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Incorporated by Royal Charter. Full recognition by the Royal Navy.



**ROYAL NAVAL  
ASSOCIATION**



# **Annual Trustees Report by the National Council**

**Includes**

## **Report to Annual Conference 2021 Annual Accounts for Financial Year 2020**

Central Office  
Building 1/087, Scott Road  
HM Naval Base PORTSMOUTH, PO1 3LU

[www.royal-naval-association.co.uk](http://www.royal-naval-association.co.uk)

Registered Charity Number 266982

# ANNUAL REPORT OF THE TRUSTEES OF THE ROYAL NAVAL ASSOCIATION FOR 2021

## Reference and Administrative Details

### 1. Central Office Address

Building 1/087  
Scott Road  
HM Naval Base  
PORTSMOUTH  
Hants PO1 3LU

## The Trustees

2. As at 31 December 2020 the Trustees of the Royal Naval Association were:

VADM J H S McAnally CB LVO	National President
Commodore M Slawson OBE RN	Deputy National President
S/M R Lock MBE	Vice-President and National Welfare Adviser
WO1 C Steedman	Vice President – The Warrant Officer to the Royal Navy
S/M K Ridley	National Chairman & NCM 6 Area
S/M P Stephenson	National Vice Chairman & NCM 12 Area (Ireland)
S/M M Foley	NCM 1 Area
S/M V Allen	NCM 2 Area and HQ Roll
S/M S Maclean	NCM 3 Area
S/M W Belfitt	NCM 4 Area
S/M J Hammond	NCM 5 Area
S/M G Williams	NCM 7 Area (S Wales and Gloucester)
S/M P Godwin	NCM 8 Area
S/M K Crawford MBE	NCM 9 Area and Overseas
S/M D Wright	NCM 10 Area
S/M I McQueen	NCM 11 Area
S/M I Irvin	NCM Scottish Area and Hon Treasurer

## Executive Staff

3. The Trustees delegate responsibility for the day-to-day management of the affairs of the Association to its General Secretary, Capt Bill Oliphant RN. The Central Office team as at 31 December 2020 consisted of Andy Christie (Operations), Nigel Huxtable (Membership Support), Michelle Bainbridge and Kathryn Brindley (Finance), Charlie Darlington and Mike Gray (Communications). They are to be joined on 4 Jan 21 by two new members of staff: Mrs Lynda Pearson (Welfare Programmes) and, with a view to Nigel Huxtable's retirement later in the year, Mrs Sara Field (Membership Support).



*Bill Oliphant  
General Secretary*

## **Independent Examination**

4. The Association's Auditors acting as independent examiners are Messrs Brooms Professional Services Ltd of Broom House, 39/43 London Road, Hadleigh, BENFLEET, Essex, SS7 2QL. They are represented by Mr Kevin Cornelius a Director of the Company.

## **Bankers**

5. The Association's bankers are NatWest Bank plc, Chelsea Branch, PO Box 3048, 224 King's Road, Chelsea, London SW3 5XJ, although day to day transactions are overseen by the branch at 130 Commercial Road, Portsmouth PO1 1EJ. Our investment managers are Cazenove under a Custody arrangement with the RNRMC on a unitised basis. The General Secretary sits on the RNRMC Investment Committee.

## **Solicitors**

6. The Association's Solicitors are Messrs Coffin Mew; 1000 Lakeside North Harbour, Western Road, Portsmouth PO6 3EN.

## **Advisers**

7. In addition, the Trustees have appointed a number of Advisers to assist the Association Management Committee:

Lt Cdr H MacKenow RN	Hon Legal Advisor
S/M Nick Purkis	Head of Governance Committee
S/M Rita Lock	National Welfare Adviser
S/M Bob Coburn	National Ceremonial Adviser
S/M Gareth Booth	National Branch Recruitment and Retention Adviser
S/M Steven Caulfield	National Events Adviser
S/M Les Yeoman	HMS RALEIGH Mentoring Adviser

## **Report of the Trustees for the year ended 31 December 2020**

### **Governance and Management**

8. The Trustees present their annual report and financial statements of the Charity for the year ended 31 December 2020. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Royal Charter, the Charities Act 2011 (in accordance with note 1 to the Accounting Policies YE 31 December 2020 sub para a 'Accounting Convention') and the Statement of Recommended Practice 2015. The accounts have been prepared under the provisions of FRS 102.

9. The Royal Naval Association was incorporated by Royal Charter granted by Her Majesty The Queen on the advice of Her Privy Council on 15<sup>th</sup> July 1954. A Supplemental Charter was granted on 26<sup>th</sup> May 1990, which is the Charter now in force and forms the basis of the current Rules and Bye-Laws. There was a minor revision of the Charter and more significant revision of the Rules and Bye-Laws during 2014. The Charter and Rules are subject to minor amendments annually depending on Conference motions.

10. The Trustees comprise the National President, Deputy National President, National Vice Presidents, National Honorary Treasurer (now also an elected member), the Warrant Officer to the Royal Navy (WORN) as Vice President and elected members of the National Council. Each elected member of the National Council represents a loosely defined geographical area and is elected for a period of two years by a simple majority based on a postal poll of Branches within the area represented. These are counted and reported on by members of the Standing Orders Committee at each Annual Conference. The National President, Deputy National President, National Vice Presidents, National Honorary Legal Adviser and National Honorary Treasurer (when not an elected NCM) are appointed by the National Council, as is the RN WORN. The National Council of the Association delegates routine work to two sub-committees – the Finance and Administration Committee (FAC) and Association Management Committee (AMC).

11. Newly appointed Trustees are provided by the General Secretary with information regarding their legal duties and responsibilities, as well as key documents published by the Charity Commission.

12. Details of the Association's officials are included on the Association website ([available here](#)) which allows members of the public and Association members to know easily who represents them and manages the affairs of the Charity. S/M Keith Ridley (NCM 6) was re-elected National Chairman and S/M Paul Stephenson (NCM 12) was re-elected National Vice Chairman. The RNA enjoys membership of: COBSEO; International Maritime Confederation and the Conference of Naval Associations. The RNA has a formal Charter and Collaboration Agreement with the Royal Navy, renewed in 2017, and formally reviewed during 2018. There is a strong network of naval charities who are in regular communication. These include, but are not limited to: RNRMC, Greenwich Hospital, RNBt, NFF and RMA. The General Secretary acts as a managing member of the Irish ex-Services Trust disbursement committee.

### Central Office

13. Having moved to their new premises in February 2020. The Central Office is therefore now located in Scott Road and share the building with the Association of WRNS. The Board of Trustees would like to take this opportunity to thank the Second Sea Lord and the Naval Base Commander (Portsmouth) for their continued support of the RNA in providing premises within the Naval Base for use as RNA Central Office.



### Objectives of the Royal Naval Association

14. The Objects are:

- a. One. To further the efficiency and well-being of the Service, preserve its traditions and encourage recruiting.
- b. Two. To foster comradeship and "esprit de corps" among those who have served or are serving in Her Majesty's Naval Forces.
- c. Three. To provide facilities for bringing Members together.
- d. Four. To perpetuate the memory of those members of Our Naval Forces who have died in the service of their Country.

- e. Five. To provide relief from conditions of need, hardship or distress, to persons who have served or are serving in Our Naval Forces and their dependants.
- f. Six. To advise members and other persons who have served in Our Naval Forces and their dependants on subjects affecting their welfare, referring on to appropriate agencies where specialist advice is required.
- g. Seven. To advise and assist Members and other persons who have served in Our Naval Forces in their search for employment.
- h. Eight. To pursue any or all of objects (2), (4), (5), (6) and (7) above for the benefit of members or former members of the Naval Forces or former members of the Commonwealth at a time when those Naval Forces were part of Our Naval Forces, and either or both objects (5) and (6) above for the benefit of the dependents of such persons.

## **Key activities for 2020**

15. **Covid Narrative.** Due to the Covid-19 pandemic, this has been a year like no other. The fostering of camaraderie is the *raison d'être* of the Association so it was with considerable reluctance that it was decided in mid-March that it would be irresponsible to continue to meet and put our elderly cohort at risk. The General Secretary subsequently issued guidance to cease all Branch meetings. Sadly, this has remained the situation throughout the year. However, on a more positive note, the Board of Trustees have overseen an acceleration in the modernisation of the coordinating function of the Association and has adjusted it's outputs in order to still to be able to achieve our core work which is to support our membership through our Charitable Objects (2, 3, 4, 5, 7 and 8) above.

16. **Initial Actions.** Central Office's remit is to provide the administrative support to promote the fostering of camaraderie within the Naval Family. This is achieved normally through organizing events, communications, and welfare support. However, with all events cancelled, the team concentrated primarily on communication as the vehicle to deliver welfare support. In the first instance this was achieved by setting up buddy-buddy or call round networks within Branches and, for those on the HQ Roll, staff phoned round each of those 1150 members to ensure that they had a support system in place. For those few who did not, it was established for them.

***"Thank you and all the Shipmates at Central Office for all that you have and are doing to keep us all together. It is really appreciated and a great example to all – I don't know of any other "Association" that has been SO supportive to its members during these strange and difficult times. A big BZ from all the Shipmates at Bracknell RNA."***

***JB, Bracknell***

In addition, a Helpline was immediately instituted for shipmates to call should they find they were in need of support. This was extended across the Conference of Naval Associations (CONA) and has proven valuable. Another key factor in the adjustment to the new environment was the employment of a Comms Manager, Miss Charlie Darlington, to improve our communications both internally and externally.

17. **New Database.** Realising that communication was going to be more important than ever, a strong push was made on building of a new Central Database which previously had not

existed. This was to prove an important move and enabled the shift to a donation based funding model later in the year. This has fundamentally changed the dynamics within the Association, in that Central Office is now able to directly communicate with all members who have an email address registered with Central Office and not rely on a cascade of information through Branches.

18. **Welfare Support.** Sarah Clewes, the Welfare Support Manager, moved on in February and before any replacement could be sought, Covid struck. During the ensuing lockdown period and subsequent months, Welfare Support became an increasingly important function of the Association. Acting at Branch level and nationally, Members have been supported as necessary with guidance and financial support. In a fast-moving environment, the Deputy National Welfare Advisor, Geoff Apperley, has been prodigious in his output of informative briefing notes on topics ranging from finance to bereavement.

a. **Shipmates and Oppos programme.** The programme was drawn to a close early in the year when funding was discontinued. While Shipmates and Oppos had had limited success in putting an arm around Service leavers it was hard to measure the level of success it achieved. The Trustees remain proud however that during the 5 years it was running it was one of the first schemes actually delivering Transition Support on the ground while many other organisations were still talking about it. Eventually however other organisations, notably Veterans UK, established transition support for vulnerable leavers so the responsibility was eventually recognised and addressed, as it ought to have been, through public money.

b. **Befriending.** In March however, when Covid struck things took a twist when the General Secretary went out to those personnel listed in the S&O programme to ask them for help. Instead of being the *Supported* they became the *Supporting* force of volunteers who effectively became Oppos to elderly Shipmates. This spawned the requirement for a Befriending Service which will be pursued in 2021 by Mrs Lynda Pearson who has been selected at interview and commences employment on 4 January 2021 as the Welfare Programmes Manager.

c. **Combatting Social Isolation.** As the situation developed, the Association started to concentrate more on the aspects of social isolation which the lockdown highlighted. The maintenance of morale therefore become an important element of our outputs and the Wrexham Branch established virtual tot evenings on Wednesdays and Saturdays. Commencing on the anniversary of the Battle of Jutland on 1<sup>st</sup> June with a briefing on the battle by our National President, VAdm John McAnally, the Association launched a programme of “Fireside Chats” which have continued on a weekly basis ever since. These have proven popular, with 85 tuning in one week. So far these have included a WW2 veteran’s experience of Murmansk Convoy duty, several history lessons from our illustrious naval past, including WW2, the Falklands, and the Gulf War and we’ve have also had contemporary serving naval officers keeping us up to date with our beloved Royal Navy. A list of the talks is provided at Annex A. Tackling loneliness within the veteran community is now a stated objective.

d. **Project Semaphore.** This is an award winning RNA initiative which helps digitally isolated Veterans over the age of 65 to realise the many benefits of being online. Having issued almost 1,000 iPads to eligible veterans, it has enabled them to keep in touch with friends and family, explore the internet and has improved their quality of life. It brings together like-minded people, addressing feelings of social isolation and loneliness and was awarded the “People’s Choice” category winner at the 2019 Soldiering on Awards.

In February 2020 it was decided to draw the time limited Project Semaphore to a close. We were in the process of winding it down when Covid struck. Despite having dwindling funds, there was renewed interest in the Project and we recognised its value in combating social isolation. The Project was therefore maintained, recycling iPads when they became available and maintaining the network of 'A-team' volunteers. As Sarah Clewes was ready to move on, Julie Royston (her deputy) stepped up to manage the project.

Throughout 2020 we received calls from veterans who were using their iPads to maintain family communications, order prescriptions and as we were locked down in our homes for a considerable amount of time the iPads became invaluable. Some Project Semaphore veterans chose to express their gratification with the following words:-

***"Now I can read e-books, read history, write emails to shipmates, it is like opening a brand new world full of great discoveries, by just having just one iPad. So from an old Jack to the RNA , my heartfelt thanks, for ever more, if we had our tot still I would invite you down for sippers. So THANK YOU DEEPLY JULIE, THANK YOU SHIPMATES AT RNA HQ." - BO***

***"Using the iPad the RNA kindly provided, Dave was able to have 121 FaceTime calls with his daughter in Mexico prior to him taking a down turn, and her travelling over to be with him." - AW***

***"He has already had a facetime (faceache as he calls it) call with one of his sons who lives in Leicestershire and apart from some wonky camera work it went really well! On a personal note, can I Thank You for an amazing project, for your time and enthusiasm in running it and the dedication you are giving to the veteran community, Bravo Zulu." - TS***

Realising the initiative still had legs and would immensely valuable to the veteran community, especially during the period of Covid lockdowns, a further bid has been raised against the Armed Forces Covenant trust for £70k to allow the Project to run for a further 2 years. The Trustees are delighted to be able to report that this grant application has been successful with the bid approved in February 2021.

The key to the success of Project Semaphore is engaging with a network of Volunteers who have the time (and patience!) to help others. Julie Royston continues to plan a range of training events, working in collaboration with charities offering support services around IT which has enabled us to reach a wider audience. Recent successful partnering include [Age UK](#) [Plymouth Veterans and Family Hub](#) [Association of Wrens](#) and [Royal Star and Garter](#)

**19. Improved Communications.** When employed in May, Charlie Darlington immediately led a review of the RNA Comms Strategy which was later endorsed by the Board of Trustees. This saw the update of the RNA website to a more user friendly experience with a more modern, younger feel. It has undoubtedly contributed to recruitment. Further developments already established or in the pipeline are a weekly publication of information known as the Semaphore Short, a Podcast and better exploitation of LinkedIn.

**20. Membership Numbers Strategy.** The continuing decline in membership has been a concern for many years. Following discussion with the Royal Navy Royal Marines Charity (RNRMC), it was decided that the Association, supported by the RNRMC, should do more to

reach the hidden, lost and lonely naval veterans in the community. With well over half a million former serving RN in the wider community, it was agreed that expansion of the RNA would be the best way to try and reach more RN veterans. Financially supported by the RNRMC, a Special Conference was arranged on 21 December 2020 where it was voted that annual subscriptions to the RNA would be set to £0 for 2021. Finances are now established on a donation based approach. While there is financial risk in this, the risk of continuing the downward trajectory of the membership numbers graph, without a demonstrable change of course, would ultimately lead to numerous Branch closures in the not too distant future and a bleak outlook for the



*New Membership Cards have been issued and proven popular*

Association. The Association had been losing approximately 1000 members a year for 20 years and it is hoped that this will assist in making the Association more accessible and more attractive. The full rationale for shifting to a donations based income model is provided as an enclosure to this report.

The Board of Trustees are extremely grateful to the RNRMC for this opportunity to turn around the fortunes of the Association by helping to make it more accessible and more attractive to new joiners. And, when restrictions eventually ease, it will mean that access to the New Entry establishments will mean that new recruits can be targeted as will their families on Passing Out Parade days.

21. **Governance.** The formerly named Standing Orders Committee is now known as the Governance Committee and it has sought to improve RNA governance across the board. It also intends to support RNA Clubs when Covid restrictions allow.

22. **Branch Financial Support.** There are several funds available which can be utilised by Branches and Clubs should they require it.

- a. **The Branch and Club Support Fund.** The General Secretary is authorised to approve mini grants up to and including £250 towards Branch costs for events or equipment. This year it has primarily been used by Branches to pay for Zoom accounts to enable the conduct of virtual Branch meetings. It has proven popular, and many Branches have used this medium very successfully.
- b. **1000 Good Deeds a Day Fund.** Again administered by the General Secretary, the idea of this fund is to assist and encourage taking more elderly or less advantaged shipmates out to an event or function. Or even just for a coffee and a slice of cake. Although little utilised in 2020 because of the lockdowns and the closure of most hospitality outlets it is funded through an element of the Central Charities Fund voted by the Trustees. The test is *To provide relief from conditions of need, hardship or distress*. The concept being that if a little financial support is required here and there to set up a trip or a veterans' breakfast club or similar, it might go some way to tackling social isolation.
- c. **Gizzits.** The National Council has amended the policy on giveaway promotional items (gizzits) which are used in many regional or national events. The RNA now Centrally Funds four items which, it was felt, directly contribute to recruiting: the RNA hat, RNA pens, lapel sticker badges and plastic tot glasses. There remains a selection of other

promotional items which are available for Branches to purchase and invite donations to assist with their own Branch funds. Between the National Events Adviser and the Recruitment and Retention Adviser, activity is focussed on events where the demographic of the footfall suggests benefits to reputation and membership.

## 23. Other Activities

- a. **Mentoring.** The RNA has two approaches to the passing on of the core values of the Royal Navy, a major activity in pursuit of our first charitable object but both were unavoidably put into abeyance when all non-essential personnel were banned from entering military establishments. Phase 1 mentors in HMS RALEIGH act in the Sea Daddy role and Culture and Values Session are conducted with Phase 2 by Central Office staff. The Phase 1 programme in HMS RALEIGH is supported by local branches and builds our links with the current Navy.
- b. **Culture and Values Sessions (CVS).** In normal times, these sessions are run by Central Office core staff in HMNB Portsmouth where through a visual history of our rich naval traditions we seek to encourage and motivate the Phase 2 trainees. This is part of the RN's Operation Inspire programme that addresses the values of CCDRIL<sup>1</sup>.
- c. **Collaboration Agreement and Charter.** The Collaboration agreement is currently under review with the MOD with a view to a new Memorandum of Understanding being signed in 2021.
- d. **Clubs.** The RNA's clubs have also been closed and many are making use of the various Government funding schemes to keep themselves solvent. It has been hard to engage physically with Clubs but we are now in a better position to be able to support clubs with bids they might be raising, for example, to the Covenant Fund who have financial resources which clubs are being encouraged to tap into. These Clubs provide social support to individuals and a place where present and former service men and women can relax (Charity Objects 2, 3 and 4). NCMs 10 and 11, supported by the Head of the Governance Committee, lead in this area.
- e. **International Maritime Confederation.** The Trustees are proud to report that the RNA remains an active member of the IMC however all IMC activities were cancelled in 2020. The UK was due to take on the Presidency of the IMC from June 2020 however this has been postponed until the next IMC Executive Council in 2021 now planned for November 2021.
- f. **Briefing the Royal Navy.** Despite the restrictions, briefings to the Commanding Officers' Designate Courses continued albeit by VTC during the height of the restrictions.
- g. **Libor minibuses.** The RNA (Libor Funded) Minibuses have had limited use this year because of the circumstances and restrictions on travel. They remain fully serviced and operational.



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<sup>1</sup> Commitment, Courage, Discipline, Respect, Integrity and Loyalty

- h. **Conference of Naval Associations.** The Conference of Naval Associations met in March which was effectively one of the last physical engagements before the pandemic struck and restrictions were imposed. WO1 Mick Turnbull (Warrant Officer to the Fleet Commander) gave a illuminating and interesting briefing on his incredibly varied career and an update on Naval Operations and aspirations. COBSEO<sup>2</sup> also gave a important briefing on Charity Governance offering their support.

## National Events

24. Other than the previously reported CONA Conference in March 2020, The Association was sadly obliged to cancel all other planned physical events. This meant that pre-planned events like the 50<sup>th</sup> anniversary of Black Tot Day were not achieved – it was just as well that the rehearsal the year previously was such a success.

- a. **The National Reunion, AGM and Conference.** This event had been planned to take place in Liverpool and was initially postponed but, realising that it would not be possible to conduct a physical meeting, the decision was taken to conduct the AGM online. It was conducted on Zoom and was amazingly successful despite almost no-one having Zoom experience prior to the pandemic. The full minutes of the 83<sup>rd</sup> AGM are attached as an enclosure to this document.



- b. **Significant Anniversaries.** 2020 represented some important anniversaries which could not be commemorated as we had hoped although unofficial private marks of respect were enacted throughout the land. This included the 75<sup>th</sup> Anniversary of VE Day and the 75<sup>th</sup> Anniversary of VJ and the end of World War II. The National President, Vice Admiral John McAnally, accompanied by the General Secretary, Captain Bill Oliphant, laid a wreath on



behalf of the Association at the Southsea Naval Memorial. The pair had intended this to be a discreet affair with no ceremonial and were somewhat surprised by the attendance of a RM bugler and national news BBC film crew. Fortunately, the General Secretary's shoes were up to scratch! Previously, they had been joined by the Fleet Commander, Vice Admiral Jerry Kyd and Captain Sir Robin Knox Johnston in Old Portsmouth in a toast to Victory and to commemorate the sacrifices made by that generation.

- c. **Free membership for WWII veterans.** To mark the occasion of the anniversary of the end of the War, the Trustees were glad to announce that, as a mark of respect to that generation, all surviving naval veterans who served in that conflict would be awarded free membership of the Association for life.

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<sup>2</sup> COBSEO is the Confederation of British Service and Ex Service Organisations now known more simply as the Confederation of Service Charities

d. **Biennial Parade.** Fortunately, 2020 was a fallow year for the Biennial Parade. In advance of the 2021 Parade, the Trustees have announced that they have changed the name of the Parade to the “Naval Associations Parade” and have invited all other naval associations to join together at the Cenotaph on 12 September 2021 to pay the appropriate marks of respect. In 2021 however, not only will the Parade traditionally honour our war dead, but also those who crossed the bar during the Pandemic, whether taken by Covid or otherwise, as the restrictions meant that the normal marks of respect at funerals quite often were not possible.

e. **Open Days.** Sadly all cancelled in 2020, We look forward to welcoming visitors in 2021 once allowed to!

f. **Remembrance Weekend events.** The Field of Remembrance event at Westminster Abbey was cancelled and Saturday’s British Legion Festival of Remembrance took place behind closed doors. Remembrance Sunday was scaled back and the RNA was represented most ably by Shipmates David Corrigan (National Standard Bearer) and Catherine Lewington whose exemplary parading at the Cenotaph was a credit to the Association. Our National President, Shipmate Vice Admiral John McAnally, complete with dodgy knee, laid a wreath, not only on behalf of the RNA, but importantly for all Naval Veterans.



## Finance

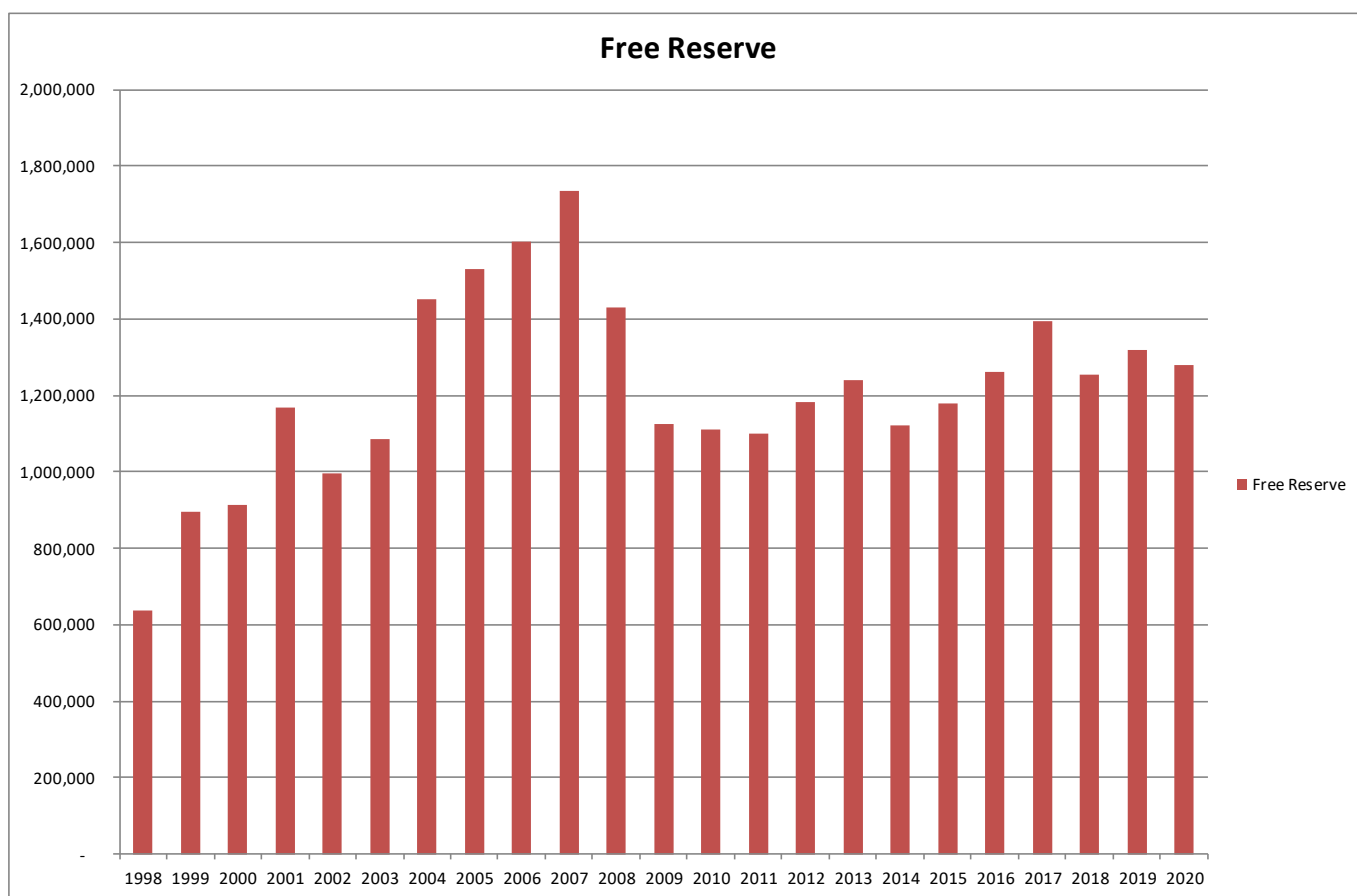
25. **Covid implications for the Association and response to the challenges posed.** The nature of the way annual subscriptions were formerly collected were a real threat to their collection as they were traditionally collected by Branch Treasurers often by hand and in cash. Clearly this would not be possible in an environment where people could not meet. This threat therefore accelerated the change to a central membership database and the move to a donation based income model.

26. **Reserves Policy.** With the shift in funding model (see para 21), the Trustees took particular care to review their Reserves Policy this year as there was considered to be more financial risk with the shift to a donation based income model. The Trustees have concluded that the policy remains satisfactory for the uses of the Association. The Association’s Reserves Policy is reviewed annually and aims at holding sufficient Unrestricted and Undesignated Funds to provide funding for the following:

- a. To provide financial resilience if donations do not keep pace with the rising costs of providing services to members.
- b. To generate income to subsidise current activities.
- c. To provide future income.
- d. A reserve in case of a major business continuity issue.

- e. A contingency for wind up costs to cover legal requirements for redundancy payments; incomplete periods of contracts etc, which the Trustees will be legally obliged to meet.
- f. A contingency for other unexpected events.
- g. Future projects not yet mature in development.
- h. To provide the opportunity to purchase a freehold or leasehold property as the Central Office, since the lease for the present premises in HM Naval Base, Portsmouth is unsecured.

**27. Review of Reserves.** The Trustees have reviewed the level of reserves against their policy and, despite the additional risk of moving to a donation based income model, have agreed that they remain at a satisfactory level. The level of investment income deriving from the Association's Reserves is an important factor in deciding whether or not to expend or reduce them since investment income contributes significantly to meeting operating costs. The Trustees have also reviewed the policy of maintaining the designated Property Fund and have considered that this is still a valid necessity in order to secure funds needed to acquire property in the event of changes to our current arrangement. The Trustees note that FY2020 has seen another modest decrease in level of reserves, however this is very much in line with our policy. When seen over an extended period (see graph below) the reserves remain healthy, indeed, if anything, the Charity Commission will be glad to see that reserves do not continue to build.



*Graph of Reserves*

28. **Restricted Funds.** The reserves figure is inflated by granted money held for various projects which are held in Restricted Funds. The generation of income through investment of the reserves is an essential part of the RNA business model as subscriptions alone have not covered expenditure. This policy will not change with the shift to the donation based income model.

29. **Offices.** The recent office move has provided the opportunity for a new 3-year lease within the Naval Base. Notwithstanding, the Trustees conclude that it remains prudent to make provision in the reserves to cover the potential costs of providing office space. The property fund stood unchanged at £491,375 at the end of FY 2020. The Trustees have reviewed Portsmouth commercial rents, the trustees consider that this remains an adequate figure to provide office accommodation. The requirement to maintain funds in case of a major Business continuity problem remains valid, as does provision against wind-up costs and unexpected events.

30. **Standards Fund.** A minor reserve holding is made against the repair and replacement of Association standards.

### **Financial Review.**

31. The Trustees make the following observations:

**Overall. The Trustees report an overall decrease in funds of £104,301, a decrease of 5.1% however the planned deficit budget of £215,675 actually ended up being a surplus of £22,189. This was because the opportunities to spend funds were constrained considerably after the lockdown restrictions were imposed. Membership numbers continued to fall in 2020 however with the switch to a donation based income model and the reduction to £0 for annual subscriptions we have already seen a marked improvement in 2021<sup>3</sup>.**

**The decrease in funds reflects using up some of the restricted funds for the purposes they were intended and are not considered a threat to the financial position of the Association.**

**The Trustees are cognisant of the additional risk the switch to a donation based income model presents and are thankful for the support of the RNRMC to allow us to achieve this. Nevertheless, the Trustees are thankful for the level of strategic reserve which gives confidence to allow the safe transition and grow the Association.**

a. **Operations.** The Trustees were thankful for the £133,703 donated in legacies during the year.

b. The final out-turn was an operating deficit of £104,301. Income for subscriptions was £126,189 down from £137,193 in FY19. While Income tax reclaimed on Gift Aid was up a little on the previous year to £1,335 from £267 as more Gift aid forms were returned by members. Income from investments was down considerably this year to due the effect the pandemic had on the Stock Market reducing from £63,589 in 2019 to £47,025 this year.

c. Due to Covid, the operating cost of the charity was reduced in FY19 from £353,688 (FY19) to £302,541 a decrease of 14.46%.

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<sup>3</sup> At the time of writing (late May 2021) 1392 new joiners had been processed.

- d. The Trustees continue to be delighted with the success of the Branch and Club Support Fund minor grants scheme introduced in 2018. The scheme allows the GS to approve grants of up to £250 with minimal bureaucracy. Applications this year have included Branch annual Zoom fees and payments to some Branches during lockdown to print and send out the Semaphore Circular to Shipmates not connected to the internet.
- e. **Trading income and VAT.** The Trustees are pleased to report that the RNA did not again breach the de-minimus rules for VAT and a provision in the accounts was not required for FY2020.
- f. **Gift Aid.** A thorough examination of current membership data has resulted in a reassessment of Gift Aid claimed. This is reflected in the accounts.
- g. **Investments.** Investment income is reported under FRS102. Investments remain held in a Custodian arrangement with the RNRMC. The value of investments at Year End was £1,696,873 which reflects a general devaluation of the stock market from last year where the market value at year end 2019 was £1,757,030. Notwithstanding, this figure at year end marks a considerable recovery since the crash caused by the global pandemic in March/April. The 96 days notice account, where £205,367 was held on deposit with the RNRMC, was closed at the outset of the pandemic as many charities had cash flow concerns at the time. The RNRMC was kind enough not to penalise the breaking of the 96 days notice and the Trustees remain most thankful. It does mean that probably more is currently being held in cash than we would wish at the moment however with the switch in income model it is deemed prudent to await developments before looking at further options to reinvest the cash.
- h. **The Naval Service Memorial Fund.** At year end, the fund stood almost unchanged at £11,602. The fund stands at a sustainable level with 10 years worth of insurance and maintenance in hand.
- i. **Standards Fund.** The standards fund remains at a healthy balance with £10,793 on deposit. Annual donations from branches remain at £5.

## Annual Accounts

32. The main element of the Accounts for the year ended 31 December 2020 is the Statement of Financial Activities for the year, which is an annex to this report.
33. It is important that the Statement of Financial Activities and Balance Sheet are read in conjunction with the Notes, which appear in the Accounts. The market value of Investments is as stated in Notes to the Financial Statements.
34. The Trustees remain indebted to the auditors Brooms for their continued support and guidance.

## Public Benefit

35. The Trustees confirm that they have taken due regard of the guidance contained in the Charity Commissions guidance on public benefit, set in 'Charities and the Public Benefit – Section G', when reviewing the Charity's aims and objectives; and in planning future activities and setting the grant making policy for the year. The Trustees note the ongoing exceptional public benefit provided by Project Semaphore iPads and the LIBOR minibuses.

## **Risk Management**

36. Risks have been assessed by the Trustees, and the Risk Management Policy is reviewed annually and The Risk Register at the National Council meeting regularly. Financial risk is assessed in the 10-year forecast. The most significant financial risks are: the switch to a donation based income model will not realise the funds required to operate the Association, movements in financial markets affecting investments and the MoD unexpectedly terminating the lease on Semaphore Tower offices.

37. The main strategic risk is to membership numbers. The strategy of switching to a donation based income model and the development of Special Interest Groups where members are encouraged to form groups to feed their interests and hobbies, demonstrate relevance to a younger cohort and serving personnel. Marketing and communications are tuned to this goal.

38. Risks to the Association and to the RNA's support of its Trustees are mitigated by adequate insurance, which has provided a significant protection to RNA funds in previous years. Insurance has been expanded to include the activities of the mentoring at HMS RALEIGH and in 2020 will also include liability insurance for the National Standard Bearer when on RNA duties. The Association is GDPR compliant and has invested in strong security of members' data held in the new database server. Nevertheless, insurance also exists for data breaches including hacking and theft.

39. The most serious operational risk is slip, trip and medical emergencies during RNA events. The Charity mitigates this risk by training all the Central Office (HQ) staff as Red Cross qualified workplace first aiders and the acquisition of an Automated External Defibrillator

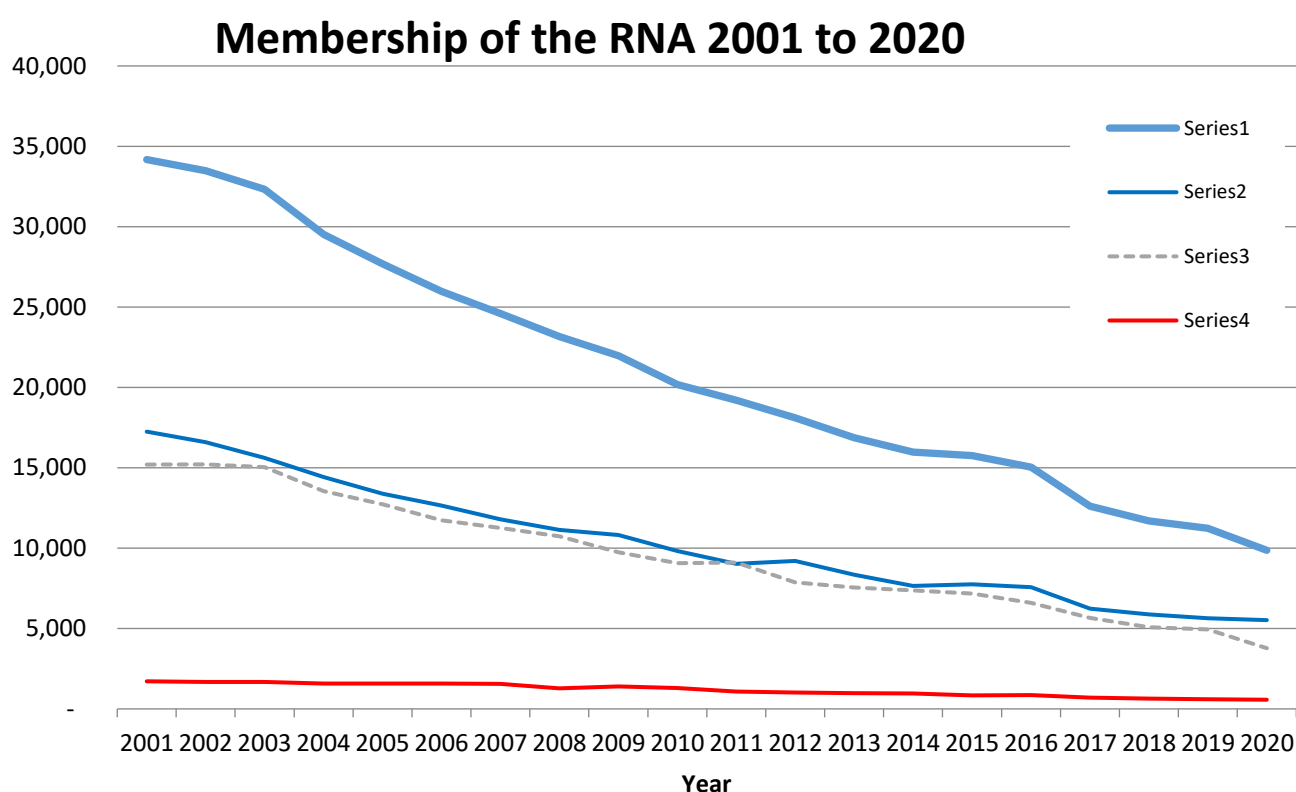
## **Plans for the Future**

40. The following is the Trustees approach to 2021:

- Through comradeship, put beneficiaries welfare and wellbeing at the heart of Central Office outputs.
- Transition the Association to a donation based income model.
- Put recruitment at the top of the strategic priorities.
- Exploit the opportunities created by the new Comms team to support the Aims and strategic Objectives of the Association.
- Organise and run the 2021 World Uckers Championships.
- Establish posts at the New Entry establishments to take forward the strategy of recruiting at source.
- Target families at Passing out Parades.
- Develop a befriending service to reduce social isolation.

- Investigate and implement a mentoring system to assist leavers into civilian employment.
- Establish a suite of Special Interest Groups (SIGs).
- Support the deployment of 3 minibuses fitted to manage disabled persons to help mitigate social isolation in the naval veterans' community.
- To work closely with the Conference of Naval Associations to bring benefit to the RNA and other naval associations, brought with co-operation, information sharing and using buying power to deliver benefits. Deliver the second CONA annual Conference.
- Extend the Culture and Ethos programme to Logistics Branch Phase 2 trainees at Worthy Down.

**Legend for graph below** Series 1 All      2 Full      3 Associate      4 Life members



## Membership Issues

41. The Trustees are delighted to report that two new Branches received their commissioning Certificates in 2020: Salisbury and Portsea. And there is interest in forming several more who, it is hoped, can be reported on in next year's report. The drop in Membership over 2020 sadly reflects the impact of the Covid 19 lockdowns on our Members activities. This has had a more obvious impact on our associates in RNA Clubs around the country. However, since the introduction of zero rated subscriptions in December 2020 we are already seeing in early 2021 a marked jump in on line applications. The Trustees hope therefore to show a marked change in the shape of the graph above which remains, after providing support to our beneficiaries, our most important strategic challenge.

42. Usually, the membership figures in this Report are based on applications from Branches for subscription receipt stickers added to the number of receipt cards issued to members of the Central Office Roll to 31 December 2020. In this most challenging of years many branches were unable to collect subscriptions before lockdown put an end to normal Branch activities. A heartfelt “Thank You” is due to all branch Membership Secretaries for their efforts in keeping in touch with their members and keeping Central Office updated with membership numbers.

The detailed breakdown is shown on the following Matrix.

2020 Membership Matrix									
Area	Life	Full	Assoc	TOTAL 2020	2019	Down	up	%	Closed Branches
1	13	46	305	364	385	21		5	Hanworth
2	48	264	208	520	680	160		22	Gravesend
3	53	461	543	1048	1155	107		9	
4	83	631	308	1022	1136	114		10	
5	26	443	296	765	942	177		18	Roydon, Maldon
6	26	190	189	405	532	127		23	Watford
7	41	204	257	502	513	11		2	
8	45	337	398	780	976	196		20	Rugby, Hereford
9	36	163	217	416	576	160		27	
10	71	370	483	924	952	28		3	
11	39	258	136	433	510	77		14	Drifffield
12	6	307	50	363	314		49		
Scotland	21	188	185	246	284	38		13	
Overseas	10	314	172	509	664	155		24	Cyprus
HQ	51	1055	165	1278	1261		17		
Online Joiners	0	210	21	210	301	91			
Riders Branch	0	81	0	81	49		32		
TOTALS	569	5522	3775	9,866	11,230	1462	98	12.9	

### 43. National Chairman's Report of the National Council

Reference to the National Council (NC) within this report also refers to the National Trustees of the Association's Registered Charity. As with reports from previous years, I do not intend to repeat what you have already read up to this point within the Main Report but will touch on just a few matters.

Towards the end of 2019 it became known that Commonwealth RN Recruits from the Caribbean having arrived at HMS Raleigh just weeks before Christmas faced a festive season-based thousands of miles away from their families based in HMS DRAKE during the Christmas and New Year closure at HMS RALEIGH. The NC approved a £2000 grant to ensure their Christmas was a happy one, and with the assistance of two Shipmates from a local Branch, used an RNA Minibus to take them out and about. The NC acknowledges the comradeship of the two Shipmates who unselfishly, gave of their time over the festive season to RN personnel who had just joined the service.



The year started with no knowledge of the challenges that lay ahead throughout 2020 caused by the Covid-19 pandemic, and the preparations by the Central Office Staff in readiness for their relocation to new offices within the Naval Base. Year two of Bill Oliphant's appointment as our General Secretary was to prove an unexpected and daunting one due to Covid. The NC acknowledge the many challenges he faced throughout to ensure our members were kept informed of best practise to safeguard themselves. The initiative to set up a telephone call around system by Central Office Staff to HQ Roll members, and by Branches setting up a buddy/Oppo system was most successful and much appreciated by members. As mentioned in section 17 of the main report, the Central Database proved vital to the success of this initiative.

The NC also acknowledges the support given by the Deputy National Welfare Adviser S/M Geoff Apperley who was appointed early in the year to assist the National Welfare Adviser S/M Rita Lock when she became unwell, and for his regular updates on Covid and Welfare advice. Special mention is made of Wrexham Branch for introducing the Virtual Tot Nights. These have been a great success in bringing together not only the membership from near and worldwide, but isolated veterans and created many friendships with several reunions planned.

During the year both myself and Shipmate Paul Stephenson NCM 12 (Ireland) were re-elected by the NC as National Chairman and National Vice Chairman respectively for our fifth year in office. Both Paul and I feel very privileged to continue serving the membership and representing the Association.

Apart from the physical February Committee Meetings and March National Council Meeting, the NC continued to meet throughout the year holding virtual meetings thus adhering to the Government's policy on restricted travel and social distancing.

The Association can be proud of its continued achievements in the naval veterans' community in particular the hard work and commitment of Sarah Clewes, assisted by Julie Royston over several years to make Project Semaphore a great success which the NC gratefully acknowledges. As mentioned in section 18 of the main report, the project was time limited. The project distributed almost 1000 iPads to digitally isolated naval veterans. Congratulations go to Julie Royston who took over the project following Sarah Clewes departure to new employment

outside of the Association, and Julie's dedicated team of volunteers who have continued to train and give ongoing support to existing and new recipients of the iPads as and when required.

Following the onset of Covid, our fleet of minibuses enabled Branches along with the assistance of members from local ex-service groups to distribute food parcels to vulnerable veterans who were in self isolation.

It is acknowledged that during the year our Branches throughout the UK, Europe and Overseas have been greatly restricted in their activities but in their own way managed to represent the Association in attending Commemoration and Remembrance Services whilst observing social distancing.

The Association's Finances held a steady course throughout the year despite a stormy start due to Covid and its effect on the financial markets (Sections 25 to 31 of the main report). Our funds remain in good hands invested on a custodian agreement with the RNRMC which continues to produce a good dividend. The NC acknowledge the expertise of the RNRMC Investment Team in achieving this.

The NC appreciates the support given to the Membership not only by Central Office Staff, but by Area and Branch Officials throughout this difficult year. Information on Membership will have been found in sections 20, 41 & 42 of the main report. It is pleasing to know that the loss of Members slowed, but peeping into 2021, our Membership numbers are beginning to look good. Recruitment is not just something that must be left to Central Office Staff, we as members cannot afford to sit back on our laurels. New members are out there, let us do our best to recruit them into the premier naval association.

Planning for 2021- interviews had taken place in December to recruit a Welfare Programmes Manager, for which the National Council acknowledges with grateful thanks, the grant awarded by the RNRMC to create this strategic Post as part of our strategy to provide advice and guidance to naval veterans. The recruitment of a Deputy Membership Support Manager was achieved in readiness to learn the 1001 aspects of the long serving role of our Membership Support Manager Nigel Huxtable in readiness for his retirement in 2021.



As outlined in section 20 of the main report, the year came to a close with a Special National Conference being held approving a motion to move to £0 subscription for 2021, financially supported by the RNRMC which the NC gratefully acknowledge its support, with income based on donations from the membership.

On behalf of the National Council, I thank all members of the Association for their endless hours of support and the Good Deeds they have done in representing the Association and supporting the naval veterans' community. On a personal note, I thank all Members of the National Council (Trustees) in giving numerous hours of their time to deal with Association National and Area business. The hard work and dedication of Central Office staff is acknowledged in the administration of the RNA, for producing the statistics contained in this, the Association's Annual Report, and their support to the National Council.

*Keith Ridley*  
National Chairman

### Life Members created in 2020

Tony Kemp	Mansfield	Nicola McGuinness	Newbury
David Billett	Dagenham	Robert A Barnett	Ferndown
Anthony Bright	Shrewsbury	Karen Price	Spennymoor
George Ireland	Wallasey	Jim Hammond	Rayleigh
Edmund Eichelsneik	Wallasey	Terry Day	Spalding
John Mons White	Spennymoor	Kevin Brown	Oswestry
Ronald Cunningham	Ferndown	Christopher Read	Selsey
Ernie Page	St Neots		

### WWII Veterans awarded Membership for Life

HRH Prince Philip	The Duke of Edinburgh	John Oliver	Plymouth
Vince Matchett	Newark	Bill Spowers	Christchurch
Alan Cartwright	Newark	Harold Burland	Leeds
Raymond Hopgood	Monmouth	Alan Impey	Ramsgate
Harry Bass	Romford	Geoff Sandals	Worthing
Constance Gregory	South Bristol	Ron Checketts MBE	Christchurch
Eric Talbot	South Bristol	Audrey Taylor	Christchurch
Kenneth Williams	South Bristol	Lorna Cockayne	Christchurch
Eric Davies	Stroud	John Reekie	Welwyn Garden City
William Bennett	Kidderminster	Betty Withers	Welwyn Garden City
William Frazier	St Austell	Ken Norman	Ipswich
Cyril Dixon	Newport Shropshire	Laurence Peachy	Ipswich
Bert Waters	St Helens	Frank Thomas	Ipswich
Syd Fowler	St Helens	Freddie Fitch	Norwich
William Pye	Rayleigh	Angus Gray	Norwich
Leslie Holyome	Rayleigh	David Brierly	Sittingbourne
Arthur Harrison	Rayleigh	Irene Wooler	Sunderland
James Fisher	Chatham	Ernest Walker	Leeds
Norman Bryant	Harlow	Norman Goddard	Oswestry
David Hill	Market Harborough	Robert J Townsend	Aldeburgh
John Morris	Corby	Ronald J Cuthbertson	Exeter
John Eskdale	Lydney	James Ferguson	Mid Antrim
John Hilliard	Colchester	Austin H Howes	Forth Valley
Joseph Clements	Aylesbury	Leslie Curtis	Folkestone
Peter Tector	Sidcup	Joyce Ablitt	Bognor Regis
Bill Hawkins	Dorchester	John Lewcock	Bognor Regis
Freda Wade	Dorchester	Joe Robinson	Bognor Regis
John Wright	Hemel Hempstead	Stanley Keetley	Nottingham
James Young	Inverness	Reginald A Green	HQ Roll
Alan Lichfield	Bude	Alan Sandall	Frome
Fredrick M J Wooton	Isle of Wight	Albert G Foulser	Loughton
Ted V Trowbridge	Isle of Wight	Tommy McFarland	Limavady
David S Wheeler	Isle of Wight	George Hockney	Peterborough
Alec Penstone	Isle of Wight	Ken Tinkler	Peterborough
David Sheehan	Isle of Wight	Ernest Walker	Leeds
Ernie Page	St. Neots & District	Don Wright	Newbury
Stanley Ballard	Purley	Ernie Davies	Dagenham
Stephen Hickmott	Eastbourne	John Oakey	Frome
Harry Waddingham	Eastbourne	Tony Smith	Bolton
Ronald Carr	Colchester		

## Motions approved at Conference 2020

That the 2022 Conference be held in conjunction with the 40<sup>th</sup> Anniversary Commemorations of the Falklands Conflict in Portsmouth over the weekend of 17-19 June 2022.

## Motions approved at Special Conference 2020

That the RNA annual subscription, for all membership categories, is zero (GBP0.00) with effect from 1st January 2021.

George Coring and Alf Lonsdale VJ Day Veterans



The General Sec and Bob Cumming at the city of Edinburgh Branch 20<sup>th</sup> Birthday, just before lockdown.



Black Tot 50<sup>th</sup> anniversary



## Annex A – Fireside Chats conducted in 2020

01-Jun	VA John McAnally	Battle of Jutland
8	Bill Taylor WW2 vet	Murmansk Convoys and D-Day
15	Paul Godfrey	Op Paraquet - The Retaking of S Georgia
22	Ralph Dodds	Taranto
29	Capt Pete Viney	Recruiting in 2020
06-Jul	Ralph Dodds	Gulf War 1 - Saddam: My Part in his Downfall
13	Dr Jann Witt	German Surface Strategy WW2
20	Mike Smith	HMS Sheffield - a survivor's perspective
27	Capt Jude Terry	A modern perspective on the RN
03-Aug	Cdr David Pickles	QEC Development
10	Mike Milne	Op Pedestal (Malta Convoy)
17	Bill Oliphant	PNB Preps for arrival of QE
24	Ralph Dodds	Success of PEDESTAL v failure of PQ17
31	David Cutler	100 years of RN photography
07-Sep	Mark Slawson	Caledonian MacBrayne Operations
14	VA John McAnally	The Pacific War
21	WO1 Mick Turnbull	Fleet Cdr's Warrant Officer - Naval update
28	Ian Cameron	The Fairey Swordfish and the Sinking of the Bismarck
05-Oct	Capt Dave George	COB Portsmouth - Naval Base Update
12	Rob Bosshardt	CEO RNBT
19	Dr Jann Witt	Nelson - A German perspective
26	Mike Milne	U-571: The REAL Story
02-Nov	WO1 Speedy Steedman	WO to the RN - 1SL's Navy Update
9	Brig James Stopford	CEO The Not Forgotten Association
16	Stephen Green	HMS VICTORY Conservation Prog
23	Ian Cameron	Salamis a crucial ancient sea battle
30		Imperial War Museum Briefing
07-Dec	Keith Malcolm	Naval Veteran Support at QA Hospital Portsmouth
14	Shep Woolley	Christmas Concert
21/28	Christmas Break	

## REPORT OF SPECIAL NATIONAL COUNCIL MEETING ON 17 NOV 2020

1. A Special online meeting of the National Council was held to discuss the specific issue of switching the RNA's funding model from subscription based to donation based. It is of note that the Royal Marines Association has gone down this path and has already significantly grown its membership numbers. The National Council unanimously agreed that this model gave the best opportunity of allowing the RNA to arrest its declining membership numbers and allow it to grow and become sustainable. It was also agreed that the sooner it was implemented the more its chances of success. The time for collecting 2021 subscriptions is imminent. Members need to be told soon if they are no longer required. Moving to donation based funding is of such significance that Conference approval is appropriate. Therefore a Special National Conference will be held online, 21 December 2020, 1400, to consider the following National Council motion:

**To move that the RNA annual subscription, for all membership categories, is zero (GBP0.00) with effect from 1st January 2021.**

### Background

2. An important catalyst for this change has of course been Covid and the very real possibility that Branches will still not be able to meet come the New Year. This leaves the pragmatic problem of the collection of subscriptions but notwithstanding, membership numbers have been creeping South in recent years and despite many initiatives and attempts at recruiting, the numbers continue to decline. The RNA has lost over 1000 per year for at least the last 6 years reducing to a total membership at 31 Dec 19 of 11230 shipmates.

3. At a meeting of the NC in December 2019 declining membership was discussed and the NC resolved that they were not content to allow the Association to wither to a core. All felt that the RNA brand deserved more and that we ought to be more ambitious for our Association. A vision was thus agreed:

**To have established and maintained the RNA on a sustainable footing which still meets the original Objects of the Charity while maintaining relevance and respect in modern society.**

4. Taking this vision, during 2020 the Strategy Group within the NC developed a strategy which was defined simply as:

**A strategy to provide the RNA with a capability update to make it accessible and attractive to a wider cross section of the Naval Family.**

5. During the development of this strategy, Covid appeared and the Association switched from our usual routine of meetings and events where we could meet like-minded folk for social gatherings to a support network linking in shipmates and ensuring that our Oppos were looked after and had the support they needed to fit their circumstances.

6. At this point, the RNA was approached by the RNRMC<sup>4</sup> to ask for help in achieving their objectives by reaching more of the naval veteran community and especially those veterans who might be described as hidden, lost or lonely. The RNA was the obvious Association to do this as membership was not restricted to Arm, Branch, Type, sex or ship. It is envisaged that by deleting annual subscriptions we can bring about a situation of "why would you not join the

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<sup>4</sup> Royal Navy Royal Marines Charity

RNA? Furthermore, it also offer the possibility of automatically enrolling Naval personnel something that is not possible for a subscription based organization. It was suggested that the RNRMC would support the RNA while it increased its donation base to make it self-sustaining. A partnership was envisaged with the following intent.

## **Intent**

7. To grow the RNA from its current membership base of circa 11,000 members to reach much more of the veteran community to allow them to share in the benefits of RNA membership and especially to reach hidden, lost and lonely naval veterans in the community to enhance their lives and allow them some dignity and respect while recognising society's debt to them for their service to the nation. Also, recognising the positive effect that camaraderie has on wellbeing, it will allow individuals to reinforce their mental health resilience through their friendships within the RNA and other Naval Associations. By making the RNA a "Free to Join" organisation, it would improve accessibility and attractiveness making it complementary to the extensive network of smaller and more restrictive associations and allow the RNRMC to communicate more effectively with the veteran community. With the establishment of befriending networks and working with partners like ASDIC, VOS and Silverline we hope to reach more of the naval veteran community. The intent is also to improve the benefits of membership to reduce the average age of the RNA membership so that it is more relevant and appealing to veterans in the community of all ages, not just the elderly.

## **Desired Outcomes**

8. The desired outcomes of this arrangement between the partners are:

- To have established and maintained the RNA on a sustainable footing which still meets the original Objects of the Charity while maintaining relevance and respect in modern society.
- To have improved communications to reach more of the veteran community and wider naval family.
- To have created the opportunity to build mental health resilience within the membership
- To have created the framework to allow a sense of dignity for hidden, lost and lonely naval veterans
- To establish an organisation which is seen as the "go to" Association for camaraderie
- To enhance the Transition process by giving Service leavers access to a network of RNA mentors (sea daddies or, rather, sea civvies)
- To pursue the goal of extending the concept of joining not just the RN but a wider, life long, Naval Family
- To improve accessibility by withdrawing subscriptions and allowing auto-enrolment of naval personnel.
- To make the Association more attractive by introducing a mentoring scheme for those leaving the Service, by introducing more activity-based Groups and by better using the diary and events available to us to exploit opportunities for comradeship.

## Means

9. The RNA would cease collecting subscriptions and move to a donations based income sharing the risk by using RNA strategic reserves along with RNRMC funding which would reduce on a tapered scale until the RNA is able to declare itself self-sustaining. It is estimated that this will be achievable within 4-5 years. The RNA would be “contracted” to achieve the desired outcomes with SMART<sup>5</sup> objectives set through agreement.

## Finances

10. The National Council has, for some years now, set a deficit budget to achieve its objectives. In most years until recently this deficit has been reduced or eliminated by legacies which has masked the decline in revenue through subscriptions. But in recent years this effect has declined such that in 2020 legacies have amounted to less than £1000 of income. Every year that legacies do not cover our losses, we must nibble into our reserves. Unless any miraculous legacy income appears in the next 5 weeks, we stand to run at a loss of £130k this year. All of these losses inevitably come from our reserves. The point here is that rather than frittering away our reserves with the current model and allowing a slower decline, the concept is to use those reserves for a deliberate action which would allow us to set ourselves up to be able to achieve a sustainable financial model.

11. Without subscriptions, the RNA budget for 2021 shows a deficit of £280k which it is proposed is shared between RNA Strategic Reserves and RNRMC funding. The grant request therefore sits at £140k which is considerably more than we might expect from subscriptions if they were retained.

12. Analysis suggests that a donations based funding model could in time produce significantly more revenue than retaining subscriptions. This is borne out by Royal Marine Association experience to date.

## Risk

13. Clearly, there is a risk in changing to a donation based income model. However the National Council consider that the risk of maintaining the status quo is greater. The recent move of Central Office to a refurbished independent building within Portsmouth Naval Base, indicates that the RN is not about to make the Association’s administrative offices destitute therefore, using an element of the strategic reserve currently held in the Property Fund since the office moved from London in 2008, to establish the new model is deemed a sensible way to re-launch the Association out of Covid.

14. In addition, the RNRMC Board is yet to approve this funding stream, however, this initiative stems from their Chief Executive, Adrian Bell, and is being strongly pushed at a Funding Board on 3 December as supporting the RNA to achieve the reach to support the naval veteran family which RNRMC is obliged by their Charitable Objects to achieve. The funding the RNRMC would grant to the RNA in 2021 represents a relatively small element of a £3m deficit budget for RNRMC in 2021. On the basis of numerous discussions at Chief Executive level between the RNA and RNRMC the National Council believe that it is reasonable to plan on this grant being provided and that it is therefore appropriate for The RNA to anticipate it in order to line itself up for immediate implementation in 2021 rather than wait until 2022. Hence the need for a Special

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<sup>5</sup> Specific, Measurable, Attainable, Relevant, and Time-Bound

Conference.

## **Responsibility**

15. Those who saw this year's scaled back commemorations at the Cenotaph on Remembrance Sunday will have witnessed our National President lay a wreath on behalf of all naval veterans. You will also have noted that, of the 26 veterans who were permitted to march past the Cenotaph this year, the only naval veteran representation were the 2 members of the RNA. This underlines the special position of The RNA within the Veteran community. We are the only naval association representative of, and open to all, naval serving and veterans, and their families. The National Council of the RNA are proud of their ambition for our Association and believe that it must seize this opportunity for growth and sustainability.

## **Recommendation**

16. The National Council unanimously recommends that Branches support this Motion.

## **BULL POINT SUMMARY**

- RNA membership numbers have been falling by 1000 per year for the past 6 years.
- We've been trying to arrest this for 20 years but have not found a route.
- The RNA have already dispensed with subscriptions and moved to a donations based funding model and a close relationship with the RNRMC.
- They have since grown their membership numbers.
- The RNRMC have approached the RNA for assistance in reaching more naval veterans especially the hidden, lost and lonely.
- The larger our numbers the more effective assistance we can provide. The corollary of this is that with a declining membership the sooner we clinch the deal with the RNRMC the more attractive a partner we are to them.
- A no subs/donation based funding model holds out the prospect of marketing membership as "why would you not join the RNA?" and also the possibility of auto enrolling all naval personnel. That could not be done with a subscription based model.
- Subject to the approval of their Board the RNRMC envisage a substantial financial contribution to the RNA while its donation based funding model finds its feet.
- There are of course risks but the National Council consider that posed by the status quo is at least as big and probably bigger.
- Our financial reserves have avoided reduction commensurate with falling subscription revenue largely through legacies. But we are not receiving many now- less than £1K in 2020. A donation based model will make it much easier to approach corporate donors.
- This move offers the only way the National Council can see of achieving the holy grail of increasing membership numbers.
- By achieving greater membership numbers we can implement a wide range of initiatives to make the RNA offer broader and even more attractive. (paras 8 and 11 above).
- So please support the National Council Motion at the Special Conference

**THE ROYAL NAVAL ASSOCIATION**

Charity Registration Number: 266982

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**DRAFT**  
**STATEMENT OF ACCOUNTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**

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**BROOMS PROFESSIONAL SERVICES LIMITED**  
**CHARTERED CERTIFIED ACCOUNTANTS**  
**REGISTERED AUDITORS**

**The Royal Naval Association**  
**DRAFT**  
**Statement of the Trustees' Responsibilities**

The trustees are required to prepare accounts for each financial year which give a true and fair view of the Association's financial activities during the year and of its financial position at the end of the year. In preparing those accounts, 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the accounts,

Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Association will continue its activities.

The trustees (through the general secretary) are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Association at any time. They also are responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**The Royal Naval Association**  
**DRAFT**  
**Statement of Financial Activities for the year ended 31st December 2020**

Description	Note	Unrestricted Funds					Restricted Funds										2020 Total £	2019 Total £
		General Fund £	Life Subscriptions Fund £	Standards Fund £	Property Fund £	Central Charities Fund £	1000 Good Deeds Fund £	Branch and Club Support Fund £	Naval Service Memorial Fund £	Project Semaphore Fund £	Irish Project Semaphore Fund £	Helping Hands Fund £	Minibus Fund £	Podcast Fund £	Welfare Salary Fund £	NHS Ventilator Appeal Fund £		
<b>Income and endowments from:</b>																		
Donations and legacies	2	271,701	1,540	1,402	-	5,494	-	3,390	-	-	-	-	-	610	8,750	15,315	308,202	281,222
Charitable activities	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other trading activities	4	7,562	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,562	18,497
Investments	5	47,025	-	-	-	-	-	-	-	98	-	-	50	-	-	-	47,173	64,405
Other		949	-	-	-	-	-	-	-	-	-	-	-	-	-	-	949	1,304
<b>Total income and endowments</b>		<b>327,237</b>	<b>1,540</b>	<b>1,402</b>	<b>-</b>	<b>5,494</b>	<b>-</b>	<b>3,390</b>	<b>-</b>	<b>98</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>610</b>	<b>8,750</b>	<b>15,315</b>	<b>363,886</b>	<b>365,728</b>
<b>Expenditure on:</b>																		
Raising funds	6	6,271	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,271	14,811
Charitable activities	7	302,541	-	1,116	-	4,000	-	6,185	699	59,132	-	610	5,398	-	6,454	15,180	401,759	504,025
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditure</b>		<b>308,812</b>	<b>-</b>	<b>1,116</b>	<b>-</b>	<b>4,000</b>	<b>444</b>	<b>6,185</b>	<b>699</b>	<b>59,132</b>	<b>-</b>	<b>610</b>	<b>5,398</b>	<b>-</b>	<b>6,454</b>	<b>15,180</b>	<b>408,030</b>	<b>518,836</b>
Net gains/(Losses) on investments		(60,157)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(60,157)	119,518
<b>Net income/(expenditure)</b>		<b>(41,732)</b>	<b>1,540</b>	<b>286</b>	<b>-</b>	<b>1,494</b>	<b>(444)</b>	<b>(2,795)</b>	<b>(699)</b>	<b>(59,034)</b>	<b>-</b>	<b>(610)</b>	<b>(5,348)</b>	<b>610</b>	<b>2,296</b>	<b>135</b>	<b>(104,301)</b>	<b>(33,790)</b>
Transfers between funds		3,764	(3,764)	-	-	(4,865)	5,000	-	-	-	-	-	-	-	-	(135)	-	-
<b>Net movement in funds</b>		<b>(37,968)</b>	<b>(2,224)</b>	<b>286</b>	<b>-</b>	<b>(3,371)</b>	<b>4,556</b>	<b>(2,795)</b>	<b>(699)</b>	<b>(59,034)</b>	<b>-</b>	<b>(610)</b>	<b>(5,348)</b>	<b>610</b>	<b>2,296</b>	<b>-</b>	<b>(104,301)</b>	<b>(33,790)</b>
Balances brought forward at 1st January 2020		1,318,966	16,385	10,507	491,375	14,920	-	36,035	12,301	88,920	8,304	4,242	27,126	-	15,533	-	2,044,614	2,078,404
<b>Balances carried forward at 31st December 2020</b>		<b>1,280,998</b>	<b>14,161</b>	<b>10,793</b>	<b>491,375</b>	<b>11,549</b>	<b>4,556</b>	<b>33,240</b>	<b>11,602</b>	<b>29,886</b>	<b>8,304</b>	<b>3,632</b>	<b>21,778</b>	<b>610</b>	<b>17,829</b>	<b>-</b>	<b>1,940,313</b>	<b>2,044,614</b>

**The Royal Naval Association**  
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**Balance Sheet as at 31st December 2020**

	Notes	£	<u>2020</u> £	£	<u>2019</u> £
<b>Fixed assets</b>	11		1,882		465
<b>Investments</b>	12		1,696,873		1,962,397
<b>Current assets</b>					
Stock of goods for resale		9,706		10,140	
Debtors	13	47,166		42,207	
Balances with bankers		366,632		134,929	
Cash in hand		93		274	
<i>Total current assets</i>			<u>423,597</u>	<u>187,550</u>	
<b>Creditors: amounts falling due within one year</b>					
Creditors	14	182,039		105,798	
			<u>182,039</u>	<u>105,798</u>	
<i>Net current assets</i>			241,558		81,752
<i>Total assets less current liabilities</i>			<u>1,940,313</u>	<u>2,044,614</u>	
<b>Unrestricted funds</b>					
General fund			1,280,998		1,318,966
Life subscription fund			14,161		16,385
Standards fund			10,793		10,507
Property fund			491,375		491,375
<b>Restricted funds</b>					
Central charities fund			11,549		14,920
1000 good deeds fund			4,556		0
Branch and club support fund			33,240		36,035
Naval service memorial fund			11,602		12,301
Project semaphore fund			29,886		88,920
Irish project semaphore fund			8,304		8,304
Helping hands fund			3,632		4,242
Minibus fund			21,778		27,126
Podcast fund			610		-
Welfare Salary Fund			17,829		15,533
NHS ventilator appeal fund			-		-
			<u>1,940,313</u>	<u>2,044,614</u>	

**The Royal Naval Association**  
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**Statement of Cash Flow as at 31st December 2020**

	<u>2020</u> £	<u>2019</u> £
<b>Cash flow from fund activity</b>		
Net movement in funds	(104,301)	(33,790)
Reconciliation to cash generated from operations:		
Depreciation	304	480
Investment income	(47,173)	(64,405)
Net loss/(gain) in investments	60,157	(119,518)
Decrease in stocks	434	2,500
Increase in debtors	(4,959)	55,552
Increase in creditors	26,241	(20,471)
<b>Net cash flow from fund activities</b>	<u>(69,297)</u>	<u>(179,652)</u>
<b>Cash flow from investing activities</b>		
Payments to acquire tangible fixed assets	(1,721)	-
Payments to acquire investments	(247)	(1,468)
Receipts from disposal of investments	205,614	140,000
Interest received	47,173	64,405
<b>Net cash flow from investing activities</b>	<u>250,819</u>	<u>202,937</u>
<b>Cash flow from financing activities</b>	50,000	-
<b>Net cash flow from financing activities</b>	<u>50,000</u>	<u>-</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	231,522	23,285
<b>Cash and cash equivalents at start date 2020</b>	135,203	111,918
<b>Cash and cash equivalents at end date 2020</b>	<u><u>366,725</u></u>	<u><u>135,203</u></u>
<b>Cash and cash equivalents consists of:</b>		
Cash at bank and in hand	366,725	135,203
Short term deposits	-	-
<b>Cash and cash equivalents at end date 2020</b>	<u><u>366,725</u></u>	<u><u>135,203</u></u>

**The Royal Naval Association**  
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**Notes to the Accounts for the year ended 31st December 2020**

**1. Accounting Policies**

**a. Accounting Convention**

The financial statements have been prepared under the historical cost convention, modified for the revaluation of investments. They have been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) issued on 16th July 2014, applicable accounting standards and the Charities Act 2011. They have been prepared on an accruals basis of accounting.

**b. Reconciliation with previous Generally Accepted Accounting Practice**

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS102 and the Charities SORP FRS102 a restatement of comparative items was needed. No restatements were required.

**c. Income Recognition**

Income is recognized in the period when the Association is entitled to receipt and the amount can be measured with reasonable accuracy. In accordance with this policy:

*Legacies* are included when the Royal Naval Association is advised that a payment will be made and the amount involved can be quantified.

*Grants* are included when the conditions for receipt have been complied with.

*Gifts in kind* and tangible income are included at cost to the donor if known, or the value to the Royal Naval Association at the date of receipt.

The accounting policy for subscription income is detailed below.

**d. Fund Accounting**

General funds are unrestricted funds which are available for the use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for any other purpose.

Designated funds are comprised of unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific funds. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income and gains are allocated to the appropriate fund.

**e. Annual Subscription**

Annual subscriptions relating to past and current years are taken as income upon receipt. Those received in advance are carried forward and taken as income in the year to which they relate.

**f. Life Members' Subscriptions**

Life subscriptions cannot be purchased by individuals, but only by Branches and Areas in recognition of meritorious service. Life subscriptions received are brought into the Accounts as income by equal instalments over a period of ten years.

**g. Gift Aided Subscriptions**

Income Tax is recoverable from HM Revenue & Customs in respect of subscriptions paid by gift aid, and is taken into account in the year the subscriptions are received.

**The Royal Naval Association**  
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**Notes to the Accounts for the year ended 31st December 2020**

**1. Accounting Policies (continued)**

**h. Investments and Bank Deposits**

Investments are stated at market value as at the balance sheet date using the closing quoted market price. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised gains and losses are combined in the Statement of Financial Activities. Dividends and interest receivable are included in the income and expenditure account when they are received at an amount which includes any tax credit recoverable from HM Revenue & Customs. Interest receivable from fixed term deposits are accrued in the period that it is due.

**i. Expenditure Recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

**j. Allocation of Support and Governance Costs**

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

The only apportionment to governance costs relate to administrative salaries etc., and annual conference, which are apportioned on the basis of 10% to governance costs, based on staff time allocated to governance issues.

**k. Cost of Raising Funds**

The costs of generating funds consist of investment management costs.

**l. Cost of Charitable Activities**

The cost of charitable activities includes grants made, costs attributable to charitable activities, governance costs and other support costs.

**m. Income Tax Reclaimed on Gift Aid**

Income tax is recovered from HMRC on income received from subscriptions and donations by way of the gift aid scheme during the year. However, the actual amount recoverable for the year is brought in as a provision due to the delay in the processing of the information. The difference between the actual amount received and the provision is then adjusted for in the subsequent year.

**n. Area Capitation Fees**

The area capitation fees are based on two elements, a) 5% of the subscriptions received from branches in each area by 31st December, and b) 80% of the amount over £10,000 recovered from HMRC by way of the Gift Aid scheme.

**o. Tangible Fixed Assets**

Tangible fixed assets are capitalised when the cost of such assets (excluding VAT) exceeds £500. Tangible fixed assets are stated at cost less depreciation which is provided in annual instalments over the estimated useful economic lives of the assets. Depreciation is provided at the following annual rates:

Fixtures and Fittings      20% straight line

**p. Stocks**

Stocks consist of purchased goods for resale and are stated at the lower of cost and net realisable value. Provision is made for slow-moving or obsolete items where appropriate.

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**Notes to the Accounts for the year ended 31st December 2020**

**2. Donations and legacies**

	Unrestricted Funds			Restricted Funds								
	General Fund £	Life Subscriptions Fund £	Standards Fund £	Central Charities Fund £	Branch and Club Support Fund £	Project Semaphore Fund £	Minibus Fund £	Podcast Fund £	Welfare Salary Fund £	NHS Ventilator Appeal Fund £	2020 Total £	2019 Total £
Subscriptions	126,189	1,540	-	-	-	-	-	-	-	-	127,729	139,923
Corporate sponsorship	2,125	-	-	-	-	-	-	-	-	-	2,125	2,875
Fees	101	-	1,402	-	-	-	-	-	-	-	1,503	1,447
Donations, grants, gifts and legacies	147,044	-	-	5,494	3,390	-	-	610	8,750	15,315	180,603	142,654
Income tax reclaimed on gift aid	1,335	-	-	-	-	-	-	-	-	-	1,335	267
Area capitation fees	(5,093)	-	-	-	-	-	-	-	-	-	(5,093)	(5,844)
	<u>271,701</u>	<u>1,540</u>	<u>1,402</u>	<u>5,494</u>	<u>3,390</u>	<u>-</u>	<u>-</u>	<u>610</u>	<u>8,750</u>	<u>15,315</u>	<u>308,202</u>	<u>281,322</u>

**3. Other trading activities**

	Unrestricted Funds			Restricted Funds								
	General Fund £	Life Subscriptions Fund £	Standards Fund £	Central Charities Fund £	Branch and Club Support Fund £	Project Semaphore Fund £	Minibus Fund £	Podcast Fund £	Welfare Salary Fund £	NHS Ventilator Appeal Fund £	2020 Total £	2019 Total £
Sale of goods	4,347	-	-	-	-	-	-	-	-	-	4,347	14,038
Sale of diaries	3,215	-	-	-	-	-	-	-	-	-	3,215	4,459
	<u>7,562</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,562</u>	<u>18,497</u>

**4. Investment income**

	Unrestricted Funds			Restricted Funds								
	General Fund £	Life Subscriptions Fund £	Standards Fund £	Central Charities Fund £	Branch and Club Support Fund £	Project Semaphore Fund £	Minibus Fund £	Podcast Fund £	Welfare Salary Fund £	NHS Ventilator Appeal Fund £	2020 Total £	2019 Total £
Income from listed investments	46,755	-	-	-	-	-	-	-	-	-	46,755	62,451
Bank deposit - interest on cash deposits	270	-	-	-	-	98	50	-	-	-	418	1,954
	<u>47,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98</u>	<u>50</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,173</u>	<u>64,405</u>

**5. Other Income**

	General Fund £	Life Subscriptions Fund £	Standards Fund £	Central Charities Fund £	Branch and Club Support Fund £	Project Semaphore Fund £	Minibus Fund £	Podcast Fund £	Welfare Salary Fund £	NHS Ventilator Appeal Fund £	2020 Total £	2019 Total £
Pooled fares	-	-	-	-	-	-	-	-	-	-	-	175
Certificate of appreciation admin charge	175	-	-	-	-	-	-	-	-	-	175	725
Royalties and commission received	774	-	-	-	-	-	-	-	-	-	774	404
	<u>949</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>949</u>	<u>1,304</u>

**The Royal Naval Association**  
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**Notes to the Accounts for the year ended 31st December 2020**

**6. Expenditure on:**  
**Raising funds**

	<b>2020</b>	<b>2019</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<i>Unrestricted General fund:</i>		
Cost of goods	4,156	12,593
Cost of diaries	2,115	2,218
<b>Total</b>	<b>6,271</b>	<b>14,811</b>

**7. Expenditure on:**  
**Charitable activities**

	<b>2020</b>	<b>2019</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<i>In furtherance of the Charity's objectives.</i>		
<i>Funded from unrestricted funds:</i>		
Administrative salaries and staff pension scheme contributions	182,740	162,357
Temporary staff	-	6,066
National insurance contributions	11,084	12,582
Professional accountancy and consultancy fees	11,000	11,000
Travelling and liaison	7,521	35,024
Rent, utilities and cleaning	3,788	1,711
Insurance	3,936	3,893
Postage and telephone	6,556	7,029
Printing, stationery and computer supplies	1,804	1,696
Circulars and newsletters	5,035	5,028
Repairs and maintenance	5,947	5,471
Grants for tablets	-	-
Office equipment leasing	1,174	1,241
Marketing, publicity and website	11,152	22,732
New database	3,199	-
National branch recruitment & retention	-	641
Jackapedia app	4,700	-
Mentoring and prizes	2,531	1,623
Social media costs	3,033	6,760
Shipmates and oppos programme	17,237	24,274
CONA expenditure	1,313	3,484
Independent examination	1,000	1,000
Membership cards	536	1,259
Staff training and recruitment	119	4,689
Legal and professional fees	9,270	646
Subscriptions to other organisations	432	1,379
Bank charges and interest	1,984	2,012
Currency conversion (gain)/loss	(45)	(26)
Depreciation of fixtures and fittings	304	480
Miscellaneous expenses	1,238	1,338
Bad debts written off	333	848
Cenotaph biennial parade	-	5,570
Standard bearers' competition	-	-
Social and ceremonial events	2,544	2,383
Youth sailing camp	-	891
Welfare seminar	-	-
IMC executive council	(3)	1,554
Donation by national council	-	-
Annual conference	971	15,467
Black Tot Day	108	1,586
<i>Funded from restricted funds:</i>		
Grants from standards fund	1,116	121
Grants from central charities fund	4,000	10,250
Grants from 100 good deeds fund	444	-
Grants from branch and club support fund	6,185	7,810
Bad debts written off on branch and club support fund	-	2,250
National memorial costs	699	565
iPads and cases for project semaphore	25,007	84,900
Administrative costs for project semaphore	34,125	25,876
Administrative costs for irish project semaphore	-	1,534
Administrative costs for helping hands	610	2,017
Minibus project expenditure	5,398	5,547
Administrative costs for welfare salary	6,454	9,467
Grants from nhs ventilator appeal fund	15,000	-
Administrative costs from NHS ventilator appeal fund	180	-
	<b>26,745</b>	<b>504,025</b>
	<b>322,749</b>	<b>52,265</b>
	<b>401,759</b>	<b>504,025</b>

**The Royal Naval Association**  
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**Notes to the Accounts for the year ended 31st December 2020**

**8. Allocation of governance and support costs**

	<b>2020</b>			<b>2019</b>	
	Total allocated £	Governance related £	Other Support costs £	Governance related £	Other Support costs £
<i>Funded from unrestricted funds:</i>					
Administrative salaries and staff pension scheme contributions	18,274	18,274	-	16,236	-
Temporary staff	-	-	-	-	6,066
National insurance contributions	1,108	1,108	-	1,258	-
Professional accountancy and consultancy fees	11,000	11,000	-	11,000	-
Travelling and liaison	1,894	1,894	-	21,899	-
Rent, utilities and cleaning	3,788	-	3,788	-	1,711
Insurance	3,936	-	3,936	-	3,893
Printing, stationery and computer supplies	1,804	-	1,804	-	1,696
Office equipment maintenance	5,947	-	5,947	-	5,471
Grants for tablets	-	-	-	-	-
Office equipment leasing	1,174	-	1,174	-	1,241
Independent examination	1,000	1,000	-	1,000	-
Legal and professional fees	-	-	-	-	646
Bank charges and interest	1,984	-	1,984	-	2,012
Currency conversion loss/(profit)	(45)	-	(45)	-	(26)
Depreciation of fixtures and fittings	304	-	304	-	480
Annual conference	97	97	-	1,547	-
	<u>52,265</u>	<u>33,373</u>	<u>18,892</u>	<u>52,940</u>	<u>23,190</u>

**The Royal Naval Association**  
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**Notes to the Accounts for the year ended 31st December 2020**

**9. Grants Awarded**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<i>Standards fund:</i>		
Grants to Branches	1,116	121
<i>Central Charities Fund:</i>		
Welfare grants to Individuals	-	-
Grants to Organisations for Individuals:	4,000	10,250
<i>1000 Good Deeds Fund:</i>		
Grants to individuals	444	-
<i>Branch and Club Support Fund:</i>		
Grants to Branches and Clubs	6,185	7,810
<i>NHS Ventilator Fund</i>		
Grants to Hospitals	15,000	-
Total Grants Awarded	<u>26,745</u>	<u>18,181</u>

**10. Net Incoming Resources after charging:**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<i>Net incoming resources are stated after charging in the General Fund:</i>		
Brooms Professional Services Ltd:		
independent examination	1,000	1,000
accountancy, taxation and consultancy	11,000	11,000
Depreciation of fixtures and fittings	304	480
Operating lease rentals of equipment	1,174	1,241
	<u>13,478</u>	<u>13,721</u>

**11. Fixed Assets**

	<b>Fixtures &amp; Fittings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Cost/Valuation</b>		
At 1st January 2020	11,764	11,764
Additions	1,721	1,721
Disposals	-	-
At 31st December 2020	<u>13,485</u>	<u>13,485</u>
<b>Depreciation</b>		
At 1st January 2020	11,299	11,299
Charge for year	304	304
Disposals	-	-
At 31st December 2020	<u>11,603</u>	<u>11,603</u>
<b>Net Book Value</b>		
At 31st December 2020	<u>1,882</u>	<u>1,882</u>
At 31st December 2019	<u>465</u>	<u>465</u>

**The Royal Naval Association**  
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**Notes to the Accounts for the year ended 31st December 2020**

**12. Investments**

The investment portfolio has been valued at market value as at 31st December 2020.

The investments are categorised as follows:

	<b>2020</b>		<b>2019</b>	
	Market Value	Cost	Market Value	Cost
	£	£	£	£
Listed investments	1,696,873	1,682,607	1,757,030	1,682,607
Funds held on deposit	-	-	205,367	205,367
	<u>1,696,873</u>	<u>1,682,607</u>	<u>1,962,397</u>	<u>1,887,974</u>

**13. Debtors**

	<b>2020</b>	<b>2019</b>
	£	£
Due from branches	10,283	7,827
Loans to clubs and branches	15,000	10,000
Sundry debtors and prepayments	21,883	24,380
	<u>47,166</u>	<u>42,207</u>

**14. Creditors**

	<b>2020</b>	<b>2019</b>
	£	£
Bank loan	50,000	-
Trade creditors	11,870	8,744
Due to branches	3,091	2,736
Provision for capitation fees	5,093	5,844
Funds from decommissioned branches	68,402	48,361
Sundry creditors, accruals and deferred income	43,583	40,113
	<u>182,039</u>	<u>105,798</u>

**The Royal Naval Association**  
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**Notes to the Accounts for the year ended 31st December 2020**

**15. Staff costs**

	<b>2020</b>	<i>2019</i>
	<b>£</b>	<i>£</i>
Salaries	217,132	<i>197,896</i>
Pension costs	13,554	<i>13,904</i>
Employers' national insurance	14,402	<i>16,001</i>
	<u>245,088</u>	<u><i>227,801</i></u>

	<b>No.</b>	<i>No.</i>
Average number of staff during the year:		
Employee's emoluments below £60,000	5	<i>4</i>
Employee's emoluments above £60,000	-	<i>-</i>
Employee's emoluments paid through other fund grants	1	<i>1</i>
Employee's emoluments paid through shipmates campaign grants	1	<i>1</i>
Employee's emoluments paid through social media grant	1	<i>1</i>
	<u>8</u>	<u><i>7</i></u>

No trustee or person related or connected by business to them has received any remuneration from the Association nor have they entered into any transaction, contract or other arrangement with the Association during the year.

During the year, expenses were reimbursed to the Board of Trustee members which principally represent reimbursed travelling, accommodation and subsistence expenses in attending meetings and official arrangements, which are included in the "travelling and liaison - national council and other committee meetings" cost of £1,894.

**16. Funds**

- a. The General Fund and Life Subscription Funds are unrestricted funds used for general purposes.
- b. The Standards Fund is to be used for the repair or replacement of damaged, lost or stolen branch standards.
- c. The Property Fund is designated for the purpose of acquiring property for use by the Central Office.
- d. The Central Charities Fund is used for specific charitable projects which must provide assistance to serving and ex-naval personnel and their dependants.
- e. The 1000 Good Deeds Fund is to encourage more able shipmates to take less able shipmates out to events.
- f. The Branch and Club Support Fund provides assistance to branches and their clubs.
- g. The Naval Service Memorial Fund (formally known as Charter Challenge 2014 Fund) is used for the future maintenance and insurance of the memorial erected at The National Memorial Arboretum.
- h. The Project Semaphore Fund is to provide information technology to the digitally isolated veterans.
- i. The Irish Project Semaphore Fund is to provide information technology to the digitally isolated UK veterans living in the whole of Ireland.
- j. The Helping Hands Fund is to provide assistance to the financing of iPad volunteer expenses.
- k. The Minibus Fund is to be used to supply and maintain three minibuses to mitigate social isolation in veterans.
- l. The Welfare Salary Fund is to provide funds for a salary for the professionalisation of welfare support to the membership.
- m. The Podcast Fund is to promote and contribute to the well being of shipmates and tackle loneliness.
- n. NHS Ventilator Fund is to raise at least £15,000 in order to help buy a ventilator for the NHS.

**The Royal Naval Association**  
**DRAFT**  
**Income and Expenditure Account for the year ended 31st December 2020**

	£	<u>2020</u> £	£	<u>2019</u> £
<b>Income</b>				
Annual Subscriptions		126,189		137,193
Corporate Sponsorship		2,125		2,875
Life Member Subscriptions		3,764		4,035
Replacement Membership Cards		101		42
Income Tax Reclaimed on Gift Aid		1,335		267
		<u>133,514</u>		<u>144,412</u>
<b>Less: Area Capitation Fees</b>		(5,093)		(5,844)
		<u>128,421</u>		<u>138,568</u>
Goods Department - Income	4,347		14,038	
Costs	<u>(4,156)</u>		<u>(12,593)</u>	
		191		1,445
Diaries - Income	3,215		4,459	
Costs	<u>(2,115)</u>		<u>(2,218)</u>	
		1,100		2,241
Certificate of Appreciation Admin Charge		175		725
Royalties and Commission Received		774		404
Investment Income		47,025		63,589
Grant for CONA		1,313		3,484
Grant for Shipmates and Oppos Programme		-		30,000
Grant for Social Media Marketing		3,033		6,760
Government Grants Received		8,995		-
Donations and Legacies Received		133,703		51,302
<b>Total Income (carried forward)</b>		<u>324,730</u>		<u>298,518</u>

Note: This page does not form part of the formal accounts

**The Royal Naval Association**  
**DRAFT**  
**Income and Expenditure Account for the year ended 31st December 2020 (continued)**

	<u>2020</u>	<u>2019</u>
	£	£
Brought forward	324,730	298,518
<b>Deduct: Expenditure</b>		
Administrative Salaries and Staff Pension		
Scheme Contributions	182,740	162,357
Temporary Staff	-	6,066
National Insurance Contributions	11,084	12,582
Professional Accountancy and		
Consultancy Fees	11,000	11,000
	<u>204,824</u>	<u>192,005</u>
Travelling and Liaison:-		
National Council and Other Committee meetings	1,894	21,899
Central Office Staff and Officials	5,627	12,478
Central Office Open Days	-	647
	<u>7,521</u>	<u>35,024</u>
Rent, Utilities and Cleaning	3,788	1,711
Insurance	3,936	3,893
Postage and Telephone	6,556	7,029
Printing, Stationery and Computer Supplies	1,804	1,696
Circulars and Newsletters	5,035	5,028
Office Equipment Maintenance	5,947	5,471
Grants for Tablets	-	-
Office Equipment Leasing	1,174	1,241
Marketing, Publicity and Website	11,152	22,732
New Database	3,199	-
National Branch Recruitment & Retention	-	641
Jackapedia App	4,700	-
Mentoring and Prizes	2,531	1,623
Social Media Costs	3,033	6,760
Shipmates and Oppos Programme	17,237	24,274
CONA Expenditure	1,313	3,484
Independent Examination	1,000	1,000
Membership Cards	536	1,259
Staff Training and Recruitment	119	4,689
Legal and Professional Fees	9,270	646
Subscriptions to Other Organisations	432	1,379
Bank Charges and Interest	1,984	2,012
Currency Conversion (Gain)/Loss	(45)	(26)
Depreciation of Fixtures and Fittings	304	480
Miscellaneous Expenses	1,238	1,338
Bad Debts Written Off	333	848
Cenotaph Biennial Parade	-	5,570
Standard Bearers' Competition	-	-
Social and Ceremonial Events	2,544	2,383
Youth Sailing Camp	-	891
Welfare Seminar	-	-
IMC Executive Council	(3)	1,554
Annual Conference	971	15,467
Black Tot Day	108	1,586
	<u>90,196</u>	<u>126,659</u>
<b>Total Expenditure</b>	302,541	353,688
<b>Surplus/(Deficit) for the Year</b>	<u><u>22,189</u></u>	<u><u>(55,170)</u></u>

Note: This page does not form part of the formal accounts.

**THE ROYAL NAVAL ASSOCIATION**

Charity Registration Number: 266982

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**DRAFT**  
**STATEMENT OF ACCOUNTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**

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**BROOMS PROFESSIONAL SERVICES LIMITED**  
**CHARTERED CERTIFIED ACCOUNTANTS**  
**REGISTERED AUDITORS**

**The Royal Naval Association**  
**DRAFT**  
**Statement of the Trustees' Responsibilities**

The trustees are required to prepare accounts for each financial year which give a true and fair view of the Association's financial activities during the year and of its financial position at the end of the year. In preparing those accounts, 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the accounts,

Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Association will continue its activities.

The trustees (through the general secretary) are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Association at any time. They also are responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**The Royal Naval Association**  
**DRAFT**  
**Statement of Financial Activities for the year ended 31st December 2020**

Description	Note	Unrestricted Funds					Restricted Funds										2020 Total £	2019 Total £
		General Fund £	Life Subscriptions Fund £	Standards Fund £	Property Fund £	Central Charities Fund £	1000 Good Deeds Fund £	Branch and Club Support Fund £	Naval Service Memorial Fund £	Project Semaphore Fund £	Irish Project Semaphore Fund £	Helping Hands Fund £	Minibus Fund £	Podcast Fund £	Welfare Salary Fund £	NHS Ventilator Appeal Fund £		
<b>Income and endowments from:</b>																		
Donations and legacies	2	271,701	1,540	1,402	-	5,494	-	3,390	-	-	-	-	-	610	8,750	15,315	308,202	281,222
Charitable activities	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other trading activities	4	7,562	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,562	18,497
Investments	5	47,025	-	-	-	-	-	-	-	98	-	-	50	-	-	-	47,173	64,405
Other		949	-	-	-	-	-	-	-	-	-	-	-	-	-	-	949	1,304
<b>Total income and endowments</b>		<b>327,237</b>	<b>1,540</b>	<b>1,402</b>	<b>-</b>	<b>5,494</b>	<b>-</b>	<b>3,390</b>	<b>-</b>	<b>98</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>610</b>	<b>8,750</b>	<b>15,315</b>	<b>363,886</b>	<b>365,728</b>
<b>Expenditure on:</b>																		
Raising funds	6	6,271	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,271	14,811
Charitable activities	7	302,541	-	1,116	-	4,000	-	6,185	699	59,132	-	610	5,398	-	6,454	15,180	401,759	504,025
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditure</b>		<b>308,812</b>	<b>-</b>	<b>1,116</b>	<b>-</b>	<b>4,000</b>	<b>444</b>	<b>6,185</b>	<b>699</b>	<b>59,132</b>	<b>-</b>	<b>610</b>	<b>5,398</b>	<b>-</b>	<b>6,454</b>	<b>15,180</b>	<b>408,030</b>	<b>518,836</b>
Net gains/(Losses) on investments		(60,157)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(60,157)	119,518
<b>Net income/(expenditure)</b>		<b>(41,732)</b>	<b>1,540</b>	<b>286</b>	<b>-</b>	<b>1,494</b>	<b>(444)</b>	<b>(2,795)</b>	<b>(699)</b>	<b>(59,034)</b>	<b>-</b>	<b>(610)</b>	<b>(5,348)</b>	<b>610</b>	<b>2,296</b>	<b>135</b>	<b>(104,301)</b>	<b>(33,790)</b>
Transfers between funds		3,764	(3,764)	-	-	(4,865)	5,000	-	-	-	-	-	-	-	-	(135)	-	-
<b>Net movement in funds</b>		<b>(37,968)</b>	<b>(2,224)</b>	<b>286</b>	<b>-</b>	<b>(3,371)</b>	<b>4,556</b>	<b>(2,795)</b>	<b>(699)</b>	<b>(59,034)</b>	<b>-</b>	<b>(610)</b>	<b>(5,348)</b>	<b>610</b>	<b>2,296</b>	<b>-</b>	<b>(104,301)</b>	<b>(33,790)</b>
Balances brought forward at 1st January 2020		1,318,966	16,385	10,507	491,375	14,920	-	36,035	12,301	88,920	8,304	4,242	27,126	-	15,533	-	2,044,614	2,078,404
<b>Balances carried forward at 31st December 2020</b>		<b>1,280,998</b>	<b>14,161</b>	<b>10,793</b>	<b>491,375</b>	<b>11,549</b>	<b>4,556</b>	<b>33,240</b>	<b>11,602</b>	<b>29,886</b>	<b>8,304</b>	<b>3,632</b>	<b>21,778</b>	<b>610</b>	<b>17,829</b>	<b>-</b>	<b>1,940,313</b>	<b>2,044,614</b>

**The Royal Naval Association**  
**DRAFT**  
**Balance Sheet as at 31st December 2020**

	Notes	£	<u>2020</u> £	£	<u>2019</u> £
<b>Fixed assets</b>	11		1,882		465
<b>Investments</b>	12		1,696,873		1,962,397
<b>Current assets</b>					
Stock of goods for resale		9,706		10,140	
Debtors	13	47,166		42,207	
Balances with bankers		366,632		134,929	
Cash in hand		93		274	
<i>Total current assets</i>			<u>423,597</u>	<u>187,550</u>	
<b>Creditors: amounts falling due within one year</b>					
Creditors	14	182,039		105,798	
			<u>182,039</u>	<u>105,798</u>	
<i>Net current assets</i>			241,558		81,752
<i>Total assets less current liabilities</i>			<u>1,940,313</u>	<u>2,044,614</u>	
<b>Unrestricted funds</b>					
General fund			1,280,998		1,318,966
Life subscription fund			14,161		16,385
Standards fund			10,793		10,507
Property fund			491,375		491,375
<b>Restricted funds</b>					
Central charities fund			11,549		14,920
1000 good deeds fund			4,556		0
Branch and club support fund			33,240		36,035
Naval service memorial fund			11,602		12,301
Project semaphore fund			29,886		88,920
Irish project semaphore fund			8,304		8,304
Helping hands fund			3,632		4,242
Minibus fund			21,778		27,126
Podcast fund			610		-
Welfare Salary Fund			17,829		15,533
NHS ventilator appeal fund			-		-
			<u>1,940,313</u>	<u>2,044,614</u>	

**The Royal Naval Association**  
**DRAFT**  
**Statement of Cash Flow as at 31st December 2020**

	<u>2020</u> £	<u>2019</u> £
<b>Cash flow from fund activity</b>		
Net movement in funds	(104,301)	(33,790)
Reconciliation to cash generated from operations:		
Depreciation	304	480
Investment income	(47,173)	(64,405)
Net loss/(gain) in investments	60,157	(119,518)
Decrease in stocks	434	2,500
Increase in debtors	(4,959)	55,552
Increase in creditors	26,241	(20,471)
<b>Net cash flow from fund activities</b>	<u>(69,297)</u>	<u>(179,652)</u>
<b>Cash flow from investing activities</b>		
Payments to acquire tangible fixed assets	(1,721)	-
Payments to acquire investments	(247)	(1,468)
Receipts from disposal of investments	205,614	140,000
Interest received	47,173	64,405
<b>Net cash flow from investing activities</b>	<u>250,819</u>	<u>202,937</u>
<b>Cash flow from financing activities</b>	50,000	-
<b>Net cash flow from financing activities</b>	<u>50,000</u>	<u>-</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	231,522	23,285
<b>Cash and cash equivalents at start date 2020</b>	135,203	111,918
<b>Cash and cash equivalents at end date 2020</b>	<u><u>366,725</u></u>	<u><u>135,203</u></u>
<b>Cash and cash equivalents consists of:</b>		
Cash at bank and in hand	366,725	135,203
Short term deposits	-	-
<b>Cash and cash equivalents at end date 2020</b>	<u><u>366,725</u></u>	<u><u>135,203</u></u>

**The Royal Naval Association**  
**DRAFT**  
**Notes to the Accounts for the year ended 31st December 2020**

**1. Accounting Policies**

**a. Accounting Convention**

The financial statements have been prepared under the historical cost convention, modified for the revaluation of investments. They have been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) issued on 16th July 2014, applicable accounting standards and the Charities Act 2011. They have been prepared on an accruals basis of accounting.

**b. Reconciliation with previous Generally Accepted Accounting Practice**

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS102 and the Charities SORP FRS102 a restatement of comparative items was needed. No restatements were required.

**c. Income Recognition**

Income is recognized in the period when the Association is entitled to receipt and the amount can be measured with reasonable accuracy. In accordance with this policy:

*Legacies* are included when the Royal Naval Association is advised that a payment will be made and the amount involved can be quantified.

*Grants* are included when the conditions for receipt have been complied with.

*Gifts in kind* and tangible income are included at cost to the donor if known, or the value to the Royal Naval Association at the date of receipt.

The accounting policy for subscription income is detailed below.

**d. Fund Accounting**

General funds are unrestricted funds which are available for the use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for any other purpose.

Designated funds are comprised of unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific funds. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income and gains are allocated to the appropriate fund.

**e. Annual Subscription**

Annual subscriptions relating to past and current years are taken as income upon receipt. Those received in advance are carried forward and taken as income in the year to which they relate.

**f. Life Members' Subscriptions**

Life subscriptions cannot be purchased by individuals, but only by Branches and Areas in recognition of meritorious service. Life subscriptions received are brought into the Accounts as income by equal instalments over a period of ten years.

**g. Gift Aided Subscriptions**

Income Tax is recoverable from HM Revenue & Customs in respect of subscriptions paid by gift aid, and is taken into account in the year the subscriptions are received.

**The Royal Naval Association**  
**DRAFT**  
**Notes to the Accounts for the year ended 31st December 2020**

**1. Accounting Policies (continued)**

**h. Investments and Bank Deposits**

Investments are stated at market value as at the balance sheet date using the closing quoted market price. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised gains and losses are combined in the Statement of Financial Activities. Dividends and interest receivable are included in the income and expenditure account when they are received at an amount which includes any tax credit recoverable from HM Revenue & Customs. Interest receivable from fixed term deposits are accrued in the period that it is due.

**i. Expenditure Recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

**j. Allocation of Support and Governance Costs**

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

The only apportionment to governance costs relate to administrative salaries etc., and annual conference, which are apportioned on the basis of 10% to governance costs, based on staff time allocated to governance issues.

**k. Cost of Raising Funds**

The costs of generating funds consist of investment management costs.

**l. Cost of Charitable Activities**

The cost of charitable activities includes grants made, costs attributable to charitable activities, governance costs and other support costs.

**m. Income Tax Reclaimed on Gift Aid**

Income tax is recovered from HMRC on income received from subscriptions and donations by way of the gift aid scheme during the year. However, the actual amount recoverable for the year is brought in as a provision due to the delay in the processing of the information. The difference between the actual amount received and the provision is then adjusted for in the subsequent year.

**n. Area Capitation Fees**

The area capitation fees are based on two elements, a) 5% of the subscriptions received from branches in each area by 31st December, and b) 80% of the amount over £10,000 recovered from HMRC by way of the Gift Aid scheme.

**o. Tangible Fixed Assets**

Tangible fixed assets are capitalised when the cost of such assets (excluding VAT) exceeds £500. Tangible fixed assets are stated at cost less depreciation which is provided in annual instalments over the estimated useful economic lives of the assets. Depreciation is provided at the following annual rates:

Fixtures and Fittings      20% straight line

**p. Stocks**

Stocks consist of purchased goods for resale and are stated at the lower of cost and net realisable value. Provision is made for slow-moving or obsolete items where appropriate.

**The Royal Naval Association**  
**DRAFT**  
**Notes to the Accounts for the year ended 31st December 2020**

**2. Donations and legacies**

	Unrestricted Funds			Restricted Funds							2020 Total £	2019 Total £
	General Fund £	Life Subscriptions Fund £	Standards Fund £	Central Charities Fund £	Branch and Club Support Fund £	Project Semaphore Fund £	Minibus Fund £	Podcast Fund £	Welfare Salary Fund £	NHS Ventilator Appeal Fund £		
Subscriptions	126,189	1,540	-	-	-	-	-	-	-	-	127,729	139,923
Corporate sponsorship	2,125	-	-	-	-	-	-	-	-	-	2,125	2,875
Fees	101	-	1,402	-	-	-	-	-	-	-	1,503	1,447
Donations, grants, gifts and legacies	147,044	-	-	5,494	3,390	-	-	610	8,750	15,315	180,603	142,654
Income tax reclaimed on gift aid	1,335	-	-	-	-	-	-	-	-	-	1,335	267
Area capitation fees	(5,093)	-	-	-	-	-	-	-	-	-	(5,093)	(5,844)
	<u>271,701</u>	<u>1,540</u>	<u>1,402</u>	<u>5,494</u>	<u>3,390</u>	<u>-</u>	<u>-</u>	<u>610</u>	<u>8,750</u>	<u>15,315</u>	<u>308,202</u>	<u>281,322</u>

**3. Other trading activities**

	Unrestricted Funds			Restricted Funds							2020 Total £	2019 Total £
	General Fund £	Life Subscriptions Fund £	Standards Fund £	Central Charities Fund £	Branch and Club Support Fund £	Project Semaphore Fund £	Minibus Fund £	Podcast Fund £	Welfare Salary Fund £	NHS Ventilator Appeal Fund £		
Sale of goods	4,347	-	-	-	-	-	-	-	-	-	4,347	14,038
Sale of diaries	3,215	-	-	-	-	-	-	-	-	-	3,215	4,459
	<u>7,562</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,562</u>	<u>18,497</u>

**4. Investment income**

	Unrestricted Funds			Restricted Funds							2020 Total £	2019 Total £
	General Fund £	Life Subscriptions Fund £	Standards Fund £	Central Charities Fund £	Branch and Club Support Fund £	Project Semaphore Fund £	Minibus Fund £	Podcast Fund £	Welfare Salary Fund £	NHS Ventilator Appeal Fund £		
Income from listed investments	46,755	-	-	-	-	-	-	-	-	-	46,755	62,451
Bank deposit - interest on cash deposits	270	-	-	-	-	98	50	-	-	-	418	1,954
	<u>47,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98</u>	<u>50</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,173</u>	<u>64,405</u>

**5. Other Income**

	Unrestricted Funds			Restricted Funds							2020 Total £	2019 Total £
	General Fund £	Life Subscriptions Fund £	Standards Fund £	Central Charities Fund £	Branch and Club Support Fund £	Project Semaphore Fund £	Minibus Fund £	Podcast Fund £	Welfare Salary Fund £	NHS Ventilator Appeal Fund £		
Pooled fares	-	-	-	-	-	-	-	-	-	-	-	175
Certificate of appreciation admin charge	175	-	-	-	-	-	-	-	-	-	175	725
Royalties and commission received	774	-	-	-	-	-	-	-	-	-	774	404
	<u>949</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>949</u>	<u>1,304</u>

**The Royal Naval Association**  
**DRAFT**  
**Notes to the Accounts for the year ended 31st December 2020**

**6. Expenditure on:**  
**Raising funds**

	<b>2020</b>	<b>2019</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<i>Unrestricted General fund:</i>		
Cost of goods	4,156	12,593
Cost of diaries	2,115	2,218
<b>Total</b>	<b>6,271</b>	<b>14,811</b>

**7. Expenditure on:**  
**Charitable activities**

	<b>2020</b>	<b>2019</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<i>In furtherance of the Charity's objectives.</i>		
<i>Funded from unrestricted funds:</i>		
Administrative salaries and staff pension scheme contributions	182,740	162,357
Temporary staff	-	6,066
National insurance contributions	11,084	12,582
Professional accountancy and consultancy fees	11,000	11,000
Travelling and liaison	7,521	35,024
Rent, utilities and cleaning	3,788	1,711
Insurance	3,936	3,893
Postage and telephone	6,556	7,029
Printing, stationery and computer supplies	1,804	1,696
Circulars and newsletters	5,035	5,028
Repairs and maintenance	5,947	5,471
Grants for tablets	-	-
Office equipment leasing	1,174	1,241
Marketing, publicity and website	11,152	22,732
New database	3,199	-
National branch recruitment & retention	-	641
Jackapedia app	4,700	-
Mentoring and prizes	2,531	1,623
Social media costs	3,033	6,760
Shipmates and oppos programme	17,237	24,274
CONA expenditure	1,313	3,484
Independent examination	1,000	1,000
Membership cards	536	1,259
Staff training and recruitment	119	4,689
Legal and professional fees	9,270	646
Subscriptions to other organisations	432	1,379
Bank charges and interest	1,984	2,012
Currency conversion (gain)/loss	(45)	(26)
Depreciation of fixtures and fittings	304	480
Miscellaneous expenses	1,238	1,338
Bad debts written off	333	848
Cenotaph biennial parade	-	5,570
Standard bearers' competition	-	-
Social and ceremonial events	2,544	2,383
Youth sailing camp	-	891
Welfare seminar	-	-
IMC executive council	(3)	1,554
Donation by national council	-	-
Annual conference	971	15,467
Black Tot Day	108	1,586
<i>Funded from restricted funds:</i>		
Grants from standards fund	1,116	121
Grants from central charities fund	4,000	10,250
Grants from 100 good deeds fund	444	-
Grants from branch and club support fund	6,185	7,810
Bad debts written off on branch and club support fund	-	2,250
National memorial costs	699	565
iPads and cases for project semaphore	25,007	84,900
Administrative costs for project semaphore	34,125	25,876
Administrative costs for irish project semaphore	-	1,534
Administrative costs for helping hands	610	2,017
Minibus project expenditure	5,398	5,547
Administrative costs for welfare salary	6,454	9,467
Grants from nhs ventilator appeal fund	15,000	-
Administrative costs from NHS ventilator appeal fund	180	-
	<b>26,745</b>	<b>504,025</b>
	<b>322,749</b>	<b>52,265</b>
	<b>401,759</b>	<b>504,025</b>

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**Notes to the Accounts for the year ended 31st December 2020**

**8. Allocation of governance and support costs**

	<b>2020</b>			<b>2019</b>	
	Total allocated £	Governance related £	Other Support costs £	Governance related £	Other Support costs £
<i>Funded from unrestricted funds:</i>					
Administrative salaries and staff pension scheme contributions	18,274	18,274	-	16,236	-
Temporary staff	-	-	-	-	6,066
National insurance contributions	1,108	1,108	-	1,258	-
Professional accountancy and consultancy fees	11,000	11,000	-	11,000	-
Travelling and liaison	1,894	1,894	-	21,899	-
Rent, utilities and cleaning	3,788	-	3,788	-	1,711
Insurance	3,936	-	3,936	-	3,893
Printing, stationery and computer supplies	1,804	-	1,804	-	1,696
Office equipment maintenance	5,947	-	5,947	-	5,471
Grants for tablets	-	-	-	-	-
Office equipment leasing	1,174	-	1,174	-	1,241
Independent examination	1,000	1,000	-	1,000	-
Legal and professional fees	-	-	-	-	646
Bank charges and interest	1,984	-	1,984	-	2,012
Currency conversion loss/(profit)	(45)	-	(45)	-	(26)
Depreciation of fixtures and fittings	304	-	304	-	480
Annual conference	97	97	-	1,547	-
	<u>52,265</u>	<u>33,373</u>	<u>18,892</u>	<u>52,940</u>	<u>23,190</u>

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**Notes to the Accounts for the year ended 31st December 2020**

**9. Grants Awarded**

	<b>2020</b>	<i>2019</i>
	<b>£</b>	<b>£</b>
<i>Standards fund:</i>		
Grants to Branches	1,116	121
<i>Central Charities Fund:</i>		
Welfare grants to Individuals	-	-
Grants to Organisations for Individuals:	4,000	10,250
<i>1000 Good Deeds Fund:</i>		
Grants to individuals	444	-
<i>Branch and Club Support Fund:</i>		
Grants to Branches and Clubs	6,185	7,810
<i>NHS Ventilator Fund</i>		
Grants to Hospitals	15,000	-
Total Grants Awarded	<u><u>26,745</u></u>	<u><u>18,181</u></u>

**10. Net Incoming Resources after charging:**

	<b>2020</b>	<i>2019</i>
	<b>£</b>	<b>£</b>
<i>Net incoming resources are stated after charging in the General Fund:</i>		
Brooms Professional Services Ltd:		
independent examination	1,000	1,000
accountancy, taxation and consultancy	11,000	11,000
Depreciation of fixtures and fittings	304	480
Operating lease rentals of equipment	1,174	1,241
	<u><u>13,478</u></u>	<u><u>13,721</u></u>

**11. Fixed Assets**

	<b>Fixtures &amp; Fittings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Cost/Valuation</b>		
At 1st January 2020	11,764	11,764
Additions	1,721	1,721
Disposals	-	-
At 31st December 2020	<u><u>13,485</u></u>	<u><u>13,485</u></u>
<b>Depreciation</b>		
At 1st January 2020	11,299	11,299
Charge for year	304	304
Disposals	-	-
At 31st December 2020	<u><u>11,603</u></u>	<u><u>11,603</u></u>
<b>Net Book Value</b>		
<b>At 31st December 2020</b>	<u><u>1,882</u></u>	<u><u>1,882</u></u>
<i>At 31st December 2019</i>	<u><u>465</u></u>	<u><u>465</u></u>

**The Royal Naval Association**  
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**Notes to the Accounts for the year ended 31st December 2020**

**12. Investments**

The investment portfolio has been valued at market value as at 31st December 2020.

The investments are categorised as follows:

	<b>2020</b>		<b>2019</b>	
	Market Value	Cost	Market Value	Cost
	£	£	£	£
Listed investments	1,696,873	1,682,607	1,757,030	1,682,607
Funds held on deposit	-	-	205,367	205,367
	<u>1,696,873</u>	<u>1,682,607</u>	<u>1,962,397</u>	<u>1,887,974</u>

**13. Debtors**

	<b>2020</b>	<b>2019</b>
	£	£
Due from branches	10,283	7,827
Loans to clubs and branches	15,000	10,000
Sundry debtors and prepayments	21,883	24,380
	<u>47,166</u>	<u>42,207</u>

**14. Creditors**

	<b>2020</b>	<b>2019</b>
	£	£
Bank loan	50,000	-
Trade creditors	11,870	8,744
Due to branches	3,091	2,736
Provision for capitation fees	5,093	5,844
Funds from decommissioned branches	68,402	48,361
Sundry creditors, accruals and deferred income	43,583	40,113
	<u>182,039</u>	<u>105,798</u>

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**15. Staff costs**

	<b>2020</b>	<i>2019</i>
	<b>£</b>	<i>£</i>
Salaries	217,132	<i>197,896</i>
Pension costs	13,554	<i>13,904</i>
Employers' national insurance	14,402	<i>16,001</i>
	<u>245,088</u>	<u><i>227,801</i></u>

	<b>No.</b>	<i>No.</i>
Average number of staff during the year:		
Employee's emoluments below £60,000	5	<i>4</i>
Employee's emoluments above £60,000	-	<i>-</i>
Employee's emoluments paid through other fund grants	1	<i>1</i>
Employee's emoluments paid through shipmates campaign grants	1	<i>1</i>
Employee's emoluments paid through social media grant	1	<i>1</i>
	<u>8</u>	<u><i>7</i></u>

No trustee or person related or connected by business to them has received any remuneration from the Association nor have they entered into any transaction, contract or other arrangement with the Association during the year.

During the year, expenses were reimbursed to the Board of Trustee members which principally represent reimbursed travelling, accommodation and subsistence expenses in attending meetings and official arrangements, which are included in the "travelling and liaison - national council and other committee meetings" cost of £1,894.

**16. Funds**

- a. The General Fund and Life Subscription Funds are unrestricted funds used for general purposes.
- b. The Standards Fund is to be used for the repair or replacement of damaged, lost or stolen branch standards.
- c. The Property Fund is designated for the purpose of acquiring property for use by the Central Office.
- d. The Central Charities Fund is used for specific charitable projects which must provide assistance to serving and ex-naval personnel and their dependants.
- e. The 1000 Good Deeds Fund is to encourage more able shipmates to take less able shipmates out to events.
- f. The Branch and Club Support Fund provides assistance to branches and their clubs.
- g. The Naval Service Memorial Fund (formally known as Charter Challenge 2014 Fund) is used for the future maintenance and insurance of the memorial erected at The National Memorial Arboretum.
- h. The Project Semaphore Fund is to provide information technology to the digitally isolated veterans.
- i. The Irish Project Semaphore Fund is to provide information technology to the digitally isolated UK veterans living in the whole of Ireland.
- j. The Helping Hands Fund is to provide assistance to the financing of iPad volunteer expenses.
- k. The Minibus Fund is to be used to supply and maintain three minibuses to mitigate social isolation in veterans.
- l. The Welfare Salary Fund is to provide funds for a salary for the professionalisation of welfare support to the membership.
- m. The Podcast Fund is to promote and contribute to the well being of shipmates and tackle loneliness.
- n. NHS Ventilator Fund is to raise at least £15,000 in order to help buy a ventilator for the NHS.

**The Royal Naval Association**  
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**Income and Expenditure Account for the year ended 31st December 2020**

	£	<u>2020</u> £	£	<u>2019</u> £
<b>Income</b>				
Annual Subscriptions		126,189		137,193
Corporate Sponsorship		2,125		2,875
Life Member Subscriptions		3,764		4,035
Replacement Membership Cards		101		42
Income Tax Reclaimed on Gift Aid		1,335		267
		<u>133,514</u>		<u>144,412</u>
<b>Less: Area Capitation Fees</b>		(5,093)		(5,844)
		<u>128,421</u>		<u>138,568</u>
Goods Department - Income	4,347		14,038	
Costs	<u>(4,156)</u>		<u>(12,593)</u>	
		191		1,445
Diaries - Income	3,215		4,459	
Costs	<u>(2,115)</u>		<u>(2,218)</u>	
		1,100		2,241
Certificate of Appreciation Admin Charge		175		725
Royalties and Commission Received		774		404
Investment Income		47,025		63,589
Grant for CONA		1,313		3,484
Grant for Shipmates and Oppos Programme		-		30,000
Grant for Social Media Marketing		3,033		6,760
Government Grants Received		8,995		-
Donations and Legacies Received		133,703		51,302
<b>Total Income (carried forward)</b>		<u>324,730</u>		<u>298,518</u>

Note: This page does not form part of the formal accounts

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**Income and Expenditure Account for the year ended 31st December 2020 (continued)**

	<u>2020</u>	<u>2019</u>
	£	£
Brought forward	324,730	298,518
<b>Deduct: Expenditure</b>		
Administrative Salaries and Staff Pension		
Scheme Contributions	182,740	162,357
Temporary Staff	-	6,066
National Insurance Contributions	11,084	12,582
Professional Accountancy and		
Consultancy Fees	11,000	11,000
	<u>204,824</u>	<u>192,005</u>
Travelling and Liaison:-		
National Council and Other Committee meetings	1,894	21,899
Central Office Staff and Officials	5,627	12,478
Central Office Open Days	-	647
	<u>7,521</u>	<u>35,024</u>
Rent, Utilities and Cleaning	3,788	1,711
Insurance	3,936	3,893
Postage and Telephone	6,556	7,029
Printing, Stationery and Computer Supplies	1,804	1,696
Circulars and Newsletters	5,035	5,028
Office Equipment Maintenance	5,947	5,471
Grants for Tablets	-	-
Office Equipment Leasing	1,174	1,241
Marketing, Publicity and Website	11,152	22,732
New Database	3,199	-
National Branch Recruitment & Retention	-	641
Jackapedia App	4,700	-
Mentoring and Prizes	2,531	1,623
Social Media Costs	3,033	6,760
Shipmates and Oppos Programme	17,237	24,274
CONA Expenditure	1,313	3,484
Independent Examination	1,000	1,000
Membership Cards	536	1,259
Staff Training and Recruitment	119	4,689
Legal and Professional Fees	9,270	646
Subscriptions to Other Organisations	432	1,379
Bank Charges and Interest	1,984	2,012
Currency Conversion (Gain)/Loss	(45)	(26)
Depreciation of Fixtures and Fittings	304	480
Miscellaneous Expenses	1,238	1,338
Bad Debts Written Off	333	848
Cenotaph Biennial Parade	-	5,570
Standard Bearers' Competition	-	-
Social and Ceremonial Events	2,544	2,383
Youth Sailing Camp	-	891
Welfare Seminar	-	-
IMC Executive Council	(3)	1,554
Annual Conference	971	15,467
Black Tot Day	108	1,586
	<u>90,196</u>	<u>126,659</u>
<b>Total Expenditure</b>	302,541	353,688
<b>Surplus/(Deficit) for the Year</b>	<u><u>22,189</u></u>	<u><u>(55,170)</u></u>

Note: This page does not form part of the formal accounts.