However, the related postponed activities will need to be completed as they are key to the ongoing operations of the RNLI. As a result, 2021 will be challenging as we seek to re-engage with this postponed activity and look to increase income in order to cope with this demand.

FINANCIAL ANALYSIS

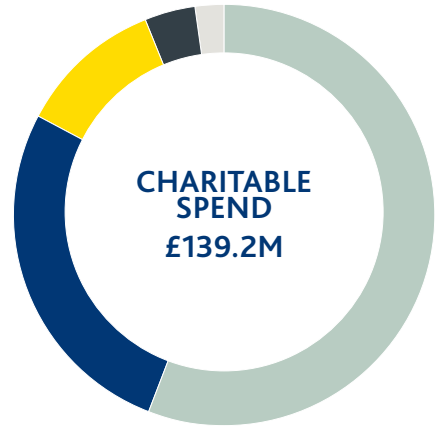
The analysis in this review has been produced to simplify the financial statements and show how much the RNLI spends on its operations each year, how it is funded, and the movement in its financial resources.

It is based on the financial statements on pages 42–46, but we have adjusted it to show the net income that is available for charitable expenditure. We have also reflected the actual capital costs, rather than depreciation, in the charitable spend. Further analysis on how this reconciles to the financial statements can be found in note 17 on page 72. The RNLI has four subsidiary companies and one charitable incorporated organisation. The results of these organisations can be found in note 2 on page 51.

CHARITABLE SPEND

Charitable spend decreased by £42.3M (23%) compared with 2019, due to the postponement of a variety of activities as a result of the pandemic. Much of this was delayed activity due to the need to change the way we work, although there have also been real cost savings in areas such as travel. The main areas of decrease have been:

- **Lifeboat service (£21.4M)** – this is a combination of one-off costs in 2019 and delayed activities in 2020 because of the pandemic. In 2019, there was substantial investment in paging system infrastructure (£6M), the purchase of Helly Hansen crew kit (£1.1M) and improvements in crew safety (£0.7M). In 2020, there were substantial reductions in rescue costs, such as fuel and allowances, crew training and travel costs associated with restricted movements.
- **Lifeboats, property and equipment (£10.8M)** – the construction and maintenance of both lifeboats and lifeboat stations was severely curtailed this year. Our lifeboat production facilities were, effectively, closed for 5 months, with a skeleton team focusing on emergency work only. When production resumed in September, the restricted ways of working meant that facilities were not operating at full capacity. For example, the all-weather lifeboat production facility only delivered two Shannon lifeboats in 2020, as opposed to the five expected, and 29 of the 64 lifeboat refits that were due in 2020 have been delayed until 2021.
- **Lifeguard rescue (£4.9M)** – the lifeguard season was especially difficult this year as we worked through the issues surrounding the first lockdown while trying to ensure lifeguards were adequately trained and could operate safely in a coronavirus-compliant manner. As a result, there was a delayed start across 70 beaches and then a ramp up to 177 beaches, which itself was less than the 248 patrolled in 2019. There was also a reduction in related income (£1.3M) as a result.
- **International (£1.2M)** – while maintaining our commitments, much of our international work was either paused or postponed to help protect RNLI resources. Most of the team was also furloughed for much of 2020.



CHARITABLE SPEND

	2020 Total £M	2019 Total £M
Lifeboat service	37.2	58.6
Lifeboats, property and equipment	77.6	88.4
Lifeboat rescue	**114.8**	**147.0**
Lifeguard rescue	15.3	20.2
International	2.5	3.7
Water safety, education and awareness	6.6	10.6
Total charitable spend	**139.2**	**181.5**

With travel restrictions, there were also savings on travel costs in a variety of different areas of international work.

- **Water safety, education, and awareness (£4.0M)** – our expenditure on water safety, education and awareness reduced as much of the face-to-face work could not continue. However, to support the high number of domestic holidaymakers, we implemented a summer safety campaign, in conjunction with Her Majesty's Coastguard and the Gaelic Athletic Association, to replace the face-to-face element. This work became even more important where we were unable to provide our normal lifeguard service.

INCOME AVAILABLE FOR CHARITABLE SPEND

This was a difficult year in all areas of fundraising. Overall income, excluding 'other income' (which includes government furlough schemes) is £4.1M down, a significant achievement for such a turbulent year. The main reasons for the income movements are:

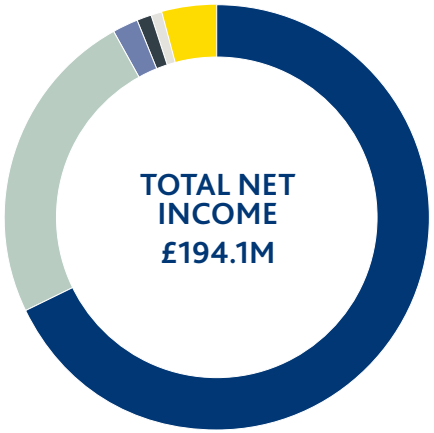
- **Donations (-£5.3M)** – our face-to-face fundraisers and community volunteer groups (over 1,000 throughout the UK and Republic of Ireland) were unable to raise funds during the popular summer months, which significantly affected donations this year. However, online and postal fundraising produced exceptional results to help us through this difficult period thanks to the continuing generosity of our supporters.
- **Trading (net) (-£1.9M)** – our shops and the RNLI College were forced to close for the majority of the year. The RNLI lottery and online shop sales were able to mitigate some of this loss in income.
- **Charitable trading (-£1.3M)** – income for our lifeguard services from local authorities also reduced as we patrolled fewer beaches in 2020 and had a shorter season.
- **Investments (net) (-£0.6M)** – investment income has also reduced as property rents have been postponed and dividends have fallen.
- **Legacies (+£5.0M)** – while legacy income has increased overall by £5.0M (4%), this masks an underlying challenge in realising the income from estates in 2020. So, while income has increased when you include money due from legacies, the money actually received from legacies in 2020 compared with that received in 2019 has reduced by £10.3M. This reduction has been caused by delays in the ability to process the estates as a result of the pandemic. This ranges from work carried out in the probate office, through to solicitors and executors, and then the final disposal of the assets themselves. It is unclear whether such delays will continue into 2021, however we have seen a marked rise in the value of the legacy receivable by £14.5M.

This legacy accrual relates to required accounting rules which seek to value legacies we have not received but where the receipt of monies is deemed probable and quantifiable with reasonable accuracy. It is after this accrual that the headline legacy income value has marginally increased.

- **Other income (+£6.6M)** – the implications of the government restrictions as a result of Covid-19 meant that the RNLI needed to take a number of actions – including ceasing manufacturing and refitting of boats, through to shutting down our college training and hospitality facility. As a result of these actions the Trustees, in common with many other employers, took the decision to accept furlough and wage subsidy support to assist with the retention of our staff. The government support of £6.1M, from the various furlough schemes across almost all of the jurisdictions that we operate in, has been a welcome addition to our income through the pandemic and has supported us in maintaining our lifesaving service.

The cost of generating income reduced by £1.8M (7%) resulting from the decrease in event activity, travel, and the furlough of staff where salaries were reduced in line with the RNLI's furlough approach.

£5.3M
DECREASE IN DONATIONS IN 2020



Legacies	68%
Donation	24%
Trading (net)	2%
Charitable trading	1%
Investments (net)	1%
Other - including Government subsidies	4%

INCOME

	2020 Total £M	2019 Total £M
Legacies	**131.5**	126.5
Donation	**47.1**	52.4
Trading (net)	**3.5**	5.4
Charitable trading	**2.6**	3.9
Investments (net)	**1.1**	1.7
Other - including Government subsidies	**8.3**	1.7
Total Net Income	**194.1**	**191.6**
Cost of generating income	**(23.5)**	(25.3)
Net income available for charitable spend	**170.6**	**166.3**

FINANCIAL RESOURCES

Investments and bank holdings increased by £12.5M in 2020, excluding investment gains. This was mainly due to the postponement of our charitable activities, as described on page 22, and so this is currently held in investments to be spent on those activities in 2021. There was an increase of £2.8m in stock, mainly resulting from a reduction in stock issues with less lifeboat maintenance and production, and an increase in PPE equipment stock held. We reduced the creditors balance by £10.4M, mainly due to payments to the defined benefit pension scheme at the 2019 level of £4.7M. The asset impairment of £2.8M is listed here as there is no cashflow effect (see note 1d on page 48 for more information). Similarly for the interest-free long-term loan from Cisco of £3.2M (see note 10 on page 59). Investments benefitted from a resurgence in the stock market in the latter half of the year and gains were £8.1M for 2020.

INVESTMENTS

Despite the turmoil of 2020 and the dramatic falls in global stock markets in March because of the pandemic, markets rallied strongly on the back of unprecedented stimulus from governments and the news of vaccine developments. Against this background, the RNLI's investments made gains of £8.1M in the year with more concentration on minimising risk than maximising returns. The overall return on the investment portfolio was 4.2% for the year. Charity investments were 0.2% above their benchmark this year.

Most asset classes were in positive territory with the only exception being property, given the issues in the property and rental markets. The Absolute Return funds proved their worth this year in protecting us from risk, especially in the equity market, while we have also maintained a high cash holding throughout the year for emergency purposes. While this has had a dampening effect on investment returns it has ensured that funds have been available to run the emergency service. For the last 5 years, the RNLI has returned an overall annual average of 4.3% on its investments.

Work on implementing the new investment strategy, as described in last

£20.6M
INCREASE IN FINANCIAL RESOURCES IN 2020

FINANCIAL RESOURCES	2020 Total £M	2019 Total £M
Net income less charitable spend	**31.4**	(15.2)
Investment gains/(losses)	**8.1**	15.9
Assest impairment	**2.8**	–
Stock increase	**(2.8)**	(4.2)
Debtors increase	**(11.7)**	(1.4)
Creditors (decrease)/increase	**(10.4)**	1.7
Long-Term Loan	**3.2**	–
Investment/bank increase/(decrease)	**20.6**	**(3.2)**

year's accounts, was paused given the disruption to investment markets this year. The view is still held that the revised strategy remains relevant and will result in a saving of some £250,000 per annum on investment fees while maintaining a similar risk profile. The move to the new strategy has restarted and should take around 18 months to implement, to spread the investment risk over time and to reduce cost in managing liquidity in the most appropriate way.

DEFINED BENEFIT PENSION SCHEME LIABILITIES

The RNLI has a legacy defined benefit pension scheme, which was closed to new entrants from 1 January 2007. On 30 September 2012, this was also closed to future benefit accrual, to help mitigate any future liability. Despite this the RNLI, like all employers who ran such schemes, will continue to have ongoing liabilities, which are the subject of review between the pension scheme's trustees and the RNLI's own Trustees based on actuarial advice for both parties.

The overall liability of £40.8M on the balance sheet is a increase of £6.7M from the 2019 position, with an actuarial loss of £11.0M in 2020 partly offset through having paid £4.7M to the scheme in 2020. This liability is calculated for accounting purposes only. It is a prescribed basis that allows comparability across the sector but does not necessarily reflect the position negotiated between RNLI Trustees and the trustees of the pension scheme from the actuarial advice provided. See note 11 on page 60 for details.

FUNDS ANALYSIS

FINANCIAL HEALTH

As of 31 December 2020, the RNLI had consolidated net assets of £757.4M, primarily representing fixed assets of £468.0M and investments of £268.6M. For the first time in many years, fixed assets decreased by £7.7M in 2020 as we were unable to carry out construction work on lifeboats, lifeboat stations and launch equipment, as well as delaying much needed improvements on computer software and hardware. However, the net assets of the organisation increased by £23.6M overall where the monies that would have been spent on these capital projects, and other key activities, are now held in investments to be spent over the coming year. Investments have increased by £24.0M this year. The Trustees have designated £11.4M to ensure that there are funds available to complete projects and activities that were delayed in 2020. Restricted funds have also increased by £19.7M, which also includes monies to be spent on such projects.

The RNLI's Trustees ensure the overall health of the organisation by managing our free reserves (the sums retained to withstand any short-term financial risks). Free reserves increased by £4.7M in 2020 as we hold funds to spend in 2021, mainly for operating activities as funds for capital projects are, largely, held in the designated and restricted funds. At the end of 2020, these free reserves stood at £122.2M. This represents 10.2 months' worth of charitable expenditure (at the actual 2020 level), which is just outside of

FREE RESERVES (FOR COMPARATIVE PURPOSES)	Value (£M)	Charitable Expenditure £M	Months' cover
2019 year-end position	**117.5**	165.5	8.5
2020 budget	**101.5**	162.4	7.5
2020 year-end position	**122.2**	143.6	10.2

FUNDS ANALYSIS	2020 £M	2019 £M	Change %	Ratio %
Permanent endowed funds	**17.2**	16.7	3%	2%
Expendable endowed funds	**44.0**	42.3	4%	6%
Restricted funds	**135.4**	115.7	17%	18%
Fixed asset funds	**468.0**	475.7	(2%)	61%
Designated funds	**11.4**	–	100%	2%
Free reserves	**122.2**	117.5	4%	16%
Pension reserve	**(40.8)**	(34.1)	20%	(5%)
Total funds	**757.4**	**733.8**	**3%**	–

the Trustees' requirement of 4–10 months, as described in the Reserves Policy in the fund accounting section. However, the Trustees recognise that there are exceptional circumstances affecting the calculation of months' reserves this year. Our charitable expenditure is exceptionally low (a reduction of 13%), so the calculation of months' worth of charitable expenditure is artificially high and expected to revert back to normal in 2021. The table on page 25 primarily illustrates the impact of the reduced expenditure this year on the free reserves.

FINANCIAL PLANS

While we continue to operate in an uncertain economic environment, we still need significant investment for our lifesaving services and our infrastructure. This is reflected in the plans for 2021, which show that there is likely to be a significant drawdown on investments and free reserves as we try to catch up on the work that we have not been able to complete this year, as detailed in Our Outcomes on page 20.

We depend more than ever on the public's generosity to support our work in saving lives at sea and our fundraisers are working harder than ever to increase our supporter numbers and income.

GOING CONCERN

The Trustees reviewed the RNLI's financial plans in November 2020 (2021 budget and a high level 3-year plan to the end of 2023), as part of their normal annual review, as well as our principal financial risks. At that time, they felt that the RNLI had sufficient resources to continue operating for at least the next 12 months.

As part of this review the effect of Covid-19 was assessed by the Trustees, as it had been throughout the year as they reviewed the organisation's ongoing forecasts and projections to ensure that the organisation remained financially viable. They were satisfied that the RNLI's future viability has not been critically affected by this situation, having made some difficult decisions focused on complying with Covid-19 advice and helping preserve the RNLI's finances, such as cutting back on lifeboat and lifeboat station construction and putting staff on furlough, to concentrate on business-critical activities.

The Trustees continue to review plans with the RNLI Executive Team to make the necessary changes to remain within the free reserves level over the life of our plans, in line with the free reserves policy. The charity has a strong balance sheet, with unrestricted liquid investments of around £81.9M, along with the RNLI Lifesaving Endowment to use as a last resort. In addition, the RNLI has arranged for a revolving credit

£135.4M

RESTRICTED FUNDS

(can only be spent as donor directs)

INVESTMENT CRITERIA

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

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

£468M

FIXED ASSET FUNDS

(including lifeboats and stations)

INVESTMENT STRATEGY

PERMANENT ENDOWMENT –
long-term income generation for a specific purpose:

- Generates income over the long-term with a focus on real capital preservation.
- Some liquidity required for income and gains above capital value.
- Some mark-to-market volatility is acceptable.

EXPENDABLE ENDOWMENT (LEF) –
long-term growth portfolio with modest income requirement:

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

RESTRICTED RESERVES –
short to medium-term reserves held for a specific purpose:

- Generates a real return over the long term while controlling volatility.
- No income requirement.
- Some liquidity needed.

FREE RESERVES –
covering the short-term risks of the organisation:

- High levels of liquidity needed to meet short-term cashflow requirements.
- Cognisant of income across all reserve portfolios.

facility (£15M) to be put in place to cover downside risks to cash, given the future challenges that lie ahead. Taking this into account, the Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as required.

As such, they remain satisfied that the RNLI can continue operating for at least the next 12 months and accounts have been prepared in the knowledge that the RNLI is a financially viable organisation.

FINANCIAL POLICIES

INVESTMENT POLICY

The RNLI's funds (excluding fixed assets) are substantially held in investments.

The RNLI's Statement of Investment Principles and its Investment Policy were reviewed in detail in 2019, in light of the new Investment Strategy, and approved by the Investment Committee and the Trustees.

The RNLI's investments are held in line with the nature of its reserves, detailed in the Investment Strategy. This is either to ensure that donors' directions are met, in the case of the Permanent Endowment and the Restricted Reserves, or to withstand any short-term financial risks, in the case of the Free Reserves. The RNLI's objective (at an aggregate level) is to maintain and, if possible, enhance the real value of the reserves represented by its investments in line with its plans. The Investment Committee seeks to meet this overarching objective by maintaining an appropriate balance between maximising long-term returns and avoiding undue risk and volatility in capital values.

These objectives are pursued through a range of strategic investment policies which involve investing in a broadly diversified spread of assets, covering global equities, UK and overseas government and non-government bonds, pooled property funds, infrastructure funds, multi-asset funds, cash on deposit and other financial instruments and investments.

In formulating and reviewing the RNLI's investment policies, the Investment Committee has considered a range of investment options and the need for diversification, and has regard to the investment policy being pursued by the Trustees of the RNLI 1983 Contributory Pension Scheme (the Scheme) and the RNLI Lifesaving Endowment Fund (LEF), recognising that the RNLI's overall market exposure is to the aggregate of its own assets and those of the Scheme and the LEF.

FUNDS POLICY

The RNLI's Funds Policy is reviewed on an annual basis and is detailed in note 1h on page 50 and summarised below.

FUND ACCOUNTING

At the end of the year the RNLI held total funds of £757.4M. The RNLI's funds are held for a variety of purposes, to ensure that the organisation can operate as a going concern in the future and fulfil its legal obligations. This is summarised as follows:

- **Fixed asset funds (£468.0M)** – these make up the bulk of funds held, representing the operational assets of the RNLI without which it could not operate. The vast majority of these are the lifeboats, launching equipment and operational properties, such as lifeboat stations and lifeguard units.
- **Restricted funds (£135.4M)** – these are held under trust law and so can only be used for specific purposes, as agreed with the donor. For example, we could have a legacy for the purchase of a lifeboat and these funds would be held until we construct that lifeboat. There are over 700 of these funds that the RNLI is managing at any one time.
- **Expendable endowed funds (£44.0M)** – these are funds where the capital sums donated are invested and the income arising may be used for a particular purpose, as agreed with the donor. These funds represent the RNLI Lifesaving Endowment (Charitable Incorporated Organisation), a subsidiary charity that was established in 2019 to help preserve the RNLI's lifesaving services for the future, providing a steady income stream and a capital sum that can be used if the RNLI is ever 'in extremis'. The capital sum may be spent at the discretion of the Trustees of the Lifesaving Endowment where necessary and in line with the terms of the donation.
- **Permanent endowed funds (£17.2M)** – these are funds where the capital sums donated are invested and the income arising may be used for a particular purpose, as agreed with the donor. As opposed to the expendable endowed funds, the capital sum can only be spent in exceptional circumstances with the agreement of the Charity Commission.

The remainder of the RNLI's funds are its general funds:

- **Designated funds (£11.4M)** – these are sums held to ensure that certain urgent projects and activities, that were delayed as a result of the pandemic, can be completed in 2021. This includes areas such as lifeboat production and refits, and station construction.
- **Free reserves (£122.2M)** – these are sums that are freely available for general use. They are held at a level to withstand any short-term financial risks, the main ones being in investment markets, key sources of income (such as legacies) and pension funding. Most of these funds are held in investments, but they will also include any unrestricted legacy values accrued, which will take time to be received. The Trustees have a policy of maintaining a range of 4–10 months of charitable expenditure. At 10.2 months of charitable expenditure, free reserves are currently above the upper end of the Trustees' range. The RNLI is planning to reduce this substantially over the next 3 years through essential investment in our lifeboats and lifeboat stations as we move out of the social distancing restrictions. The range was determined using risk modelling techniques to determine the value of our financial risks, in conjunction with our investment advisers.
- **Pension reserve** – this represents the defined benefit pension liability that is managed separately to our free reserves as a long-term liability. It represents a liability of £40.8M as valued under FRS102.

GOVERNANCE

The RNLI is a registered charity, controlled by its Trustee Board, and depends on volunteers and staff. Read on to find out how the charity is run – and how we work with our communities, manage risk, and ensure we are building a sustainable organisation that's fit for the future.

Good governance is fundamental to our sustained success as a charity. With it, we are best placed to deliver on our lifesaving mission and achieve our objectives. It enables all our people to use their skills, along with our resources, to best effect. It helps us to ensure that we are compliant with relevant legislation, have reviewed the risks we are facing, overseen our standard of operations and supported a positive culture.

We review our charity governance adhering to the Code of Fundraising Practice and the Charity Governance Codes and regulations for England and Wales, Scotland, Northern Ireland, the Republic of Ireland, the Isle of Man, Jersey, and Guernsey and Alderney.

We are in the process of reviewing changes made in 2020 to ensure that we remain compliant with these codes.

CHARITY STATUS

The Royal National Lifeboat Institution (RNLI) was founded in 1824. It was granted a Royal Charter of incorporation in 1860, with Supplemental Charters granted in 1932, 1986 and further amendments in 1998, 2002 and 2011.

The RNLI is a charity registered in England and Wales (209603), Scotland (SC037736), the Republic of Ireland (CHY 2678 and 20003326), the Bailiwick of Jersey (14), the Isle of Man (1308 and 006329F), the Bailiwick of Guernsey and Alderney. The address of the UK registered office is West Quay Road, Poole, Dorset, BH15 1HZ.

The RNLI also has four wholly owned subsidiaries registered in England and Wales, one of which is currently dormant. Each is managed by a board of directors (executive and non-executive) to ensure that company and charity law requirements are met and business activities are properly managed.

The RNLI also has a charitable incorporated organisation (CIO), the RNLI Lifesaving Endowment (1184013), which holds and invests an endowment fund for the RNLI.

Organisational purpose

We are the charity that saves lives at sea. That's our organisational purpose – the same as our public benefit. We have specific goals for domestic accidental coastal fatalities and the impact that we have globally.

As an organisation, both domestically and internationally, we track the number of individuals assisted, rescued and the number of lives that the RNLI saves, often in collaboration with others. This is reported formally each year in our annual report. As an organisation we also have a set of metrics, the Quarterly Performance Report (QPR), that covers our broader operations and capabilities. These metrics are used by the Executive Team and senior management to guide the organisational priorities and to report back to the Trustees on our progress in key areas.

STATEMENT OF PUBLIC BENEFIT

The RNLI provides public benefit as a charity by saving lives at sea. The governments of the UK and Ireland have a statutory duty to provide a maritime search and rescue service. The UK Coastguard, the Irish Coast Guard and the requisite Tasking Authorities in the Isle of Man, Jersey, Guernsey and Alderney, initiate search and rescue, and rely heavily on the RNLI's expertise and resources to save lives at sea. The RNLI relies on donations to meet the cost of providing this public service.

Leadership

THE TRUSTEE BOARD

The RNLI is led and governed by the Trustee Board. The role of the Trustee Board is defined in our Royal Charter, Bye-Laws and Regulations. In summary, the Trustees set and agree the overall direction, strategy and culture of the RNLI. They lead by example and support the chief executive in the daily delivery of our lifesaving plans and activities, regularly monitoring our performance against agreed measures. As they carry legal responsibility, they also provide assurance to our regulators and donors that we are meeting our legal and compliance requirements. They evaluate the risks we carry and policies we have in place, with regular review and discussion through the year on these topics.

Names of RNLI Trustees who served at any time during 2020 and/or were Trustees of the charity as at the date of this report, can be found on pages 74–75. Many have a lifelong interest in the sea and passion for saving lives at sea. All are volunteers.

THE COUNCIL

The Council is the general committee of the RNLI. Their purpose is to advise and assist the Trustees primarily on broad policy and strategy issues facing the charity that are not specifically addressed by our Advisory Committees. They are volunteers and are expected to act, collectively and individually, as ambassadors for the charity. They will also be called upon from time to time to provide support and specialist advice to the Executive Team and its teams on an ad-hoc basis as required and requested.

THE EXECUTIVE TEAM

The Executive Team, made up of seven individuals and led by the chief executive, are the RNLI's senior managers. They are responsible for the day-to-day leadership and running of the RNLI and the execution of the strategy and policies agreed by the Trustee Board. Their names are on page 77 and the overall management structure can be found on page 78.

As a team they are committed not only to focus on the delivery of our core lifesaving activities, but also to look forward to ensure we remain sustainable as an organisation, able to respond to changing trends and external factors. The Executive Team provides direction and motivation to our volunteers and staff.

MEASURING OUR LEADERSHIP PERFORMANCE

The Executive Team undergo an annual performance appraisal, and also seek feedback through the annual engagement survey and 360-degree feedback, which supports executive development.

Integrity

Integrity is about doing what is right, openly and honestly. This can be for the charity as a whole, for its people (supporters, volunteers, staff and those it helps) or for the public. It can mean using reliable data to put the right lifeboats in the right locations, ensuring we spend our supporters' generous donations appropriately, or maintaining the high standards of operations and behaviour essential to any modern emergency service and charity. Maintaining our integrity is critical to how the RNLI operates.

We aim to uphold our values, standards and agreed policies. Our Trustees and Council govern and scrutinise our decision-making to ensure we meet the standards we set ourselves, as well as those set by regulators such as the Charity Commission and the Fundraising Regulator. We record positive feedback and complaints, the latter of which are declared annually to the Fundraising Regulator (see page 35).

AVOIDING CONFLICTS OF INTEREST

The RNLI operates a Conflict of Interest Policy for all Trustees, Council members and Trustee Board Committee members.

Conflicts of interest are declared and collated annually, and any new conflicts of interest are declared and recorded at the start of every formal meeting. The Trustees and Executive Team review all declarations in line with the charity regulator disqualification criteria guidelines by jurisdiction, the accounting rules for charities laid down in the Statement of Recommended Practice and HM Revenue and Customs 'fit and proper persons' requirements.

There were no externally reportable conflicts of interests declared in 2020.

TRANSPARENCY AND DONOR TRUST

As a charity, holding our supporters' and the public's trust is incredibly important. We work hard to ensure that we manage our money and other assets responsibly and do all we can to maintain our good reputation by being transparent, trustworthy and responsible.

We review the UK public's opinion of the RNLI using YouGov's CharityIndex which continuously tracks public brand perception of the UK's largest 75 charities. Across these 75 charities the RNLI ranks in the top five for which charities the UK public would speak positively about and which charities the UK public has had a positive experience of (source: YouGov CharityIndex 1 January–31 December 2020).

Transparency is also key to building trust and demonstrating integrity, which we aim to do whenever practical and possible. There will be some occasions when there are legal and ethical circumstances where we either cannot be transparent because of legislation (for example data protection) or we need to make an ethical choice to protect an individual (for example the details we give of a distressing rescue or fatality). We consider very carefully what we share and when, particularly if it has an impact on a local community or an individual.

Transparency is only one part of building trust. It must be followed up with clear actions appropriate to each situation. For example, we would not share graphic details of a distressing rescue without the consent of those involved, and then only if it were not distressing for others, even if it meant the charity would gain valuable publicity. Equally, we might choose not to give details of a dispute between volunteers or staff while an investigation or appeals process is going on so as not to prejudice a later decision, even if those details would help to explain the RNLI's actions to others.

We are committed to keeping our volunteer and supporter data safe and we treat information security and data governance as key risks (see page 30).

ELIMINATION OF MODERN SLAVERY AND HUMAN TRAFFICKING

The RNLI is committed to ensuring that modern slavery and human trafficking are not present in its supply chains or partnerships. We continue to work with our suppliers and partners to ensure compliance with the UK Modern Slavery Act 2015. RNLI contracts include up-to-date clauses on modern slavery and human trafficking to ensure that our suppliers are aware of their obligations.

We undertake due diligence in our supply chain tenders and as part of our corporate partnerships and associations with other organisations, and international work. This due diligence includes assurance that modern slavery is not present. We are continuing to develop our supplier processes and procedures to make it easier to capture,

analyse and manage data from suppliers – covering their ethical, environmental and social practices.

During 2020 we rolled out a new sourcing process within the RNLI, which will assist with providing increased transparency. We progressed work on our Supplier Code of Conduct, setting out the RNLI's minimum expectations of suppliers regarding business ethics, working conditions and human rights. Through this code, we seek to ensure that all our suppliers share our values and take a zero-tolerance approach to modern slavery. We aim to finalise this Code and roll it out to our suppliers during 2021. At the end of March 2020 we published our updated Modern Slavery and Human Trafficking Statement. There is a link to this statement on the home page of RNLI.org to ensure it is publicly accessible.

ETHICS IN THE SUPPLY CHAIN

The RNLI has a clear set of values that underpin the strong ethical position expected from our supporters, volunteers and staff. We apply the same values in developing relations with our contractors and suppliers to further our supply chain strategy and processes and to reflect our commitment to good employment practice.

We have an engineering and supply director and a supply chain team, including category managers, who are dedicated to developing and improving our supply chain strategy and processes.

The RNLI has a varied supply chain and a broad supplier base that supports the construction of our lifeboats, the running of RNLI College, the range of retail goods sold in our shops and online, and the marketing and advertising of our fundraising and prevention campaigns, as well as the day-to-day operation of the RNLI. We continually ensure that we carry out these activities in the most ethical way we can, by reviewing where we source our goods and services, the processes and governance we follow, and the methods of manufacture and distribution.

Our Procurement Policy, How to Buy guide and procurement lifecycle tools and templates were embedded and used during 2020, and all of these documents and processes clearly state our values and ethical standards.

INFORMATION SECURITY

Cyber threats have grown significantly through 2020, in part due to the pandemic. There has also been extensive mainstream media coverage of a number of high-profile organisations impacted by hackers throughout 2020. This has increased general cultural awareness of cyber risks. The RNLI response has been to continue providing timely and relevant education and awareness sessions. The RNLI regularly reviews the effectiveness of our technological defence capabilities against industry standards and recognised good practices, assessing emerging and persistent threats. The RNLI did not experience any significant or substantial disruption due to a cyber incident in 2020.

We have continued taking actions to keep our exposure at an acceptable level. However, a number of risk-reduction projects were paused as a result of the pandemic. These have now restarted and we are continuing to work with our partners and suppliers to keep pace with the changing external risks.

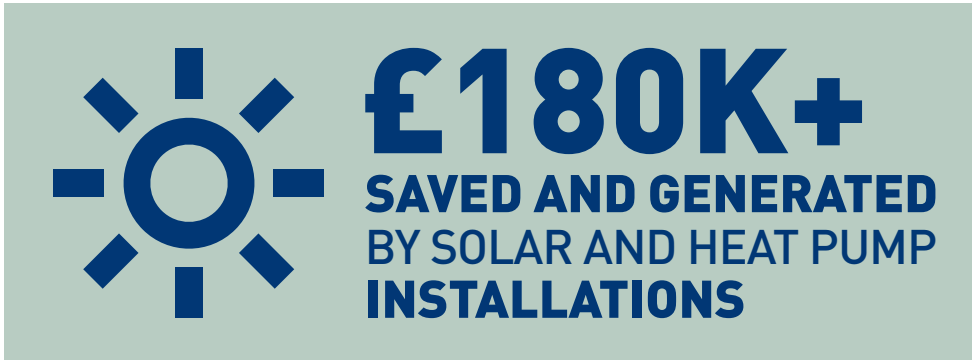
ENVIRONMENT

ENVIRONMENTAL MANAGEMENT

We confirmed our environmental ambitions in early 2020, guided by our sustainability advisory groups. Our vision and commitments are aligned with the 5-year *Our Watch* plan and, where relevant, will form part of future strategy development. Our sustainability and environmental commitments are to operate as a good citizen in all our activities to sustain and secure the future. From now on, we will always consider sustainability in what we do. This means creating our plans, making our decisions and completing our actions, with sustainable choices in mind.

By intent we do not have a separate sustainability strategy, our aim over time is to make all our strategies and plans more sustainable. The overall ambition is to reach carbon zero for Scope 1 and 2 by 2050, with key milestones around single use plastics, waste to landfill and road transport. Also, work has begun on understanding the potential climate change hazards relative to our lifesaving demand and organisational capabilities.

Engagement across the RNLI is ongoing, to ensure all teams (staff and volunteers) are including objectives and actions on relevant environmental impacts, risks and opportunities in their activities and plans in 2021 and beyond. Public information on our environmental ambitions can be found on the sustainability page at RNLI.org. During 2020 our Safety, Health and Environment Regional Managers have continued to actively promote good environmental practice and support our lifeboat stations, lifeguard units and RNLI people with their environmental improvements.



ENERGY AND FUEL

The Civil Engineering Team continue to grow our renewables portfolio and, during 2020, 20kWp (kilowatts peak) of solar panels were installed at Pwhelli Lifeboat Station, bringing the current total installed to 681kWp. In 2020 our solar installations delivered savings of £45,000 and earned £81,750 in tariffs. Alongside the solar generation we now have 33 heat pumps installed, which have delivered savings of £53,600. Our electricity

and gas supplies were retendered in 2019 and the contracts began in October 2020. This contract applies to around 90% of our locations and the electricity to these sites will now be sourced from 100% third-party accredited renewable generation. This is an important interim step in decarbonising our electricity and gas use towards achieving zero carbon.

Due to the impacts of Covid-19, the energy consumption of the organisation was significantly altered. Between March and September the electricity supplied within our main framework contract reduced by 30%. Much of this energy would have been transferred to home working locations, but current industry thinking is that this will be balanced out by the reduction in travel. Insights from this extraordinary year will be fed into the upcoming zero carbon strategy developments.

WASTE

The RNLI is committed to eliminating and reducing all waste during 2020. We have begun collecting more detailed data to better understand our wastes across the RNLI and have updated our Waste Management Policy. We continue to promote waste hierarchy thinking across the RNLI – which is to eliminate, reduce, reuse, recycle, and recover energy from waste before considering disposal to landfill.

SINGLE-USE PLASTICS

Our 2020 Christmas cards and calendars had no plastic wrap or glitter, although a small number of older cards that did, continued to be sold through 2020. The Retail, Engagement and Procurement Teams continue to seek opportunities to eliminate or reduce single-use plastic items and packaging where possible. We are also engaging with external organisations, including other emergency services, to better understand what others have achieved and are actively seeking proven alternatives that meet our needs and specifications. The 2020 winter editions of all our magazines were the last to be sent out in plastic wrap. From spring 2021 onwards certified sustainable paper wrap will be used, which is currently cost neutral and may even provide a small financial saving.

EQUALITY AND FAIRNESS IN RNLI PAY, REWARDS AND RECOGNITION

VOLUNTEERS AND PAID STAFF

Around 95% of RNLI people are volunteers, including all the members of the Trustee Board, the chairman, and members of the Council.

The RNLI only employs paid staff where necessary to run and support what is a complex service in a hazardous environment.

There are a number of specific skills needed to keep such an organisation running as safely as possible and at peak efficiency. The RNLI has to compete in the labour market and have an appropriate pay policy in place to ensure we can attract and retain the people with the right skills to deliver our lifesaving work. We must offer a suitably competitive level of reward and appropriate recognition for our people.

REMUNERATION COMMITTEE – COMPOSITION AND RESPONSIBILITIES

The pay policy of the RNLI is approved by the Remuneration Committee. The Remuneration Committee may seek external legal advice as well as recommendations from the chief executive and the director of people.

The Remuneration Committee is a committee of the Trustee Board. It is made up of four Trustees (including the chairman and the treasurer), one Council member and one independent committee member.

The Committee has delegated authority to act on behalf of the Trustee Board, to review remuneration policies to meet the charity's aims and our legal responsibilities, and how these are communicated both internally and externally.

The Committee reviews the remuneration levels as part of the annual pay review. It bears in mind the prevailing market conditions and relevant external benchmarks, staff retention and satisfaction, the charity budget, our future plans and past performance. It also undertakes an annual review of the Executive Team pay in line with performance, and considers the RNLI gender pay gap, plus the overall remuneration report and pay disclosure statements in readiness for the Annual Report and Accounts.

Hoylake's volunteer shore crew wash down their lifeboat and launching gear following a search for a lost fishing boat and crew

PAY POLICY

In setting overall pay levels for our staff, we take into account the pay practice in other similarly sized charities and, where necessary, private-sector organisations for specialist and technical roles (for example in IT, finance, maritime operations, marine design and manufacturing, and engineering).

We aim for a sustainable and consistent pay strategy that meets the diverse requirements of the RNLI. This includes a pay practice that ensures individual pay decisions are supported by a rigorous performance management process that applies to all employees.

GENDER PAY GAP

In our continuing commitment to demonstrate equality and fairness in recruitment, pay, promotion and development, we disclosed the RNLI's gender pay gap details. Reporting in line with the UK Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, in 2020 the gender pay gap for the RNLI was -1.5% based on an average hourly rate for men and women. This means our average hourly rate was higher for women than men. The details are published on the government's designated website and RNLI.org.

Insights from this report enable us to progress a plan to address any gender pay gaps that may have arisen from recruitment, development, pay review or other personnel practices. Gender pay gap data will continue to be reviewed by the Remuneration Committee and any actions to address gender pay gaps forms part of our annual pay review cycle, as well as linking to the RNLI Inclusion and Diversity strategy.

PAY PRINCIPLES

The RNLI adheres to the UK government's statutory national minimum and living wage rates. These are the key principles that apply to pay at all levels in the RNLI:

- In order to maintain a fair, rational pay structure, the RNLI has a formal grading structure and a single pay range for each grade. The grades are based on jobs of common size, taking into account the breadth of responsibility, complexity, knowledge, skills and value to the RNLI.
- The RNLI encourages and rewards good performance. Individual pay is reviewed annually and takes into account performance, pay position in the range, market conditions, any relevant new qualifications or skills developed, and internal pay relativities.
- Pay is reviewed consistently using the same approach for all staff, including the Executive Team and the chief executive. While no individual performance bonuses are paid as typically recognised, our seasonal fundraising employees are eligible for a small incentive payment.
- Annual pay budgets take into account affordability, economic trends and external market pay movement.

SENIOR EXECUTIVE PAY DISCLOSURE

The RNLI acknowledges the recommendations made following the *Report of the Inquiry into Charity Senior Executive Pay and Guidance for Trustees on Setting Remuneration* by the UK National Council for Voluntary Organisations. The inquiry advocates greater transparency and the RNLI recognises and accepts those recommendations. As a result, the RNLI has provided greater clarity, with greater disclosure on the pay of the Executive Team, as well as continuing to disclose the chief executive's pay in full (see page 52 or visit RNLI.org for more).

The RNLI is committed to openness and transparency on senior pay and will continue to keep this under review.

TRUSTEE BOARD RESPONSIBILITIES

In 2020, as part of our normal annual review of the Governing Regulations, the Trustee Board reviewed their terms of reference and the Matters Reserved for the Board Statement. At each Board meeting the Trustees review the key risks that the charity faces and the controls in place.

The Matters Reserved for the Board Statement makes clear the Trustee Board's responsibilities and where there are clear delegated authorities to act on their behalf. The delegated authorities are discharged through the advisory committees of the Trustee Board, or through the chief executive. The chief executive is responsible to the Trustee Board for the day-to- day running of the RNLI and the execution of the overall RNLI strategy and policies decided by the Trustee Board. For a full list of Trustee Board advisory committees, turn to page 77.

Each Board advisory committee has defined terms of reference, detailing the delegated authorities where appropriate. The advisory committees enable experienced volunteer specialists to contribute to key aspects of the RNLI's affairs.

FINANCIAL RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations. Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the group, and of its, and the group's, surplus or deficit for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records. These must be sufficient to show and explain the charity's and the group's transactions, and disclose with reasonable accuracy at any time the financial position of the charity and the group, and enable them to ensure that the financial statements comply with the UK Charities Act 2011 and applicable accounting

regulations. They are also responsible for safeguarding the assets of the charity and the group – and, therefore, for taking reasonable steps to prevent and detect fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements. This may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements on RNLI.org.

FINANCIAL OVERSIGHT

The strategic management of the RNLI is entrusted to the Trustee Board and the execution of that management – the responsibility for implementing strategy and the day-to-day management of the RNLI – is the responsibility of the chief executive. The chief executive delegates authority to his Executive Team and through it to individual budget holders.

Financial authority is granted by the approval of specific budgets and by the authorisation of individual managers to approve specified levels of expenditure. The financial plans form part of these overall plans and are made up of a high-level business plan; a detailed annual budget, which defines specific projects and detailed departmental plans for the next financial year; and a regular forecast process that reviews the annual plans and makes changes, as necessary. The Finance Department is also involved in any major project or programme work, providing the necessary support to ensure the appropriate financial decisions are made.

FINANCIAL REPORTING

There are two elements to financial reporting:

- Annual Report and Accounts – this is produced in line with the responsibilities described previously.
- Monthly accounts and statutory returns – these are produced in line with the responsibilities described previously and with statutory requirements. The monthly accounts, and associated reports, are of sufficient detail to allow the Executive to make ongoing financial decisions.

FINANCIAL POLICIES AND PROCEDURES

The Trustees are responsible for safeguarding the assets of the charity and the group. This is enabled through the RNLI's financial policies and procedures. Compliance with these policies and procedures is mandatory for all employees, honorary officials and volunteers of the RNLI and its subsidiary companies. Non-compliance may lead to disciplinary proceedings.

FINANCIAL RISK

The most significant financial risks for the RNLI are in investments, pension liabilities and income uncertainty. The RNLI reviews its financial plans on a regular basis and manages these significant risks accordingly, through income pipelines, budgetary control, programme management and capital planning. In particular, investment strategy for the RNLI's and the pension scheme's investments are managed at committee level, using professional investment advisers to minimise risk and maximise return. In relation to pension liabilities, the RNLI employs a pensions actuary to advise on the assumptions and calculations needed for our annual pension negotiations with the pension scheme trustees. For the risks around income uncertainty, this is managed through a funding strategy that reviews income pipelines through the four main sources of income to ensure targets are met, both short- and long-term.

In managing expenditure risk, the RNLI ensures financial rigour through budgetary control and stringent financial planning to ensure that we live within our means.

The RNLI's Fundraising Strategy and its free reserves, which are set at a level to withstand any short-term financial risks, will also help to mitigate these risks and give the RNLI time to change its financial plans accordingly. The current risks around Covid-19 are an example of why we hold such free reserves and these are flexed depending on the needs of the business. Currently, these reserves are at a higher level than normal as we have been unable to carry out some essential activities.

RISK AND COMPLIANCE MANAGEMENT

Our organisational purpose is to save lives at sea by reducing the risk of drowning – but this is not the only risk we manage. Our approach to organisational risk management aims to mitigate the RNLI's risk exposure to an acceptable level across a broad spectrum of strategic and operational risk. Wherever possible, we aim to balance the risks taken with the reward gained in the pursuit of our organisational purpose.

The effective and efficient management of the risks faced by the RNLI is an important factor in the achievement of our strategic objectives and protecting the future sustainability of the organisation. Our risk management framework is also considered a key component of our governance, and our approach aligns with Charity Commission guidance.

This approach identifies the major strategic and operational risks, assesses the level of risk and evaluates their mitigation. For compliance risk, we also use an assurance framework where performance against external obligations and internal standards is assured by nominated compliance duty holders.

Where risk is not considered to be at an acceptable level, then further treatment of the risk is planned and prioritised along with other organisational activities and projects. The relationship between risk and decision-making is an area that we continually strive to improve. Our business planning draws together risks, opportunities, costs and resourcing requirements to ensure planning decisions are robust.

The management of each strategic and operational risk is led by a member of the Executive Team and is periodically reviewed by the Executive Team, the Audit and Risk Committee and the Trustee Board.

During 2020, much of our focus has been on the risks arising from the Covid-19 pandemic. The initial stages saw the need for us to invoke our crisis response and business

continuity plans to deal with the immediate impacts of the government restrictions across all jurisdictions. During this time there was a need to scale back some of our operations. Significant steps have been put in place to mitigate the additional risks that emerged in order to protect our ability to save lives, protect our people, and protect the future of the RNLI. This has placed us in a strong position to be able to effectively manage the pandemic risk through the continuing uncertainties into 2021 and beyond.

In addition to our response to the risks resulting from Covid-19, we have continued with ensuring effective management of our strategic and operational risks. We have made progress in reinforcing our mitigation of key risks in topic areas such as safety management, information security, financial, and inclusion and diversity. Additional information on these topic areas can be found in the relevant sections of this report.

The crew of Hunstanton's inshore rescue hovercraft *The Hunstanton Flyer* set out at sunset for an evening's exercise

AUDIT AND RISK COMMITTEE – COMPOSITION AND RESPONSIBILITIES

The Audit and Risk Committee is a Standing Committee of the Trustee Board and has delegated authority to act on behalf of the Board in relation to the matters set out in its terms of reference, as well as providing advice, guidance and insight to the Executive Team on issues within its scope. The Committee is chaired by a Trustee, who is a finance professional with significant senior leadership and management expertise. The Committee's main duties are to:

- review and challenge the work of the Executive Team and of the internal and external auditors
- provide the Trustee Board with an independent and unbiased view of the effectiveness and appropriateness of the financial reporting, internal controls, risk management, and regulatory compliance procedures of the RNLI.

INTERNAL AND EXTERNAL AUDIT – INDEPENDENCE AND RESPONSIBILITIES

The role of internal audit is to provide independent assurance to management and Trustees that the RNLI's risk management, governance and internal control processes are operating effectively.

To ensure independence, internal audit reports direct to both the chair of the Audit and Risk Committee and the chief executive. The committee approves both the appointment and removal of the head of the internal audit function. The committee also reviews and approves the plan for internal audit work.

The external auditors review the RNLI's annual financial statements and give an opinion on them. The Audit and Risk Committee approves the appointment, remuneration, re-appointment and removal of the external auditors in relation to statutory audit arrangements. The committee also reviews the scope of the planned external work.

FUNDRAISING STANDARDS AND REGULATION COMPLIANCE

CONTACTING OUR SUPPORTERS AND SUPERVISING OUR FUNDRAISERS

The RNLI prides itself on a high standard of ethical fundraising and we continually review how we contact the public to ask for support. This ensures that we follow regulations, meet our own high standards and exceed the public's expectations.

RNLI staff and volunteers carry out the vast majority of the charity's fundraising activities. In 2020, we worked with three professional fundraising organisations, three payroll giving agencies, and we were part of one fundraising consortium (Lifelines on Call). Each of these undertakes professional fundraising on our behalf by recruiting payroll givers. We have a formal agreement with each of them, with specified standards of performance, for example in terms of GDPR compliance, in order to protect donors, supporters and the organisation from poor practices. Each is also independently audited.

In the course of 2020 we had 31 commercial participators (with an additional draft agreement outstanding to be signed) and two business licensing agreements at a national and regional level.

SUPPORTER DATA AND COMMUNICATIONS

At the RNLI we are committed to protecting personal data entrusted to us and maintaining high standards of data governance and risk management. Throughout 2020 we have worked to further develop our supporter contact strategy to support relevant and timely marketing communications.

This initiative has been supported by a comprehensive programme of training to ensure a consistent approach across the organisation.

Our data protection by design model has matured to help ensure that all new projects meet the principles of the GDPR. This along with our extended data ownership and accountability programme has further developed our privacy approach.

COMPLIANCE WITH FUNDRAISING LAWS AND REGULATION

We take our adherence to appropriate fundraising standards very seriously. As such, we are registered members of the Fundraising Regulator and continued to renew our registration in 2020. We are currently undertaking an organisation-wide review of our compliance against the latest version of the Fundraising Regulator's Code of Fundraising Practice to ensure we are fully adhering to the latest guidance. The Trustees are satisfied that the RNLI adhered to the appropriate fundraising standards in 2020.

COMPLIANCE WITH RECOGNISED STANDARDS

Each fundraising team is responsible for making sure that they are compliant with the standards laid out in the codes of fundraising practice in the relevant jurisdiction. Examples of how we have supported volunteer compliance during 2020 include:

- Covid-19 safety training in accordance with different government requirements were fully rolled out to every branch and retail outlet that remained operational. Plus every fundraising group received full guidance regardless of their activity status, with full support on hand from their community manager.
- A wider training-needs audit was implemented with each individual fundraising group or retail outlet, with relevant training given to cover areas such as health and safety, GDPR compliance, risk management and wellbeing.
- A new method of socially distanced branch meetings was supported via Microsoft Teams and Zoom. This enabled our community managers to remain visible and supportive to every fundraising group, with updates, training, wellbeing check ins and much more.

The RNLI aims to exceed the UK Fundraising Regulator's standards by applying our own additional fundraising standards to ensure that we are open, honest and respectful in all cases. We have policies on how and when we accept donations.

We monitor our overall fundraising compliance and we actively monitor the lessons learned from various regulators, to improve our fundraising practices. It is this approach that has led us to manage and run internal compliance rather than outsource this activity as some charities do. We are satisfied that we meet all current standards.

GRANT-MAKING POLICY

Our support of partners is guided by the requirement that any grant payment is linked to a legal Deed of Grant negotiated and agreed with the recipient. In addition, we require completion of a satisfactory due diligence audit of the recipient's senior management, governance controls, financial capability, safeguarding systems and overall capacity to deliver desired results. These checks include both the recipient and any of their associates who are relevant to the work being supported. This includes checking for absence from government sanction lists of proscribed individuals and/or organisations.

The payment of grants is linked to reaching agreed project milestones and is controlled under the RNLI's Standing Financial Instructions. The annual grant provision is sanctioned by the Executive Team under a delegated authority from the Trustees as part of the annual budget approval process. Payments require senior management and finance department approval. All payments can be audited through our financial management system and are available for review by the Executive Team. Each year Trustees are provided with an annual summary of payments made in the year passed and those planned in the coming year.

To maintain high standards of assurance, our teams continually monitor best practice and any legislative changes that might impact the policy.

Trustee Board effectiveness

APPOINTMENTS TO THE TRUSTEE BOARD

The Membership Nomination Committee (MNC) reviews the names proposed for the Council and submits its recommendations to the Chairman of the Trustees for consideration by Governors at the Annual General Meeting (AGM). The MNC comprises the Chairman, two Deputy Chairs, the Chief Executive, one additional Trustee and a Council member.

Trustees are appointed from within and by our Council which, in turn, provides broad advice and support to the Trustees. Sir Tim Laurence and David Delamer retired as Trustees in 2020 and Paddy McLaughlin, Dr John Killeen and Fiona Fell were appointed Trustees in November 2020.

MAINTAINING INDEPENDENCE

As well as having a Conflict of Interest Policy for our Trustees and Council members, we also have a Gifts and Hospitality Policy and Register. Any gift offered is clearly recorded and any conflicts that this may cause recognised.

The RNLI also keeps its independence of thought as well as action to ensure that it can demonstrate that any decision or action is aligned with the delivery of our charitable aims and there is no personal or individual bias. All Trustee Board decisions are recorded in a decision resolutions log, which is reviewed annually by the Trustees. Any communications we make internally or externally aim to demonstrate our independence of thought and action.

LENGTH OF SERVICE FOR TRUSTEE BOARD MEMBERS

Trustee Board members serve a 3-year term and may be reappointed for a further two succeeding terms. Following this, after a 3-year break, Trustees can be reappointed.

Council members serve a 3-year term and may be re-elected by the governors for two succeeding terms. We aim to match the skills in the Council to our strategic goals and business plan needs as well.

At every meeting, the Membership Nomination Committee reviews the composition of the Trustee Board and the Council, and future vacancies. This means we can plan to refresh the skills, experience, regional representation and diversity needed to ensure sustainable governance in the future.

GENDER BALANCE

At the end of 2020, the Board comprised 14 Trustees – 4 women and 10 men. We continue to promote and encourage diversity across all the governing groups of the charity. The improvement of gender balance is just one part of our overall aim to improve inclusion and diversity across these groups. In 2020, we continued to work through the recommendations from the working group, set up to improve inclusion and diversity. The work is part of our wider inclusion and diversity work as reported in the Equality, inclusion and diversity section.

TRUSTEE BOARD MEETINGS

The Trustee Board meets formally at least four times a year. We have a list of standing agenda items covering strategy, performance, risk and compliance matters. This list is supplemented with other items of relevance to the Trustees' role and responsibilities.

While the Executive Team are present at the Trustee Board meetings, they do not have any voting rights. Decisions lie with the Trustees. The Trustees also have a private meeting with the chief executive prior to each Board meeting. In 2020 the Trustee Board met more frequently with the Executive Team, and sometimes monthly, in order to address promptly the consequences of the pandemic.

We also hold a twice-yearly Trustee Board and Executive Team workshop to discuss the strategic opportunities and risks we may face in the future. In 2020, the workshop discussions included Concept of Operations Review Project, Maximising the Poole Site, From Technology to Capability Planning, *Our Watch* Review, Working With Others, Thames Fundraising Strategy, and Future of Work.

REFRESHING TRUSTEE BOARD SKILLS AND KNOWLEDGE

On appointment, new Trustees, Council and Advisory Committee members have an induction programme to familiarise themselves with the work of the RNLI and their role requirements. Inductions cover their core responsibilities plus a tailored section, personalised for their individual needs.

TRUSTEE BOARD AND COUNCIL SUCCESSION PLANNING

The Membership Nomination Committee (MNC) keeps a log of all the terms of office of all our governing volunteers. This is reviewed at every MNC meeting and, working with each advisory committee chair, we ensure we have the right skills, diversity of thinking and people available, now and in the future, to enable every advisory committee to effectively deliver on its governance responsibilities.

Equality, inclusion and diversity

We started 2020 with a clear commitment to enrich the RNLI's talent with people from diverse backgrounds, with a focus on increasing the number of female crew and an enhanced contribution of those from a wider ethnic background. The global focus on Black Lives Matter prompted an appropriate period of reflection. We acknowledged the historic role of some of our founders in slavery, but also recognised the progress and commitment to saving lives in the English Channel and overseas, even when it attracts adverse comment. Our progress, as in other areas, was necessarily slowed for a few months due to the furlough of some key staff.

From the summer we progressed several initiatives coordinated by an enhanced level of internal governance, organisation and business planning. Our Racism, Discrimination and Diversity Action Team, chaired by Althea Loderick, is leading the near-term focus on issues of racism and ethnicity. This is complemented by a senior staff coordination group that is progressing a number of parallel initiatives to embed best practice of equality, diversity and inclusion in who we are and everything we do. These initiatives include research to better understand the risk of drowning for inland and city populations. This ensures that our water safety messaging is appropriate for their cultural and language needs. We are ensuring that our recruitment of volunteers and staff meets best practice for inclusivity – including new routes into the lifeguard service to open up our roles to a wider population. We are building on the success of our Women in Engineering initiative and are expanding our image library to better portray who we are in our internal and external media. In all, we are making significant progress towards being One Crew – whoever we are and wherever we are from.

To monitor our progress in the area of equality, inclusion and diversity, and ensure that we are creating a fair and equitable organisation, work has continued on the collection of equality data.

We are creating systems to ensure that we can capture data on all the protected characteristics under the Equality Acts of Ireland and the UK, from volunteers and staff.

NETWORKS

Despite the circumstances of the past 12 months, the Harbour LGBT+ Network has continued to celebrate all events of national and international significance to the LGBT+ community. Although these celebrations have taken place virtually, they have offered an opportunity for LGBT+ people in the RNLI, and their supporters, to maintain a sense of community and to show their commitment to making this organisation more inclusive and diverse.

In May, we celebrated the International Day against Homophobia, Transphobia and Biphobia by asking people to place a rainbow flag in their window. Where they could do so safely, stations flew the rainbow flag to show their support. In June, for the first time ever, we celebrated Pride Month virtually by video and email, receiving very positive feedback from volunteers and staff. Celebrating the RNLI's first same-sex blessing on a lifeboat in June was a real milestone for the organisation , and we shared a piece on the intranet explaining the history and significance of the rainbow flag. Despite our best efforts to hold a physical event in October for Coming Out Day, national restrictions defeated our plans. Fortunately, our internal communications team were on hand to help us celebrate by sharing stories of those who have gained confidence and a sense of belonging from being open about their sexuality.

Although all these events were positive, recent research from Thomson Reuters Foundation (conducted by US-based gay social network Hornet) revealed that around 30% of gay men have felt unsafe at home during this pandemic – and many LGBT+ people have struggled more than most with the loss of social connection and support. The Harbour Network continues to work with volunteers and staff to offer them support while we continue to live through the challenges presented by a global pandemic.

The Young Professionals' Network has been affected by the wider repercussions of Covid-19, with members' attention moving from forging group objectives to looking after personal wellbeing. The move to online working, though, has been positive in the sense that it has enabled the network to reach out to others around the organisation more effectively, essentially dismantling the more Poole-centric focus it previously had. A recent statistic from the Prince's Trust found that 1 in 4 young people felt they couldn't cope at the moment. This illuminates the need to support our young people and help them see hope for their futures in an unstable world.

During December, we ran a week-long campaign to raise awareness of the challenges faced by people with disabilities in the workplace, and in society at large. The Chair of the Disability Network shared his personal experiences of having a hidden disability and its impact on his life and work via a webinar.

Openness and accountability

ENGAGEMENT WITH OUR PEOPLE AND OUR STAKEHOLDERS

We aim to engage and communicate with our supporters, donors and the wider public in all aspects of our lifesaving work. We do this through face-to-face, traditional and social media channels, and strive to develop good relationships with all the relevant groups, organisations and individuals who have an interest in our charitable work, especially at times of change.

We recognise the value and importance of having engaged employees, and how this can positively impact our volunteers and supporters. We know that high levels of engagement influence the performance of our teams, reduce the likelihood of accidents and periods of absences, create a greater level of discretionary effort and develop a deep connection to the organisation. We adopt a model of engagement that can be categorised into three areas:

- Say – an individual's likelihood to be an advocate for the organisation
- Stay – their commitment to the organisation and their role
- Strive – their motivation for the purpose and ambitions of the organisation.

We measure our employees' levels of engagement generally on an annual basis through the confidential survey All Ears but, due to the impact of the pandemic in 2020, we took the decision to defer for the year. In 2021, we plan to hold engagement surveys for both volunteers and employees. The results of these surveys will enable us to understand the key drivers of engagement for people, and develop action plans from their feedback.

PEOPLE (EMPLOYEES)

The organisation has low levels of staff turnover at 6.81%. Only 4.95% were voluntary in the context of overall staffing reductions and restructuring. Turnover is considerably lower than 2019, which can be attributed to the impacts of Covid-19. Exit surveys for leavers were introduced in 2020, enabling us to begin tracking trends on point of resignation.

The annual employee engagement survey was postponed this year and while we were unable to measure progress against our 2019 engagement areas of focus, they remained relevant throughout this year as we responded to the pandemic: a) keeping our mission central to our plans, b) our leadership teams focused on delivering our 2020 Business Plan, c) being efficient with our time and efforts and d) being able to do our jobs, with accountability and clarity.

Wellbeing, a key driver for engagement, remained a priority, and feedback was gathered through a Coronavirus Staff Experience Survey in June. The survey was sent to all staff (including those on furlough). 1,011 staff responded on their experiences, learnings were captured and fed into return to work plans and a Winter Wellbeing campaign was launched to promote wellbeing.

SERIOUS INCIDENT REPORTING

Five serious incidents were reported to the Charity Commission in 2020.

RAISING CONCERNS INTERNALLY

It is important our people have the means and confidence to raise concerns that will be listened to and acted upon if substantiated. A whistleblowing process is in place to enable volunteers and staff to raise organisational concerns.

HEALTH AND SAFETY

Health and safety continues to be a priority and we aim to reduce the number of incidents that cause harm or ill health to volunteers, staff and members of the public. We are fully committed to looking after our people and anyone who could be affected by our actions. To do this:

- we align and regularly review our policies, risk assessments and procedures to ensure continuous improvement against internal and external standards
- we hold cross-functional meetings at different levels to help keep teams and functions connected and to share lessons learned
- safety is at the top of the agenda of executive and senior leadership team meetings, with regular reporting to the Trustees and relevant standing committees
- we train operational volunteers and staff to ensure competency in our lifesaving operations against a comprehensive competency framework
- our layered system of assurance ensures compliance against standards and helps to identify improvement areas both locally and centrally
- we actively encourage the reporting of safety incidents and near misses, and we have processes and resource in place to ensure lessons are learned and actioned.

2020 saw the launch of a new dedicated Safety Team within Lifesaving Operations, with responsibility for developing our safety culture and improving our safety management system across the RNLI. This comprises the Safety, Health and Environment (SHE) Training and Engagement Team, the Regional SHE Team, and the new Safety Learning Team. The Safety Learning Team evolved from the former Investigations Team and will be at the forefront of our drive towards a learning safety culture, ensuring a systems-based approach to learning that focuses on strengthening our organisational safety defences.

The Covid-19 pandemic brought a halt to much of our non-essential work, and the overall reduction in activities resulted in a fall of around 60% in all types of SHE incident including injuries and reportable incidents. The Safety Team's capacity was instead diverted to the production of the necessary risk assessments, procedures and guidance needed to maintain safe operations in the face of this new threat. This task continues in 2021.

Despite the Covid-19 challenges, the RNLI was still able to mobilise some critical safety improvement projects, albeit in a limited way. These included the collaborative work to roll out activity risk assessments at lifeboat stations, the delivery of innovative new towing equipment and training under the Lines Under Load project, and the ongoing project to understand and mitigate whole body vibration and noise risks at sea.

OUR COMMITMENT TO SAFEGUARDING

The RNLI is committed to looking after the wellbeing and dignity of absolutely everyone in contact with our charity, whether beneficiaries, supporters, staff or volunteers.

Safeguarding is everyone's business. Everybody working or volunteering at the RNLI should understand it, even those who don't work directly with children or adults at risk. To help our people understand their responsibilities a new safeguarding e-learning resource was launched earlier this year.

The RNLI Safeguarding Policy and codes of conduct apply across the whole organisation and are supported by a range of policies and procedures to reduce the risk of harm to beneficiaries, supporters, staff and volunteers.

We recognise that we have additional responsibilities to safeguard children and vulnerable adults. We encourage individuals to report concerns and we recognise that there are many barriers to vulnerable people reporting abuse, and we are committed to improving reporting mechanisms. When concerns are raised, we study the circumstances with a view to understanding the causes and how we can take steps to prevent similar occurrences. Staff can report any type of harassment through a number of mechanisms, including the independent Whistleblowing Process.

In addition to these reports of behaviour emanating from within the RNLI, we also receive reports of safeguarding concerns raised within the communities in which we operate. We work closely with partner organisations to help ensure that children, vulnerable adults and their families receive appropriate community support. We cooperate fully to help seek justice for survivors of abuse.

The RNLI sets high standards with a view to ensuring those participating in our programmes and activities are kept safe. Our education programme is delivered to children in schools throughout our areas of operation and is recognised by those schools and local authorities as being core to their safeguarding arrangements for children, to prevent the risk of harm through drowning.

While the RNLI safeguarding systems are strong, there are rare occasions when these are breached.

In 2020 we had 16 cases logged where a potential risk to young people or vulnerable adults was identified. Many of these cases related to the RNLI being notified by statutory agencies of the behaviour of individuals outside of their involvement with the RNLI that called into question their suitability to work or volunteer with vulnerable groups. On receipt of such notification, additional safeguarding measures were put in place. We reported two of these cases to the Charity Commission.

OPEN AND ACCOUNTABLE FUNDRAISING STANDARDS

The RNLI works hard to ensure that everyone supporting the charity understands how their money will be used to save lives. This is reflected in the low level of complaints received. When we receive complaints, we respond on a one-to-one basis in line with our Supporter Charter. We annually complete a complaints return for the Fundraising Regulator and we use the insight from the Fundraising Regulator's annual complaints report to influence and inform future fundraising strategies.

COMPLAINTS AND FEEDBACK

2020 was an extraordinary year for the newly named Supporter Experience Team (previously Supporter Care) who were able to swiftly move from the office in Poole, to working from home. This meant we could continue to provide a seamless level of service to our supporters at a time when many charities had to temporarily close their support centres. It allowed us to stay close to supporters and continuously monitor and respond to their feedback. The number of complaints remained low in relation to our activity, with 1,383 pieces of negative feedback. We also received 208 pieces of positive feedback.

We launched the Volunteer Experience Team offering administration support to our network of fundraising branches and retail shops. This team made 'keep connected' calls to our volunteers allowing us to hear direct from the beating heart of the RNLI how it felt to be navigating the pandemic, and how we could best support them. This team also monitor, and respond to, feedback related to the products and service of our online shop.

CERTIFICATIONS AND REGISTRATIONS

The RNLI had a number of certifications and registrations in place during 2020:

FUNDRAISING REGULATOR

We are registered with the Fundraising Regulator. It demonstrates that we take our fundraising extremely seriously. As a registered charity it means we promote best practice, defend the sector and demonstrate our compliance with the law. We follow the Regulator's process for reporting our fundraising complaints to them annually in April. In our April 2020 submission we reported 86 complaints to the regulator, this is in relation to sending out nearly 9.5M items of marketing communication. Should the need arise, we would follow the Regulator's complaints escalation process.

DIGITAL CODE OF CONDUCT

The RNLI follows the Charity Digital Code principles. In 2020 we invested in the accessibility of RNLI sites to improve donor and user experiences.

UK GAMBLING COMMISSION REGULATION

The RNLI's quarterly Lifeboat Lottery is licensed by the Gambling Commission under the Gambling Act 2005. This is to ensure our gambling activities are safe, fair and crime-free. We hold a non-remote and an ancillary remote licence and strictly adhere to the Licence Conditions and Codes of Practice regulated by the Gambling Commission.

In 2020, the value of ticket sales for the Lifeboat Lottery was £2.8M, with an average 82% being the value returned directly for the purposes of the society. This complies with the Gambling Commission's requirements that a society lottery must apply a minimum of 20% of the gross proceeds of each lottery directly to the purposes of the society.

We have procedures and protective measures in place to encourage responsible gambling and to identify and help those with gambling problems. We strictly adhere to the Gambling Commission's directive on social responsibility and problem gambling. See more at RNLI.org/lottery.

ACCREDITATION OF TRAINING AND ASSESSMENT STANDARDS

Our powerboating, motorcruising, VHF and shore-based theory courses are accredited by the Royal Yachting Association.

The Association of Marine Electronic and Radio Colleges accredits our Search and Rescue Radio Operator's course and our Long Range course.

Our STCW 95 Sea Survival course, Casualty Care course and Approved Engine course are accredited by the Maritime and Coastguard Agency.

Our Casualty Care course is approved by the Anaesthesia Trauma and Critical Care Group and the Royal College of Surgeons.

PENSION QUALITY MARK PLUS

Up until 31 October 2020, the RNLI's UK Group Personal Pension Plan had the Pensions and Lifetime Savings Association's 'Pension Quality Mark Plus' accreditation. Due to significant changes to the standards required to maintain accreditation, and the resources required for this, the RNLI participation in this scheme ended in October. We are still committed to maintain the same high standards as before, albeit without the external accreditation for this.

UK MUSEUM ACCREDITATION

The RNLI Henry Blogg Museum and RNLI Grace Darling Museum continued to meet the standard for UK Museum Accreditation.

Conclusion

The Annual Report of the Trustees of the RNLI was approved by the Trustees of the RNLI on 15 April 2021 and signed on their behalf by

Stuart Popham
RNLI Chairman

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE ROYAL NATIONAL LIFEBOAT INSTITUTION

OPINION ON THE FINANCIAL STATEMENTS

We have audited the financial statements of The Royal National Lifeboat Institution ('the Parent Charity') and its subsidiaries ('the Group') for the year ended 31 December 2020 which comprise the RNLI Consolidated and RNLI Statement of Financial Activities, the RNLI Consolidated and RNLI Balance Sheets, the RNLI Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 Group's and of the Parent Charity's affairs as at 31 December 2020 and of the Group's and Parent Charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Charities and Trustee Investment (Scotland) Act 2005 and regulation 6 & 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010 and the Charities Act (Northern Ireland) 2008 (as amended by the Charities Act (Northern Ireland 2013).

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 Group and the Parent Charity in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATED TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Act (Northern Ireland) 2008 requires us to report to you if, in our opinion:

- the information contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- proper accounting records have not been kept by the Parent Charity; or
- the Parent Charity 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 Trustee Board Responsibilities section, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent 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 Group or the Parent 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 section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and section 65 of the Charities Act (Northern Ireland) 2008 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

EXTENT TO WHICH THE AUDIT WAS CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

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

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

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

Audit procedures performed by the engagement team included:

- discussions with management and internal audit, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the various charity regulators;
- reviewing items included in the Group's fraud and theft database as well as the results of internal audit's investigation into these matters;
- review of sample of Gift Aid claims and ensuring these have been made in accordance with the regulations;
- challenging assumptions made by management in their significant accounting estimates in particular in relation to the legacy accrual and assumptions used in the calculation of the defined benefit pension liability, and
- in addressing the risk of fraud through management override of controls; testing the appropriateness of journal entries and other adjustments, in particular any journals posted by senior management or with unusual accounts combinations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's ('FRC's') website at: 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 the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Act (Northern Ireland) 2008. 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.

BDO LLP

BDO LLP, statutory auditor
London, UK
22 April 2021

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

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

FINANCIAL STATEMENTS

RNLI CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2020

	Note	Unrestricted funds			Restricted funds	Endowed funds	Total 2020	Total 2019
		General funds	Designated funds	Fixed asset funds				
		£M	£M	£M	£M	£M	£M	£M
Income and endowments from:								
Legacies		101.0	–	–	30.5	–	131.5	126.5
Donations		39.0	–	–	8.1	–	47.1	52.4
Trading activities		8.3	–	–	–	–	8.3	11.5
Investments	7c	0.9	–	–	0.4	0.3	1.6	2.2
Charitable activities		2.6	–	–	–	–	2.6	3.9
Other income		8.0	–	–	–	–	8.0	0.7
Total income and endowments		159.8	–	–	39.0	0.3	199.1	197.2
Expenditure on:								
Legacies and donations		(22.6)	–	(1.1)	–	–	(23.7)	(25.6)
Trading activities		(4.7)	–	(0.1)	–	–	(4.8)	(6.2)
Investment management		(0.3)	–	–	(0.2)	–	(0.5)	(0.5)
Raising funds		(27.6)	–	(1.2)	(0.2)	–	(29.0)	(32.3)
Lifeboat service		(26.3)	–	(2.1)	(10.2)	–	(38.6)	(50.9)
Lifeboats, property and equipment		(49.8)	–	(20.5)	(9.5)	–	(79.8)	(79.3)
Lifeboat rescue		(76.1)	–	(22.6)	(19.7)	–	(118.4)	(130.2)
Lifeguard rescue		(14.1)	–	(1.7)	(0.3)	–	(16.1)	(21.0)
International		(2.1)	–	–	(0.4)	–	(2.5)	(3.7)
Water safety, education and awareness		(6.5)	–	(0.1)	-	–	(6.6)	(10.6)
Charitable activities		(98.8)	–	(24.4)	(20.4)	–	(143.6)	(165.5)
Total expenditure	5	(126.4)	–	(25.6)	(20.6)	–	(172.6)	(197.8)
Net gain on investments	7b	1.0	–	–	5.2	1.9	8.1	15.9
Net income/(expenditure)		34.4	–	(25.6)	23.6	2.2	34.6	15.3
Transfers between funds	1h	(25.4)	11.4	17.9	(3.9)	–	–	–
Actuarial gain/(loss) on pension schemes		(11.0)	–	–	–	–	(11.0)	9.5
Net movement in funds		(2.0)	11.4	(7.7)	19.7	2.2	23.6	24.8
Reconciliation of funds:								
Funds at 1 January		83.4	–	475.7	115.7	59.0	733.8	709.0
Movement in funds		(2.0)	11.4	(7.7)	19.7	2.2	23.6	24.8
Funds at 31 December		81.4	11.4	468.0	135.4	61.2	757.4	733.8

The Statement of Financial Activities includes all gains and losses recognised in the year. Total consolidated income of the RNLI during the year, including investment gains/(losses), was £207.2M (2019: £213.1M) less resources expended of £172.6M (2019: £197.8M) led to a surplus of £34.6M (2019: surplus of £15.3M). All income, expenditure and resulting net movements are derived from continuing activities. Income and expenditure through the Charitable Incorporated Organisation (RNLI Lifesaving Endowment) is treated as an expendable endowment.

Notes 1 to 18 form part of these accounts.

RNLI CONSOLIDATED BALANCE SHEET

as at 31 December 2020

	Note	2020		2019	
		£M	£M	£M	£M
Assets employed					
Fixed assets					
Intangible assets	6b	**15.4**		16.0	
Tangible assets	6a	**452.6**		459.7	
			468.0		475.7
Investments	7		**268.6**		244.6
Current assets					
Stocks	8	**26.0**		23.2	
Debtors	9	**53.1**		40.7	
Bank and cash		**5.0**		8.4	
		84.1		72.3	
Creditors – amounts falling due within 1 year	10	**(14.7)**		(19.8)	
Net current assets			**69.4**		52.5
Creditors					
Amounts falling due after more than 1 year	10		**(7.8)**		(4.9)
Defined benefit pension liability	10		**(40.8)**		(34.1)
Net assets			**757.4**		733.8
Funds					
Endowed funds: Permanent Expendable	12b	**17.2** **44.0**		16.7 42.3	
			61.2		59.0
Restricted funds	12c		**135.4**		115.7
Unrestricted funds					
Fixed asset funds			**468.0**		475.7
Designated funds	12d		**11.4**		–
General funds: Free reserves Pension reserve		**122.2** **(40.8)**		117.5 (34.1)	
			81.4		83.4
Total funds			**757.4**		733.8

Stuart Popham
Chairman

Mark Dowie
Chief Executive

Notes 1 to 18 form part of these accounts. The accounts of the RNLI and the consolidated accounts were approved and authorised for issue by the Trustees on 15 April 2021 and signed on their behalf.

RNLI CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 December 2020

	2020 £M	2019 £M
Cash flow from operating activities:		
Net cash provided by operating activities (see note below)	**28.1**	20.0
Cash flows from investing activities:		
Purchase of subsidiary undertakings	**–**	(2.9)
Cash acquired with subsidiary undertaking	**–**	0.6
Investment income	**1.6**	2.2
Proceeds from the sale of fixed assets	**0.7**	0.4
Purchase of fixed assets	**(17.9)**	(39.4)
Purchase of investments	**(42.4)**	(22.8)
Proceeds from sale of investments	**26.5**	43.8
Net cash used in investing activities	**(31.5)**	(18.1)
Change in cash and cash equivalents in the reporting period	**(3.4)**	1.9
Reconciliation of cash flow:		
Cash and cash equivalents at the beginning of the reporting period	**8.4**	6.5
Change in cash and cash equivalents in the reporting period	**(3.4)**	1.9
Cash and cash equivalents at the end of the reporting period	**5.0**	8.4

	2020 £M	2019 £M
Note to the consolidated cash flow statement		
Reconciliation of net income to net cash flow from operating activities		
Net income for the period (as per the SoFA)	**34.6**	15.3
Depreciation and amortisation charges	**25.6**	25.5
Impairment of fixed assets	**2.8**	–
(Gain) on investments	**(8.1)**	(15.9)
Investment income	**(1.6)**	(2.2)
(Profit)/loss on disposal of fixed assets	**(0.3)**	0.6
Increase in stock	**(2.8)**	(3.2)
(Increase)/decrease in debtors	**(11.7)**	0.1
Decrease in creditors	**(10.4)**	(0.2)
Net cash provided by operating activities	**28.1**	20.0

Reconsolidation of net funds

	2019 £M	Cashflows £M	Non-cash movements £M	2020 £M
Cash	8.4	**(3.4)**	**–**	**5.0**
Loans falling due within one year	–	**–**	**(1.1)**	**(1.1)**
Loans falling due after more than one year	–	**–**	**(2.8)**	**(2.8)**
Total	8.4	**(3.4)**	**(3.9)**	**1.1**

Notes 1 to 18 form part of these accounts.

RNLI STATEMENT OF FINANCIAL ACTIVITIES†

for the year ended 31 December 2020

	Note	Unrestricted funds			Restricted funds	Endowed funds	Total 2020	Total 2019
		General funds £M	Designated funds £M	Fixed asset funds £M	£M	£M	£M	£M
Income and endowments from:								
Legacies		**101.0**	**–**	**–**	**30.5**	**–**	**131.5**	126.5
Donations		**39.0**	**–**	**–**	**8.1**	**–**	**47.1**	52.4
Donations from subsidiary companies		**4.2**	**–**	**–**	**–**	**–**	**4.2**	6.1
Investments	7c	**0.9**	**–**	**–**	**0.4**	**–**	**1.3**	2.2
Charitable activities		**2.6**	**–**	**–**	**–**	**–**	**2.6**	3.9
Other income		**7.3**	**–**	**–**	**–**	**–**	**7.3**	0.7
Total income and endowments		**155.0**	**–**	**–**	**39.0**	**–**	**194.0**	191.8
Expenditure on:								
Legacies and donations		**(22.6)**	**–**	**(1.1)**	**–**	**–**	**(23.7)**	(25.6)
Trading activities		**–**	**–**	**–**	**–**	**–**	**–**	–
Investment management		**(0.3)**	**–**	**–**	**(0.2)**	**–**	**(0.5)**	(0.5)
Raising funds		**(22.9)**	**–**	**(1.1)**	**(0.2)**	**–**	**(24.2)**	(26.1)
Lifeboat service		**(26.3)**	**–**	**(2.1)**	**(10.2)**	**–**	**(38.6)**	(50.9)
Lifeboats, property and equipment		**(49.8)**	**–**	**(20.5)**	**(9.5)**	**–**	**(79.8)**	(79.7)
Lifeboat rescue		**(76.1)**	**–**	**(22.6)**	**(19.7)**	**–**	**(118.4)**	(130.6)
Lifeguard rescue		**(14.1)**	**–**	**(1.7)**	**(0.3)**	**–**	**(16.1)**	(21.0)
International		**(2.1)**	**–**	**–**	**(0.4)**	**–**	**(2.5)**	(3.7)
Water safety, education and awareness		**(6.5)**	**–**	**(0.1)**	**–**	**–**	**(6.6)**	(10.6)
Donation to CIO		**–**	**–**	**–**	**–**	**–**	**–**	(42.3)
Charitable activities		**(98.8)**	**–**	**(24.4)**	**(20.4)**	**–**	**(143.6)**	(208.2)
Total expenditure		**(121.7)**	**–**	**(25.5)**	**(20.6)**	**–**	**(167.8)**	(234.3)
Net gain on investments	7b	**1.0**	**–**	**–**	**5.2**	**0.5**	**6.7**	15.9
Net income/(expenditure)		**34.3**	**–**	**(25.5)**	**23.6**	**0.5**	**32.9**	(26.6)
Transfers between funds	1h	**(25.5)**	**11.4**	**18.0**	**(3.9)**	**–**	**–**	–
Actuarial gain/(loss) on pension schemes		**(11.0)**	**–**	**–**	**–**	**–**	**(11.0)**	9.5
Net movement in funds		**(2.2)**	**11.4**	**(7.5)**	**19.7**	**0.5**	**21.9**	(17.1)
Reconciliation of funds:								
Funds at 1 January		**86.3**	**–**	**472.8**	**115.7**	**16.7**	**691.5**	708.6
Movement in funds		**(2.2)**	**11.4**	**(7.5)**	**19.7**	**0.5**	**21.9**	(17.1)
Funds at 31 December		**84.1**	**11.4**	**465.3**	**135.4**	**17.2**	**713.4**	691.5

Notes 1 to 18 form part of these accounts.

† The RNLI statement of financial activities shows the financial performance for the year of the charity excluding its subsidiaries.

RNLI BALANCE SHEET†

as at 31 December 2020

	Note	2020		2019	
		£M	£M	£M	£M
Assets employed					
Fixed assets					
Intangible assets		**15.2**		15.8	
Tangible assets		**450.1**		457.0	
			465.3		472.8
Investments	**7**		**230.1**		207.8
Current assets					
Stocks	**8**	**23.5**		20.9	
Debtors	**9**	**53.4**		41.3	
Bank and cash		**3.9**		6.6	
		80.8		68.8	
Creditors – amounts falling due within 1 year	**10**	**(14.2)**		(18.9)	
Net current assets			**66.6**		49.9
Creditors					
Amounts falling due after more than 1 year	**10**		**(7.8)**		(4.9)
Defined benefit pension liability	**10**		**(40.8)**		(34.1)
Net assets			**713.4**		691.5
Funds					
Endowed funds: Permanent Expendable		**17.2** **–**		16.7 –	
			17.2		16.7
Restricted funds	**12c**		**135.4**		115.7
Unrestricted funds					
Fixed asset funds			**465.3**		472.8
Designated funds	**12d**		**11.4**		–
General funds: Free reserves Pension reserve		**124.9** **(40.8)**		120.4 (34.1)	
			84.1		86.3
Total funds			**713.4**		691.5

Stuart Popham
Chairman

Mark Dowie
Chief Executive

Notes 1 to 18 form part of these accounts. The accounts of the RNLI and the consolidated accounts were approved and authorised for issue by the Trustees on 15 April 2020 and signed on their behalf.

† The RNLI balance sheet shows the financial position of the charity excluding its subsidiaries.

Hoylake volunteers launch their Shannon class lifeboat *Edmund Hawthorn Micklewood* across the beach to rescue three paddleboarders

RNLI NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. RNLI STRUCTURE AND ACCOUNTING POLICIES

The RNLI was founded in 1824 and was incorporated by Royal Charter granted in 1860, with Supplemental Charters granted in 1932, 1986, 2002 and 2011. The RNLI is registered as a charity in England and Wales (209603), Scotland (SC037736), the Republic of Ireland (20003326), the Bailiwick of Guernsey and Alderney and Isle of Man (1308 and 006329F). The address of the registered office is West Quay Road, Poole, Dorset, BH15 1HZ.

a) Basis of accounting

The accounts (financial statements) have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP), Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following Accounting and Reporting by Charities, preparing their accounts in accordance with The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

The RNLI meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The Trustees reviewed the RNLI's plans in November 2020, for 2021 and to the end of 2023, and were content that these plans were affordable and that the accounts should be prepared on a going-concern basis, taking into account the impact of the Covid-19 outbreak and its financial effect. The RNLI continues to review the effect of the Government's decisions to counteract Covid-19 through an ongoing cashflow forecasting process and have agreed a set of financial trigger points with the Trustees where financial plans will be reviewed if these triggers are met. Throughout these reviews there has been no effect that has changed plans materially to date and no triggers met.

Given the strength of the balance sheet and availability and liquidity of unrestricted investments, totalling around £81.9M, the Trustees believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the charity's ability to continue as a going concern. The Trustees, therefore, consider it appropriate for the accounts to be prepared on a going-concern basis.

In preparing the separate financial statements of the charity, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the Parent Charity.
- Disclosures in respect of the Parent Charity's financial instruments have not been presented, as equivalent disclosures have been provided in respect of the Group as a whole.
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the Group as a whole.

b) Critical accounting judgements and key sources of estimation

In the application of the Charity's accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period to which they relate. The key sources of estimation are summarised below:

- residuary legacies – a debtor is recognised at the point it can be reliably measured and that the RNLI is entitled to the legacy. This recognition point is reached when the executors make the first interim distribution.
- pension liabilities – the charity recognises its liability to its defined benefit pension scheme, which involves a number of estimations as disclosed in note 11.

c) Basis of consolidation

All subsidiary companies and charities, as listed in note 2, have been consolidated on a line-by-line basis. Their objectives contribute to those of the RNLI Group strategy and under the test of control they are deemed to be subsidiaries of the RNLI. The results of any subsidiaries acquired during the year are included in the SoFA from the effective date of acquisition. The intra-group transactions, balances and unrealised profits are eliminated in full. RNLI (Trading) Limited and CEL Holdings Limited were inactive throughout 2020 and have not been consolidated on that basis. CEL Holdings Limited was dissolved on 17 March 2020.

d) Depreciation, amortisation and impairment

Tangible and intangible fixed assets costing more than £10,000 are capitalised and included at cost.

Fixed assets are depreciated or amortised over their current anticipated lives, which are assessed as follows:

Goodwill and intellectual property	Straight line over 10 years
Assets under construction	No depreciation is charged on assets in the course of construction
Freehold lifeboat stations and shoreworks	Straight line over 50 years
Other freehold/ leasehold buildings	Straight line over 50 years/ period of lease
Lifeboats	Straight line over 15–25 years. Shannon lifeboat hulls over 50 years.
Launching equipment	Straight line over 10–25 years
Office furniture and depot plant	Straight line over 5–10 years
Computer hardware and software	Straight line over 4–10 years

For lifeboats, in 2020 an allowance was made for the Shannon class lifeboat to recognise that the hull has a longer life than the rest of the lifeboat. A review has been carried out for other classes of lifeboat but, given their age, any adjustment is immaterial.

Fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment an impairment loss is recognised immediately in the Statement of Financial Activities.

In 2020, an impairment loss of £2.8M has been recognised. Of this, £1.0M has been recognised in 'Lifeboats, property and equipment' and £1.8M has been recognised in support costs, which is then allocated across categories as described in note 5. These relate to four properties that have now, or will soon, become, obsolete. These have been written down to a value that gives a normal depreciation cost over the remaining period of their useful life. They could have been depreciated at a higher level over the remaining useful life but this would not reflect the value to the organisation and the decisions made as a result.

e) Pension schemes

The RNLI operates a defined benefit pension scheme covering its employees in the UK and the Republic of Ireland. The scheme was closed to new entrants from 1 January 2007 and closed to future benefit accrual on 30 September 2012, although benefits for active members accrued up to 30 September 2012 continue to be subject to any increases in pensionable pay.

A defined contribution pension scheme was established for new staff joining from 1 January 2007 and this was also offered as an alternative to members of the defined benefit pension scheme on its closure. The defined benefit scheme assets are held in a separate trustee-administered fund. The cost charged in the Statement of Financial Activities (SoFA) represents current service costs and gains and losses on settlements and curtailments calculated in accordance with Accounting Standard FRS102. Further details are shown in note 11.

For the defined benefit pension scheme the current service costs, gains and losses on settlements and curtailments, and administrative expenses are charged to expenditure.

Similarly, pension finance costs arising from changes in the net of the interest costs and expected return on assets are charged to expenditure. Actuarial gains and losses are recognised immediately in the Statement of Financial Activities as Actuarial gain/(loss) on pensions scheme. Contributions in respect of defined contribution schemes are recognised as expenditure as they become payable.

f) Income

Incoming resources are included in the SoFA when the RNLI is entitled to the income, the receipt is probable and the amount can be quantified with reasonable accuracy. If these conditions are not met the income is deferred. The following specific policies apply to categories of income:

Legacy income is recognised either at the point that the future income from an estate meets the recognition category or, for legacies not previously recognised, the point that a cash payment is received. For pecuniary legacies, unpaid legacies are accrued into the accounts when they are notified unless there is any evidence that the legacy is contested or the estate is impaired. For residuary legacies, a debtor is recognised at the point that it can be reliably measured and that the RNLI is entitled to the legacy. This recognition point is reached when the executors make the first interim distribution. In the rare cases where legacy property assets are legally transferred to the RNLI, rather than sold during the process to settle the estate, they are capitalised under tangible fixed assets at market value. When sold, the profit or loss on disposal is recognised in the SoFA as legacy income rather than profit or loss on disposal of fixed assets.

All donations are accounted for when received, as is lottery income. Subscription income is treated as a donation, as there is no material benefit given, and is accounted for when receivable. Charitable activity income represents lifeguard income which is accounted for when receivable. Investment income is accounted for on a receivable basis.

Other income includes government support from the various schemes across our jurisdictions and these have been accounted for on a receipts basis. In 2020, the RNLI received £5,295,322 from the Coronavirus Job Retention Scheme (UK), £22,097 from the Covid19 Salary Support Scheme (IOM) and £736,711 from the Republic of Ireland Employment and Temporary Wage Subsidy Scheme (TWSS).

On receipt, and where material, donations in kind are recognised on the basis of the value of the gift to the charity, which is the amount the charity 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.

Gift Aid donations made to the charity are recognised as income in the charity either when paid or at the date when the subsidiary has a legal liability to make the donation payment if earlier.

g) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Support costs representing expenditure on governance, general administration, finance, human resources and information technology have been allocated to expenditure, excluding merchandising and investment management, on the basis of cost (see note 5).

Employee benefits paid on termination include accrued amounts where the RNLI is demonstrably committed to make these payments.

The cost of volunteer time is not accounted for as this cannot be estimated reliably.

h) Fund accounting

The RNLI's funds fall into the following categories:
Permanent endowments are capital sums that are donated under the restriction that they are invested and that only the income arising is available for expenditure in accordance with the donors' directions. These capital sums can only be spent in exceptional circumstances with the agreement of the Charity Commission.

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

Restricted funds are only available for expenditure in accordance with the donors' directions. This will include any restricted legacy value accrued on an estimated basis, in accordance with the policy on income detailed in this note.

Fixed asset funds represent the assets of the RNLI, the vast majority of which are the lifeboats, launching equipment and operational properties, such as lifeboat stations and lifeguard units. Without them the RNLI could not operate. They are shown separately to other unrestricted funds due to the size and importance of these assets to the RNLI.

Designated funds are set aside at the discretion of the Trustees. A fund has been established this year to ensure that key operational projects and activities that were delayed from 2020, because of the pandemic, are completed in 2021.

The above funds are committed funds.

General funds are sums that are freely available for general use. They comprise:

- **Free reserves**, which are retained to enable the Trustees to provide assurance to those at sea, the public and the governments of the UK and Republic of Ireland that the RNLI will be able to sustain its commitment to provide the lifeboat and lifeguard service. The free reserves are set at a level to withstand any short-term financial risks, the main ones being in the investment markets, pension scheme funding or in key sources of income, such as legacies. Based on this value, if free reserves fall outside the range of 4–10 months' charitable expenditure cover, the Trustees will review the business plan and make changes, as they consider appropriate. These free reserves will include any unrestricted legacy values accrued.
- **Pension reserve**, which represents the FRS102 accounting deficit for the defined benefit pension scheme as at the year end. The FRS102 basis is a prescribed accounting basis that requires the discount rate to be the rate on high-quality corporate bonds with a duration equivalent to that of the scheme liabilities. Each year, the scheme actuary assesses the financial position of the scheme, allowing for the returns expected to be generated by the assets planned to be held by the scheme in the future. These assets would not typically consist of 100% in corporate bonds. Further details are shown in note 11.

Transfers between funds represent the application of restricted and designated funds to capital projects and transfers to maintain the committed value of such funds.

i) Operating leases

Rentals applicable to operating leases are charged to the SoFA over the period in which the cost is incurred on a straight-line basis.

j) Investments

Investments for which there is a quoted market value are valued at the bid-price ruling at the balance sheet date. Other investments are valued at their realisable market value. Investment gains and losses arising during the year are included in the SoFA.

k) Stocks

Stocks are valued at cost or written-down value. Stocks are reviewed on a line-item basis at least annually and provision is made against cost to reduce carrying value to estimated net realisable value. Included within operational stock are lifeboat manufacturing and repair materials, spares, crew kit. safety equipment, and consumables. These are held as stock until distribution from the warehouse at which point they are expensed if consumable or capitalised to fixed assets.

l) Presentation currency

The functional currency of the RNLI and its subsidiaries is considered to be in pounds sterling because that is the currency of the primary economic environment in which the organisation operates. The consolidated financial statements are also presented in pounds sterling.

m) Exchange rate gains and losses

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

n) Cash at bank and short-term deposits

Cash at bank and short-term deposits include cash and short-term highly liquid investments with a short maturity of 3 months or less from the date of acquisition or opening of the deposit or similar account. All cash and short-term deposits are basic instruments and are measured at amortised cost.

o) Financial instruments

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

2. SUBSIDIARY UNDERTAKINGS

a) Subsidiary companies

The RNLI has four wholly owned subsidiaries, RNLI (Trading) Limited, RNLI College Limited, RNLI (Sales) Limited, and Clayton Engineering Limited. All are registered in England and Wales, and each has a year end of 31 December 2020. RNLI (Trading) Limited was non trading throughout 2019 and 2020.

The activities of RNLI College Limited relate directly to the charitable activities of the RNLI and comprise the training of lifeboat crew and lifeguards, although there are external sales of excess facility capacity.

RNLI (Sales) Limited is used for non-charitable fundraising activities: selling gifts and souvenirs through the RNLI's network of station branches, fundraising branches and guilds and running the Lifeboat Lottery.

Clayton Engineering Limited is a specialist engineering company which designs and manufactures lifeboat launch and recovery equipment.

The RNLI charges its subsidiaries for the use of any shared resources. In 2020 a total of £0.7M (2019: £1.1M) was charged to subsidiaries on a cost basis.

The RNLI balance sheet, excluding its subsidiary companies, has net assets substantially the same as the consolidated balance sheet. For this reason, the notes to the accounts show only the consolidated position, except where there is a material difference.

The subsidiary company boards have decided that all of the net profit will be donated to the RNLI and any profit shown in this note will be donated within 9 months of the year-end.

No provision for corporation tax has been made on subsidiary company profits for the year. This is due to the policy of donating all tax adjusted profits available for distribution under Gift Aid, to its ultimate charitable parent undertaking within 9 months of the year-end date.

Subsidiary company financial information	RNLI (Sales) Limited Company number 02202240		RNLI College Limited Company number 07705470		Clayton Engineering Limited Company number 01274923	
	2020 £M	2019 £M	2020 £M	2019 £M	2020 £M	2019 £M
Merchandising and other trading income	**7.6**	9.6	**0.7**	1.9	**–**	–
Other income	**0.3**	–	**0.4**	–	**0.3**	–
Internal supplies to the RNLI	**–**	–	**6.2**	7.5	**3.0**	4.8
Cost of sales	**(1.9)**	(2.9)	**(0.3)**	(0.8)	**(1.9)**	(3.0)
Gross profit	**6.0**	6.7	**7.0**	8.6	**1.4**	1.8
Operating costs	**(3.2)**	(2.8)	**(5.6)**	(7.2)	**(1.4)**	(1.4)
Net profit	**2.8**	3.9	**1.4**	1.4	**–**	0.4
Amount of Gift Aid to the RNLI	**(2.8)**	(4.3)	**(1.4)**	(1.4)	**–**	(0.4)
Retained in subsidiary	**–**	(0.4)	**–**	–	**–**	–
Fixed assets	**0.4**	0.4	**0.7**	0.9	**1.3**	1.4
Current assets	**2.3**	2.2	**–**	–	**1.9**	2.2
Current liabilities	**(1.0)**	(0.7)	**(0.4)**	(0.6)	**(0.5)**	(0.9)
Amounts owed (to)/from RNLI group	**(0.2)**	(0.4)	**0.7**	0.7	**–**	–
Net assets	**1.5**	1.5	**1.0**	1.0	**2.7**	2.7

b) Charitable incorporated organisation

On 20 June 2019 the RNLI Lifesaving Endowment Fund (LEF) was registered as a charitable incorporated organisation (CIO) with the Charity Commission for England and Wales (registration number: 1184013). Its year end is 30 June 2020. The LEF is a separate legal entity, able to hold property in its own name. The purpose of the LEF is the advancement of saving lives at sea by establishing, building and investing an endowment fund. Income is donated to the RNLI from this fund for lifesaving purposes. As at 31 December 2020, the LEF held investments to the value of £44.0M and the total return on investments in 2020, including income, was £1.7M.

3. STAFF COSTS

The RNLI relies heavily on the work of volunteers to launch and crew the lifeboats, support our lifeguard service and operate the large network of station branches, fundraising branches and groups. We are founded on these volunteers who account for 95% of the RNLI's people and include more than 5,600 volunteer crew members and over 3,500 volunteer shore crew and lifeboat station management.

The majority of our volunteers, in number, however, are the fundraisers who raise money and help in our shops, museums and offices. Staff costs, both to support these volunteers and to save lives in areas such as lifeguards, are as follows:

	2020 £M	2019 £M
Wages and salaries	**65.4**	73.6
Social security costs	**6.5**	7.2
Pension costs	**11.4**	12.2
Total	**83.3**	93.0
Severance pay	**0.3**	1.9

Staff costs have reduced by £9.7M between 2019 and 2020. The reduction in staff costs is mainly due to the redundancies in 2019 as a result of a restructure. It is also partly due to the employees that were on furlough, where salaries were paid at 80% rather than 100%. The amount claimed from the UK government under the Coronavirus Job Retention Scheme (CJRS), and from the Republic of Ireland's Temporary Wage Subsidy Scheme (TWSS) and Employment Wage Subsidy Scheme (EWSS), have been accounted for as income and not offset in the staff costs table above. A shorter season for seasonal staff due to lockdown measures in 2020 also meant fewer staff.

As a result of these changes, the number of FTE employees reduced by an average of 260 FTEs between 2019 and 2020 (as per table below on FTEs).

Pension costs include the cost of the pension salary sacrifice scheme, which involves employees sacrificing a proportion of their salary to contribute into their defined contribution pension scheme.

The following number of employees received emoluments (excluding employer pension and NI contributions) in excess of £60,000 (of which members of the Executive Team who served during the year are shown in brackets):

	Including severance pay		Excluding severance pay	
	2020 Number	**2019 Number**	**2020 Number**	**2019 Number**
£60,000–£69,999	**32 (–)**	43 (–)	**31 (–)**	39 (–)
£70,000–£79,999	**19 (–)**	24 (–)	**18 (–)**	19 (1)
£80,000–£89,999	**3 (–)**	5 (–)	**3 (–)**	2 (–)
£90,000–£99,999	**1 (–)**	3 (1)	**1 (–)**	2 (1)
£100,000–£109,999	**6 (4)**	7 (5)	**6 (4)**	5 (5)
£110,000–£119,999	**3 (3)**	5 (4)	**3 (3)**	4 (4)
£160,000–£169,999	**– (–)**	1 (1)	**–**	–
Total	**64 (7)**	88 (11)	**62 (7)**	71 (11)

The Executive Team (ET) including the chief executive are regarded as the Charity's key management personnel under FRS102. Aggregate employee benefits of the ET totalled £943,269 (2019: £1,509,106). Aggregate employee benefits comprise salaries, severance pay, company cars, pension costs and employer NI contributions. Individuals fulfilling the role of chief executive (2020: 1 individual, 2019: 2) received aggregate employee benefits of £127,767 (2019: £225,819). The RNLI's Chief Executive, Mark Dowie receives an annual salary of £160,000 (2019: £160,000). During the pandemic Mark voluntarily reduced his salary by 50% from 1 April to 31 October 2020. He does not receive any additional allowances, nor a company car or car allowance. He has chosen not to receive RNLI employer's pension contributions, but he does have the employee benefit of salary life assurance cover at one times' salary.

In 2020, there were 62 (2019: 84) employees who received emoluments in excess of £60,000 (including severance pay) and are members of defined contribution schemes and received employer contributions of £641,034 (2019: £821,102).

The average monthly headcount was 2,118 (2019: 2,384). The total average number of employees, calculated on a full-time equivalent (FTE) basis, analysed by function was:

	Average including seasonal staff		Average excluding seasonal staff		At 31 December	
Full-time equivalent employees	**2020 Number**	**2019 Number**	**2020 Number**	**2019 Number**	**2020 Number**	**2019 Number**
Lifeboat service	**324**	352	**324**	352	**326**	327
Lifeboats, property and equipment	**737**	741	**737**	741	**731**	749
Lifeguard rescue	**372**	502	**52**	51	**52**	52
International	**16**	23	**16**	23	**13**	20
Water safety, education and awareness	**101**	95	**101**	95	**102**	101
Support	**238**	283	**238**	283	**236**	267
Legacies and donations	**254**	290	**252**	265	**258**	212
Trading activities	**17**	33	**17**	33	**19**	18
Total	**2,059**	2,319	**1,737**	1,843	**1,737**	1,746

The RNLI employs seasonal staff in the form of lifeguards and face-to-face fundraisers. Lifeguards are recruited and deployed on beaches when required and have been included above in lifeguard rescue as FTE of 320 (2019: 451). The peak number of lifeguards employed during the summer months was 1,141 (2019: 1,577). Face-to-face fundraisers are also recruited and deployed on beaches during the summer and have been included in legacies and donations as FTE of 2 (2019: 25).

4. TRUSTEE, COUNCIL AND COMMITTEE COSTS

No Trustees, or any persons connected with them, received remuneration. Travelling expenses are reimbursed, if claimed, to Trustees and members of the Standing and Advisory Committees and the Council. In total, £11,862 (2019: £33,492) was reimbursed to 7 Trustees, 14 Council members and members of Advisory Committees and the Audit and Risk Committee (2019: 8 Trustees, 21 Council members and members of Advisory Committees and the Audit and Risk Committee). No material donations were made during the year by these persons.

5. TOTAL RESOURCES EXPENDED

	Staff costs £M	Depreciation/ amortisation £M	Other direct costs £M	Other allocated costs £M	Total 2020 £M	Total 2019 £M
Legacies and donations	**11.0**	**0.7**	**8.5**	**3.5**	**23.7**	25.6
Trading activities	**0.8**	**0.1**	**3.9**	**–**	**4.8**	6.2
Investment management	**–**	**–**	**0.5**	**–**	**0.5**	0.5
Lifeboat service	**16.6**	**1.5**	**14.9**	**5.6**	**38.6**	50.9
Lifeboats, property and equipment	**29.7**	**19.2**	**19.1**	**11.8**	**79.8**	79.3
Lifeguard rescue	**9.5**	**1.4**	**2.8**	**2.4**	**16.1**	21.0
International	**0.9**	**–**	**1.2**	**0.4**	**2.5**	3.7
Water safety, education and awareness	**3.3**	**–**	**2.3**	**1.0**	**6.6**	10.6
Support	**11.8**	**2.7**	**10.2**	**(24.7)**	**–**	–
Total 2020	**83.6**	**25.6**	**63.4**	**–**	**172.6**	197.8
Total 2019	94.9	25.5	77.4	–		

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

	Governance £M	General admin £M	Finance £M	Human resource £M	Information technology £M	Total 2020 £M	Total 2019 £M
Legacies and donations	**0.1**	**0.8**	**0.4**	**0.7**	**1.5**	**3.5**	3.6
Lifeboat service	**0.1**	**1.3**	**0.7**	**1.1**	**2.4**	**5.6**	7.2
Lifeboats, property and equipment	**0.2**	**2.7**	**1.4**	**2.3**	**5.2**	**11.8**	11.2
Lifeguard rescue	**–**	**0.5**	**0.3**	**0.5**	**1.1**	**2.4**	2.9
International	**–**	**0.1**	**–**	**0.1**	**0.2**	**0.4**	0.5
Water safety, education and awareness	**–**	**0.2**	**0.1**	**0.2**	**0.5**	**1.0**	1.5
Total 2020	**0.4**	**5.6**	**2.9**	**4.9**	**10.9**	**24.7**	26.9
Total 2019	0.5	7.0	2.9	6.2	10.3		

Governance includes audit costs (both internal and external), the AGM and committee costs. Audit fees of £80,840 (2019: £75,000) and tax fees of £3,120 (2019: £5,450) were payable to the external auditor.

A Chiswick crew member practises linework during a training exercise aboard E class lifeboat *Dougie and Donna B*

6. FIXED ASSETS

a) Tangible assets

	Assets under construction £M	Lifeboats £M	Lifeboat stations and shoreworks £M	Launch and recovery equipment £M	Depots, offices and training facilities £M	Computer equipment, plant and vehicles £M	Total £M
Cost							
At 1 January 2020	31.0	346.7	298.5	52.3	99.2	70.2	897.9
Additions	16.8	0.1	–	–	0.5	1.5	18.9
Transfers	(19.7)	4.5	5.0	3.1	–	7.7	0.6
Disposals	–	(2.2)	–	(0.2)	–	(0.9)	(3.3)
At 31 December 2020	28.1	349.1	303.5	55.2	99.7	78.5	914.1
Depreciation and Impairment							
At 1 January 2020	–	238.6	91.1	29.8	22.9	55.8	438.2
Charge for the year	–	7.4	7.3	3.3	1.8	3.7	23.5
Impairment charge	–	–	1.0	–	1.8	–	2.8
Disposals	–	(2.0)	–	(0.2)	–	(0.8)	(3.0)
At 31 December 2020	–	244.0	99.4	32.9	26.5	58.7	461.5
Net book amount							
At 31 December 2020	28.1	105.1	204.1	22.3	73.2	19.8	452.6
At 31 December 2019	31.0	108.1	207.4	22.5	76.3	14.4	459.7

Cumulative impairment costs to date were £2.8M (2019:£Nil).

The net book amounts include the following property:

	Freehold £M	Leasehold £M	Total £M
Lifeboat stations and shoreworks	62.8	141.3	204.1
Depots, offices and training facilities	67.5	5.7	73.2
At 31 December 2020	130.3	147.0	277.3

b) Intangible assets

	Assets under construction £M	Computer software £M	Goodwill £M	Total £M
Cost				
At 1 January 2020	**0.6**	**19.4**	**0.2**	**20.2**
Additions	**–**	**2.1**	**–**	**2.1**
Transfers	**(0.6)**	**–**	**–**	**(0.6)**
Disposals	**–**	**–**	**–**	**–**
At 31 December 2020	**–**	**21.5**	**0.2**	**21.7**
Depreciation and Impairment				
At 1 January 2020	**–**	**4.2**	**–**	**4.2**
Charge for the year	**–**	**2.1**	**–**	**2.1**
Disposals	**–**	**–**	**–**	**–**
At 31 December 2020	**–**	**6.3**	**–**	**6.3**
Net book amount				
At 31 December 2020	**–**	**15.2**	**0.2**	**15.4**
At 31 December 2019	0.6	15.2	0.2	16.0

Assets under construction comprise software development costs.

Goodwill arose on the acquisition of Clayton Engineering Limited.

c) Subsidiary company assets

The consolidated schedule of fixed assets includes assets owned by subsidiary companies with the following net book amounts:

	2020 £M	2019 £M
Assets under construction	**–**	–
Lifeboats	**0.1**	0.2
Computer equipment, plant and vehicles	**1.1**	1.4
Depots, offices and training facilities	**1.2**	1.1
Total	**2.4**	2.7

Crew kit hanging and ready to go at Minehead Lifeboat Station

6. FIXED ASSETS (CONTINUED)

d) Financial review analysis

The table below shows the asset purchase cost and depreciation analysis by type of expenditure for the financial review (see note 17a).

	Asset purchases			Depreciation/amortisation charge		
	£M	Allocated £M	Total £M	£M	Allocated £M	Total £M
Expenditure						
Lifeboat service	–	0.7	0.7	1.5	0.6	2.1
Lifeboats, property and equipment	16.9	1.4	18.3	19.2	1.3	20.5
Lifeguard rescue	0.6	0.3	0.9	1.4	0.3	1.7
International	–	–	–	–	–	–
Water safety, education and awareness	–	0.1	0.1	–	0.1	0.1
Legacies and donations	0.5	0.4	0.9	0.7	0.4	1.1
Trading activities	0.1	–	0.1	0.1	–	0.1
Support	2.9	(2.9)	–	2.7	(2.7)	–
Total	21.0	–	21.0	25.6	–	25.6

Asset purchases comprise fixed asset additions and acquisitions.

7. INVESTMENTS

The RNLI held no derivative instruments as at 31 December 2020 (2019: none). Several of the pooled investment funds held by the RNLI use derivative products within their portfolios to reduce market risk in line with their investment strategies.

All investments are basic financial instruments and are measured at fair values, except for investment in subsidiaries, which are held at cost.

Consolidated	General funds £M	Restricted funds £M	Permanent endowed funds £M	Expendable endowed Funds £M	Total 2020 £M	Total 2019 £M
a) Investment assets						
Equities	**29.0**	**–**	**–**	**19.2**	**48.2**	47.1
Absolute return funds	**–**	**79.5**	**8.3**	**–**	**87.8**	83.7
Fixed interest	**18.9**	**46.0**	**–**	**–**	**64.9**	64.9
Property unit trusts	**7.3**	**–**	**8.2**	**7.3**	**22.8**	24.1
Deposits and cash	**26.7**	**–**	**0.7**	**17.5**	**44.9**	24.8
Market value at 31 December 2020	**81.9**	**125.5**	**17.2**	**44.0**	**268.6**	244.6
b) Analysis of movement						
Market value at 1 January 2020	**77.7**	**107.9**	**16.7**	**42.3**	**244.6**	249.7
Additions	**41.7**	**–**	**0.4**	**0.3**	**42.4**	22.8
Transfers	**(12.4)**	**12.4**	**–**	**–**	**–**	–
Disposals	**(26.1)**	**–**	**(0.4)**	**–**	**(26.5)**	(43.8)
Gains/(losses) on investments	**1.0**	**5.2**	**0.5**	**1.4**	**8.1**	15.9
Market value at 31 December 2020	**81.9**	**125.5**	**17.2**	**44.0**	**268.6**	244.6
Original cost	**70.9**	**111.5**	**15.7**	**32.8**	**230.9**	220.2
c) Investment income						
Equities	**0.5**	**–**	**–**	**–**	**0.5**	0.8
Absolute return funds	**0.1**	**–**	**–**	**–**	**0.1**	0.2
Fixed interest	**–**	**–**	**–**	**–**	**–**	0.1
Property unit trusts	**0.3**	**0.4**	**–**	**0.3**	**1.0**	1.1
Deposits and cash	**–**	**–**	**–**	**–**	**–**	–
Total	**0.9**	**0.4**	**–**	**0.3**	**1.6**	2.2

7. INVESTMENTS (CONTINUED)

RNLI	General funds £M	Restricted funds £M	Permanent Endowed funds £M	Investment in subsidiaries £M	Total 2020 £M	Total 2019 £M
a) Investment assets						
Equities	**29.0**	**–**	**–**	**–**	**29.0**	29.8
Unlisted companies	**–**	**–**	**–**	**5.5**	**5.5**	5.5
Absolute return funds	**–**	**79.5**	**8.3**	**–**	**87.8**	83.7
Fixed interest	**18.9**	**46.0**	**–**	**–**	**64.9**	64.9
Property unit trusts	**7.3**	**–**	**8.2**	**–**	**15.5**	16.4
Deposits and cash	**26.7**	**–**	**0.7**	**–**	**27.4**	7.5
Market value at 31 December 2020	**81.9**	**125.5**	**17.2**	**5.5**	**230.1**	207.8
b) Analysis of movement						
Market value at 1 January 2020	**77.7**	**107.9**	**16.7**	**5.5**	**207.8**	252.3
Additions	**41.7**	**–**	**0.4**	**–**	**42.1**	8.4
Transfers	**(12.4)**	**12.4**	**–**	**–**	**–**	–
Disposals	**(26.1)**	**–**	**(0.4)**	**–**	**(26.5)**	(68.8)
Gains/(losses) on investments	**1.0**	**5.2**	**0.5**	**–**	**6.7**	15.9
Market value at 31 December 2020	**81.9**	**125.5**	**17.2**	**5.5**	**230.1**	207.8
Original cost	**70.9**	**111.5**	**15.7**	**5.5**	**203.6**	194.0
c) Investment income						
Equities	**0.5**	**–**	**–**	**–**	**0.5**	0.8
Absolute return funds	**0.1**	**–**	**–**	**–**	**0.1**	0.2
Fixed interest	**–**	**–**	**–**	**–**	**–**	0.1
Property unit trusts	**0.3**	**0.4**	**–**	**–**	**0.7**	1.1
Deposits and cash	**–**	**–**	**–**	**–**	**–**	–
Total	**0.9**	**0.4**	**–**	**–**	**1.3**	2.2

Investment in subsidiaries comprises RNLI (Sales) Limited £1.5M (2019: £1.5M), RNLI College Limited £1.0M (2019: £1.0M) and Clayton Engineering Limited £3.0M (2019: £3.0M).

8. STOCKS

	Consolidated		RNLI	
	2020 £M	2019 £M	2020 £M	2019 £M
Operational stock	**23.8**	21.2	**23.5**	20.9
Gifts and souvenirs	**2.2**	2.0	**–**	–
Total	**26.0**	23.2	**23.5**	20.9

9. DEBTORS

	Consolidated		RNLI	
	2020 £M	2019 £M	2020 £M	2019 £M
Legacies receivable	**46.5**	32.0	**46.5**	32.0
Inter-company debtors	**–**	–	**0.2**	0.4
Trade and other debtors	**1.8**	1.2	**1.5**	1.2
VAT and Gift Aid recoverable	**1.3**	4.3	**1.8**	4.8
Prepayments and accrued income	**3.5**	3.2	**3.4**	2.9
Total	**53.1**	40.7	**53.4**	41.3

A proportion of legacies receivable may be received after more than 1 year, but this figure cannot be determined with any accuracy due to the inherent uncertainty in the timing of legacy income receipt.

The estimated value of legacies notified but neither received nor included in income is £76.9M (2019: £72.3M).

All debtors are basic financial instruments measured at amortised cost.

10. CREDITORS

	Consolidated		RNLI	
	2020 £M	2019 £M	2020 £M	2019 £M
Amounts falling due within 1 year				
Trade creditors	**6.6**	12.9	**6.1**	11.8
Other creditors	**1.4**	0.2	**1.4**	0.2
Inter-company creditor	**–**	–	**0.7**	0.7
PAYE taxes and social security	**1.7**	1.9	**1.6**	1.8
Pension creditor	**1.0**	1.1	**0.9**	1.1
Dependants' pensions liability	**0.3**	0.3	**0.3**	0.3
Accruals	**3.7**	3.4	**3.2**	3.0
Total	**14.7**	19.8	**14.2**	18.9
Amounts falling due after more than 1 year				
LT Lease Liability due 1–5 year	**2.8**	–	**2.8**	–
Dependants' pensions liability	**5.0**	4.9	**5.0**	4.9
Defined benefit pension liability	**40.8**	34.1	**40.8**	34.1
Total	**48.6**	39.0	**48.6**	39.0

The LT Lease Liability is a 4-year interest-free loan with Cisco to pay for new telecommunications and infrastructure.

11. PENSION SCHEMES

The RNLI provides a number of pension schemes for its employees:

- The RNLI 1983 Contributory Pension Scheme, a defined benefit scheme, was closed to new entrants from 1 January 2007 and closed to future benefit accrual on 30 September 2012, although benefits for active members accrued up to 30 September 2012 continue to be subject to any increases in pensionable pay.

- The RNLI UK Group Personal Pension Plan is the main scheme for UK employees who joined the RNLI from 1 January 2007. It is a contract-based defined contribution scheme. Member retirement benefits are linked to the investment performance of contributions made.

- The RNLI RoI Group Fusion Pension Plan is the main scheme for Republic of Ireland employees who joined the RNLI from 1 January 2012. It is a contract-based defined contribution scheme. Member retirement benefits are linked to the investment performance of contributions made.

In 2020, the RNLI paid contributions of £11.4M (2019: £12.2M) in respect of members of the defined contribution pension schemes. Details of the defined benefit scheme, produced in accordance with the requirements of section 28 of The Financial Reporting Standard 102 (FRS102), are disclosed below and cover both the RNLI 1983 Contributory Pension Scheme and the payments to certain dependants.

Dependants' pensions are paid by the RNLI to dependants of former crew members who lost their lives on lifeboat service.

The figures in this note have been calculated by a qualified independent actuary based on a full actuarial valuation of the pension scheme as at 31 December 2019, rolled forward to 31 December 2020 using summarised cash flow and membership details and a full actuarial valuation of the dependants' pensions as at 31 December 2020 on the basis required by FRS102.

On this basis, the FRS102 accounting deficit for the defined benefit pension scheme as at 31 December 2020 was £40.8M (2019: £34.1M) and £5.3M (2019: £5.2M) for the dependants' pensions. The FRS102 basis is a prescribed basis that requires the discount rate to be the rate of return on high-quality corporate bonds with a duration equivalent to that of the liabilities.

Each year, the scheme actuary assesses the financial position of the scheme for the formal actuarial valuation, allowing for an expected rate of return on all assets at the discount rate, based on bond yields. These assets would not typically consist of 100% in corporate bonds.

The RNLI paid deficit reduction contributions of £4.7M in 2020 (2019: £4.7M) and a further £4.7M is expected to be contributed to the defined benefit scheme in the 2021 financial year.

The main financial assumptions used as at 31 December 2020 and the corresponding assumptions at 31 December 2019 and 31 December 2018 were:

	31/12/2020 % pa	31/12/2019 % pa	31/12/2018 % pa
Discount rate†	**1.5**	2.1	2.7
Rate of increase in salaries	**3.6**	3.9	4.1
Rate of increase in pensions in payment‡:			
Post-1988 GMP increases (CPI capped at 3%)	**CPI-0.5%**	CPI-0.4%	CPI-0.4%
Pre-1997 increases (RPI capped at 4%)	**RPI-0.5%**	RPI-0.5%	RPI-0.5%
1997–2005 increases (RPI capped at 4%, CPI 5%)	**RPI-0.5%**	RPI-0.5%	RPI-0.4%
2005–07 increases (RPI capped at 5%, CPI 2.5%)	**RPI-0.5%**	RPI-0.5%	RPI-0.5%
Post-2007 increases (CPI capped at 2.5%)	**CPI-0.8%**	CPI-0.6%	CPI-0.6%
Rate of revaluation on deferred pensions	**RPI-0.5%**	RPI-0.5%	RPI-0.5%
Rate of retail price inflation (RPI)†	**3.1**	3.4	3.6
Rate of consumer price inflation (CPI)	**2.7**	RPI-0.8%	RPI-1.0%

†Represents the weighted average discount rate and inflation rate of the respective curves at the scheme's average duration.
‡In excess of the Guaranteed Minimum Pension (GMP) element. Life expectancy is based on the assumptions provided by our qualified independent actuaries.

Assumes life expectancy on retirement age 65 of:	Years	Years	Years
Retiring today – males	**21.6**	21.5	21.9
Retiring today – females	**24.0**	23.9	24.3
Retiring in 15 years – males	**22.7**	22.6	23.1
Retiring in 15 years – females	**25.4**	25.2	25.7

The assets in the pension scheme and the expected rates of return at 31 December 2020 and the corresponding amounts and assumptions at 31 December 2019 and 31 December 2018 were:

	31/12/2020		31/12/2019		31/12/2018	
	Expected rate of return % pa	Market value of assets £M	Expected rate of return % pa	Market value of assets £M	Expected rate of return % pa	Market value of assets £M
Equities		**49.1**		49.1		40.6
Fixed interest		**24.9**		24.7		24.2
Private credit		**24.8**		24.3		20.7
Absolute return funds		**49.1**		47.6		42.4
Cash and net current assets		**1.7**		1.5		44.1
Liability-driven investment		**186.2**		162.1		113.6
Real estate/property		**37.5**		37.5		33.6
Total	**1.5**	**373.3**	2.1	346.8	2.7	319.2

a) The following amounts were measured in accordance with the requirements of FRS102:

	2020			2019		
	Pension scheme £M	Dependants' pensions £M	Total £M	Pension scheme £M	Dependants' pensions £M	Total £M
Total fair market value of assets	**373.3**	**–**	**373.3**	346.8	–	346.8
Present value of liabilities	**(414.1)**	**(5.3)**	**(419.4)**	(380.9)	(5.2)	(386.1)
Net pension liability	**(40.8)**	**(5.3)**	**(46.1)**	(34.1)	(5.2)	(39.3)

b) Changes in the present value of the defined benefit obligation are as follows:

	2020			2019		
	Pension scheme £M	Dependants' pensions £M	Total £M	Pension scheme £M	Dependants' pensions £M	Total £M
Opening defined benefit obligation	**380.9**	**5.2**	**386.1**	365.7	5.9	371.6
Interest cost	**7.9**	**0.1**	**8.0**	9.7	0.2	9.9
Actuarial loss/(gain)	**35.7**	**0.3**	**36.0**	16.5	(0.6)	15.9
Benefits paid	**(10.4)**	**(0.3)**	**(10.7)**	(11.0)	(0.3)	(11.3)
Scheme change/past service cost	**–**	**–**	**–**	–	–	–
Defined benefit obligation at the year end	**414.1**	**5.3**	**419.4**	380.9	5.2	386.1

11. PENSION SCHEMES (CONTINUED)

c) Changes in the fair value of the scheme assets are as follows:

	2020			2019		
	Pension scheme £M	Dependants' pensions £M	Total £M	Pension scheme £M	Dependants' pensions £M	Total £M
Opening fair value of scheme assets	**346.8**	**–**	**346.8**	319.2	–	319.2
Interest income on scheme assets	**7.2**	**–**	**7.2**	8.5	–	8.5
Return on scheme assets greater than/(less than) discount rate	**25.0**	**–**	**25.0**	25.4	–	25.4
Employer contributions	**4.7**	**–**	**4.7**	4.7	–	4.7
Benefits paid	**(10.4)**	**–**	**(10.4)**	(11.0)	–	(11.0)
Fair value of scheme assets at the year end	**373.3**	**–**	**373.3**	346.8	–	346.8

The actual return on scheme assets was a gain of £32.2M (2019: a gain of £33.9M).

d) The amounts included within the Statement of Financial Activities are as follows:

	2020			2019		
	Pension scheme £M	Dependants' pensions £M	Total £M	Pension scheme £M	Dependants' pensions £M	Total £M
Net interest on net defined benefit liability	**0.7**	**0.1**	**0.8**	1.2	0.2	1.4
Past service cost**	**–**	**–**	**–**	–	–	–
Total amount charged within net income/(expenditure)	**0.7**	**0.1**	**0.8**	1.2	0.2	1.4
Actuarial loss/(gain)	**35.7**	**0.3**	**36.0**	16.5	(0.6)	15.9
Return on scheme assets (greater than)/less than discount rate	**(25.0)**	**–**	**(25.0)**	(25.4)	–	(25.4)
Remeasurement effects recognised in overall funds movement	**10.7**	**0.3**	**11.0**	(8.9)	(0.6)	(9.5)
Total amount (credited)/charged to the Statement of Financial Activities	**11.4**	**0.4**	**11.8**	(7.7)	(0.4)	(8.1)

** Estimated cost of GMP equalisation.

12. TOTAL FUNDS ANALYSIS

a) Consolidated balance sheet – analysis of funds 2020 summary

	Unrestricted funds			Restricted funds	Endowed funds	Total 2020
	General funds £M	Designated funds £M	Fixed asset funds £M	£M	£M	£M
Fixed assets	–	–	468.0	–	–	468.0
Investments	70.5	11.4	–	125.5	61.2	268.6
Net current assets	59.5	–	–	9.9	–	69.4
Creditors falling due after more than 1 year	(7.8)	–	–	–	–	(7.8)
Defined benefit pension liability	(40.8)	–	–	–	–	(40.8)
Total	**81.4**	**11.4**	**468.0**	**135.4**	**61.2**	**757.4**

b) Endowed funds – analysis of major funds

Name of fund	Purpose of fund	Opening balance 2020 £M	Income 2020 £M	Expenditure 2020 £M	Investment gains 2020 £M	Transfers 2020 £M	Closing balance 2020 £M
RNLI Lifesaving Endowment – expendable	The advancement of saving lives at sea by establishing, building and investing an endowment fund.	42.3	0.3	–	1.4	–	44.0
Roy Barker – permanent	All-weather lifeboat construction	10.7	–	–	0.3	–	11.0
Morrell – permanent	Dungeness Lifeboat Station – general	4.8	–	–	0.2	–	5.0
Other endowed funds – permanent		1.2	–	–	–	–	1.2
Total endowed funds		**59.0**	**0.3**	**–**	**1.9**	**–**	**61.2**

The RNLI introduced new decontamination procedures for all crew members in 2020

12. TOTAL FUNDS ANALYSIS (CONTINUED)

c) Restricted funds – analysis of major funds

There are over 700 of these restricted funds and so this table only details those funds with a balance of more than £2M. The transfers represent either a transfer to a fixed asset fund, where the fund is for the purpose of asset construction and the asset is completed, or a previous year adjustment, where a donor or legator has added a restriction at a later date or the restriction has been subject to negotiation.

Donor name	Purpose of fund	Opening balance 2020 £M	Income and investment gains 2020 £M	Expenditure 2020 £M	Transfers 2020 £M	Closing balance 2020 £M
Richard W Colton	All-weather lifeboat construction	5.4	0.2	–	(5.2)	0.4
Various donors	Jersey Lifeboat Station – general	6.2	0.8	(0.3)	–	6.7
Gough Ritchie Trust	Isle of Man lifeboat stations – general	4.7	0.3	–	(4.7)	0.3
Various donors	Guernsey Lifeboat Station – general	4.5	0.7	(0.2)	–	5.0
Various donors	Sheringham Lifeboat Station – general	2.9	0.2	(0.1)	–	3.0
Various donors	Morecambe Lifeboat Station – general	2.7	0.1	(0.1)	–	2.7
Anonymous legacy	All-weather lifeboat construction – Anstruther	2.2	0.1	–	–	2.3
Roy Barker	All-weather lifeboat construction	2.6	0.7	–	–	3.3
Various donors	Wells-next-the-Sea shoreworks	2.3	0.1	–	–	2.4
Various donors	Lifeboatman's benevolent fund	2.3	0.1	–	–	2.4
Various donors	Bridlington Lifeboat Station – general	2.5	0.2	(0.1)	–	2.6
Anonymous legacy	Great Yarmouth and Gorleston	2.2	0.1	–	–	2.3
Various donors	Invergordon	2.1	0.1	–	–	2.2
Anonymous legacy	Pwllheli	2.0	0.1	–	–	2.1
Mrs D J Pearce	All-weather lifeboat construction	2.0	–	–	–	2.0
Total of major funds		46.6	3.8	(0.8)	(9.9)	39.7
Other restricted funds		69.1	40.2	(19.8)	6.2	95.7
Total restricted funds		115.7	44.0	(20.6)	(3.7)	135.4

d) Designated funds – analysis of funds

Designated funds are set aside at the discretion of the Trustees.

A fund has been established this year to ensure that key operational projects and activities that were delayed from 2020, because of the pandemic, are completed in 2021.

Name of fund	Purpose of fund	Opening balance 2020 £M	Income and investment gains 2020 £M	Expenditure 2020 £M	Transfers 2020 £M	Closing balance 2020 £M
Pandemic Fund – 2020	Projects and activities that have been delayed from 2020 as a result of Covid-19	–	–	–	11.4	11.4
Total designated funds		–	–	–	11.4	11.4

13. LINKED CHARITIES

The RNLI has a number of linked charities that have been established over the years, separated from the charity for a variety of reasons, due to the nature of the fund or the original terms of the legacy or donation. All of the funds of these charities are consolidated into the RNLI's accounts. The current active linked charities with a funds balance over £0.1M as at 31 December 2020 are as follows:

Donor name	Purpose of fund	Opening balance 2020 £M	Income 2020 £M	Expenditure 2020 £M	Transfers 2020 £M	Closing balance 2020 £M
Life-boatmen's Benevolent Fund	Grants for distressed past or present crew members	2.3	0.1	(0.1)	–	2.3
Langstreth Culliford Trust	Grants for dependants of lifesavers	0.2	0.1	–	–	0.3
John William Archer	All-weather lifeboat construction	0.1	–	–	–	0.1
Charles Carr Ashley	Lifeboat maintenance and support for crew	0.1	–	–	–	0.1
Anna Stock Memorial Fund	*Col Stock lifeboat* – construction and maintenance	0.1	–	–	–	0.1
Total of linked charities		2.8	0.2	(0.1)	–	2.9

The RNLI also has other active linked charities with a fund balance of less than £0.1M, or nil, and these are as follows: John Jones Rowland, Isabella Irwin, James Michael Bower Gift, Mrs Alice Gottwald, Ralph Glister Award, Louise George Anderson Dunn, Mrs Sadie Hughes, William Stephen Mellis, Gorleston Volunteer Lifeboat Association, Miss Maud Smith's Reward, Salcombe Lifeboat Disaster Relief Fund, Miss Annie Gertrude Shayler, The George Nichol Charity for the RNLI, and RNLI Heritage Collection Trust 2012.

14. CAPITAL COMMITMENTS

At 31 December 2020, approved and contracted capital commitments amounted to £16.8M (2019: £20.1M) which will be funded from designated, restricted and general funds.

15. OPERATING LEASE COMMITMENTS

	Land and buildings		Other	
	2020 £M	2019 £M	2020 £M	2019 £M
At 31 December the ageing of total minimum lease payments was as follows:				
Payable within 1 year	**1.1**	1.1	**1.0**	1.0
Payable between 1 and 5 years	**2.4**	2.7	**1.2**	0.9
Payable after more than 5 years	**5.1**	5.3	**–**	–
Total	**8.6**	9.1	**2.2**	1.9

Certain property leases are for an indefinite period, with the RNLI having the right to early termination should the need arise. In calculating minimum lease payments for these leases, a 50-year duration has been assumed.

16. 2019 COMPARATIVES – FUNDS AND LINKED CHARITIES

a) Consolidated statement of financial activities – previous year comparatives

	Unrestricted funds			Restricted funds	Endowed funds	Total 2019
	General funds £M	Designated funds £M	Fixed asset funds £M	£M	£M	£M
Income and endowments from:						
Legacies	95.5	–	–	31.0	–	126.5
Donations	42.1	–	–	10.3	–	52.4
Trading activities	11.5	–	–	–	–	11.5
Investments	1.7	–	–	–	0.5	2.2
Charitable activities	3.9	–	–	–	–	3.9
Other income	0.7	–	–	–	–	0.7
Total income and endowments	155.4	–	–	41.3	0.5	197.2
Expenditure on:						
Legacies and donations	(24.8)	–	(0.8)	–	–	(25.6)
Trading activities	(6.1)	–	(0.1)	–	–	(6.2)
Investment management	(0.3)	–	–	(0.2)	–	(0.5)
Raising funds	(31.2)	–	(0.9)	(0.2)	–	(32.3)
Lifeboat service	(38.0)	–	(1.9)	(11.0)	–	(50.9)
Lifeboats, property and equipment	(44.6)	–	(20.6)	(14.1)	–	(79.3)
Lifeboat rescue	(82.6)	–	(22.5)	(25.1)	–	(130.2)
Lifeguard rescue	(19.0)	–	(1.8)	(0.2)	–	(21.0)
International	(3.2)	–	–	(0.5)	–	(3.7)
Water safety, education and awareness	(10.2)	–	(0.1)	(0.3)	–	(10.6)
Charitable activities	(115.0)	–	(24.4)	(26.1)	–	(165.5)
Total expenditure	(146.2)	–	(25.3)	(26.3)	–	(197.8)
Net loss on investments	10.3	–	–	5.3	0.3	15.9
Net income/(expenditure)	19.5	–	(25.3)	20.3	0.8	15.3
Transfers between funds	(24.9)	(25.0)	39.9	(32.3)	42.3	–
Actuarial loss on pension schemes	9.5	–	–	–	–	9.5
Net movement in funds	4.1	(25.0)	14.6	(12.0)	43.1	24.8

b) RNLI statement of financial activities - previous year comparatives

	Unrestricted funds			Restricted funds	Endowed funds	Total 2019
	General funds £M	Designated funds £M	Fixed asset funds £M	£M	£M	£M
Income and endowments from:						
Legacies	95.5	–	–	31.0	–	126.5
Donations	42.1	–	–	10.3	–	52.4
Donations from subsidiary companies	6.1	–	–	–	–	6.1
Investments	1.7	–	–	–	0.5	2.2
Charitable activities	3.9	–	–	–	–	3.9
Other income	0.7	–	–	–	–	0.7
Total income and endowments	150.0	–	–	41.3	0.5	191.8
Expenditure on:						
Legacies and donations	(24.8)	–	(0.8)	–	–	(25.6)
Trading activities	–	–	–	–	–	–
Investment management	(0.3)	–	–	(0.2)	–	(0.5)
Raising funds	(25.1)	–	(0.8)	(0.2)	–	(26.1)
Lifeboat service	(38.0)	–	(1.9)	(11.0)	–	(50.9)
Lifeboats, property and equipment	(45.0)	–	(20.6)	(14.1)	–	(79.7)
Lifeboat rescue	(83.0)	–	(22.5)	(25.1)	–	(130.6)
Lifeguard rescue	(19.0)	–	(1.8)	(0.2)	–	(21.0)
International	(3.2)	–	–	(0.5)	–	(3.7)
Water safety, education and awareness	(10.2)	–	(0.1)	(0.3)	–	(10.6)
Donation to CIO	–	(25.0)	–	(17.3)	–	(42.3)
Charitable activities	(115.4)	(25.0)	(24.4)	(43.4)	–	(208.2)
Total expenditure	(140.5)	(25.0)	(25.2)	(43.6)	–	(234.3)
Net gain/(loss) on investments	10.3	–	–	5.3	0.3	15.9
Net income/(expenditure)	19.8	(25.0)	(25.2)	3.0	0.8	(26.6)
Transfers between funds	(23.5)	–	38.5	(15.0)	–	–
Actuarial gain/(loss) on pension schemes	9.5	–	–	–	–	9.5
Net movement in funds	5.8	(25.0)	13.3	(12.0)	0.8	(17.1)

Lifeguard Matty Jones sets out the safe swim zone with red and yellows flags at Rhyl

The Shannon launch and recovery system is like a mobile slipway for lifeboats. Tracy Davies, volunteer shore crew at Hoylake, was the first woman in the UK to qualify as an operator

16. 2019 COMPARATIVES – FUNDS AND LINKED CHARITIES (CONTINUED)

c) Consolidated balance sheet – analysis of funds 2019 summary

	Unrestricted funds			Restricted funds	Endowed funds	Total 2019
	General funds £M	Designated funds £M	Fixed asset funds £M	£M	£M	£M
Fixed assets	–	–	475.7	–	–	475.7
Investments	77.7	–	–	107.9	59.0	244.6
Net current assets	44.7	–	–	7.8	–	52.5
Creditors falling due after more than 1 year	(4.9)	–	–	–	–	(4.9)
Defined benefit pension liability	(34.1)	–	–	–	–	(34.1)
Total	83.4	–	475.7	115.7	59.0	733.8

d) Endowed funds – analysis of major funds

Name of fund	Purpose of fund	Opening balance 2019 £M	Income 2019 £M	Expenditure 2019 £M	Investment gains 2019 £M	Transfers 2019 £M	Closing balance 2019 £M
RNLI Lifesaving Endowment – expendable	The advancement of saving lives at sea by establishing, building and investing an endowment fund.	–	–	–	–	42.3	42.3
Roy Barker – permanent	All-weather lifeboat construction	10.2	0.3	–	0.2	–	10.7
Morrell – permanent	Dungeness Lifeboat Station – general	4.5	0.2	–	0.1	–	4.8
Other endowed funds – permanent		1.2	–	–	–	–	1.2
Total endowed funds		15.9	0.5	–	0.3	42.3	59.0

e) Restricted funds – analysis of major funds

Donor name	Purpose of fund	Restated opening balance 2019 £M	Income and investment gains 2019 £M	Expenditure 2019 £M	Transfers 2019 £M	Closing balance 2019 £M
Richard W Colton	All-weather lifeboat construction	5.1	0.3	–	–	5.4
Various donors	Jersey Lifeboat Station – general	6.0	0.2	–	–	6.2
Gough Ritchie Trust	Isle of Man lifeboat stations – general	4.3	0.4	–	–	4.7
Various donors	Guernsey Lifeboat Station – general	4.1	0.4	–	–	4.5
Various donors	Sheringham Lifeboat Station – general	2.7	0.2	–	–	2.9
Various donors	Morecambe Lifeboat Station – general	2.5	0.2	–	–	2.7
Anonymous legacy	All-weather lifeboat construction – Anstruther	2.1	0.1	–	–	2.2
John and Elizabeth Allan Memorial Trust	All-weather lifeboat construction – Seahouses	2.0	–	–	(2.0)	–
Roy Barker	All-weather lifeboat construction	1.9	0.7	–	–	2.6
RNLI subsidiary companies	To set up a lifesaving endowment	11.0	–	–	(11.0)	–
Elizabeth O'Kelly Fund	To be used in Ireland – Endowment fund	5.5	–	–	(5.5)	–
Various donors	Wells-next-the-Sea shoreworks	2.1	0.2	–	–	2.3
Anonymous donor	All-weather lifeboat – Peel	2.2	–	–	(2.2)	–
Mrs H Hastings	All-weather lifeboat – Eyemouth	2.2	–	–	(2.2)	–
Various donors	Lifeboatman's benevolent fund	1.7	0.6	–	–	2.3
Various donors	Bridlington Lifeboat Station – general	0.3	2.2	–	–	2.5
Anonymous legacy	Great Yarmouth and Gorleston	–	2.2	–	–	2.2
Various donors	Invergordon	–	2.1	–	–	2.1
Anonymous legacy	Pwllheli	1.0	1.0	–	–	2.0
Mrs D J Pearce	All-weather lifeboat construction	2.0	–	–	–	2.0
Total of major funds		58.7	10.8	–	(22.9)	46.6
Other restricted funds		69.0	35.8	(26.3)	(9.4)	69.1
Total restricted funds		127.7	46.6	(26.3)	(32.3)	115.7

16. 2019 COMPARATIVES – FUNDS AND LINKED CHARITIES (CONTINUED)

f) Designated funds – analysis of funds

Name of fund	Purpose of fund	Opening balance 2019 £M	Income and investment gains 2019 £M	Expenditure 2019 £M	Transfers 2019 £M	Closing balance 2019 £M
RNLI Lifesaving Endowment	To help create an endowment fund to preserve the future of the RNLI's lifesaving activities	25.0	–	–	(25.0)	–
Total designated funds		25.0	–	–	(25.0)	–

g) Linked charities

Donor name	Purpose of fund	Opening balance 2019 £M	Income 2019 £M	Expenditure 2019 £M	Transfers 2019 £M	Closing balance 2019 £M
Life-boatmen's Benevolent Fund	Grants for distressed past or present crew members	1.7	**0.6**	–	–	2.3
Langstreth Culliford Trust	Grants for dependants of lifesavers	0.2	–	–	–	0.2
John William Archer	All-weather lifeboat construction	0.1	–	–	–	0.1
Charles Carr Ashley	Lifeboat maintenance and support for crew	0.1	–	–	–	0.1
Anna Stock Memorial Fund	Col Stock lifeboat – construction and maintenance	0.1	–	–	–	0.1
Total of linked charities		2.2	**0.6**	–	–	2.8

Torbay Crew Member James Hoare takes the helm of D class inshore lifeboat *Lesley & Mary Daws*

17. FINANCIAL REVIEW RECONCILIATION

The financial analysis in the financial review (page 22) has been revised to show the total charitable spend, including that spent on asset purchases, together with the cashflow effect of this spend. This note shows the reconciliation between the financial statements and this analysis. The main difference is to reflect the actual spend on fixed assets, for example lifeboats and lifeboat stations, as opposed to the depreciation charge, with the adjustments for this shown in (a).

a) Operating performance

	SoFA £M	Asset purchases £M	Asset depreciation/ amortisation £M	Asset disposal £M	Total 2020 £M
Charitable spend					
Lifeboat service	38.6	0.7	(2.1)	–	37.2
Lifeboats, property and equipment	79.8	18.3	(20.5)	–	77.6
Lifeboat rescue	118.4	19.0	(22.6)	–	114.8
Lifeguard rescue	16.1	0.9	(1.7)	–	15.3
International	2.5	–	–	–	2.5
Water safety, education and awareness	6.6	0.1	(0.1)	–	6.6
Total charitable spend	143.6	20.0	(24.4)	–	139.2
Income available for charitable spend					
Legacies	131.5	–	–	–	131.5
Donation	47.1	–	–	–	47.1
Trading (Net)	3.5	(0.1)	0.1	–	3.5
Charitable Trading	2.6	–	–	–	2.6
Investments (Net)	1.1	–	–	–	1.1
Other	8.0	–	–	0.3	8.3
Total Net Income	193.8	(0.1)	0.1	0.3	194.1
Cost of generating income	(23.7)	(0.9)	1.1	–	(23.5)
Net income available for charitable spend	170.1	(1.0)	1.2	0.3	170.6
Operating surplus/(deficit)	26.5	(21.0)	25.6	0.3	31.4

Asset purchases comprise fixed asset additions and acquisitions. Further analysis of fixed assets is shown in note 6.

18. GOVERNMENT GRANTS

	2020 £M	2019 £M
Coronavirus Job Retention Scheme	5.4	–
RoI wage subsidy schemes	0.7	
Retail, hospitality and leisure grants	0.3	–
International grants	0.3	–
Total	6.7	–

The RNLI does not normally seek funding from government, to ensure that we retain independence in all that we do to save lives at sea. However, there are exceptions made where such independence is not compromised.

In 2020, where government restrictions were placed on what we do as a result of Covid-19, the Trustees took the decision to accept furlough and wage subsidy support to assist with the retention of staff, as detailed above. There are no unfulfilled conditions in respect of these grants. No other government grants were received in respect of Covid-19. A waiver was received in respect of business rates for RNLI Sales Limited.

During 2020, the RNLI received funding from the Department for International Development and later from the Foreign, Commonwealth and Development Office, for the total amount of £228,680.92. These funds were spent entirely on the project 'Reducing mortality and improving early childhood development of children aged 1–4 in rural communities of Barisal, Bangladesh' under UK Aid Match Grant Reference number: 205210-301. There was also a grant from the Isle of Man Government of £29,000 for International work.

Penarth crew at sea onboard their Atlantic 85 inshore lifeboat *Maureen Lilian*

RNLI OFFICERS AND CONTACTS

PATRON

HM The Queen

PRESIDENT

HRH The Duke of Kent KG

TRUSTEE BOARD

Stuart Popham
CMG QC(Hon) (Chairman)
After working as a solicitor with Clifford Chance for over 35 years, Stuart joined Citigroup in 2011 as vice-chairman of EMEA Banking – retiring in 2018. He also chaired the policy institute Chatham House. He was elected to the RNLI Council in 2011, appointed a Trustee in 2013, and chaired the Audit and Risk Committee from 2014 to 2017. Stuart was appointed RNLI vice-chairman in 2015. He succeeded Charles Hunter-Pease as RNLI chairman in 2016. Stuart was made a Companion of the Order of St Michael and St George in 2019.

'As a lifelong sailor with family who recognise the real value of the RNLI, I felt I could do my bit to help.'

Janet Cooper OBE
Janet Cooper is a corporate lawyer whose client work focused on advising some of the world's largest companies on corporate governance, executive remuneration and employee share ownership. She is vice-chair of Council of Roehampton University. Janet was appointed as an RNLI Trustee in 2014 and elected Deputy Chair in 2021. She was appointed Chair of the Remuneration Committee in 2019. Janet received an OBE in the 2017 for services to 'equality, women's empowerment and employee share ownership.'

'I am inspired by the many volunteers who work so hard to provide the RNLI's invaluable service and feel hugely privileged to be involved in such a great organisation.'

Eddie Donaldson
OBE FCA
Eddie was a partner with KPMG for 23 years, during which time he was on both the UK and EMA executive teams. He was elected to the RNLI Council in May 2013, appointed a Trustee in July 2013, and is currently treasurer and a deputy chairman. He chaired the Investment Committee from 2012 to 2018 and has chaired the Finance Committee since 2014.

'I have always admired those in the RNLI who risk their lives for others, so I jumped at the chance to come onboard myself.'

Fiona Fell
Fiona has been a non-executive director in the charitable sector and not-for-profits for the past 20 years. She is a non-executive director of the Covent Garden Market Authority and CIEL (Centre of Innovation Excellence in Livestock), and a member and former chair of the Farne Islands Advisory Committee to the National Trust. As well as governance and volunteering, Fiona's experience includes marine conservation and the communication of technical information. Elected to the RNLI Council in 2012, Fiona has been part of the Operations Committee since 2013 and was appointed as a Trustee in 2020.

'A shared wish to save lives and to prevent drowning is deeply motivating and draws us together.'

Dr Philip Goodwin
Dr Goodwin has been chief executive of Voluntary Service Overseas (VSO) since 2015. He has a background in international development with a PhD in environmental policy and planning. Dr Goodwin was elected to the RNLI Council and appointed a Trustee in 2018.

'The poorest countries globally account for 90% of drowning deaths. I'm delighted to be working with the RNLI to help bring about change.'

Sir Peter Housden KCB
Sir Peter has served as a permanent secretary in both Whitehall and in Scotland. He has a background in public services in the UK and Ireland. He was elected to the RNLI Council in 2012, appointed a Trustee in 2013, and chaired the Remuneration Committee from 2017 to 2019. He was appointed chairman of the People Committee in 2019.

'I am super proud to be an RNLI volunteer, helping to fulfil its mission in a changing world.'

Dr John Killeen
John is chairman of the Marine Institute and president of the Timoney Leadership Institute. His engineering career includes working with local government and a multinational construction company. He is a former president of Engineers Ireland and founding president of the Academy of Engineering in Ireland. John has served on the RNLI's Council for Ireland since 2016, the Council since 2017, and the Audit and Risk Committee since 2019. He was appointed as a Trustee in 2020.

'It is an honour to be a volunteer in an organisation that has saved so many lives for almost 200 years. My hope is that I can contribute to the RNLI in their continuing delivery of this invaluable service to society.'

Rear Admiral Roger Lockwood CB
After serving in the Royal Navy for 34 years, Roger was appointed chief executive of the Northern Lighthouse Board in 2006 until his retirement in 2014. He was elected to the RNLI Council in 2015, served as a member of the Scottish Council from 2016 to 2017 and appointed its chairman in 2017. Roger was appointed a Trustee in 2018 and chair of the Operations Committee in 2020.

'With two maritime careers behind me, the RNLI has always been part of my professional life. It is a great honour now to be able to play a role in the RNLI itself and to be able to contribute actively to the saving of lives at sea.'

Paddy McLaughlin
Paddy has been an RNLI volunteer for more than 38 years. He is coxswain of Red Bay's all-weather lifeboat and also served on the inshore crew. Paddy is a company director with over 25 years of experience in the hospitality supply industry. He is a strong advocate for partnerships and local enterprise – and was architect of the RNLI's partnership with the GAA. Paddy joined the RNLI's Council for Ireland in 2012 and is now its deputy chair. He joined the Council in 2014, the People Committee in 2019, and became a Trustee in 2020.

'Coming from a beautiful coastal community, the RNLI has been part of my life for many years. It's a privilege to support and honour the lifesaving work of the Institution.'

Sonia Modray
Sonia is an interim director and business adviser. From December 2012 to April 2013 she was interim finance director at the RNLI. She was elected to the RNLI Council in 2014 and appointed a Trustee in 2015. Sonia is chair of the Property Committee, a member of the Finance Committee and the Trustee responsible for safeguarding.

'From my first day at the RNLI I was impressed by the selfless dedication and professionalism of everyone involved with this inspiring organisation.'

Rosie Norris
Rosie has 30 years' investment management industry experience. Formerly a fund manager and chair of the Charities Official Investment Funds, she holds a number of investment board positions representing a range of investor interests. She was elected to the RNLI Council in 2016, became a Trustee in 2018 and has chaired the Investment Committee since 2018. She is also a member of the Finance Advisory Committee.

'I am thrilled to contribute to the preservation and continued progress of such an iconic service.'

Mike Sturrock
With a background in technology spanning numerous industries and sectors, Mike is now on the board of several businesses. His early career was at sea as a professional yacht captain. Mike was elected to the RNLI Council in 2015 and appointed a Trustee in 2016.

'I've had a passion for the sea all my life, so it's a huge privilege to be part of the RNLI and work in the most extraordinary culture with such motivated people.'

Chris Walters
CEng MEng MBA FIMarEST FRINA
Chris is a chartered engineer and naval architect with over 25 years' experience in the marine and energy sectors. He is chief executive of specialist UK manufacturing group Pressure Technologies plc and has held senior executive positions within the Lloyd's Register Group and the P&O Group. Chris joined the RNLI as a member of the Technical Committee in 2012. He was elected to the RNLI Council and appointed as a Trustee in 2015, chairing the Technical Committee from 2015 to 2019.

'Inspired by the courage of volunteer crews and communities, I am delighted to play a role in advancing the safety and performance of the RNLI fleet.'

Denis Woulfe MBE
Denis is a business adviser and non-executive director. He co-chairs the LACA Lead the Change board – an independent expert committee which provides advice to the government and helps to foster diverse and inclusive workplace culture across the UK. In 2018 Denis was awarded an MBE for services to women and equality. Until 2017, Denis was a partner and vice-chairman of Deloitte LLP and held many leadership roles. Denis is also a former member of the board of governors at the University of the West of England. He was appointed as an RNLI Trustee in 2019 and is chair of the Audit and Risk Committee.

'The courage and dedication of RNLI staff and volunteers is truly inspiring. It is an incredible privilege to have the opportunity to support them.'

CHAIRMAN

Stuart Popham CMG QC(Hon)

DEPUTY CHAIRMEN

Eddie Donaldson OBE FCA
Vice Admiral Sir Tim Laurence KCVO CB ADC(P) (retired November 2020)
Janet Cooper OBE (appointed July 2020)

TREASURER

Eddie Donaldson OBE FCA

OUTGOING TRUSTEES IN 2020

David Delamer (retired November 2020)
Vice Admiral Sir Tim Laurence KCVO CB ADC(P) (retired November 2020)

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The Chairman of The Commissioners of Irish Lights
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Remuneration Committee
Chair: Janet Cooper OBE

Audit and Risk Committee
Chairman: Denis Woulfe MBE

Investment Committee
Chairman: Rosie Norris

Property Committee
Chairman: Sonia Modray

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Chairman: Vice Admiral Sir Tim Laurence KCVO CB ADC(P) (retired November 2020)

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Chairman: John Newell MBE BSc MSc CEng FIMarEST

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Chairman: Tim Bryan FMA (appointed November 2020)

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Chairman: Dr Peter Aitken MB ChB MTCGP FRCPsych FHEA DCH DRCOG

Scottish Council
Chairman: Rear Admiral Roger Lockwood CB

Council for Ireland
Chairman: Dr John Killeen (appointed June 2020)
Chairman: David Delamer (retired June 2020)
Deputy Chairman: Paddy McLaughlin (appointed June 2020)

People Committee
Chairman: Sir Peter Housden KCB

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Director of Engineering and Supply
Angus Watson

Chief Information Officer
Claire Deuchar

Director of Fundraising, Marketing and Media
Jayne George

Director of Lifesaving Operations
John Payne

Chief Finance Officer
Steven Peacock

Director of People
Sue Barnes

GENERAL COUNSEL AND COMPANY SECRETARY

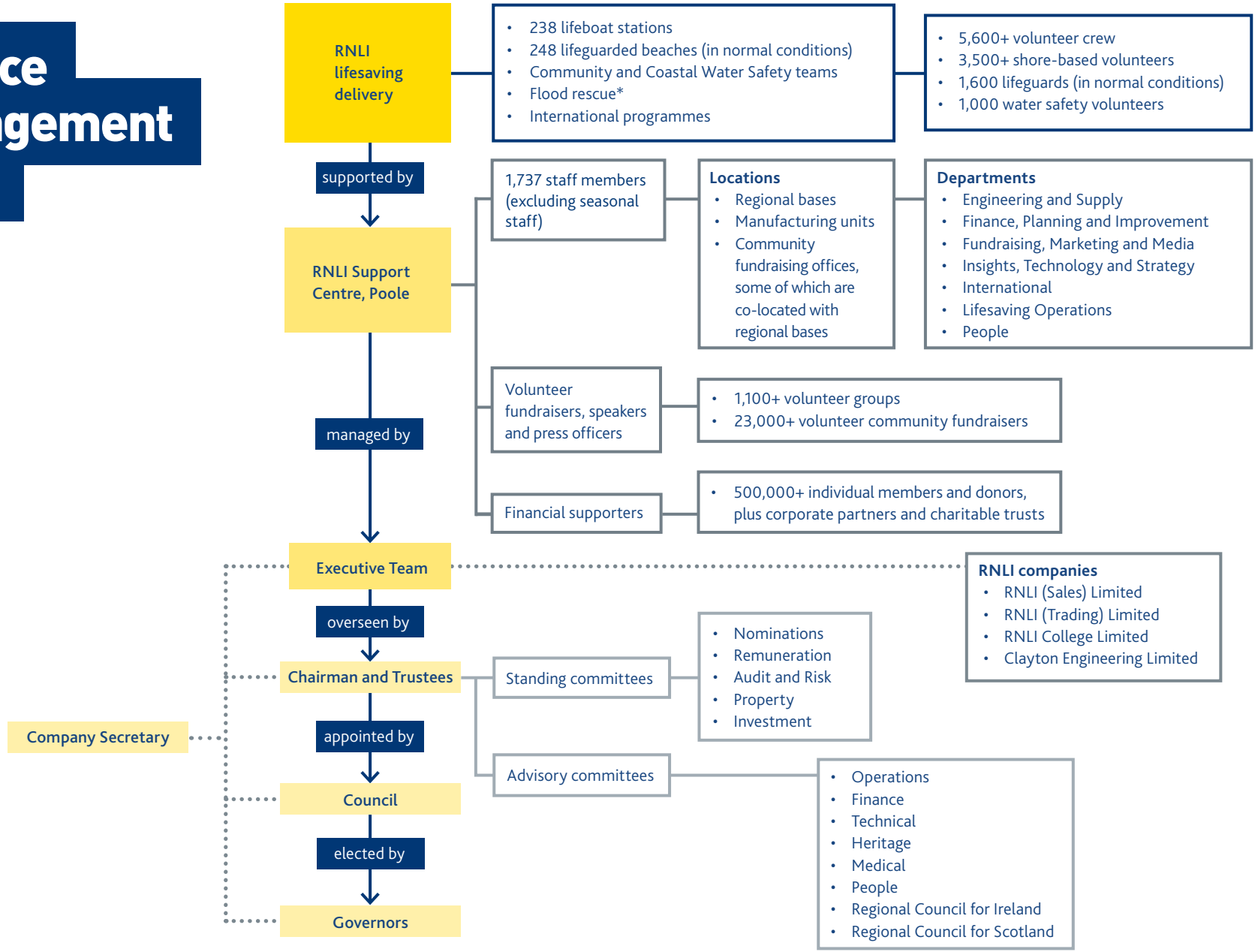
Simon Payne

ASSISTANT COMPANY SECRETARY

Rhodalyn Oppong-Wadie

The RNLI thanks its past chairmen and vice presidents for their ongoing support and commitment.

RNLI governance and management structure



* Operations suspended pending review (correct at January 2021)

West Dorset lifeguards at West Bay in 2020

THANK YOU

The RNLI would like to say a huge thank you to the thousands of individuals who made our lifesaving work possible in 2020.

LEGACIES

The RNLI is grateful for every legacy, big or small. Here are just a few of the kind people who left a gift in their Will:

- **Ivol Bailey**. Ivol was a long-term contributor the RNLI. He had a lifelong interest in the sea and flew Catalina and Sunderland flying boats in Scotland and the Far East. Ivol always lived near the coast and loved sailing and fishing. He owned many boats, from clinker-built sailing boats to fishing craft, latterly for catching lobster and crab off Swanage and Studland.
- **June Chapple**. June supported our charity for decades and was subscription secretary of RNLI Paignton Branch for many years. June's enthusiasm continues in the family – her niece is box collection co-ordinator for the same branch and proud to have a trainee lifeguard as a grandson.
- **Roy James**. Roy was captain of the cargo vessel *Nimrod,* which capsized and sank in the North Sea during a gale in the small hours of 14 November 1977. Cromer lifeboat crew rescued him and his crew after they had spent over an hour in the water.
- **Ronald McCracken**. Ronald was always at his happiest on the water and he instilled a love of the sea in his two children. His sailing took him around the world as a competition judge, officiating at the 2008 Olympics in Beijing, the Sydney Hobart Yacht Race, and many other national and international events. Ronald was a crew member of Helensburgh lifeboat from 1978 to 1984.
- **Hugh McDowell**. Born and raised in Portrush, Hugh had a lifelong affinity with the RNLI. He lived at the coastguard station from 1940 to 1948, while his father worked as a coastguard. He was also a sea cadet. Hugh moved to England in 1953 and regularly took his family camping at Shell Island, near Barmouth, where they all took an interest in the RNLI's work.

TRUSTS, FOUNDATIONS AND INSTITUTIONAL DONORS

We are extremely lucky to work with so many generous charitable organisations and individuals. Many of them support on a regular basis or phase their gifts over several years. This helps us plan for the future and match lifesaving projects to the specific objectives of these trusts, foundations and donors. Thank you to:

- D R Spalding's Charitable Trust
- Dr Scholl Foundation
- Foreign, Commonwealth and Development Office
- Green Hall Foundation
- Historic England
- Iliffe Family Charitable Trust
- Irene Fannie Chadwick Clarkson Charitable Trust
- Isle of Man Government
- John Swire 1989 Charitable Trust
- Lloyd's Register Foundation
- Miss Isabel Harvey Charitable Trust
- Mrs Joan Alice Saunders Charitable Trust
- Owl Trust
- Peter Cundill Foundation
- Portishead Lifeboat Trust
- Princess Charlene of Monaco Foundation
- Robert Hall Foundation
- Sir John Fisher Foundation
- The Foster Wood Foundation
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- The Kenneth & Susan Green Foundation
- The Laurence Misener Charitable Trust
- The Lawson Trust
- The Mullion Charitable Trust
- The Norbury Boathouse Fund
- The Olive Herbert Charitable Trust
- The Sally Odell Charitable Trust
- The Samuel & Freda Parkinson Charitable Trust
- The Skelton Trust

MEMBERS AND SUPPORTERS

Whether your donation pays for welly boots or a boat, every pound or euro has a part to play. We are grateful for the generosity of all our supporters, including those who donated in memory of a loved-one or made an anonymous gift. For their significant contributions in 2020, we thank:

- James Ashton
- Mrs H Bowen
- Jean Cass
- David and Hilary Cole
- Janet Cooper OBE
- Sheila and Alan Culver
- Vic and Dorothy Dale
- David Earl
- Christopher Foot
- Anthony and Gillian Gill
- Mrs Yvonne Haire
- David and Eleanor Holloway
- Tom and Margaret Inglis
- Signe Loenberg
- Clive Millward ISM
- Stuart Popham CMG
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- Clive and Anne Rand
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- Pat and Susan Russell
- Hilary Saw
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- Paul and Sue Skinner
- Ian Smith
- Dave and Barbara Smithson
- The Stott family
- Norma Thomas
- John Whybrow
- Mark Wordsworth
- Bill Wraith

PARTNERSHIP SUPPORTERS

We would like to thank all the companies and organisations that supported us in 2020. In particular, for their continued and significant support, we thank:

- BT
- Conker Spirit Limited
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- Elliot Brown Limited
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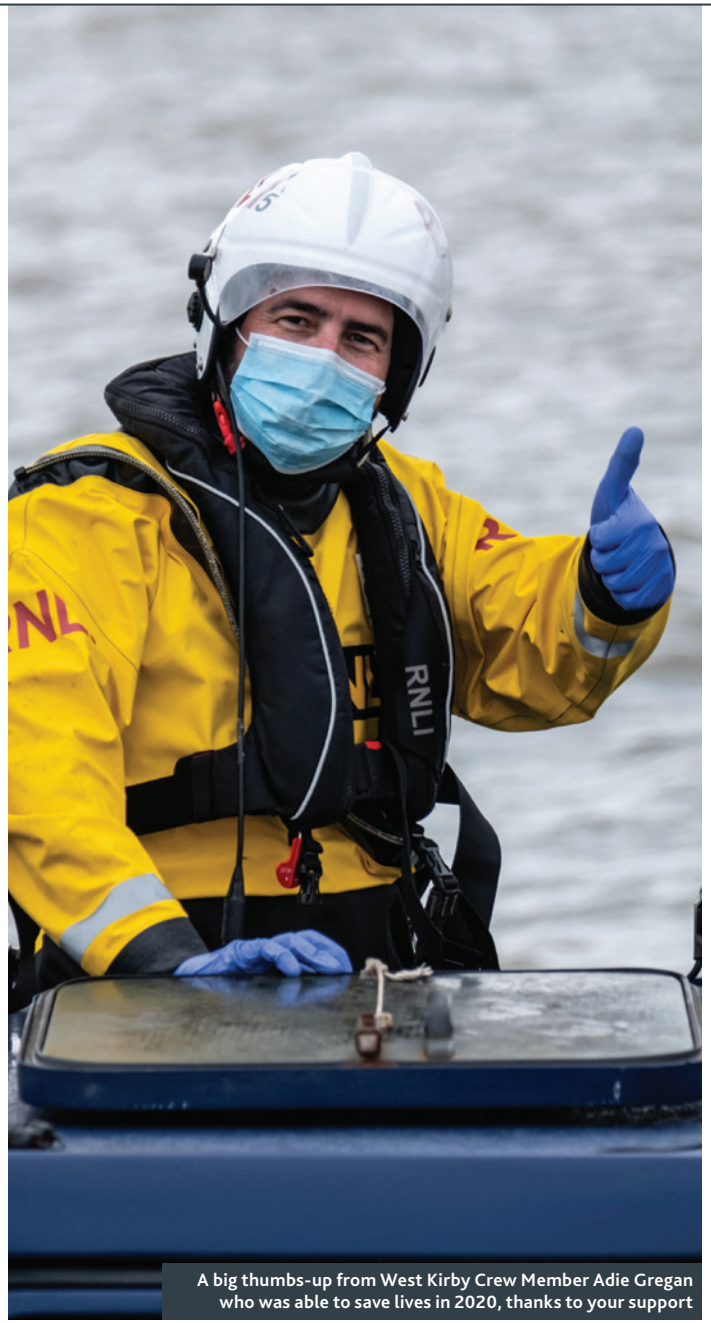
- Ørsted
- The Lifeboat Fund
- Toolstation

THE FUNDRAISERS

A heartfelt thank you to the thousands of volunteers in our branches and guilds. Your hard work and determination throughout such a difficult year raised vital funds through a range of ingenious activities. And thank you to your communities for their generous donations and support.

Thanks to our shop and souvenir volunteers for being primed and ready for business between lockdowns and raising over £1.8M. And thank you to the hundreds of independent fundraisers who took on all sorts of challenges, real and virtual, raising £5.4M in 2020.

You are the vital first link in saving lives.



A big thumbs-up from West Kirby Crew Member Adie Gregan who was able to save lives in 2020, thanks to your support

To save every one

The RNLI is the charity that saves lives at sea

The Royal National Lifeboat Institution, a charity registered in England and Wales (209603), Scotland (SC037736), the Republic of Ireland (CHY 2678 and 20003326), the Bailiwick of Jersey (14), the Isle of Man (1308 and 006329F), the Bailiwick of Guernsey and Alderney, of West Quay Road, Poole, Dorset, BH15 1HZ

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or +44 1202 663234 from everywhere else

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RNLI.org

Cover image: To save lives and to protect themselves and others during the pandemic, Littlehampton volunteers wear Covid-19 PPE aboard their Atlantic 85 lifeboat ***Renée Sherman***

Photos: Stephen Duncombe, Martin Fish, Don Jackson-Wyatt, Francesca Jones Photography, Ken Oliver, Liz Postlethwaite, RNLI/(Dunmore East, David Edwards, Bethany Hope, Nick Mailer, Nigel Millard, Tomos Moore, Kilmore Quay, Rosslare Harbour, Weston-super-Mare, Nathan Williams), Callum Robinson, SBP2014

ARA20

Lifeboats