



**THE ROYAL NAVAL
BENEVOLENT TRUST**

SERVE A DAY, SUPPORTED FOR LIFE

**REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2024**

Registered Charity in England & Wales (206243) and Scotland (SC052748)

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TRUSTEES' REPORT

For the Year Ended 31 March 2024

Chair's Welcome

Thank you for taking an interest in the work of RNBT. I hope that you find this report engaging and informative - and if it isn't, then we would like to hear about it!

I am glad to say that the Trust goes from strength to strength and the past year has been one of progress, pace and change. Our esteemed Chief Executive, Commander Rob Bosshardt, retired in March after giving 7 years of the fullest commitment to the charity, including leading us through COVID and the development and commissioning of our new care home Admiral Jellicoe House in Portsmouth. We wish him and Angie a very happy retirement. We also welcomed a new hand on the helm as Chief Executive Debbie Dollner. Debbie brings deep experience and background in the Care sector, combined with a dynamic and highly interactive management style and has already made a significant impact on both the day to day business and the future outlook for RNBT. We wish her every success in her endeavours.

Both our care homes, in Portsmouth and Chatham, have had a busy year. At Pembroke House, we are just completing a £350,000 improvement programme, centred on dementia care facilities, while at "AJH" we have completed our first CQC inspection. We are indebted to the Michael Uren Foundation for their generous contribution towards our capital works at Pembroke House and to our other donors who have contributed significantly over the past year.

Benevolence in the form of direct support to our people, both financially and in other less material but equally vital ways, is at the very heart of what we do. It is a mark of our times that both our Grants and Regular Charitable Payments (RCPs) have increased markedly. Top items include food, rent, energy and children's clothes, reflecting the pressure on household budgets. We have also seen a significant rise in volume of support to serving personnel and although the overall numbers remain low, this trend is a worrying reflection on the impact of the constrained defence budget on conditions for service families. This is now the subject of a major review of RN Charities strategy, led by Greenwich Hospital and we look forward to contributing.

We continue to streamline our ability to deliver benevolence directly to the point of need, utilising modern techniques in online banking and updated and professionalised casework. I would like to pay tribute to "Sam" Allardyce and his team for their unstinting efforts in making this work. Looking forward, we intend to further professionalise and expand benevolence provision over the coming year.

Finally, I would like to thank my fellow Trustees, staff and volunteers for their commitment and support. Their teamwork and camaraderie, which underpins the work of the Trust, has been an invaluable support to me and the Executive Team in a challenging year.

Commodore Russell Best OBE
Chair of Trustees

THE ROYAL NAVAL BENEVOLENT TRUST

TRUSTEES' REPORT

For the Year Ended 31 March 2024

The Trustees present their report and the audited financial statements for the year ended 31 March 2024. Reference and administrative information set out on page 56 forms part of this report. The financial statements comply with current statutory requirements, the charity's governing document and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

1. STRATEGY, MISSION, VISION, OPERATING PRINCIPLES, OBJECTIVES AND PERFORMANCE

The full title is 'Royal Naval Benevolent Trust (Grand Fleet and Kindred Funds)', which recognises the origins from Admiral Jellicoe's Grand Fleet Fund, established in 1915. Soon after the First World War, the Trust was established by Royal Charter on 2 May 1922. It is a registered charity in England & Wales (No. 206243) and recently (14 August 2023) registered in Scotland (SC052748). The Trust's Primary Beneficial Object is to give help, in cases of need, to those who are serving or have served as ratings in the Royal Navy or as other ranks in the Royal Marines and their dependants. The Trust is known as The RNBT, and our beneficiaries are helped in the following ways:

- Grants to assist with a very wide range of individual needs.
- Regular Charitable Payments to provide a financial supplement to people on very low incomes.
- Care at Pembroke House, the Trust's care and nursing home at Gillingham, Kent and at Admiral Jellicoe House, Portsmouth.
- Subsidised housing at the Trust's almshouse, the John Cornwell VC National Memorial (JCVCNM) at Hornchurch.
- Advice on welfare and allied matters.

Strategy

The Trustees reviewed their existing published long-term strategy for the Trust at a Strategy Day in 2021. They reaffirmed and updated the long-term strategy, publishing the revised version in February 2022. This strategy restated the Trust's Operating Principles and means of delivery, including the intention to investigate options to deliver care provision in other locations such as Plymouth.

Mission and Vision

| | |
|----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| RNBT's Vision: <i>'Sailors, Marines and their families living happy, dignified lives'</i> | RNBT's Mission: <i>'Sailors and Marines helping Sailors and Marines – now and always.'</i> |
|----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|

THE ROYAL NAVAL BENEVOLENT TRUST

TRUSTEES' REPORT (continued)

For the Year Ended 31 March 2024

The Trust's Operating Principles - Who, What, How and Why

Who: The naval community, some of whom may not know where to turn to

- Life is **unpredictable** but RNBT is by Sailors' and Marines' sides, and their families, from the moment you join up. We exist to provide a helping hand to serving and ex-serving people and their families.

What: help, opportunity and care in times of need.

- We **take a holistic approach to help**. Although we are capable of a swift solution, we always look to encourage you to support yourselves and to lead a better life, through financial aid, enhancing skills for employment or support and assisted care, which includes our care homes, Pembroke House and (soon) Admiral Jellicoe House.

How: propelled by empathy and collaboration.

- We are **uniquely equipped with the invaluable insights of former sailors and marines** so that we combine rapid response with compassionate understanding to help your genuine need, no matter how you got there. We also work alongside other fellow service charities to present best solutions.

Why: what sort of organisation we are.

We need people to know not just how we help, but what sort of organisation we are, and how we react to our people asking for help. This is what we are all about:

- **We always respond with a helping hand** - We won't judge why people ask for help; we will judge any application for help based solely on your need.
- **People not problems** - We take a human approach to finding a solution to your problems. We won't just fix the initial problem; we want to make life better for you and our community. This includes our care homes where we always seek to provide the highest standards of care and support in a bright and welcoming environment.
- **Inspired by our past but looking to the future** - We know that the needs of the wider naval community are shifting, and that we need to evolve to meet your needs, so that every generation can live happy and dignified lives.
- **Better understanding means better solutions** - We have many ex-RN & RM personnel working for RNBT whose experience and empathy helps generate better solutions with you.
- **Small in size, global in reach** - Our size and structure allow us to respond quickly, often in 24 hours, to requests for assistance. We also can help our people abroad, typically in 15 different countries.
- **Served a Day, Supported for Life** - We help you or your family based on genuine need, no matter how long your service.

THE ROYAL NAVAL BENEVOLENT TRUST

TRUSTEES' REPORT (continued)

For the Year Ended 31 March 2024

Objectives and Performance – what we said we would do and what we achieved

The Trust's specific objectives for 2023/24 were to assist our Beneficiaries through individual grants, Regular Charitable Payments, advice on welfare and allied matters, holistic support for beneficiaries and residential care.

| Primary (standing) Objective | Measurement of output & effectiveness | Outcome |
|--------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Benevolence | | |
| Individual Grants | Numbers and amounts compared to previous years | Achieved: significant increase in the delivery of benevolence. See Review of Activities on pages 10-19. |
| Regular Charitable Payments | Number and amounts compared to previous years | Achieved: significant increase in the number and value of RCPs awarded. |
| Advice on Welfare and allied matters | People assisted compared with previous years | Achieved: See Review of Activities on pages 10-14. |
| Holistic Support to Beneficiaries | People assisted compared with previous years | Achieved: See Review of Activities on pages 10-14. |
| Care | | |
| Admiral Jellicoe House | Occupancy to achieve break even by end of financial year 2023/24 | Occupancy 2023/24: Break-even not achieved. Average occupancy 73% |
| Admiral Jellicoe House - Quality | Independent audit (consultants) report Achieve successful CQC opening inspection | Achieved: The home was inspected in January and February 2024. We have not received the CQC inspection report from the inspection or rating. |
| John Cornwell VC National Memorial | 95% occupancy target | Achieved: Occupancy target comfortably achieved as the almshouse remained at 100% occupancy throughout the year. |
| Pembroke House | 88% Occupancy target | Occupancy 2023/24: 85% 2022/23: 79% (86% in 2021/22). Average occupancy @ 46 |
| Pembroke House - Quality | Achieve CQC 'Outstanding' or 'Good' | No CQC inspection since August 2021 ('Safe' and 'Well-led' both retained; Good'; retained 'Good' overall). CQC data review monthly: 'We have not found evidence that we need to carry out an inspection or reassess our rating at this stage'. |

THE ROYAL NAVAL BENEVOLENT TRUST

TRUSTEES' REPORT (continued)

For the Year Ended 31 March 2024

2. GOVERNANCE

The Trust's governing document is our Royal Charter, granted in 1922 and regularly updated.

The Trust conducted a thorough review of its governance in February 2021, based on the Charity Governance Code 2020. A further review of the sub-committee structure was completed and adjustments made, to ensure that the Trust's governance arrangements remained relevant and fit for purpose.

The following governance documents are available on the website at <https://www.rnbt.org.uk/about-us/publications/>:

- Royal Charter
- Byelaws
- Trustee Code of Conduct
- Conflicts of Interest Policy
- Safeguarding Policy
- Strategy Report
- Fundraising Policy and Fundraising Complaints Policy
- Public Interest Disclosure (Whistle Blowing) Policy
- Equality, Diversity, Inclusion and Dignity at Work Policy
- Remuneration Policy
- Committee Meeting Dates

The Trust is a member of the National Council for Voluntary Organisations (NCVO), the National Care Forum (NCF) and the Almshouse Association. The Central Committee is the Trust's committee of all Trustees through which charity governance is delivered. The sub-committee structure, which supports the Central Committee (CC) comprises:

- Finance and Risk Committee
- Operational Delivery Committee

Other specific Working Groups are formed, as necessary. Terms of reference are set by the Central Committee.

Peter Hopkins was elected as an Ordinary Member Trustee on 31 October 2023 and two further new Ordinary Member Trustees were selected on 1 April 2024, Natalie Ellis-Burt and David McGinley.

All Trustees receive induction training on taking up the role and periodic Trustee training is also available. The Trust thanks outgoing Trustees Brian Daubeney, CPOWTR Tracy Bale and Kevin Bell for their valuable contributions.

THE ROYAL NAVAL BENEVOLENT TRUST

TRUSTEES' REPORT (continued)

For the Year Ended 31 March 2024

Management

The day-to-day management of the Trust's affairs is delegated to the Portsmouth-based Chief Executive. Commander Rob Bosshardt joined the RNBT as Chief Executive in 2017, leading the Trust through a significant period of modernisation, expansion and development which culminated in the opening of Admiral Jellicoe House in 2022. The Trustees and staff would like to record their gratitude to Commander Bosshardt for his outstanding leadership during such a critical time.

Following the retirement of Commander Bosshardt the Trust welcomed new Chief Executive, Debbie Dollner. Debbie brings broad experience across the wider charities sector, having most recently served as Director of Health & Wellbeing at Morden College, a prestigious City-backed Almshouse Charity specialising in residential, domiciliary care and support for older people; prior to that Debbie was Chief Operating Officer at Guild Care, a Worthing based social care charity.

In the last twelve months staff employed at the Trust has doubled as staffing levels at Admiral Jellicoe House reached maturity. Split into three distinctive areas, staff are employed at the HQ Castaway House, Pembroke House and Admiral Jellicoe House. Since the opening of the Portsmouth care home, HQ staffing has remained static. In 2024, three new posts are planned in Human Resources, Finance and Care, Quality & Compliance.

In addition to the support provided to the care homes, the staff at HQ manage over 2,000 applications relating to individual grants and regular charitable payments each year, as well as the finance, policy and public relations, events management and human resources of the Trust and 'landlord' duties within Castaway House. Without the support of this dedicated team of professionals, none of the achievements of this year would have been possible and the Trustees would like to thank them all for their outstanding performance.

82 staff are employed at Pembroke House (The Trust's care and nursing home in Gillingham, Kent) and 107 staff are employed at Admiral Jellicoe House. The Home Managers at each home report to the Chief Executive.

THE ROYAL NAVAL BENEVOLENT TRUST

TRUSTEES' REPORT (continued)

For the Year Ended 31 March 2024

3. REVIEW OF ACTIVITIES - WHAT WE HAVE DONE

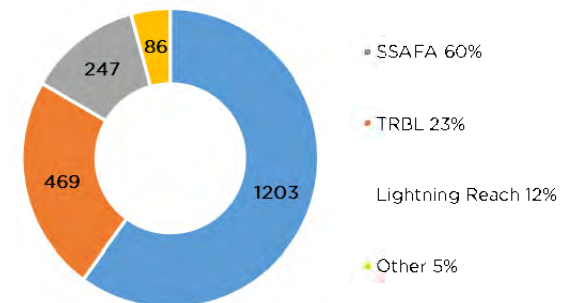
3.1 Following the success of the centenary year, it was always going to be a difficult year to follow. Entering a transformational period, the RNBT knew it was going to be challenging. Doubling in size and entering a significant period of change is not easy but we were prepared. The Trust has robust teams of staff in place but as with any transformation it will take time to get back to calmer waters. Looking ahead as Admiral Jellicoe House settles and awareness increases, the future is exciting.

The following sections give greater detail on these achievements.

3.2 The delivery of benevolence - overview

3.2.1 **The wider military benevolence scene: efforts to improve the beneficiary's journey:** Whilst CMS2 remains the principal method of applying for benevolence, RNBT have joined in partnership with Lightning Reach, a social innovation programme. RNBT beneficiaries can apply direct through the Lightning Reach portal for financial assistance of up to £750. This method of application has its limitations and if a beneficiary's need is outside of these then they should still follow up with a caseworker to submit applications for assistance. The RNBT has used Lightning Reach to award e-vouchers for food, clothing and energy costs for those on top-up meters (not British Gas). The vouchers can be sent as a bar code or QR code direct to a smart phone or if the beneficiary prefers, can be by email. The food vouchers can be redeemed at a supermarket of choice. The e-voucher scheme is facilitated through the Family Fund.

Referral Routes



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TRUSTEES' REPORT (continued)

For the Year Ended 31 March 2024

3.2.2 Casework Management System: secure IT system for exchange of information and delivering assistance

The replacement system CMS2 has now been operating for just over three years. This remains the principal method of applying for financial assistance with beneficiaries being supported by Caseworkers.

3.3 Grants and Regular Charitable Payments (RCPs)

3.3.1 The Trust's charitable objectives may be summed up as helping our people in need or distress. All applications for grants and RCPs are administered at the Trust's HQ. Applications for assistance are submitted via case working organisations i.e. SSAFA, The Royal British Legion, The Royal Commonwealth Ex-Services League and RN Family & People Support (RNFPS) (see chart above). The Grant Administrators assess the applications, liaising with other charities (if appropriate) and are empowered to decide on grant applications up to £2,000 (uplifted to £5,200 from April 2024). Above this level, decisions are referred to the Vice President and Ordinary Member Trustees (OMT). The Team and the OMTs pride themselves on their flexibility and speed of response. In 2023/24 91% of applications were processed within five working days. The Trust spent over £2.6 million on grants and RCPs in 2023/24 considering 2005 grant applicants and supporting 746 RCP recipients as of 31 March 2023.



THE ROYAL NAVAL BENEVOLENT TRUST

TRUSTEES' REPORT (continued)

For the Year Ended 31 March 2024

3.3.2 Grants to Individuals

The Trust makes grants to assist across a spectrum of fundamental needs that include food, clothing, accommodation, fuel and utility bills, disability aids, training for second careers, house repairs and household goods, respite holidays and help with all manner of financial difficulties. However, the Trust retains the discretion to help in new situations provided there is a sufficient degree of need and the financial resources are available.

The number of applications for grants increased to 2005 (from 1926 in 2022/23), 71% of whom received a grant (74% in 2022/23). The average grant decreased by 1% to £868 (£878 in 2022/23); grants ranged from an average of £358 (food) totalling almost £70,000 to £678 (furniture & furnishings) totalling over £135,000. The needs of the Trust's beneficiaries have continued to be met through the almonising process of burden-sharing and the hard work of the Grant Administrators and case working volunteers seeking out other sources of funding, coupled with the rigorous pursuit of state benefits where applicable. Almost half of all the individual awards were made towards housing related costs totalling over £500,000. There was continued support for employment, mostly retraining, costs (£29,694.76; £56,014 in 2022/23), reflecting our intent to help people back into employment wherever possible. With the holistic support approach adopted by RNBT, the Beneficiary Support Coordinators aim to contact every recipient of an award made for the purpose of assistance with employment six months after the date of the award. In many cases the recipient did not respond to requests for contact. For the reporting year, one third of recipients of awards made were successfully in employment and a further quarter remain in training for which RNBT awarded funding.

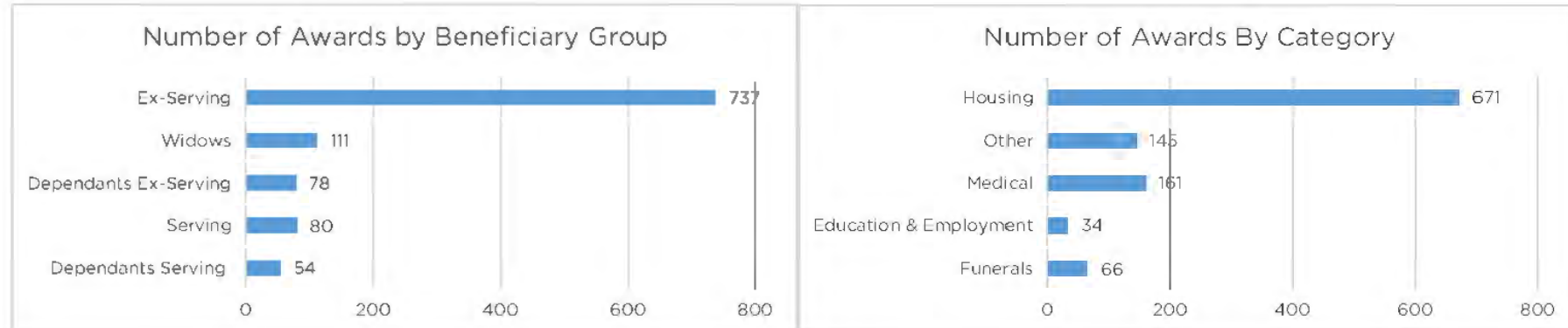
In 2023/24 many of the Trust's beneficiaries were impacted by the cost-of-living crisis. Although provision was made to support these individuals, we did not see the immediate spike in requests for support that we anticipated. As the year came to an end, the requests we had expected at the start of the year began to materialise. Continuing the steps taken in the previous year, the Trustees agreed to increase all RCPs from January 2024. All RCP recipients now receive £40 per week.

The charts below show an analysis of awards by beneficiary group and category of assistance for the 12 months to 31 March 2024.

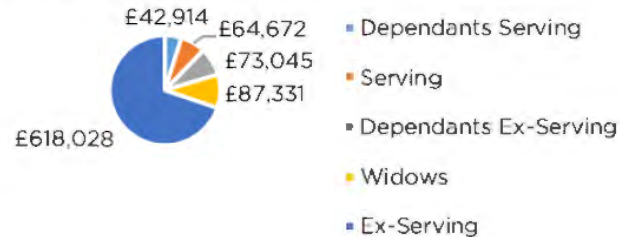
THE ROYAL NAVAL BENEVOLENT TRUST

TRUSTEES' REPORT (continued)

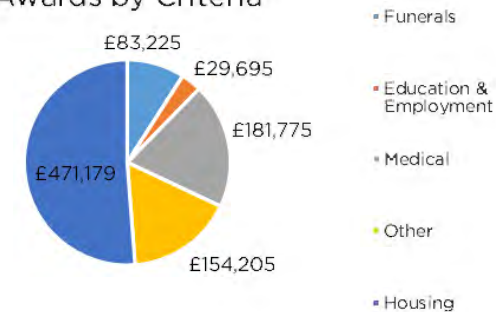
For the Year Ended 31 March 2024



Awards by Beneficiary Group



Awards by Criteria



3.3.3 Regular Charitable Payments (RCPs)

As well as grants to individuals, the Trust administered 746 RCPs at £35 per week, (See 3.3.2) for beneficiaries on low incomes. The definition of low income is a calculation and judgement based on the excess of income over expenditure, levels of savings and an applicant's personal circumstances. The total expenditure on RCPs was £1,420,575.

Support from Greenwich Hospital: The bulk of the RCPs were generously funded by Greenwich Hospital's support of £1m with the remainder funded from The Falklands Fund, a restricted fund in memory of the late Mrs Ina Briggs and the Trust's own unrestricted funds. The Trust gratefully acknowledges Greenwich Hospital's generous support of the RCPs and it is hoped that Greenwich Hospital can maintain this vital support for many years to come. Care Home Top Up Fees totalled £106,987 during the year.

THE ROYAL NAVAL BENEVOLENT TRUST

TRUSTEES' REPORT (continued)

For the Year Ended 31 March 2024

3.3.4 Beneficiary Support: a holistic approach to the long-term needs of beneficiaries towards successful outcomes

The BSCs helped 535 beneficiaries with more complex and ongoing needs, usually following the provision of direct financial support. Whilst description of outcomes is difficult, we assess that interventions were:

1. 'Life changing' medical support outcomes, often involving Combat Stress as well as NHS services (238 cases; 304 in 2023/24)
2. 'Life defining' outcomes via SAIL (Seafarers' Advice and Information Line), to help with finance and debt issues (314 cases; 282 in 2023/2)
3. 'Life enriching' social exclusion outcomes (386 cases, 285 in 2022/23)
4. 'Life informing' outcomes mainly through enhanced employment status or education (476 cases, 279 in 2022/23).

Teamwork In addition to their prime areas of responsibility, our two Beneficiary Support Coordinators (BSCs) work closely with the Grant Administrators during leave periods, supporting them by providing second signature approvals.

Main issues In a busy year, these were mental health, cost of living increases and social isolation. The BSCs work tirelessly to alleviate these issues along with complex mental health issues, particularly PTSD. The BSCs spent considerable time engaging with those adversely affected by the continued effects of lockdown, with an emphasis on gambling addiction, working closely with Veterans Outreach Support (VOS) and engaging with newly discovered organisations such as Entrain Space and PayPlan. The substantial rise in 'life changing' interventions include increased signposting to 'Op Courage' (for veterans' mental health issues).

Cross-charity coordination The BSCs lead an informal "Working Level Group" which shares knowledge, information and best practice across the naval charity sector charities, so that beneficiaries are helped by the most appropriate organisation, quickly and effectively.

THE ROYAL NAVAL BENEVOLENT TRUST

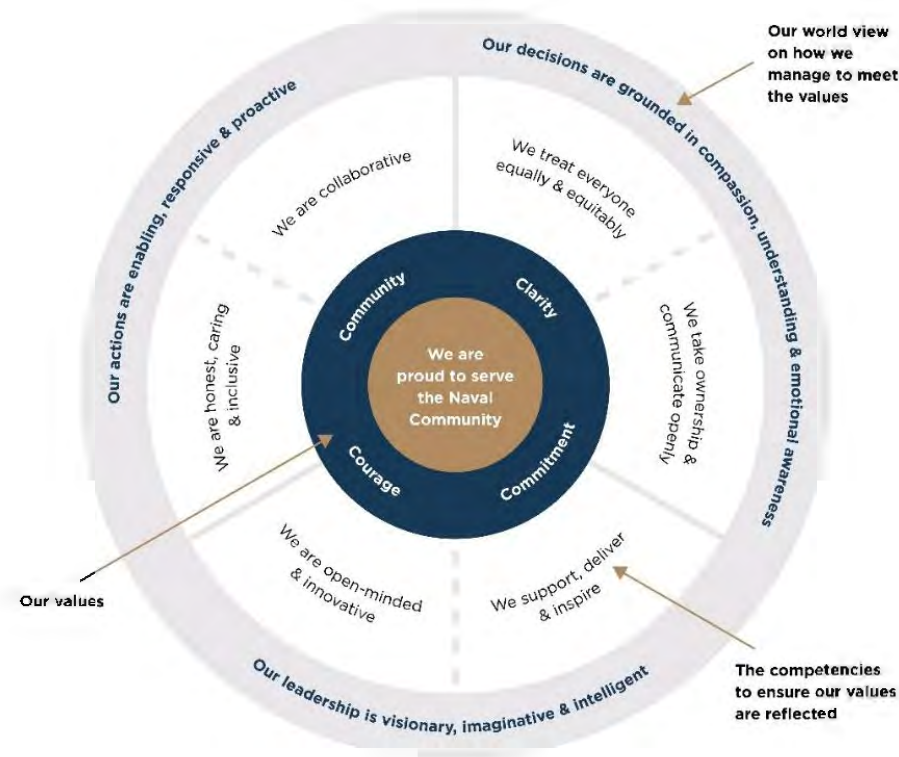
TRUSTEES' REPORT (continued)

For the Year Ended 31 March 2024

3.4 Operational Delivery Committee

Management and responsibility: The newly formed Committee has wider responsibilities for the delivery of care and benevolence, both via RNBT establishments and beyond. The Committee is chaired by the RNBT's Care Specialist Trustee, Pauline Shaw OBE, who is also the Lead Trustee for Safeguarding. All Pembroke House staff, Admiral Jellicoe House staff and HQ staff have been trained in safeguarding and receive annual refresher training.

Our values framework provides an essential structure for all our work:



THE ROYAL NAVAL BENEVOLENT TRUST

TRUSTEES' REPORT (continued)

For the Year Ended 31 March 2024

3.4.1 Pembroke House: remains a 'Good' care home

Pembroke House is RNBT's care home in Gillingham, Kent, offering residential and nursing care for up to 55 residents of the naval family.

Leadership In January 2023, Deputy Manager Zoe Oakley was promoted to the position of Home Manager, following the departure of the previous Home Manager. Having been in the role of Deputy Home Manager for 16 years, Zoe stepped seamlessly into the management position. With plans to develop a dementia community on the first floor at Pembroke House in 2024/25, exciting times are ahead.

Occupancy 85% over the year and has remained strong. A steady increase is expected in 2024/25 with the opening of the dementia community.

3.4.2 Admiral Jellicoe House: the most recent addition to the RNBT family, supporting up to 66 residents.

Following the admission of the first resident at Admiral Jellicoe House in June 2022, there have been changes to the care home leadership. Jade Delaney, a former Royal Navy Medic took the helm in January 2023. With her Navy experience, Jade is working hard with her team to replicate the traditions that are so uniquely Navy. As with any new home the journey so far has not always been easy, there have been temporary setbacks and admissions paused for short periods. Building up a home takes time, as does getting to know each other. Looking ahead to 2024/25 we expect the home to settle and being fully staffed we expect resident numbers to continue to increase. The home is on track to achieve optimum occupancy levels.

Occupancy 73% over the year with a steady increase expected during 2024/25.

3.4.3 The John Cornwell VC National Memorial (JCVCNM)

The six-unit almshouse complex was built in Hornchurch, Essex following a public subscription to erect a permanent memorial to the heroism of Boy Seaman John Cornwell VC, who died of his wounds after the Battle of Jutland. The governance of the Almshouse is delivered through the Operations Delivery Committee. The RNBT took over the JCVCNM Almshouse as the sole Trustee in February 2008. Outgoings are covered by the Weekly Maintenance Charge (WMC). In addition, there is a restricted fund that allows for any major repairs or upgrading/modernisation as required. Shower rooms have been refitted as wet rooms in five of the six properties and the two-bedroom semi-detached properties ('cottages') remain in a good state of repair. Residents have kept well and occupancy remains at 100%.

THE ROYAL NAVAL BENEVOLENT TRUST

TRUSTEES' REPORT (continued)

For the Year Ended 31 March 2024

3.5 Support for the RNBT Family through other organisations: partnering organisations which help our beneficiaries

The Trust continues to provide support to its beneficiaries through selected organisations. This is an important aspect of the Trust's benevolence work; such assistance not only directly supports our people but also ensures the work of the Trust is promoted in the wider charitable arena. It is emphasised that assistance is only provided on a verifiable per capita basis (name and official number) for each of the Trust's beneficiaries in receipt of assistance. This remains a cost-effective and efficient means of delivery of support to our beneficiaries.

3.6 Advice, Information and Response to Direct Applications for Support: here to help

The Trust receives a constant stream of support enquiries that are dealt with by the Case Coordinator (CC) as a first point of contact via email or telephone. The CC provides signposting and referral as well as giving advice.

3.7 Castaway House: a hub for naval benevolence charities

The Trust's headquarters Castaway House, Portsmouth, which is wholly owned by the Trust, acts as a hub for naval benevolence charities, with other charities retaining offices in the building: The Naval Children's Charity; Aggie Weston's and The Forces Employment Charity. Co-location has many benefits, including keeping overheads low with the advantage of synergy and camaraderie.

3.8 Marketing and Communications

After a busy and successful Centenary year, this year although a little quieter, saw the team continue to raise the Trust's profile at various events including The Battle of Atlantic 80th Anniversary in Liverpool and the National Armed Forces Day in Falmouth. We took our annual presentation on the road and hosted "The RNBT Conference: Supported for Life" at The China Fleet Club in Saltash in October. The conference was well attended by representatives of local naval ships and establishments as well as Plymouth Councillors and charity leaders.

In May we tasked our PR agency to focus on Pembroke House to showcase the Home's incredible facilities, demonstrating how the care home is the perfect place for veterans and their spouses to spend their later years. During the two week promotional period, the advertorial saw:

- 1.5K page views
- 2.1M potential total impressions across print and online
- 1,056 clicks through to the website
- 10,300 estimated readers of the print pieces.

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TRUSTEES' REPORT (continued)

For the Year Ended 31 March 2024

In August we became registered as a Scottish Charity and followed this up with PR campaign which included a Radio Day with Rob Bosshardt and Sam Allardyce, as well as an interview with Rob in The Scotsman. With the Radio Day and editorial coverage combined, the total potential reach was 9 million.

We have reached a point where our marketing strategy needs a refresh and 2024-25 will see some exciting changes.

The Trust is registered with The Fundraising Regulator. The Fundraising Complaints Policy was approved by Trustees in May 2018 and is reviewed annually. Although public fundraising is a limited activity of the Trust, we are committed to employing a transparent and ethical approach to any fundraising activities we engage in. As such, we are committed to ensuring that our fundraising practices go above and beyond all regulations that we rigorously monitor and adhere to. The purpose of the policy is to ensure clarity and openness for all our stakeholders. The Trust does not pressure supporters to make gifts and respects decisions to stop giving. The regulatory landscape for fundraising is evolving and we will continue to monitor and adapt with these changes. When we work with suppliers and agencies, we ensure that they are fully registered with all the appropriate regulatory bodies, reviewing all their policies as part of our robust procurement due-diligence process.

As of 31 March 2024, no fundraising complaints have been received. We will monitor and record any complaints if they do arise from our fundraising practices, and an annual report will be provided to Trustees.

4. FINANCIAL REVIEW

4.1 Overview

The economy continued to be far from stable, with the continuing cost of living crisis impacting most households. Whilst interest rates and inflation reduced, those with debt including mortgages, were potentially disadvantaged as repayment of those debts became more expensive. It is still considered that the full effect of these mortgage rate increases is yet to come. RNBT had a very successful 2023/24 in financial terms. A review of the value of Regular Charitable Payments (RCPs) was undertaken and the weekly payment was increased from £33 to £40 and over 1,000 grants were awarded.

This year saw the first full year of trading for Admiral Jellicoe House (AJH). The budget had been ambitiously accelerated to show a break-even position within the first 12 months of trading. This proved to be far too optimistic and the financial position of AJH fell far short of the agreed budget. Income levels were reduced as the intake of residents was at a much more relaxed pace than the budget had demanded and the first year trading costs exceeded expectations in virtually all expenditure areas. Staffing levels are now in line with the numbers of residents and the use of agency staff is much reduced resulting in staffing costs in line with expectations.

THE ROYAL NAVAL BENEVOLENT TRUST

TRUSTEES' REPORT (continued)

For the Year Ended 31 March 2024

4. FINANCIAL REVIEW (continued)

4.1 Overview (continued)

Levels of income were above the prior year despite the income from AJH falling far short of the budget. Income of £9.3M was recorded, an increase of £1.3M from the previous year (2022/23 £8.0M). The RNBT is fortunate that it has a portfolio of supporters who contribute funds, enabling important benevolence to continue to be delivered. A very generous grant from The Michael Uren Foundation was a driver of the increased income year on year. Grant income from Greenwich Hospital of £1m was gratefully received demonstrating their continued support for RCPs for those just managing in these difficult financial times. Funds from The RNRMC were similar to the previous year. Occupancy at Pembroke House continued to be challenging; this is a situation that has changed over recent months and there is currently a waiting list. At Admiral Jellicoe House, fee income for the year was below the budget. This has now been resolved and resident numbers are much more in line with expectations.

The total expenditure for the year was £11.5m compared to £9.1m in the previous year. This represents an increase of just over 20% of costs year on year. The increased costs were a result of the full year of operating Admiral Jellicoe House. Additionally increased cost generally flowed through to operations. The Trust prides itself on being an efficient, effective organisation, minimising overheads and ensuring our donations and grant funding goes direct to helping our beneficiaries. Just 1% of expenditure was spent on raising funds, the other 99% being spent on charitable activities. These costs are funded by the income generated from the Trust's investment portfolio.

The Trust spent a further £713k on capital projects in the year. Almost half of this was invested in Pembroke House where a new kitchen and dormer windows amongst other projects were carried out. Of the £318k invested in Admiral Jellicoe House, £105k was paid in loan interest.

The Trust's investments performed very well over the year in line with the performance of both the national and global markets. Overall, the portfolio increased in value by £3.5m (2022/23: loss of £1.3m). Units were sold from the portfolios held by CCLA to the value of £1.5m to fund the Trust's operating costs and the deficits at both care homes. Total funds carried forward are £56.3m, a net increase of £1.4m. Admiral Jellicoe House will still require subsidy from The Trust to fund the operating costs until occupancy levels consistently reach break-even. A review was carried out at Pembroke House on fee levels as many had drifted away from the actual costs of the care being provided over the years. As a result, the subsidy required at PH is forecast to be much reduced going forward. The Trust will continue to ensure that its investments are managed carefully to fund the care homes, as well as providing growth and income to ensure sustainability for the long term.

THE ROYAL NAVAL BENEVOLENT TRUST

TRUSTEES' REPORT (continued)

For the Year Ended 31 March 2024

4.2 Where our income comes from

● **Donations and Legacies £651k** Income from donations and legacies reduced from £1.4M in 2022/23. The Trust was very fortunate to be given a generous donation from The Michael Uren Foundation in March 2024.

● **Grants £1.7M** Income from grants increased by an expected £60k. Supporters remain Greenwich Hospital and RNRMC, which between them provided almost all of the grant funding (2022/23: £1.6m). The Trust also received a grant from Durnford and Cawthan Trust (administered by the Hampshire and Isle of Wight Community Foundation).

● **Care Homes and Almshouse £5.9M** This includes income from residents' fees as well as donations and grants provided specifically for the care homes and Almshouse. Care home

and Almshouse income increased by 60% from £3.8m in 2022/23. This was in the main as a result of the full year of operation of Admiral Jellicoe House.

● **Investment income £1.1M** Investments are an important source of income for The Trust. The RNBT has investment funds with two investment managers; both outperformed the market in 2023/24

● **Other income £26k** This includes rental payments from our naval charity sector tenants in Castaway House.

THE ROYAL NAVAL BENEVOLENT TRUST

TRUSTEES' REPORT (continued)

For the Year Ended 31 March 2024

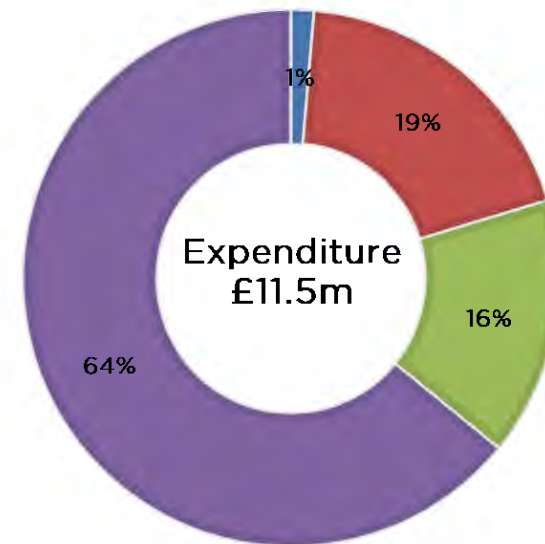
4.3 Where we spend our income

● **Grants to Individuals £1.7M** Expenditure on grants to individuals was marginally lower this year (2022/23: 1.7M). This follows a big increase in 2022/23 that the Trust was expecting and had budgeted for as the cost of living crisis impacted on beneficiaries.

● **Regular Charitable Payments (RCPs) £1.4M** Expenditure in year was as per the previous year (£1.4m). All RCPs were increased to an amount of £40 per week to reflect the greater need of individuals in times of increasing costs.

● **Care Homes and Almshouse £8.3m** The cost of running the new care home, along with the existing home and the Almshouse increased by 42% year on year. Approximately 80% of the homes' operating expenditure is made up of staff costs to provide a safe and caring environment for the residents.

● **Raising Funds £139k** Expenditure on raising funds increased slightly from £140k in 2022/23. This represents less than 1% of total expenditure, significantly lower than the average for the charity sector.



THE ROYAL NAVAL BENEVOLENT TRUST

TRUSTEES' REPORT (continued)

For the Year Ended 31 March 2024

4.4 Investment Policy and Performance

The Trust implemented a refreshed Investment Policy in 2020 following guidance from the Charity Investors Group and researching best practice. The key change was to replace the previous investment target of RPI+4% with the new target investment return of CPIH+5% over a rolling 5 year period. RPI is no longer considered a reliable measure of inflation and CPIH (Consumer Price Inflation including owner occupiers' housing costs) is considered to be a better measure of RNBT's cost inflation. The Trust has two investment managers with investments held in pooled investment funds. CCLA manage around 69% of The Trust's investments in the COIF Fund, Newton manages around 29% in the Newton Growth & Income Fund for charities; the remaining 2% is held in cash in a mixture of savings and deposit accounts.

The two investment managers have slightly different approaches to asset allocations and stock selection, enabling The Trust to diversify investments, reduce risk and easily compare performance. As investment management fees are charged as a percentage of funds under management, there are no additional costs associated with this approach. The Trust selected the investment managers and specific funds to best achieve our investment target and meet the overall criteria of the Investment Policy. The performance of The Trust's investment managers is monitored on a monthly basis. The Finance & Risk Committee review performance against target and benchmarks at each meeting; meetings are held between investment managers and Trustees twice a year. The last detailed review of alternative options was conducted in 2018/19, which resulted in the retention of the current investment managers but with a reallocation of holdings between them. During the year, The Trust sold £1.5M of investment units from the CCLA Fund, this was used for working capital.

The tables below show the asset allocation of the two funds managed by CCLA and Newton with performance against The Trust's investment target as well as benchmarks.

| CCLA COIF Fund | Asset Allocation (%) |
|-----------------------------------|----------------------|
| Equities | 72.19 |
| Infrastructure & Operating Assets | 9.41 |
| Fixed Interest | 8.23 |
| Property | 3.96 |
| Private Equity & Other | 3.42 |
| Cash & Near Cash | 1.62 |
| Contractual and other income | 1.15 |
| Derivatives | 0.02 |
| Total | 100.00 |

| Newton Growth & Income Fund for Charities | Asset Allocation (%) |
|-------------------------------------------|----------------------|
| UK Equities | 31.20 |
| North American Equities | 26.08 |
| Europe EX UK Equities | 13.68 |
| Japanese Equities | 1.95 |
| Asia Pacific ex Japan Equities | 3.58 |
| Other International Equities | 2.04 |
| UK Government | 15.31 |
| Overseas Government | 3.50 |
| Cash | 2.66 |
| Total | 100.00 |

THE ROYAL NAVAL BENEVOLENT TRUST

TRUSTEES' REPORT (continued)

For the Year Ended 31 March 2024

4.5 Policy on Reserves

RNBT reviews its Reserves Policy regularly including an annual review by the Finance and Risk Committee. The policy is structured such that The Trust can maintain its reserves at a sufficient level to ensure long term financial sustainability, including protection against the risks that have been identified and included within the Risk Register.

The Reserves Policy sets out the target reserves level between a minimum and maximum range and the key principles by which The Trust will manage any excesses or deficits compared to the target. The aim is to strike the appropriate balance between ensuring a sustainable financial position and using The Trust's funds to fulfil the charitable objectives.

The reserves represent unrestricted general funds and so exclude endowment funds, restricted funds and funds that have been designated by Trustees. The reserves also exclude any funds that could only be realised by disposing of fixed assets held for charitable use.

The Reserves Policy is aligned with The RNBT strategy approved by Trustees in 2018. This included a demographic review of beneficiary numbers that indicated a 42% reduction in beneficiary numbers by 2035, alongside a need to expand our care home provision to include dementia care. This enabled the decision to make a significant draw down on reserves of £12m to fund the development of Admiral Jellicoe House. The costs of this development are included within designated funds.

The Trust's policy is to continue to maintain reserves of between £10m and £16.9m. This target range was calculated as follows.

| Reserves element | Purpose for reserve | Target amount £000 | |
|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------|
| | | Min | Max |
| Risk based contingency | Based on risks identified in the Risk Register: <ul style="list-style-type: none"> • Ensure short term solvency and stability in case of an extreme event • Buy some time in the event of a serious income shock • Enable the organisation to function while action is taken • Ensure charitable commitments can be met | 5,715 | 9,476 |
| Working Capital | To smooth out cash flow timing issues between receipt of funds and spending profile | 1,800 | 2,700 |
| Continued support for existing RCP recipients | To ensure sufficient funds for all current RCP recipients for the average time that an RCP is given | 532 | 797 |
| Operating Deficits in STP next 3 years | Ensure planned expenditure can continue to support beneficiaries | 1,973 | 3,945 |
| Total | | 10,020 | 16,918 |

THE ROYAL NAVAL BENEVOLENT TRUST

TRUSTEES' REPORT (continued)

For the Year Ended 31 March 2024

4.5 Policy on Reserves (continued)

The analysis of total funds below shows that the reserves on 31 March 2024 were £16.6m. This is marginally below the maximum target range. The Trustees are comfortable with this metric. Trustees met in Autumn 2023 and discussed the levels of funds to be set aside in a designated fund for future capital development projects.

Trustees will continue review the requirement for reserves during the next year alongside the Five Year Short Term Plan and consider options to keep reserves to within the required range. This could include expanding existing services in support of our beneficiary group or considering initiating or bringing forward major capital projects.

| Analysis of Funds from Balance Sheet | Balance @ 31 March 2024 £000 |
|------------------------------------------------------|---------------------------------|
| Total Funds | 56,310 |
| Less Endowment Funds | 965 |
| Less Restricted Funds | 2,208 |
| Less Designated Funds | 4,214 |
| Less Fixed Assets included within Unrestricted Funds | 13,931 |
| Less Strategic Reserve | 12,500 |
| Less Designated Capital Development Funds | 5,940 |
| Reserves | 16,552 |

See Note 21: Movement in Funds on pages 49-53 for a breakdown of the individual funds included above.

4.6 Pension Schemes

The Trust operates a Group Personal Pension (defined contribution) scheme (GPP) with employee contributions set at a minimum 3% of earnings and an employer's contribution of 7%. The Trust fully complies with the auto-enrolment regulations and has a very low rate of employees choosing to opt-out of the scheme. Additionally, the Trust administers a pension scheme with NEST for any employees who prefer to use the scheme.

THE ROYAL NAVAL BENEVOLENT TRUST

TRUSTEES' REPORT (continued)

For the Year Ended 31 March 2024

4.7 Remuneration Policy

The Trust exercises a methodical and transparent approach to setting employees' pay commensurate with delivering The Trust's charitable objectives in an efficient, cost-effective and sustainable manner. As a charity that provides multiple areas of assistance, employing over 200 staff and managing assets of over £50 million, it is essential that experienced senior executives with the right mix of leadership, strategic, operational, financial and clinical skills, lead the organisation. A balance therefore needs to be struck when determining senior executive remuneration. On the one hand, there is the esteem and value of working for a charity and on the other, there are a limited number of applicants of the right quality for senior roles who will seek charity sector posts. The Trust's inability to offer some of the incentives available in the private and public sectors such as bonus payments, share-based incentives and final salary pension schemes can deter applicants of the right quality. In addition, remuneration needs to be set at a level 'acceptable' to the bulk of the employees as well as donors and beneficiaries.

Rates of pay are set at or close to the median for equivalent sized charities. Reference is made to Croner's Annual Charity Rewards Survey and is further informed through peer comparisons with similarly sized Service charities and with the National Care Forum's network of charity owned care homes. The Trust complies with National Living Wage rates and is in the process of gaining this recognised accreditation. The Trust does not differentiate rates of pay based on age or sex. The Finance & Risk Committee has responsibility for approving any salary increases including those linked to the annual cost of living review. Trustees carried out a full review of pay bands/scales during the year to ensure The Trust remains in step with the sector. This included a review of employee benefits compared to other similar employers.

5. RISK MANAGEMENT

Trustees routinely review the risk register at each of the sub-committees (for those risks specific to that area of responsibility) as well as both the Finance & Risk Committee and the Central Committee for the overall register. Recent changes to the Risk Register and Risk Policy have split risks into Strategic, Operational and Project Specific Risks. Within these categories the risks are categorised as Governance, Financial, External and Compliance & Law. Risks are assessed by marking the likelihood and impact from 1 – 5 and producing an overall risk score from the formula $xy+y$ where x is likelihood and y is impact, which gives extra emphasis to impact when assessing risk. Risks scoring over 15 are coded Red (significant), scores between 8 and 15 are coded Yellow (moderate) and scores below 8 are coded Green (minor). Trustees also recently decided to introduce a 'forecast risk' column to be able to show where planned mitigation action would reduce risk.

THE ROYAL NAVAL BENEVOLENT TRUST

TRUSTEES' REPORT (continued)

For the Year Ended 31 March 2024

The significant Strategic risks are shown below along with their mitigation:

| Category | Risk description | Current Risk | Forecast Risk | Mitigation |
|------------------|-----------------------------------------------------------------------------------------------|--------------|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Financial | Insufficient funding from grant making organisations | 20 | 16 | RNRMC/GH 3-year Funding Agreement renewal 2024/25. Funding previously reduced by the RNRMC, income not guaranteed. Future governance of Greenwich Hospital (GH) unknown with future risk to grant funding for naval charities (RCPs are Navy Board mandated & considered very unlikely to be at risk). |
| External | Failure to generate interest, engagement or promote the RNBT brand and awareness effectively. | 20 | 15 | Review of marketing and communications spend currently underway to ensure that the budget is achieving what it needs to. Monitoring of grants awarded RCPs in place and resident numbers on a regular basis reassures RNBT that there is awareness of the brand and what we have to offer. |
| Compliance & Law | Non-compliance with employment legislation | 20 | 16 | HR Manager in post August 2024, supported by an HR Adviser. Independent HR review completed, no regulations breached, 44 recommendations over 3 years to implement. CPD; professional helpline in place; expertise on Trustee body; insurance cover. DBS checks, proof of identity, right to work checks completed. |
| Compliance & Law | Failure to comply with CQC legislation, results in regulatory breach or home closure | 25 | 20 | Head of Care, Quality & Compliance appointed. Internal audit structure in place. Monthly reporting to Executive team |

THE ROYAL NAVAL BENEVOLENT TRUST

TRUSTEES' REPORT (continued)

For the Year Ended 31 March 2024

6. PUBLIC BENEFIT

The principal means through which the Trust delivers public benefit is in the prevention and relief of poverty. This benefit is delivered through both RCPs and individual crisis grants to those that comprise The RNBT Family in accordance with the Trust's primary charitable objective. Additional public benefit is delivered through the provision of relief for those in need due to age, disability and/or financial hardship through the Trust's almshouse and care homes.

In setting the Trust's objectives and in planning its activities, Trustees have considered the Charity Commission's published guidance on public benefit. The relief provided by the Trust is inextricably linked to its Royal Charter. It is based solely on need, is targeted and does not duplicate assistance provided from other quarters (including the State). It is therefore considered that the Trust meets the clearly identified need of the relief of poverty and if it were not for the Trust's intervention, those concerned would suffer unacceptable hardship.

7. LINKS WITH OTHER CHARITIES AND ORGANISATIONS

Links are maintained with many other service charities and organisations with the block grant making charities being of particular importance to the Trust. The Trust continues to work closely with The RNRMC and other charities/organisations to actively explore ways in which already close working relationships might be further advanced.

An especially strong and professional relationship continues to exist with the organisations that carry out casework in support of the Trust's beneficiaries. The Trust could not deliver against its charitable objectives without the largely volunteer based work of SSAFA, The Royal British Legion and the Royal Commonwealth Ex-Services League; the needs of serving personnel are addressed, in the main, by the Royal Navy Family and People Support (RN FPS). The military charity sector continues to benefit from a high level of connectivity across the benevolence sector, in the main provided by a bespoke IT system for casework management, which facilitates the process of almonisation, known as CMS (see 3.3.2 above). The Trust is extremely grateful to RNRMC which funds the naval contribution to the running costs of CMS and to all those involved in casework.

8. ENVIRONMENTAL SUSTAINABILITY

RNBT acknowledges the connection between the climate and other environmental crises and the threat of current and future homelessness, disease, food and water shortages and poverty for millions of people around the world, as well as the major damage being caused to our natural eco-systems. The Trust therefore recognises its responsibility to reduce its carbon and environmental footprints and formally commits itself to being an environmentally responsible charity. Reduction in consumption of energy, water and consumables can also result in a reduction of the Trust's overheads, thus making more of the Trust's income available for our beneficiaries. Projects which reduce consumption can therefore be doubly beneficial, particularly if they are considered as a 'spend to save' project.

THE ROYAL NAVAL BENEVOLENT TRUST

TRUSTEES' REPORT (continued)

For the Year Ended 31 March 2024

Current investment: RNBT has invested in a number of projects which have been designed to contribute to renewable energy and to reduce the Trust's carbon footprint, as well as reducing the Trust's overheads. The main projects include:

- Fitting a large photovoltaic array on the roof of Pembroke House, the Trust's Care Home in Gillingham, Kent
- Fitting a large photovoltaic array on the roof of Castaway House, the Trust's HQ in Portsmouth
- The inclusion of a ground source heat pump, underfloor heating and cooling solution in the design for Admiral Jellicoe House, the Trust's new Care Home in Portsmouth.

Future capital projects: RNBT understands that those components of a project which are likely to make the most enduring long-term contribution may not always be the most visible. The Trust undertakes to ensure that any future capital project includes appropriate energy efficient materials and to equip the unit with the most energy efficient heating and cooling solutions, following the best advice and best practice available at the time.

9. FUTURE PLANS

The Trustees follow their revised Strategy, a copy of which can be found at: <https://www.rnbt.org.uk/about-us/publications/>

Residential Care One conclusion of the strategy is that the Trust 'will investigate opportunities to deliver (residential care) in other locations such as Plymouth as opportunities arise' as well as day care and domiciliary care options. The Trustees have established a Working Group to investigate options for the delivery of residential care for our people in the Plymouth area.

RNBT Care Ltd The wholly owned subsidiary company, RNBT Care Ltd, which was created to manage the Portsmouth care home building project, has not been used, as RNBT did not actively manage the project. RNBT Care Ltd is therefore currently a dormant subsidiary company but may be used for projects in the future.

Day Care Provision Having investigated options to provide day care provision, in addition to the residential care offered at Admiral Jellicoe House, an adjacent property, West Lodge, was successfully purchased in November 2020. It served as the site office and welfare facilities for LNT Construction Ltd under the terms of a lease until May 2022. Currently the property is being used to provide on-site accommodation for PJ Livesey, the contractors who are building the St James housing site. Plans to roll out day care provision from Pembroke House in Gillingham and from West Lodge in Portsmouth remain medium-term strategy objectives.

Key Objectives for 2023/2024 Our plans for the current year are captured in our Key Objectives, which reflect a change of approach by focusing on what we want RNBT to be. There will be a Strategy Day in the Autumn of 2024 when Trustees will revisit and update the "Strategy Report Into the Second Century".

THE ROYAL NAVAL BENEVOLENT TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Central Committee
and signed on their behalf by:



Commodore R Best OBE Royal Navy
Chair of Trustees

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE ROYAL NAVAL BENEVOLENT TRUST

Opinion

We have audited the financial statements of The Royal Naval Benevolent Trust (the 'Charity') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 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 Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Conclusions related to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE ROYAL NAVAL BENEVOLENT TRUST (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- proper and adequate accounting records have not been kept by the Charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the Charity'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 Statement of Trustees' Responsibilities on Page 29, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 section 144 of the Charities Act 2011 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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

Extent To Which The Audit Was Capable Of Detecting Irregularities, Including Fraud

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

Non-Compliance With Laws And Regulations

Based on:

- our understanding of the Charity and the sector in which it operates;
- discussion with management and those charged with governance, including the Finance Committee; and
- obtaining an understanding of the Charity's policies and procedures regarding compliance with laws and regulations;

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE ROYAL NAVAL BENEVOLENT TRUST (continued)

We considered the significant laws and regulations to be the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities SORP (FRS 102) and the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and UK tax legislation.

The Charity is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014, Care Quality Commission (regulation) Regulations 2009, Health and Safety Act 1974, Data Protection Act 2018, Employment Rights Act 1996, and the Bribery Act 2010.

Our procedures in respect of the above included:

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

Fraud

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

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Charity's policies and procedures relating to:
 - detecting and responding to the risks of fraud; and
 - internal controls established to mitigate risks related to fraud.
 - review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
 - discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
 - performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be to be journals and key estimates and judgements.

Our procedures in respect of the above included:

- testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- assessing significant estimates and judgements made by management for bias, including the recognition of legacy income and the allocation of costs;
- testing the existence and accuracy of income recognised in the year.

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

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE ROYAL NAVAL BENEVOLENT TRUST (continued)

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: [frc.org.uk/auditors-responsibilities](https://www.frc.org.uk/auditors-responsibilities). This description forms part of our auditors' report.

Other Matters

The financial statements for the year ended 31 March 2023 were audited by the predecessor auditor, Sayar Vincent LLP. The audit report was issued on 13 September 2024 and expressed an unqualified opinion on the financial statements.

Use Of Our Report

This report is made solely to the Charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act and in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

UHY Hacker Young

UHY Hacker Young
Chartered Accountants Statutory Auditors
Thames House, Roman Square
Sittingbourne
ME10 4BJ

Date: 10 December 2024

THE ROYAL NAVAL BENEVOLENT TRUST

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2024

| | Note | Unrestricted Funds | Designated Funds | Restricted Funds | Endowment Funds | Total Funds 2024 | Total Funds 2023 |
|------------------------------------------------------------------------------|-----------|-----------------------|---------------------|---------------------|--------------------|------------------------|---------------------|
| | | £ | £ | £ | £ | £ | Restated £ |
| Income from: | | | | | | | |
| Donations & legacies | 5 | 637,658 | - | 13,075 | - | 650,733 | 1,386,317 |
| Grants receivable | 6 | - | - | 1,682,985 | - | 1,682,985 | 1,623,452 |
| Charitable activities: | | | | | | | |
| - Care homes & almshouse | 7 | 5,706,486 | - | 159,510 | - | 5,865,996 | 3,813,501 |
| Investments | 8 | 958,756 | 76,990 | 30,707 | - | 1,066,453 | 1,140,745 |
| Other | 9 | 26,449 | - | - | - | 26,449 | 21,575 |
| Total income | | 7,329,349 | 76,990 | 1,886,277 | - | 9,292,616 | 7,985,590 |
| Expenditure on: | | | | | | | |
| Raising funds | 10 | 138,563 | - | - | - | 138,563 | 122,930 |
| Charitable activities: | | | | | | | |
| - Grants to individuals | 10 | 920,173 | 29,599 | 705,502 | - | 1,655,274 | 1,729,377 |
| - Regular Charitable Payments | 10 | 254,588 | 26,585 | 1,100,824 | - | 1,381,997 | 1,420,771 |
| - Care home & almshouse | 10 | 8,249,854 | - | 30,787 | - | 8,280,641 | 5,845,301 |
| Total expenditure | | 9,563,178 | 56,184 | 1,837,113 | - | 11,456,475 | 9,118,379 |
| Net (expenditure) / income before net gains / (losses) on investments | | (2,233,829) | 20,806 | 49,164 | - | (2,163,859) | (1,132,789) |
| Net gains / (losses) on investments | 17 | 3,106,415 | 253,933 | 93,410 | 88,443 | 3,542,201 | (1,332,296) |
| Net income / (expenditure) for the year | | 872,586 | 274,739 | 142,574 | 88,443 | 1,378,342 | (2,465,085) |
| Transfers between funds | 21 | (19,142,751) | 19,870,626 | (309,655) | (418,220) | - | - |
| Net movement in funds | | (18,270,165) | 20,145,365 | (167,081) | (329,777) | 1,378,342 | (2,465,085) |
| Reconciliation of funds | | | | | | | |
| Total funds brought forward | 21 | 34,822,190 | 16,438,783 | 2,375,575 | 1,295,194 | 54,931,742 | 57,396,827 |
| Total funds carried forward | 21 | 16,552,025 | 36,584,148 | 2,208,494 | 965,417 | 56,310,084 | 54,931,742 |

All of the above results are derived from continuing activities.
There were no other recognised gains or losses other than those stated above.

THE ROYAL NAVAL BENEVOLENT TRUST
BALANCE SHEET
As at 31 March 2024

| | Note | Unrestricted Funds | Designated Funds | Restricted Funds | Endowment Funds | Total Funds 2024 | Total Funds 2023 Restated |
|------------------------------------------------|------|--------------------|--------------------|-------------------|-----------------|--------------------|---------------------------|
| | | £ | £ | £ | £ | £ | £ |
| FIXED ASSETS | | | | | | | |
| Tangible fixed assets | 15 | - | 13,777,423 | - | 153,203 | 13,930,626 | 14,103,969 |
| Investment properties | 16 | - | - | - | - | - | - |
| Listed Investments | 17a | 17,075,633 | 22,806,725 | 2,208,494 | 812,214 | 42,903,066 | 41,809,864 |
| Investment in subsidiary | 17d | 100 | - | - | - | 100 | 100 |
| TOTAL FIXED ASSETS | | <u>17,075,733</u> | <u>36,584,148</u> | <u>2,208,494</u> | <u>965,417</u> | <u>56,833,792</u> | <u>55,913,933</u> |
| CURRENT ASSETS | | | | | | | |
| Debtors | 18 | 749,553 | - | - | - | 749,553 | 817,845 |
| Cash at bank and in hand | | <u>1,018,363</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,018,363</u> | <u>430,308</u> |
| | | 1,767,916 | - | - | - | 1,767,916 | 1,248,153 |
| LIABILITIES | | | | | | | |
| Creditors: amounts falling due within one year | 19 | (491,624) | - | - | - | (491,624) | (430,344) |
| NET CURRENT ASSETS | | <u>1,276,392</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,276,392</u> | <u>817,909</u> |
| Creditors: amounts falling due after one year | 25 | <u>(1,800,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,800,000)</u> | <u>(1,800,000)</u> |
| TOTAL NET ASSETS | | <u>£16,552,025</u> | <u>£36,584,148</u> | <u>£2,208,494</u> | <u>£965,417</u> | <u>£56,310,084</u> | <u>£54,931,742</u> |
| THE FUNDS OF THE CHARITY | | | | | | | |
| Unrestricted funds | 21 | 16,552,025 | - | - | - | 16,552,025 | 34,822,190 |
| Designated funds | 21 | - | 36,584,148 | - | - | 36,584,148 | 16,438,783 |
| Restricted funds | 21 | - | - | 2,208,494 | - | 2,208,494 | 2,375,575 |
| Permanent endowment funds | 21 | - | - | - | 965,417 | 965,417 | 1,295,194 |
| TOTAL CHARITY FUNDS | | <u>£16,552,025</u> | <u>£36,584,148</u> | <u>£2,208,494</u> | <u>£965,417</u> | <u>£56,310,084</u> | <u>£54,931,742</u> |

Approved and authorised for issue by The Trustees on 29 November 2024 and signed on their behalf by



I Ranscombe
Honorary Treasurer

THE ROYAL NAVAL BENEVOLENT TRUST

STATEMENT OF CASH FLOWS

For the year ended 31 March 2024

| | Note | 2024 £ | 2023 £ |
|--------------------------------------------------------|------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Net cash used in operating activities | 23 | <u>(2,203,583)</u> | <u>(2,857,359)</u> |
| Cash flows from investing activities: | | | |
| Dividends, interest and rents from investments | | 1,066,453 | 1,140,745 |
| Purchase of fixed assets | | (724,570) | (1,296,100) |
| Proceeds from the sale of investments | | 1,500,000 | 1,000,000 |
| Net cash provided by investing activities | | <u>1,841,883</u> | <u>844,645</u> |
| Cash flows from financing activities: | | | |
| Repayment of borrowing | | - | (1,700,000) |
| Cash inflows from new borrowing | | - | 1,500,000 |
| Net cash provided by financing activities | | <u>-</u> | <u>(200,000)</u> |
| Change in cash and cash equivalents in the year | | (361,700) | (2,212,714) |
| Cash and cash equivalents at the beginning of the year | | <u>1,431,063</u> | <u>3,643,777</u> |
| Cash and cash equivalents at the end of the year | 24 | <u>£1,069,363</u> | <u>£1,431,063</u> |

THE ROYAL NAVAL BENEVOLENT TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

1. GENERAL INFORMATION

The Royal Naval Benevolent Trust was incorporated under Royal Charter granted on 2 May 1922 and is a charity registered with the Charity Commission in England & Wales (number 206243). The registered office address is Castaway House, 311 Twyford Avenue, Portsmouth PO2 8RN.

2. ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements have been prepared under the going concern basis and the historical cost convention, with the exception of the revaluation of fixed asset investments, in accordance with Accounting and Reporting by Charities: 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 (FRS 102)(Charities SORP (FRS 102) - second edition), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (January 2022), the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005. The Trust owns a subsidiary company, RNBT Care Ltd which was created during the feasibility stage of the Admiral Jellicoe House Project but has never been used and is dormant. As a result, consolidated accounts have not been prepared.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

b) Public Benefit Entity

The Trust meets the definition of a public benefit entity under FRS 102.

c) Going Concern

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. Accordingly, these financial statements have been prepared on a going concern basis.

d) Income

Income is recognised when The Trust has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

THE ROYAL NAVAL BENEVOLENT TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

2. ACCOUNTING POLICIES (continued)

d) Income (continued)

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Care home and almshouse income comprises fees in respect of residents at Pembroke House, Admiral Jellicoe House, weekly maintenance charges in respect of John Cornwell VC National Memorial Almshouse and donations and grants receivable, all of which are accounted for on an accruals basis.

e) Legacy Income

Legacy income is recognised in accordance with the income recognition policy. In calculating the level of legacy accrual, management is required to exercise estimation and judgement, particularly in determining the amount and probability of receipt.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when The Trust has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by The Trust of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so reference should be made to The Trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to The Trust which is the amount The Trust would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by The Trust; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor; expenditure that meets these criteria is charged to the fund.

Endowment funds are funds where the capital must be retained and invested. Unrestricted funds are donations and other income received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by The Trustees for particular purposes.

THE ROYAL NAVAL BENEVOLENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

2. ACCOUNTING POLICIES (continued)

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by The Trust in inducing third parties to make voluntary contributions to it
- Expenditure on charitable activities includes:
 - Grants and Regular Charitable Payments (RCPs) to individuals* – Grants and RCPs to individuals are included when they are authorised by the Grants Administrators or the relevant committee. These costs include the support costs incurred in managing the grants and RCPs systems.
 - Care homes and almshouse* – the direct operating costs of Pembroke House, Admiral Jellicoe House and John Cornwell VC National Memorial Almshouse are included with the addition of support costs representing services provided by Headquarters. Some preliminary revenue costs associated with Admiral Jellicoe House are also included.
- Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.
- Other expenditure represents those items not falling into any other heading.

k) Allocation of support costs

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis, which is an estimate, based on staff time, of the amount attributable to each activity.

- Grants to Individuals 41%
- Regular Charitable Payments 7%
- Care Home and Almshouse 31%
- Raising Funds 22%

l) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

m) Tangible Fixed Assets

Individual fixed assets costing £500 or more are capitalised. All properties, furniture and equipment are held as operating assets.

Depreciation is provided at the following annual rates on a straight-line basis:

- Property between 1% (100 years) and 20% (5 years)
- Furniture, equipment and vehicles between 5% (20 years) and 33.3% (3 years)
- IT equipment between 6.7% (15 years) and 33.3% (3 years)

THE ROYAL NAVAL BENEVOLENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

2. ACCOUNTING POLICIES (continued)

n) Fixed asset investments

The investment portfolio has been valued at bid price value as at 31 March 2024. The SOFA includes the net gains and losses on investments arising on revaluation at the year-end and on disposals throughout the year. The charity does not acquire put options, derivatives or other complex financial instruments.

Investments in subsidiaries are measured at cost less provision for impairment.

o) Gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the statement of financial activities.

p) Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

q) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

r) Cash at bank and in hand

Cash at bank and cash in hand excludes cash investments which are part of The Trust's investment portfolio in line with the approved Investment Policy. Cash balances exclude any funds held on behalf of service users.

s) Creditors and provisions

Creditors and provisions are recognised where The Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

THE ROYAL NAVAL BENEVOLENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

2. ACCOUNTING POLICIES (continued)

t) Pensions

The Trust operates two defined contribution pension schemes and the pension charges in relation to these schemes represent the amounts payable by The Trust to the schemes in respect of the year.

u) Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from UK taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge has arisen in the year.

3. Accounting estimates and judgements

Judgements and estimates are continually evaluated and are based on historical experience as well as other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The matters considered below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and cash flows.

Loan measurement

Future payments have been estimated in respect of the loan in computing the effective interest rate at inception, with a periodic re-assessment being undertaken of the effective rate as a floating rate instruments based on actual outcomes during the loan term.

Care home debtors

An allowance for bad and doubtful debts is maintained in respect of estimated losses resulting from the inability of the Trust's debtors to settle amounts due.

Useful economic lives of tangible fixed assets

The useful economic life of an asset is determined at the time the asset is acquired or brought into use and reviewed annually for appropriateness. The useful economic lives are based on historical experience together with anticipation of future events. Management reviews its estimate of the useful lives of depreciable assets at each reporting date based upon the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and care home and almshouse assets are split into different components that are depreciated using different useful economic lives which requires estimation.

Cost allocation

Support costs not attributable to a single charitable activity are allocated or apportioned on a basis consistent with identified cost drivers for that cost category. Cost drivers utilised include head count, staff time allocation, and effort and judgement is exercised in applying cost drivers to cost categories

THE ROYAL NAVAL BENEVOLENT TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

4. DETAILED COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES For the year ended 31 March 2023

| | Note | Unrestricted Funds Restated £ | Designated Funds £ | Restricted Funds Restated £ | Endowme nt Funds £ | Total Funds Restated £ |
|------------------------------------------------------------------|------|----------------------------------------|--------------------------|--------------------------------------|--------------------------|---------------------------------|
| Income from: | | | | | | |
| Donations and legacies | 5 | 1,385,317 | - | 1,000 | - | 1,386,317 |
| Grants receivable | 6 | - | - | 1,623,452 | - | 1,623,452 |
| Charitable activities | | | | | | |
| - Care homes and almshouse | 7 | 3,392,439 | - | 421,062 | - | 3,813,501 |
| Investments | 8 | 1,028,794 | 80,070 | 31,881 | - | 1,140,745 |
| Other | 9 | 21,575 | - | - | - | 21,575 |
| Total income | | <u>5,828,125</u> | <u>80,070</u> | <u>2,077,395</u> | <u>-</u> | <u>7,985,590</u> |
| Expenditure on: | | | | | | |
| Raising Funds | | 122,930 | - | - | - | 122,930 |
| Charitable Activities | | | | | | |
| - Grants to Individuals | | 1,648,022 | 31,909 | 49,446 | - | 1,729,377 |
| - Regular Charitable Payments | | - | 40,950 | 1,379,821 | - | 1,420,771 |
| - Care Home and Almshouse | | 5,746,702 | - | 98,599 | - | 5,845,301 |
| Total expenditure | 10 | <u>7,517,654</u> | <u>72,859</u> | <u>1,527,866</u> | <u>-</u> | <u>9,118,379</u> |
| Net (expenditure)/income before net losses on investments | | (1,689,529) | 7,211 | 549,529 | - | (1,132,789) |
| Net losses on investments | 17 | <u>(1,164,706)</u> | <u>(93,479)</u> | <u>(41,381)</u> | <u>(32,730)</u> | <u>(1,332,296)</u> |
| Net (expenditure)/income for the year | | (2,854,235) | (86,268) | 508,148 | (32,730) | (2,465,085) |
| Transfers between funds | 22 | <u>12,074,525</u> | <u>(10,763,012)</u> | <u>(1,311,513)</u> | <u>-</u> | <u>-</u> |
| Net movement in funds | | <u>9,220,290</u> | <u>(10,849,280)</u> | <u>(803,365)</u> | <u>(32,730)</u> | <u>(2,465,085)</u> |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | 22 | <u>25,601,900</u> | <u>27,288,063</u> | <u>3,178,940</u> | <u>1,327,924</u> | <u>57,396,827</u> |
| Total funds carried forward | 22 | <u>£34,822,190</u> | <u>£16,438,783</u> | <u>£2,375,575</u> | <u>£1,295,194</u> | <u>£54,931,742</u> |

THE ROYAL NAVAL BENEVOLENT TRUST
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

5. INCOME FROM DONATIONS AND LEGACIES

| | Unrestricted Funds | Designated Funds | Restricted Funds | Endowment Funds | Total 2024 | Total 2023 Restated |
|-----------|-----------------------|---------------------|---------------------|--------------------|-----------------|---------------------------|
| | £ | £ | £ | £ | £ | £ |
| Donations | 341,916 | - | 11,075 | - | 352,991 | 95,429 |
| Legacies | 295,742 | - | 2,000 | - | 297,742 | 1,290,888 |
| | <u>£637,658</u> | <u>-</u> | <u>£13,075</u> | <u>-</u> | <u>£650,733</u> | <u>£1,386,317</u> |

6. INCOME FROM GRANTS

| | Unrestricted Funds | Designated Funds | Restricted Funds | Endowment Funds | Total 2024 | Total 2023 |
|---------------------------|-----------------------|---------------------|---------------------|--------------------|-------------------|-------------------|
| | £ | £ | £ | £ | £ | £ |
| RNRMC | - | - | 580,000 | - | 580,000 | 489,996 |
| Greenwich Hospital (RCPs) | - | - | 1,097,985 | - | 1,097,985 | 1,128,456 |
| Durnford & Cawthan Trust | - | - | 5,000 | - | 5,000 | 5,000 |
| | <u>-</u> | <u>-</u> | <u>£1,682,985</u> | <u>-</u> | <u>£1,682,985</u> | <u>£1,623,452</u> |

7. INCOME FROM CHARITABLE ACTIVITIES - CARE HOMES AND ALMSHOUSE

| | Unrestricted Funds | Designated Funds | Restricted Funds | Endowment Funds | Total 2024 | Total 2023 Restated |
|------------------------------------------|-----------------------|---------------------|---------------------|--------------------|-------------------|---------------------------|
| | £ | £ | £ | £ | £ | £ |
| Care Home residents' fees | 5,699,601 | - | - | - | 5,699,601 | 3,389,674 |
| Care Home grants, legacies and donations | 1,615 | - | 97,691 | - | 99,306 | 352,493 |
| Care Home investment and other income | 5,270 | - | 17,329 | - | 22,599 | 27,217 |
| Almshouse weekly maintenance charge | - | - | 37,387 | - | 37,387 | 34,466 |
| Almshouse investment and other income | - | - | 7,103 | - | 7,103 | 9,651 |
| | <u>£5,706,486</u> | <u>-</u> | <u>£159,510</u> | <u>-</u> | <u>£5,865,996</u> | <u>£3,813,501</u> |

THE ROYAL NAVAL BENEVOLENT TRUST
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

8. INCOME FROM INVESTMENTS

| | Unrestricted Funds £ | Designated Funds £ | Restricted Funds £ | Endowment Funds £ | Total 2024 £ | Total 2023 £ |
|-----------------------------|----------------------------|--------------------------|--------------------------|-------------------------|--------------------|--------------------|
| Dividends from pooled funds | 941,888 | 76,990 | 30,707 | - | 1,049,585 | 1,110,429 |
| Short term interest | 16,868 | - | - | - | 16,868 | 30,316 |
| | <u>£958,756</u> | <u>£76,990</u> | <u>£30,707</u> | <u>-</u> | <u>£1,066,453</u> | <u>£1,140,745</u> |

9. OTHER INCOME

| | Unrestricted Funds £ | Designated Funds £ | Restricted Funds £ | Endowment Funds £ | Total 2024 £ | Total 2023 £ |
|--------------------------------|----------------------------|--------------------------|--------------------------|-------------------------|--------------------|--------------------|
| Rents from charitable property | 17,900 | - | - | - | 17,900 | 18,461 |
| Miscellaneous income | 8,549 | - | - | - | 8,549 | 3,114 |
| | <u>£26,449</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>£26,449</u> | <u>£21,575</u> |

Rents from charitable property refers to the lease rental income received from the tenants of Castaway House. The Trust charges rent at below market rates to organisations that support The RNBT and wider Naval Family.

THE ROYAL NAVAL BENEVOLENT TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

10. ANALYSIS OF EXPENDITURE

| | Raising Funds | Grants to Individuals | Regular Charitable Payments | Care Home & Almshouse | Total 2024 | Total 2023 Restated |
|---------------------------------------|-----------------|-----------------------|-----------------------------|-----------------------|--------------------|---------------------|
| | £ | £ | £ | £ | £ | £ |
| Staff costs (note 12) | 79,441 | 465,337 | 74,479 | 6,036,211 | 6,655,468 | 4,561,925 |
| Other support costs | 56,062 | 193,516 | 33,021 | 220,546 | 503,145 | 504,412 |
| Governance costs | 3,060 | 9,500 | 1,648 | 9,686 | 23,894 | 17,712 |
| Grants to Individuals (note 11) | - | 986,921 | - | - | 986,921 | 1,146,565 |
| Regular Charitable Payments (note 11) | - | - | 1,272,849 | - | 1,272,849 | 1,325,405 |
| Care Home and Almshouse | - | - | - | 2,014,198 | 2,014,198 | 1,562,360 |
| Total expenditure 2024 | £138,563 | £1,655,274 | £1,381,997 | £8,280,641 | £11,456,475 | £9,118,379 |

Governance costs include auditors' remuneration totalling £19,200 (2023: £15,020). £18,300 (2023: £14,400) was in respect of the external audit and £900 (2023: £1,020) was in respect of other accountancy services for preparing the accounts of RNBT's dormant subsidiary company RNBT Care Ltd. All amounts are inclusive of VAT.

11. GRANT MAKING

| | Grants | Support Costs | Total 2024 | Total 2023 Restated |
|-------------------------------------|-------------------|-----------------|-------------------|---------------------|
| | £ | £ | £ | £ |
| Medical | 294,872 | 199,690 | 494,562 | 593,979 |
| Education & Employment | 27,869 | 18,873 | 46,742 | 93,150 |
| Housing | 481,607 | 326,149 | 807,756 | 730,125 |
| Funerals | 78,109 | 52,896 | 131,005 | 119,814 |
| General | 104,464 | 70,744 | 175,208 | 192,308 |
| Total one-off grants to individuals | 986,921 | 668,352 | 1,655,273 | 1,729,376 |
| Regular Charitable Payments | 1,272,849 | 109,148 | 1,381,997 | 1,420,771 |
| | £2,259,770 | £777,500 | £3,037,270 | £3,150,147 |

All grants are paid for the benefit of named individuals, identified as being members of The RNBT Family.

THE ROYAL NAVAL BENEVOLENT TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

12. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

Staff costs were as follows:

| | 2024 £ | 2023 £ |
|-----------------------------------------------------------------|-------------------|-------------------|
| Salaries | 5,149,622 | 3,650,078 |
| Redundancy and termination costs | - | 10,000 |
| National Insurance | 452,116 | 191,979 |
| Employer's contribution to defined contribution pension schemes | 483,095 | 210,882 |
| Other employee benefits | 120,300 | 76,964 |
| Agency staff | 280,836 | 270,146 |
| Recruitment and training | 169,499 | 151,876 |
| | <u>£6,655,468</u> | <u>£4,561,925</u> |

The Employee Cost note shows employee notional salaries before any salary sacrifice schemes.

The number of employees whose total employee benefits exceeded £60,000 was:

| | 2024 No | 2023 No. |
|-------------------|------------|-------------|
| £60,001 - £70,000 | - | 1 |
| £70,001 - £80,000 | 1 | 1 |
| £80,001 - £90,000 | 1 | 1 |
| | <u>1</u> | <u>1</u> |

The total employee benefits of the key management personnel were £418,136 (2023: £412,034). Key management personnel include the Trustees, Chief Executive, Finance Director, Director of Care, Director of Operations, Care and Pembroke House and Admiral Jellicoe Home Managers; the total employee benefits include salary, employer's national insurance contributions, employer's pension contributions and the value of other employee benefits such as Group Life Assurance.

During the year 3 Trustees were reimbursed expenses totalling £499 in connection with travel (2023: 10 Trustees were reimbursed expenses totalling £895 in connection with travel).

The charity's Trustees did not receive any remuneration or receive any benefits-in-kind during the year (2023: £Nil). No charity Trustee received payment for professional or other services supplied to the charity (2023: £Nil).

THE ROYAL NAVAL BENEVOLENT TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

13. STAFF NUMBERS

The average number of employees (headcount and full time equivalents (FTEs) during the year was as follows:

| | 2024 | | 2023 | |
|------------------------|------------|------------|------------|------------|
| | Headcount | FTEs | Headcount | FTEs |
| Headquarters | 16 | 14 | 15 | 13 |
| Admiral Jellicoe House | 72 | 63 | 77 | 62 |
| Pembroke House | <u>99</u> | <u>87</u> | <u>96</u> | <u>64</u> |
| | <u>187</u> | <u>164</u> | <u>188</u> | <u>139</u> |

The Trust sometimes uses agency nursing and care staff at Pembroke House and Admiral Jellicoe House to cover for absences from work and short-term unplanned staff shortages.

14. RELATED PARTY TRANSACTIONS

Alan Krzysica, The Trust's specialist Surveyor Trustee, is employed by McPhersons Quantity Surveyors, which was appointed to act as The Trust's project advisor for the Admiral Jellicoe House development. Alan Krzysica was not involved in the selection process for the appointment. There were no payments to McPhersons during the year (2023: £10,710).

Tim Forer, the Trust's specialist Legal and Management Trustee is employed by Blake Morgan, the Trust's solicitors. During the year £10,184 was paid to Blake Morgan (2023: £5,998) for advice on contracts and employment law matters.

THE ROYAL NAVAL BENEVOLENT TRUST
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

15. TANGIBLE FIXED ASSETS

| | Freehold properties Restated £ | Assets Under Construction £ | Furniture & equipment Restated £ | Motor Vehicles £ | Total £ |
|------------------------------------|-----------------------------------------|--------------------------------------|----------------------------------------------|------------------------|--------------------|
| COST | | | | | |
| On 1 April 2023 | 15,831,866 | 59,761 | 1,340,398 | 77,433 | 17,309,458 |
| Additions | 572,017 | - | 152,553 | - | 724,570 |
| Transfers between classes | 52,118 | (52,118) | - | - | - |
| At 31 March 2024 | 16,456,001 | 7,643 | 1,492,951 | 77,433 | 18,034,028 |
| DEPRECIATION | | | | | |
| At 1 April 2023 | 2,226,512 | - | 928,000 | 50,977 | 3,205,489 |
| Charge for the year | 759,455 | - | 130,715 | 7,743 | 897,913 |
| Disposals | - | - | - | - | - |
| At 31 March 2024 | 2,985,967 | - | 1,058,715 | 58,720 | 4,103,402 |
| NET BOOK VALUE | | | | | |
| At 31 March 2024 | £13,470,034 | £7,643 | £434,236 | £18,713 | £13,930,626 |
| <i>At 31 March 2023 (restated)</i> | <i>£13,605,354</i> | <i>£59,761</i> | <i>£412,398</i> | <i>£26,456</i> | <i>£14,103,969</i> |

All of the above assets are used for charitable purposes. Assets Under Construction relate to capital projects underway at both care homes.

16. INVESTMENT PROPERTY

| | 2024 £ | 2023 £ |
|-----------------------------------------------------|-----------|-----------|
| Fair value at the start of the year | - | 527,903 |
| Transfer to tangible fixed assets at carrying value | - | (527,903) |
| Fair value at the end of the year | £- | £- |

THE ROYAL NAVAL BENEVOLENT TRUST
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

17. INVESTMENTS

a Listed Investments

| | 2024 £ | 2023 Restated £ |
|------------------------------------|--------------------|-----------------------|
| Market value at start of year | 40,809,110 | 43,142,157 |
| Disposals at carrying value | (1,456,795) | (960,007) |
| Net gain/(loss) on revaluation | <u>3,499,751</u> | <u>(1,373,040)</u> |
| Total investments | <u>42,852,066</u> | <u>40,809,110</u> |
| Cash held by portfolio manager | <u>51,000</u> | <u>1,000,754</u> |
| Market value at end of year | <u>£42,903,066</u> | <u>£41,809,864</u> |
| Historic cost at end of year | <u>£31,231,942</u> | <u>£31,983,648</u> |

Additions and disposals include transactions associated with switching between funds and asset classes as well as overall withdrawals from and additions to The Trust's total investments. The whole portfolio was invested through UK based investment operations. All investments are either listed on recognised stock exchanges or are valued by reference to such investments.

Other than cash held by the portfolio manager, all investment assets of the Trust comprise pooled investment funds.

b Net gains / (losses) on investments

| | 2024 £ | 2023 £ |
|-----------------------------------------------------------|-------------------|---------------------|
| Realised gains on sale of investments | 42,450 | 40,744 |
| Unrealised gains / (losses) on revaluation of investments | <u>3,499,751</u> | <u>(1,373,040)</u> |
| Net gains / (losses) on investments reported in SOFA | <u>£3,542,201</u> | <u>(£1,332,296)</u> |

c Investment Management Fees

The unrealised gain or loss on revaluation of investments is shown after the deduction of any fees charged direct to the fund. The total investment management fees for the year were £230,638 (2023: £230,541) which were all charged directly against the investment fund.

THE ROYAL NAVAL BENEVOLENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

17. INVESTMENTS (cont.)

d Investment in subsidiary

The following is a subsidiary undertaking of the Trust.

| Name | Company number | Registered office | Class of shares | Holding |
|-------------------|----------------|---------------------------------------------------------|-----------------|---------|
| RNBT Care Limited | 11820147 | Castaway House, 311 Twyford Avenue, Portsmouth, PO2 8RN | Ordinary | 100% |

Investment in RNBT Care Limited has been valued at historical cost on the basis that it is a dormant company.

18. DEBTORS

| | 2024 £ | 2023 £ |
|----------------|-----------------|-----------------|
| Trade debtors | 349,706 | 288,359 |
| Other debtors | 879 | - |
| Prepayments | 29,382 | 19,637 |
| Accrued income | 369,586 | 509,849 |
| | <u>£749,553</u> | <u>£817,845</u> |

19. CREDITORS (Amounts falling due within one year)

| | 2024 £ | 2023 £ |
|-----------------------------------------|-----------------|-----------------|
| Trade creditors | 132,944 | 212,211 |
| Other taxation and social security | 98,870 | 78,968 |
| Other creditors | 56,158 | 37,031 |
| Amounts owed to subsidiary undertakings | 100 | 100 |
| Accruals | 105,744 | 80,335 |
| Deferred income (note 20) | 97,808 | 21,699 |
| | <u>£491,624</u> | <u>£430,344</u> |

THE ROYAL NAVAL BENEVOLENT TRUST
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

20. DEFERRED INCOME

Deferred income comprises entirely of Pembroke House and Admiral Jellicoe residents' fees invoiced in advance £97,808 (2023: £21,699).

| | 2024 | 2023 |
|---------------------------------------|----------------|----------------|
| | £ | £ |
| Balance at the start of the year | 21,699 | 16,362 |
| Amount released to income in the year | (21,699) | (16,362) |
| Amount deferred in the year | 97,808 | 21,699 |
| | <hr/> | <hr/> |
| Balance at the end of the year | <u>£97,808</u> | <u>£21,699</u> |

THE ROYAL NAVAL BENEVOLENT TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

21. MOVEMENTS IN FUNDS

Current year

| | Balance at 1 April 2023 £ | Income £ | Expenditure £ | Investment Gains / (Losses) £ | Transfers £ | Balance at 31 March 2024 £ |
|------------------------------------------------|------------------------------------|-------------------|---------------------|----------------------------------------|-------------------|-------------------------------------|
| Endowment Funds | | | | | | |
| Royal Naval Fund | 510,825 | - | - | 32,933 | - | 543,758 |
| Chatham Depot Aid Fund | 388,045 | - | - | 30,175 | (418,220) | - |
| Mrs I Briggs for Regular Charitable Payments | 197,247 | - | - | 12,843 | - | 210,090 |
| Dame Elisabeth Kelly Fund | 168,517 | - | - | 10,911 | - | 179,428 |
| Sir John Langham Bequest | 12,113 | - | - | 781 | - | 12,894 |
| John Cornwell VC National Memorial | 7,206 | - | - | - | - | 7,206 |
| 1939/45 Memorial Award Fund | 11,241 | - | - | 800 | - | 12,041 |
| | <u>£1,295,194</u> | <u>£-</u> | <u>£-</u> | <u>£88,443</u> | <u>(£418,220)</u> | <u>£965,417</u> |
| Restricted Funds (Grants & RCPs) | | | | | | |
| Royal Naval Reserve Benevolent Fund | 199,027 | 3,891 | (4,674) | 12,832 | 1 | 211,077 |
| Royal Naval Fund – revenue | 8,460 | 9,986 | (21,403) | - | 2,957 | - |
| Chatham Depot Aid Fund – revenue | 79,997 | 9,149 | - | - | (89,146) | - |
| Mrs I Briggs – revenue | 1,962 | 3,894 | (3,640) | - | - | 2,216 |
| Dame Elisabeth Kelly Fund – revenue | 721 | 3,308 | (4,762) | - | 733 | - |
| Sir John Langham Bequest – revenue | - | 237 | - | - | - | 237 |
| 1939/45 Memorial Award Fund – revenue | 1,156 | 242 | - | - | - | 1,398 |
| Greenwich Hospital Regular Charitable Payments | - | 1,097,985 | (1,097,184) | - | - | 801 |
| RNRMC Naval Service Benevolence Fund | - | 580,000 | (580,000) | - | - | - |
| Queen Mary's Roehampton Trust | 20,000 | - | - | - | (20,000) | - |
| Submarine Memorial Fund | 2,537 | 13,075 | (6,063) | - | - | 9,549 |
| Durnford & Cawthran Trust | 1,600 | 5,000 | (4,400) | - | (2,200) | - |
| | <u>£315,460</u> | <u>£1,726,767</u> | <u>(£1,722,126)</u> | <u>£12,832</u> | <u>(£107,655)</u> | <u>£225,278</u> |

THE ROYAL NAVAL BENEVOLENT TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

21. MOVEMENTS IN FUNDS (continued)

Current year

| | <i>Balance at 1 April 2023</i> | Income | Expenditure | Investment Gains / (Losses) | Transfers | Balance at 31 March 2024 |
|------------------------------------------------------|------------------------------------|-------------------|----------------------|-----------------------------------|----------------------|--------------------------------|
| | £ | £ | £ | £ | £ | £ |
| Restricted Funds (care homes & almshouse) | | | | | | |
| PH Amenities Fund | 42,192 | 9,693 | (17,804) | - | - | 34,081 |
| PH Residents' Support Fund | 886,473 | 17,329 | (455) | 57,151 | (200,000) | 760,498 |
| PH Redevelopment Fund | 775,276 | - | - | - | - | 775,276 |
| PH Projects Fund | - | - | - | - | - | - |
| AJH Amenities Fund | - | 3,798 | 639 | - | (2,000) | 2,437 |
| John Cornwell VC National Memorial | 356,174 | 44,490 | (13,167) | 23,427 | - | 410,924 |
| RNRMC Grant for Pembroke House | - | 84,200 | (84,200) | - | - | - |
| | <u>£2,060,115</u> | <u>£159,510</u> | <u>(£114,987)</u> | <u>£80,578</u> | <u>(£202,000)</u> | <u>£1,983,216</u> |
| Total Restricted Funds | <u>£2,375,575</u> | <u>£1,886,277</u> | <u>(£1,837,113)</u> | <u>£93,410</u> | <u>(£309,655)</u> | <u>£2,208,494</u> |
| Designated Funds | | | | | | |
| Falklands Fund | 3,903,365 | 76,302 | (51,309) | 251,650 | - | 4,180,008 |
| Alan Brown Fund | 35,418 | 688 | (4,875) | 2,283 | - | 33,514 |
| Strategic Reserve | 12,500,000 | - | - | - | - | 12,500,000 |
| Capital Development Fund | - | - | - | - | 5,940,000 | 5,940,000 |
| Tangible Fixed Asset Fund | - | - | - | - | 13,930,626 | 13,930,626 |
| | <u>£16,438,783</u> | <u>£76,990</u> | <u>(£56,184)</u> | <u>£253,933</u> | <u>£19,870,626</u> | <u>£36,584,148</u> |
| Total Designated Funds | <u>£16,438,783</u> | <u>£76,990</u> | <u>(£56,184)</u> | <u>£253,933</u> | <u>£19,870,626</u> | <u>£36,584,148</u> |
| Total Unrestricted Funds | <u>£34,822,190</u> | <u>£7,329,349</u> | <u>(£9,563,178)</u> | <u>£3,106,415</u> | <u>(£19,142,751)</u> | <u>£16,552,025</u> |
| Total Funds | <u>£54,931,742</u> | <u>£9,292,616</u> | <u>(£11,456,475)</u> | <u>£3,542,201</u> | <u>-</u> | <u>£56,310,084</u> |

THE ROYAL NAVAL BENEVOLENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

21. MOVEMENTS IN FUNDS (continued)

Transfers between funds

An explanation of the Transfers on Funds is given below:

Chatham Aid Depot Fund – endowment and restricted funds

Following correspondence with the Charity Commission for England and Wales, it was agreed that this fund could be released to free reserves and there are very few beneficiaries still alive (having joined as an apprentice at Chatham Docks).

Royal Naval Fund - revenue

Grants paid exceeded the income generated by the fund and so the balance was taken from free reserves.

Dame Elisabeth Kelly Fund

Grants paid exceeded the income generated by the fund and so the balance was taken from free reserves.

Queen Mary's Roehampton Trust

This was an historic balance, and the purpose of the grant had been met in the previous year.

Durnford & Cawthran Trust

This was an historic balance, and the purpose of the grant had been met in the previous year.

PH Residents' Support Fund

A transfer of £200,000 was made from the restricted fund to unrestricted funds as a contribution to help offset the shortfall in funding for state funded residents.

AJH Amenities Fund

A transfer of £2,000 was made to compensate the unrestricted fund for amenities for the benefit of Admiral Jellicoe House residents, originally spent from unrestricted funds.

Capital Development Fund

This fund has been created to allocate monies to future capital developments.

Tangible Fixed Asset Fund

This fund has been created to match the net book value of the Trust's tangible fixed assets that are used for charitable purposes.

THE ROYAL NAVAL BENEVOLENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

21. MOVEMENTS IN FUNDS (continued)

Purposes of restricted funds

Permanent endowment funds

Only the income arising from the investment of these funds can be spent for the stated purposes. The larger permanent endowment funds include:

| | |
|---------------------------|--------------------------------------------------------------------------------------------------------------|
| The Royal Naval Fund | Instituted in 1892 and provides assistance for widows and other dependent relatives of ex-serving personnel. |
| Mrs Ina Briggs Fund | Provides income for additional RCPs. |
| Dame Elisabeth Kelly Fund | Produces income for housing assistance for serving personnel. |

Restricted funds

These funds are all expendable for specific purposes (both income and capital); other restricted funds generally receive and spend income during each year for specific purposes. The largest ones include:

| | |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Greenwich Hospital RCPs | Funds Regular Charitable Payments £35 per week to eligible beneficiaries. |
| The Royal Naval Reserve Benevolent Fund | Provides assistance to Reservists and their dependents. |
| Submarine Memorial Fund | Provides assistance to serving and ex-serving submariners |
| Durnford & Cawthran Trust | Provides income to assist beneficiaries aged 60 and over, with a naval connection, in the Portsmouth area |
| Pembroke House Amenities Fund | Provides amenities for the benefit of Pembroke House residents |
| Pembroke House Residents' Support Fund | Provides financial support for residents in respect of whom the standard accommodation fees cannot be met in full. |
| Pembroke House Redevelopment Fund | Created from the grants and donations received to help fund the major redevelopment of the Home in 2000; the only expenditure on the Fund is the depreciation charge for the capital costs of the redevelopment. |
| John Cornwell VC National Memorial | Provides a maintenance fund for the ongoing upkeep of the almshouse properties |

THE ROYAL NAVAL BENEVOLENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

21. MOVEMENTS IN FUNDS (continued)

Purposes of designated funds

| | |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Falklands Fund | Established as a restricted fund in 1992 to administer funds received on the winding-up of the South Atlantic Fund. In broad terms, its purpose is to assist dependants of serving personnel killed during, or as a result of, the Falklands conflict and to assist those injured. During 2003/04, under the terms of its governing document, the Falklands Fund was wound up. The Trustees transferred the assets immediately to a new designated fund of the same name. The original eligibility criteria have been widened to include beneficiaries who are South Atlantic Medal holders. |
| Alan Brown Fund | Established as a designated fund in 2013 from the receipt of a legacy. The purpose of the Fund is to support naval officers who also have rating service, where the individual's needs cannot be fully met from other sources. |
| Pembroke House Revenue Projects | The purpose of the Fund is to separate out the costs of larger revenue projects, such as large scale decoration, so as not to distort the operating costs of Pembroke House. A transfer from The Trust's unrestricted funds has been made to balance out the expenditure and therefore there is a nil balance on the Fund at the end of the year. |
| Strategic Reserve | Established to support the future strategy of the Trust, recognising that the Trust requires internal Funds to ensure its financial sustainability over the next 80-100 years. |
| Capital Development Reserve | Established to fund future capital developments. |
| Tangible Fixed Asset Fund | Established to match the net book value of the Trust's tangible fixed assets that are used for charitable purposes. |

THE ROYAL NAVAL BENEVOLENT TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

22. COMPARATIVES FOR MOVEMENTS IN FUNDS
For the year ended 31 March 2023

Explanations for last year's movements in funds may be found in Note 20 of the 2022/23 Annual Report & Accounts (available on the RNBT website).

| | Balance at 1 April 2022 | Income | Expenditure | Investment Gains / (Losses) | Transfers | Balance at 31 March 2023 Restated |
|---------------------------------------------------|----------------------------|-------------------|---------------------|-----------------------------------|-------------------|-----------------------------------------|
| | £ | £ | £ | £ | £ | £ |
| Endowment funds | | | | | | |
| Royal Naval Fund | 523,296 | - | - | (12,471) | - | 510,825 |
| Chatham Depot Aid Fund | 398,952 | - | - | (10,907) | - | 388,045 |
| Mrs I Briggs for Regular Charitable Payments | 201,974 | - | - | (4,727) | - | 197,247 |
| Dame Elisabeth Kelly Fund | 172,549 | - | - | (4,032) | - | 168,517 |
| Sir John Langham Bequest | 12,416 | - | - | (303) | - | 12,113 |
| John Cornwell VC National Memorial | 7,206 | - | - | - | - | 7,206 |
| 1939/45 Memorial Award Fund | 11,531 | - | - | (290) | - | 11,241 |
| | <u>£1,327,924</u> | <u>-</u> | <u>-</u> | <u>(£32,730)</u> | <u>-</u> | <u>£1,295,194</u> |
| Restricted funds (Grants & RCPs) | | | | | | |
| Royal Naval Reserve Benevolent Fund | 205,171 | 4,081 | (5,460) | (4,765) | - | 199,027 |
| Royal Naval Fund - revenue | 13,659 | 10,682 | (15,881) | - | - | 8,460 |
| Chatham Depot Aid Fund - revenue | 70,655 | 9,342 | - | - | - | 79,997 |
| Mrs I Briggs - revenue | 1,553 | 4,049 | (3,640) | - | - | 1,962 |
| Dame Elisabeth Kelly Fund - revenue | 1,048 | 3,453 | (3,780) | - | - | 721 |
| Sir John Langham Bequest - revenue | 618 | 25 | (2,511) | - | 1,868 | - |
| 1939/45 Memorial Award Fund - revenue | 987 | 249 | (80) | - | - | 1,156 |
| Greenwich Hospital Regular Charitable Payments | - | 1,128,456 | (1,376,253) | - | 247,797 | - |
| RNRMC Naval Service Benevolence Fund | 408,000 | 489,996 | - | - | (897,996) | - |
| Queen Mary's Roehampton Trust | 20,000 | - | - | - | - | 20,000 |
| Submarine Memorial Fund | 17,962 | 1,000 | (16,425) | - | - | 2,537 |
| Durnford & Cawtham Trust | 1,600 | 5,000 | (5,000) | - | - | 1,600 |
| Leeming Fund | 237 | - | (237) | - | - | - |
| | <u>£741,490</u> | <u>£1,656,333</u> | <u>(£1,429,267)</u> | <u>(£4,765)</u> | <u>(£648,331)</u> | <u>£315,460</u> |

THE ROYAL NAVAL BENEVOLENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

22. COMPARATIVES FOR MOVEMENTS IN FUNDS (continued)

For the year ended 31 March 2023

| Restricted Funds (Care Homes & Almshouse) | Balance at 1 April 2022 | Income | Expenditure | Investment Gains / (Losses) | Transfers | Balance at 31 March 2023 Restated |
|-------------------------------------------|----------------------------|--------------------------|----------------------------|-----------------------------------|-----------------------------|-----------------------------------------|
| | £ | £ | £ | £ | £ | £ |
| PH Amenities Fund | 59,964 | 20,093 | (37,865) | - | - | 42,192 |
| PH Residents' Support Fund | 1,091,474 | 21,713 | (1,365) | (25,349) | (200,000) | 886,473 |
| PH Redevelopment Fund | 775,276 | - | - | - | - | 775,276 |
| PH Projects Fund | 32,788 | - | (32,788) | - | - | - |
| AJH Amenities Fund | - | 2,739 | (4,964) | - | 2,225 | - |
| John Cornwell VC National Memorial | 477,948 | 44,117 | (21,617) | (11,267) | (133,007) | 356,174 |
| RNRMC Grant for Pembroke House | - | 78,000 | - | - | (78,000) | - |
| Government Covid Grants | - | 4,400 | - | - | (4,400) | - |
| Centenary Care Home Project | - | 250,000 | - | - | (250,000) | - |
| | <u>£2,437,450</u> | <u>£421,062</u> | <u>(£98,599)</u> | <u>(£36,616)</u> | <u>(£663,182)</u> | <u>£2,060,115</u> |
| Total restricted funds | <u><u>£3,178,940</u></u> | <u><u>£2,077,395</u></u> | <u><u>(£1,527,866)</u></u> | <u><u>(£41,381)</u></u> | <u><u>(£1,311,513)</u></u> | <u><u>£2,375,575</u></u> |
| Designated Funds | | | | | | |
| Falklands Fund | 3,983,871 | 79,251 | (67,234) | (92,523) | - | 3,903,365 |
| Alan Brown Fund | 41,180 | 819 | (5,625) | (956) | - | 35,418 |
| Strategic Reserve | 12,500,000 | - | - | - | - | 12,500,000 |
| Centenary Care Home Project | 10,763,012 | - | - | - | (10,763,012) | - |
| | <u>£27,288,063</u> | <u>£80,070</u> | <u>(£72,859)</u> | <u>(£93,479)</u> | <u>(£10,763,012)</u> | <u>£16,438,783</u> |
| Total designated funds | <u><u>£27,288,063</u></u> | <u><u>£80,070</u></u> | <u><u>(£72,859)</u></u> | <u><u>(£93,479)</u></u> | <u><u>(£10,763,012)</u></u> | <u><u>£16,438,783</u></u> |
| Total unrestricted general funds | <u><u>£25,601,900</u></u> | <u><u>£5,828,125</u></u> | <u><u>(£7,517,654)</u></u> | <u><u>(£1,164,706)</u></u> | <u><u>£12,074,525</u></u> | <u><u>£34,822,190</u></u> |
| Total funds | <u><u>£57,396,827</u></u> | <u><u>£7,985,590</u></u> | <u><u>(£9,118,379)</u></u> | <u><u>(£1,332,296)</u></u> | <u><u>-</u></u> | <u><u>£54,931,742</u></u> |

THE ROYAL NAVAL BENEVOLENT TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

23. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2024 £ | 2023 £ |
|------------------------------------------------------------------------------------|---------------------|---------------------|
| Net income for the reporting period (as per the statement of financial activities) | 1,378,342 | (2,465,085) |
| Depreciation charges | 897,155 | 638,877 |
| (Gains) / Losses on investments | (3,542,201) | 1,332,296 |
| Dividends, interest and rent from investments | (1,066,453) | (1,140,745) |
| Decrease/ (increase) in debtors | 68,292 | (390,205) |
| Increase / (decrease) in creditors | 61,282 | (832,497) |
| | <u>(£2,203,583)</u> | <u>(£2,857,359)</u> |
| Net cash used in operating activities | | |

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | At 1 April 2023 £ | Cash Flows £ | At 31 March 2024 £ |
|----------------------------------------|-------------------------|-------------------|--------------------------|
| Bank and cash balances | 430,308 | 588,055 | 1,018,363 |
| Short term investments | 1,000,755 | (949,755) | 51,000 |
| | <u>£1,431,063</u> | <u>(£361,700)</u> | <u>£1,069,363</u> |
| Total cash and cash equivalents | | | |

THE ROYAL NAVAL BENEVOLENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

25. LOAN FACILITY

In 2019/20 Trustees agreed to enter into an uncommitted revolving loan facility with Royal Bank of Canada (RBC) Europe Ltd, to help finance the Centenary Care Home Project (Admiral Jellicoe House). The aim of the facility is to smooth out the sale of the Trust's investments over a longer period of time so that investments do not have to be sold at times when investment prices may be unfavourable. The loan facility is for a maximum sum of £5 million. Interest is charged at 1% above LIBOR rates (from 2021 the rate changed to 0.97% + Bank of England Base Rate). The loan facility is secured against the Trust's investments managed by Newton Investment Management Ltd. Custody of those investments transferred to RBC in May 2020

The decision to agree the loan facility with RBC was taken after Trustees has considered its affordability over the long term, together with a comparison of loan arrangements offered by other banks.

A further £1m was drawn down in 2021/22 resulting in a balance of £2m remaining outstanding as at 31st March 2022. Since 31st March 2022 two further drawdowns have taken place. These were for amounts of £1m and £500k, respectively. Repayments of £500k, £1.m and £200k were made during the previous year to leave a year end balance of £1.8m outstanding as at 31st March 2024. The interest applicable to the loan for 2023/24 was £104,598. Interest on the loan is capitalised as part of the Admiral Jellicoe House fixed asset cost.

26. OBLIGATIONS UNDER OPERATING LEASES

| | 2024 £ | 2023 £ |
|------------------------------------------------------------------------------------|----------------------|-----------------------|
| The total of future minimum lease payments on equipment operating leases expiring: | | |
| Within one year | 8,222 | 8,222 |
| Between one to five years | <u>554</u> | <u>8,777</u> |
| Total obligations under operating leases | <u>£8,776</u> | <u>£16,999</u> |

27. CAPITAL COMMITMENTS

The Trust had no material capital commitments as at the 31 March 2024.

THE ROYAL NAVAL BENEVOLENT TRUST

TRUST INFORMATION

For the Year Ended 31 March 2024

Patron

His Majesty King Charles III

Vice Patrons

Mr K Lambert BEM

Mr N Jellicoe

Ms Jenny Agutter OBE

President

Admiral Sir Tim Fraser KCB

Vice President & Honorary Treasurer

Mr I Ranscombe

Chair

Commodore R Best OBE Royal Navy

Admiralty Governor

Colonel M Stovin-Bradford Royal Marines

Senior Serving Officer

Captain J Carrigan Royal Navy

Trustees

Chief Petty Officer T Bale

Chief Petty Officer K Bell

Ms S Bryant (from 17 May 2023)

Dr A Crossman

Mr B Daubeney (until October 2023)

Ms C Dunkley (until 15 May 2023)

Ms N Ellis-Burt (from 1 April 2024)

Lieutenant Commander T Forer Royal Navy

Mr N Gartside CFA

Mr P Hopkins (from 1 October 2023)

Mr G Hounslea

Mr A Krzysica

Mr D McGinley (from 1 April 2024)

Warrant Officer S Milne

Chief Petty Officer J Potts MBE

Mrs P Shaw OBE

Commander H Wright Royal Navy

Executive Staff

Chief Executive

Commander R G Bosshardt BSc MSc Royal Navy (until 5th April 2024)

Ms D Dollner (from 2nd April 2024)

Finance Director

Mrs S Aistrope ACMA, CGMA (until October 2024)

Mr J Thomas (Interim from November 2024)

Registered Office

Castaway House, 311 Twyford Avenue, PORTSMOUTH

PO2 8RN

Auditors

UHY Hacker Young

Thames House, Roman Square, Sittingbourne, Kent ME10 4BJ

Investment Managers

CCLA Investment Management Limited

Senator House, 85 Queen Victoria Street, LONDON EC4V 4ET

Newton Investment Management Limited

BNY Mellon Centre, 160 Queen Victoria Street, LONDON EC4V 4LA

Bankers

Barclays Bank PLC

PO Box 6, PORTSMOUTH PO6 3DH

Solicitors

Blake Morgan

New Kings Court, Tollgate, Chandler's Ford, Eastleigh SO53 3LG