

## ANNUAL REPORT OF THE TRUSTEES AND COMMITTEE OF *THE NAVAL REVIEW* – 2023/24

### Reference and Administrative Details

1. The Charity is named '*The Naval Review*'. Its Charity Registration Number is 214610.
2. Its office is situated at 14 Bedford Road, WELLS, Somerset, BA5 3NH.
3. The Trustees of *The Naval Review* are:

Vice Admiral Sir Clive Johnstone KBE CB (Chairman)

Vice Admiral A P Burns CB OBE

Rear Admiral S Ancona CBE (rtd)

Commodore D I Burns RN (rtd)

Hon Captain J Sproule RNR

Captain I D Park RN

Captain S E Oakley RN

Colonel J A E Lewis RM

Lieutenant Commander F C Allen RN

Doctor T J Benbow PhD

Mrs T C A Armour

4. The officers of the Charity are:

- CEO/Editor: Commodore M J D Beardall RN (rtd)
- Secretary-Treasurer: Mrs Emma Rowlands
- Assistant Editor: Doctor Alexander Howlett PhD
- Book Reviews Editor: Doctor James Bosbotinis PHD

5. Other relevant organisations which support *The Naval Review* are:

- Banker:

The National Westminster Bank plc  
South Kensington Royal Garden Branch  
55 Kensington High Street  
LONDON  
W8 5EQ

- Independent Examiner:

PN Independent Examinations  
5 Nursery Road  
Bedhampton  
HAVANT  
PO9 3BG

- Investment Management:

Quilter Cheviot  
Senator House  
85 Queen Street  
LONDON  
EC4V 4AB

## Structure, Governance and Management

6. The Charity was established under the terms of a Trust Deed dated 19 September 1927, amended by a Deed of Variation dated 12 May 2016. This constitutes its governing document.

7. The number of Trustees is set by the Trust Deed at not less than three and not more than seven or such other number as the Trustees may think fit. They are recruited as required based on their relevant experience and disposition towards the aim and objectives of the Royal Navy and serve for an initial term of four years; they may be re-appointed for two further periods of four years. The Chairman is always a senior retired naval officer of Flag Rank.

8. The Trustees meet as required, but not less than twice a year. They take advice from the Executive appointees.

9. All policy decisions, in particular subscriptions and rates of pay to the Executive, are taken by the Trustees. The day-to-day running of the website, social media and the quarterly production of the journal, the administration and financial affairs of the Charity, and the running of the Naval Review are carried out by four officers: The CEO/Editor, the Secretary-Treasurer, the Assistant Editor and the Book Reviews Editor. The CEO/Editor and Secretary-Treasurer are employees of the Charity; the Assistant Editor and Book Reviews Editor are self-employed and contracted on a part-time basis for their specialist services for the production and management of *The Naval Review*.

## Objectives and Activities

10. The Trust Deed states the objective as follows:

*“Encouraging thought and discussion on such subjects as strategy, tactics, naval operations, staff work, administration, organisation, command, discipline, education, naval history and any other topic affecting the fighting efficiency of the Navy but excluding the material aspects of the technical sciences and in the hope that it would help to build up that body of sound doctrine which is so essential to success in war and to provide a means of expression and discussion within the Service.”*

The Trustees seek to pursue this objective by promoting among its subscribers imaginative thinking, research, critical analysis, correspondence and informed debate on naval matters, in order to support the efficiency of those across the Royal Navy (Royal Navy, Royal Marines, Royal Fleet Auxiliary, RN and RM Reservists).

11. This aim is paraphrased on the title page of every issue of *The Naval Review* journal and on the *Naval Review* website, [www.naval-review.com](http://www.naval-review.com), as follows:

*“To promote the advancement and spreading within the Service of knowledge relevant to the higher aspects of the Naval profession.”*

12. The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission. Noting the Trust Deed (paragraph 10 above) the Trustees remain satisfied that through research, analysis, writing and debate subscribers transfer knowledge that strengthens the intellectual capacity of the armed forces in the public interest, to the benefit of national security. The Trustees are actively pursuing means to expand the educational aspects of the activities of *The Naval Review* in pursuit of its charitable purpose. In that, clarity in its relationship, as an independent charity, with the Royal Navy is critical. Rejuvenation and codification of this linkage mechanisms to promote freedom of discourse has been agreed (April 2019) and captured in the following agreement with the Royal Navy:

*“For over a century, The Royal Navy and the Naval Review have enjoyed of a unique relationship. In respecting this special relationship, and in acknowledgement of constraints imposed on serving members by established MoD communications policy, the Naval Review will remain limited to membership by subscription only. But such agreement is on the clear understanding that the Naval Review will sustain its independent voice and continue to encourage reasonable challenge to accepted policy amongst and by its members.”*

13. The following are eligible to subscribe: officers and ratings, active or retired, of the Armed Forces of the Crown and the Commonwealth, and their Reserves; also members of the Royal Corps of Naval Constructors, and officers and ratings of the RMAF and RFA Service; and civil servants who hold or have held appointments in the Naval Commands, or appointments with a Naval Connection in the Ministry of Defence Headquarters or the Defence Equipment and Support; and officers and ratings, active or retired, of the Armed Forces of certain nations with which the United Kingdom has strong military connections. The Editor can admit other persons with demonstrable interest in the Royal Navy. The necessary restrictions on those who can subscribe have no bearing on the public benefit delivered by *The Naval Review*. In fact, significant effort has been committed to the creation and digital curation of a fully searchable educational archive of all issues from 1913.

14. The prime activity of the charity remains the quarterly publication of a journal, *The Naval Review*. This has now been published continuously since January 1913 when the Trust’s forerunner, a Corresponding Society named *The Naval Society*, was established with similar objectives. The Charity’s website provides subscribers with access to archive material, and also provides a more immediate discussion forum than the quarterly journal can provide. However, the journal itself remains the journal of record. For a small charge, material more than ten years old is available for one month to anybody having access to the internet. All the indications are that this provides a valued source of research material to the wider community and, in particular, academics interested in maritime affairs.

## **Achievements**

15. The last five years can be summarised as one of evolution for the Review, however, the last year 2023 has seen an increase in the pace of change to embrace digital management of both the charity’s business and management information and the products, namely the website and the journal. Financially relatively sound, the clear challenge for the *Review* was, at the beginning of this period, to address: rejuvenation of the membership (bringing in new cohorts of serving junior officers); rejuvenation and development of the *Review’s* relationship with the Naval Service; adapting to the realities of modern media outlets and formats; reforming management processes (including building in redundancy); improving compliance with all statutory requirements; and, critically, enhancing the quality and scope of the discourse of the *Review*. Not to mention the additional challenges presented by recent inflation in the UK economy. In all respects the *Naval Review* has made steady progress following a policy set to shift the discourse lead to digital presence with the printed output remaining the journal of professional record. Challenges attracting, recruiting and retaining junior serving and middle ranking membership remains a key driver. The Trustees also embraced a need to explore other income streams from limited Sponsorship, Advertising and other 3<sup>rd</sup> Sector resources that may be possible as the Naval Review in essence provides an educational asset to its membership.

As part of the tool set for encouraging member achievement, in particular younger member achievement, the sponsorship of annual awards and prizes remains under review. Currently the offer is:

- The annual award of £250 for the best article published in the journal by a junior officer. The prize has been renamed *The Clive Richards Prize* in recognition of a generous donation of shares the income from which provides the funds for this award.

- Enhanced prizes to be awarded to young officers who have authored articles of particular merit.
- An annual cash prize of £250 for the Naval student on the MSc Technology (Maritime Operations) course at Kingston University who provides the best academic paper published in *The Naval Review* on a topic relevant to their career.
- Following a generous donation from Matthew Wills, two new annual prizes each of £500 were awarded in 2017 for the first time. The award is made for the best articles published in the journal on the shared history of the Royal Navy and the United States Navy and Royal Navy/United States Navy cooperation in the 21st Century.
- To capture and encourage the Reservist portion of the Service there is now an award of a £500 prize, entitled the Warden Berry prize, for the best article submitted by any serving member of the RNR or RMR.
- To recognise the scholarship of the late Professor Eric Grove, the termly memorial prize to the best academic essay from BRNC.
- To reflect the encouragement of shorter Digital pieces a monthly £50 prize for the best short piece published to the website.

## Financial Review

16. **Finance.** The primary source of income for *The Naval Review* is subscriptions. The current number of subscribers is 1506 (as at 21 Apr 24), a 1.5% reduction from the previous year which suggests that the rate of decline in membership has slowed further. It has been the practice to endeavour to balance surpluses and deficits over the cycle of a particular subscription level. After maintaining annual subscriptions at £40 for four years, the Trustees decided to increase this to £50 from 1 January 2023 and again to £55 on 1 June 2023. The cost of the new digital only membership subscription has increased to £35. In 2023, the overall value of the fund fell by £17.4k to £119.7K. The market value of the remaining investments increased by 7.5% to £106,142 at year end. Work to expand the model to generate other streams of revenue is being pursued.

17. **Reserves.** Reserves are maintained to provide stability and to ensure that the journal can continue to be published despite a sudden dramatic and unexpected short-term loss on income. In 2013, the Trustees revised their policy on reserves; it is now intended that reserves should be maintained at a level equivalent to between 18-24 months' expenses at the current rate. Based on General Fund expenditure in 2023, reserves on 31 December 2023 equated to 12 months' expenditure.

18. **Risks.** A risk register is reviewed regularly, and the Trustees maintain Indemnity Insurance. The Trustees have assessed that the long-term risks to which the Charity is exposed are mainly financial or relate to maintaining its reputation for providing an outlet for independent thought. An existential risk remains failure to grow a membership consisting of more Service personnel. A number of initiatives have borne some fruit in attracting more junior members. Effort now is focussed on initiatives that might help subsidise the individual membership of serving personnel.

## Plans for Future Periods

19. In 2020, the Trustees established a far-reaching Evolution & Succession policy which linked the skill sets of the future Executive Team with that required for a future where the digital output will

take the lead in *Naval Review* business and where the printed product will become the journal of professional record. The principle that *The Naval Review* is the journal of professional record for the Naval Service and professional aspects relating to defence and security, especially in the maritime environment remains unchanged. The Trustees do not underestimate the challenge of sustaining relevance and credibility and in early 2022 commissioned a 100 Day Review to examine all aspects of the Naval Review's business model. The existing priorities set by the board of Trustees for 2023/24 are as follows:

- **Expanded Membership** – expansion of overall membership numbers remains critical to future viability. In that there is a concurrent need to shift the membership age profile towards building a younger majority to further reinforce the central purpose of the *Review*, whilst broadening the base where possible amongst other Services and those with an affinity or affiliation to the maritime case ie the wider Military Maritime Security sector.
- **Intellectual Alignment** – building on the rejuvenated codification of the special relationship with the Royal Navy, the *Naval Review* will work to develop key academic links with the Navy through the First Sea Lord's Fellowship, the RN Strategic Studies Centre and conferences, and through stimulating new academic links.
- **Broadened Discourse** – building on online and social media developments, adjustment of the primacy between digital and printed media needs to be addressed to match the expectation of modern membership. In future increased emphasis on the digital experience means the journal will become increasingly the second strand activity as a journal of professional record for collective wisdom developed in the digital space.

In 2024 the Executive continue to work towards delivering these priorities.

Approved by the Trustees and signed on their behalf by:

Signed on Original

Sir Clive Johnstone  
CHAIRMAN  
8 May 24

**THE NAVAL REVIEW**  
**Registered Charity No. 214610**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**31-Dec-23**

		<u>2023</u>	<u>2022</u>
<i>Fixed Assets</i>			
Investments (at market value)	Note	£ 109,077	£ 98,704
<i>Current Assets</i>			
Bank Accounts	£ 27,870		£ 48,245
Gift Aid	£ 11,343		£ -
Late Subscriptions 23	£ 115		£ -
Total Current Assets	<u>£ 39,328</u>		<u>£ 48,245</u>
<i>Current Liabilities</i>			
HMRC (PAYE)	£ 1,919		£ 57
Pension Provision	£ 1,440		£ -
Bank Charges	£ 187		£ 194
Printing & Production	£ 9,904		£ -
Book Binding	£ 108		£ 110
Website	£ 7,670		£ -
International Postage	£ 510		£ -
Subscriptions in advance	£ 5,780		£ 5,400
Advertising	£ -		£ 2,500
Clive Richards Prize	£ 250		£ 250
Mathew Wills Prizes	£ -		£ 500
Warden Berry Prize	£ -		£ 500
RJD Technology	£ 250		£ -
Prize Fund (22 and 23)	£ 500		£ 150
Account Examination	£ 225		£ 220
Total Liabilities	<u>£ 28,743</u>		<u>£ 9,881</u>
Net Current Assets		£ 10,585	£ 38,364
Net Assets		<u>£ 119,662</u>	<u>£ 137,068</u>
Represented by:			
General Purposes Fund		£ 108,227	£ 123,521
Clive Richards Fund (Endowment)		£ 2,935	£ 2,735
Matthew Wills Fund (Restricted)		£ 5,000	£ 4,500
Warden Berry Prize		£ 2,000	£ 2,500
Ultra Elec Prize Fund		£ -	£ 2,062
RJD Technology Prize Fund (Restricted)		£ 1,500	£ 1,750
		<u>£ 119,662</u>	<u>£ 137,068</u>

**Note: Investments**

	Market Value	
	2023	2022
Quilter Cheviot - Naval Review	£ 106,142	£ 96,048
Quilter Cheviot - Clive Richards (Endowment)	£ 2,935	£ 2,656
	<u>£ 109,077</u>	<u>£ 98,704</u>

Approved by the Trustees on 8th May 2024 and  
signed on their behalf by

Vice Admiral Sir Clive Johnstone KBE CB  
Chair of Trustees

**THE NAVAL REVIEW**  
**Receipts & Payments Summary (Bank Account)**  
**1 January 2023 to 31 December 2023**

<u>Receipts</u>	<u>2023</u>			<u>2022</u>		
	General Fund	Restricted Funds	Total	General Fund	Restricted Funds	Total
Subscription Income	£ 80,925		£ 80,925	£ 69,289		£ 69,289
Income Tax Recovered (Gift Aid)	£ 1,880		£ 1,880	£ 11,156		£ 11,156
Sale of Investments				£ 59,469		£ 59,469
Interest	£ 683		£ 683	£ 156		£ 156
Donations	£ 5,586		£ 5,586	£ 5,100		£ 5,100
Advertising				£ 2,500		£ 2,500
Prize Funds					£ 3,000	£ 3,000
Books	£ 4		£ 4	£ 10		£ 10
Miscellaneous Income	£ 537		£ 537	£ 1,051		£ 1,051
<i>Total Receipts</i>	<u>£ 89,614</u>	<u>£ -</u>	<u>£ 89,614</u>	<u>£ 148,731</u>	<u>£ 3,000</u>	<u>£ 151,731</u>
<u>Payments</u>						
Salaries and Honoraria	£ 52,132		£ 52,132	£ 53,957		£ 53,957
Pensions	£ 1,645		£ 1,645	£ 1,180		£ 1,180
Printing and Production	£ 27,970		£ 27,970	£ 29,215		£ 29,215
Stationery and Duplicating	£ 170		£ 170	£ 20		£ 20
IT Support/Zoom	£ 856		£ 856	£ 3,735		£ 3,735
Bank Charges	£ 567		£ 567	£ 518		£ 518
Direct Debit Charges + rejected DD	£ 664		£ 664	£ 1,379		£ 1,379
Postage and telephone	£ 8,232		£ 8,232	£ 9,741		£ 9,741
Website	£ 12,442		£ 12,442	£ 18,342		£ 18,342
Prizes		£ 500	£ 500	£ 550	£ 1,500	£ 2,050
Trustee Indemnity Insurance	£ 668		£ 668	£ 668		£ 668
Examination Fee	£ 220 #		£ 220	£ 210		£ 210
RNSSC	£ 2,800		£ 2,800	£ 1,400		£ 1,400
Travel & Sundry Expenses	£ 1,123		£ 1,123	£ 1,535		£ 1,535
<i>Total Payments</i>	<u>£ 109,489</u>	<u>£ 500</u>	<u>£ 109,989</u>	<u>£ 122,450</u>	<u>£ 1,500</u>	<u>£ 123,950</u>
Receipts exceed Payments				£ 26,280	£ 1,500	£ 27,780
Payments exceed Receipts	£ (19,875)	£ (500)	£ (20,375)			
Bank 1 January 2023			£ 48,245			£ 20,465
General Purposes Fund - Payments exceed Payments			£ (19,875)			£ 26,280
Restricted Funds - Payments exceed Receipts			£ (500)			£ 1,500
Bank 31 December 2023			<u>£ 27,870</u>			<u>£ 48,245</u>



# PN INDEPENDENT EXAMINATIONS

5 Nursery Road  
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The Trustees  
The Naval Review

25 Mar 24

## **THE NAVAL REVIEW - ANNUAL EXAMINATION & ACCOUNTS – 31 DEC 23**

1. The examination of the Naval Review fund for the year to 31 Dec 23 has been completed satisfactorily.
2. The main investment managed by Quilter Cheviot held £96K at the start of the year but had increased to £106.1K at year end. This represented an unrealised gain of £6.9K (7.2%). The reinvested dividend income totalled £3.2K which was a 3.3% return. The Clive Richards Endowment investment also increased in value to £2.9K.
3. The bank account balance had fallen to £27.9K. Although outgoings exceeded income by £20.4K, HMRC's Gift Aid repayments of £11.3K did not arrive until Mar 24.
4. Other points of note in the accounts were:
  - Subscription income received was £80.9K including the £5K received in advance from RNSSC. The previous year figure was £69.3K.
  - Gift Aid recovered was £1.9K (£11.2K in the previous year) but a further £11.3K arrived in Mar 24.
  - Salary and pension costs stayed steady at £55.2K if outstanding pension payments are included.
  - Printing and production costs for the four issues increased to £37.9K from £29.2K. This increase was largely because, from the second issue, the format changed to full colour, photographs and glossy paper.
  - Website costs were £20.1K compared to the previous year's costs of £18.3K.
5. The Ultra Electronics Prize Fund received its last donation in 2017. This funded the Australian Defence Fellowship. However, as this scheme no longer exists, the £2K balance has been absorbed into the general funds.
6. Summary After allowing for the various liabilities, the overall value of the fund fell by £17.4K to £119.7K.

P A Nicholls  
PN Independent Examinations