

THE ROYAL NAVY & ROYAL MARINES CHARITY

CONSOLIDATED ANNUAL REPORT AND ACCOUNTS 2022

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	<i>Page</i>
Report of the Trustees and Strategic Report	
• Chairman and CEO's Report	5
• Structure, Governance & Management	6
• Strategic Report	9
• Public Benefit	11
• Investment Report	23
• Reserves	30
Report of the Independent Auditor	33
Consolidated Statement of Financial Activities	37
Balance Sheet – Group and Charity	38
Consolidated Cash Flow Statement	39
Notes to the Financial Statements	40

REPORT OF THE TRUSTEES

LEGAL AND ADMINISTRATIVE INFORMATION

Honorary Officers

Patron

Her Royal Highness The Princess Royal

Senior Vice Patron

Honorary Captain The Lord Hintze Kt. AM RNR

Vice Patrons

Mr James Pitt

Honorary Captain Lance Batchelor RNR

Mr Simon Pillar

Sir Bill Thomas

President

Admiral Sir Jonathon Band GCB DL

Vice Presidents

General Sir Gordon Messenger KCB DSO* OBE

Vice Admiral Sir Tim Laurence KCVO CB ADC(P)

Honorary Commodore The Honourable Stephen Watson RNR

Honorary Colonel RM The Lord Sedwill GCMG FRGS

Trustees, Members and Directors

Dr Brian Gilvary	Chairman
Mrs Kate Phipps-Wiltshire	Vice Chair
Mr John Bartlett	Appointed 26 th April 2022
Mr Rod Birkett	
Mr Simon Black	
Lieutenant Commander Harriet Delbridge Royal Navy	
Mr Mark Robinson	
Brigadier Mike Tanner OBE Royal Marines	
Dr Michelle Westwood	Appointed 28 th July 2022
WO1 Jamie Wright Royal Marines	Appointed 28 th July 2022
Surgeon Captain Jo Keogh OBE Royal Navy	Appointed 28 th July 2022
WO1 Barry Firth MBE Royal Navy	Appointed 12 th December 2022
Dr Jo Pabari	Appointed 17 th April 2023
Rear Admiral Steve Brunton CBE (Ret'd)	Appointed 20 th July 2023
Commodore Catherine Jordan LVO Royal Navy	
Commodore Andrew Jameson OBE Royal Navy (Ret'd)	Resigned 18 th April 2023
Mr Mark Lewthwaite	Resigned 27 th January 2022
Rear Admiral James Parkin CBE Royal Navy	Retired 28 th July 2022
WO1 Carl Steedman Royal Navy	Retired 28 th July 2022
Ms Katherine Beadle	Resigned 11 th October 2022
Mr James Pitt	Resigned 12 th December 2022

REPORT OF THE TRUSTEES**LEGAL AND ADMINISTRATIVE INFORMATION (continued)****Chief Executive Officer**

Mr Adrian Bell (Resigned 17th April 2023)
Mr Andrew Jameson OBE (Appointed 2nd May 2023)

Company Secretary

Mrs Samantha Nicolson

Company Registration Number

6047294 (England and Wales)

Registered Charity Numbers

1117794 (England and Wales)
SC041898 (Scotland)

Registered Office

Building 37, HMS Excellent, Whale Island, Portsmouth, PO2 8ER

Auditor

Moore Kingston Smith LLP, Chartered Accountants
6th Floor, 9 Appold Street, London EC2A 2AP

Legal Advisors

Charles Russell Speechlys LLP
5 Fleet Place, London, EC4M 7RD

BDP Pitmans LLP

50 Broadway, London SW1H 0BL

Bankers

Holt's Military Banking
Royal Bank of Scotland plc,
200 Fowler Avenue, Fowler Business Park, Farnborough, GU14 7JP

Investment Managers

Sarasin & Partners LLP
Juxon House, 100 St. Paul's Churchyard, London, EC4M 8BU

THE ROYAL NAVY AND ROYAL MARINES CHARITY
REPORT OF THE TRUSTEES

CHAIRMAN and CEO's REPORT

The RNRMC group of charities exists to support the people serving in the Royal Navy, the Royal Marines and the Royal Fleet Auxiliary. Through the generosity of our donors, the charities within the group seek to meet the needs of serving personnel, their families, and the needs of those who have served. To support the charity, therefore, is to value and support sailors, marines, and their families, for life.

The last 12 months has seen the confluence of two important factors. Firstly, stubbornly high inflation (and the Government's response to it) has put a real strain on both personal budgets and public spending. This affects particularly veterans, but also the serving and their families. Secondly, the tempo of activity of our armed forces is high, and this places additional burdens on individuals' health and family relationships.

As a result, and in order to meet this need, the Charity has committed considerable resources to its charitable activity, and we believe the outcomes achieved play a significant role in helping to ameliorate some of the disadvantages of service life. We wish to place on record our gratitude to, and admiration for, the many charities (there are over 50) with whom we work to deliver these positive results. Our partners range from other naval charities who focus on a particular cohort (e.g. children or ratings), to national charities who deliver bespoke outcomes in particular areas (e.g. marital counselling or supporting families with young children). Our partners operate throughout the UK and indeed internationally to be on the side of our beneficiaries; and we continue to believe that early intervention and a person-centred approach, working with others, is the best way to meet our charitable objectives.

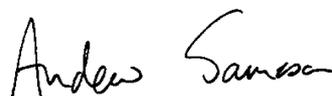
None of this could be achieved without our volunteers and financial supporters; and in the period covered by this report we have received substantial support from a broad spectrum of people and organisations who trust us to deliver the outcomes they seek. In particular, we receive the most fantastic support from the serving community through payroll giving; from the funds of Greenwich Hospital; from a number of other trusts and charities; and from a host of individuals and corporates.

Turning to the future, the trustees recognise that the present fiscal squeeze is unlikely to ease imminently. Accordingly, we have committed to continue to operate a substantial deficit in 2023 and use our reserves to meet the current challenge. But the trustees are mindful that our remit is to look after future generations too, and so from 2024 we will seek to operate a smaller deficit. Our challenge therefore is to increase our fundraising so that we can continue to meet need on an enduring basis.

We judge the interests of our beneficiaries are met best when charities and organisations offering support to the armed forces work closely together. This was a key recommendation of the 2020 Report 'Understanding the needs of UK Armed Forces Families'; and the RNRMC intends to play an exemplary role in pursuing this agenda. By doing so, we are confident that the sector can play its part in ensuring that we honour the service given to the nation by our beneficiaries.



.....
Dr Brian Gilvary
Chairman



.....
Mr Andrew Jameson OBE
CEO

THE ROYAL NAVY AND ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

Structure, Governance and Management

Context

The Royal Navy and Royal Marines Charity (RNRMC) is a charitable company, limited by guarantee, incorporated on 10 January 2007 and registered with the Charity Commission on 2 February 2007. The RNRMC was registered with the Office of the Scottish Charity Regulator on 17 November 2010.

Governance

The RNRMC is controlled solely by its Members, who are also its Trustees and make up the Board of Trustees. The Charity is governed by its Memorandum and Articles of Association, initially dated 6 December 2006 (the Articles of Association having been revised and adopted by Special Resolution on 30th January 2020) and is subject to the requirements and the protection of both charity and company law.

The Trustees, all of whom are volunteers, represent a blend of competence and experience and include those with experience of military service along with those with diverse civilian backgrounds. They are selected through a formal interview process and appointed for an initial term of three years. In accordance with good practice they would normally serve a maximum of three terms.

Group Entities

From the 1st April 2019 there are nine unincorporated charities, three charitable companies, and one charity with a Royal Charter integrated within the Group structure. There are three trading subsidiaries.

- **The Royal Naval Benevolent Society for Officers, known as The Royal Navy Officers' Charity (RNOC)** (Charity No 207405) is a charity with a Royal Charter and retains its own trustees, who are responsible for the administration of the charity and the management of their own funds. The RNRMC is entitled to appoint a trustee and as the corporate member it also has a legal power of veto in general meetings. The RNRMC is represented by Dr Michelle Westwood.
- **The Naval Service Sports Charity (NSSC)** is a charitable company, governed by a Board of Trustees. The RNRMC Board has overall control, as sole member, since they may resolve by ordinary resolution to amend the minimum and maximum numbers of trustees, to appoint or remove trustees and to change the Memorandum and Articles of Association. The RNRMC is represented on the NSSC board by Mr Rod Birkett.
- **Royal Marines Association-The Royal Marines Charity (RMA-TRMC)** (Charity No 1134205) is a charitable company, governed by a Board of Trustees. The RNRMC Board, under its authority as the sole member, may resolve by ordinary resolution to amend the minimum and maximum numbers of trustees and has the right to appoint or remove trustees and to change the Memorandum and Articles of Association after prior consultation with the RMA-TRMC Board. The RNRMC is represented by Mr Mark Robinson.
- **RNRMC Enterprises Limited** is the trading subsidiary for the Group, which is used to conduct appropriate parts of the Group's merchandising and Royal Marine Band Service trading activities. The Company was established by way of share capital from the RNRMC, which is the sole shareholder. The directors of the company are trustee, Mr Mark Lewthwaite (Chairman), the RNRMC Chief Executive, Mr Andrew Jameson OBE, and Mr Si Wright, the Chief Operating Officer of the RMA-TRMC.
- **TRMC Enterprises Limited** is the trading subsidiary for RMA-TRMC which was initially established on 23 February 2016 to enable a single building project which was completed in 2017, it has since then completed several further projects supporting beneficiaries across the RM family.
- **Royal Marines Shop Limited** is the trading subsidiary of RMA-TRMC, brought in as part of the RMA-TRMC merger on 1 April 2019. Since September 2021 the RM Shop also fulfils online merchandise sales for the RNRMC.
- **Unincorporated charities** - the RNRMC Board has overall responsibility for their management and administration and delegates day-to-day operations to management committees through terms of reference. A number of these management committees are chaired by an RNRMC Trustee. The role of the management committee is to scrutinise and prioritise grant applications in line with their objects and provide oversight to the minor grants programme.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
REPORT OF THE TRUSTEES**

Committee Meetings

The Board meets at least three times a year. The RNRMC has encouraged closer communication with Group charities by taking up its option to nominate a trustee to the Boards of The Royal Navy Officers' Charity (RNOC), Royal Marines Association - The Royal Marines Charity (RMA-TRMC) and the Naval Service Sports Charity (NSSC).

The Board delegates certain powers in connection with the Charity's management and administration to formal committees. This delegation is controlled by requiring the committees to report back at the next Board meeting. All committees provide meeting minutes which are kept as part of the statutory records.

Committee	Purpose	Members during the year
Group Finance, Risk & Audit Committee (FRAC)	To monitor and scrutinise all financial, risk and audit issues. Meets twice per year.	John Bartlett (Chair) Rod Birkett Mark Robinson Richard Weaver (RMA-TRMC) Steve Brunton CBE
Committee Chairs Advisory Committee (CCAC)	To advise the executive on strategic planning	Kate Phipps-Wiltshire (Chair) Rod Birkett Simon Black John Bartlett
Investment Committee (IC)	To scrutinise the investment managers ongoing performance. Meets four times per year.	Rod Birkett (Chair) John Bartlett Lynn Fordham (RMA-TRMC) Alice Wheatley (NSSC) Independent advisors:- Bryan Burrough, Alex Crooke & Mark Fitzgerald
Fundraising & Marketing Committee (FMC)	To oversee the expansion of activities in these areas and the execution of the agreed management plan. Meets three times per year.	Simon Black (Chair) WO1 Barry Firth MBE RN Dr Jo Pabari
People Committee (PC)	To manage the Board and senior staff succession plan and oversee CEO remuneration. Meets three times per year	Kate Phipps-Wiltshire (Chair) Dr Brian Gilvary Brig Mike Tanner OBE RM Dr Michelle Westwood John Bartlett
Commissioning, Development & Funding Committee (CDFC)	To oversee and set strategy and policy for all grant making. Meets three times per year.	Kate Phipps-Wiltshire (Chair) Lt Cdr Harriet Delbridge RN Dr Michelle Westwood Surg Capt Jo Keogh OBE RN
Through Life Committee (TLC) – <i>sub-committee of CDFC</i>	To provide oversight, scrutiny and approval of grants for Benevolence. Meets four times per year.	Surg Capt Jo Keogh OBE RN (Chair) Chris Banks Sarah Ayton Duncan Lamb Charles Stewart Sara Field Nicola Thompson Jonathan Ball OBE
Quality of Life Committee (QLC) - <i>sub-committee of CDFC</i>	To provide oversight, scrutiny and approval of grants for Amenities. Meets four times per year.	Lt Cdr Harriet Delbridge RN (Chair) Lt Cdr Nicolas Toms RN WO1 Jamie Wright RM WO1 Ian Davies MBE RM WO1 Samantha Martin RN WO1 Mick Stanion RM WO1 (CRSM) Nick Ollive RN WO2 Andrew Vercoe RN CPO Stephen Doyle RN LD Stuart Farden RN 3/O Hannah Riekemann RN LH Matt Clinch RN

THE ROYAL NAVY AND ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

Management and Administration

The policies and principles included within this Trustees Annual Report are those belonging to the Group, however individual charities can adopt / adapt these policies and principles to suit their own circumstances as disclosed within their individual statutory accounts.

Employees

The RNRMC Group employs around 111 staff with 55 employed by RNRMC. The day-to-day control and administration of the RNRMC is delegated to the Chief Executive Officer, whose senior staff manage functional departments.

The RNRMC is committed to the training, career and personal development of all employees. Each employee has an annual performance review where their performance is assessed against the Charity's objectives alongside personal achievements within their specific roles. A training programme is devised that meets both the Charity's needs and also enhances the individual's potential towards their professional development.

We are proud to hold the Silver Award for the Employee Recognition Scheme under the Armed Forces Covenant, which supports the transition of serving members of the Armed Forces into employment.

Remuneration

The Charity does not remunerate its Trustees. The Trustees are responsible for setting the remuneration of the Charity's Chief Executive and the remaining staff are paid via an agreed remuneration framework that sits within the overall reward policy that is agreed annually.

RNRMC's Reward Policy, introduced in 2018 has four principal pillars, comprising remuneration, benefits, recognition and learning & development. The framework is underpinned by a robust job evaluation process for each role within the charity which has been validated by our external Human Resource advisors. Senior Management salaries are reported annually to the People Committee.

General Data Protection Legislation (GDPR)

RNRMC in 2018 implemented a suite of tools and staff training packages to monitor and ensure ongoing compliance with GDPR, it was reviewed in 2022 and further training provided to staff. We continue to endeavour to ensure that all the personal information that we need in running the charity is properly protected, correctly used and safely stored and all staff receive training at point of induction and annually. Our privacy policy and other associated policy changes can all be accessed from our website to ensure transparency and assurance and these are reviewed regularly. We work closely with our IT managed service provider to monitor and ensure the security and compliance of our IT systems.

Fundraising Principles

The RNRMC and RMA-TRMC both have established fundraising programmes across similar income streams.

The RNRMC and RMA-TRMC are registered with the Fundraising Regulator and adhere to the standards of the Fundraising Codes of Practice and to Charity Commission guidelines, particularly CC20 (Charity fundraising: a guide to trustee duties).

The RNOC's income is derived from investment income, active fundraising via the Association Royal Navy Officers' (ARNO) membership and other initiatives. NSSC's income is derived largely from investment income and grants received (including from the RNRMC) and there is therefore no requirement to fundraise.

No complaints about fundraising activity were received by the RNRMC or RMA-TRMC in 2022 and therefore there was no requirement for escalation to the Regulator. We have our own procedures in place for dealing with complaints. The complaints process is open and transparent and easy to access from our respective websites. Within the process, we publish a clear procedure for escalation and timescales when supporters can expect a response.

Anyone who is kind enough to consider support for the RNRMC can be assured that:-

- we never sell personal data to other organisations or charities. We do sometimes ask third party organisations to help process our data, but they will act under our instruction. We never allow these organisations to use RNRMC supporter data for their own purposes and the data remains our legal responsibility: we ensure that it is treated with the same level of care as if we were handling it directly.
- it is our policy never to undertake any telephone fundraising or 'cold calling'.
- all our electronic communications to supporters include information on how to opt out of future communications.

THE ROYAL NAVY AND ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

- we do not undertake door-to-door fundraising.

We display the Fundraising Regulator badge on our websites and fundraising collateral to demonstrate our commitment to best practice. We work with the Fundraising, Mail and Telephone Preference Services to ensure that those who choose not to receive specific types of communication do not have to.

Volunteer fundraising is fundamental to the efforts of both the RNRMC and RMA-TRMC and we would be unable to achieve the level of voluntary income we do without the support of Service and civilian volunteers. We rely on a pool of people who give their time freely to directly collect money, organise and assist at events, or make connections with local businesses. Those volunteers collecting money *'on behalf of'* the RNRMC and RMA-TRMC are doing so with the prior knowledge of the charities and receive a volunteer induction, have a dedicated staff 'Line Manager' and have a signed Volunteer Agreement with the respective charity. Those volunteers who collect 'in aid of' the RNRMC and RMA-TRMC are often acting on their own initiative and we are consequently unaware until we receive the money that has been raised. Official collections are always made with sealed RNRMC and RMA-TRMC collecting bins. Collectors in public places require permission from local authorities or, if within its district, the Metropolitan Police. These licenses are applied for and recorded by the RNRMC and RMA-TRMC fundraising teams. We regularly review and update our volunteering policies.

Volunteers and Related Parties

All Trustees and members of the management committees of the subsidiaries give their services voluntarily and receive no remuneration for their activities, other than travel and incidental expenses where claimed. The serving members of the Board undertake their RNRMC duties as volunteers in addition to their normal line duties. The RNRMC continues to develop and expand its group of volunteers to assist in all areas of the Charity. These volunteers are supported by staff members as well as specific policies and procedures which includes a handbook for volunteers.

Diversity, Equality and Inclusion

Our existing charity values reflect the need for equality, diversity and inclusion (ED&I). We also recognise that there will always be further improvements or enhancements that we can make to maximise ED&I within the Charity. We aim to achieve the following key outcomes by working towards delivering the recommended best practice within the Charity Governance Code which will help us to build a diverse, equal and inclusive culture within the charity:-

- The principles of equality, diversity and inclusion are embedded in the organisation and help to deliver the charity's public benefit.
- Obstacles to participation are reduced, with the organisation's work designed and open for everyone included within its charitable purposes. This supports the charity to challenge inequality and achieve improved equality of outcomes.
- The Board is more effective because it reflects different perspectives, experiences and skills, including, where applicable, from current and future beneficiaries.

In 2020 we refreshed the objectives of our Staff Reference Group to include Culture which embraces equality, diversity and inclusion and for those new to the SRG we have set up specific ED&I training courses which help develop both their understanding as well as being beneficial for all of those who engage with them and the charity.

Strategic Report

Objects, Vision and Strategy

The objects of the charity are:-

- the relief in need, hardship or distress of Beneficiaries and their Families and Dependants;
- the assistance with, provision of, or contribution to the education and training of children of Beneficiaries;
- the promotion of efficiency of the Naval Service and the Auxiliaries by way of the enhancement of morale, the improvement of recruitment and retention; and
- the further relief and encouragement, of men and women who are serving in the Naval Service or the Auxiliaries.

In 2020, the trustees developed a vision for the charity which is as follows:

“A world in which our sailors, marines and their families are valued and supported, for life.”

THE ROYAL NAVY AND ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

The charity seeks to deliver these objectives (and meet the vision) in two principal ways. Firstly, by providing grants to other charities and organisations to deliver specific outcomes which address an identified need of our beneficiaries. Typically, these arrangements with particular charities are over a 3-year period. These commissioning programmes span serving, families and veterans. Secondly, we provide grants directly to individuals, and to ships and units, which seek to improve the conditions of Service for those serving. We also support the next of kin of those who die whilst serving with an immediate financial grant.

In addition to these direct forms of support, we provide business services support at no cost to a number of charities with the same categories of beneficiaries as ours. This support (covering finance, HR and grant-making processes) allows those charities to direct their resources at meeting the needs of their beneficiaries.

During 2022, we continued the 2-year transition support service pilot which started in November 2021. The service seeks to support those leaving the Service involuntarily and who are likely (as a result) to struggle transitioning into civilian life. It does so by employing a number of caseworkers who provide co-ordination and signposting functions, as well as emotional and practical support, to those leavers. During the first year of operations, the service assisted 214 people.

Our Purpose: Our purpose is to honour our vision by ensuring we:-

- provide the leadership and alignment of common purpose for our beneficiaries' needs;
- find those who need help, especially the hidden and lost, and ensure they can find us;
- respond appropriately through direct support with key partners from the naval and other charities, the health and social care sector, and the benefits system;
- work to develop an effective and sustainable access and triage system with appropriate level of case and care supervision for the entire naval family.

Our Strategic Objectives:

- We will work with other charities operating in our sector to establish a confederation in order to provide those in need within our beneficiary group with a single point of access to the totality of state and charitable support available.
- Acting with other naval charities and key stakeholders, we will ensure that our potential beneficiaries are made aware of the support that is available to those who need it.
- We will collaborate with Greenwich Hospital to agree funding priorities and secure a long-term financial commitment from Greenwich to deliver the RNRMC's charitable objects.
- We will commit to spending over 50% of our charitable expenditure on collaborative and long-term commissioning projects with other charities and organisations which seek to address underlying causes of need; and
- Recognising the need to act decisively, we will undertake bold and far-reaching plans and projects with our partners that will draw down substantially on our total net assets.

RNRMC Aims to:

- Alleviate consequences of Service; and
- Honour Service to the Nation.

We will do this by our proactive/pre-emptive themes:-

- Support to the Serving and their families
- Successful transition for all
- Combatting loneliness and isolation – building befriending and support networks

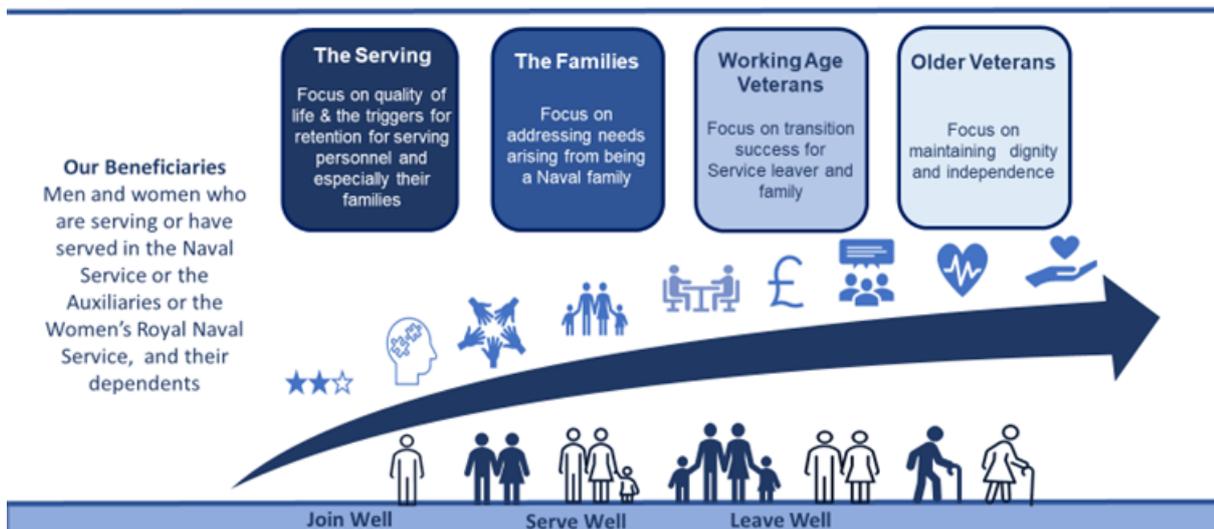
And reactive themes:-

- Caseworker network
- Independence and dignity for older/vulnerable veterans
- Benevolence support

We continually refresh our understanding of need through our partnership work and regular quantitative and qualitative monitoring information and data.

THE ROYAL NAVY AND ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

At the centre of our practice is our engagement with beneficiaries, using their needs and experience to inform how to design and deliver projects.



In order to deliver our objectives a number of commissioned programmes, pathways and support are delivered to our beneficiaries. Further information on our activities within these areas can be found in the next section.

Efficiency throughout the Charity and the wider Community

Maintaining a low overhead ratio is core to our belief of delivering more to a wider group of beneficiaries through an effective middle and back office.

We aim to play a full role in encouraging efficiencies and effectiveness across the sector including encouraging discussions about how the naval charity sector specifically, and the wider military charity sector more generally, might gain from the benefits of closer convergence.

One of the ways this objective is achieved is through virtual grant making, namely by providing external charitable support services. These services, provided at RNRMC cost, provides Naval Family charities both inside and outside of the RNRMC group, with administrative support across finance, HR and grant making, allowing our partners to focus on our common beneficiaries.

Public Benefit

In shaping our objectives and planning our activities, the trustees have considered the Charity Commissions guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

The trustees have recognised the principles of public benefit and believe that the RNRMC meets them, namely:-

- that there must be an identifiable benefit or benefits and they must be clear, related to the aims of the RNRMC and be balanced against any detriment or harm;
- the objects of the RNRMC are to focus on the relief in need, hardship or distress of disadvantaged persons, provide education and to improve the efficiency of the Naval Service. The range of the benefits deriving from benevolence activities includes the relief of poverty and improving the efficiency of other charities through the grants made. The RNRMC also provides its beneficiaries with facilities for sport and recreation;
- that the benefit must be to the public or to a section of the public. That the beneficiaries must be appropriate to the aims and, if to a section of the public, must not be unreasonably restricted and that those in poverty must not be excluded from the opportunity to benefit; and

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
REPORT OF THE TRUSTEES**

- the potential beneficiary group of the RNRMC is wide and includes not just current serving personnel, but also the vast majority of our beneficiaries who are former Naval Service personnel, families and dependants. Benevolence grants are all based on need demonstrated by the charities that apply for grants and do not duplicate state funding.

In addition, the RNRMC provides public benefit by enhancing and promoting military efficiency, strengthening the moral component of the Royal Navy’s and the Royal Marines’ esprit de corps.

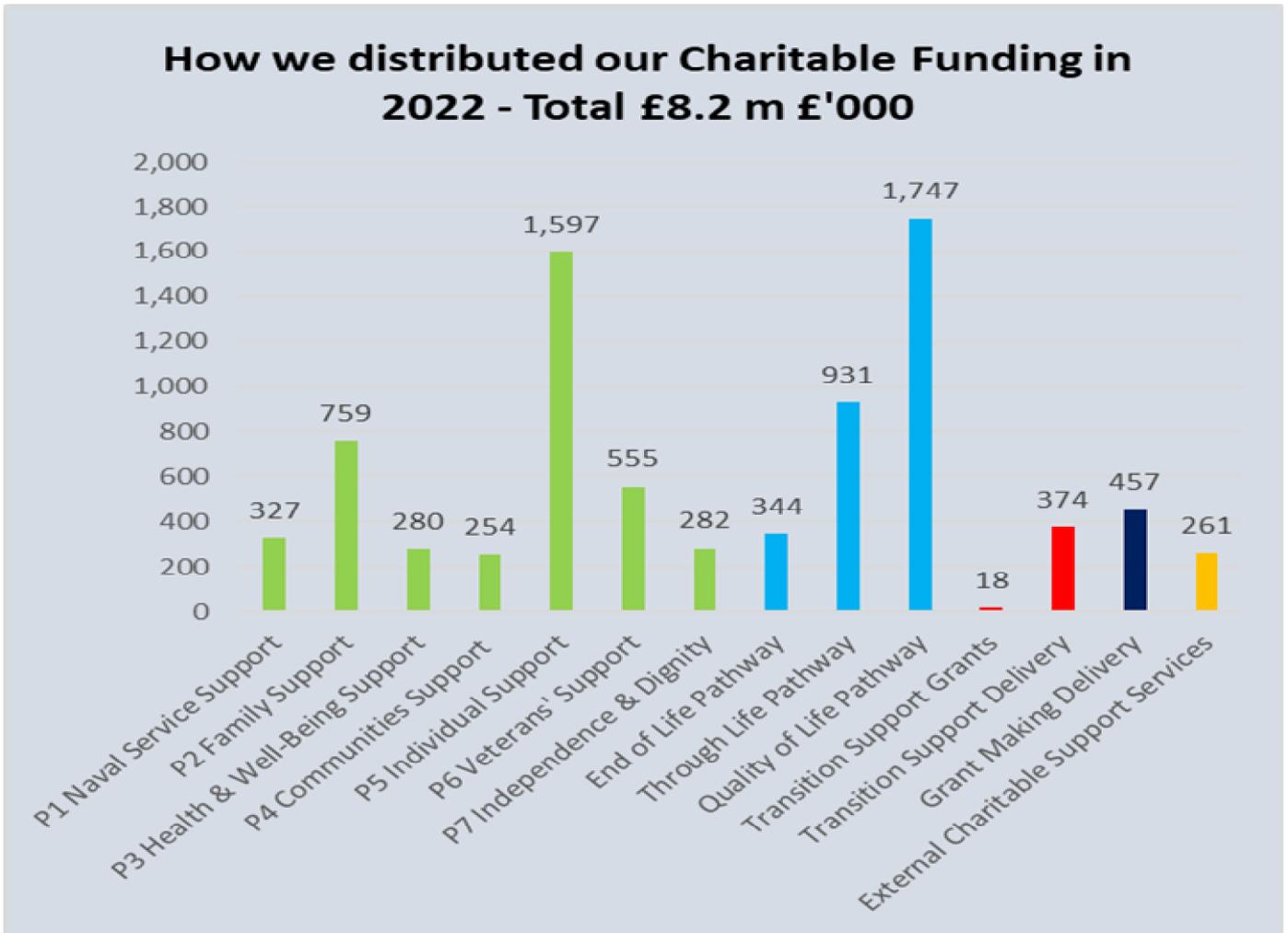
Achievements & Performance - Royal Navy and Royal Marines Charity

The achievements and performance in this section relate to the RNRMC Charity only. Individual reports for the other group entities can be found further down in this report.

During 2022, and in furtherance of our charitable objectives, the total charitable activity of RNRMC was £8.2m, excluding support costs. This includes not only the grants awarded (£7.1m) but also includes grant making delivery, transition support delivery and external charitable support services.

External charitable support services (virtual grants) relate to back-office services, for example finance or fundraising support, that are provided free of charge to Naval Charities which are either subsidiaries or are outside of our group.

The graphs below show how the total charitable output of £8.2m was distributed by the charity in 2022, both as a percentage of output and in £ terms.



THE ROYAL NAVY AND ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

Grant Making

During 2022, £7.1m of grant making expenditure was approved through funding models focused on identifying need, early intervention, and prevention. This was achieved through a combination of:-

- 7 commissioned grant programmes
- 3 grant pathways
- one-off special grants
- transition support
- virtual grant making
- specialised restricted funds

The grant making committees approved 1,180 grants in total which was a 17% increase on 2021.

There are seven commissioning programmes and three pathways as follows:-

1. **P1 Naval Service Support £327k** – To provide support, normally infrastructure, to serving naval personnel. This year this included grant agreements for the NSSC, to provide grants to 43 RN & RM sports associations, and funds to support the establishment of The Submarine Family (TSF).
2. **P2 Family Support £759k** – To ensure that those who fall on hard times have access to financial support. This included partnering with the Kings Foundation to provide activity camps for 1,131 children during the school holidays; or partnering with Relate to provide relationship and family counselling services to over 800 beneficiaries and Home-Start, providing support for families with young children across the UK.
3. **P3 Health & Wellbeing Support £280k** – To support mental health and wellbeing of service personnel and their families, this year partnering with Portsmouth Military Health Alliance to provide gambling & addiction support to 49 RN personnel; Anchoring Minds to support families in the Solent area; a project with the Gosport and Fareham Multi Academy Trust to create a Community Services Hub; and specific project funding for Home Start to look at support for RN mothers with pre- and post-natal depression at three targeted sites.
4. **P4 Communities Support Programme £254k** – Designed as projects to combat loneliness and social isolation and extended in 2021/22 to deliver pilot projects that support all beneficiaries, this year this included funding a post with Fighting with Pride to reach into the LGBT+ community; and providing a specialist worker to work from the White Ensign Association (WEA) to support access to the Armed Forces Compensation Scheme and further support delivered on bases and units for serving personnel with Financial Awareness lectures to 1,061 beneficiaries to improve their transition to Civilian Life.
5. **P5 Individual Support £1,597k** – To ensure that those who fall on hard times have access to financial support. Notable grants this year were made to the Naval Children's Charity (NCC), the Royal Naval Benevolent Trust (RNBT), the Sailors' Children's Society (SCS) and RMA-TRMC, to provide individual benevolence support to RN & RM Beneficiaries.
6. **P6 Veterans' Support £555k** – To support the specific needs of veterans. This includes partnership with SSAFA to provide casework for the naval family of charities, in total supporting over 11,000 RN & RM Beneficiaries in 2022. Also providing funding to support employment opportunities via the Forces Employment Charity and the Poppy Factory; and support for vulnerable veterans through funding to Stoll, Alabare and Combat Stress through their specialist services that help with Accommodation, Mental Health Support and Signposting.
7. **P7 Promote Independence and Protect Dignity £282k** – To ensure that older and dependent beneficiaries have the care and support they deserve. This included funding for five military care homes throughout the UK, and support for those living overseas including Hong Kong and the Commonwealth. As well as support to digital resources for the Carers UK online platform.

For each of the programmes, but in particular for Programme 2: Family Support, and Programme 3: Health and Wellbeing, the charity has actively sought partners who can assist its understanding of existing challenges, how services could and should be developed and organisations capable of addressing particular needs. In essence, this means that the charity is operating a commissioning approach to grant funding.

THE ROYAL NAVY AND ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

Grant making Pathways

Key achievements within the 3 pathways include:-

- **Quality of Life Pathway £1,747k** – To provide grants which improve conditions of service and further the efficiency and morale of the Royal Navy. The charity continued to provide support swiftly to the frontline in 2022 with a further 30% increase in grants at 403 against 283 in 2021. More than £600k of funding was distributed for refurbishments, and £1m specifically benefitting serving personnel. There were 257 grants provided towards morale boosting events and team building along with 137 grants provided to those on operational duties to improve quality of life.
- **Through Life Pathway £931k** – To support the welfare of serving personnel, veterans and their families. Support provided to 22 organisations across the UK and overseas, including Veterans Aid supporting homeless veterans, Reading Force connecting serving personnel and families through reading, and Improving Lives Plymouth in the South West providing a wide range of services for veterans. As well as providing grants of over £38k to assist naval service personnel in recovery with support such as speech therapy, specialist equipment, and group activity sessions.
- **End of Life Pathway £344k** – To provide grants to support the dependants of those who pass away while in service. 18 bereaved families were provided with an immediate payment of £20,000 following a death in service.

Special Grants

- **Falklands 40** - In 2022 a new funding stream was created to mark the 40th anniversary of the Falklands Conflict. Grants were made available to support comradeship and remembrance bringing serving personnel, veterans and their families together, some for the first time in 40 years. 40 organisations received funding amounting to over £104k. A successful bid to the Armed Forces Covenant Fund provided funds to support those who served in Afghan and more recent campaigns and these grants will continue to be available into 2023. The funding of these grants sits within the Through Life Pathway
- **Afghan Grants** – Funding for this programme was made available from the Armed Forces Covenant Trust fund and the Office for Veterans Affairs. The aim being to reach out to engage veterans who served in more recent conflicts into the membership organisations who could provide or signpost to support where needed. Over £140k in grants were awarded in 2022 for Afghan grants, expected to benefit around 1,300 serving personnel, veterans and their families.
- **Reward and Recognition** – There were 70 reward, recognition and respite breaks awarded to serving personnel and their families. Along with over £100k being released in annual awards to recognise serving personnel throughout 2022 and an additional 663 personnel being recognised with a Herbert Lott Award.

Transition Support Service

The RNRMC designed and established a transition support service in 2021 which went 'live' on 3rd November 2021. The transition support service has assisted 214 service users in its first year of operation with a person-centred approach to active case management. This has generated over 6,500 separate contacts for our Transition Support Guides (TSGs) as they have conducted holistic assessments to stabilise, advocate and then navigate this most vulnerable cohort to support their immediate needs on being involuntarily discharged from the RN.

We have collaborated with more than 90 organisations (military and non-military charities, local and national authorities and statutory organisations) to achieve the services and support required, where and when needed. While every case is different, there are some general areas in which these vulnerable service leavers have been supported, these include:-

- Advocacy or referrals to an organisation to assist with an Armed Forces Compensation Scheme, War Pensions, or statutory benefits.
- Support relating to alcohol and substance misuse.
- Support to further their employment prospects or enhance their educational qualifications.
- Received grants or been assisted in an application for benevolent or financial support.
- Supported or referred to other organisations to address physical or mental health issues.
- Similar support regarding social and family relationship issues.
- Assisted in accessing their entitlement to the transition process from the MoD or another organisation.

THE ROYAL NAVY AND ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

Virtual Grant making (External Charitable Support Services)

During 2022 the RNRMC provided free of charge support services totalling £261k. The support consisted of various services including administration, grant-making support, HR & payroll processing, and accounting support ranging from transactional processing to management accounting and support with audit processes.

The benefit of the support means that charities were able to focus their resources away from overheads and into our common beneficiaries. Alignment of processes has allowed the charities to streamline and share best practice and enhance collaboration through the Naval charity sector. Alongside charities within the RNRMC group such as NSSC and RMA-TRMC, external charities have also received this support, and include the Naval Families Federation, White Ensign Association, the Royal Naval Association and the Armed Services Trauma Rehabilitation Outcome Study.

The Submarine Family

In April 2020, the inaugural meeting of the RNRMC Submarine Fund was held establishing a fund whose objectives are to promote the:-

- Welfare and well-being (which includes mental health) of all Submariners (serving and retired) and their families.
- Submarine ethos, morale of all ranks of, or serving with, the Submarine Service including the provision of recreational facilities, amenities and other goods and services not provided out of public funds.
- Submarine Heritage.

Throughout 2022 there were £36k of grants approved, and are included in the Quality of Life Pathway .

Other Funds

During 2022 we continued to develop support for two further funds assisting the mental health of Naval personnel:-

- Help - Jim's Story to raise awareness of mental health alongside the mental health programme supported by the RN ; and
- HMS Oardacious Fund supporting the mental health of submariners.

The Royal Fleet Auxiliary

Our objects include members of the Royal Fleet Auxiliary as beneficiaries. During 2022 we were delighted to receive the funds of the Royal Fleet Auxiliary Benevolent Fund as a restricted fund of the RNRMC (restricted to the support of RFA personnel only). This will allow the RNRMC to support the RFA through our usual grant making and commissioning programmes in addition to the restricted funds of their Benevolent Fund.

Raising Funds

During 2022 the fundraising of the charity resumed some of its regular activities post covid, together with continuing to maximise on some of the new ways of engaging with donors and fundraisers developed during that difficult time.

We raise funds and engage with our supporters through several income streams, ensuring we diversify our activity as much as possible to allow us to engage with all of our supporters through whatever stream appeals to them, this could be at events, or it could be volunteering their services or competing in our lottery.

We are pleased that the Navy continues to support us through their payroll giving scheme. This scheme provides vital support to our beneficiaries from serving to older and dependent veterans. Our community events are rebuilding well post covid. Our first external Charity office space was opened in Plymouth at HMS Drake during 2022 following the recruitment of a regional Engagement Officer with the objective of establishing the change from 'Community Fundraising' to 'Community Engagement' for the 'Whole' Charity. Our engagement team has shifted from a traditional community model to working strategically in how we maximise engagement opportunities within our capacity by developing fundraising hubs, Charity Champions and a volunteer network.

We have been lucky to be involved in many significant Naval events during 2022 including Trafalgar Night and Beating the Retreat at Horseguards Parade in the summer.

The year ended with our flagship event 'His Majesty's Wave Ball' on HMS QUEEN ELIZABETH which brought together friends, volunteers, staff, supporters and donors all working together to support sailors, marines and their families. This event would not have been possible without the kind support of the Royal Navy, in particular, Captain Ian Feasey's full support, allowing the RNRMC to use the carrier and create an exceptional event. Thank you to all of the crew who

THE ROYAL NAVY AND ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

helped on the night, individuals who showcased their cars and donated fabulous prizes and the ticket holders for making this a huge success.

We work closely with all of our supporters, such as our 'extraordinary fundraisers' Stars and Spokes, Tour de Submariner and HMS Oardacious who all took part in epic challenges to raise thousands of pounds for mental health projects as well as the many fundraisers taking part in walks, runs and climbs (to name a few) for RNRMC.

The Charity continued to build partnerships with many organisations to promote engagement whilst raising funds, including the launch of 'The Galley Cookbook', which was produced with the support of our partner ESS.

As part of our strategy, the charity is reviewing sustainability and value for money and slowly introducing new ways of raising funds in an ever-changing fundraising climate. We saw an opportunity to repurpose disused life rafts and other challenging-to-recycle materials as a means for fundraising – and in doing so keep them out of landfills. The result is a range of one-of-a-kind products that not only generate funds for the RNRMC & Oarsome Chance (their charity partner) but also champion the principles of sustainability.

The fundraising collaboration been embraced as an ingenious way to bring the 2.5 tonnes of Royal Navy donated decommissioned life rafts and other materials into the circular economy. Bob Field, Head of Support Services and Engagement for RNRMC and a key architect in bringing this project to life explains:

"I knew from my last job in the Royal Navy that the MOD disposed of disused items in varying ways, including some going to landfill at a cost. Through this project we've managed to take difficult or impossible to recycle materials, materials destined for a landfill, and make incredible products with new value".

The Charity was successful in securing funding from and working with, amongst others, the following trusts, funds and foundations in support of our beneficiaries without whom we could not provide the support we do for those who need it most:-

- Greenwich Hospital
- Nuffield Trust
- Lambert Family Charitable Foundation
- Westwood Charitable Trust
- The Hintze Family Charitable Foundation
- Armed Forces Covenant Trust
- Wimbledon Foundation

The Charity also held its first ever annual 'Thankathon'. We encouraged all staff to donate some of their time to reach out to any of their contacts either by card, email or phone to say thank you for all their support, which generated many positive responses.

Much as we would like to, we can't thank all of our donors, fundraisers, corporate, trust and other supporters individually here, but we are indebted to each and every one of you for your support in 2022. We also recognise that some of our most significant donors wish to remain anonymous.

Further information relating to the financial value of fundraising can be found in the Financial Report Section.

Achievements and Performance - Royal Marines Association-The Royal Marines Charity

The full report for the RMA-TRMC can be found within their own statutory accounts, below is a summary of their key achievements and performance during 2022.

The rising complexity of need has led to increased spend by the Charity, having to put in place the people, resources and processes necessary to provide the effective first call support appropriate for our community with new appointments being made to support transition support recovery and advocacy.

We are confident that we have become increasingly effective in supporting the Corps Family: cases in 2022 were more complex, requiring multiple strands of support and enduring over longer periods as the table overleaf demonstrates.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
REPORT OF THE TRUSTEES**

	2018	2019	2020	2021	2022	% incr
Individuals supported by grants	600	1058	810	633	678	7
Employment Assistance – discharged RMs	256	319	298	479	647	35
Transition Support to Vulnerable Leavers	82	96	93	131	163	24
Veteran Mental Ill-health Cases	79	92	113	102	110	8
Addiction support	NA	43	60	89	79	-11
Armed Forces Compensation Tribunal Case Support	97	117	203	198	162	-19
Total Benevolence Cases supported (includes other categories not represented above)	1404	1662	1896	2794	2690	-4

Smart working - collaboration with partners

We have worked increasingly closely with the NHS (OP Courage and the Veterans' Trauma Network), the MOD Department for Community Mental Health, and Third Sector partners with whom we have agreed formal MOUs: the Royal Navy & Royal Marines Charity, Walking With The Wounded, Supporting Wounded Veterans, the White Ensign Association, the Special Boat Service Association, High Ground, Rock to Recovery and Bootnecks In2 Business. We collaborated regularly with Combat Stress, Zero Suicide Alliance, Help For Heroes, the Defence Medical and Welfare Service, Veterans' First Point, Horseback UK, the Naval Families Federation and the Forces Employment Charity.

In our grant making we work in close partnership with SSAFA-The Armed Forces Charity, The Royal British Legion and Naval Service charities: the Royal Navy and Royal Marines Charity, Greenwich Hospital, the Royal Naval Benevolent Trust, the Naval Children's Charity and the Royal Navy Officers' Charity, with our USP being our holistic assessment of needs leading to complementary monetary and non-financial support.

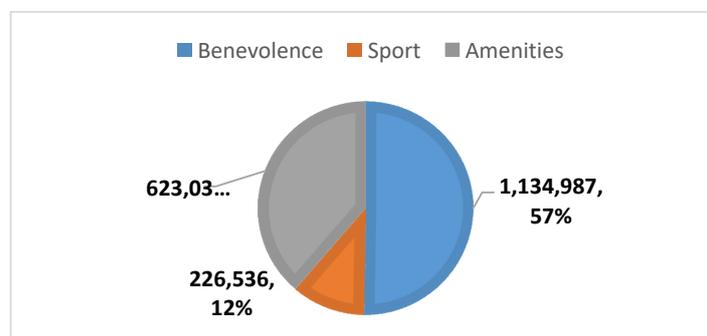
We have assisted the wider Naval charities to develop a more holistic service through embedding a RNRMC Casework Manager and three Transition Support Guides within our staff, while we have advised the Royal Naval Association, the White Ensign Association and Support Our Paras (the Parachute Regiment and Airborne Forces Charity) in the development of their services to reflect those offered to our members and beneficiaries.

Lifesaving support delivered

Since establishment of the Royal Marines Charitable Trust Fund (one of our precursor charities) in 2008, over £26.9M has been given in grants towards recovery, quality of life and through life care.

The Charity achieved expenditure in 2022 on grants payable of £1,984,560 (£1,307,674 in 2021).

Total grants 2022



The delivery of charitable support amounted to a further £1,434,200 giving a total of £3,418,760 of charitable delivery expenditure.

Increased numbers supported:-

- Total number of beneficiaries supported by charitable interventions through year: 22,372 (2021: 22,342; 2020: 20,744; 2019: 16,092).

THE ROYAL NAVY AND ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

- Total number of beneficiaries in need supported through financial and non-financial benevolence: 2,690 individuals (excluding their dependants) (2021: 2,794; 2020: 1,896; 2019: 1,662; 2018:1,404)
- Total amount of amenities and sports/adventure training grants: £849,573 (as against £585,617 in 2021, £341,050 in 2020, £1,192,766 in 2019 and £1,011,557 in 2018, reflecting the return of Corps life and activities following the COVID 19 pandemic).
- Number of serving Royal Marines benefitting from amenities and sports grants: 10,552.

Support outputs and impact:-

- A record number of involuntarily discharged Royal Marines and vulnerable recruit leavers – 647 (2021: 479; 2020: 298; 2019: 319; 2018: 256) – were provided with employment advice; 69 received funding grants totalling £89,000; 41 were assisted into employment worth over £1.4M in added local employment value (the Government's approved proxy value for one person being in employment for 12 months being £31,285); see the dedicated section on social value below.
- 162 War Pension and Armed Forces Compensation Scheme tribunal cases were supported.
- 79 individual addiction cases were supported, 27 serving with a replacement cost of £3.375M if they had been discharged (since it costs a minimum of £125,000 to train a new recruit), and 52 veterans.
- 126 new vulnerable leavers were supported by our Transition Support Officers.
- A slightly increased number of Veterans' Referral Plan mental health therapy cases were supported, 110 (2021: 102; 2020: 113; 2019: 92; 2018: 79; 2017: 26).
- Funding of £110,000 was provided for the coaching of 168 battling mental ill-health by Rock to Recovery (2021: 168; 2020: 194; 2019: 193; 2018: 142).
- Partner organisations were supported by funding of £286K, benefitting 532 individuals alongside pastoral work at 5 units supported by funding of £45,000 to the Dame Agnes Weston Charity.

The Gordon Messenger Centre – enabling resilience in the Corps Family

The Centre hosts welfare support, training, rehabilitation activities, briefings, employment workshops, community events for serving and veteran Royal Marines, family activities, a children's creche, charity meetings, cadet activities and support to sporting events on the adjacent sports fields. This £2.8M project, which could not be funded by the MOD, was funded through grants and donations of £1.9M, and £900K from Charity general funds. Further grants of just over £45K were made in 2022 to enhance the equipping of the Centre.

Created Social Value:

Since 2018 the Charity has been capturing metrics using government approved Themes, Outcomes and Measures (TOMS) including calculations of added social value, with the assistance of the [Social Value Portal](#).

The Social Value created by the Charity as measured through the [Social Value Portal Themes, Outcomes and Measures](#) in 2022 was £2,889,058.

This sum does not tell the whole story of what the Charity delivers, as it only captures value to wider society and not that delivered specifically to the military community. This incremental support to the serving Corps Family through funding of regimental life and evidenced retention resulting from the Charity's interventions was worth a further £4,375,000.

Therefore, the total social value created in 2022 was worth £6,486,425, meaning that every £1 donated to the Charity was turned into £2.13 of charitable value created when set against charitable spend of £3,039,758.

Achievements & Performance – The Naval Service Sports Charity

The full report for the NSSC can be found within their own statutory accounts, below is a summary of their key achievements and performance during 2022.

2022 has seen a gradual return to normal levels of sporting activity following the previous restrictions put in place during the Covid-19 pandemic. As a result our funding has supported the following activities:-

Sports Associations. The operating costs generally cover the requirements for insurance, national governing body subscriptions, membership fees, catering, hospitality, competition fees, IT support, trophies and prizes; effectively the lifeblood and viability of a sports association. With some sports associations able to carry forward unspent funds from 2020/21, of the £275,400 included in the NSSC 2022 budget £266,495 was allocated to meet the expected operating costs.

THE ROYAL NAVY AND ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

Talented Athletes. Individuals talented enough to compete at national and international level have been supported by a generous grant of £30,000 from BAE Systems and £20,000 from NSSC funds:-

- Marine George Crotty (Boxing)
- Marine Taylor Lawrence (GB Bobsleigh)
- Sergeant Adam Baird (GB Bobsleigh Development)

The NSSC also supported 26 other athletes competing at national and international level in Hockey (England and Wales), Duathlon, Triathlon, Ironman, Kayaking, Judo, Powerlifting, Weightlifting, Cycling, Shooting, Paragliding and Rugby Union (Philippines).

Coaching and Regional Sport. Supporting grassroots development from the Coaching and Regional Sport areas.

NAVYfit Campaign. In addition to the NAVYfit Campaign which aims to recruit new members into the sports associations, investment was also made to directly support the annual RN Sports Awards and to introduce NSSC prizes for those who make an outstanding contribution to RN Sport.

Achievements & Performance - Royal Navy Officers' Charity

The RN Officers' Charity is by design very lean in terms of staff. With a small team who also lead and manage the Association of Royal Navy Officers, we achieve best in class financial ratios with over 90% of our annual expenditure dedicated to providing benefits. All of the investment income is spent on grants. We received over 700 enquiries from potential and existing beneficiaries in the course of the year and worked closely with partners such as SSAFA and RN Welfare on casework as well as conducting our own due diligence in the majority of cases in order to reliably and rapidly respond to needs. Our effectiveness and contribution were recognised when we received the Charity of the Year Award for 2022 from the Association of Charitable Organisations.

We continue to support more than 60 people in the UK and abroad with annual grants. These allow the recipients to meet the costs of day to day living. After due diligence reviewing the forecasts for utility and other costs the Trustees authorised additional payments to this population to help them keep up with the unprecedented cost of living increases. By being proactive we were able to offer quick reassurance to this group who despite living frugally were not able to keep pace with the increases. The Trustees have approved an increase for the annuity for 2023 to £3,500 pa (from £3,000).

2022 saw a doubling in the value of grants providing support with care home fees. We also noted increases in educational and training costs support, counselling, healthcare and funeral expenses. More people needed our support with rental costs and crisis grants, and debt management remains an important focus. In terms of the needs identified and addressed it was another year where the value of grants delivered exceeded £500,000 and given the ongoing issues being faced by many this is unlikely to reduce in the future.

In addition to the financial grants awarded RNOC provided continuous access by mail, email and telephone for current and potential beneficiaries. Assistance was provided to numerous widows/widowers suffering bereavement, navigating the systems and processes to get the pensions and support to which they are entitled. Many others benefit from having a point of contact to discuss their concerns and challenges. We continue to partner with Zimbabwe a National Emergency (ZANE) and Royal Commonwealth Ex-Services League (RCESL) to deliver crucial support in other jurisdictions. After many months, an application to be registered with the FCA is in the final stages. This important change will allow the team to better offer grants suited to relieving debt and other financial concerns.

A copy of the latest Impact Report can be accessed at the Charity website. www.rnoc.org.uk. The ARNO/RNOC website www.arno.org.uk is accessed on a regular basis and all IT systems are regularly monitored and checked to ensure the latest compliance. During 2022 RNOC have engaged an outside marketing company to help raise awareness of the Charity.

THE ROYAL NAVY AND ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

Future Plans - Royal Navy and Royal Marines Charity

Acting individually, it is unlikely that any single charity will be able to deliver the totality of the need that exists within our sector. Instead, increased effectiveness is more likely to be delivered when charities (and other key stakeholders) act collaboratively to leverage off their combined resources: by pooling knowledge and expertise, establishing shared processes for identifying and dealing with needs, and directing financial resources towards common goals. Our future plans, therefore, are based around working with partners to deliver better outcomes for our beneficiaries.

Principally, we will continue to direct substantial resources towards commissioning programmes with partners that seek to deliver specific outcomes for the benefit of a particular cohort, whether that is for those who serve, their families, working-age veterans or those veterans no longer working. In establishing those partnerships, we will be particularly mindful of the need to address the underlying cause of need, rather than merely deal with the outcomes (important though that is).

At the same time, we will continue to work closely with other naval charities who also support our beneficiaries by providing them free of charge back-office services such as HR, Payroll, bookkeeping, investment management, fundraising, communications and grant giving support in order that they focus on the direct support to those in need. The governance of RNRMC is strong and is able to provide a wealth of experience and advice to our partner charities to help them and in turn help our beneficiaries.

In this regard, we are delighted that at a recent EGM, the members of the Women's Royal Naval Service Benevolent Trust (WRNS BT) resolved to seek Privy Council permission to alter the Royal Charter of the WRNS BT to make the RNRMC the sole corporate member from 1 January 2024. This means the WRNS BT will become a wholly owned subsidiary of RNRMC. The RNRMC will work closely with the WRNS BT to bring their funds under the RNRMC umbrella, whilst allowing the trustees of the WRNS BT to focus on the day to day management of the Charity utilising the resources of the RNRMC.

We are also aware that for many individuals seeking support, the number of charities and other organisations who can offer to help can be overwhelming and confusing. We plan therefore to advocate for better co-ordination between charities in the sector so that potential beneficiaries have as simple a route to access support as possible.

Having successfully reduced our reserves so that the level of reserves is consistent with that which is necessary to meet the range of risks that the trustees judge is appropriate, we plan to move to a more balanced annual budget that will ensure we continue to meet beneficiary need in the long-term. Recognising the immediacy of the ongoing fiscal challenge for many of our potential beneficiaries, we will operate a £5m deficit in 2023 (and deliver around £9m in charitable activity) but aim to reduce that deficit in subsequent years. It follows, therefore, we plan to seek additional funding to maintain charitable activity.

Trustees are satisfied that the Charity has adequate resources to continue in operational existence for the foreseeable future and therefore continues to adopt the going concern basis in preparing its financial statements.

Future Plans - Royal Marines Association-The Royal Marines Charity

In 2021 the trustees conducted a strategic review across every aspect of the Charity's delivery, resulting in timetabled new delivery and delivery improvements against measurable outcomes to be achieved by the end of 2024.

We are following a 3-year budgeted delivery programme with associated risk register based on the revised strategies, delivered by the staff but with regular reporting oversight from the sub-committees allied to the Charity's functional teams, which in turn report to the Board.

This programme will ensure that the Charity is proactive and bold, differentiated, sustainable, owned by the Corps Family, recognised by the wider community, and effective (efficient and achieving maximum impact). The programme ensures the following strategic objectives will be secured:-

1. We will enable those we serve to live by the Commando Mindset (restoring, maintaining and enhancing independence, dignity and effectiveness) through financial and non-monetary support;
2. We will promote and sustain the Royal Marines brand and esprit de corps;
3. We will increase and achieve a representative membership mix of the Corps Family and supporters, in order that the Charity and Association become the heart of the Corps Family.

THE ROYAL NAVY AND ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

In particular, the Charity has the following desired operational outcomes by the end of 2024:-

1. To be the natural and trusted first point of contact for the Corps Family when in need of assistance;
2. To offer active and effective support to Commando Forces;
3. To be the leading UK regimental charity championing our members and enabling collaboration between major tri-service associations;
4. To number 24,000 members with a younger demographic;
5. To have an enhanced geographical footprint across the devolved nations and northern England;
6. To have better trained and enabled volunteers;
7. To enable a fully developed PR function;
8. To secure an annual net income £4M (currently £3.4M) including sustainable major donor and corporate income.

The Executive is co-operating with the wider Naval charity sector to identify:-

- likely demographic and actuarial changes of the beneficiary community in the next 5-10 years;
- the revised operational commitments of the Royal Marines;
- other accepted trends in the serving and veteran military population of the UK, with the opportunities and challenges that will be presented;

in order to ensure appropriate and effective support.

We will seek to develop the unique selling point of the Charity as the embedded Charity of the Corps, so uniquely placed to provide appropriate charitable support.

Budgeted spend to deliver necessary support in 2023 has led to the trustees approving a deficit budget of (£908,000). There are sufficient free reserves for 4-5 months of expenditure as at the time of signing, but if fundraising and other income-generating activities are not able to continue normally, the trustees will need to liquidate investments which are intended to be held for the long term in order to generate a recurring income stream for beneficiaries. Cashflow is monitored monthly, looking forward 12 months.

Future Plans - The Naval Service Sports Charity

The NSSC will endeavour to increase the level of grants to sport in the Royal Navy by a percentage equivalent to any increase in CPI or to satisfy all reasonable demands in later years. In setting the budget for 2023 and future years the NSSC has made assumptions that the size of the Royal Navy, the number of Sports Associations and the numbers accessing sport will not change significantly in the next 5 years.

As with many other charities, there are indications that maintaining income in future years will be challenging and the NSSC will need to continue to work closely with its parent charity, the RNRMC, to ensure that the outcomes of their Quality of Life Pathway grants continue to justify the defined level of grants made to the NSSC.

The NSSC continues to support the Royal Navy Sports Board by assisting Sports Associations and by employing individuals in support of naval sporting outputs. In 2023 this will see the conclusion of an RN Sports Transformation programme that includes the recruitment of 9 full-time Civil Servants, enabling 3 NSSC sports development staff on 2 year fixed term contracts to transfer to full-time publicly funded posts.

Future Plans - Royal Navy Officers' Charity

The need for benevolence for our population continues, Covid lingers in the background and the full and true consequences of the current rises in inflation and the cost of living remain unknown.

The Charity's Benevolence Sub-Committee closely monitor trends, grants and emerging cases recommending, where and when necessary, increases and additional resources.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
REPORT OF THE TRUSTEES**

Financial Report RNRMC Group

Overview

The RNRMC Group closed the year with total funds valued at £76.3m, a reduction against the previous year of £14m from £90.3m. This reduction in funds was due to both the agreed spend down of our reserves continued in 2022, which resulted in a deficit of £5.2m, and net losses on investment assets of £8.9m.

Operating Income

Overall performance when compared to 2021, was positive, with income increasing by £1.5m to £13.2m (+13%), and income excluding investment income increasing by £1.6m to £11.6m (+16%). This increase in income was primarily driven by the following areas:-

Donations and Legacies – A positive increase of 13% from £6.1m to £6.9m against the prior year was seen in donations in 2022. This includes income across various fundraising areas and can be broken down as follows:-

- Donations – Following the easing of covid restrictions fundraising events were able to take place during 2022. Major fundraising events included the flagship event the carrier ball.
- Payroll Giving – During 2022 RNRMC were once again able to present to naval recruits about the payroll giving scheme, which together with the continued generous donations from serving naval personnel resulted in maintaining income levels in 2022 against a backdrop of falling naval recruitment numbers.

Income from Other Trading Activities - increased by £0.7m (+110%) as the removal of Covid restrictions resulted in the increased events such as MFM and others through RNRMC and TRMCE.

Investment Income - remained broadly in line with 2021 with only a small reduction of £0.07m (-4%). However, the group operates a total returns policy, about which more information is available below.

Income from charitable activities - We are grateful to our funding partners that support us with grants to enable us to support our beneficiaries. Income remained broadly same as 2021 with a small increase of only £0.03m (+1%) at £3.2m.

Demand again outmatched income and we will continue to develop our income streams such as legacies, major donors and corporate relationships whilst utilising our reserves brought forward to meet this unmet need.

Expenditure

Total expenditure in 2022 was £18.4m (2021 £17m). This was split into the following areas:-

Raising Funds

Fundraising costs – The costs in this area continue to be tightly controlled whilst maintaining engagement through developing our marketing and communications to engage future donors and supporters. In 2022 the Group's costs (excluding Investment fees) increased from £2.5m to £3.5m an increase of £1m. This was a direct result of increased events across both the charity organisations and the trading entities post covid, and drove the overall income of £1.8m, together with investment in engagement with future donors. As a % of income excluding investments these costs were 30%.

Investment Fees – A decrease in investment fees of £85k (-14%). Investment fees are charged on a % of our portfolio value, the result of which means that reductions in total portfolio value will mean a resultant reduction in investment fees.

Charitable Expenditure

Charitable expenditure increased from £13.9m in 2021 to £14.4m in 2022, an increase of £0.5m. Of this, the charitable spend of RNRMC Charity only was £9.2m, a decrease of £0.6m against 2021 of £9.8m.

For the Group pure grant making spend fell by £0.6m, from £10.2m to £9.6m. This was mostly driven by RNRMC where exceptional capital grants in 2021 of (£1.2m) were not repeated in 2022 but were however offset by additional activity funded by AFCTF, and special grants such as Falklands 40 were made.

Charitable support costs increased to £4.6m from £3.7m, again driven by RNRMC as a result of the transition support programme having its first full year of activity and investment in more efficient grant-making took shape. Additionally

THE ROYAL NAVY AND ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

support costs include the cost of headcount needed to provide the virtual grant making service to external charities. The Charity's strategy continued to focus on maintaining a tight cost base while continuing to support beneficiary need.

Unrestricted Funds

The value of unrestricted funds including designated funds but excluding subsidiary trading company reserves (which can be seen in more detail in note 27), reduced from £28.2m to £21.2m in 2021 a reduction of £7.1m.

Net income of £4.3m was received into unrestricted funds, an increase against 2021 of £1m. A large proportion of the increased fundraising activity was funded through the unrestricted funds resulting in an increase against the prior year also. Charitable expenditure increased by £2.5m to £4.5m as the Charity both actively reduces reserves in line with its reserves policy and spend previously held in restricted funds continues to be supported after some restricted funds were fully spent in 2021. Additionally, transfers of funds were made from unrestricted to restricted funds of £1.5m to support activity in restricted funds and relates in part to payroll giving income that is recorded as unrestricted income, this income is applied against restricted funds and supports all of our grant making programmes and pathways depending on their level of need.

There were net losses on invested assets of £2.8m relating to unrestricted investments.

Balance Sheet

Total fixed assets within the group were £76.2m at the end of 2022 which was a decrease of £12.9m. The value of fixed assets excluding investments was £1.74M, consistent with 2021 with only a small decrease in held values of £100k.

Investments in the group have decreased from £87.5m to £74.5m, a reduction of £13m. Across the group there was £8.9m of net losses on investment assets (Charity £5.7m), with the additional reduction in investment fund values due to cash drawn down from investments in accordance with the RNRMC cash policy, which is to hold a rolling 12 months activity in cash or near cash products. More information on investments can be found below.

Creditor balances decreased by £0.9m from £9.6m to £8.7m, of which, £0.6m relates to the reduction in investments of held custodian funds, with a further £0.2m relating to Grants Payable at the end of 2022. Debtor balances increased by £440k to £2.2m, as a result of accrued income relating to fundraising events at the end of the year.

During the year £3.3m was drawn as cash across the group (Charity: £2.5m) with cash of £6.4m held at year end.

Investment Policy & Performance

Investment Oversight

Sarasin Partners LLP became responsible for the investment management for the majority of the Group's funds in 2021, following a full investment manager review. This arrangement gives strength to the Group and benefits from economies of scale.

A portion of the Group's funds remain held at Cazenove, which includes the RNRMC No 2 (private equity funds) and investments held by RNOG.

The oversight of the management of the RNRMC, NSSC and RMA-TRMC's investments lies with the Investment Committee (IC). The IC meets every three months and is responsible for monitoring the performance of investment strategies approved by the respective Boards. Three independent investment advisors, Mr Alexander Crooke, of Janus Henderson Investors, Mr Bryan Burrough previously of Investec, Blackrock and Cazenove and Mr Mark Fitzgerald previously of Barclays Global Investors (BGI), Blackrock and HSBC advise the IC.

THE ROYAL NAVY AND ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

In 2022 the following portfolios were held within the Group:-

1 - RNRMC (main portfolio)	2 - RMA:The Royal Marines Charity	3 - RN Officers' Charity	4- RNRMC (No 2 Portfolio)
<ul style="list-style-type: none"> • RNRMC unrestricted funds • RNRMC restricted funds (unincorporated charities) • Naval Service Sports Charity • Custodian Funds 	<ul style="list-style-type: none"> • Separate fund managed by Sarasin 	<ul style="list-style-type: none"> • Separate fund managed independently by a Cazenove team 	<ul style="list-style-type: none"> • Private Equity Fund (in distribution mode) managed independently by Cazenove team

Investment Policy & Strategy

The Investment Strategy and Investment Policy for the Group IC are regularly reviewed and updated as necessary, in March 2020 with Cazenove and subsequently in April 2023 with Sarasin. The policy detail which now follows relates to the current policy. A key update to the policy this time is that RMA-TRMC have decided, post an investment manager review, to remove their funds in 2023 from Sarasin to UBS under a new agreement.

The overall investment objective is “to preserve and enhance the real capital value of the portfolio whilst supporting a sustainable withdrawal to fund current commitments”.

The Charity seeks to achieve its objective within an acceptable level of risk for their assets, the parameters of which have been agreed with Sarasin & Partners; the objective is quantified as the need to generate over the long term a return of inflation (CPI) plus 3% per annum. This should allow the real value of the assets to be maintained whilst funding regular annual expenditure.

The return target and appropriate benchmark are defined in the discretionary agreement with Sarasin & Partners, who will ensure adherence to this policy.

The Trustees are keen not to jeopardise the objective of ‘maximising risk adjusted total return’ by targeting too high an income requirement and hence have adopted a yield target of around 1.75% of starting year capital values. Any further required withdrawals will be taken by the selling of capital assets.

The Investment Manager is appointed with discretionary powers of investment under the Trustee Act 2000 and is subject to the terms of their investment management agreement. The trustees require that the Investment Manager considers the suitability of each class of investment and the need for diversification as appropriate to the circumstances of the various portfolios. The trustees have also set specific investment limits and restrictions for each portfolio, as well as appropriate benchmarks for their performance comparison.

The Trustees have considered whether they should impose any ethical restriction on the investment of the RNRMC Group assets by their investment managers. In doing so, they have concluded that they would not wish to restrict the investment managers ability to achieve their primary objective of seeking the best returns within the limits of the Group’s overall investment policy. However, it is likely to be in the Group’s long-term interests that its investments favour those companies that pursue ethical and socially responsible policies rather than those which do not. To that end, they have instructed the managers that they should consider this position when choosing investments for the Group accordingly.

Portfolio composite benchmark and permitted ranges

The below table outlines the composite benchmark, which was agreed with Sarasin and forms an important part of performance monitoring. It also details the lower and upper bounds for each asset class.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
REPORT OF THE TRUSTEES**

Asset Class	Low	Neutral	High	Benchmark Index
Cash	-	-	10.0	-
Government Bonds	-	7.5	30.0	ICE BofAML Gilts All Stocks Index
Corporate Bonds	-	7.5		ICE BofAML Sterling Non-Gilt
Total Bonds & Cash	-	15.0	40.0	
International Equities (£ hedged)	-	20.0		MSCI All Countries World (LC) GBP
International Equities	-	50.0		MSCI All Countries World
Total Equities	60.0	70.0	80.0	
Total Property	-	5.0	10.0	MSCI All Balanced Property Fund Index – One Quarter Lagged
Total Alternatives	-	10.0	20.0	SONIA Interest Rate Benchmark +2%
Total	-	100.0	-	
Sterling Weighting	40.0	52.0	60.0	

The alternative investments are broadly diversified and include commodities, infrastructure, hedge funds, and private equity.

The RNRMC Group's base currency is sterling and currency hedging is permitted given the global nature of the investments.

2022 Main Investment Portfolio Values

The total portfolio value as held at Sarasin was £57,546,190. The below table outlines the Group asset allocation relative to the benchmark (as at 31.12.22).

Asset Allocation	£	Capital %	Benchmark %
Fixed Income	6,243,610	10.8	15.0
Equities	39,935,106	69.4	70.0
Property	2,610,813	4.5	5.0
Alternative Investments	6,100,157	10.6	10.0
Liquid Assets	2,656,504	4.6	-
Total	57,546,190	100.0	100.0

2022 Main Investment Portfolio Values for the Charity

The portfolio value as at 31st December 2022 was £47,405,255. The below table outlines the Charity's' asset allocation relative to the benchmark (as at 31.12.22).

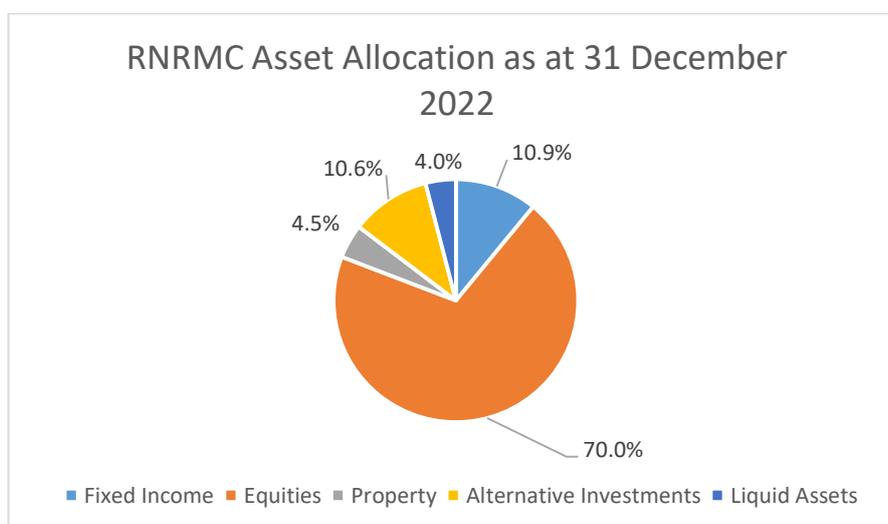
Asset Allocation	£	Capital %	Benchmark %
Fixed Income	5,157,513	10.9	15.0
Equities	33,174,949	70.0	70.0
Property	2,144,247	4.5	5.0
Alternative Investments	5,046,027	10.6	10.0
Liquid Assets	1,882,519	4.0	-
Total	47,405,255	100.0	100.0

We also detail below our rationale for each asset class:-

THE ROYAL NAVY AND ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

- **Bonds – underweight** – inflation was still prominent and rising interest rate risks remained. This position has now been adjusted and the portfolio has a higher allocation to bonds.
- **Equities – neutral** – reflecting that upside and downside risks to economies and markets were broadly balanced. Equities have since been reduced given the strength of the recent rally and risks to company earnings in 2023.
- **Alternatives – overweight** – gold and other uncorrelated assets can be a hedge against policy error, which is particularly helpful given current macroeconomic conditions.
- **Cash – overweight** – we held more in cash to reflect heightened uncertainty but have since invested much of the cash into bonds as we felt fixed income markets are more appropriately pricing in inflationary risks and the yields on offer were compelling.

More information on the Charities' Investments can be found in Note 20 of the statutory accounts.



Performance

Sarasin Held Portfolio

During 2022, the portfolio generated a net return of -11.3%, behind the benchmark of -9.3%.

Key factors that have impacted the portfolio's performance:-

- **Asset allocation had a positive impact** – the portfolio was overweight the best-performing assets (alternatives and cash), and underweight the worst-performing asset (bonds, equities, property).
- **Bonds** – the bonds fell sharply in response to rising interest rates, but the impact of this was mitigated by the underweight position.
- **Equities** – as long-term investors, the equity allocation accounts for the largest portion of the portfolio, but was down -10.4% during the period. The returns lagged the broader global equity universe primarily due to a lack of exposure to the energy sector, which was the best performing sector in 2022.
- **Property** – fell by -4.6%, reflecting the impacts that higher interest rates and recessionary risks are having on the values of property funds.
- **Alternative investments** – we had been careful to manage the risk-exposure within the alternatives, favouring uncorrelated assets such as gold, together with renewables and other infrastructure funds which often offer inflation-linked cash flows. The alternatives increased by 1.3%.
- **Currency hedging** – the decision to hedge part of the portfolio back to sterling had a negative impact on both absolute and relative performance.

2022 as a whole

Global markets were down in 2022 – both equities and bonds were down, as we experienced a series of interest rate hikes, record-high inflation, energy shocks, war in Eastern Europe, a collapse of crypto-exchange FTX, rising tensions around Taiwan, and elevated political risks. In fact, UK government bonds saw their worst year on record. Given this

THE ROYAL NAVY AND ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

is a long-term investment portfolio, we expect a certain degree of short-term volatility and continue to position the investments to optimise for long-term returns.

Cazenove Held Portfolios

RNRMC Investment Fund no.2 Portfolio

The no.2 portfolio, which only holds private equity, performed well. The return for the period 1st January 2022 – 31st December 2022 was 15.8% as the fund continued to move through the distribution phase of its lifecycle.

Royal Navy Officers' Charity Portfolio

Stocks and bonds suffered this year due to widespread monetary tightening, seen both at the Federal Reserve and The Bank of England. This has not been aided by continued labour shortages in many regions, especially the United States. Allayed to the energy crisis in Europe supply chains, most notably in gas and food, have been hindered. This has driven prices up for businesses and consumers. The broad global equity market, as measured by the MSCI AC World Index fell to -8.1% over the year, whilst the UK government bond market lost 23.8%.

Against that backdrop, the RNOC portfolio achieved a return of -3.0% for the year. The equities and bond holdings detracted from absolute returns, although both outperformed the indices referenced above. Commodities were one of the few sources of protection that was boosted by the strength of the US dollar and the overweight cash position was a positive.

On a total returns basis, the total return was -3.0%.

Custodian Funds

The RNRMC also holds other external funds as a custodian. These are funds with similar objects to the charity who support the same beneficiary pool and who don't have access to their own segregated investment portfolio. The capital is held and invested within the main portfolio by Sarasin who were appointed in 2021, with dividends being paid quarterly to the respective funds. Funds are held with a long term view but can be drawn down upon at any time. More information on the Custodian funds can be found in Note 23 of the statutory accounts.

Cash Policy

In 2020 the FRAC approved a new cash policy for the RNRMC that established a long-term cash reserves policy for the RNRMC to ensure that sufficient cash is held to support our beneficiaries and operations for a minimum of a rolling 12 months however during 2022 the equity markets were extremely volatile therefore we flexed the policy between 9 and 18 months in agreement with the FRAC.

Cash requirements are reviewed by both the Finance, Risk and Audit and Investment Committees, with ongoing consideration made to both internal and external factors that might affect cash requirements in the near and longer term.

Principal Risks and Uncertainties

The Trustees regularly consider the major risks to which the Charity is exposed to ensure the management of risk.

Trustee reviews are undertaken at each quarterly Board meeting when the mitigation plan for all major risks is assessed against the ability to deliver the Charity's outputs detailed in an annual delivery programme. In addition, each quarterly meeting considers detailed reports on the highest risks to ensure sufficient attention and resource is focused on treating or mitigating these risks. These mitigations are detailed on the risk register along with potential further actions that are being taken to further reduce risks where possible.

In addition, subsidiary charities within the Group make a report to each main Board meeting, including any risks that they wish to elevate to the Group Board. The Group FRAC reviews Group risk when they meet.

The Trustees recognise there remains uncertainties that could affect our risk mitigation strategy through uncontrollable, external factors such as government policy, external focus on the charity sector fundraising profile and the wider economic conditions.

The areas below remain those of the highest potential risk if not mitigated:-

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
REPORT OF THE TRUSTEES**

The Royal Navy and Royal Marines Charity

Risk	Mitigating Actions Taken
<p>Financial which includes:</p> <ul style="list-style-type: none"> • A significant downturn in UK prosperity • War, conflict or catastrophic event • Poor investment fund management • Not meeting our voluntary income targets • Stock market crash • Constraints on corporate and major donors giving • Loss or reduction of funding streams • Not meeting identified need through developing our commissioning approach • A paucity of infrastructure support services <p>These risks would reduce our capacity to deliver our strategy.</p>	<ul style="list-style-type: none"> • Review of fundraising and engagement capability post Covid-19 to diversify income opportunities. • Case studies of support provided by those we fund to improve success at securing major individual and corporate gifts • Systematic approach to budget setting and financial planning including cashflow with detailed monitoring. • Review of investment strategy and performance. • Regularly review reserves to combat macro-economic or strategic shocks that could impact on the Charity. • Risk Based Reserves (RBR) policy ensures we have a sufficient range of funds should a significant risk be realised. • Support additional identified need through our RBR policy funds above maximum and monitor spend closely
<p>Governance which includes:</p> <ul style="list-style-type: none"> • Complex Group governance structure and impact of inappropriate activities by subsidiaries • Lack of compliance with legal and regulatory requirements • Breach of data and/or IT breach by external agents • Lack of impact/outcome evidence may lead to sub-optimal block grant making • Increased likelihood in safeguarding issues as we deliver a direct support service <p>These risks will impact our operational delivery and increase regulatory scrutiny, both of which will impact our ability to deliver our objectives.</p>	<ul style="list-style-type: none"> • Continue to review legal structure and seek to simplify it further in the future with the Charity Commission. • Subsidiary activity overseen by the Group Board and Subsidiary Boards. • Review governance of group against CC8 governance code • Focus on data protection, GDPR regulations and cyber security. • Consent to contact campaign and registered with the Fundraising Regulator. Ensure compliance with the Charities Act 2016. • Whistle-blowing policy (freedom to speak up) known to employees. Robust process for any issues arising from a disclosure • Developed impact and monitoring for grant making and protocols for safeguarding.
<p>Reputational which includes:</p> <ul style="list-style-type: none"> • Adverse publicity of RN may affect public's perception of the Charity's need for support and funds • Lack of control of funded organisation's activities <p>These risks would impact our reputation which is essential to keep key stakeholders, funders and beneficiaries positively engaged in assisting us delivering our outcomes.</p>	<ul style="list-style-type: none"> • Work very closely with RN Comms to mitigate impact of any adverse change to the perception of the RN. • Strong terms and conditions for organisations we fund and dedicated Relationship Director maintaining contact with these charities and our key stakeholders. • Commissioning programmes and commissioning manager strengthens relationships with funded organisations. • We Regularly review policies enacted during Covid as part of the normal business of the FRAC/IC
<p>People and Asset Risk which includes:</p> <ul style="list-style-type: none"> • Inability to recruit and retain people with the required skills and expertise • Not achieving best value from expenditure • Our infrastructure not being fit for purpose <p>These risks would reduce our effectiveness to deliver our objectives, reducing our impact.</p>	<ul style="list-style-type: none"> • Recognise People are our most important asset. We review the reward policy in order to maintain and enhance retention. • Formal Talent Management Programme. • Annual staff survey and develop and implement an action plan to address key issues using a Staff Reference Group. • Review our Performance and Development Report. • Review the suitability of our financial control measures to reduce the possibility of deliberate or accidental loss. • Infrastructure includes both cloud-based storage as well as Office 365 which has meant all staff are able to work from home.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
REPORT OF THE TRUSTEES**

Royal Marines Association – The Royal Marines Charity

The Charity Trustees have considered the major risks to which the Charity is exposed and review those risks and the established systems and procedures to manage those risks through oversight of a risk register at each trustee meeting. This register is directly linked to the delivery programme in order to ensure that risks which cannot be removed are mitigated against through the operations of the Charity's staff. A three-stage line of defence assurance system is in place, based on the regular checks of staff, the oversight of trustees, and the annual interrogation by the appointed auditor.

Principal risks identified as at 31 December 2022 were:-

Risk	Mitigating Actions Taken
<p>Financial which includes:-</p> <ul style="list-style-type: none"> • Not meeting our voluntary income targets; • Poor corporate and major donor support; • Loss or reduction of funding streams. <p>These risks would reduce our capacity to deliver our strategy.</p>	<ul style="list-style-type: none"> • Diversified our income generation opportunities strengthening the support of major individual and corporate donors, trusts and statutory grants. • Developing measurement of social and local economic value to demonstrate impact. • Systematic approach to budget setting and financial planning • Regular review of investment strategy and its performance managed by appointed external fund managers. • Policy of holding between 5 and 6 months of expenditure in cash reserves.
<p>Governance which includes:-</p> <ul style="list-style-type: none"> • Lack of compliance with legal and regulatory requirements; • Breach of data and/or IT breach by external agents; • Lack of impact/outcome evidence which may lead to sub-optimal block grant making. <p>These risks will impact our operational delivery and increase regulatory scrutiny, both of which will impact our ability to deliver our objectives.</p>	<ul style="list-style-type: none"> • Chair-led Governance review was completed in 2021, identifying areas of improvement for governance, skills gaps and trustee succession planning. • Review and refresh of all charity policies and for 2023. • Registered with the Fundraising Regulator to evidence compliance with the Charities Act 2016 • Extensive cyber protection provided by our internet provider. • Developed improved methods of monitoring the impact of grants made to individuals and organisations, including ensuring safeguarding protocols are in place with those we fund.
<p>Reputational which includes:-</p> <ul style="list-style-type: none"> • Poor or harmful charitable delivery. • Lack of control of membership branches and individual members. • Lack of control of funded organisations' activities. <p>These risks would impact our reputation which is absolutely essential to keep key stakeholders, funders and beneficiaries positively engaged in assisting us delivering our outcomes.</p>	<ul style="list-style-type: none"> • Welfare staff and volunteers received revised training and are subject to a rigorous safeguarding policy. • PR function which will give the capability to respond to reputational challenge, with direct links into Navy Media. • Branch and membership byelaws are subject to close committee oversight. • Regular reports to the Board of Trustees from through year funded organisations and implement MOUs where appropriate.
<p>People which includes:-</p> <ul style="list-style-type: none"> • Inability to recruit and retain people with the required skills and expertise. • Appropriate training and safeguarding for all staff. • Burnout due to increased demand for support. 	<ul style="list-style-type: none"> • Revised Performance and Development Report to improve performance, learning and development. • Annual Training Needs Analysis, leading to staff training as appropriate, and individual education and learning needs being addressed. • Additional staffing to meet increased demand. • Employee Assistance Programme, consideration of workloads, promoting positive mental health and work-life balance.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
REPORT OF THE TRUSTEES**

These risks would reduce our effectiveness to deliver our objectives, reducing our impact.	<ul style="list-style-type: none"> • Pay banding system and annual appraisals completed satisfactorily
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The Trustees consider by reviewing accounts and cashflow at each Board meeting that they are able to manage income over expenditure effectively, whilst they are also able to seek advice from the RNRMC Group Investment and Finance Risk and Audit Committees and other specialist advisors, all of whom have a depth of relevant experience.

Expanded information for the RMA-TRMC Risk mitigation can be found in the RMA-TRMC Statutory Accounts for 2022.

The Naval Service Sports Charity

Risk	Mitigating Actions Taken
5 Year Financial Outlook. The risk is defined as exposure to poor investment performance, poor RNRMC fundraising planning, re-prioritising of RNRMC grant making and loss of operating costs funded by the RN Sports Lottery.	<ul style="list-style-type: none"> • Risk based reserves policy adopted in November 2020 which identified maximum/minimum reserve levels. With plans to draw down on excess reserves, if required to meet and shortfall in funding. • Collaboration with Head of Navy Sport continues to improve integrity of sports association 5-year plans to ensure valid annual grants bid that can be matched by NSSC funding. • RN Sports Lottery maintains a £1.5M reserve that guarantees the NSSC salary and insurance costs and Sports Accommodation running costs to mitigate any short-term suspension of the Lottery.
The risk is defined as a result of a stock market crash or poor Investment Fund management, funds under active management do not deliver planned capital value and income.	<ul style="list-style-type: none"> • Investment Management delegated to the RNRMC Investment Committee (IC), who carefully select investment managers; set realistic targets; and monitor results quarterly. • The RNRMC Trustee on the NSSC Board is Chairman of the IC and also a member of the Finance, Risk and Audit Committee (FRAC).

Expanded information for the NSSC Risk mitigation can be found in the NSSC Statutory Accounts for 2022.

Royal Navy Officers' Charity

Risk	Mitigating Actions Taken
Loss of key Staff	<ul style="list-style-type: none"> • Robust supersession planning • Ongoing review of records, systems, plans and projects • Internal cross desk training
Financial Viability	<ul style="list-style-type: none"> • Close scrutiny by FASC, Audit, Regular reviews
Compliance	<ul style="list-style-type: none"> • Operating in an honest and ethical manner • Monitoring changes in regulation/legislation • Ensuring high quality and timely legal advice

Reserves Policy

The Trustees have a reserves policy, which is to set aside sufficient free reserves so as to be able to meet or smooth out the unexpected fluctuations in charitable expenditure or shortfall in income so as to be able to meet the increasing needs of current beneficiaries and remain sustainable for both current and future generations, as well as meeting the needs of the wider Group entities.

As the national charity of the Royal Navy we provide the "Strategic Reserve" against future needs and we are committed to protecting the reserves for decades to come. Each legal entity within the Group has their own Reserves policy in line with their more specific strategic objectives and their reserves are excluded from our calculations below. More information about subsidiary Reserves Policies can be found within their Statutory Accounts.

The RNRMC Board have established a charity risk based reserve (RBR) policy with a minimum and maximum required reserves range, within which they aim to operate. This policy reflects the Trustees' desire to make sure it holds the reserves required to cover its agreed risks, but also allows the Board the ability to apply funding to identified need for its

THE ROYAL NAVY AND ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

beneficiaries whilst operating safely within the minimum and maximum range which allows for the regular movements in the investment markets.

Our RBR policy is underpinned by the Group risk register and is linked with the Charity's strategic objectives and delivery programme. This policy sets out five key areas of risk which our free reserves are there to support. These key areas are:-

- Governance
- Finance
- Reputation
- Stakeholders & Relationships
- People & Assets

Our structure is complex and is made up of a high percentage of restricted funds. We have managed to mitigate risk through these restricted funds thereby allowing us to show a lower unrestricted reserve range. This policy only covers our reserve requirement within our unrestricted funds.

A full review of our RBR policy has been undertaken in early 2023. This involved a full review of all current risks and their associated risk values. It has determined that the target range of general reserves (excluding those reserves represented by restricted funds and designated reserves) required by the charity as being between £12.3m and £21.1m.

Our current unrestricted reserves for the Charity, excluding designated and trading company funds, is £20.4m, with free reserves for the Charity of £20.1m.

The RNRMC Trustee Board has, over the past three years, actively spent down on excess reserves in order to support the needs of beneficiaries and are now content the Charity is now operating within the reserves range in accordance with the RNRMC reserves policy.

The Trustees conduct an annual review of the appropriate level of general reserves, and changes to the charity's risk profile, strategy and plan will be considered as part of that review. The output of the annual review informs subsequent planning and budgeting cycles.

Policy Calculations

The total reserves for the Group as at 31 December 2022 were £76.3m (2021: £90.3m). For the Charity, unrestricted reserves formed £20.4m (2021: £27.4m) and designated funds £0.7m (2021: £0.74m). Restricted reserves were £55m (2020: £62m) with trading company reserves of £200k.

Restricted and designated reserves constitute £55.9m (2021: £63m) of the total RNRMC Group funds, this is made up of subsidiary charities managed by a separate trustee body, or restricted funds managed by relevant sub-committees. More information on the makeup of these elements can be found in the notes to the statutory accounts in note 26.

Area	Notes	Minimum Reserves Level	Maximum Reserves Level
Governance	<i>Potential cost for poor charity governance</i>	£0.4m	£1.2m
Finance	<i>Significant change in external environment amounting to income drop, or beneficiary need increase</i>	£10.7m	£16.1m
Reputation	<i>Effect on Voluntary Income</i>	£0.4m	£1.0m
Stakeholders and Relationships	<i>Relationship with Corporates / Key funders deteriorates</i>	£0.7m	£2.3m
People and Assets	<i>Significant increase in Staff Turnover and potential costs of restructure</i>	£0.1m	£0.5m
Range of Reserves Required		£12.3m	£21.1m

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
REPORT OF THE TRUSTEES**

Company law requires the trustees to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:-

- select suitable accounting policies and then apply them consistently;
- comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 as amended by The Charities Accounts (Scotland) Amendment (No. 2) Regulations 2014.

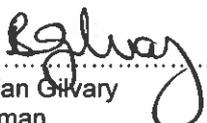
They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:-

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' Annual Report is approved by the trustees of the Charity. The Strategic Report, which forms part of the Annual Report, is approved by the trustees in their capacity as directors in company law of the Charity.

Signed on behalf of the Trustees on 17/08/2023


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Dr Brian Gilvary
Chairman

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
THE ROYAL NAVY AND ROYAL MARINES CHARITY**

Opinion

We have audited the financial statements of The Royal Navy and Royal Marines Charity for the year ended 31 December 2022 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended) and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE ROYAL NAVY AND ROYAL MARINES CHARITY

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 or the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 33, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
THE ROYAL NAVY AND ROYAL MARINES CHARITY**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are The Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
THE ROYAL NAVY AND ROYAL MARINES CHARITY**

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of this report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditor's report addressed to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



James Cross (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

Date: 18 August 2023

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

THE ROYAL NAVY AND ROYAL MARINES CHARITY
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds 2022 £	Total Funds 2021 £
INCOME & ENDOWMENTS						
Donations and legacies	4	2,488,112	4,396,696	-	6,884,808	6,091,264
Other trading activities		1,370,290	80,031	-	1,450,321	690,937
Investment income	5	361,384	1,286,654	-	1,648,038	1,716,002
		<u>4,219,786</u>	<u>5,763,381</u>	-	<u>9,983,167</u>	<u>8,498,203</u>
Charitable activities	6	50,000	3,181,001	-	3,231,001	3,200,991
Other income- CJRS grant		-	-	-	-	27,555
Total operating income		<u><u>4,269,786</u></u>	<u><u>8,944,382</u></u>	<u><u>-</u></u>	<u><u>13,214,168</u></u>	<u><u>11,726,749</u></u>
EXPENDITURE						
Raising funds						
	7	176,686	343,106	-	519,792	604,771
Investment management fees		2,306,517	1,184,722	-	3,491,239	2,483,977
Fundraising costs		<u>2,483,203</u>	<u>1,527,828</u>	<u>-</u>	<u>4,011,031</u>	<u>3,088,748</u>
Total cost of raising funds		<u>2,483,203</u>	<u>1,527,828</u>	<u>-</u>	<u>4,011,031</u>	<u>3,088,748</u>
Charitable activities						
	8 & 9	2,717,426	2,933,749	-	5,651,175	5,579,950
Commissioned Programmes		865,905	2,611,967	-	3,477,872	4,375,816
Through Life Pathway		705,014	3,032,126	-	3,737,140	3,085,985
Quality of Life Pathway		163,176	824,947	-	988,123	571,573
Fit for Life Pathway		83,794	423,623	-	507,417	324,225
End of Life Pathway		<u>4,535,315</u>	<u>9,826,412</u>	<u>-</u>	<u>14,361,727</u>	<u>13,937,549</u>
Total charitable expenditure		<u>4,535,315</u>	<u>9,826,412</u>	<u>-</u>	<u>14,361,727</u>	<u>13,937,549</u>
Total operating expenditure		<u><u>7,018,518</u></u>	<u><u>11,354,240</u></u>	<u><u>-</u></u>	<u><u>18,372,758</u></u>	<u><u>17,026,297</u></u>
Net operating (expenditure)		(2,748,732)	(2,409,858)	-	(5,158,590)	(5,299,548)
Net gains/(losses) on investment assets		(2,755,341)	(6,122,723)	-	(8,878,064)	8,410,978
Net income/(expenditure)	15	(5,504,073)	(8,532,581)	-	(14,036,654)	3,111,430
Gross transfers between funds	16	(1,563,274)	1,563,274	-	-	-
Net movement in funds		(7,067,347)	(6,969,307)	-	(14,036,654)	3,111,430
Total funds brought forward	26	<u>28,353,542</u>	<u>61,336,151</u>	655,649	<u>90,345,342</u>	<u>87,233,912</u>
Total funds carried forward	26	<u><u>21,286,195</u></u>	<u><u>54,366,844</u></u>	<u><u>655,649</u></u>	<u><u>76,308,688</u></u>	<u><u>90,345,342</u></u>

The Charity has no recognised gains or losses for the year other than as detailed above.

The net movements in the Charity's funds for the year arise from the Charity's continuing activities.

The Notes on pages 40 to 68 form part of these accounts.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
BALANCE SHEET – GROUP AND CHARITY
AS AT 31 DECEMBER 2022**

	Note	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Fixed assets					
Intangible assets	18	328,982	242,886	64,981	16,907
Tangible assets	19	1,412,413	1,372,997	792,840	834,703
Investments	20	74,502,514	87,546,437	44,224,778	53,417,700
		<u>76,243,909</u>	<u>89,162,320</u>	<u>45,082,599</u>	<u>54,269,310</u>
Current assets					
Stock	21	273,825	310,372	-	-
Debtors	22	2,168,480	1,728,425	1,785,655	1,270,981
Cash at bank and in hand		6,357,669	8,790,736	3,530,260	6,304,645
		<u>8,799,974</u>	<u>10,829,533</u>	<u>5,315,915</u>	<u>7,575,626</u>
Liabilities					
Creditors falling due within one year	23	(8,710,295)	(9,612,444)	(7,945,739)	(8,728,531)
Net current assets		<u>89,679</u>	<u>1,217,089</u>	<u>(2,629,824)</u>	<u>(1,152,905)</u>
Total assets less current liabilities		<u>76,333,588</u>	<u>90,379,409</u>	<u>42,452,775</u>	<u>53,116,405</u>
Creditors due in more than one year	25	(24,900)	(34,067)	-	-
Net assets		<u>76,308,688</u>	<u>90,345,342</u>	<u>42,452,775</u>	<u>53,116,405</u>
Accumulated funds					
Permanent endowment	26	655,649	655,649	655,649	655,649
Restricted funds	26	54,366,844	61,336,151	20,708,430	24,278,994
Unrestricted funds	26	20,570,991	27,608,262	20,373,492	27,436,482
Designated funds	26	715,204	745,280	715,204	745,280
Total accumulated funds		<u>76,308,688</u>	<u>90,345,342</u>	<u>42,452,775</u>	<u>53,116,405</u>

The financial statements on pages 37 to 68 were approved by the trustees on 17/08/2023 and signed on their behalf by:


.....
Dr Brian Givary
Chair


.....
Mr John Bartlett
Chair of the Finance, Risk
and Audit Committee

Company registration number 6047294

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	£	£
Cash flow/(outflow) from operating activities		
Net cash (used in) operating activities	(7,950,247)	(6,051,849)
	<u> </u>	<u> </u>
Cash flows from investing activities		
Investment income and interest received	1,648,038	1,716,002
Proceeds from disposal of fixed asset investments excluding endowment funds	55,733,923	94,093,411
Acquisition of fixed asset investments excluding endowment funds	(51,568,064)	(89,374,807)
Payments to acquire tangible fixed assets	(137,019)	(30,671)
Payments to acquire intangible fixed assets	(150,531)	(167,690)
	<u> </u>	<u> </u>
	5,526,347	6,236,245
	<u> </u>	<u> </u>
Cash flow/(outflow) from financing activities		
Bank loan repayments	(9,167)	(5,933)
Net increase/(decrease) in cash and cash equivalents	(2,433,067)	178,463
Cash and cash equivalents at beginning of year	8,790,736	8,612,273
	<u> </u>	<u> </u>
Cash and cash equivalents at end of year	6,357,669	8,790,736
	<u> </u>	<u> </u>

Reconciliation of net income/ (expenditure) to net cash flow from operating activities

	2022	2021
	£	£
Net income/(expenditure) including endowments	(14,036,654)	3,111,430
Adjustments for:		
Depreciation charges	97,603	107,421
Amortisation	64,435	41,598
Net (gains)/ losses on investments	8,878,064	(8,410,978)
Investment income	(1,648,038)	(1,716,002)
Increase in stock	36,547	(60,183)
Decrease in debtors	(440,055)	944,610
Increase in creditors	(902,149)	1,819,475
	<u> </u>	<u> </u>
Net cash (used in) operating activities	(7,950,247)	(6,051,849)
	<u> </u>	<u> </u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements comprise the charity and its subsidiaries under Charity Commission Schemes or Uniting Directions.

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company and its subsidiaries are a public benefit group for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410), the Charities Act 2011 and Charities Accounts (Scotland) Regulations 2006 as amended by The Charities Accounts (Scotland) Amendment (No. 2) Regulations 2014.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

b) Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and have taken account of pressures on donation and investment income and likely impact of the pandemic on investment values and income, as well as expenditure. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

c) Group financial statements

These financial statements consolidate the results of the Charity and RNRMC Enterprises Limited, its wholly owned trading subsidiary, the Royal Naval Benevolent Society for Officers, as the Charity is a corporate trustee with a right of veto, the Naval Service Sports Charity, as the Charity is the sole member, and RMA - the Royal Marines Charity (including its own subsidiaries, The Royal Marines Shop Limited and TRMC Enterprises Limited), as the sole member from 1 April 2011, on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account are not presented for the Charity itself as the Charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

The corporate charity's financial statements aggregate its own results with those subsidiaries where the Charity Commission has issued a Uniting Direction for the purposes of accounting. The subsidiaries whose results are aggregated with those of the charitable company are:

- Subsidiary 1 - The Naval Service Dependents' Fund (NSDF)
- Subsidiary 2 - The Naval Service Benevolence Fund (NSBF)
- Subsidiary 3 - The Fleet Air Arm Benevolent Trust (FAABT)

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES (continued)

Subsidiary 4 - The Naval Service Amenity Fund (NSAF)
 Subsidiary 6 - The Naval Service Prizes and Awards Fund (NSPAF)
 Subsidiary 7 - Queen Alexandra's Royal Naval Nursing Service Trust Fund (QARNNS)
 Subsidiary 8 - Plymouth Royal Naval Aid Fund (PRNAF)
 Subsidiary 9 - The Sir Donald Gosling Maritime Reserve Amenity Fund (DGMRF)
 Subsidiary 10 - Naval Medical Compassionate Fund (NMCF)

Although subject to a Charity Commission Uniting Direction, the results of Subsidiary 5 - The Naval Service Sports Charity (NSSC) are not aggregated with those of the charitable company because the NSSC is a limited company and is therefore required to be treated on a consolidated basis.

d) Income

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Legacies are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy receivable can be measured reliably. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.

Income is deferred when the donor attaches conditions outside the Charity's own control or specifies that the resources are to be used in a future accounting period.

Investment income is received net of investment management fees but is grossed up in the accounts for investment management fees.

Government grants

Grants relating to revenue are recognised in income on a systematic basis over the periods in which the entity recognises the associated costs for which the grant is intended to compensate. This includes £nil (2021: £27,555) of Government assistance under the Coronavirus Job Retention Scheme (CJRS) relating to staff who were furloughed due to Covid-19.

e) Volunteers and donated services and facilities

The value of services provided by volunteers is not incorporated into these financial statements.

Where services are provided to the Charity as a donation that would normally be purchased, this contribution is included in the financial statements at an estimate based on the value of the contribution to the Charity.

f) Expenditure

Liabilities are recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity. Unconditional grant offers are accrued once the recipient has been notified of the grant award and its payment is probable. Grant awards that are subject to the recipient fulfilling performance or other conditions are accrued when the recipient has been notified of the grant and either the performance condition is met or any remaining unfulfilled condition attaching to the grant is outside of the control of the Charity.

g) Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES (continued)

h) Allocation of overhead and support costs

Overhead, support and governance costs are allocated between the cost of raising funds and charitable activities. Overhead, support and governance costs relating to charitable activities have been apportioned between activities.

i) Costs of raising funds

The costs of raising funds consist of investment management fees and other direct costs of raising funds and an apportionment of governance, overhead and support costs.

j) Charitable activities

Costs of charitable activities include grants payable and other costs directly associated with providing sports, amenities, prizes and awards, dependants' grants or benevolence to beneficiaries and an apportionment of overhead, support and governance costs.

k) Governance costs

Governance costs comprise all costs involving the public accountability and running of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit, legal fees and trustee meeting expenses together with an apportionment of overhead and support costs.

l) Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable are charged to the Statement of Financial Activities in the period to which they relate.

m) Tangible fixed assets

Individual fixed assets costing £500 or more are capitalised at cost.

Freehold land and buildings are included in the financial statement at open market value, as determined periodically by professional values. They are not depreciated as their residual values are not materially different from carrying values included in the accounts.

Tangible fixed assets are depreciated on a straight line basis over their estimated useful economic lives as follows:

Freehold property	-	over 50 years straight line
Computer and office equipment	-	over 3 years straight line
Leasehold improvements	-	over the life of the lease

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

n) Intangible fixed assets

Intangible fixed assets are amortised on a straight line basis over their estimated useful economic lives as follows:

Website and software	-	over 3 years straight line
----------------------	---	----------------------------

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES (continued)

o) Fixed asset investments

Investments are initially measured at their cost and subsequently measured at their fair value at each reporting date. Fair value is based on their bid value at the balance sheet date without deduction of the estimated future selling costs.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the Statement of Financial Activities as 'gains or losses on investments' and are allocated to the appropriate fund holding or disposing of the relevant investment.

p) Realised gains and losses

All gains and losses are taken to the income and expenditure section of the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and original cost. Unrealised gains and losses are calculated as the difference between the market value at the end of the year and opening market value, or purchase date if later. Realised and unrealised gains are not separated in the Statement of Financial Activities.

q) Stock

Stock of goods for resale is stated at the lower of cost and net realisable value.

r) Heritage assets

The Charitable Group is the owner of a collection of Paintings, Silverware and other items. Many precious works are contained within messes across the Corps, which is housed and managed on behalf of the Charity by Serving Royal Marines within the Corps Secretariat. The collection is considered irreplaceable and as such it is not possible to attribute a reliable cost or value to it. It is additionally considered that the process of obtaining valuations of the collection would be disproportionate to any public benefit that might be derived and that it is impractical to apply conventional valuation techniques to the collection, due to the uniqueness of its nature.

s) Funds structure

The Charity has one permanent endowment, which requires the trustees to invest the capital in perpetuity; the income from this fund is wholly unrestricted.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. The funds of the subsidiaries noted under 1c) above are treated as restricted funds.

Unrestricted funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects.

Designated funds comprise those unrestricted funds where the trustees, at their discretion, have created a fund for a specific purpose.

t) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

u) Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES (continued)

enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 22 and 23 for the debtor and creditor notes.

v) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

w) Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements.

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

2. LEGAL STATUS OF THE CHARITY

The Charity is a company limited by guarantee and has no share capital. The members of the charity are the trustees listed on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

3. FINANCIAL ACTIVITIES OF THE CHARITY

The financial activities shown in the consolidated statement includes those of the RNRMC and its wholly owned trading subsidiary RNRMC Enterprises limited, and the RNOC, a charity in which the RNRMC is a trustee with the right of veto, the NSSC, a charitable company of which the RNRMC is the sole member, and RMA-TRMC (including its subsidiaries RM Shop Limited and TRMC Enterprises Limited) a charitable company of which the RNRMC is the sole member. A summary of the financial activities undertaken by the RNRMC and its subsidiaries, that are the subject of Charity Commission Schemes or Uniting Directions, is set out below:

	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds 2022 £	Total Funds 2021 £
INCOME & ENDOWMENTS					
Donations and legacies	2,872,284	147,441	-	3,019,725	2,214,157
Investment income	361,384	379,970	-	741,354	975,658
	<u>3,233,668</u>	<u>527,411</u>	-	<u>3,761,079</u>	<u>3,189,815</u>
Charitable activities	-	2,461,779	-	2,461,779	2,709,707
Total operating income	<u><u>3,233,668</u></u>	<u><u>2,989,190</u></u>	-	<u><u>6,222,858</u></u>	<u><u>5,899,522</u></u>
EXPENDITURE					
Raising funds					
Investment management fees	176,686	190,852	-	367,538	407,567
Fundraising costs	1,607,073	24,399	-	1,631,472	1,129,380
	<u>1,783,759</u>	<u>215,251</u>	-	<u>1,999,010</u>	<u>1,536,947</u>
Charitable activities					
Commissioned Programmes	1,784,204	2,062,049	-	3,846,253	4,106,603
Through Life Pathway	1,311,955	425,789	-	1,737,744	2,855,146
Quality of Life Pathway	1,231,756	1,754,294	-	2,986,050	2,447,764
Fit for Life Pathway	302,383	2,351	-	304,734	161,706
End of Life Pathway	-	345,354	-	345,354	238,615
	<u>4,630,298</u>	<u>4,589,837</u>	-	<u>9,220,135</u>	<u>9,809,834</u>
Total operating expenditure	<u><u>6,414,057</u></u>	<u><u>4,805,088</u></u>	-	<u><u>11,219,145</u></u>	<u><u>11,346,781</u></u>
Net operating (expenditure)	(3,180,389)	(1,815,898)	-	(4,996,287)	(5,447,259)
Net gains/(losses) on investment assets	(2,755,343)	(2,912,000)	-	(5,667,343)	4,964,907
Net income/(expenditure)	(5,935,732)	(4,727,898)	-	(10,663,630)	(482,352)
Gross transfers between funds	(1,157,334)	1,157,334	-	-	-
Net movement in funds	(7,093,066)	(3,570,564)	-	(10,663,630)	(482,352)
Total funds brought forward	<u>28,181,762</u>	<u>24,278,994</u>	655,649	53,116,405	53,598,757
Total funds carried forward	<u><u>21,088,696</u></u>	<u><u>20,708,430</u></u>	<u><u>655,649</u></u>	<u><u>42,452,775</u></u>	<u><u>53,116,405</u></u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. VOLUNTARY INCOME

Year to 31 December 2022

	Unrestricted 2022 £	Restricted 2022 £	Endowment 2022 £	Total 2022 £
Donations	1,310,850	3,065,212	-	4,376,062
Royal Navy Payroll Giving Scheme	1,111,600	-	-	1,111,600
RM Day's Pay Giving Funds	-	535,222	-	535,222
Legacies	65,662	671,496	-	737,158
Other voluntary income	-	124,766	-	124,766
	<u>2,488,112</u>	<u>4,396,696</u>	<u>-</u>	<u>6,884,808</u>

Year to 31 December 2021

	Unrestricted 2021 £	Restricted 2021 £	Endowment 2021 £	Total 2021 £
Donations	858,999	2,779,169	-	3,638,168
Royal Navy Payroll Giving Scheme	1,114,909	-	-	1,114,909
RM Day's Pay Giving Funds	-	532,985	-	532,985
Legacies	110,876	564,107	-	674,983
Other voluntary income	-	130,219	-	130,219
	<u>2,084,784</u>	<u>4,006,480</u>	<u>-</u>	<u>6,091,264</u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. INVESTMENT INCOME

Year to 31 December 2022

	Unrestricted 2022 £	Restricted 2022 £	Endowment 2022 £	Total 2022 £
Dividends – UK equities	78,660	685,737	-	764,397
Dividends – non UK equities	172,969	281,211	-	454,180
Fixed interest – UK	46,844	108,109	-	154,953
Income on property funds	30,897	115,144	-	146,041
Unit Trusts	21,139	37,898	-	59,037
Other	4,907	44,860	-	49,767
Interest on cash deposits	5,968	11,631	-	17,599
Bank interest		2,064	-	2,064
	<u>361,384</u>	<u>1,286,654</u>	<u>-</u>	<u>1,648,038</u>

Year to 31 December 2021

	Unrestricted 2021 £	Restricted 2021 £	Endowment 2021 £	Total 2021 £
Dividends – UK equities	204,795	560,721	-	765,516
Dividends – non UK equities	88,255	219,160	-	307,415
Fixed interest – UK	14,972	48,910	-	63,882
Income on property funds	97,113	210,215	-	307,328
Unit Trusts	89,910	134,935	-	224,845
Other	4,071	41,658	-	45,729
Interest on cash deposits	872	415	-	1,287
	<u>499,988</u>	<u>1,216,014</u>	<u>-</u>	<u>1,716,002</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted 2022 £	Restricted 2022 £	Endowment 2022 £	Total 2022 £	Total 2021 £
Greenwich Hospital	-	1,375,000	-	1,375,000	1,375,000
Nuffield Trust	-	415,920	-	415,920	771,716
Armed Forces Covenant Fund Trust	-	744,186	-	744,186	352,080
Other grants received	50,000	645,895	-	695,895	702,195
	<u>50,000</u>	<u>3,181,001</u>	<u>-</u>	<u>3,231,001</u>	<u>3,200,991</u>

£3,200,991 of income from charitable activities in the year to 31 December 2021 was subject to specific restrictions imposed by the donor.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. COSTS OF RAISING FUNDS

Year to 31 December 2022	Unrestricted 2022 £	Restricted 2022 £	Endowment 2022 £	Total 2022 £
Investment management fees	176,686	343,106	-	519,792
Fund raising costs	2,306,517	1,184,722	-	3,491,239
	<u>2,483,203</u>	<u>1,527,828</u>	<u>-</u>	<u>4,011,031</u>
Year to 31 December 2021	Unrestricted 2021 £	Restricted 2021 £	Endowment 2021 £	Total 2021 £
Investment management fees	208,611	396,160	-	604,771
Fund raising costs	1,508,103	975,874	-	2,483,977
	<u>1,716,714</u>	<u>1,372,034</u>	<u>-</u>	<u>3,088,748</u>

8. ANALYSIS OF CHARITABLE EXPENDITURE

Analysis of charitable expenditure including support costs

Year to 31 December 2022

	Grants Payable 2022 £	Other Direct Costs 2022 £	Support Costs (See Note 11) 2022 £	Total 2022 £
Commissioned Programmes	3,827,913	-	1,823,262	5,651,175
Through Life Pathway	2,355,792	-	1,122,080	3,477,872
Quality of Life Pathway	2,388,503	210,976	1,137,661	3,737,140
Fit for Life Pathway	669,321	-	318,802	988,123
End of Life Pathway	343,707	-	163,710	507,417
Total	<u>9,585,236</u>	<u>210,976</u>	<u>4,565,515</u>	<u>14,361,727</u>

Year to 31 December 2021

	Grants Payable 2021 £	Other Direct Costs 2021 £	Support Costs (See Note 11) 2021 £	Total 2021 £
Commissioned Programmes	4,090,848	-	1,489,102	5,579,950
Through Life Pathway	3,208,057	-	1,167,759	4,375,816
Quality of Life Pathway	2,241,259	28,890	815,836	3,085,985
Fit for Life Pathway	419,039	-	152,534	571,573
End of Life Pathway	237,700	-	86,525	324,225
Total	<u>10,196,903</u>	<u>28,890</u>	<u>3,711,756</u>	<u>13,937,549</u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. ANALYSIS OF CHARITABLE EXPENDITURE (Continued)

Analysis of charitable expenditure by fund category including support costs

Year to 31 December 2022

	From Unrestricted Funds 2022 £	From Restricted Funds 2022 £	Total 2022 £
Commissioned Programmes	2,717,426	2,933,749	5,651,175
Through Life Pathway	865,905	2,611,967	3,477,872
Quality of Life Pathway	705,014	3,032,126	3,737,140
Fit for Life Pathway	163,176	824,947	988,123
End of Life Pathway	83,794	423,623	507,417
Total	4,535,315	9,826,412	14,361,727

Year to 31 December 2021

	From Unrestricted Funds 2021 £	From Restricted Funds 2021 £	Total 2021 £
Commissioned Programmes	727,642	4,852,308	5,579,950
Through Life Pathway	495,442	3,880,374	4,375,816
Quality of Life Pathway	653,028	2,432,957	3,085,985
Fit for Life Pathway	74,534	497,039	571,573
End of Life Pathway	42,280	281,945	324,225
Total	1,992,926	11,944,623	13,937,549

9. ANALYSIS OF GRANTS PAYABLE

Analysis of grants payable to individuals and institutions

Year to 31 December 2022

	Grants to Institutions £	Total Individuals £	Total 2022 £
Commissioned Programmes	3,827,913	-	3,827,913
Through Life Pathway	1,056,415	1,299,377	2,355,792
Quality of Life Pathway	2,061,565	326,938	2,388,503
Fit for Life Pathway	442,785	226,536	669,321
End of Life Pathway	-	343,707	343,707
Total	7,388,678	2,196,558	9,585,236

Year to 31 December 2021

	Grants to Institutions £	Total Individuals £	Total 2021 £
Commissioned Programmes	4,090,848	-	4,090,848
Through Life Pathway	2,069,597	1,138,460	3,208,057
Quality of Life Pathway	1,864,268	376,991	2,241,259
Fit for Life Pathway	263,403	155,636	419,039
End of Life Pathway	-	237,700	237,700
Total	8,288,116	1,908,788	10,196,903

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. ANALYSIS OF GRANTS PAYABLE (continued):

Analysis of institutions receiving grants of more than £25,000:

	2022
	£
Naval Children's Charity	720,000
RNBT	512,000
Relate	299,103
Kings Foundation	255,010
SSAFA	191,088
Sailors Children Society	165,000
China Fleet	157,426
HMS Sultan	148,002
RNA	144,403
Home-Start	143,000
Aggies	130,405
The White Ensign	105,014
Alabare	100,561
Royal Navy Family & People Support	100,106
TSF	100,000
The Poppy Factory	96,000
RFEA	95,000
Veterans Outreach Support	90,000
HMS Collingwood	87,283
Royal Naval Sailing Association	71,000
HMS Duncan	67,233
Care for Veterans	66,500
The Royal Alfred Seafarers	65,000
Veterans Aid	60,000
HMS Raleigh refurb Jutland Block	59,949
Gosport & Fareham Multi Academy Trust	59,600
Erskine	50,000
KIDS	50,000
Age UK (Veterans, advice information & support Portsmouth area)	48,210
Combat Stress	48,000
Flags	45,700
Woody's Lodge	44,000
HMS Iron Duke	41,074
RNAS Culdrose	40,471
Solent NHS Trust	40,400
Broughton House	40,000
Improving Lives Plymouth	40,000
Royal Naval Winter Sports Association	37,869
HMS Excellent	34,786
HMS Lancaster	30,825
HMS Nelson	30,273
Company Of Makers	30,000
Fares4free	30,000
Royal Commonwealth Ex Service League	30,000
Stoll	30,000
Turn to Starboard	30,000
HMS Heron	29,718
The Boleh Trust	29,617
RFA	27,140
HMS St Albans	25,975
Naval Families Federation	25,500
J Walker – Evaluation	25,000
Poppyscotland	25,000

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. ANALYSIS OF GRANTS PAYABLE (continued)

Analysis of institutions receiving grants of more than £25,000:

RMA-TRMC grants:

Rock 2 Recovery CIC	117,700
Globe & Laurel	84,235
RMA Highlands Branch	83,480
Gordon Messenger Centre	47,975
Dame Agnes Weston's	47,144
HorseBack UK	27,000

10. ANALYSIS OF GOVERNANCE COSTS

	Total 2022 £	Total 2021 £
Trustee meetings	20,924	6,161
Auditor's remuneration	83,055	78,358
Legal and professional fees	47,179	76,192
Other governance costs	61	2,971
Support costs - see Note 11	1,113,293	895,264
	<u>1,264,512</u>	<u>1,058,946</u>

The Support costs above that are included within Governance costs for the Group primarily include the costs relating to the CEO and CFO plus some other staff and represent the support necessary to deliver the management and reporting requirements for the Boards within the wider Group.

11. ALLOCATION OF SUPPORT COSTS AND OVERHEADS

Year to 31 December 2022

The breakdown of support costs and how these were allocated between cost of raising funds, charitable activities and governance costs for the year to 31 December 2022 is shown below.

Cost Type	Raising Funds 2022 £	Charitable Activities 2022 £	Governance 2022 £	Total allocated 2022 £	Basis
Staff costs	721,476	2,951,494	918,242	4,591,212	Staff time
Administration	178,656	535,968	178,656	893,280	Usage
Insurance	16,395	49,185	16,395	81,975	Usage
Depreciation and amortisation	80,486	80,485	-	160,971	Usage
	<u>997,013</u>	<u>3,617,132</u>	<u>1,113,293</u>	<u>5,727,438</u>	
Direct governance costs	-	-	151,219	151,219	Actual
	<u>997,013</u>	<u>3,617,132</u>	<u>1,264,512</u>	<u>5,878,657</u>	
Allocation of governance & support costs	316,129	948,383	(1,264,512)	-	Usage
	<u>1,313,142</u>	<u>4,565,515</u>	<u>-</u>	<u>5,878,657</u>	

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. ALLOCATION OF SUPPORT COSTS AND OVERHEADS (continued)

Year to 31 December 2021

The breakdown of support costs and how these were allocated between cost of raising funds, charitable activities and governance costs for the year to 31 December 2021 is shown below.

Cost Type	Raising Funds 2021 £	Charitable Activities 2021 £	Governance 2021 £	Total allocated 2021 £	Basis
Staff costs	576,570	2,358,699	733,818	3,669,087	Staff time
Administration	152,096	456,290	152,096	760,482	Usage
Insurance	9,347	28,048	9,350	46,745	Usage
Depreciation and amortisation	74,510	74,510	-	149,020	Usage
	<u>812,523</u>	<u>2,917,547</u>	<u>895,264</u>	<u>4,625,334</u>	
Direct governance costs	-	-	163,682	163,682	Actual
	<u>812,523</u>	<u>2,917,547</u>	<u>1,058,946</u>	<u>4,789,016</u>	
Allocation of governance & support costs	264,737	794,209	(1,058,946)	-	Usage
	<u>1,077,260</u>	<u>3,711,756</u>	<u>-</u>	<u>4,789,016</u>	

The total support costs including governance costs attributable to charitable activities is then apportioned based on the number of grants awarded during the year for each activity as shown below:

	Percentage of grants awarded		Percentage of grants awarded	
	2022 %	2022 £	2021 %	2021 £
Programme Spend	40	1,823,262	40	1,489,102
Through Life Pathway	25	1,122,080	31	1,167,759
Quality of Life Pathway	25	1,137,661	23	815,836
Fit for Life Pathway	7	318,802	4	152,534
End of Life Pathway	3	163,710	2	86,525
	<u>100</u>	<u>4,565,515</u>	<u>100</u>	<u>3,711,756</u>

12. ANALYSIS OF STAFF COSTS

	2022 £	2021 £
Salaries and wages	3,897,034	3,119,352
Social security costs	422,648	331,603
Pension costs	271,530	218,132
	<u>4,591,212</u>	<u>3,669,087</u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. ANALYSIS OF STAFF COSTS (continued)

The number of employees whose emoluments (salaries, social security costs and benefits in kind) fell within the following bands:

	2022	2021
	Number	Number
£100,000 - £110,000	1	1
£90,000 - £99,999	1	-
£80,000 - £89,999	1	1
£70,000 - £79,999	5	4
£60,000 - £69,999	4	5
	<u> </u>	<u> </u>

The number of employees earning £60,000 or above for whom pension contributions have been paid in the year is twelve (2021: eleven). The total pension contributions paid by the Charity during the year for employees earning more than £60,000 was £76,939 (2021: £60,290).

13. STAFF NUMBERS

The average number of full time equivalent employees (including casual and part time staff) during the period was as follows:

	2022	2021
	Number	Number
Direct charitable - Sports	11	8
Direct charitable - Benevolence	31	27
Support	61	48
	<u> </u>	<u> </u>
	<u>103</u>	<u>83</u>

14. TRUSTEES AND KEY MANAGEMENT PERSONNEL

No trustee received emoluments in the period (2021: none). Total travel expenses of £881 (2021: £980) were paid to six (2021: seven) trustees during the period.

Within the RNRMC there are nine unincorporated charities, six charitable companies, and one charity with a Royal Charter now integrated within the Group structure, representing the overwhelming majority of the naval charity sector. Each of these entities has a CEO or equivalent that form part of the team that we class as our key management personnel. These personnel are supported by the RNRMC Senior Leadership Team (SLT).

Therefore the Key management personnel include the Trustees, Chief Executive and the Group CEOs. The total employee benefits of the charity's key management personnel were £392,593 (2021: £371,774). No trustee received any remuneration as part of this figure.

15. MOVEMENT IN NET FUNDS FOR THE YEAR

	2022	2021
	£	£
Movement in net funds is stated after charging/(crediting):		
Auditor's remuneration (including irrecoverable VAT):		
- Statutory audit (current year)	50,538	48,764
- Taxation	660	565
- Other	31,857	29,029
Depreciation - owned assets	97,603	107,421
Amortisation	64,435	41,598
	<u> </u>	<u> </u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

16. TRANSFER BETWEEN FUNDS

Transfers between funds relate to amounts allocated by the RNRMC general funds to some its subsidiaries.

17. TAXATION

The company is a registered charity and no provision is considered necessary for taxation.

18. INTANGIBLE FIXED ASSETS - GROUP

	Website & software
Cost or valuation	£
As at 1 January 2022	458,049
Additions	150,531
Disposals	-
	<hr/>
As at 31 December 2022	608,580
	<hr/> <hr/>
Amortisation	
As at 1 January 2022	215,163
Charge for the year	64,435
Eliminated on disposal	-
	<hr/>
As at 31 December 2022	279,568
	<hr/> <hr/>
Net book value	
As at 31 December 2022	328,982
	<hr/> <hr/>
As at 31 December 2021	242,886
	<hr/> <hr/>

18. INTANGIBLE FIXED ASSETS - CHARITY

	Website
Cost or valuation	£
As at 1 January 2022	51,299
Additions	54,360
Disposals	-
	<hr/>
As at 31 December 2022	105,659
	<hr/> <hr/>
Depreciation	
As at 1 January 2022	34,392
Charge for the year	6,286
Eliminated on Disposals	-
	<hr/>
As at 31 December 2022	40,678
	<hr/> <hr/>
Net book value	
As at 31 December 2022	64,981
	<hr/> <hr/>
As at 31 December 2021	16,907
	<hr/> <hr/>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

19. TANGIBLE FIXED ASSETS – GROUP

	Leasehold Improvements	Freehold property	Office and computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
As at 1 January 2022	898,464	550,000	331,882	-	1,780,346
Additions	-	81,976	31,947	23,096	137,019
	<u>898,464</u>	<u>631,976</u>	<u>363,829</u>	<u>23,096</u>	<u>1,917,365</u>
As at 31 December 2022	<u>898,464</u>	<u>631,976</u>	<u>363,829</u>	<u>23,096</u>	<u>1,917,365</u>
Depreciation					
As at 1 January 2022	102,776	32,471	272,102	-	407,349
Charge for the year	36,111	13,715	41,328	6,449	97,603
	<u>138,887</u>	<u>46,186</u>	<u>313,430</u>	<u>6,449</u>	<u>504.952</u>
As at 31 December 2022	<u>138,887</u>	<u>46,186</u>	<u>313,430</u>	<u>6,449</u>	<u>504.952</u>
Net book value					
As at 31 December 2022	<u>759,577</u>	<u>585,790</u>	<u>50,399</u>	<u>16,647</u>	<u>1.412.413</u>
As at 31 December 2021	<u>795,688</u>	<u>517,529</u>	<u>59,780</u>	<u>-</u>	<u>1.372.997</u>

19.TANGIBLE FIXED ASSETS – CHARITY

	Leasehold Improvements	Freehold property	Office and computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
As at 1 January 2022	889,194	-	242,568	-	1,131,762
Additions	-	-	29,792	-	29,792
	<u>889,194</u>	<u>-</u>	<u>272,360</u>	<u>-</u>	<u>1,161,554</u>
As at 31 December 2022	<u>889,194</u>	<u>-</u>	<u>272,360</u>	<u>-</u>	<u>1,161,554</u>
Depreciation					
As at 1 January 2022	102,776	-	194,283	-	297,059
Charge for the year	36,111	-	35,544	-	71,655
	<u>138,887</u>	<u>-</u>	<u>229,827</u>	<u>-</u>	<u>368,714</u>
As at 31 December 2022	<u>138,887</u>	<u>-</u>	<u>229,827</u>	<u>-</u>	<u>368,714</u>
Net book value					
As at 31 December 2022	<u>750,307</u>	<u>-</u>	<u>42,533</u>	<u>-</u>	<u>792,840</u>
As at 31 December 2021	<u>786,418</u>	<u>-</u>	<u>48,285</u>	<u>-</u>	<u>834,703</u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

20. FIXED ASSET INVESTMENTS	Group 2022	Group 2021	Charity 2022	Charity 2021
	£	£	£	£
Movements in fixed asset investments				
Market value brought forward	87,546,437	83,854,063	53,417,700	52,997,260
Additions at cost	51,568,064	89,374,807	26,455,608	67,330,262
Disposals at carrying value	(55,733,923)	(94,093,411)	(29,981,189)	(71,874,730)
Net gain/(loss) on revaluation	(8,878,064)	8,410,978	(5,667,341)	4,964,908
Market value carried forward	<u>74,502,514</u>	<u>87,546,437</u>	<u>44,224,778</u>	<u>53,417,700</u>

Analysis of market value of investments by type:

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£	£	£	£
Unlisted – RNRMC Enterprises Limited	-	-	100,000	100,000
Equities	50,067,923	61,262,759	30,269,270	37,198,815
Bonds	8,567,734	9,875,485	4,872,094	5,460,891
Alternative investments	11,434,777	13,889,763	7,420,618	8,910,199
Cash	4,432,080	2,518,430	1,562,796	1,747,795
	<u>74,502,514</u>	<u>87,546,437</u>	<u>44,224,778</u>	<u>53,417,700</u>

Analysis of market value of investments between those held within and outside the United Kingdom:

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£	£	£	£
Within the United Kingdom	21,737,416	35,618,315	12,266,515	17,448,131
Outside the United Kingdom	52,765,098	51,928,122	31,958,263	35,969,569
	<u>74,502,514</u>	<u>87,546,437</u>	<u>44,224,778</u>	<u>53,417,700</u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

21. STOCK	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Goods for resale	273,825	310,372	-	-
	<u>273,825</u>	<u>310,372</u>	<u>-</u>	<u>-</u>
22. DEBTORS	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Naval Service assisted travel loans	16,177	2,074	16,177	2,074
Accrued income	761,178	465,049	390,024	141,643
Owed from subsidiary undertakings	-	-	234,005	67,600
Other debtors and prepayments	1,391,125	1,261,302	1,145,449	1,059,664
	<u>2,168,480</u>	<u>1,728,425</u>	<u>1,785,655</u>	<u>1,270,981</u>
23. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Bank loan	10,000	10,000	-	-
Grants payable	3,094,408	3,303,385	3,020,836	3,247,622
Taxation and social security	158,953	115,194	75,587	48,457
Accrued expenses and Custodian funds	4,498,101	5,162,986	3,868,515	4,500,696
Deferred income (see Note 24)	948,833	1,020,879	908,663	908,663
Owed to subsidiary undertakings	-	-	72,138	23,093
	<u>8,710,295</u>	<u>9,612,444</u>	<u>7,945,739</u>	<u>8,728,531</u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

23. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

Custodian funds

The RNRMC holds custodian funds on behalf of RNRM Welfare, UIF CTCRM (Unit Institute Fund Commando Training Centre Royal Marines), Royal Navy Association, Royal Navy Football Association, RNRM Sports Lottery, Porth Kerris LIBOR Fund and the Globe and Laurel Magazine Fund. These amounts are included within creditors above.

Entity	Principal Object	Held	2022 £	2021 £
RNRM Welfare	the Royal Navy's secondary (specialist) welfare service for naval service personnel and their families	Cash	£ 430	£ 430
UIF CTCRM	a registered charity whose principal object is the promotion of efficiency of the armed forces of the Crown by the provision and support of facilities and activities for the efficiency and well-being of Service personnel	Investment Portfolio with Sarasin and cash	£ 307,347	£ 350,083
Globe and Laurel Magazine Fund	a registered charity whose principal object is management, publication and sale of the Corps Journal of the Royal Marines	Investment Portfolio with Sarasin and cash	£ 237,885	£ 270,964
Royal Naval Association	a registered charity whose principal object is to foster comradeship and "esprit de corps" among those who have served or are serving in Her Majesty's Naval Forces	Investment Portfolio with Sarasin	£ 1,421,210	£ 1,838,740
The Royal Navy Football Association	a registered charity whose principal object is to promote the physical efficiency of members of the Royal Navy and Royal Marines	Investment Portfolio with Sarasin and cash	£ 95,864	£ 109,194
RNRM Sports Lottery	a non-public fund which was set up to generate funds to support all levels of sport, adventure training and recreation in the Naval Service	Investment Portfolio with Sarasin and cash	£ 965,020	£ 1,099,205
Porth Kerris LIBOR fund	A grant received from the LIBOR fines fund to support a specific RN Project at Porth Kerris	Investment Portfolio with Sarasin	£ 300,000	£ 300,000

This activity falls within the RNRMC's principal object which is the promotion of the efficiency of the Naval Service and the Auxiliaries. By assisting these entities RNRMC's objects are being furthered allowing grants to be paid through proper financial and governance channels for RNRM Welfare and increasing the investment income potential by benefitting from beneficial rates offered to larger portfolios. Memorandums of Understanding are in place with all three entities and all custodian funds are accounted for separately.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

24. DEFERRED INCOME

Deferred income comprises grants received for future financial periods

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Balance at 1 January	1,020,879	5,064	908,663	-
Amount released to incoming resources	(1,020,879)	(5,064)	(908,663)	-
Amount deferred in year	948,833	1,020,879	908,663	908,663
	<u>948,833</u>	<u>1,020,879</u>	<u>908,663</u>	<u>908,663</u>
Balance at 31 December	948,833	1,020,879	908,663	908,663
Analysis:				
Release within one year	948,833	1,020,879	908,663	908,663
	<u>948,833</u>	<u>1,020,879</u>	<u>908,663</u>	<u>908,663</u>

25. CREDITORS:

AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Bank loan	24,900	34,067	-	-
	<u>24,900</u>	<u>34,067</u>	<u>-</u>	<u>-</u>

During the prior year the subsidiary company, TRMC Enterprises Limited, obtained a bank loan from Lloyds Bank plc under the Governments Coronavirus Bounce Back Loan scheme. Interest is payable at 2.5% from July 2021 and the loan is repayable by June 2026. The amount due in more than five years is £nil.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

26. ANALYSIS OF CHARITABLE FUNDS

Analysis of unrestricted fund movements – current year

	Balance at 01.01.2022 £	Income £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2022 £
RNRMC general funds	27,436,482	2,942,496	(5,732,954)	(1,517,191)	(2,755,341)	20,373,492
Designated						
DRUMFORK	69,393	-	-	-	-	69,393
Building 37	675,887	-	(30,076)	-	-	645,811
Group and Charity designated total	745,280	-	(30,076)	-	-	715,204
RNRMC Enterprises Limited	-	713,805	(522,437)	(191,368)	-	-
Royal Marines Shop Limited	166,332	496,484	(495,944)	200	-	167,072
TRMCE	5,448	117,001	(237,107)	145,085	-	30,427
Group unrestricted total	28,353,542	4,269,786	(7,018,518)	(1,563,274)	(2,755,341)	21,286,195

Analysis of restricted fund movements – current year

	Balance at 01.01.2022 £	Income £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2022 £
Charity						
Naval Service Benevolence Fund	-	1,297,559	(1,292,304)	84,366	(80,924)	8,697
Naval Service Dependants' Fund	10,814,327	262,293	(1,163,194)	-	(1,335,407)	8,578,019
Naval Service Amenity Fund	-	-	(1,072,967)	1,072,967	-	-
Prizes and Awards Fund	5,270,799	80,198	(199,747)	-	(614,635)	4,536,615
FAA Benevolent Trust	5,491,143	95,228	(135,664)	-	(609,268)	4,841,439
QARNNS Trust Fund	1,025,286	14,897	(24,296)	-	(112,238)	903,650
Plymouth Royal Naval Aid Fund	285,543	4,143	(5,745)	-	(31,746)	252,195
Sir Donald Gosling Naval Aid	301,227	4,523	(9,765)	-	(34,654)	261,331
Naval Medical Compassionate Fund	833,100	12,151	(9,121)	-	(93,128)	743,002
TSF	-	-	-	-	-	-
Nuffield Trust	1,146	415,921	(393,539)	-	-	23,528
The Submarine Fund	134,187	111,343	(103,201)	-	-	142,239
Armed Forces Covenant Fund - SF	41,150	79,500	(120,650)	-	-	-
Armed Forces Covenant Fund - TL	-	34,125	(32,262)	-	-	1,863
OARD	42,734	37,416	(43,243)	-	-	36,908
Helping Jim	13,310	22,701	(2,351)	-	-	33,660
Paul Morris	25,042	3,500	(17,764)	-	-	10,778
Armed Forces Covenant Fund – RO	-	420,833	(146,375)	-	-	274,458
RFA	-	59,960	-	-	-	59,960
Armed Forces Covenant Fund – RSAFC	-	32,900	(32,900)	-	-	-
Charity restricted total	24,278,994	2,989,191	(4,805,088)	1,157,333	(2,912,000)	20,708,430

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

26. ANALYSIS OF CHARITABLE FUNDS (continued)

Group	Balance at 01.01.2022 £	Income £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2022 £
Naval Service Sports Charity	5,285,282	532,433	(952,578)	199,160	(587,996)	4,476,301
NSSC- RNRU fund	-	-	-	-	-	-
RNOC (RNBSO) - general funds	16,817,874	1,049,632	(695,333)	-	(1,134,959)	16,037,214
RNOC - RN Scholarship Fund	303,563	10,801	(58,116)	-	(19,335)	236,913
RMA-TRMC general funds	7,749,017	2,462,873	(1,757,118)	(157,730)	(866,834)	7,430,208
Marines museum fund	1,000,000	-	-	-	-	1,000,000
RMA	700,953	207,481	(541,448)	364,511	-	731,497
RM Benevolence Fund	1,153,650	573,826	(1,440,321)	-	(229,838)	57,317
RM Cadet Fund	140,943	1,744	(887)	-	(13,724)	128,076
RM Central Sergeants' Mess Fund	979,968	134,148	(203,160)	(28,742)	(108,313)	773,901
RM Central Unit Institute Fund	1,462,769	290,725	(186,535)	(151,374)	(132,839)	1,282,746
RM Officers' Trust Fund	1,245,919	148,026	(176,314)	(11,497)	(116,885)	1,089,249
Armed forces Covenant Trust - PP	(2,059)	1,750	-	-	-	(309)
Armed forces Covenant Trust - FFC	10,587	-	(6,639)	-	-	3,948
Armed forces Covenant Trust - SS	30,604	52,452	(44,938)	-	-	38,118
Armed forces Covenant Trust - OTM	33,932	122,626	(134,177)	-	-	22,381
RMSA	144,155	34,488	(226,536)	191,613	-	143,720
TRMC-NL-LTL	-	80,000	(53,334)	-	-	26,666
TRMC-CLODE	-	10,000	(10,000)	-	-	-
TRMC-AFGAN	-	141,888	(13,743)	-	-	128,145
TRMC-B72	-	50,000	-	-	-	50,000
CTCFC	-	50,298	(47,975)	-	-	2,323
Group Restricted Total	61,336,151	8,944,382	(11,354,240)	1,563,274	(6,122,723)	54,366,844

Analysis of permanent endowment fund movements – current year

	Balance at 01.01.2022 £	Income £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2022 £
Naval Service Benevolence Fund	655,649	-	-	-	-	655,649
Permanent Endowment Total	655,649	-	-	-	-	655,649

Analysis of unrestricted fund movements – prior year

	Balance at 01.01.2021 £	Income £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2021 £
RNRMC general funds	28,897,170	2,608,369	(2,875,605)	(3,737,006)	2,543,554	27,436,482
Designated						
DRUMFORK	69,393	-	-	-	-	69,393
Building 37	705,963	-	(30,076)	-	-	675,887
Group and Charity designated total	775,356	-	(30,076)	-	-	745,280
RNRMC Enterprises Limited	-	177,880	(139,802)	(38,078)	-	-
Royal Marines Shop Limited	180,005	465,934	(459,607)	(20,000)	-	166,332
TRMCE	-	48,355	(204,550)	161,643	-	5,448
Group unrestricted total	29,852,531	3,300,538	(3,709,640)	(3,633,441)	2,543,554	28,353,542

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

26. ANALYSIS OF CHARITABLE FUNDS (continued)

Analysis of restricted fund movements – prior year

	Balance at 01.01.2021 £	Income £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2021 £
Charity						
Naval Service Benevolence Fund	-	1,389,214	(5,306,204)	3,849,702	67,288	-
Naval Service Dependants' Fund	10,619,413	218,392	(316,939)	(816,945)	1,110,406	10,814,327
Naval Service Amenity Fund	499,469	-	(1,014,468)	514,999	-	-
Prizes and Awards Fund	4,870,209	100,352	(210,836)	-	511,074	5,270,799
FAA Benevolent Trust	4,991,392	99,573	(106,436)	-	506,614	5,491,143
QARNNS Trust Fund	917,613	23,575	(9,230)	-	93,328	1,025,286
Plymouth Royal Naval Aid Fund	258,536	5,181	(4,568)	-	26,394	285,543
Sir Donald Gosling Naval Aid	276,532	5,657	(9,777)	-	28,815	301,227
Naval Medical Compassionate Fund	758,823	15,205	(18,362)	-	77,434	833,100
Nuffield Trust	28,479	771,716	(799,049)	-	-	1,146
The Submarine Fund	50,116	127,086	(43,015)	-	-	134,187
Armed Forces Covenant Fund - SF	-	220,500	(179,350)	-	-	41,150
Armed Forces Covenant Fund - TL	-	35,000	(35,000)	-	-	-
OARD	-	42,734	-	-	-	42,734
Helping Jim	-	14,513	(1,203)	-	-	13,310
Paul Morris	-	164,758	(139,716)	-	-	25,042
Charity restricted total	23,270,582	3,233,456	(8,194,153)	3,547,756	2,421,353	24,278,994
Group						
Naval Service Sports Charity	4,907,476	407,697	(622,060)	100,380	491,789	5,285,282
NSSC- RNRU fund	635	-	(635)	-	-	-
RNOC (RNBSO) - general funds	15,020,868	804,104	(785,874)	-	1,778,776	16,817,874
RNOC - RN Scholarship Fund	326,705	8,386	(43,839)	-	2,311	303,563
RMA-TRMC general funds	5,447,114	2,702,753	(1,498,112)	547,186	550,076	7,749,017
Marines museum fund	1,000,000	-	-	-	-	1,000,000
RMA	1,556,775	62,015	(368,591)	(690,334)	141,088	700,953
RM Benevolence Fund	1,537,609	427,193	(1,122,322)	126,948	184,222	1,153,650
RM Cadet Fund	128,893	2,066	(1,009)	-	10,993	140,943
RM Central Sergeants' Mess Fund	914,403	148,804	(152,416)	(17,592)	86,769	979,968
RM Central Unit Institute Fund	1,271,918	294,616	(117,530)	(92,650)	106,415	1,462,769
RM Officers' Trust Fund	1,121,116	143,422	(105,214)	(7,037)	93,632	1,245,919
Armed forces Covenant Trust - PP	33,250	-	(35,309)	-	-	(2,059)
Armed forces Covenant Trust - FFC	19,000	-	(8,413)	-	-	10,587
Armed forces Covenant Trust - SS	-	47,456	(16,852)	-	-	30,604
Armed forces Covenant Trust - OTM	-	122,624	(88,692)	-	-	33,932
RMSA	160,893	21,619	(155,636)	117,279	-	144,155
TRMC Enterprises Limited	(1,505)	-	-	1,505	-	-
Group Restricted Total	56,725,732	8,426,211	(13,316,657)	3,633,441	5,867,424	61,336,151

Analysis of permanent endowment fund movements – prior year

	Balance at 01.01.2021 £	Incoming resources £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2021 £
Naval Service Benevolence Fund	655,649	-	-	-	-	655,649
Permanent Endowment Total	655,649	-	-	-	-	655,649

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Classification of Group Funds

The RNRMC has a fund structure consisting of unrestricted, designated, restricted and one permanent endowment fund.

Unrestricted Fund – this fund represents those funds which have not been designated, and are available to support any of the objects of the parent charity.

Designated Funds – are held against known commitments as explained below and are a category of unrestricted funds:

- LIBOR – Afghanistan – the designated funds to be used to primarily support the families of the fallen and wounded, injured and sick veterans of the Afghanistan Campaign. These funds were spent in 2020.
- Drumfork – In 2015, the RNRMC received a £2m donation from HM Treasury for the refurbishment of the Drumfork club in Helensburgh, Scotland. The RNRMC designated £1m from its own funds in October 2017 to ensure the completion of the project, of which £931k has been spent. £69k remains in the designated fund for fixtures and fittings across 2022.
- Building 37 – In 2017, the Trustees designated £770k for the renovation of Buildings 37 and 35 within HMS Excellent, Portsmouth in order to give the charity a fit for purpose working environment for the next 25 years. The designated fund will be retained to depreciate the cost over the term of the lease with the MOD (25 years) and is considerably less than the commercial rental rates of £40k per annum (£1m over the lease period at today's rates).

Permanent Endowment – held separately as part of the Naval Service Benevolence Fund.

Restricted Funds - the subsidiary charities are all restricted funds and are grouped under two main headings in order to achieve the RNRMC's charitable objectives. Each subsidiary's funds are restricted by the provisions of that charity's governing instrument, whether Royal Charter*, Memorandum of Association** or Charity Commission Scheme***.

Benevolence	Promotion of Efficiency
Royal Navy Officers' Charity*	Naval Service Amenity Fund***
Naval Service Benevolence Fund***	Naval Service Prizes and Awards Fund***
Plymouth Royal Naval Aid Fund ***	Naval Service Sports Charity**
Naval Medical Compassionate Fund***	Naval Service Dependants' Fund***
	Fleet Air Arm Benevolent Trust ***
	Sir Donald Gosling Maritime Reserve Amenity Fund***
	Royal Marines Sports Association**
Charities with dual objects	
	Queen Alexandra's Royal Naval Nursing Service Trust Fund***
	The Royal Marines Association - The Royal Marines Charity **

The remaining restricted funds that are not mentioned in the table above have been received as restricted income rather than existing as separate charities merged within the RNRMC umbrella.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

27. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

As at 31 December 2022	Unrestricted* Funds £	Restricted Funds £	Endowment Funds £	2022 Total £
Tangible fixed assets	794,256	618,157	-	1,412,413
Intangible Fixed Assets	39,381	289,601	-	328,982
Fixed asset investments	19,142,835	54,704,030	655,649	74,502,514
Cash at bank and in hand	2,990,222	3,367,447	-	6,357,669
Other net current assets/(liabilities)	(1,655,599)	(4,612,391)	-	(6,267,990)
Long term liabilities	(24,900)	-	-	(24,900)
	<u>21,286,195</u>	<u>54,366,844</u>	<u>655,649</u>	<u>76,308,688</u>
	<u><u>21,286,195</u></u>	<u><u>54,366,844</u></u>	<u><u>655,649</u></u>	<u><u>76,308,688</u></u>
As at 31 December 2021	Unrestricted* Funds £	Restricted Funds £	Endowment Funds £	2021 Total £
Tangible fixed assets	838,019	534,978	-	1,372,997
Intangible Fixed Assets	440	242,446	-	242,886
Fixed asset investments	24,574,678	62,316,110	655,649	87,546,437
Cash at bank and in hand	3,304,245	5,486,491	-	8,790,736
Other net current assets/(liabilities)	(329,773)	(7,243,874)	-	(7,573,647)
Long term liabilities	(34,067)	-	-	(34,067)
	<u>28,353,542</u>	<u>61,336,151</u>	<u>655,649</u>	<u>90,345,342</u>
	<u><u>28,353,542</u></u>	<u><u>61,336,151</u></u>	<u><u>655,649</u></u>	<u><u>90,345,342</u></u>

28. DISCLOSURE OF SUBSIDIARIES – ROYAL NAVAL BENEVOLENT SOCIETY FOR OFFICERS

The charitable company is the trustee with right of veto of the Royal Naval Benevolent Society for Officers, known as The Royal Navy Officers' Charity (RNOC), a charity formed by Royal Charter. RNOC have objects similar to those of the RNRMC. These financial statements consolidate the accounts for the RNOC. The following is an extract of the financial statements of RNOC for the year ended 31 December 2022:

	2022 £	2021 £
Income	1,018,328	708,449
Expenditure	(711,344)	(725,672)
Gains/(losses) on investments	(1,154,294)	1,781,086
Income/ (expenditure)	<u>(847,310)</u>	<u>1,763,863</u>
Total assets	16,289,124	17,144,283
Liabilities	(15,000)	(22,849)
Net assets	<u>16,274,124</u>	<u>17,121,434</u>
Restricted funds	236,914	303,563
Unrestricted funds	16,037,210	16,817,871
	<u>16,274,124</u>	<u>17,121,434</u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

29. DISCLOSURE OF SUBSIDIARIES – NAVAL SERVICE SPORTS CHARITY

The charitable company is the sole corporate member of the Naval Service Sports Charity (NSSC), a charitable company limited by guarantee. These financial statements consolidate the accounts for the NSSC. The following is an extract of the financial statements of NSSC for the period ended 31 December 2022:

	2022	2021
	£	£
Income	759,433	527,543
Expenditure	(980,418)	(642,315)
Gains/(losses) on investments	(587,996)	429,003
Net income/(expenditure)	<u>(808,981)</u>	<u>314,231</u>
Total assets	4,704,504	5,462,950
Liabilities	(228,359)	(177,824)
Net assets	<u>4,476,145</u>	<u>5,285,126</u>
Restricted funds	-	-
Unrestricted funds	4,476,145	5,285,126
	<u>4,476,145</u>	<u>5,285,126</u>

30. DISCLOSURE OF SUBSIDIARIES – RMA-TRMC – THE ROYAL MARINES ASSOCIATION- THE ROYAL MARINES CHARITY

The charitable company became the sole corporate member of The Royal Marines Charity (TRMC), a charitable company limited by guarantee, on 1 April 2011. These financial statements consolidate the accounts for the RMC. The following is an extract of the financial statements of TRMC for year ended 31 December 2022:

	2022	2021
	£	£
Income	4,774,495	4,119,516
Expenditure	(5,048,416)	(3,833,244)
Gains/(losses) on investments	(1,468,433)	1,173,195
Net income/(expenditure)	<u>(1,742,354)</u>	<u>1,459,467</u>
Total assets	13,424,951	15,113,893
Liabilities	(516,884)	(463,472)
Net assets	<u>12,908,067</u>	<u>14,650,421</u>
Restricted funds	3,746,139	5,200,468
Unrestricted funds	9,161,928	9,449,953
	<u>12,908,067</u>	<u>14,650,421</u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

31. DISCLOSURE OF SUBSIDIARIES – RNRMC ENTERPRISES LIMITED

The RNRMC Enterprises Limited was incorporated on 5 March 2012, as the wholly owned trading subsidiary of RNRMC with a share capital of £100,000. Its results to the 31 December are consolidated in the Group accounts. The following is an extract of the financial statements of RNRMC Enterprises Limited for the year to 31 December 2022:

	2022	2021
	£	£
Income	741,645	197,500
Expenditure	(522,437)	(151,811)
Net income - gift aided to RNRMC	<u>219,208</u>	<u>45,689</u>
Total assets	385,930	314,990
Liabilities	(285,930)	(214,990)
Net assets	<u>100,000</u>	<u>100,000</u>
Share Capital and retained earnings	<u>100,000</u>	<u>100,000</u>

32. DISCLOSURE OF SUBSIDIARIES – TRMC ENTERPRISES LIMITED

TRMC Enterprises Limited was incorporated on 23 February 2016, as the wholly owned trading subsidiary of RMA-TRMC with a share capital of £1. Its results to the 31 December are consolidated in the Group accounts. The following is an extract of the financial statements of TRMC Enterprises Limited for the period to 31 December 2022:

	2022	2021
	£	£
Income	262,086	211,503
Expenditure	(231,659)	(204,550)
Net movement in funds	<u>30,427</u>	<u>6,953</u>
Current assets	104,184	74,331
Liabilities	(73,756)	(68,883)
Net assets	<u>30,428</u>	<u>5,448</u>
Net assets/(liabilities)	<u>30,428</u>	<u>5,448</u>

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

33. DISCLOSURE OF SUBSIDIARIES – ROYAL MARINES SHOP LIMITED

RMA-TRMC became the sole shareholder of Royal Marines Shop Limited on 1 April 2019 and accordingly on that date the company became a subsidiary of the group. Its results for the year to the 31 December are consolidated in the Group accounts. The following is an extract of the financial statements of Royal Marines Shop Limited for the year ended 31 December 2022:

	2022	2021
	£	£
Income	496,484	411,105
Expenditure	(487,637)	(404,778)
Net movement in funds	<u>8,847</u>	<u>6,327</u>
	2022	2021
	£	£
Fixed assets	2,688	3,755
Current assets	222,837	272,960
Liabilities	(58,453)	(110,283)
Net assets	<u>167,072</u>	<u>166,432</u>

34. PENSIONS AND OTHER POST-RETIREMENT BENEFIT COMMITMENTS

The Charity operates a defined contribution scheme, which is administered independently of the Charity. The cost to the Charity for the year was £271,531 (2021: £218,132). At the Balance Sheet date the amount due to the pension scheme administrators was £Nil (2021: £Nil).

35. RELATED PARTY TRANSACTIONS

In August 2009 the Royal Navy agreed to lease office space at HMS Excellent to the Charitable Company at a peppercorn rent. These support costs are difficult to quantify as they are not discrete activities because personnel and office facilities are used for other Navy Command duties. As such the value of support provided by the Ministry of Defence has not been included in the Charitable Company's Statement of Financial Activities.

During the year trustees donated £25,637 (2021: £42,479) to the charity.

During the year The Royal Navy and Royal Marines Charity made a grant to its subsidiary, The Naval Service Sports Charity, of £227,000 (2021: £120,000).

During the year The Royal Navy and Royal Marines Charity made a grant to its subsidiary, RMA - The Royal Marines Charity, of £203,600 (2021: £126,948).

During the year The Royal Navy and Royal Marines Charity charged its subsidiaries the following amounts in respect of management and administration services: RNRMC Enterprises Limited £18,408 (2021: £12,009).

During the year RNRMC Enterprises Limited donated £137,418 (2021: £45,689) to the parent charity, The Royal Navy and Royal Marines Charity.

**THE ROYAL NAVY AND ROYAL MARINES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

36. OPERATING LEASE COMMITMENTS

At the year end the charity had the following total commitments under non-cancellable operating leases:

Due within:	2022	2021
	£	£
1 year	43,857	46,060
2-5 years	160,317	164,164
More than 5 years	635,945	675,945
	<u>840,119</u>	<u>886,169</u>

37. NET DEBT

	1 January 2022	Cash flows 2022	31 December 2022
	£	£	£
Cash at bank	8,790,736	(2,433,067)	6,357,669
Bank loan	(44,067)	9,167	(34,900)
	<u>8,746,669</u>	<u>(2,423,900)</u>	<u>6,322,769</u>

38. ULTIMATE CONTROLLING PARTY

The charitable company is under the control of the RNRMC membership. No one member has sufficient voting rights to control the charitable company.