



Lifeboats



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# RNLI ANNUAL REPORT AND ACCOUNTS 2020

**A year like no other**



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**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**

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# Annual Report of the Trustees of the Royal National Lifeboat Institution

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Lifeguards at Constantine Beach don goggles, masks, gloves and aprons to safely provide casualty care during the pandemic

## WELCOME FROM THE CHAIRMAN AND CHIEF EXECUTIVE

# '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*

### 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.



**5,600+**  
CREW MEMBERS



**1,140+**  
LIFEGUARDS

AROUND  
**95%**  
OF RNLI  
PEOPLE ARE  
VOLUNTEERS



# 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

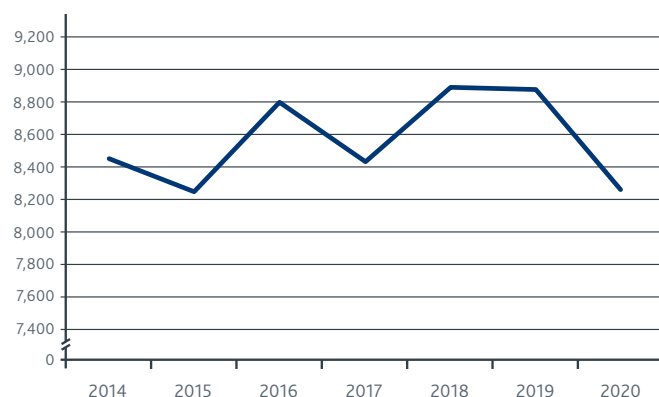
(375 IN 2019)

# 33,546

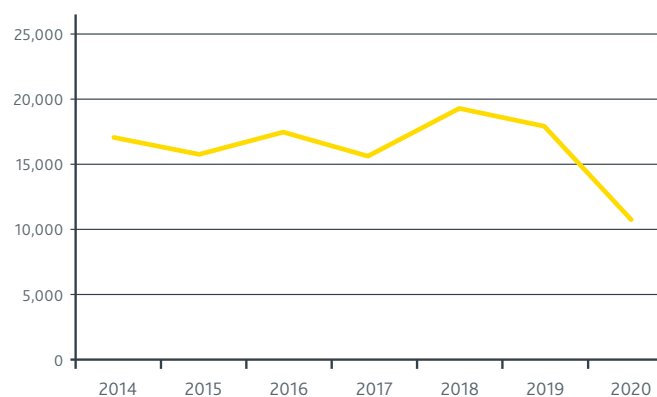
## PEOPLE AIDED BY RNLI CREWS AND LIFEGUARDS

(38,703 IN 2019)

### LIFEBOAT LAUNCHES



### LIFEGUARD INCIDENTS

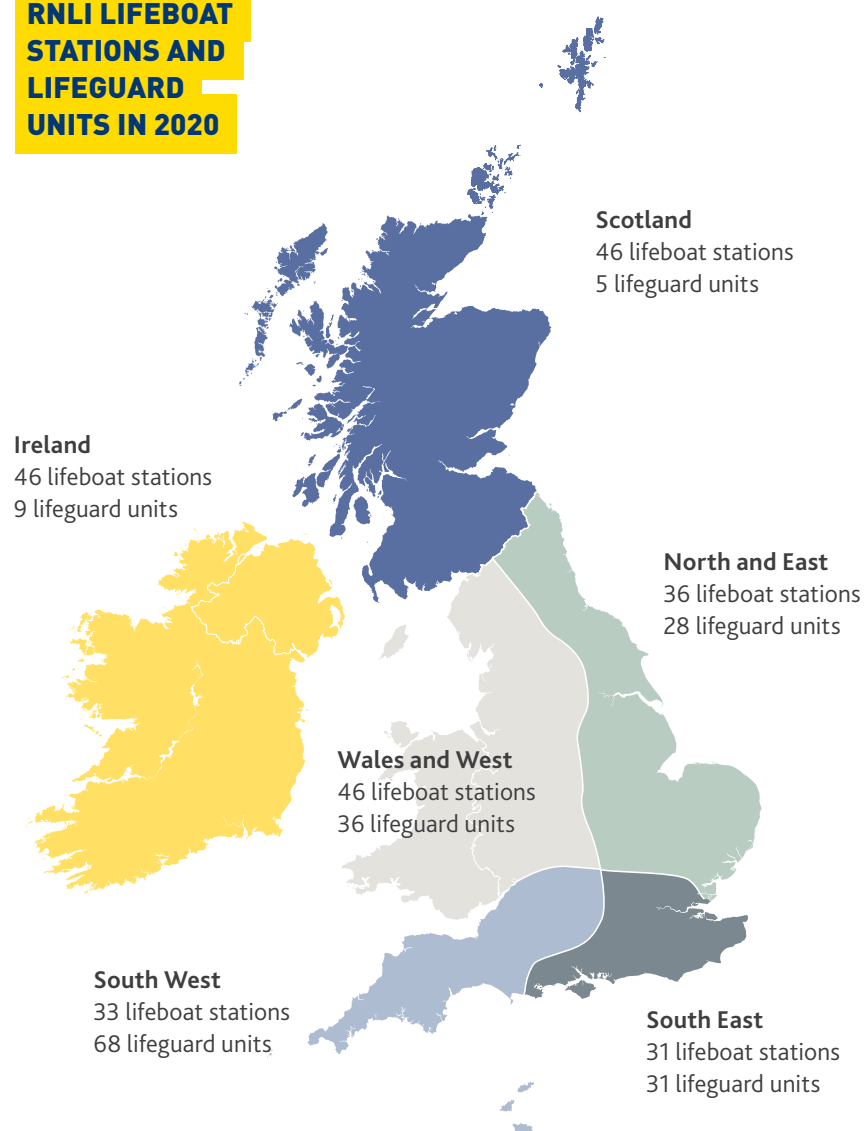


### PLEASE NOTE

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



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](https://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)

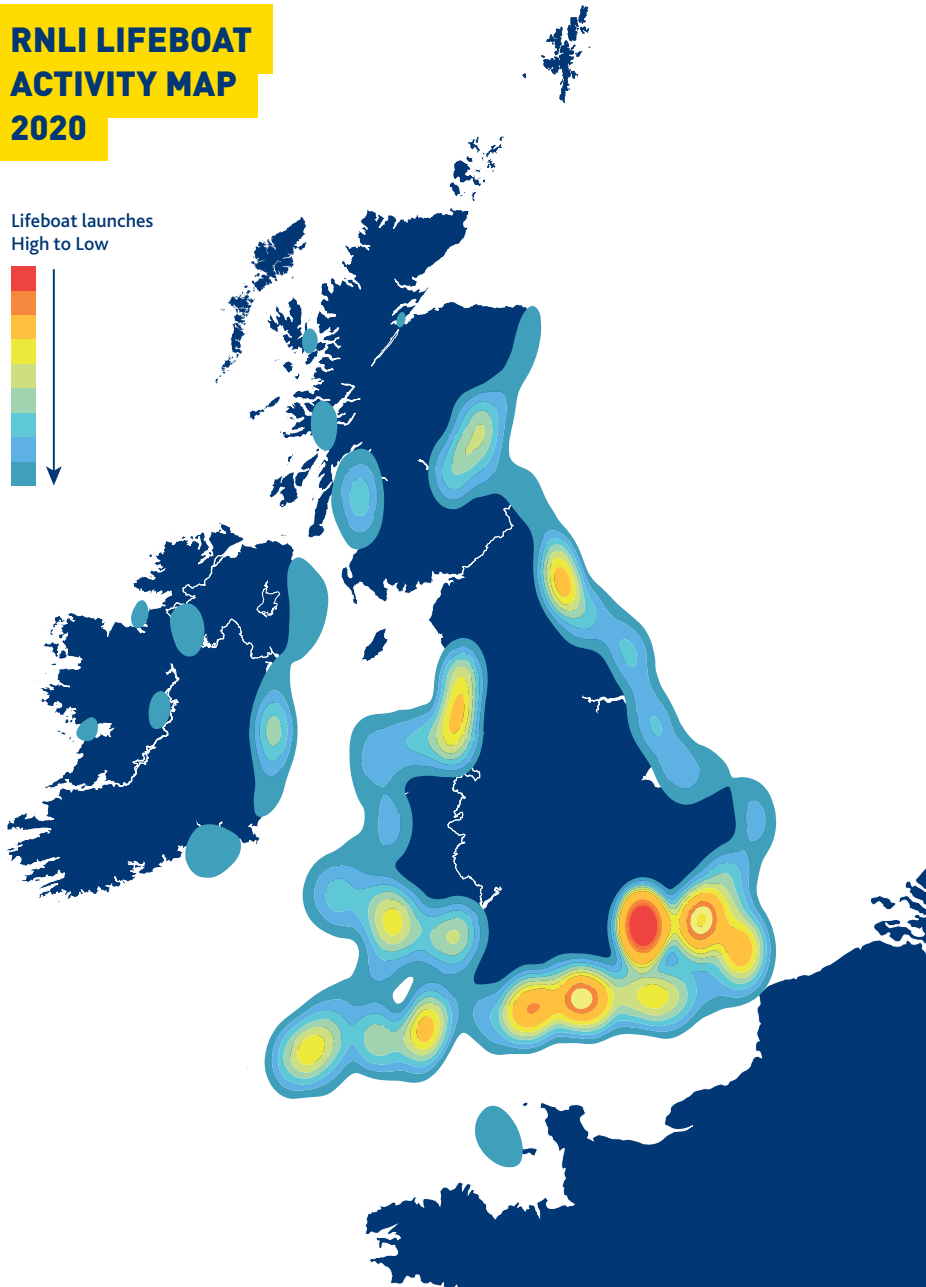
**75**  
**LIFEBOATS  
REFITTED,  
MODIFIED OR  
REPAIRED**

(157 in 2019)



## RNLI LIFEBOAT ACTIVITY MAP 2020

Lifeboat launches  
High to Low



## CASE STUDY

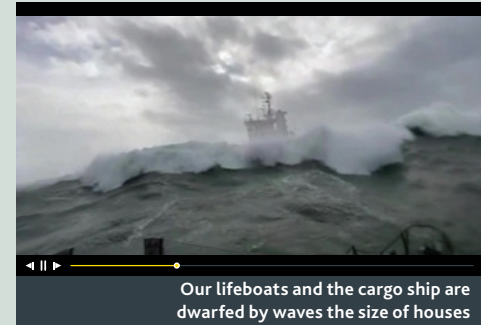
### A battle with heavy seas

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.

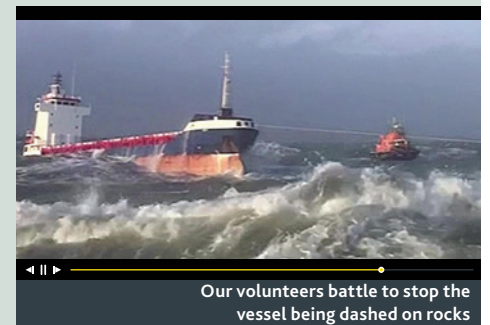
It took the combined might of the Trent, Tamar and Severn class all-weather lifeboats to keep the ship and her crew out of danger until a tug arrived. Our volunteer crews then escorted both vessels to the calmer waters of Waterford Harbour, arriving in the early hours of the following day.

'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.'



**'The seas were huge.  
This callout involved  
serious skill and  
concentration'**

**DAVID MALONEY**  
ROSSLARE HARBOUR RNLI





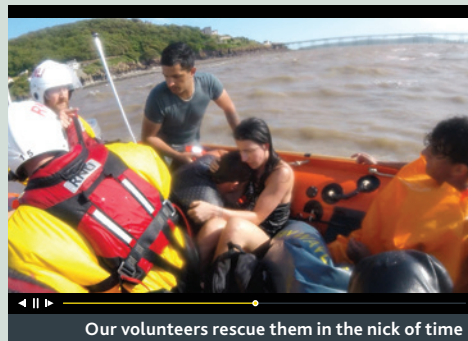
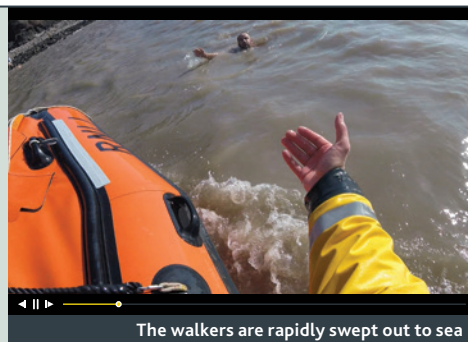
## CASE STUDY

## 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.



**'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.



**'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](https://rnli.org/LifeguardsReport2020).



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)

Lifeguards setting up a safety advice windbreak. Preventative actions like this are key to keeping beachgoers safe





**It was, by far, the busiest summer I have experienced in my ten seasons as a lifeguard**

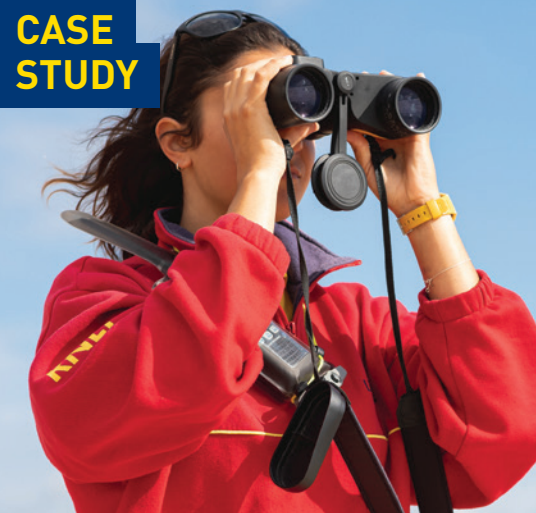
**SAM CHAMBERLAIN**  
SENIOR LIFEGUARD | PERRANPORTH



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.



## CASE STUDY



**'In that split-second I knew what to do'**

**AGGIE KWICIEIN**

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,

*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.

**A SPACE IN A COMMUNITY-RUN CRECHE CAN REDUCE THE RISK OF A CHILD DROWNING BY**

**82%** 

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

**'I started these social awareness activities for the safety of my beloved anchal children. I consider them all family'**

**NURJAHAN | ANCHAL MAA**



**225+**  
CHILDREN DROWN  
GLOBALLY  
EVERY DAY

**23,757**

**PEOPLE RECEIVED WATER  
OR BEACH SAFETY  
EDUCATION IN BANGLADESH**

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.

## 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.

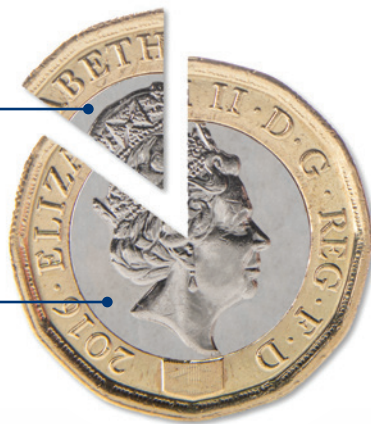
**'Pleased that my dad's name, who was a lovely caring and humble man who helped others, will be with you as you help others. Thanks @RNLIInvergordon for all you do.'**



## WHERE YOUR MONEY GOES

14p is used to generate more funds

86p in every £1 donated funds our lifesaving activities



**7**  **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:

## 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.

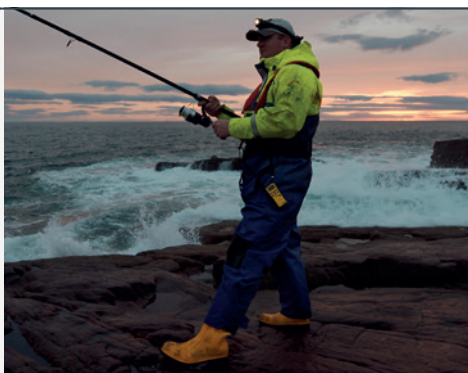
Measured by the effectiveness of our rescue service, including the number of lives saved.

- **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.





### 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

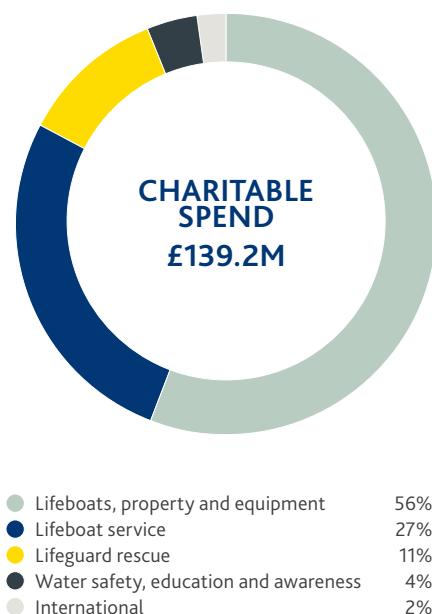
stations was severely curtailed this year. Our lifeboat production facilities were, effectively, closed for 5 months, with a skeleton team focusing on emergency work only. When production resumed in September, the restricted ways of working meant that facilities were not operating at full capacity. For 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.



**£42.3M  
DECREASE IN  
CHARITABLE  
SPEND IN 2020**



**CHARITABLE SPEND**

|                                       | 2020<br>Total<br>£M | 2019<br>Total<br>£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                |
| <b>Total charitable spend</b>         | <b>139.2</b>        | <b>181.5</b>        |

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.

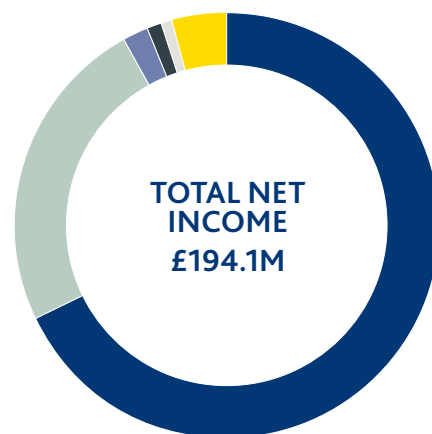
**£5M**  
**INCREASE IN**  
**LEGACY**  
**INCOME IN 2020**

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<br>Total<br>£M | 2019<br>Total<br>£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                 |
| <b>Total Net Income</b>                          | <b>194.1</b>        | <b>191.6</b>        |
| Cost of generating income                        | (23.5)              | (25.3)              |
| <b>Net income available for charitable spend</b> | <b>170.6</b>        | <b>166.3</b>        |

## 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<br>Total<br>£M | 2019<br>Total<br>£M |
|--|---------------------|---------------------|
| Net income less charitable spend           | 31.4                | (15.2)              |
| Investment gains/(losses)                  | 8.1                 | 15.9                |
| Asset 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                 | –                   |
| <b>Investment/bank increase/(decrease)</b> | <b>20.6</b>         | <b>(3.2)</b>        |

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<br>(£M) | Charitable<br>Expenditure<br>£M | Months'<br>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<br>£M   | 2019<br>£M   | Change<br>% | Ratio<br>% |
|--------------------------|--------------|--------------|-------------|------------|
| 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%)       |
| <b>Total funds</b>       | <b>757.4</b> | <b>733.8</b> | <b>3%</b>   | <b>–</b>   |

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.

## 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.

## 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.



## 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.

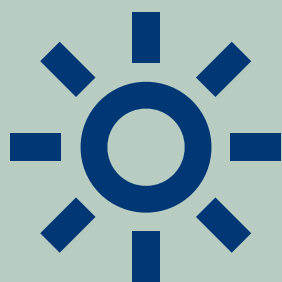
This means creating our plans, making our decisions and completing our actions, with sustainable choices in mind.

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



**£180K+**  
**SAVED AND GENERATED**  
**BY SOLAR AND HEAT PUMP**  
**INSTALLATIONS**



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.

### **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.



The crew of Hunstanton's inshore rescue hovercraft *The Hunstanton Flyer* set out at sunset for an evening's exercise



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](https://www.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](http://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

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.

|  | 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             |
| <b>Income and endowments from:</b>       |      |                    |                  |                   |                  |               |                |                |
| 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            |
| <b>Total income and endowments</b>       |      | <b>159.8</b>       | <b>–</b>         | <b>–</b>          | <b>39.0</b>      | <b>0.3</b>    | <b>199.1</b>   | <b>197.2</b>   |
| <b>Expenditure on:</b>                   |      |                    |                  |                   |                  |               |                |                |
| 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)          |
| <b>Raising funds</b>                     |      | <b>(27.6)</b>      | <b>–</b>         | <b>(1.2)</b>      | <b>(0.2)</b>     | <b>–</b>      | <b>(29.0)</b>  | <b>(32.3)</b>  |
| 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)         |
| <b>Charitable activities</b>             |      | <b>(98.8)</b>      | <b>–</b>         | <b>(24.4)</b>     | <b>(20.4)</b>    | <b>–</b>      | <b>(143.6)</b> | <b>(165.5)</b> |
| <b>Total expenditure</b>                 | 5    | <b>(126.4)</b>     | <b>–</b>         | <b>(25.6)</b>     | <b>(20.6)</b>    | <b>–</b>      | <b>(172.6)</b> | <b>(197.8)</b> |
| Net gain on investments                  | 7b   | 1.0                | –                | –                 | 5.2              | 1.9           | 8.1            | 15.9           |
| <b>Net income/(expenditure)</b>          |      | <b>34.4</b>        | <b>–</b>         | <b>(25.6)</b>     | <b>23.6</b>      | <b>2.2</b>    | <b>34.6</b>    | <b>15.3</b>    |
| Transfers between funds                  | 1h   | (25.4)             | 11.4             | 17.9              | (3.9)            | –             | –              | –              |
| Actuarial gain/(loss) on pension schemes |      | (11.0)             | –                | –                 | –                | –             | (11.0)         | 9.5            |
| <b>Net movement in funds</b>             |      | <b>(2.0)</b>       | <b>11.4</b>      | <b>(7.7)</b>      | <b>19.7</b>      | <b>2.2</b>    | <b>23.6</b>    | <b>24.8</b>    |
| <b>Reconciliation of funds:</b>          |      |                    |                  |                   |                  |               |                |                |
| 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           |
| <b>Funds at 31 December</b>              |      | <b>81.4</b>        | <b>11.4</b>      | <b>468.0</b>      | <b>135.4</b>     | <b>61.2</b>   | <b>757.4</b>   | <b>733.8</b>   |



**RNLI CONSOLIDATED BALANCE SHEET**

as at 31 December 2020

|  | Note | 2020            |        | 2019            |        |
|--|------|-----------------|--------|-----------------|--------|
|  |      | £M              | £M     | £M              | £M     |
| <b>Assets employed</b>                                 |      |                 |        |                 |        |
| <b>Fixed assets</b>                                    |      |                 |        |                 |        |
| Intangible assets                                      | 6b   | 15.4            |        | 16.0            |        |
| Tangible assets  | 6a   | 452.6           |        | 459.7           |        |
|  |      |                 | 468.0  |                 | 475.7  |
| Investments  | 7    |                 | 268.6  |                 | 244.6  |
| <b>Current assets</b>                                  |      |                 |        |                 |        |
| 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)          |        |
| <b>Net current assets</b>                              |      |                 | 69.4   |                 | 52.5   |
| <b>Creditors</b>                                       |      |                 |        |                 |        |
| Amounts falling due after more than 1 year             | 10   |                 | (7.8)  |                 | (4.9)  |
| Defined benefit pension liability                      | 10   |                 | (40.8) |                 | (34.1) |
| <b>Net assets</b>                                      |      |                 | 757.4  |                 | 733.8  |
| <b>Funds</b>   |      |                 |        |                 |        |
| <b>Endowed funds:</b> Permanent Expendable             | 12b  | 17.2<br>44.0    |        | 16.7<br>42.3    |        |
|  |      |                 | 61.2   |                 | 59.0   |
| <b>Restricted funds</b>                                | 12c  |                 | 135.4  |                 | 115.7  |
| <b>Unrestricted funds</b>                              |      |                 |        |                 |        |
| Fixed asset funds                                      |      |                 | 468.0  |                 | 475.7  |
| Designated funds                                       | 12d  |                 | 11.4   |                 | –      |
| <b>General funds:</b> Free reserves<br>Pension reserve |      | 122.2<br>(40.8) |        | 117.5<br>(34.1) |        |
|  |      |                 | 81.4   |                 | 83.4   |
| <b>Total funds</b>                                     |      |                 | 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<br>£M    | 2019<br>£M |
|---|---------------|------------|
| <b>Cash flow from operating activities:</b>                         |               |            |
| <b>Net cash provided by operating activities (see note below)</b>   | <b>28.1</b>   | 20.0       |
| <b>Cash flows from investing activities:</b>                        |               |            |
| 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       |
| <b>Net cash used in investing activities</b>                        | <b>(31.5)</b> | (18.1)     |
| <b>Change in cash and cash equivalents in the reporting period</b>  | <b>(3.4)</b>  | 1.9        |
| <b>Reconciliation of cash flow:</b>                                 |               |            |
| 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        |
| <b>Cash and cash equivalents at the end of the reporting period</b> | <b>5.0</b>    | 8.4        |

|  | 2020<br>£M  | 2019<br>£M |
|--|-------------|------------|
| <b>Note to the consolidated cash flow statement</b>                            |             |            |
| <b>Reconciliation of net income to net cash flow from operating activities</b> |             |            |
| 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)      |
| <b>Net cash provided by operating activities</b>                               | <b>28.1</b> | 20.0       |

## Reconsolidation of net funds

|  | 2019<br>£M | Cashflows<br>£M | Non-cash<br>movements<br>£M | 2020<br>£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)      |
| <b>Total</b>                               | <b>8.4</b> | <b>(3.4)</b>    | <b>(3.9)</b>                | <b>1.1</b> |

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<br>£M | Endowed funds<br>£M | Total 2020<br>£M | Total 2019<br>£M |
|--|------|---------------------|------------------------|-------------------------|------------------------|---------------------|------------------|------------------|
|  |      | General funds<br>£M | Designated funds<br>£M | Fixed asset funds<br>£M |                        |                     |                  |                  |
| <b>Income and endowments from:</b>       |      |                     |                        |                         |                        |                     |                  |                  |
| 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              |
| <b>Total income and endowments</b>       |      | <b>155.0</b>        | <b>–</b>               | <b>–</b>                | <b>39.0</b>            | <b>–</b>            | <b>194.0</b>     | <b>191.8</b>     |
| <b>Expenditure on:</b>                   |      |                     |                        |                         |                        |                     |                  |                  |
| Legacies and donations                   |      | (22.6)              | –                      | (1.1)                   | –                      | –                   | (23.7)           | (25.6)           |
| Trading activities                       |      | –                   | –                      | –                       | –                      | –                   | –                | –                |
| Investment management                    |      | (0.3)               | –                      | –                       | (0.2)                  | –                   | (0.5)            | (0.5)            |
| <b>Raising funds</b>                     |      | <b>(22.9)</b>       | <b>–</b>               | <b>(1.1)</b>            | <b>(0.2)</b>           | <b>–</b>            | <b>(24.2)</b>    | <b>(26.1)</b>    |
| 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)           |
| <b>Charitable activities</b>             |      | <b>(98.8)</b>       | <b>–</b>               | <b>(24.4)</b>           | <b>(20.4)</b>          | <b>–</b>            | <b>(143.6)</b>   | <b>(208.2)</b>   |
| <b>Total expenditure</b>                 |      | <b>(121.7)</b>      | <b>–</b>               | <b>(25.5)</b>           | <b>(20.6)</b>          | <b>–</b>            | <b>(167.8)</b>   | <b>(234.3)</b>   |
| Net gain on investments                  | 7b   | 1.0                 | –                      | –                       | 5.2                    | 0.5                 | 6.7              | 15.9             |
| <b>Net income/(expenditure)</b>          |      | <b>34.3</b>         | <b>–</b>               | <b>(25.5)</b>           | <b>23.6</b>            | <b>0.5</b>          | <b>32.9</b>      | <b>(26.6)</b>    |
| Transfers between funds                  | 1h   | (25.5)              | 11.4                   | 18.0                    | (3.9)                  | –                   | –                | –                |
| Actuarial gain/(loss) on pension schemes |      | (11.0)              | –                      | –                       | –                      | –                   | (11.0)           | 9.5              |
| <b>Net movement in funds</b>             |      | <b>(2.2)</b>        | <b>11.4</b>            | <b>(7.5)</b>            | <b>19.7</b>            | <b>0.5</b>          | <b>21.9</b>      | <b>(17.1)</b>    |
| <b>Reconciliation of funds:</b>          |      |                     |                        |                         |                        |                     |                  |                  |
| 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)           |
| <b>Funds at 31 December</b>              |      | <b>84.1</b>         | <b>11.4</b>            | <b>465.3</b>            | <b>135.4</b>           | <b>17.2</b>         | <b>713.4</b>     | <b>691.5</b>     |

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



**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.

|   | Note | 2020         |        | 2019         |        |
|---|------|--------------|--------|--------------|--------|
|   |      | £M           | £M     | £M           | £M     |
| <b>Assets employed</b>                              |      |              |        |              |        |
| <b>Fixed assets</b>                                 |      |              |        |              |        |
| Intangible assets                                   |      | 15.2         |        | 15.8         |        |
| Tangible assets                                     |      | 450.1        |        | 457.0        |        |
|   |      |              | 465.3  |              | 472.8  |
| Investments   | 7    |              | 230.1  |              | 207.8  |
| <b>Current assets</b>                               |      |              |        |              |        |
| 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)       |        |
| <b>Net current assets</b>                           |      |              | 66.6   |              | 49.9   |
| <b>Creditors</b>                                    |      |              |        |              |        |
| Amounts falling due after more than 1 year          | 10   |              | (7.8)  |              | (4.9)  |
| Defined benefit pension liability                   | 10   |              | (40.8) |              | (34.1) |
| <b>Net assets</b>                                   |      |              | 713.4  |              | 691.5  |
| <b>Funds</b>  |      |              |        |              |        |
| <b>Endowed funds:</b> Permanent Expendable          |      | 17.2         |        | 16.7         |        |
|   |      | –            |        | –            |        |
|   |      |              | 17.2   |              | 16.7   |
| <b>Restricted funds</b>                             | 12c  |              | 135.4  |              | 115.7  |
| <b>Unrestricted funds</b>                           |      |              |        |              |        |
| Fixed asset funds                                   |      |              | 465.3  |              | 472.8  |
| Designated funds                                    | 12d  |              | 11.4   |              | –      |
| <b>General funds:</b> Free reserves Pension reserve |      | 124.9 (40.8) |        | 120.4 (34.1) |        |
|   |      |              | 84.1   |              | 86.3   |
| <b>Total funds</b>                                  |      |              | 713.4  |              | 691.5  |



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.

### 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:

| Subsidiary company financial information | RNLI (Sales) Limited<br>Company number 02202240 |              | RNLI College Limited<br>Company number 07705470 |            | Clayton Engineering Limited<br>Company number 01274923 |            |
|--|---|--------------|---|------------|--|------------|
|  | 2020<br>£M                                      | 2019<br>£M   | 2020<br>£M                                      | 2019<br>£M | 2020<br>£M   | 2019<br>£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)      |
| <b>Gross profit</b>                      | <b>6.0</b>                                      | <b>6.7</b>   | <b>7.0</b>                                      | <b>8.6</b> | <b>1.4</b>   | <b>1.8</b> |
| Operating costs                          | (3.2)   | (2.8)        | (5.6)   | (7.2)      | (1.4)  | (1.4)      |
| <b>Net profit</b>                        | <b>2.8</b>                                      | <b>3.9</b>   | <b>1.4</b>                                      | <b>1.4</b> | <b>–</b>   | <b>0.4</b> |
| Amount of Gift Aid to the RNLI           | (2.8)   | (4.3)        | (1.4)   | (1.4)      | –  | (0.4)      |
| <b>Retained in subsidiary</b>            | <b>–</b>  | <b>(0.4)</b> | <b>–</b>  | <b>–</b>   | <b>–</b>   | <b>–</b>   |
| 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        | –  | –          |
| <b>Net assets</b>                        | <b>1.5</b>                                      | <b>1.5</b>   | <b>1.0</b>                                      | <b>1.0</b> | <b>2.7</b>   | <b>2.7</b> |

|                       | 2020<br>£M  | 2019<br>£M  |
|-----------------------|-------------|-------------|
| Wages and salaries    | 65.4        | 73.6        |
| Social security costs | 6.5         | 7.2         |
| Pension costs         | 11.4        | 12.2        |
| <b>Total</b>          | <b>83.3</b> | <b>93.0</b> |
| 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<br>severance pay |                | Excluding<br>severance pay |                |
|-------------------|----------------------------|----------------|----------------------------|----------------|
|                   | 2020<br>Number             | 2019<br>Number | 2020<br>Number             | 2019<br>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)          | –                          | –              |
| <b>Total</b>      | <b>64 (7)</b>              | <b>88 (11)</b> | <b>62 (7)</b>              | <b>71 (11)</b> |

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<br>seasonal staff |                | Average excluding<br>seasonal staff |                | At 31 December |                |
|---------------------------------------|-------------------------------------|----------------|-------------------------------------|----------------|----------------|----------------|
|                                       | 2020<br>Number                      | 2019<br>Number | 2020<br>Number                      | 2019<br>Number | 2020<br>Number | 2019<br>Number |
| <b>Full-time equivalent employees</b> |                                     |                |                                     |                |                |                |
| 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             |
| <b>Total</b>                          | <b>2,059</b>                        | <b>2,319</b>   | <b>1,737</b>                        | <b>1,843</b>   | <b>1,737</b>   | <b>1,746</b>   |

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<br>£M | Depreciation/<br>amortisation<br>£M | Other<br>direct costs<br>£M | Other allocated<br>costs<br>£M | Total<br>2020<br>£M | Total<br>2019<br>£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)                         | –                   | –                   |
| <b>Total 2020</b>                     | <b>83.6</b>       | <b>25.6</b>                         | <b>63.4</b>                 | <b>–</b>                       | <b>172.6</b>        | <b>197.8</b>        |
| 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<br>£M | General<br>admin<br>£M | Finance<br>£M | Human<br>resource<br>£M | Information<br>technology<br>£M | Total<br>2020<br>£M | Total<br>2019<br>£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                 |
| <b>Total 2020</b>                     | <b>0.4</b>       | <b>5.6</b>             | <b>2.9</b>    | <b>4.9</b>              | <b>10.9</b>                     | <b>24.7</b>         | <b>26.9</b>         |
| 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 *Dogie and Donna B*

## 6. FIXED ASSETS

### a) Tangible assets

|                                    | Assets under construction | Lifeboats    | Lifeboat stations and shoreworks | Launch and recovery equipment | Depots, offices and training facilities | Computer equipment, plant and vehicles | Total        |
|------------------------------------|---------------------------|--------------|----------------------------------|-------------------------------|---|--|--------------|
|                                    | £M                        | £M           | £M                               | £M                            | £M                                      | £M                                     | £M           |
| <b>Cost</b>                        |                           |              |                                  |                               |   |  |              |
| 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)        |
| <b>At 31 December 2020</b>         | <b>28.1</b>               | <b>349.1</b> | <b>303.5</b>                     | <b>55.2</b>                   | <b>99.7</b>                             | <b>78.5</b>                            | <b>914.1</b> |
| <b>Depreciation and Impairment</b> |                           |              |                                  |                               |   |  |              |
| 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)        |
| <b>At 31 December 2020</b>         | <b>–</b>                  | <b>244.0</b> | <b>99.4</b>                      | <b>32.9</b>                   | <b>26.5</b>                             | <b>58.7</b>                            | <b>461.5</b> |
| <b>Net book amount</b>             |                           |              |                                  |                               |   |  |              |
| <b>At 31 December 2020</b>         | <b>28.1</b>               | <b>105.1</b> | <b>204.1</b>                     | <b>22.3</b>                   | <b>73.2</b>                             | <b>19.8</b>                            | <b>452.6</b> |
| <b>At 31 December 2019</b>         | <b>31.0</b>               | <b>108.1</b> | <b>207.4</b>                     | <b>22.5</b>                   | <b>76.3</b>                             | <b>14.4</b>                            | <b>459.7</b> |

Cumulative impairment costs to date were £2.8M (2019:£Nil).

The net book amounts include the following property:

|   | Freehold<br>£M | Leasehold<br>£M | Total<br>£M  |
|---|----------------|-----------------|--------------|
| Lifeboat stations and shoreworks        | 62.8           | 141.3           | 204.1        |
| Depots, offices and training facilities | 67.5           | 5.7             | 73.2         |
| <b>At 31 December 2020</b>              | <b>130.3</b>   | <b>147.0</b>    | <b>277.3</b> |



**b) Intangible assets**

|                             | Assets under construction<br>£M | Computer software<br>£M | Goodwill<br>£M | Total<br>£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                   | –                               | –                       | –              | –           |
| <b>At 31 December 2020</b>  | <b>–</b>                        | <b>21.5</b>             | <b>0.2</b>     | <b>21.7</b> |
| Depreciation and Impairment |                                 |                         |                |             |
| At 1 January 2020           | –                               | 4.2                     | –              | 4.2         |
| Charge for the year         | –                               | 2.1                     | –              | 2.1         |
| Disposals                   | –                               | –                       | –              | –           |
| <b>At 31 December 2020</b>  | <b>–</b>                        | <b>6.3</b>              | <b>–</b>       | <b>6.3</b>  |
| Net book amount             |                                 |                         |                |             |
| <b>At 31 December 2020</b>  | <b>–</b>                        | <b>15.2</b>             | <b>0.2</b>     | <b>15.4</b> |
| 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<br>£M | 2019<br>£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        |
| <b>Total</b>                            | <b>2.4</b> | <b>2.7</b> |



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    |
| <b>Expenditure</b>                    |                 |              |             |                                  |              |             |
| 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)        | –           |
| <b>Total</b>                          | <b>21.0</b>     | <b>–</b>     | <b>21.0</b> | <b>25.6</b>                      | <b>–</b>     | <b>25.6</b> |

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<br>£M | Restricted funds<br>£M | Permanent endowed funds<br>£M | Expendable endowed Funds<br>£M | Total 2020<br>£M | Total 2019<br>£M |
|---|---------------------|------------------------|-------------------------------|--------------------------------|------------------|------------------|
| <b>a) Investment assets</b>             |                     |                        |                               |                                |                  |                  |
| 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             |
| <b>Market value at 31 December 2020</b> | <b>81.9</b>         | <b>125.5</b>           | <b>17.2</b>                   | <b>44.0</b>                    | <b>268.6</b>     | <b>244.6</b>     |
| <b>b) Analysis of movement</b>          |                     |                        |                               |                                |                  |                  |
| 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             |
| <b>Market value at 31 December 2020</b> | <b>81.9</b>         | <b>125.5</b>           | <b>17.2</b>                   | <b>44.0</b>                    | <b>268.6</b>     | <b>244.6</b>     |
| <b>Original cost</b>                    | <b>70.9</b>         | <b>111.5</b>           | <b>15.7</b>                   | <b>32.8</b>                    | <b>230.9</b>     | <b>220.2</b>     |
| <b>c) Investment income</b>             |                     |                        |                               |                                |                  |                  |
| 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                       | –                   | –                      | –                             | –                              | –                | –                |
| <b>Total</b>                            | <b>0.9</b>          | <b>0.4</b>             | <b>–</b>                      | <b>0.3</b>                     | <b>1.6</b>       | <b>2.2</b>       |



**7. INVESTMENTS (CONTINUED)**

| RNLI                                    | General funds<br>£M | Restricted funds<br>£M | Permanent Endowed funds<br>£M | Investment in subsidiaries<br>£M | Total 2020<br>£M | Total 2019<br>£M |
|---|---------------------|------------------------|-------------------------------|----------------------------------|------------------|------------------|
| <b>a) Investment assets</b>             |                     |                        |                               |                                  |                  |                  |
| 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              |
| <b>Market value at 31 December 2020</b> | <b>81.9</b>         | <b>125.5</b>           | <b>17.2</b>                   | <b>5.5</b>                       | <b>230.1</b>     | <b>207.8</b>     |
| <b>b) Analysis of movement</b>          |                     |                        |                               |                                  |                  |                  |
| 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             |
| <b>Market value at 31 December 2020</b> | <b>81.9</b>         | <b>125.5</b>           | <b>17.2</b>                   | <b>5.5</b>                       | <b>230.1</b>     | <b>207.8</b>     |
| <b>Original cost</b>                    | <b>70.9</b>         | <b>111.5</b>           | <b>15.7</b>                   | <b>5.5</b>                       | <b>203.6</b>     | <b>194.0</b>     |
| <b>c) Investment income</b>             |                     |                        |                               |                                  |                  |                  |
| 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                       | –                   | –                      | –                             | –                                | –                | –                |
| <b>Total</b>                            | <b>0.9</b>          | <b>0.4</b>             | <b>–</b>                      | <b>–</b>                         | <b>1.3</b>       | <b>2.2</b>       |

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<br>£M   | 2019<br>£M  | 2020<br>£M  | 2019<br>£M  |
| Operational stock   | 23.8         | 21.2        | 23.5        | 20.9        |
| Gifts and souvenirs | 2.2          | 2.0         | –           | –           |
| <b>Total</b>        | <b>26.0</b>  | <b>23.2</b> | <b>23.5</b> | <b>20.9</b> |

**9. DEBTORS**

|                                | Consolidated |             | RNLI        |             |
|--------------------------------|--------------|-------------|-------------|-------------|
|                                | 2020<br>£M   | 2019<br>£M  | 2020<br>£M  | 2019<br>£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         |
| <b>Total</b>                   | <b>53.1</b>  | <b>40.7</b> | <b>53.4</b> | <b>41.3</b> |

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<br>£M   | 2019<br>£M  | 2020<br>£M  | 2019<br>£M  |
| <b>Amounts falling due within 1 year</b>          |              |             |             |             |
| 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         |
| <b>Total</b>                                      | <b>14.7</b>  | <b>19.8</b> | <b>14.2</b> | <b>18.9</b> |
| <b>Amounts falling due after more than 1 year</b> |              |             |             |             |
| 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        |
| <b>Total</b>                                      | <b>48.6</b>  | <b>39.0</b> | <b>48.6</b> | <b>39.0</b> |

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<br>% pa | 31/12/2019<br>% pa | 31/12/2018<br>% pa |
|---|--------------------|--------------------|--------------------|
| Discount rate <sup>†</sup>                                  | 1.5                | 2.1                | 2.7                |
| Rate of increase in salaries                                | 3.6                | 3.9                | 4.1                |
| <b>Rate of increase in pensions in payment<sup>‡</sup>:</b> |                    |                    |                    |
| 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) <sup>†</sup>           | 3.1                | 3.4                | 3.6                |
| Rate of consumer price inflation (CPI)                      | 2.7                | RPI-0.8%           | RPI-1.0%           |

<sup>†</sup>Represents the weighted average discount rate and inflation rate of the respective curves at the scheme's average duration.

<sup>‡</sup>In excess of the Guaranteed Minimum Pension (GMP) element. Life expectancy is based on the assumptions provided by our qualified independent actuaries.

| <b>Assumes life expectancy on retirement age 65 of:</b> | <b>Years</b> | <b>Years</b> | <b>Years</b> |
|---|--------------|--------------|--------------|
| 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                      |
| <b>Total</b>                | <b>1.5</b>                   | <b>373.3</b>              | <b>2.1</b>                   | <b>346.8</b>              | <b>2.7</b>                   | <b>319.2</b>              |

**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)       |
| <b>Net pension liability</b>      | <b>(40.8)</b>     | <b>(5.3)</b>            | <b>(46.1)</b> | <b>(34.1)</b>     | <b>(5.2)</b>            | <b>(39.3)</b> |

**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                   | –                 | –                       | –            | –                 | –                       | –            |
| <b>Defined benefit obligation at the year end</b> | <b>414.1</b>      | <b>5.3</b>              | <b>419.4</b> | <b>380.9</b>      | <b>5.2</b>              | <b>386.1</b> |

## 11. PENSION SCHEMES (CONTINUED)

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

|  | 2020                 |                               |              | 2019                 |                               |              |
|--|----------------------|-------------------------------|--------------|----------------------|-------------------------------|--------------|
|  | Pension scheme<br>£M | Dependants'<br>pensions<br>£M | Total<br>£M  | Pension scheme<br>£M | Dependants'<br>pensions<br>£M | Total<br>£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)       |
| <b>Fair value of scheme assets at the year end</b>             | <b>373.3</b>         | <b>–</b>                      | <b>373.3</b> | <b>346.8</b>         | <b>–</b>                      | <b>346.8</b> |

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<br>£M | Dependants'<br>pensions<br>£M | Total<br>£M | Pension scheme<br>£M | Dependants'<br>pensions<br>£M | Total<br>£M  |
| Net interest on net defined benefit liability                                   | 0.7                  | 0.1                           | 0.8         | 1.2                  | 0.2                           | 1.4          |
| Past service cost**   | –                    | –                             | –           | –                    | –                             | –            |
| <b>Total amount charged within net income/(expenditure)</b>                     | <b>0.7</b>           | <b>0.1</b>                    | <b>0.8</b>  | <b>1.2</b>           | <b>0.2</b>                    | <b>1.4</b>   |
| 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)       |
| <b>Remeasurement effects recognised in overall funds movement</b>               | <b>10.7</b>          | <b>0.3</b>                    | <b>11.0</b> | <b>(8.9)</b>         | <b>(0.6)</b>                  | <b>(9.5)</b> |
| <b>Total amount (credited)/charged to the Statement of Financial Activities</b> | <b>11.4</b>          | <b>0.4</b>                    | <b>11.8</b> | <b>(7.7)</b>         | <b>(0.4)</b>                  | <b>(8.1)</b> |

\*\* Estimated cost of GMP equalisation.

## 12. TOTAL FUNDS ANALYSIS

### a) Consolidated balance sheet – analysis of funds 2020 summary

|  | Unrestricted funds  |                        |                         | Restricted funds<br>£M | Endowed funds<br>£M | Total 2020<br>£M |
|--|---------------------|------------------------|-------------------------|------------------------|---------------------|------------------|
|  | General funds<br>£M | Designated funds<br>£M | Fixed asset funds<br>£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)           |
| <b>Total</b>                                 | <b>81.4</b>         | <b>11.4</b>            | <b>468.0</b>            | <b>135.4</b>           | <b>61.2</b>         | <b>757.4</b>     |

### b) Endowed funds – analysis of major funds

| Name of fund                           | Purpose of fund   | Opening balance 2020<br>£M | Income 2020<br>£M | Expenditure 2020<br>£M | Investment gains 2020<br>£M | Transfers 2020<br>£M | Closing balance 2020<br>£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                        |
| <b>Total endowed funds</b>             |   | <b>59.0</b>                | <b>0.3</b>        | <b>–</b>               | <b>1.9</b>                  | <b>–</b>             | <b>61.2</b>                |





## 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<br>£M | Income and investment gains 2020<br>£M | Expenditure 2020<br>£M | Transfers 2020<br>£M | Closing balance 2020<br>£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                        |
| <b>Total of major funds</b>   |  | <b>46.6</b>                | <b>3.8</b>                             | <b>(0.8)</b>           | <b>(9.9)</b>         | <b>39.7</b>                |
| Other restricted funds        |  | 69.1                       | 40.2                                   | (19.8)                 | 6.2                  | 95.7                       |
| <b>Total restricted funds</b> |  | <b>115.7</b>               | <b>44.0</b>                            | <b>(20.6)</b>          | <b>(3.7)</b>         | <b>135.4</b>               |

**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<br>£M | Income and investment gains 2020<br>£M | Expenditure 2020<br>£M | Transfers 2020<br>£M | Closing balance 2020<br>£M |
|-------------------------------|--|----------------------------|--|------------------------|----------------------|----------------------------|
| Pandemic Fund – 2020          | Projects and activities that have been delayed from 2020 as a result of Covid-19 | –                          | –                                      | –                      | 11.4                 | 11.4                       |
| <b>Total designated funds</b> |  | –                          | –                                      | –                      | 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<br>£M | Income 2020<br>£M | Expenditure 2020<br>£M | Transfers 2020<br>£M | Closing balance 2020<br>£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         | <i>Col Stock lifeboat</i> – construction and maintenance | 0.1                        | –                 | –                      | –                    | 0.1                        |
| <b>Total of linked charities</b> |  | 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 Glistler 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<br>£M         | 2019<br>£M | 2020<br>£M | 2019<br>£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        | –          | –          |
| <b>Total</b>  | <b>8.6</b>         | <b>9.1</b> | <b>2.2</b> | <b>1.9</b> |

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<br>£M | Designated funds<br>£M | Fixed asset funds<br>£M | £M               | £M            | £M             |
| <b>Income and endowments from:</b>    |                     |                        |                         |                  |               |                |
| 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            |
| <b>Total income and endowments</b>    | <b>155.4</b>        | <b>–</b>               | <b>–</b>                | <b>41.3</b>      | <b>0.5</b>    | <b>197.2</b>   |
| <b>Expenditure on:</b>                |                     |                        |                         |                  |               |                |
| 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)          |
| <b>Raising funds</b>                  | <b>(31.2)</b>       | <b>–</b>               | <b>(0.9)</b>            | <b>(0.2)</b>     | <b>–</b>      | <b>(32.3)</b>  |
| 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)         |
| <b>Charitable activities</b>          | <b>(115.0)</b>      | <b>–</b>               | <b>(24.4)</b>           | <b>(26.1)</b>    | <b>–</b>      | <b>(165.5)</b> |
| <b>Total expenditure</b>              | <b>(146.2)</b>      | <b>–</b>               | <b>(25.3)</b>           | <b>(26.3)</b>    | <b>–</b>      | <b>(197.8)</b> |
| Net loss on investments               | 10.3                | –                      | –                       | 5.3              | 0.3           | 15.9           |
| <b>Net income/(expenditure)</b>       | <b>19.5</b>         | <b>–</b>               | <b>(25.3)</b>           | <b>20.3</b>      | <b>0.8</b>    | <b>15.3</b>    |
| Transfers between funds               | (24.9)              | (25.0)                 | 39.9                    | (32.3)           | 42.3          | –              |
| Actuarial loss on pension schemes     | 9.5                 | –                      | –                       | –                | –             | 9.5            |
| <b>Net movement in funds</b>          | <b>4.1</b>          | <b>(25.0)</b>          | <b>14.6</b>             | <b>(12.0)</b>    | <b>43.1</b>   | <b>24.8</b>    |



**b) RNLI statement of financial activities - previous year comparatives**

|  | Unrestricted funds  |                        |                         | Restricted funds | Endowed funds | Total 2019     |
|--|---------------------|------------------------|-------------------------|------------------|---------------|----------------|
|  | General funds<br>£M | Designated funds<br>£M | Fixed asset funds<br>£M |                  |               |                |
| <b>Income and endowments from:</b>       |                     |                        |                         |                  |               |                |
| 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            |
| <b>Total income and endowments</b>       | <b>150.0</b>        | <b>–</b>               | <b>–</b>                | <b>41.3</b>      | <b>0.5</b>    | <b>191.8</b>   |
| <b>Expenditure on:</b>                   |                     |                        |                         |                  |               |                |
| Legacies and donations                   | (24.8)              | –                      | (0.8)                   | –                | –             | (25.6)         |
| Trading activities                       | –                   | –                      | –                       | –                | –             | –              |
| Investment management                    | (0.3)               | –                      | –                       | (0.2)            | –             | (0.5)          |
| <b>Raising funds</b>                     | <b>(25.1)</b>       | <b>–</b>               | <b>(0.8)</b>            | <b>(0.2)</b>     | <b>–</b>      | <b>(26.1)</b>  |
| 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)         |
| <b>Charitable activities</b>             | <b>(115.4)</b>      | <b>(25.0)</b>          | <b>(24.4)</b>           | <b>(43.4)</b>    | <b>–</b>      | <b>(208.2)</b> |
| <b>Total expenditure</b>                 | <b>(140.5)</b>      | <b>(25.0)</b>          | <b>(25.2)</b>           | <b>(43.6)</b>    | <b>–</b>      | <b>(234.3)</b> |
| Net gain/(loss) on investments           | 10.3                | –                      | –                       | 5.3              | 0.3           | 15.9           |
| <b>Net income/(expenditure)</b>          | <b>19.8</b>         | <b>(25.0)</b>          | <b>(25.2)</b>           | <b>3.0</b>       | <b>0.8</b>    | <b>(26.6)</b>  |
| Transfers between funds                  | (23.5)              | –                      | 38.5                    | (15.0)           | –             | –              |
| Actuarial gain/(loss) on pension schemes | 9.5                 | –                      | –                       | –                | –             | 9.5            |
| <b>Net movement in funds</b>             | <b>5.8</b>          | <b>(25.0)</b>          | <b>13.3</b>             | <b>(12.0)</b>    | <b>0.8</b>    | <b>(17.1)</b>  |



Lifeguard Matty Jones sets out the safe swim zone with red and yellow flags at Rhyl



## 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<br>£M | Designated funds<br>£M | Fixed asset funds<br>£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)       |
| <b>Total</b>                                 | <b>83.4</b>         | <b>–</b>               | <b>475.7</b>            | <b>115.7</b>     | <b>59.0</b>   | <b>733.8</b> |

### d) Endowed funds – analysis of major funds

| Name of fund                           | Purpose of fund   | Opening balance 2019<br>£M | Income 2019<br>£M | Expenditure 2019<br>£M | Investment gains 2019<br>£M | Transfers 2019<br>£M | Closing balance 2019<br>£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                        |
| <b>Total endowed funds</b>             |   | <b>15.9</b>                | <b>0.5</b>        | <b>–</b>               | <b>0.3</b>                  | <b>42.3</b>          | <b>59.0</b>                |

**e) Restricted funds – analysis of major funds**

| Donor name                              | Purpose of fund                                | Restated opening balance 2019<br>£M | Income and investment gains 2019<br>£M | Expenditure 2019<br>£M | Transfers 2019<br>£M | Closing balance 2019<br>£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                        |
| <b>Total of major funds</b>             |  | 58.7                                | 10.8                                   | –                      | (22.9)               | 46.6                       |
| Other restricted funds                  |  | 69.0                                | 35.8                                   | (26.3)                 | (9.4)                | 69.1                       |
| <b>Total restricted funds</b>           |  | <b>127.7</b>                        | <b>46.6</b>                            | <b>(26.3)</b>          | <b>(32.3)</b>        | <b>115.7</b>               |



**16. 2019 COMPARATIVES – FUNDS AND LINKED CHARITIES (CONTINUED)****f) Designated funds – analysis of funds**

| Name of fund                  | Purpose of fund   | Opening balance<br>2019<br>£M | Income and investment<br>gains 2019<br>£M | Expenditure<br>2019<br>£M | Transfers<br>2019<br>£M | Closing balance<br>2019<br>£M |
|-------------------------------|---|-------------------------------|---|---------------------------|-------------------------|-------------------------------|
| RNLI Lifesaving Endowment     | To help create an endowment fund to preserve the future of the RNLI's lifesaving activities | 25.0                          | –   | –                         | (25.0)                  | –                             |
| <b>Total designated funds</b> |   | 25.0                          | –   | –                         | (25.0)                  | –                             |

**g) Linked charities**

| Donor name                       | Purpose of fund                                    | Opening balance<br>2019<br>£M | Income<br>2019<br>£M | Expenditure<br>2019<br>£M | Transfers<br>2019<br>£M | Closing balance<br>2019<br>£M |
|----------------------------------|--|-------------------------------|----------------------|---------------------------|-------------------------|-------------------------------|
| Life-boatmen's Benevolent Fund   | Grants for distressed past or present crew members | 1.7                           | <b>0.6</b>           | –                         | –                       | 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                           |
| <b>Total of linked charities</b> |  | 2.2                           | <b>0.6</b>           | –                         | –                       | 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         | Asset purchases | Asset depreciation/<br>amortisation | Asset disposal | Total 2020   |
|--|--------------|-----------------|-------------------------------------|----------------|--------------|
|  | £M           | £M              | £M                                  | £M             | £M           |
| <b>Charitable spend</b>                          |              |                 |                                     |                |              |
| 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          |
| <b>Total charitable spend</b>                    | <b>143.6</b> | <b>20.0</b>     | <b>(24.4)</b>                       | <b>–</b>       | <b>139.2</b> |
| <b>Income available for charitable spend</b>     |              |                 |                                     |                |              |
| 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          |
| <b>Total Net Income</b>                          | <b>193.8</b> | <b>(0.1)</b>    | <b>0.1</b>                          | <b>0.3</b>     | <b>194.1</b> |
| Cost of generating income                        | (23.7)       | (0.9)           | 1.1                                 | –              | (23.5)       |
| <b>Net income available for charitable spend</b> | <b>170.1</b> | <b>(1.0)</b>    | <b>1.2</b>                          | <b>0.3</b>     | <b>170.6</b> |
|  |              |                 |                                     |                |              |
| <b>Operating surplus/(deficit)</b>               | <b>26.5</b>  | <b>(21.0)</b>   | <b>25.6</b>                         | <b>0.3</b>     | <b>31.4</b>  |

Asset purchases comprise fixed asset additions and acquisitions. Further analysis of fixed assets is shown in note 6.

**18. GOVERNMENT GRANTS**

|  | 2020<br>£M | 2019<br>£M |
|--|------------|------------|
| Coronavirus Job Retention Scheme       | 5.4        | –          |
| Rol wage subsidy schemes               | 0.7        | –          |
| Retail, hospitality and leisure grants | 0.3        | –          |
| International grants                   | 0.3        | –          |
| <b>Total</b>                           | <b>6.7</b> | <b>–</b>   |

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 KC

## 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.'**

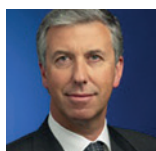


### Janet Cooper OBE

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.'**



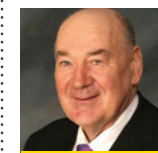
### Sir Peter Housden KCB

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.'**

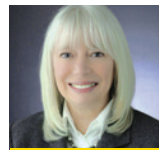


### **Paddy McLaughlin**

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)

## COUNCIL

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Stuart Popham CMG QC(Hon) (Chairman)

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Neil Appleton

Alison Appleyard BEd (Hons) NPQH ARCM LTCL FCMI

Robert Boddington (elected November 2020)

Tim Bryan FMA (elected November 2020)

John Burke

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Professor John Chudley BSc PhD CMarEng CEng FIMarEST

Andrew Cooper CMG

Janet Cooper OBE

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Professor Charles Deakin MA MD FRCP FRCA FERC FFICM  
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David Delamer

The Hon Andrew Dixon

Eddie Donaldson OBE FCA

Simon Dudley

Roger Fairhead

Fiona Fell

Dr Philip Goodwin

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Adam Griffin

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Geoff Holt MBE DL

Professor Dominic Houlder

Sir Peter Housden KCB

Charles Jones

Al Kassim CFA MSc BSc (elected November 2020)

Rear Admiral Mark Kerr

Professor Anthony Kessell MBBS MPhil MSc FFPH MRCGP MD

Dr John Killeen

Vice Admiral Sir Tim Laurence KCVO CB ADC(P) (retired November 2020)

Peter Lloyd MBE MBA MA

Rear Admiral Roger Lockwood CB

Alan Marsh MBE FICS

Niamh McCutcheon

Paddy McLaughlin

Captain Ian McNaught CVO MNM

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Sonia Modray

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Judy Nelson MBA

John Newell MBE BSc MSc CEng FIMarEST (elected November 2020)

Rosie Norris

Paul O'Leary

Scott Parsons

Melissa Potter (elected November 2020)

Mark Pritchard

Michael Seymour (retired November 2020)

Mike Sturrock

Professor Phil Sutton CBE FREng PhD

Professor Mike Tipton MBE MSc PhD

Jane Totten (elected November 2020)

Hugh Tully

Dr Jean Venables CBE

Ian Venner

Chris Walters CEng MEng MBA FIMarEST FRINA

John Whybrow

Lesley Wilkin

Kate Wilson

Dr Nick Winterbotham FMA FASDC (retired November 2020)

Mark Wordsworth

Denis Woulfe MBE

## EX OFFICIO GOVERNORS

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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

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## AUDITOR

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Blake Morgan LLP  
Harbour Court  
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Portsmouth PO6 4ST

Sackers & Partners LLP  
20 Gresham Street  
London EC2V 7JE

**STANDING COMMITTEES****Membership Nomination Committee**

Chairman: Stuart Popham CMG QC(Hon)

**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: Rear Admiral Roger Lockwood CB (appointed July 2020)  
Chairman: Vice Admiral Sir Tim Laurence KCVO CB ADC(P)  
(retired November 2020)

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**Finance Committee**

Chairman: Eddie Donaldson OBE FCA

**Heritage Committee**

Chairman: Dr Nick Winterbotham FMA FASDC (retired November 2020)  
Chairman: Tim Bryan FMA (appointed November 2020)

**Medical Committee**

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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Mark Dowie

**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**

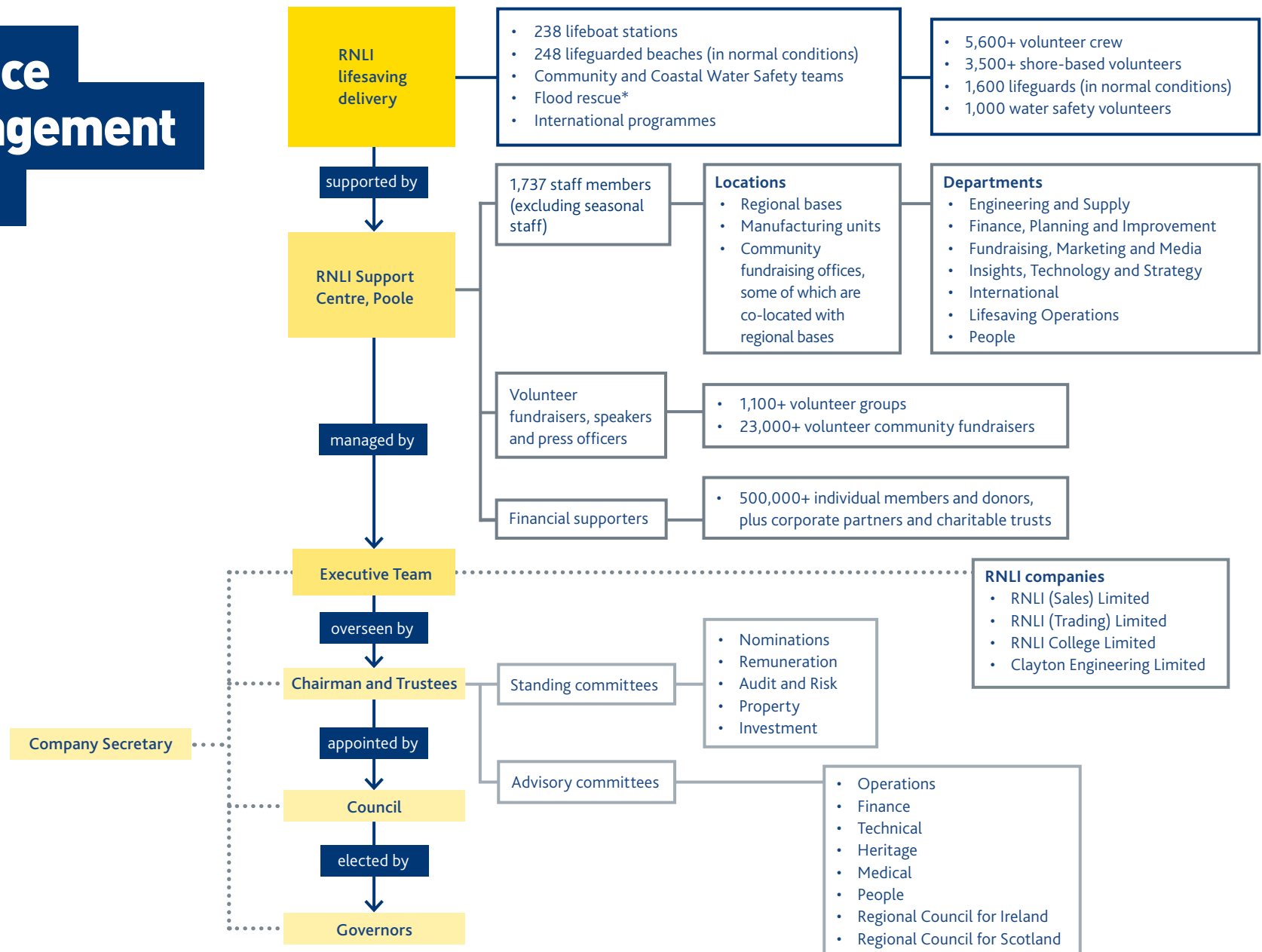
Simon Payne

**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







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 to 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
- The Ganton Furze Settlement
- The John Scott Trust
- The Joseph and Mary Hiley Trust
- 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
- David John Chegwiddden Radcliffe
- Clive and Anne Rand
- Diana Mary Rettie
- Pat and Susan Russell
- Hilary Saw
- Sue Scott
- 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
- EDF Renewables
- Elliot Brown Limited
- Ford Motor Company Limited
- Fred. Olsen Cruise Lines
- GFT Retail UK Limited
- GJW Direct
- HarperCollins Publishers Limited
- Haven
- Helly Hansen
- Marks and Spencer – Sparks Card
- MEATLiquor
- Nicholson's, part of Mitchells & Butlers Leisure Retail Limited
- 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



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# 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

Tel 0300 300 9990 from the UK, 01 511 9836 from the Republic of Ireland,  
or +44 1202 663234 from everywhere else

[info@rnli.org.uk](mailto:info@rnli.org.uk)  
[RNLI.org](https://www.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