



RNLI ANNUAL REPORT AND ACCOUNTS 2021

To save every one

Whoever we are Wherever we are from

We are one crew

Ready to save lives

We're powered by passion **talent** and **kindness**

Like generations of selfless lifesavers before us

This is our watch

We lead the way

Valuing each other **Trusting each other** **Depending on one another**

Volunteering to face the storm together

Knowing that **with courage nothing is impossible**

That is what has always driven us

to save every one we can

It's what makes every one of us

a lifesaver



Annual Report of the Trustees of the Royal National Lifeboat Institution

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St Davids crew launch their Tamar class lifeboat *Norah Wortle* down the slipway on a training exercise. RNLI volunteers have been launching lifeboats here since 1867 and have saved hundreds of lives

WELCOME FROM THE DEPUTY CHAIRS AND CHIEF EXECUTIVE

'We pulled together with courage and kindness in another difficult year'

We really want to pass on our huge thanks to everyone at the RNLI who has helped our charity advance even further in its lifesaving mission in 2021.



There's no denying it was another tough year, with so many juggling work, family life and volunteering under a range of Covid-19 restrictions. But it was wonderful to see everyone coming together, supporting one another.

We knew that despite the restrictions, an unprecedented number of people would visit the coast – and the RNLI made sure its incredible lifeboat crews and lifeguards were there to protect them. They rescued thousands of people and saved hundreds of lives, delivering lifesaving without borders and never judging those they helped.

That included desperate people crossing the English Channel. Our Kent and East Sussex crews continued to deal with this ever-present crisis on top of their usual abundance of rescue missions. We are so very proud of their humanitarian work, which firmly aligns with our charity's core principles.

This pride extends to every RNLI lifesaver, and some of their most outstanding acts were recognised with awards in 2021. The coxswains of Dunmore East, Kilmore Quay and Rosslare Harbour will receive RNLI

Bronze Medals for Gallantry for saving nine lives and preventing a huge cargo ship from hitting rocks in horrendous conditions (see page 7). Salcombe's Y Boat helm and a fellow crew member are to receive Bronze Medals for saving two people from a yacht in a severe gale (page 10), and two of our lifeguards from Mawgan Porth will receive the same honour for rescuing a man from a powerful rip current (page 13).

This rare but highly-deserved award for lifeguards was particularly poignant, as it coincided with the 20th anniversary of the RNLI's lifeguard service. And it was a relief to see our lifeguards back to full strength again after a reduced service in 2020. Crowded beaches kept them busier than ever – saving lives, preventing accidents and sharing safety tips and advice with people enjoying the beach.

That advice wasn't limited to just beachgoers. We ramped up our water safety campaign early in 2021, focusing on those most at risk. These lifesaving messages reached more communities than ever: a new partnership began with the Black Swimming Association, we developed a scheme that

translated water safety advice into multiple languages, and more organisations adopted our #RespectTheWater messages.

Reaching further afield, we continued to influence and encourage governments, the United Nations (UN) and other organisations to take action on global drowning. 2021 marked our 10th anniversary of working on international drowning prevention and, in April, the UN adopted an important resolution that acknowledges the scale of drowning globally and sets out measures that every country should take. Together with the World Health Organization, UNICEF and many other partners and organisations around the world, we observed the first ever annual World Drowning Prevention Day on 25 July, a historic landmark that was established by the UN resolution.

Our charity couldn't have achieved any of this without faithful fundraisers and many other volunteers and supporters. Despite the challenges they faced, they did a truly incredible job – raising vital funds through

a range of virtual and real-life activities and selling souvenirs through our network of shops.

We backed this with a fully integrated Mayday campaign, which saw our engagement and community teams come together with a targeted fundraising appeal for the first time. We also launched our most successful quarterly appeal ever: *To Save Every One*.

Whatever you did for our charity in 2021, you're crucial to its continuing success. You enable lifesavers to rescue those in danger, while helping others enjoy the water more safely.

Thank you so much for helping us in this vital work.

Janet Cooper
RNLI Deputy Chairs,
in absence of the Chairman (see page 41)

Eddie Donaldson

'We have the right people and plans to face the challenges ahead'

I am immensely proud of how our staff, volunteers, donors and supporters responded to the challenges of 2021. Their dedication ensured that our 24/7 lifesaving service never faltered. RNLI lifeboat crews aided 12,903 people and saved 296 lives. Our lifeguards aided 40,762 people, saving 112 lives, and RNLI water safety teams reached more than 27M people with essential messaging, undoubtably saving more lives and keeping families together as we strive to save every one.



The integration of our frontline services really came of age as we resumed full activity across lifeboats, lifeguards and water safety. All three were backed with excellent support – whether that was engineering teams keeping the equipment and facilities operational, the connectivity provided by our IT teams, the incredible efforts of our fundraising and shop volunteers keeping vital funds coming in, or the way that everyone across the UK and Ireland came together as One Crew.

We have made great efforts to better serve those at the sharp end and their wider communities by continuing to develop our regional teams – providing dedicated, close-at-hand support to all volunteers engaged in our important work and giving our people the tools to deliver.

Of course, there were periods when people needed to self-isolate, and times when planned activities were impacted or

postponed. But it was wonderful to see the long-anticipated return to local face-to-face engagement through our shops, station open days, museums and events. Our fundraising, sales and engagement volunteers made a point of embracing all possible opportunities to re-engage with RNLI supporters and their communities.

It was also great to see our manufacturing teams pulling out all the stops to deliver new lifeboats and launch and recovery rigs into the fleet, while carrying out more than 60 major refits. Meanwhile, our Estates Team completed vital infrastructure projects at Lough Ree, Pwllheli, Ramsey and Peel. Eight more major build projects also got underway, including new boathouses at Wells and at Tower on the Thames.

This important work begins to address the raft of overdue projects that has built up during the last 2 years of disruption caused by the pandemic. So, while our financial

situation may appear healthy coming out of the pandemic, that's temporary. We were only able to achieve stability by being cautious in our approach. We now need to get back on track and deliver the commitments in *Our Watch: RNLI Strategic Intent 2020–24* to protect the future of the RNLI (see page 20).

Therefore, it will come as no surprise to hear that our plan for 2022 is ambitious. It will herald a wave of investment that will set us up for the next 5 years and beyond. It will ensure our teams on the frontline have the facilities they need and deserve. There is a lot to do, as we continue to fix and finish the activities that were paused or delayed, as well as pressing ahead with a number of other key projects that we must invest in and deliver within the year.

We'll face additional challenges along the way – not least, ensuring our long-term sustainability by growing our relevance and

attracting more seagoing and land-based volunteers from all backgrounds and cultures. This will take dedication and hard work, of course, but I am confident we have the right people and plans in place to bounce back and to achieve the goals we originally set out in *Our Watch*.

Thank you so much for playing your part in this lifesaving mission. Our charity is powered by passionate, talented and kind people – and 2021 has proven beyond doubt that we're stronger together, as One Crew.

Mark Dowie
RNLI Chief Executive

WHAT WE DO

We won't stand by while anyone, anywhere, drowns. The RNLI saves lives and prevents drowning through these core activities:

LIFEBOATS

Our lifeboat crews aim to launch within 10 minutes of being alerted and can operate up to 100 nautical miles out to sea. We aim to reach at least 90% of casualties within 10 nautical miles of the coast, within 30 minutes of a lifeboat launch – in any weather. Most crew members are volunteers.



LIFEGUARDS

Our lifeguards aim to reach anyone up to 300m from shore, within the red and yellow flags on RNLI-patrolled beaches, within 3½ minutes.



WATER SAFETY

Making people safer is core to the RNLI's operations. We use research, targeted campaigns and lifesaving plans to encourage changes in people's behaviour, in and around the water. We work alongside partners to maximise our reach and influence.

INTERNATIONAL

We also work with partners globally and in countries where drowning is a significant problem to raise awareness, widen the research base and help develop solutions to save more lives.



FUNDRAISING

As a charity independent of government, we rely on the generous support of donors to meet the cost of our lifesaving activities. We set exacting standards in our fundraising to protect and maintain good relationships with our supporters and ensure financial stability.



Crew kit protects Dunbar volunteers at the bows of their Trent class lifeboat *John Neville Taylor* during a lively search and rescue exercise

READY TO SAVE LIVES

RNLI volunteer lifeboat crews provide a 24-hour search and rescue service in the UK and Ireland, and our seasonal lifeguards look after people on busy beaches.

MORE THAN A RESCUE SERVICE

We are here to **save every one** we can. That's why, with your support, the RNLI also makes early interventions by influencing, supervising and educating people. We work with partners to understand the risks and offer innovative solutions – and our water safety teams share that knowledge with anyone using the water to keep them safer. We are proud to share that expertise internationally too. We give support to countries where drowning rates are significant, and work with like-minded organisations to raise awareness of the problem globally and how we can address it together.

These lifesaving activities are underpinned by people and initiatives that raise funds and ensure that we are well-governed and compliant.

POWERED BY PASSION, TALENT AND KINDNESS

Volunteers are at the heart of our charity, supported by expert staff to enable communities to save lives. Around 95% of RNLI people are volunteers – including around 5,600 crew members, 3,700 shore crew (including station management), 82 lifeguards and 23,000 fundraisers. Thousands more dedicated volunteers raise awareness, give water safety advice and help in our shops, museums and offices.



5,600+
VOLUNTEER
CREW MEMBERS



1,646
TOTAL LIFEGUARDS
(1,564 PAID AND 82 VOLUNTEERS)

AROUND
95%
OF RNLI
PEOPLE ARE
VOLUNTEERS

OUR IMPACT IN 2021

RNLI people saved hundreds of lives and protected many thousands of others during another extraordinary year.

Our 238 lifeboat crews continued to launch around the clock in 2021, with lifeguards returning to full service on 245 of the UK's busiest beaches.

When it came to the sheer number of people assisted, our lifesavers faced their busiest summer on record. Together they aided 35,247 people in just 3 months – seeing a significant surge in rescues involving watersports and other leisure activities.

There was an increase in migrants trying to cross the English Channel throughout the year too. Lifeboat stations on the south-east coast of England continued their humanitarian work here, with the Coastguard

tasking our volunteers to save lives in incredibly challenging situations that were often under intense media scrutiny.

Overall, RNLI lifeboat crews aided 12,903 people in 2021 (8,344 in 2020), saving 296 lives (243). Our lifeguards aided a further 40,762 individuals (25,915), saving 112 lives (113).

Our water safety teams prevented many others from getting into danger in the first place. In partnership with Her Majesty's Coastguard and the Gaelic Athletic Association, we reached more than 27M people with early advice on how to keep their families safe at the beach. More than 80% of

the target audience saw those messages at least five times, with our children's seaside safety TV advert being viewed more than 76M times. Thousands of young people took part in Swim Safe sessions or logged on to our virtual presentations, while more local businesses joined our Ambassador Scheme to help spread our messages even further. We also forged a new partnership with the Black Swimming Association to reach more diverse communities around the UK and Ireland.

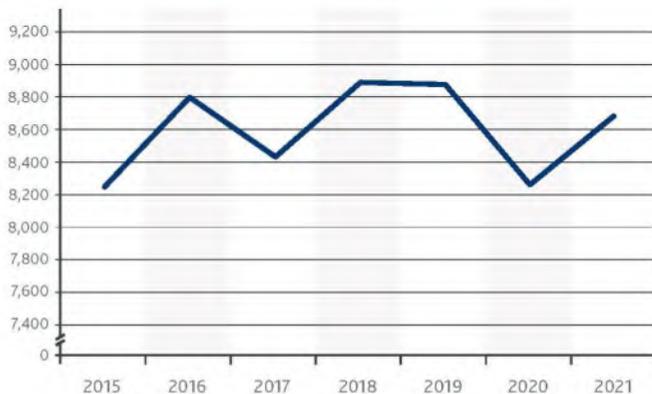
The RNLI continued to take action on global drowning, working with priority countries and the United Nations (UN) – which saw all 193 member states adopting an historic UN resolution on global drowning prevention.

Following what we had learned in 2020, our teams continued to unite the RNLI's core

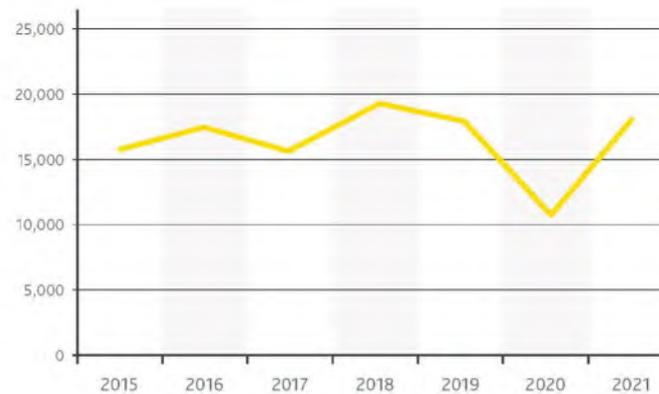
services of lifeboats, lifeguards and water safety. This enhanced our overall lifesaving effect, while continuing to make the safety of our people a priority. With the pandemic seriously affecting the safe delivery of training to our flood rescue volunteers, the RNLI declared itself unavailable on DEFRA's national flood rescue asset register in the latter half of 2021. This decision will remain throughout 2022 but we will continue to review and monitor potential future demand.

Read more about our plans and performance in detail, on page 18.

LIFEBOAT LAUNCHES



LIFEGUARD INCIDENTS

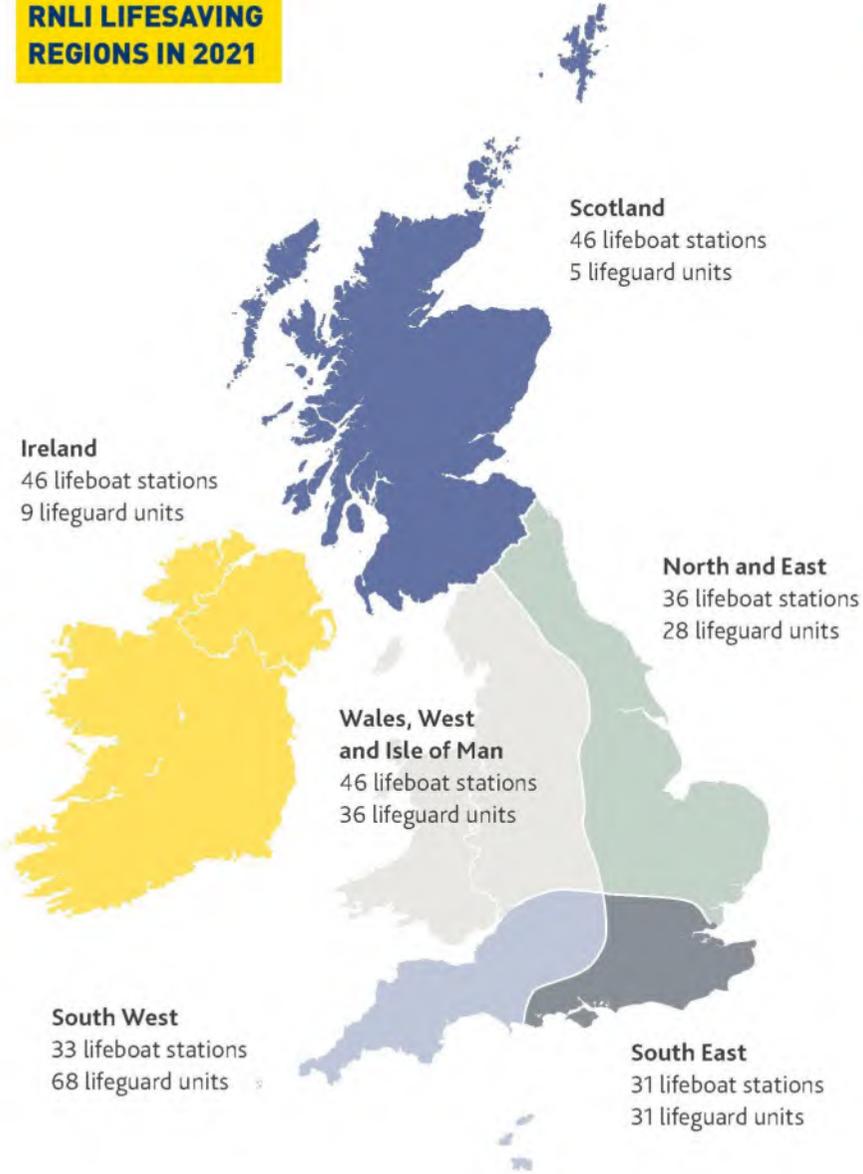


408
LIVES SAVED BY
RNLI CREWS AND
LIFEGUARDS
[349 IN 2020]

53,665
PEOPLE AIDED BY RNLI
CREWS AND LIFEGUARDS
[33,546 IN 2020]

35 PEOPLE AIDED EACH
DAY ON AVERAGE BY
LIFEBOAT VOLUNTEERS
[23 IN 2020]

**RNLI LIFESAVING
REGIONS IN 2021**



LIFESAVERS RECOGNISED



Lifeboat crews from Dunmore East, Kilmore Quay and Rosslare Harbour were recognised in 2021 for saving nine lives and preventing a cargo ship from hitting rocks in a fierce gale off the Irish coast. Coxswains Eugene Kehoe (left), Eamonn O'Rourke (top) and Roy Abrahamsson (above) were honoured with RNLI Bronze Medals for Gallantry for their parts in this challenging rescue. See the Spring 2022 issue of *Lifeboat* for the full story.

Lifeboats

Our volunteer lifeboat crews have been saving lives for nearly 200 years. Their work remained at the heart of the RNLI in 2021.

Together with shore crews and other station volunteers, RNLI lifeboat crews provided a ring of safety around the UK and Ireland. They remained ready to launch 24/7 from 238 lifeboat stations throughout another challenging year.

With continued restrictions on overseas travel, many people flocked to our beaches and coasts rather than holidaying abroad. This resulted in huge numbers getting into danger in and around the water – and our crews facing an extremely busy summer. In June, July and August alone, lifeboat volunteers aided 4,939 people – the highest number on record for that period.

Overall, lifeboat crews launched 8,868 times, aided 12,903 people and saved 296 lives. 3,622 lifeboat services were carried out in darkness and 84 were in at least force 8 conditions. Once again, Tower and Southend-on-Sea were our busiest overall and coastal stations respectively, with inshore lifeboat crews carrying out the majority of total launches.

To delve deeper into the numbers, download *RNLI 2021 Operational Statistics* at RNLI.org/OperationalStats2021.

Lifeboat crews depend on well-maintained rescue craft, regular training, the best personal protective equipment and robust shore facilities to save lives. Providing this level of operational support under the varying national and regional restrictions of

2021 was a massive undertaking and saw everyone pulling together as One Crew.

We continued to provide our lifesavers with the best crew kit and millions of items of medical-grade PPE to keep them and the public safe. We also delivered new sea towing equipment to every all-weather lifeboat station.

Covid-19 restrictions slowed lifeboat construction and maintenance in the first quarter of the year. But by adapting processes, shifts and ways of working, engineering staff were able to complete four new Shannon all-weather lifeboats, two Shannon launch and recovery systems, six Atlantic 85 lifeboats, nine D classes and carry out many more refits and urgent repairs. Meanwhile, the Estates Team completed four new station builds and got eight more major construction projects under way, including one for a new floating station at Tower.



Due for completion in 2022, the new RNLI boathouse at Wells will house the crew's new Shannon class lifeboat *Duke of Edinburgh*, alongside their existing inshore craft

Crew training and assessments continued apace to catch up on the backlog of 2020. Again, restrictions meant a slow start but face-to-face training and seagoing exercises soon returned to near normal. We also increased capacity for our crew emergency procedures courses at the Sea Survival Centre, with our training teams hosting

more than 30 specialist webinars and online courses throughout the year so crews could enhance their skills despite not being able to travel.

We were only able to provide them with this vital support thanks to ongoing public donations.



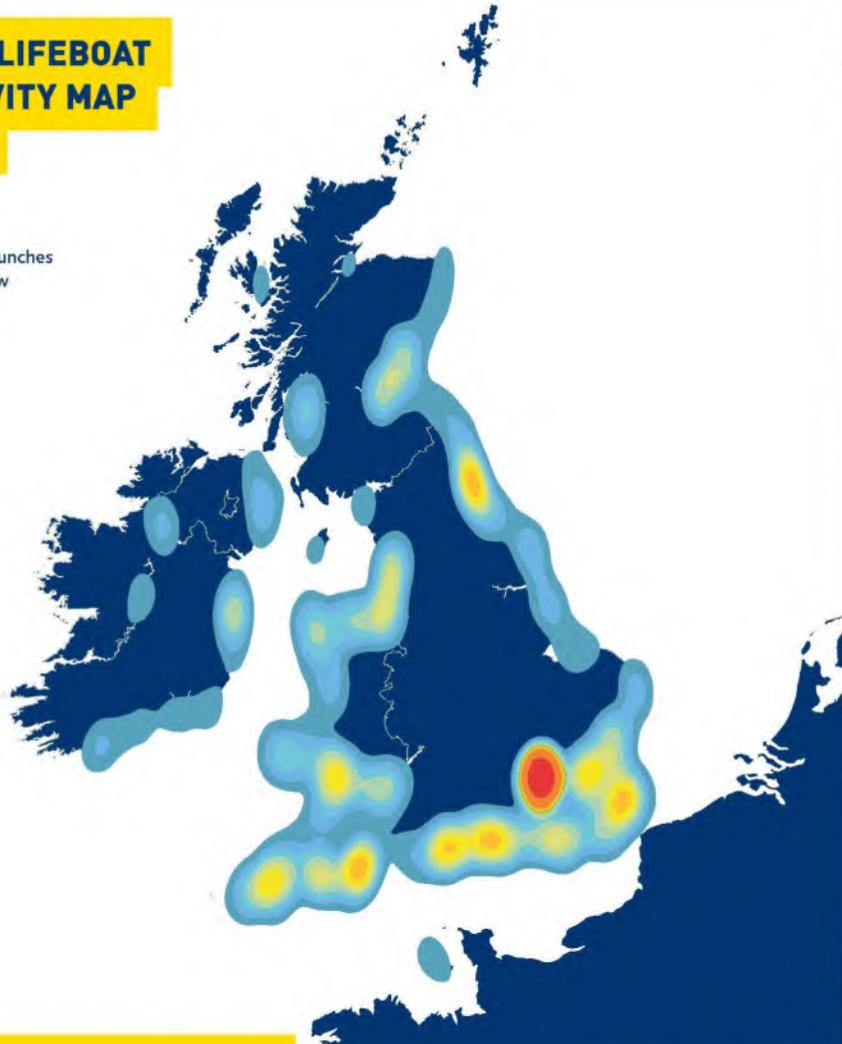
4,692
CREW ATTENDED
TRAINING SESSIONS
DELIVERED BY RNLI
COLLEGE TEAMS
(including online courses and webinars)

220+
LIFEBOATS REFITTED,
MODIFIED OR REPAIRED
(75 in 2020)

19 
NEW LIFEBOATS
CONSTRUCTED
(10 in 2020)

RNLI LIFEBOAT ACTIVITY MAP 2021

Lifeboat launches
High to Low



55,542

CREW HOURS AT SEA

[49,961 in 2020]



8,868

**LIFEBOAT
LAUNCHES**

[8,254 in 2020]

Shoreham's all-weather crew punch through rough seas onboard Tamar class lifeboat *Enid Collet*

**'I can't thank the
lifeboat crew enough.
They saved my life'**

FISHERMAN SAVED BY SHOREHAM
LIFEBOAT CREWS IN JULY 2021 AFTER
HIS BOAT CAPSIZED AND SANK



CASE STUDY

Expert skills, immense courage

Salcombe lifeboat volunteers were honoured in 2021 for the dramatic rescue of two people from a yacht that was aground in a severe gale and in pitch dark.

The lifesavers launched their all-weather Tamar class lifeboat just after 4am on 21 December 2020 to find an 8m yacht trapped on rocks, inside a tall gully near Start Point. Conditions at the scene were horrendous – with force 9 winds, huge breaking waves and driving rain.

RNLI Salcombe's Coxswain/Mechanic Chris Winzar knew the situation was critical. The battered yacht was at risk of breaking up and the lives of those onboard were in imminent danger. With the water too shallow to get the Tamar in close, the only option was to attempt a rescue with the lifeboat's daughter craft, the Y boat. Given the conditions, it was a high-risk strategy but Deputy Second Coxswain Richard Clayton and Crew Member Iain Dundas immediately volunteered for the task.

With Richard at the helm, the pair employed expert boat-handling skills and precise timing to keep the small inflatable



Honoured for saving two lives in horrendous conditions (l-r): Salcombe's Coxswain/Mechanic Chris Winzar, Deputy Second Coxswain Richard Clayton and Crew Member Iain Dundas

'Our crew demonstrated skill, tenacity and leadership – as well as immense courage and selflessness'

ANDREW ARTHUR | LIFEBOAT OPERATIONS MANAGER, RNLI SALCOMBE

Y boat upright on their approach. Inside the gully the two casualties were cold and scared, and one was feeling unwell. By now their yacht was partly submerged and they eagerly awaited rescue.

In the dim light provided by Coastguard teams from the cliffs above, Richard

and Iain managed to successfully bring the casualties onboard. With the Y boat now fully laden, it took considerable skill and tenacity to safely exit the gully and navigate back to the Tamar lifeboat. Once onboard the larger all-weather craft, our volunteers carried out casualty care on the two people before getting them safely back to Salcombe for around 7am.

For their critical roles in this rescue, Richard and Iain will each be awarded RNLI Bronze Medals for Gallantry. Chris will be accorded the Thanks of the Institution Inscribed on Vellum.

Visit [RNLI.org/magazine](https://www.rnli.org/magazine) to read about more 2021 lifeboat rescues.



'I joined Tower crew after seeing the incredible work they do. Watching them rescue someone was so emotional. I knew I wanted to join the team'

HOLLY MCGLINCHEY
VOLUNTEER CREW MEMBER | TOWER



Holly McGlinchey has been on the volunteer crew at Tower Lifeboat Station for 4 years. In 2021, she helped to launch their appeal for a new floating boathouse that will better serve the crew and the people they save in the heart of London

200th anniversary

RNLI
200
1824-2024



His Royal Highness The Prince of Wales climbs onboard Hastings lifeboat to chat with the crew in 1927

200 years ... and counting

2024 marks the RNLI's 200th birthday. With you by our side we'll commemorate our past, celebrate today's lifesavers and inspire a new generation.

Ever since the RNLI was formed on 4 March 1824, a year hasn't gone by without outstanding rescues, leaps in lifesaving progress and bravery amid unforgettable storms.

Courage, selflessness and innovation have propelled our lifesavers through busy summers, wild winters, wars, pandemics and political crises. So, in 2024, there will be many ways to reflect on our charity's remarkable heritage, including a full programme of exciting events and activities.

Keep up to date with events near you at RNLI.org/2024

CASE STUDY



Hoylake's hovercraft volunteers looking forward to a thorough washdown

'I've never seen mud like that'

Hoylake RNLI's hovercraft crew joined forces with other emergency services in February 2021 when a woman and her daughter got stuck deep in mud on the Wirral coast. The scene was hazardous following a landslide and, with the tide coming in fast, the pair were in serious danger. Working by hand, it took our volunteers and a fire crew an hour to dig the pair out of the thick mud. One had a twisted ankle but, other than that, both mother and daughter were unhurt and the hovercraft flew them to safety.

'It was incredibly viscous mud. In all my time on the crew, I've never had to deal with a situation like that'

DAVE NOBLE
CREW MEMBER | HOYLAKES RNLI

Lifeguards

With people swapping holidays abroad for staycations and coastal visits, 2021 brought one of the most challenging summer seasons ever for RNLI lifeguards.

Returning to full strength following a reduced service in 2020, our lifeguards delivered vital lifesaving services across the UK and Channel Islands – responding to changing restrictions and guidance quickly and efficiently.

They kept watch over more than 20M beachgoers, delivering more than 26,100 days of patrols and carrying out more than 3.7M preventative actions across 245 of our busiest beaches. They attended 18,180 incidents, aiding 40,762 people with everything from rescue and casualty care to searches for missing persons, and saved a total of 112 lives.

This was thanks in part to the successful delivery of the required lifeguard training and checks earlier than usual – including the full induction of 1,494 new lifeguards, the training and assessment of 142 senior lifeguards, and the training or upskilling of 77 new trainer assessors. Intelligence gathered by lifeguards, staff and volunteers monitoring beaches and the coast pre-season helped set the right level of preparations, and we looked to emerging technologies to help us enhance that data gathering in the future too. One example was image recognition, where we explored the use of existing beach cameras to analyse trends in attendance and water activity.

We continued to strengthen our partnerships with national lifesaving bodies and surf lifesaving clubs in 2021. Lifeguards worked with lifeboat crews and RNLI water safety teams closer than ever, combining resources and delivering a suite of prevention programmes to make the coast as safe as possible. We also fully assessed another 10 non-RNLI beaches – highlighting hazards and suggesting control measures to help local authorities and private beach owners plan comprehensive beach safety management strategies.

For more detail on our lifeguarding activities, and the challenges the service faced in 2021, download the *RNLI Lifeguards Report 2021* at RNLI.org/LifeguardsReport2021.



Bournemouth lifeguards Lydia Bingham and Oli Taylor hone their rescue skills with the rescue watercraft



Lifeguard Ben Colling patrols the beach at Withernsea, looking to stop people getting into danger in the first place. He is also a volunteer crew member at Filey Lifeboat Station



CASE STUDY

'It was like being in a washing machine'

Mawgan Porth lifeguards were honoured for saving the life of a swimmer who was swept out to sea.

Retired police officer Jon Marshall was paddling at Mawgan Porth Beach in June 2021 when he was suddenly caught in a powerful rip current. He knew the RNLI's safety advice and tried to float calmly, resisting the urge to thrash around. But then he found himself in the grip of a second current and was soon far out at sea. 'The swell was taking me under, I was rolling,' he says. 'That's when I thought: "This is it".'

What Jon didn't know was that our lifeguards had already spotted him, with Alex Ashen and Tori Farmer swiftly arriving on scene moments later. Alex's attempts to grab Jon and pull him onto his rescue board were thwarted time and again by the powerful swell and currents. At one point, one of their rescue boards was whipped away. But our lifesavers weren't about to give up – they battled to keep Jon afloat in the powerful vortex for at least 20 minutes.

Back on shore, lifeguard Theresa Morokutti launched the rescue watercraft



Jon says he is 'indebted forever' to his lifeguard rescuers Alex (left) and Tori (right) after they saved him from a rip current

(RWC) and headed straight for the group. Sea conditions meant that manoeuvring alongside the casualty was a serious challenge, plus Jon was exhausted which made it difficult for him to grab on to the RWC when it arrived. 'I lost my grip on the first attempt but the lifeguards' encouragement gave me the strength to drag myself onto the back.'

Theresa then powered them back to the beach. Jon says: 'It was only when I lowered my foot and touched something solid that I thought: "Oh thank God." I hope they know how much I appreciate what they did.'

RNLI Area Lifesaving Manager Dickon Berriman says: 'This rescue took immense skill, determination and fitness. Tori and Alex willingly placed themselves in harm's way to rescue a stranger. Had they not acted as they did, Jon would almost certainly have drowned.'

Tori and Alex will each be awarded RNLI Bronze Medals for Gallantry, while Theresa will receive a framed Letter of Thanks from the Chairman for her vital role in the rescue.

RNLI rescue boards are large surfboards modified for saving lives. Lifeguards use them to cut through waves and move powerfully against rip currents to pull people to safety. Multiple handles make them ideal for rescuing more than one person at a time



'The rip was raging. It was the most physically demanding rescue I've ever been involved in'
TORI FARMER | LIFEGUARD, MAWGAN PORTH

Head to [RNLI.org/magazine](https://www.rnli.org/magazine) for more 2021 lifeguard rescue accounts

Water safety

Our charity continued its critical role in helping to prevent people getting into trouble in the first place.

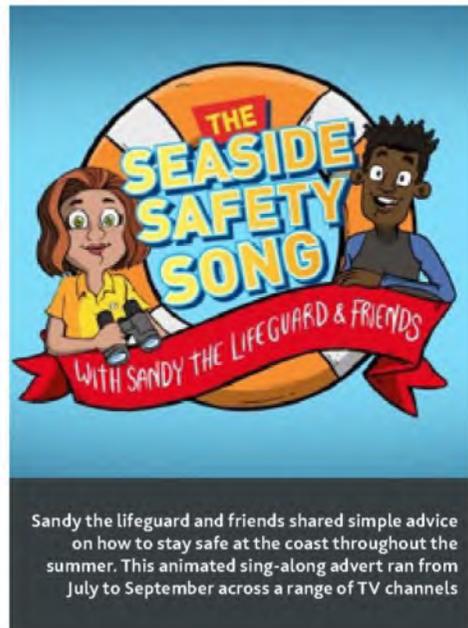
Thanks to what we had learned from 2020 and a new regional structure, the RNLI had the resources and support to closely target high-risk groups and make a greater impact in 2021. Our Water Safety Team worked hand-in-hand with lifeboat and lifeguard colleagues to provide an enhanced service across the board, which included the early delivery of safety messages to critical locations around the UK and Ireland.

While the summer campaign focused on high-risk groups by targeting mums and older

men, we saw our #RespectTheWater moniker adopted by National Water Safety Forum members. Once again, the Gaelic Athletic Association used its social media channels and player ambassadors to promote our Float to Live and cold water shock messages to more than 500,000 of its members across Ireland. We also teamed up with Swim Ireland to host a series of webinars on open water swimming.

More local businesses joined our Ambassador Scheme to help promote our core safety advice, and we worked closely with the Black Swimming Association to understand the barriers to swimming for African, Caribbean, and Asian communities in the UK and Ireland (see right). We reached even more diverse communities through the translation of our resources into 21 languages, including Mandarin and Arabic.

Meanwhile, we continued our work with Swim England to deliver Swim Safe at 17 coastal and inland sites around the UK. This practical water safety programme for young people aged 7–14 taught thousands of children, first-hand, how to transfer their pool skills to the open water. Similarly, the RNLI's Commercial Fishing Team and partners encouraged fishermen to get wet in our survival pool to highlight the risks of not wearing a lifejacket.



CASE STUDY

A lifesaving partnership

In summer 2021, the RNLI formed a new lifesaving partnership with the Black Swimming Association (BSA). Together, we hope to reach more ethnically diverse communities around the UK and Ireland with vital water safety skills and education.

Everyone should have access to water safety advice and be able to learn swimming as a lifesaving skill. But according to Swim England, 95% of black adults and 80% of black children in England do not swim. Meanwhile, research by the Canal & River Trust shows that 14% of the national average population in England and Wales lives within 1km of waterways. This rises to 20% for those from African, Caribbean and Asian heritage – and we know these communities are at higher risk of drowning due to very little or no water safety awareness.

The RNLI and the BSA want to change this and we know we will have a greater impact by working together. The RNLI is very experienced at delivering water safety messages but we know that we're



'We're here to change the narrative and to save lives.'

DANIELLE OBE | CHAIR, BLACK SWIMMING ASSOCIATION

not currently reaching everyone with our advice. Meanwhile, the BSA has the connections with, and understanding of, less engaged ethnically diverse communities. By combining our strengths, we hope to build a joint water safety programme that will create lasting relationships between disengaged communities and the aquatics sector – and to highlight our shared goal of drowning prevention.

27.5M
PEOPLE REACHED WITH
FLOAT TO LIVE OR FAMILY
SAFETY MESSAGES

76M+
VIEWS OF OUR SEASIDE
SAFETY TV ADVERT

9,000+
CHILDREN TOOK
PART IN SWIM SAFE

International

Every other minute, someone in the world drowns. That's 2½ million lives lost in the last decade and almost half of those were children and young people.

The RNLI continued working with international partners and in-country experts in 2021 to help stop these needless deaths, which included supporting the adoption of the first ever United Nations (UN) resolution on global drowning prevention in April.

Planned activities in Bangladesh were again affected by Covid-19. A countrywide lockdown was imposed for almost half of 2021 and regular project activities were paused. With crèches closed and swim survival lessons suspended, the RNLI helped partner organisation the Centre for Injury Prevention and Research, Bangladesh (CIPRB) to reach out to families and communities and encourage them to be vigilant against the risks of drowning.



People around the UK, Ireland and other countries marked the first annual World Drowning Prevention Day on 25 July 2021. We created this sand art at Longsands Beach in Tynemouth on the day to highlight the number of lives lost to drowning. That's a staggering 2.5M deaths in the last decade, which equates to 650 a day or 27 an hour

In Tanzania, we forged new partnerships with organisations working with communities around Lake Victoria, building on research that showed high numbers of drownings related to fishing. In 2021 we supported a small study in seven fishing communities to better understand the risks and use of safety

equipment by fishers, as well as their search and rescue skills and access to facilities. The findings of the interviews and group discussions will inform the next phase of the work, which will identify and start to test drowning prevention solutions with fishers and their communities.

the RNLI has a substantial amount of experience and knowledge to share with lifesaving organisations around the world.

One element of this support includes the sale of retired RNLI lifeboats to other lifesaving organisations. We have a longstanding relationship with Uruguay's volunteer lifeboat service La Asociación Honoraria de Salvamentos Marítimos y Fluviales (ADES), which purchased

three decommissioned Mersey class lifeboats in 2021. At a naming ceremony in Uruguay in December, one of these was named *ADES 28 Grace Darling* in homage to her original RNLI name and after the famous lifesaver. ADES President Jorge Diena says: 'These lifeboats always bring us home to a safe port and, for that, the ADES's big family is extremely grateful.'

SEASAFE PROJECT



The SeaSafe project aims to reduce drowning in and around Cox's Bazar, one of the most popular tourist destinations in Bangladesh, through a year-round lifeguard service on its busiest beaches, water safety information and swim survival lessons for children.

IN BANGLADESH BETWEEN AUGUST AND DECEMBER 2021

6,658 
CHILDREN ON BEACHES RECEIVED WATER SAFETY MESSAGES

38 PEOPLE WERE RESCUED BY SEASAFE LIFEGUARDS

387,629
TOURISTS RECEIVED GENERAL INFORMATION AND SAFETY MESSAGES

CASE STUDY

Sharing expertise

With almost 200 years of lifesaving expertise in the UK and Ireland, and over 10 years working internationally,

Fundraising

Thousands of people across the UK and Ireland came together as One Crew to raise money for our lifesaving charity in 2021.

Although varying restrictions hindered public events for the first half of the year, RNLI fundraisers and supporters found new and exciting ways to keep the pounds and euros rolling in with virtual and other real-life events. Key national campaigns like Mayday integrated community fundraising, online events and cash appeals for the first time – and to great effect. Our seasonal door-drops also worked in tandem with online appeal elements and, by carefully analysing and optimising our website donation pages, we boosted digital income to double that of 2020.

Individuals and groups continued to think smarter online too. Just one example was an interactive fundraiser from Oban RNLI.



Inspired by BBC Two's *Saving Lives at Sea*, Jack (11) and Orson (9) decided to run 100K for the RNLI in February and raised a whopping £1,000. RNLI Helm Chris Gatenby congratulates the boys on their grand finish at West Kirby Lifeboat Station

Crew Member and Press Officer Leonie Mead devised and illustrated the hidden object game *Where's Welly* which was a fantastic way of raising awareness, funds and some much-needed fun at a time when people were feeling isolated.

The return to face-to-face engagement through shops, station open days, naming ceremonies and events was long anticipated. We were almost back to full strength by the autumn, with the majority of local RNLI shops reopening and hundreds of branches getting back to what they do best.

Launch a Memory, where supporters can add the name of a loved one to the side

of a lifeboat for a donation, continued its success in 2021. The call for Wells-next-the-Sea's new Shannon, had an incredible response and we are proud that this craft will be named in memory of HRH The Prince Philip, Duke of Edinburgh.

Meanwhile, the RNLI launched an exciting new partnership with Burts Snacks in June. The Plymouth-based company is raising awareness of our work and sharing vital water safety advice on special packs. The 2-year partnership is worth £50,000 a year to our charity. We also signed a new partnership with Kärcher UK. This deal is worth at least £500,000 to the RNLI over the next 4 years, with the company providing professional cleaning equipment to every RNLI lifeboat station and launching a whole raft of fundraising activities.

Of course, the media played its part in raising awareness again. Season six of BBC Two's *Saving Lives at Sea* continued to thrill audiences and remind them of our humanitarian work – and perhaps one positive from the negative press we received surrounding the rescue of migrants in the English Channel last year was the unexpected boost of additional income from thousands of new donors.

Our fundraising methods continued to adapt to the pandemic throughout 2021 and together we managed to generate more than £210M of fundraising and trading income. Thank you so much for playing your part in this and helping us to save every one.

Find out more about the RNLI's finances on page 24.



Supporters recreate the first-ever fundraising street collection in Manchester – 130 years later. The original RNLI collection was in response to the Southport and St Anne's lifeboat disaster in which 27 lifeboat volunteers died trying to rescue the crew of the barque *Mexico*.

WHERE YOUR MONEY GOES

83p/83c in every £1/€1 donated funds our lifesaving activities

17p/17c is used to generate more funds



CASE STUDY



Mayday hero

Pushing herself in her wheelchair, a mile a day for 7 days, was a huge challenge for Kristina Jackson in 2021 – all for the RNLI’s Mayday Mile.

‘I live close to Cardigan and New Quay lifeboat crews, and see all the great work they do. It was my dream to volunteer as crew one day but Ehlers Danlos Syndrome took that away. It’s a rare condition caused by a faulty gene. It affects all my joints and connective tissue so I have to use a wheelchair to get about.

‘Raising funds is the best thing I can do where I’m at now. I’ve always been an outdoor kind of girl and I do love a challenge. I did some training to build myself up and was blown away by the support I got from people. I had over £150 in sponsorship so was absolutely determined to go through with it.

‘My daily route took me through a wildlife reserve, alongside the River Teifi. There were some really tough moments getting up the inclines but I gritted my teeth and didn’t give in. At the end of the week, I was buzzing!’

CASE STUDY

From tiny acorns

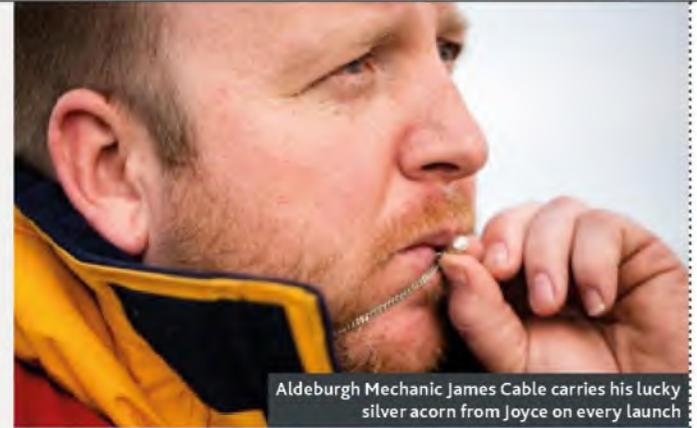
Legend has it that carrying acorns will bring you good luck. Nowhere is this belief stronger than at Aldeburgh Lifeboat Station.

It grew from real-life tragedy when, in December 1899, seven Aldeburgh lifeboat volunteers were lost during a rescue in ferocious seas. Afterwards, Crew Member Augustus Mann believed his survival was down to the lucky acorns he had in his pocket. Those same three acorns have been carried on Aldeburgh lifeboats ever since.

This story touched Joyce Powell, a chartered accountant from Winchmore Hill in London, who spent many summers enjoying concerts and music festivals in Aldeburgh. It was here she developed a strong interest in – and respect for – the lifeboat volunteers.

On the 100th anniversary of the disaster Joyce hosted a dinner for all 50 of the station’s volunteers, giving each of them a silver acorn. That remains a precious moment for them but it wasn’t until Joyce’s recent passing that they realised she had greater ambitions. Joyce had left them a generous gift in her Will, which will not only fund the launch and recovery system for their new Shannon lifeboat but also help with shoreworks to prepare the station for its new craft in 2022.

Following Joyce’s wishes, the state-of-the-art rig will be named *Ralph*. The name is something of a riddle but Joyce’s sister believes it could be a special someone from Joyce’s student days at Moscow University. So, as well as having their lucky acorns, the crew will now have Joyce and mystery man Ralph powering every launch.



Aldeburgh Mechanic James Cable carries his lucky silver acorn from Joyce on every launch



Joyce’s legacy will fund a Shannon launch and recovery system for the station, like this one at Hoylake

6  **10**
OUT OF

LIFEBOAT LAUNCHES ARE ONLY POSSIBLE DUE TO GIFTS LEFT IN WILLS

OUR PLANS

This section looks at the RNLI's performance in 2021 and lays out the key areas of focus for 2022 to help us achieve our strategic outcomes.

After a year of disruptions due to Covid-19, the RNLI set out its 2021 plans with cautious ambition. We knew we needed to get back on track with the commitments set out in *Our Watch: RNLI Strategic Intent 2020–24*, but we also knew we needed to remain flexible to respond to potential future disruptions.

We navigated our way through 2020 with a clear focus on expenditure control while ensuring the continuing delivery of our lifesaving effect. This provided the opportunity in 2021 to scale up our plans to invest in fundraising, engineering and technology while also finishing the key initiatives that had already begun.

As the backdrop for our 2021 plan included ongoing uncertainty around both Covid-19 and Brexit, we put additional controls in place to enable us to carefully monitor our finances and ensure that we remained cautious and ready to respond if circumstances changed. This helped us continue protecting the sustainability of the RNLI.

Just 4 days into the year, a third national lockdown was announced in England – in addition to continued restrictions across different jurisdictions in the UK and Ireland. We reviewed our plans in response, while retaining the focus on protecting our core

services, our people and the sustainability of the RNLI as we had done throughout the pandemic. As a result, we took decisions that slowed down or paused some non-core or developmental activities, creating the organisational capacity for teams to focus on critical services.

As restrictions eased, we resumed the activities which had been slowed or paused on a phased basis, remaining ready to respond again if circumstances changed. Fast forward to September 2021, and almost all activities were back under way or had been built into our 2022 plans.

There is much to celebrate: the RNLI achieved a great deal in 2021, as detailed in pages 6–17 of this report. The continued resilience of our volunteers and staff was critical to this success. To show our appreciation, we celebrated our incredible volunteers with a special series of talks to mark Volunteers' Week in the UK and Volunteering Week in Ireland.

Our evolving regionalisation project played a part in these achievements too. Throughout 2021 we worked to bring greater clarity to roles and responsibilities with a view to moving decision making away from the centre and closer to the point of operation. A key part of the regionalisation work is around safety and assurance and we appointed a Safety and Independent Assurance Director who reports directly to the Chief Executive (but not a member of the Executive Team). The aim of the regionalisation work is to provide greater agility and quicker decision making to ensure the most effective delivery of our lifesaving services.

MEASURING 2021 PERFORMANCE

We track our performance as an organisation against the six Strategic Outcomes articulated in *Our Watch* (following page). We consider performance from a range of perspectives in a single integrated review that covers measures, strategic projects and risk to provide a more complete picture of how the RNLI is progressing towards its goals. At the end of each quarter, key performance headlines are shared with volunteers and staff – giving an opportunity for everyone to pause, reflect on how we are doing, and keep a firm eye on our mission of saving lives at sea.

The number of lifeboat launches reduced slightly in 2021 but the number of people we rescued and aided increased substantially. What we have seen is the powerful effect of enabling our three strands of lifesaving – lifeboats, lifeguards and water safety – to work together and maximise the impact of our combined service.

In 2021 we refreshed our communications to volunteers and staff to help bring the impact of their work to life. It was good to see that staff engagement levels came in above target – a strong testament to the One Crew ethos that we strive for. We also conducted a full volunteer survey in 2021 and look forward to using the results of this to better understand the experience of volunteers and how we can best support them.

Meanwhile, work to develop our safety culture across the organisation resulted in an increased level of safety reporting across RNLI sites. It is critical that we continue to

2021: GETTING BACK ON AN EVEN KEEL

We set out four main priorities for 2021, based on learnings from 2020. They aimed to balance our ambition against a backdrop of continued uncertainty:

1. As a lot of our 2020 commitments were disrupted, we needed to get back on track and finish the key activities that we started the previous year.
2. The challenge of 2020 had emphasised the need for strong and reliable income streams to support us in present and the future. This meant we needed to continue to invest in income generating activities more than ever.
3. We had seen our lifesaving services of lifeboats, lifeguarding and water safety unite to deliver the best possible lifesaving effect during summer 2020, given the challenges and constraints of the Covid-19 situation. We wanted to retain that momentum and look at how we could continue to improve our lifesaving effect in 2021 based on the positive learning from the previous year.
4. We also committed to continuing to meet the regulatory and statutory obligations that we cannot lose sight of, despite the disruptions of the environment we were operating in.

promote this to ensure that we deliver the strategic outcome of keeping our people safe.

CONCLUSION

In 2021, the RNLI continued to navigate uncertainties created by the pandemic alongside running and supporting the service to the standards we expect. We had some limited capacity to catch up on the things we had to put down in 2020. We are confident that we focused on the things that mattered most, given the constraints: ensuring the delivery of the service and protecting the RNLI for the future.

OUR PLANS FOR 2022: BOUNCING BACK

We look forward to taking more confident steps forward in 2022 to fulfil our broader ambitions. It will be a year of bouncing back. We have delivered our services carefully and efficiently over the past 2 years, which has enabled us to invest more in our 2022 plans, especially in priority areas such as our lifesaving effect and income growth.

While we recognise that we are coming out of the pandemic in a stable financial position, this is largely due to expenditure dropping significantly – Covid-19 restrictions forced us to reduce a lot of our planned activity.

Our focus for 2022 is to get back on track to deliver the commitments in *Our Watch*, which we published in 2020. The focus on finish and fix remains, but we have now built more growth and ambition into our plans.



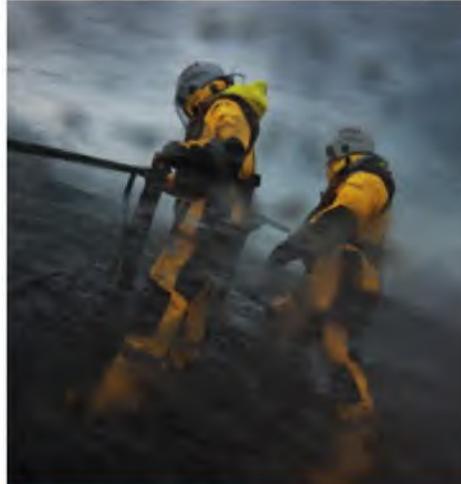
Kilmore Quay volunteers hit rough seas in their Tamar class lifeboat Killarney

OUR OUTCOMES

Our plans for the next 5 years are guided by our Six Outcomes.

Achieving these Outcomes will result in our saving more lives, while ensuring the safety of our volunteers and securing the future of our charity.

OUR SIX OUTCOMES



1

WE KEEP OUR PEOPLE SAFE

- By giving volunteers and staff the training and tools to keep themselves safe.
- By improving the technology and equipment on our boats and beaches.
- By providing trauma risk management and mental health first aiders.

Measured by incident trends.

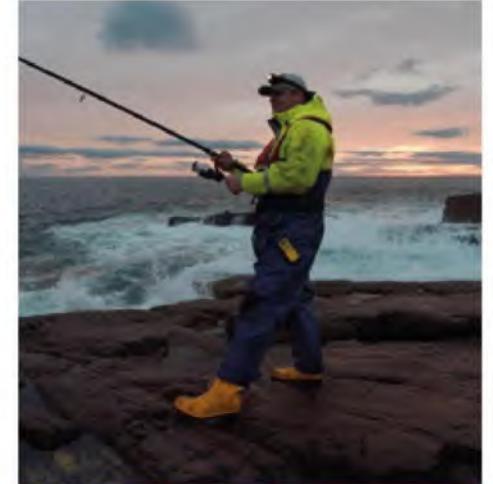


2

WE FOCUS ON WHAT WILL SAVE THE MOST LIVES IN OR NEAR THE WATER

- By ensuring we have the right people and assets in the right places.
- By upgrading our infrastructure, asset base and networks.
- By working with partners to understand and prepare for the lifesaving challenges of the future.

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



3

WORKING WITH PARTNERS, WE INFLUENCE IMPROVED SAFETY ON AND BESIDE THE WATER

- By focusing on the highest-risk locations and activities at home and internationally.
- By forging and maintaining strong partnerships with like-minded organisations.
- By working together to build awareness, gather evidence and develop effective interventions.

Measured by reduction in coastal risk score in the UK and Ireland, and data related to our targeted international activities.

HOW WILL WE DO THIS?

HOW WILL WE KNOW WE ARE SUCCEEDING?



4
OUR PEOPLE LOVE BEING PART OF THE RNLI

- By upscaling our training and providing greater development opportunities for everyone.
- By attracting more volunteers and staff from a variety of backgrounds.
- By providing greater support to our volunteers and staff.

Measured by staff and volunteer engagement in our regular surveys.



5
WE RAISE THE FUNDS WE NEED AND SPEND DONORS' MONEY WISELY

- By diversifying our income sources and focusing on commercial opportunities.
- By engaging with new audiences and inspiring our existing supporters.
- With continued rigour in our financial discipline, making every penny and cent count.

Measured by annual donations and our level of free reserves.



6
OUR FUTURE IS SUSTAINABLE AND SECURE

- By reaching out to younger generations.
- By maximising the impact of our Poole campus as a manufacturing, training and heritage centre to support the whole RNLI.
- By creating a sustainable strategy and roadmap to 2050.

Measured by the level of organisational risk we are carrying, and the development of our 2050 roadmap.

HOW WE APPROACHED OUR PLANNING FOR 2022

The starting point for our 2022 plans was *Our Watch*. As well as getting back to building our future, we have some other more immediate priorities for 2022. The plan centres around One Crew working to enhance our lifesaving effect and making some necessary improvements to how we work and how we protect our people.

While we hoped that we would be operating in greater certainty and less volatile times in 2022, we took our learnings from previous years and continued to plan based on a scenario of periodic disruption, with the readiness to adapt as circumstances change.

We continued to strengthen our planning approach, creating an even greater connectivity between our activities and resources through to the impact they will have in terms of strategic performance and risk. To support this, we set three guiding principles for our 2022 plan. We will:

1. focus on what we know we need to deliver in 2022, informed by *Our Watch*
2. create realistic plans, retaining space to remain adaptable, and
3. work together to build one cohesive RNLI plan.

We knew that we had an opportunity for greater investment in 2022, based on the careful financial control and delayed activities during the pandemic. This allowed us to create a plan with targeted investment to enhance both lifesaving and fundraising.

2022 PLAN OVERVIEW

Our 2022 plan is about bouncing back from a period of uncertainty, taking the opportunity to invest in our future with a particular focus on enhancing our lifesaving effect, growing our income and making key improvements to support the RNLI both now and in the future. In 2022, we will also develop our new 5-Year Plan. This will build on the strategic intent set out in *Our Watch* while considering other factors that have emerged since it was published in 2020.

Here are just a few of the key areas of investment in 2022 that will help us to improve our lifesaving effect with a continued focus on achieving our vision to save every one:

- We will continue to invest to support our increasing operational footprint as well as continuing to develop and embed our safety management systems and culture.
- Invest in the lifeguard service as part of our continued drive to build on our 20-year history in this important part of our lifesaving effect. This will improve our retention of, and forge a career path for, both long-term seasonal

lifeguards as well as those that work with us as part of their graduate experience. The investment will also be an enabler for stronger contracts with new and existing partners and authorities.

- We will focus on water safety messaging and support through our partnership with the Black Swimming Association. This will accelerate and improve water safety education in African, Caribbean and Asian communities across the UK and Ireland.
- The IT network across our stations will be upgraded, giving lifeboat stations that currently have poor broadband the ability to connect at speed, which will also set us up for the future as new technologies become available across our communities.
- We will work on implementing a new learning management system to help our crews plan and record their competency development. Once we have successfully embedded this system for crews, we will extend it to lifeguards and the wider RNLI.

- In our international work, we will expand our commitments with partners in Bangladesh to build on the successes of the first phase of Project Bhasa and help secure more funding to scale up drowning prevention efforts.
- In Tanzania, we're working with local organisations to understand the drowning risks faced by fishers on Lake Victoria who have a dangerous job in an often-treacherous location – and we're starting to explore some possible solutions with local communities.
- We'll also be using the UN resolution to form new alliances with organisations that can make a real difference, and encouraging everyone to mark World Drowning Prevention Day on 25 July.

To support the continued investment required to achieve our vision, we will also need to grow our income over the coming years. So, in 2022, we will:

- for the first time ever, run face-to-face activities 365 days of the year with the aim of attracting new supporters in more diverse locations
- invest in events and logistics space to support regional teams as they deliver community events



Lifeguard Daisy Evans keeps an eye on beachgoers at Withernsea. In 2021 Daisy and fellow lifeguard Ellie Hughes gave essential first-aid to an elderly lady who fell onto rocks at the water's edge



Newbiggin's Lifeboat Operations Manager John Bryan updates the crew's mission briefing board as part of his volunteer duties

- provide support for volunteer recognition events and recruit more legacy engagement managers to cover every region, and
- use digital marketing to improve our reach, enhancing our water safety work and attracting new supporters, volunteers and employees. This will also help us find new ways to celebrate the RNLI's 200th anniversary.

We will also focus on areas where our people can work more collaboratively. A 3-year programme to replace our computer software will aim to drive greater effectiveness and efficiency through an easier staff and volunteer user experience, simplification of critical processes and better decision-making enabled through increased confidence in the flow of data.

We will continue to embed our regional ways of working, putting the people we serve at the heart of everything we do. This includes ensuring we have clear roles and responsibilities, making decisions and delivering support and expertise as close as possible to where it is required, in the most effective and timely way.

And, of course, this activity will be delivered alongside ensuring that we provide a 24/7 rescue service at 238 stations, provide supervision on 245 beaches, run 172 RNLI shops and everything else we do to keep saving lives at sea. By delivering our plan, we will:

- have enhanced our lifesaving effect through our water safety, lifeguarding and lifeboat service to deliver the RNLI's vision to save every one
- be providing better support to our frontline volunteers to make sure we have set them up for success
- have grown our income to enable us to invest in enhancing our technology and lifesaving assets, and also have invested in income growth for the future
- have improved our efficiency and capabilities to set us up for delivering the future needs of our charity while ensuring we're spending our donors' money wisely
- have strengthened our compliance and will have reduced the threat of some of our most critical organisational risks to ensure we're protecting our people and the RNLI's future.

SUMMARY

To achieve our vision we must work tirelessly to help keep every individual safe in and around the water. 'To save every one' is ambitious but this is why our lifeboat crew, lifeguards and water safety teams do what they do – because anyone can drown, but no one should.

Next year's plan is also ambitious as we seek to make accelerated progress following 2 years of impact from the pandemic. We are One Crew. We have learned to cope in

unpredictable and often challenging situations, we've responded well to the pandemic, and we are stronger for it.

Our lifesaving is powered by passion and dedication, and in 2022 we will bounce back with clarity and confidence in our plan.

Visit [RNLI.org/OurWatch](https://www.rnli.org/OurWatch) to read more about our strategy and to download *Our Watch: RNLI Strategic Intent 2020–24*.



Crew Member Becs Miller takes part in a night-time search and rescue exercise onboard Dunbar's Trent class lifeboat *John Neville Taylor*. More than 40% of all 2021 lifeboat launches were carried out in darkness

FINANCIAL REVIEW

FOR THE YEAR ENDED 31 DECEMBER 2021

2021 was another year challenged by pandemic disruption and general uncertainty. Despite this, income continued to build steadily thanks to the generosity of our supporters. However, ongoing disruption meant that charitable spend was less than planned in 2021, although greater than 2020 levels where more lockdowns were evident. As a result, the RNLI remains in a healthy financial position and is planning to increase spend significantly in the next few years.

Charitable spend increased in 2021 by 15% against a suppressed 2020 position, but this is still falling short of where we wanted to be as disruption continued in 2021. Both the lifeboat and lifeguard rescue services returned to more usual levels of spend with an increase of £10.4M in comparison with 2020, when disruption was much more severe. There was also a £10.9M increase in investment in lifeboats, property, and equipment as we were able to increase construction and maintenance activity.

However, the pandemic continues to cause delays, especially impacting our property programme – including the deferral of eight lifeboat station development projects totalling £14.4M, and a further £2.2M of property maintenance. These activities have been moved into 2022 and beyond.

International work remained severely disrupted, mainly due to national lockdowns in our programme countries, ending the year 16.0% below 2020 and 43.2% below 2019 spend.

It was a strong year for income, ahead of both 2019 and 2020. Legacy income remained

robust with an increase of £6.1M (4.6%) over 2020 levels. Fundraised and commercial income was higher than ever at £66.2M (an increase of 30.8% over 2020) as fundraising branches and shops were able to operate again for most of the year. Charitable trading represents income from local councils for the lifeguard service and this increased by £1.6M (61.5%) as the service returns to normal. Other income reduced where we only received a small amount of government support from wage subsidy schemes (£0.5M), substantially less than the £6.1M that was needed in 2020.

Free reserves increased by £8.7M in 2021 and remain at the upper end of the range prescribed by the Trustees, but there is every intention to spend some of these reserves in 2022 to catch up on the delayed activities and bring this back to the middle of the range set by Trustees.

FINANCIAL ANALYSIS

The analysis in this review has been produced to simplify the financial statements and show how much the RNLI spends on its operations

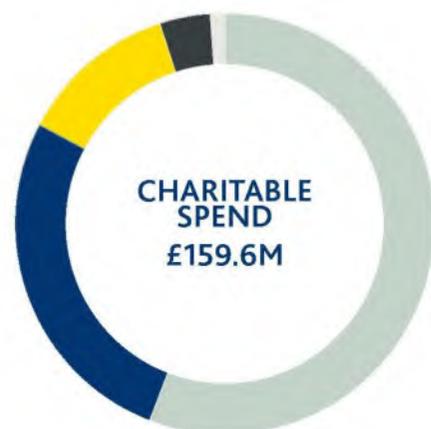
each year, how it is funded, and the movement in its financial resources.

It is based on the financial statements on pages 44–48, but we have adjusted it to show the net income that is available for charitable expenditure. We have also reflected the actual capital costs, rather than depreciation, in the charitable spend. Further analysis on how this reconciles to the financial statements can be found in note 17 on page 73

CHARITABLE SPEND

Charitable spend increased by £20.4M (14.7%) compared with 2020, yet was still £21.9M (12.1%) below the 2019 pre-pandemic level. The increase in 2021 from 2020 is reflective of lower disruption from the effects of the pandemic but this did not disappear completely, as detailed below. Overall movements were as follows:

- **Lifeboat service (+£6.2M)** – costs increased in most areas as lockdowns reduced in 2021 and we learnt to live with operating a lifeboat service in an uncertain environment. This is illustrated in crew training, which increased significantly as RNLI College managed the effects of social distancing on reopening but also increased its online training.
- **Lifeboats, property, and equipment (+£10.9M)** – the construction and maintenance costs of both lifeboats and lifeboat stations increased substantially as we were able to work more effectively than in 2020. Examples of this are that 19 lifeboats were constructed in 2021 in comparison with 10 in 2020; and there were over 220 lifeboat refits, repairs and modifications in 2021 compared with 75 in 2020.
- **Lifeguard rescue (+£4.2M)** – the lifeguard season returned to some level of normality in 2021 and we patrolled 245 beaches in comparison with 177 beaches in 2020. There was also an increase in related income (£1.6M) as a result.
- **International (-£0.4M)** – out of all our lifesaving activities, this remained the most disrupted with a decrease of £0.4M in comparison with 2020 and £1.6M below 2019 spend. We planned a return to more normal operations following the significant disruptions of 2020. However, the continued impact of Covid-19, and particularly the national lockdowns in our programme countries, limited our ability to progress some of our planned work with partners. We were able to leverage funds from the World Health Organization to deliver more of the planned activity in our joint drowning prevention project in Asia, which has resulted in a cost saving for the RNLI.
- **Water safety, education, and awareness (-£0.5M)** – in 2021 we built on the advances made in 2020 to ensure that we continued to support a high number of domestic holidaymakers, maintaining our work on campaigns such as Respect the Water and Float to Live, while also bringing back important activities such as Swim Safe. The reduction in costs is a result of a more accurate allocation of our research and analysis costs across all activities.



Lifeboats, property and equipment	56%
Lifeboat service	27%
Lifeguard rescue	12%
Water safety, education and awareness	4%
International	1%

CHARITABLE SPEND

	2021 Total £M	2020 Total £M
Lifeboat service	43.4	37.2
Lifeboats, property and equipment	88.5	77.6
Lifeboat rescue	131.9	114.8
Lifeguard rescue	19.5	15.3
International	2.1	2.5
Water safety, education and awareness	6.1	6.6
Total charitable spend	159.6	139.2

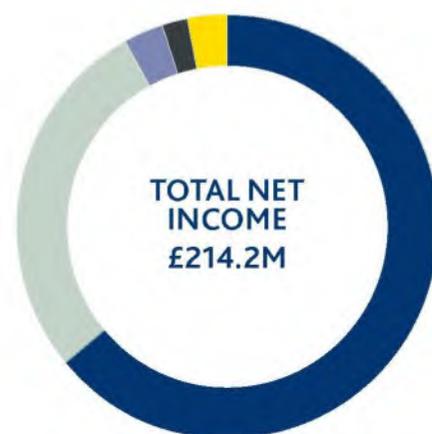
INCOME AVAILABLE FOR CHARITABLE SPEND

Despite the disruptions that continued early in the year, it was an encouraging year of fundraising. Total net income amounted to £214.2M, which was £20.1M above 2020 and £22.6M ahead of 2019. The main reasons for the income movements were:

- **Legacies (+£6.1M)** – legacy income was ahead of 2020 (4.6%), largely because of income now received that was delayed by probate issues through the pandemic. While ongoing probate concerns place continued uncertainty on 2022 income, there is confidence that legacy income should remain at these levels due to the relatively high value of the legacy pipeline (see note 9 on page 60).
- **Donations (+£13.1M)** – an impressive year for donations as supporters continued their generosity throughout these difficult times in the form of increased income from membership, regular giving, campaigns and appeals with an increase of £8.1M, including Gift Aid. We also saw significant donations from individuals and grants, examples of which can be seen on pages 80–81. This is despite the continued disruption in some of our regional activities, such as fundraising events.

- **Trading (net) (+£2.5M)** – this significant year-on-year increase was due to the closure of most of our shops and RNLI College in 2020. Despite further closures in the first quarter of the year, trading income was remarkable, being £0.6M ahead of 2019. This is thanks to the continuing success of the RNLI Lottery and online shop sales.
- **Charitable trading (+£1.6M)** – in 2020, income for our lifeguard services from local authorities reduced substantially as we patrolled fewer beaches in 2020 and had a shorter season. This returned to normal levels in 2021, indeed there was a £0.3M increase from 2019 where local councils asked for increased services in this busy summer season.
- **Investments (net) (-£0.3M)** – investment income reduced where the move to a new investment strategy changed the way investment returns are received such that much of the income is now received in the form of investment gains. Overall investment returns are noted in the Investments section of this financial review on page 26.





● Legacies	64%
● Donation	28%
● Trading (net)	3%
● Charitable trading	2%
● Investments (net)	0%
● Other - including Government subsidies	3%

INCOME

	2021 Total £M	2020 Total £M
Legacies	137.6	131.5
Donation	60.2	47.1
Trading (net)	6.0	3.5
Charitable trading	4.2	2.6
Investments (net)	0.8	1.1
Other - including Government subsidies	5.4	8.3
Total Net Income	214.2	194.1
Cost of generating income	(32.5)	(23.5)
Net income available for charitable spend	181.7	170.6

- **Other income (-£2.9M)** – a sizeable reduction in 2021 where the various staff retention schemes supported by governments ceased and staff were able to work again. This reduced government support from £6.1M in 2020 to £0.5M in 2021. This has been partially mitigated by asset disposals of £2.7M (2020: £0.3M).

The cost of generating income increased by £9.0M (38.3%) as fundraising activity has also returned to normal, especially for fundraising branches and shops and our face-to-face activities. We are also investing more into fundraising activities, such as our various TV campaigns, to grow income in line with our growing expenditure.

FINANCIAL RESOURCES

Investments and bank holdings increased by £36.8M in 2021 against an expectation at the beginning of the year of a £10.9M reduction. This was mainly due to a surplus (net income less charitable spend) of £22.1M, where we had to postpone many charitable activities, and investment gains of £18.3M. Stock decreased by £2.9M as construction and maintenance work has increased and stock has been used for these activities, and where the requirement to hold PPE equipment has reduced. Debtors have increased by £4.1M,

mainly due to a delay in payments from HMRC for VAT and Gift Aid in comparison with 2020. Creditors have reduced by £1.3M, where payments made to reduce the pension liability (£4.7M) have been largely offset by an increase in trade creditors (£2.5M) as activities return to normal. Payments of £1.1M have been made on the long-term loan. See note 10 on page 60 for further details on this loan.

INVESTMENTS

Investments performed well in 2021 in all areas as the economy started to recover. The RNLI's investments returned £19.1M in total, with £0.8M of income (net) and gains of £18.3M, despite the disruption of finalising our move to the new investment strategy in the latter part of the year and a significant cash holding in this period as a result. The overall return on the investment portfolio was 7.3% for the year. The charity has performed well against its benchmarks, being 1.92% above the overall benchmark in 2021 and 0.85% above the 3-year benchmark. The benchmark represents the target agreed with investment managers to assess their performance.

All asset classes were in positive territory with exceptional returns on property (18.0%) and absolute return funds (8.9%). Despite the economic uncertainty in the last 5 years, the RNLI has returned an overall annual average of 4.7% on its investments.

Work on implementing the new investment strategy was substantially completed in 2021 and there have been some significant movements on asset classes this year as a result (see note 7 on page 58). While the risk and return profiles have not changed significantly in this new investment strategy,

£13.1M
INCREASE IN
DONATIONS IN 2021

FINANCIAL RESOURCES

	2021 Total £M	2020 Total £M
Net income less charitable spend	22.1	31.4
Investment gains	18.3	8.1
Asset impairment	–	2.8
Stock decrease/(increase)	2.9	(2.8)
Debtors increase	(4.1)	(11.7)
Creditors decrease	(1.3)	(10.4)
Long-Term Loan	(1.1)	3.2
Investment/bank increase	36.8	20.6

the key driver was a reduction in investment fees and these are expected to reduce by around £0.25M per annum as a result.

SUBSIDIARIES

The RNLI has three subsidiary companies that were actively trading in 2021. RNLI (Sales) Ltd is used for non-charitable fundraising activities, with net assets of £1.5M, and generated a donation to the RNLI of £4.5M for 2021. The activities of RNLI College Ltd relate directly to the charitable activities of the RNLI and comprise the training of lifeboat crew and lifeguards, although there are external sales of excess capacity which offset some of the costs of this training. This company has net assets of £1.0M and generated a donation of £1.5M. Clayton Engineering Ltd is a specialist engineering company that designs and manufactures lifeboat launch and recovery equipment for the RNLI. It has net assets of £2.9M and made a profit of £0.3M, retaining £0.2M of these profits to invest in the business and improve efficiency, utilising tax losses made in 2020.

The RNLI also has a charitable incorporated organisation (CIO), the RNLI Lifesaving Endowment Fund (LEF). This CIO has been created to establish, build and invest an endowment fund, from which income is donated for lifesaving purposes. As at 31 December 2021, the LEF held investments to the value of £49.0M and the total return on investments in 2021, including income, was £5.1M.

FINANCIAL ANALYSIS**FINANCIAL HEALTH**

As of 31 December 2021, the RNLI had consolidated net assets of £798.2M, primarily representing fixed assets of £466.0M and investments of £307.7M. There was a decrease in fixed assets of £2.0M in 2021 where we were unable to carry out construction work on lifeboats, lifeboat stations and launch equipment, as well as delaying much needed improvements on computer software and hardware. However, the net assets of the organisation



increased by £40.8M overall. This is mainly in investments, an increase of £39.1M, where the monies that would have been spent in 2021 on capital projects, and other key activities, are held to be spent over the coming years. The Trustees have designated £12.4M to ensure that there are funds available to complete projects and activities that have been delayed by the pandemic. They have also designated a further £8.7M in a special project fund for the lifeboat station project at Weston-super-Mare, where the local council are seeking significant funds to repair the pier that will give access to the lifeboat station. The RNLI has given assurances that funds will be available for

the construction of the lifeboat station and access.

The RNLI's Trustees ensure the overall health of the organisation by overseeing our free reserves levels (the sums retained to withstand any short-term financial risks). At the end of 2021, these free reserves stood at £130.9M. This represents 10 months' worth of charitable expenditure, which is at the upper end of the Trustees' requirement of 4–10 months, as described in the Fund Accounting Policy on page 29. The Trustees recognise the current need for a higher level of free reserves than is usual to retain for the delayed activities and have approved 2022 plans in recognition of this fact. The planned deficit in 2022 is expected to reduce free reserves to a level that will cover our financial risks.

Free reserves months' cover is calculated by dividing the total free reserves by the charitable expenditure (from the Statement of Financial Activities) and then multiplying by 12 to represent the number of months.

FUNDS ANALYSIS

	2021 £M	2020 £M	Change %	Ratio %
Permanent endowed funds	18.7	17.2	9%	2%
Expendable endowed funds	48.4	44.0	10%	6%
Restricted funds	147.5	135.4	9%	19%
Fixed asset funds	466.0	468.0	(0%)	58%
Designated funds	21.1	11.4	85%	3%
Free reserves	130.9	122.2	7%	16%
Pension reserve	(34.4)	(40.8)	(16%)	(4%)
Total funds	798.2	757.4	5%	–

FINANCIAL PLANS

While we continue to operate in an uncertain economic environment, the RNLI still needs significant investment for its lifesaving services and infrastructure. This is reflected in the plans for 2022, which show that there is likely to be a significant drawdown on investments and free reserves as we try to catch up on the work that we have not been able to complete in the last couple of years (as detailed in Our Outcomes on page 20).

We depend more than ever on the public’s generosity to support our work in saving lives at sea and our fundraisers are working harder than ever to increase supporter numbers and income.

GOING CONCERN

The Trustees reviewed the RNLI’s financial plans for 2022 in November 2021 as part of their normal annual review, as well as our principal financial risks. At that time, they felt that the RNLI had sufficient resources to continue operating to the end of 2022. In addition, they have reviewed ongoing forecasts and feel that the RNLI has sufficient resources to continue operating for a period of at least 12 months from the date of signing these accounts.

As part of this review the effect of Covid-19 was assessed by the Trustees, as it had been throughout the year, and they reviewed the organisation’s ongoing forecasts and projections to ensure that the organisation remained financially viable. They have also taken into account the situation in Ukraine and its financial effects on the RNLI. They are satisfied that the RNLI’s future viability has not been

critically affected by these situations, with the key financial risks being around the management of activities that have been delayed by the pandemic and any effects on investments and the supply chain from both the pandemic and the war in Ukraine.

The Trustees continue to review plans with the Executive Team and will make any necessary changes to remain within the free reserves level over the life of our plans, in line with the free reserves policy. The main planning activity at present is the creation of a new 5-year plan in the first half of 2022, along with the associated financials, which seeks to provide assurance in the medium term.

The charity has a strong balance sheet, with unrestricted liquid investments of around £108.2M, along with the RNLI Lifesaving Endowment that is available as a last resort. In addition, the RNLI has a revolving credit facility in place for £15M to cover any downside risks. Taking this into account, the Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as required.

As such, they remain satisfied that the RNLI can continue operating for at least 12 months from the date of signing these accounts, and accounts have been prepared in the knowledge that the RNLI is a financially viable organisation.

£147.5M
RESTRICTED FUNDS
 (can only be spent as donor directs)

INVESTMENT CRITERIA

The Trustees have considered carefully the requirements of the Statement of Recommended Practice (SORP) and the Charity Commission’s revised guidance note CC14 (issued in October 2011) and continue to conclude that they do not believe there is any listed investment adverse to the purpose of the charity (saving lives at sea).

In relation to funds where the investment managers are permitted to make active decisions about the selection, retention and realisation of investments, the Investment Committee expects the investment managers to take account of all financially material considerations (including climate change and other environmental, social and governance considerations), where permissible within applicable guidelines and restrictions. The committee seeks to appoint managers who have appropriate skills and processes to do this, and from time-to-time reviews how the managers are taking account of these issues in practice. All our investment managers are signatories to the UN Principles for Responsible Investment.

£466M
FIXED ASSET FUNDS
 (including lifeboats and stations)

INVESTMENT STRATEGY

PERMANENT ENDOWMENT –
 long-term income generation for a specific purpose:

- Generates income over the long-term with a focus on real capital preservation.
- Some liquidity required for income and gains above capital value.
- Some mark-to-market volatility is acceptable.

LIFESAVING ENDOWMENT (LEF) –
 long-term growth portfolio with modest income requirement:

- Generates a real return over the long term through both capital growth and income.
- Some illiquidity is acceptable.
- Some mark-to-market volatility is acceptable.

RESTRICTED RESERVES –
 short- to medium-term reserves held for a specific purpose:

- Generates a real return over the long term while controlling volatility.
- No income requirement.
- Some liquidity needed.

FREE RESERVES AND DESIGNATED FUNDS –
 covering the short-term risks of the organisation:

- High levels of liquidity needed to meet short-term cashflow requirements.
- Cognisant of income across all reserve portfolios.

FINANCIAL POLICIES

INVESTMENT POLICY

The RNLI's funds (excluding fixed assets) are substantially held in investments.

The RNLI's Statement of Investment Principles and its Investment Policy were reviewed in detail in 2019, in light of the new investment strategy, and approved by the Investment Committee and the Trustees.

The RNLI's investments are held in line with the nature of its reserves, detailed in the investment strategy. This is either to ensure that donors' directions are met, in the case of the permanent endowment and the restricted reserves, or to withstand any short-term financial risks and requirements, in the case of the free reserves and designated funds. The RNLI's objective (at an aggregate level) is to maintain and, if possible, enhance the real value of the reserves represented by its investments in line with its plans. The Investment Committee seeks to meet this overarching objective by maintaining an appropriate balance between maximising long-term returns and avoiding undue risk and volatility in capital values.

These objectives are pursued through a range of strategic investment policies which involve investing in a broadly diversified spread of assets, covering global equities, UK and overseas government and non-government bonds, pooled property funds, infrastructure funds, multi-asset funds, cash on deposit and other financial instruments and investments.

In formulating and reviewing the RNLI's investment policies, the Investment Committee has considered a range of investment options and the need for diversification and has regard to the

investment policy being pursued by the Trustees of the RNLI 1983 Contributory Pension Scheme (the Scheme) and the RNLI Lifesaving Endowment Fund (LEF), recognising that the RNLI's overall market exposure is to the aggregate of its own assets and those of the Scheme and the LEF.

FUNDS POLICY

The RNLI's funds policy is reviewed on an annual basis and is detailed in note 1h on page 52 and summarised below.

FUND ACCOUNTING

At the end of the year the RNLI held total funds of £798.2M. The RNLI's funds are held for a variety of purposes, to ensure that the organisation can operate as a going concern in the future and fulfil its legal obligations. This is summarised as follows:

- **Fixed asset funds (£466.0M)** – these make up the bulk of funds held, representing the operational assets of the RNLI without which it could not operate. The vast majority of these are the lifeboats, launching equipment and operational properties, such as lifeboat stations and lifeguard units.
- **Restricted funds (£147.5M)** – these are held under trust law and so can only be used for specific purposes, as agreed with the donor. For example, we could have a legacy for the cost of a lifeboat and these funds would be held until we construct that lifeboat. There are over 700 of these funds that the RNLI is managing at any one time. Most of these funds are held in investments but there is also an element that relates to the legacy accrual (£15.1M) where funds have not yet been received.

- **Expendable endowed funds (£48.4M)** – these are funds where the capital sums donated are invested and the income arising may be used for a particular purpose, as agreed with the donor. These funds represent the RNLI Lifesaving Endowment (Charitable Incorporated Organisation), a charity that was established in 2019 to help preserve the RNLI's lifesaving services for the future, providing a steady income stream and a capital sum that can be used if the RNLI is ever 'in extremis'. The capital sum may be spent at the discretion of the Trustees of the Lifesaving Endowment where necessary and in line with the terms of the donation.
- **Permanent endowed funds (£18.7M)** – these are funds where the capital sums donated are invested and the income arising may be used for a particular purpose, as agreed with the donor. As opposed to the expendable endowed funds, the capital sum can only be spent in exceptional circumstances with the agreement of the Charity Commission.

The remainder of the RNLI's funds are its general funds:

- **Designated funds (£21.1M)** – this is made up of two types of designated funds. The first is a pandemic fund which has been established to ensure that certain urgent projects and activities, that were delayed because of the pandemic, can be completed. For 2021, this is entirely for lifeboat station construction projects at a value of £12.4M. A special projects fund of £8.7M has also been established this

year where significant financial assurances have been made to third parties to ensure monies are available. This is entirely for the project at Weston-super-Mare, where the local council are seeking significant funds to repair the pier that will give access to the lifeboat station and the RNLI has given assurances that funds will be available for the construction of the lifeboat station and access.

- **Free reserves (£130.9M)** – these are sums that are freely available for general use. They are held at a level to withstand any short-term financial risks, the main ones being in investment markets, key sources of income (such as legacies) and pension funding. Most of these funds are held in investments, but they also include any unrestricted legacy values accrued (£31.6M), which will take time to be received. The Trustees have a policy of maintaining a range of 4–10 months of charitable expenditure. This range was determined using risk modelling techniques to determine the value of our financial risks, in conjunction with our investment advisers. At 10 months of charitable expenditure, free reserves are currently at the upper end of the Trustees' range. The RNLI is planning to reduce this substantially over the next 3 years through essential investment in our lifesaving services and infrastructure as we move out of the social distancing restrictions.
- **Pension reserve** – this represents the defined benefit pension liability that is managed separately to our free reserves as a long-term liability. It represents a liability of £34.4M as valued under FRS102.

GOVERNANCE

The RNLI is a registered charity, controlled by its Trustee Board, and depends on volunteers and staff. Read on to find out how the charity is run – and how we work with our communities, manage risk and ensure we are building a sustainable organisation that’s fit for the future.

Good governance is fundamental to our sustained success as a charity. With it, we are best placed to deliver on our lifesaving mission and achieve our objectives. It enables all our people to use their skills, along with our resources, to best effect. It helps us to ensure that we are compliant with relevant legislation, have reviewed the risks we are facing, overseen our standard of operations and supported a positive culture.

We review our charity governance, adhering to the relevant codes of fundraising practice and the Charity Governance codes and regulations for England and Wales, Scotland, Northern Ireland, the Republic

of Ireland, Jersey, the Isle of Man, and Guernsey and Alderney. We review governance requirements for all RNLI entities across all jurisdictions.

We maintain a record of all these code elements and the recommended practice sets out evidence of application of the code or explanation as to why certain elements of the code may be managed differently. It also captures areas for improvement or implementation and is periodically reviewed and updated as part of our year end and Board effectiveness processes. There is an annual presentation of the record to the Trustee Board.

CHARITY STATUS

The Royal National Lifeboat Institution (RNLI) was founded in 1824. It was granted a Royal Charter of incorporation in 1860, with Supplemental Charters granted in 1932, 1986 and further amendments in 1998, 2002 and 2011.

The RNLI is a charity registered in England and Wales (209603), Scotland (SC037736), the Republic of Ireland (CHY 2678 and 20003326), the Bailiwick

of Jersey (14), the Isle of Man (1308 and 006329F), the Bailiwick of Guernsey (CH135) and Alderney (CH386).

The address of the UK registered office is West Quay Road, Poole, Dorset, BH15 1HZ.

The RNLI has four wholly owned subsidiaries registered in England and Wales, one of which is currently dormant. Each is managed by a board of directors (executive and non-executive) to ensure that company

Organisational purpose

We are the charity that saves lives at sea. That’s our organisational purpose – the same as our public benefit. We have specific goals for domestic accidental coastal fatalities and the impact that we have globally.

As an organisation, both domestically and internationally, we track the number of individuals assisted, rescued and the number of lives that the RNLI saves, often in collaboration with others. This is reported formally each year in our annual report. As an organisation we also have a set of metrics, the Quarterly Performance Report, that covers our broader operations and capabilities. These metrics are used by the Executive Team and senior management to guide the organisational priorities and to report back to the Trustees on our progress in key areas.

and charity law requirements are met and business activities are properly managed.

The RNLI also has a number of linked charities, one of which is a charitable incorporated organisation (CIO), the RNLI Lifesaving Endowment (1184013). This CIO holds and invests funds on endowment for the long-term operations of the RNLI. There are 19 other linked charities that are listed in Note 13 on page 66.

Leadership

THE TRUSTEE BOARD

The RNLI is led and governed by the Trustee Board. The role of the Trustee Board is defined in our Royal Charter, Bye-Laws and Regulations. In summary, the Trustees set and agree the overall direction, strategy and culture of the RNLI. They lead by example and support the chief executive in the daily delivery of our lifesaving plans and activities, regularly monitoring our performance against agreed measures. As they carry legal responsibility, they also provide assurance to our regulators and donors that we are meeting our legal and compliance requirements. They evaluate the risks we carry and policies we have in place, with regular reviews and discussion through the year on these topics.

Names of RNLI Trustees who served at any time during 2021 and/or were Trustees of the charity as at the date of this report, can be found on pages 74–75. Many have a lifelong interest in the sea and a passion for saving lives at sea. All are volunteers.

THE COUNCIL

The Council is the general committee of the RNLI. Their purpose is to advise and assist the Trustees primarily on broad policy and strategy issues facing the charity that are not specifically addressed by our advisory committees. They are volunteers and are expected to act, collectively and individually, as ambassadors for the charity. They will also be called upon from time to time to provide

support and specialist advice to the Executive Team and its teams on an ad-hoc basis, as required and requested.

THE EXECUTIVE TEAM

The Executive Team, made up of seven individuals and led by the chief executive, are the RNLI's senior managers. Collectively they are responsible for the day-to-day leadership and running of the RNLI and for the execution of the strategy and policies agreed by the Trustee Board. Their names are on page 77 and the overall management structure can be found on page 78.

As a team they are committed to not only the delivery of our core lifesaving activities, but also to looking forward to ensuring we remain sustainable as an organisation, able to respond to changing trends and external factors. The Executive Team provides direction and motivation to our volunteers and staff.

The Executive Team undergo an annual performance appraisal, and also seek feedback through the annual engagement survey, which drives improvement actions.

Integrity

Integrity is about doing what is right, openly and honestly. This can be for the charity as a whole, for its people (supporters, volunteers, staff and those it helps) or for the public. It can mean using reliable data to put the right lifeboats in the right locations, ensuring we spend our supporters' generous donations appropriately, or maintaining the high standards of operations and behaviour

essential to any modern emergency service and charity. Maintaining our integrity is critical to how the RNLI operates.

We aim to uphold our values, standards and agreed policies. Our Trustees and Council govern and scrutinise our decision-making to ensure we meet the standards we set ourselves, as well as those set by regulators such as the Charity Commission for England and Wales and the Fundraising Regulator for England, Wales and Northern Ireland. We record positive feedback and complaints, the latter of which are declared annually to the Fundraising Regulator (see page 41).

AVOIDING CONFLICTS OF INTEREST

The RNLI operates a Conflict of Interest Policy for all Trustees, Council members, Trustee Board committee members with standing authority, and the Executive Team.

Conflicts of interest are declared and collated annually, and any new conflicts of interest are declared and recorded at the start of every formal meeting. The Trustees and Executive Team review all declarations in line with the charity regulator disqualification criteria guidelines by jurisdiction, the accounting rules for charities laid down in the Statement of Recommended Practice and HM Revenue and Customs' fit and proper persons requirements.

There were no externally reportable conflicts of interests declared in 2021.

TRANSPARENCY AND DONOR TRUST

As a charity, holding our supporters' and the public's trust is incredibly important. We work hard to ensure that we manage our

money and other assets responsibly and do all we can to maintain our good reputation by being transparent, trustworthy and responsible.

We review the UK public's opinion of the RNLI using YouGov's CharityIndex survey which continuously tracks public brand perception of 79 UK charities. The RNLI is consistently among the top 10 for which charities the UK public would speak positively about or have a positive experience of. We ranked sixth and fourth respectively for these factors in 2021 (source: YouGov CharityIndex 1 January–31 December 2021).

Transparency is also key to building trust and demonstrating integrity, which we aim to do whenever practical and possible. There will be some occasions when there are legal and ethical circumstances where we cannot

STATEMENT OF PUBLIC BENEFIT

The RNLI provides public benefit as a charity by saving lives at sea. The governments of the UK and Ireland have a statutory duty to provide a maritime search and rescue service.

The UK Coastguard, the Irish Coast Guard and the requisite Tasking Authorities in the Isle of Man, Jersey, Guernsey and Alderney initiate search and rescue, and rely extensively on the RNLI's expertise and resources to save lives at sea. The RNLI relies on donations to meet the cost of providing this public service.

RNLI Trustees have complied with their duty to have due regard to the Charity Commission's public benefit guidance when exercising relevant powers or duties.

be transparent – either because of legislation (for example data protection) or because we need to make an ethical choice to protect an individual (for example the details we give of a distressing rescue or fatality). We consider very carefully what we share and when, particularly if it has an impact on a local community or an individual.

Transparency is only one part of building trust. It must be followed up with clear actions appropriate to each situation. For example, we would not share graphic details of a distressing rescue without the consent of those involved – and then only if it were not distressing for others – even if that meant foregoing valuable publicity. Equally, we might choose not to give details of a dispute between volunteers or staff while an investigation or appeals process is going on so as not to prejudice a later decision, even if those details would help to explain the RNLI's actions to others.

We are committed to keeping our volunteer and supporter data safe, and we treat information security and data governance as key risks (see page 35).

ELIMINATION OF MODERN SLAVERY AND HUMAN TRAFFICKING

The RNLI is committed to ensuring that modern slavery and human trafficking are not present in its supply chains or partnerships. We continue to work with our suppliers and partners to ensure compliance with the UK Modern Slavery Act 2015. RNLI contracts include up-to-date clauses on modern slavery and human trafficking to ensure that our suppliers are aware of their obligations.

We undertake due diligence in our supply chain tenders and as part of our corporate partnerships and associations with other organisations, and international work. This due diligence includes assurance that modern slavery is not present. We are continuing to develop our supplier processes and procedures to make it easier to capture, analyse and manage data from suppliers – covering their ethical, environmental and social practices.

During 2021 we finalised our Supplier Code of Conduct, setting out the RNLI's minimum expectations of suppliers regarding business ethics, working conditions and human rights. Through this code, we seek to ensure that all our suppliers share our values and take a zero-tolerance approach to modern slavery. We aim to roll out this code to our key suppliers during 2022. At the end of March 2021, we published our updated Modern Slavery and Human Trafficking Statement. There is a link to this statement on [RNLI.org](https://www.rnli.org) to ensure it is publicly accessible.

ETHICS IN THE SUPPLY CHAIN

The RNLI has a clear set of values that underpin the strong ethical position expected from our supporters, volunteers and staff. We apply the same values in developing relations with our contractors and suppliers to further our supply chain strategy and processes, and to reflect our commitment to good employment practice.

We have an engineering and supply director, and a Supply Chain Team including category managers, who are dedicated to developing and improving our supply chain strategy and processes.

The RNLI has a varied supply chain and a broad supplier base that supports the construction of our lifeboats, the running of RNLI College, the range of retail goods sold in our shops and online, and the marketing and advertising of our fundraising and prevention campaigns, as well as the day-to-day operation of the RNLI. We continually ensure that we carry out these activities in the most ethical way we can, by reviewing where we source our goods and services, the processes and governance we follow, and the methods of manufacture and distribution.

Our Procurement Policy, Procurement Standard and How to Buy Guide were updated during 2021. Additionally, we created good practice guidelines covering the end-to-end process of raising and goods receipting purchase orders, also known as the Purchase to Pay process. All of these documents and processes clearly state our values and ethical standards.

INFORMATION SECURITY

Cyber attacks have continued to grow significantly and many organisations fell victim to them in 2021. This is due in no small part to the ongoing pandemic and consequent changes to work/life habits. Mainstream media reporting of cyber crime continues to increase general cultural and citizen awareness of cyber threat.

In response, the RNLI regularly reviews and test the effectiveness of our cyber defence capabilities against industry standards and implements recognised good practices, assessing emerging and persistent threats with our trusted partners and suppliers. We continue taking actions to

keep our exposure at an acceptable level and are continuing work to keep pace with the evolving external risks.

ENVIRONMENT

ENVIRONMENTAL MANAGEMENT

We confirmed our environmental ambitions in early 2020, guided by our sustainability advisory groups. Our vision and commitments are aligned with the 5-year *Our Watch* plan and will form part of future strategy development. Our sustainability and environmental commitments ensure that we operate as a good citizen in all our activities to sustain and secure the future. This means creating our plans, making our decisions and completing our actions, with sustainable choices in mind. By intent there is not a separate sustainability strategy. Instead, our aim is to make all strategies and plans sustainable.

During 2021 our safety, health and environment regional managers have continued to actively promote good

environmental practice and support lifeboat stations, lifeguard units and RNLI people with their environmental compliance and improvements.

We began initial research in 2021 to understand the potential climate change hazards relative to our lifesaving demand and organisational capabilities. In 2022, we intend to provide recommendations for next steps.

Public information on our environmental ambitions can be found on the sustainability page at [RNLI.org/sustainability](https://www.rnli.org/sustainability).

ENERGY AND FUEL

The overall ambition for energy and fuel consumption is to reach zero carbon for Scope 1 and 2 by 2050. Scope 1 are direct emissions from burning gas and fuel. Scope 2 are indirect emissions from use of electricity. Delivery for our ambition will begin in 2022.

The overall energy and fuel usage of the organisation is 49GWh – with a renewables portfolio that provided 0.78GWh and earned an income of £63,000 and a saving of £89,000 during 2021.

Around 90% of our locations have electricity and gas supplies sourced from 100% third-party accredited renewable generation. This is an important interim step in sustainably decarbonising our electricity and gas use towards achieving zero carbon.

In 2021 we hosted, and presented at, a series of alternative asset propulsion events throughout industry, academia and government to provide insight into the requirements to sustainably decarbonise our fleet. There are many opportunities for collaboration as the industry grapples with the complexity of the challenge, not only to our boats, but the infrastructure, frameworks



and competencies too. The zero-carbon programme of work will consolidate this early insight into a delivery structure to ultimately reach our 2050 ambition.

WASTE

The RNLI is committed to eliminating and reducing waste. We are aiming for zero waste to landfill by 2030. In 2022 we plan to review opportunities for reducing, reusing and recycling. We aim to standardise processes, for example with end-of-life upcycling opportunities.

SINGLE-USE PLASTICS

Work continues on the elimination of (avoidable) single use plastics, an important milestone in our environmental sustainability ambitions.

The Retail, Engagement and Procurement Teams continue to seek opportunities to eliminate or reduce single-use plastic items and packaging where possible. We are also engaging with external organisations, including other emergency services, to better understand what others have achieved. For the second year running, all our 2021 Christmas cards and calendars had no plastic wrap or glitter. Plus, for the first time, all the 2021 RNLI magazines were sent out in a certified sustainable paper wrap.

EQUALITY AND FAIRNESS IN RNLI PAY, REWARDS AND RECOGNITION

VOLUNTEERS AND PAID STAFF

Around 95% of RNLI people are volunteers, including all the members of the Trustee Board, the Chairman and members of the Council.

While our operational volunteers give their time freely to help save lives, the RNLI does make some payments to recognise the cost and disruption that this can cause. To ensure they are not out of pocket, these volunteers can claim necessary expenses and, in specific cases, a contribution for lost wages, such as when attending a residential training course. The RNLI also, in certain circumstances, may make a fixed payment where there is a shortage of specific skills, such as maintaining and operating our increasingly technical lifeboats or driving heavy equipment.

The RNLI only employs paid staff where necessary to run and support what is a complex service in a hazardous environment.

There are a number of specific skills needed to keep such an organisation running as safely as possible and at peak efficiency. The RNLI has to compete in the labour market and have an appropriate pay policy in place to ensure we can attract and retain the people with the right skills to deliver our lifesaving work. We must offer a suitably competitive level of reward and appropriate recognition for our people.

REMUNERATION COMMITTEE – COMPOSITION AND RESPONSIBILITIES

The pay policy of the RNLI is approved by the Remuneration Committee. The Remuneration Committee may seek external legal advice as well as recommendations from the chief executive and the director of people.

The Remuneration Committee is a committee of the Trustee Board. It is made up of four Trustees (including the chairman

and the treasurer), one Council member and one independent committee member.

The committee has delegated authority to act on behalf of the Trustee Board, to review remuneration policies to meet the charity's aims and our legal responsibilities, and how these are communicated both internally and externally.

The committee reviews the remuneration levels as part of the annual pay review. It bears in mind the prevailing market conditions and relevant external benchmarks, staff retention and satisfaction, the charity budget, our future plans and past performance. It also undertakes an annual review of Executive Team pay in line with performance, and considers the RNLI gender pay gap, plus the overall remuneration report and pay disclosure statements in readiness for the Annual Report and Accounts.

PAY POLICY

In setting overall pay levels for our staff, we consider the pay practice in other similarly sized charities and, where necessary, private-sector organisations for specialist and technical roles (for example in IT, finance, maritime operations, marine design and manufacturing, and engineering).

We aim for a sustainable and consistent pay strategy that meets the diverse requirements of the RNLI. This includes a pay practice that ensures individual pay decisions are supported by a rigorous performance management process that applies to all employees.

GENDER PAY GAP

In our continuing commitment to demonstrate equality and fairness in recruitment, pay,

promotion and development, we disclosed the RNLI's gender pay gap details. Reporting in line with the UK Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, in 2021 the gender pay gap for the RNLI was -0.4% based on an average hourly rate for men and women. This means our average hourly rate was higher for women than men. The details are published on the government's designated website and RNLI.org.

Insights from this report enable us to progress a plan to address any gender pay gaps that may have arisen from recruitment, development, pay review or other personnel practices. Gender pay gap data will continue to be reviewed by the Remuneration Committee and any actions to address gender pay gaps forms part of our annual pay review cycle, as well as linking to the RNLI Inclusion and Diversity Strategy.

PAY PRINCIPLES

The RNLI adheres to the UK government's statutory national minimum and living wage rates. These are the key principles that apply to pay at all levels in the RNLI:

- In order to maintain a fair, rational pay structure, the RNLI has a formal grading structure and pay range for each grade. The grades are based on jobs of common size, taking into account the breadth of responsibility, complexity, knowledge, skills and value to the RNLI.
- The RNLI encourages and rewards good performance. Individual pay is reviewed annually and considers performance, pay position in the range, market conditions, any relevant new qualifications or skills developed, and internal pay relativities.

- Pay is reviewed consistently using the same approach for all staff, including the Executive Team and the chief executive. While no individual performance bonuses are paid as typically recognised, our seasonal fundraising employees are eligible for a small incentive payment.
- Annual pay budgets take into account affordability, economic trends and external market pay movement.

SENIOR EXECUTIVE PAY DISCLOSURE

The RNLI acknowledges the recommendations made following the

Report of the Inquiry into Charity Senior Executive Pay and Guidance for Trustees on Setting Remuneration by the UK National Council for Voluntary Organisations. The inquiry advocates greater transparency and the RNLI recognises and accepts those recommendations. As a result, the RNLI has provided greater clarity, with greater disclosure on the pay of the Executive Team, as well as continuing to disclose the chief executive's pay in full (see page 54 or visit [RNLI.org](https://www.rnli.org) for more).

The RNLI is committed to openness and transparency on senior pay and will continue to keep this under review.



A wave of high-fives for supporter Chris Smith as he takes on the 2021 London Marathon for the RNLI

Decision making, risk and control

TRUSTEE BOARD RESPONSIBILITIES

In 2021 the Trustee Board participated in a governance workshop, during which they reviewed the overall governance of the RNLI. At each Board meeting the Trustees review the strategic risks that the charity faces and the controls in place.

The Matters Reserved for the Board Statement defines the Trustee Board's responsibilities and where there are clear delegated authorities to act on their behalf. The delegated authorities are discharged through the standing committees of the Trustee Board, or through the chief executive. The chief executive is responsible to the Trustee Board for the day-to-day running of the RNLI and the execution of the overall RNLI strategy and policies agreed by the Trustee Board. For a full list of Trustee Board standing and advisory committees, turn to page 77.

Each committee of the Board has defined terms of reference, detailing the delegated authorities where appropriate. The advisory committees enable experienced volunteer specialists to contribute to key aspects of the RNLI's affairs.

STATEMENT OF TRUSTEES' FINANCIAL RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable

law and regulations. Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the group, and of its, and the group's, surplus or deficit for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Trustees are responsible for keeping proper accounting records. These must be sufficient to show and explain the charity's and the group's transactions, and disclose with reasonable accuracy at any time the financial position of the charity and the group, and enable them to ensure that the financial statements comply with the UK Charities Act 2011 and applicable accounting regulations. They are also responsible for safeguarding the assets of the charity and the group – and, therefore, for taking reasonable steps to prevent and detect fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements. This may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements on RNLI.org.

FINANCIAL OVERSIGHT

The strategic management of the RNLI is entrusted to the Trustee Board. The execution of that management – the responsibility for implementing strategy and the day-to-day management of the RNLI – is the responsibility of the chief executive. The chief executive delegates authority to his Executive Team and through it to individual budget holders.

Financial authority is granted by the approval of specific budgets and by the authorisation of individual managers to approve specified levels of expenditure.

The financial plans form part of these overall plans and are made up of a high-level business plan; a detailed annual budget, which defines specific projects and detailed departmental plans for the next financial year; and a regular forecast process that reviews the annual plans and makes changes, as necessary. The Finance Department is also involved in any major project or programme work, providing the necessary support to ensure the appropriate financial decisions are made.

FINANCIAL REPORTING

There are two elements to financial reporting:

- Annual Report and Accounts – this is produced in line with the responsibilities described previously.
- Monthly accounts and statutory returns – these are produced in line with the responsibilities described previously and with statutory requirements. The monthly accounts, and associated reports, are of sufficient detail to allow the Executive to make ongoing financial decisions.

FINANCIAL POLICIES AND PROCEDURES

The Trustees are responsible for safeguarding the assets of the charity and the group. This is enabled through the RNLI's financial policies and procedures. Compliance with these policies and procedures is mandatory for all employees, honorary officials and volunteers of the RNLI and its subsidiary companies. Non-compliance may lead to disciplinary proceedings.

FINANCIAL RISK

The most significant financial risks for the RNLI are in investments, pension liabilities and income uncertainty. The RNLI reviews its financial plans on a regular basis and manages these significant risks accordingly, through income pipelines, budgetary control, programme management and capital planning. In particular, investment strategy for the RNLI's and the pension scheme's investments are managed at committee level, using professional investment advisers to minimise risk and maximise return.

In relation to pension liabilities, the RNLI employs a pensions actuary to advise on the assumptions and calculations needed for our pension negotiations with the pension scheme trustees. For the risks around income uncertainty, this is managed through a funding strategy that reviews income pipelines through the four main sources of income to ensure targets are met, both short- and long-term.

In managing expenditure risk, the RNLI ensures financial rigour through budgetary control and stringent financial planning to ensure that we live within our means.

The RNLI's Fundraising Strategy and its free reserves, which are set at a level to withstand any short-term financial risks, will also help to mitigate these risks and give the RNLI time to change its financial plans accordingly. The risks around Covid-19 are an example of why we hold such free reserves and these are flexed depending on the needs of the business. Currently, these reserves are at a higher level than normal as we have been unable to carry out some essential activities.

RISK AND COMPLIANCE MANAGEMENT

Our organisational purpose is to save lives at sea by reducing the risk of drowning – but this is not the only risk we manage. Our approach to organisational risk management aims to mitigate the RNLI's risk exposure to an acceptable level across a broad spectrum of strategic and operational risk. Wherever possible, we aim to balance the risks taken with the reward gained in the pursuit of our organisational purpose.

The effective and efficient management of the risks faced by the RNLI is an important

factor in the achievement of our strategic objectives and protecting the future sustainability of the organisation. Our risk management framework is also considered a key component of our governance, and our approach aligns with Charity Commission guidance.

This approach identifies the major strategic and operational risks, assesses the level of risk and evaluates their mitigation. For compliance risk, we also use an assurance framework where performance against external obligations and internal standards is assured by nominated compliance duty holders.

The management of each of our strategic and operational risks is led by a member of the Executive Team and is governed by the Executive Team, the Audit and Risk Committee and the Trustee Board. Where risk is not considered to be at an acceptable level, then further mitigation of the risk is planned and prioritised along with other organisational activities and projects.

The relationship between risk and decision-making is key for our organisation. In 2021, we have continued to strengthen the alignment of our plans with the mitigation of our risks, to ensure planning decisions continue to be robust and aligned to our risk management approach. Similarly, we have also worked to align our risk management approach with our long-term strategy development and to use this insight to help inform the identification of longer-term risks.

During 2021, we remained focused on managing the risks arising from the Covid-19 pandemic. Through the lessons

we learned, we are now better prepared to manage our organisational resilience, regardless of the nature of the external event. Our commitment to managing risks successfully across the organisation helps to ensure we keep our people safe, make the right decisions, successfully deliver our objectives and protect the future sustainability of the RNLI.

AUDIT AND RISK COMMITTEE – COMPOSITION AND RESPONSIBILITIES

The Audit and Risk Committee is a standing committee of the Trustee Board and has delegated authority to act on behalf of the Board in relation to the matters set out in its terms of reference, as well as providing advice, guidance and insight to the Executive Team on issues within its scope. The Audit and Risk Committee is chaired by a Trustee, who is a finance professional with significant senior leadership and management expertise. The committee's main duties are to:

- review and challenge the work of the Executive Team and of the internal and external auditors
- provide the Trustee Board with an independent and unbiased view of the effectiveness and appropriateness of the financial reporting, internal controls, risk management, and regulatory compliance procedures of the RNLI.

INTERNAL AND EXTERNAL AUDIT – INDEPENDENCE AND RESPONSIBILITIES

The RNLI's internal auditor delivers independent and objective assurance advice, and provides insight of the RNLI's risk

management, governance and internal control processes to the Trustees, Audit and Risk Committee and senior management in the discharge of their responsibilities.

To assure independence, the internal auditor reports to both the chair of the Audit and Risk Committee and the chief executive, who appraises their performance and has oversight of all proposed activities. The Audit and Risk Committee reviews the activities and effectiveness of the internal audit function and ensures, reviews and approves the audit plan before its implementation. It also approves the appointment and removal of the internal auditor, ensures that significant findings and recommendations made by the internal auditor are received, and reviews the appropriateness of the content and promptness of the Executive Team responses.

The external auditors review the RNLI's annual financial statements and give an opinion on them. The Audit and Risk Committee approves the appointment, remuneration, reappointment and removal of the external auditors in relation to statutory audit arrangements. The committee also reviews the scope of the planned external work.

PROVISION OF INFORMATION TO AUDITORS

In determining how amounts are presented within items in the profit and loss and balance sheet, the Trustees have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice. So far as each

of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the charity's auditors are unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

FUNDRAISING STANDARDS AND REGULATION COMPLIANCE

CONTACTING OUR SUPPORTERS AND SUPERVISING OUR FUNDRAISERS

The RNLI prides itself on a high standard of ethical fundraising and we continually review how we contact the public to ask for support. This ensures that we follow regulations, meet our own high standards and exceed the public's expectations.

RNLI volunteers and staff carry out the vast majority of the charity's fundraising activities. In 2021, we worked with three professional fundraising organisations and three payroll giving agencies, and we were part of one fundraising consortium (Lifelines on Call). Each of these undertakes professional fundraising on our behalf by recruiting payroll givers. We have a formal agreement with each of them, with specified standards of performance, for example in terms of General Data Protection Regulation (GDPR) compliance, in order to protect donors, supporters and the organisation from poor practices. Each is also independently audited.

Over the course of 2021 we had 31 charity partnership and licensing agreements

in place with companies at a national level. At a regional level we have 19 regional partnerships in place, either commercial participator agreements or business licencing agreements.

SUPPORTER DATA AND COMMUNICATIONS

At the RNLI we are committed to protecting personal data entrusted to us and maintaining high standards of data governance and risk management. Throughout the year our Privacy Programme has continued to mature. The ongoing focus is on our Data Ownership and Accountability model, which has been supported by an expanded training and engagement programme across the organisation. Privacy considerations are now imbedded at the start of all new projects, ensuring data protection principles are at the forefront of project design.

COMPLIANCE WITH FUNDRAISING LAWS AND REGULATION

The RNLI aims to exceed the UK Fundraising Regulator's and The Charities Regulatory Authority Ireland standards by applying our own additional fundraising standards to ensure that we are open, honest and respectful in all cases. As such, we are registered members of the Fundraising Regulator and continued to renew our registration in 2021. We continue to undertake an organisation-wide review of our compliance against the latest version of the Fundraising Regulator's Code of Fundraising Practice to ensure we are fully adhering to the latest guidance. The Trustees are satisfied that the RNLI

adhered to the appropriate fundraising standards in 2021.

COMPLIANCE WITH RECOGNISED STANDARDS

Each fundraising team is responsible for making sure that they are compliant with the standards laid out in the codes of fundraising practice in the relevant jurisdiction. Examples of how we have supported volunteer compliance during 2021 include:

- Covid-19 safety training in accordance with different government requirements has continued to be fully rolled out to every fundraising group and retail outlet that was operational.
- We developed Covid Recover working groups to ensure the highest of standards across all our regions that covered all elements of our work (retail, fundraising and visits).
- A wider training-needs audit was updated with each individual fundraising group or retail outlet and all relevant training given to cover areas such as health and safety, GDPR compliance, risk management and wellbeing.
- We reviewed and updated our Supporter Charter and Complaints and Feedback Procedure at the beginning of 2021 to cover all our regions.
- Socially distanced fundraising group meetings continue via Microsoft Teams and Zoom. This enables our community managers to remain visible and supportive to every fundraising group, with updates, training, wellbeing check-ins and much more. Some face-to-face meetings have occurred when it was essential, with social distancing

and face masks. We take our adherence to appropriate fundraising standards very seriously. We have policies on how and when we accept donations.

We monitor our overall fundraising compliance and actively monitor the lessons learned from various regulators, to improve our fundraising practices. It is this approach that has led us to manage and run internal compliance rather than outsource this activity as some charities do. We are satisfied that we meet all current standards. Each element of the fundraising, commercial and marketing regulatory and best practice codes has a designated RNLI subject matter expert for compliance matters. Every year these experts review their areas and ensure any compliance matters requiring attention are managed appropriately. This activity is recorded on the RNLI central compliance register and reviewed by the senior leadership.

GRANT-MAKING POLICY

Our support of partners is guided by the requirement that any grant payment is linked to a legal Deed of Grant negotiated and agreed with the recipient. In addition, we require completion of a satisfactory due diligence audit of the recipient's senior management, governance controls, financial capability, safeguarding systems and overall capacity to deliver desired results. These checks include both the recipient and any of their associates who are relevant to the work being supported. This includes checking for absence from government sanction lists of proscribed individuals and/or organisations.

The payment of grants is linked to reaching agreed project milestones and is controlled under the RNLI's Standing Financial Instructions. The annual grant provision is sanctioned by the Executive Team under a delegated authority from the Trustees as part of the annual budget approval process. Payments require senior management and finance department approval. All payments can be audited through our financial management system and are available for review by the Executive Team. Each year, Trustees are provided with an annual summary of payments made in the year passed and those planned in the coming year.

To maintain high standards of assurance, our teams continually monitor best practice and any legislative changes that might impact the policy.

Trustee Board effectiveness

APPOINTMENTS TO THE TRUSTEE BOARD

The Membership Nomination Committee (MNC) reviews the names proposed for the Council and submits its recommendations to the Chairman of the Trustees for consideration by Governors at the Annual General Meeting. The MNC comprises the Chairman, two deputy chairs, the chief executive, one additional Trustee and a Council member.

Trustees are appointed from within and by our Council, which, in turn, provides

broad advice and support to the Trustees. In 2021, Mark Wordsworth was appointed a Trustee and Jim Islam was appointed Treasurer (designate).

MAINTAINING INDEPENDENCE

As well as having a Conflict of Interest Policy for our Trustees and Council members, we also have a Gifts and Hospitality Policy and Register. Any gift offered is clearly recorded and any conflicts that this may cause recognised.

The RNLI also keeps its independence of thought as well as action to ensure that it can demonstrate that any decision or action is aligned with the delivery of our charitable aims and there is no personal or individual bias. All Trustee Board decisions are recorded in a decision resolutions log, which is reviewed annually by the Trustees. Any communications we make internally or externally aim to demonstrate our independence of thought and action.

LENGTH OF SERVICE

Trustee Board members serve a 3-year term and may be reappointed for a further two succeeding terms. Following this, after a 3-year break, Trustees can be reappointed.

Council members serve a 3-year term and may be re-elected by the governors for two succeeding terms. We aim to match the skills in the Council to our strategic goals and business plan needs as well.

At every meeting, the MNC reviews the composition of the Trustee Board and the Council, and future vacancies. This means we can plan to refresh the skills, experience, regional representation and diversity needed to ensure sustainable governance in the future.

At the end of 2021, the Board comprised 14 Trustees – 3 women and 11 men.

We continue to promote and encourage diversity across all the governing groups of the charity. The improvement of gender balance is just one part of our overall aim to improve inclusion and diversity across these groups.

TRUSTEE BOARD MEETINGS

The Trustee Board meets formally at least four times a year. We have a list of standing agenda items covering strategy, performance, risk and compliance matters. This list is supplemented with other items of relevance to the Trustees' role and responsibilities. While the Executive Team are present at the Trustee Board meetings, they do not have any voting rights. Decisions lie with the Trustees. The Trustees also have a private meeting with the chief executive prior to each Board meeting.

We also hold a twice-yearly Trustee Board and Executive Team workshop to discuss the strategic opportunities and risks we may face in the future. In 2021, the workshop discussions included a Governance Review, Future of Volunteering Review and Strategy Review.

REFRESHING SKILLS AND KNOWLEDGE

On appointment, new Trustees, Council and advisory committee members have an induction programme to familiarise themselves with the work of the RNLI and their role requirements. Inductions cover their core responsibilities plus

a tailored section, personalised for their individual needs.

SUCCESSION PLANNING

The MNC keeps a log of all the terms of office of all our governing volunteers. This is reviewed at every MNC meeting. Using the new comprehensive recruitment process and working with the MNC Recruitment Sub Group and each advisory committee chair, the MNC ensures that we have the right skills, diversity of thinking and people available, now and in the future, to enable every advisory committee to effectively deliver on its governance responsibilities.

Equality, diversity and inclusion

This year has been one of good progress on our equality, diversity and inclusion (EDI) journey, with a variety of network events, training and awareness-raising sessions in recognition of the risks associated with failing to achieve greater diversity.

We ran a series of developmental EDI sessions for staff, to help raise awareness and improve understanding in this area. People engaged in sessions on race inclusion as well as more general EDI topics including risk and the law.

EDI INTERNAL COMMUNICATIONS

The Internal Communications Team has been busy supporting and communicating events, news and significant dates connected to EDI throughout the year. This has included ensuring that the organisation is aware

of the crucial work of the Water Safety Team to bring our safety messages to life in 21 different languages, now available to download from our website. We have also been delighted to celebrate our first female full-time all-weather lifeboat coxswain, new female helms and the newly launched Harbour Network. The latter brings together a group of people across the RNLI who are keen to work towards greater inclusion for the LGBT+ community (lesbian, gay, bisexual, transgender and others) in our organisation by being visible ambassadors and advocates.

EDI GOVERNANCE

At the beginning of 2021, our Chairman strongly vocalised his support for our organisation becoming more inclusive and diverse as part of his New Year speech.

EDI has been supported by two senior leadership groups, one to ensure EDI is woven throughout departmental planning and one with a focus on encouraging better race and ethnicity inclusion. We also have a very committed group of volunteers and staff who are aligned to, and work with, these groups to help drive activity and cultural movement across the RNLI.

BLACK SWIMMING ASSOCIATION

Our partnership with the Black Swimming Associations (BSA) has been strengthened as the Water Safety Team have developed the work to include three main elements:

- Research: Float to Live within the African, Caribbean and Asian communities.

- Outreach: 2-year programme employing six people working in target areas such as Birmingham and Leeds.
- Organisational support: RNLI assistance to the BSA with applications for support to their organisation.

REDESIGNING OUR BUILDINGS

Work has begun to design new buildings, particularly lifeboat stations, which will offer private changing areas and more accessibility for those with limited mobility. We are looking at ways in which existing buildings can be adapted, although there are many challenges in relation to some of our very old stations.

EQUALITY DATA CAPTURE

In 2021 we finalised work on a mechanism for gathering data which will help us to analyse, track trends, target action and measure our progress towards a more equitable and inclusive RNLI.

NETWORKS

Our newly formed Race Equality Network ran two events this year, both online. The first, in association with Race Equality Week, gave participants the chance to discuss a variety of topics around race equality in a safe, facilitated space. The second was a talk by historian David Olusoga during Black History Month, which gave an insight into Black British history and how it relates to the RNLI.

In the autumn, the Harbour Network (LGBT+) hosted a talk in person and online with transwoman, Kellie Maloney.

This gave participants the opportunity to better understand the challenges faced by transpeople, particularly those in the public eye, and a chance to learn more about this area of diversity inclusion.

We have followed the debates in the LGBT+ communities around biological sex and gender identity and have reviewed our access to a wide range of information and advice in this developing policy area.

In the autumn, the Disability Network teamed up with volunteers and staff from south-east England to hold two disability access days at Ramsgate Lifeboat Station. Both were highly successful and gave members of a local charity for the blind and partially sighted the chance to interact with the station in a sensory way. We have learnt a lot from these pilot events and hope to run more in other regions next year.

The Young Professionals' Network has regrouped after the interruptions caused by the pandemic and are planning their activities for next year.

All the networks have priorities for action that include recruitment, training, induction, recording of issues and representation in imagery, case studies and consulting.

Openness and accountability

ENGAGEMENT WITH OUR PEOPLE AND OUR STAKEHOLDERS

We aim to engage and communicate with our supporters, donors and the wider public in all aspects of our lifesaving work. We do this

through face-to-face, traditional and social media channels, and strive to develop good relationships with all the relevant groups, organisations and individuals who have an interest in our charitable work, especially at times of change. Our chief executive also holds regular webinars with all volunteers and staff, which are well attended.

We recognise the value and importance of having engaged employees, and how this can positively impact our volunteers and supporters. We know that high levels of engagement influence the performance of our teams, reduce the likelihood of accidents and periods of absences, create a greater level of discretionary effort and develop a deep connection to the organisation.

We adopt a model of engagement that can be categorised into three areas:

- Say – an individual's likelihood to be an advocate for the organisation
- Stay – their commitment to the organisation and their role
- Strive – their motivation for the purpose and ambitions of the organisation.

We measure our employees' levels of engagement generally on an annual basis through the confidential survey One Crew: Your View. While we took the decision to defer the survey in 2020 due to the impact of the pandemic, we did operate the employee survey in 2021 with results being published in November 2021. For the first time we also operated an engagement survey open to all of our volunteers during September through to November and we anticipate first visibility of these results in

the first quarter of 2022. Both sets of results provide us with the ability to understand the key drivers of engagement for people and develop action plans from their feedback.

PEOPLE (EMPLOYEES)

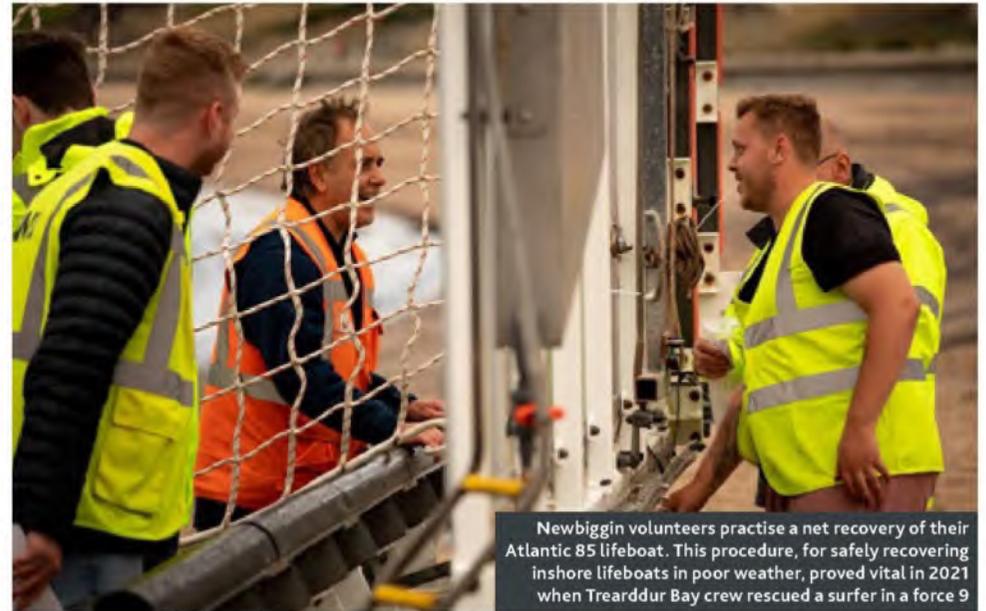
The organisation has low levels of staff turnover at 8.9%, of which 7.7% were voluntary. Exit surveys for leavers were introduced in 2020, enabling us to track trends on point of resignation on a quarterly basis.

The annual employee engagement survey was postponed in 2020 but reinstigated in 2021, the results of which showed a continuing high level of engagement at 83% which was a one percentage point improvement on the 2019 survey. 10 questions saw significant improvements on the previous survey,

35 were in line with previous results and only 3 questions were notably lower. It was also pleasing to note that despite the impact of the pandemic and needing to furlough some staff, this had no negative impact to their levels of engagement, reinforcing the steps we had taken to keep people connected during this period and on their return to work.

Five key drivers of engagement have been identified from the survey with two being of specific focus:

- To continue to bring our teams with us on the journey to deliver the ambition set out within *Our Watch*.
- To focus on providing and investing in and signposting development opportunities for our people, so we continue to grow our capability across the organisation.



Newbiggin volunteers practise a net recovery of their Atlantic 85 lifeboat. This procedure, for safely recovering inshore lifeboats in poor weather, proved vital in 2021 when Trearddur Bay crew rescued a surfer in a force 9

SERIOUS INCIDENT REPORTING

Eight serious incidents were reported to the Charity Commission in 2021, none of which were pursued by the department.

RAISING CONCERNS INTERNALLY

It is important our people have the means and confidence to raise concerns that will be listened to and acted upon if substantiated. A whistleblowing process is in place to enable volunteers and staff to raise organisational concerns.

HEALTH AND SAFETY

The health and safety of our people is a priority for the RNLI, reflected in our number one Strategic Outcome: We keep our people safe. Recognising the sometimes hazardous nature of our lifesaving activities, we aim to continually improve our safety management system and promote a learning culture, so that we are as resilient as we can be. To do this we:

- align and regularly review our safety management system to ensure continuous improvement against internal and external standards
- work collaboratively across functions and regions to connect and share information about risks to health and safety
- put safety at the top of our executive and senior leadership team meetings, with regular reporting to the Executive Team, Trustee Board and relevant committees

- provide training against a comprehensive competency framework to ensure those undertaking lifesaving work have the skills to do so safely
- implement 'lines of defence' in our assurance framework, including independent and external assurance activity as determined by level of risk
- promote a positive reporting culture and provide appropriate systems and processes to ensure we learn from incidents and near misses, and
- offer trauma risk management (TRiM) support and interventions to those volunteers and staff exposed to potentially traumatic incidents, through a network of trained TRiM practitioners.

Levels of activity in the RNLI have gradually increased as our respective governments eased their Covid-19 restrictions in spring. In turn the number of safety, health and environment (SHE) incidents reported on our safety management system has also increased, although injuries remain significantly lower than the 2019 pre-pandemic trend.

The lifting of restrictions in spring 2021 enabled the remobilisation of our critical safety improvement projects. This included the roll-out of activity risk assessments on our improved online system, and trials of new technologies as part of our work to reduce whole body vibration, noise and ergonomic risks. We also began the detailed work of mapping our safety management system against an external standard (ISO 45001) and launched a programme of workshops to analyse our significant accident hazards.

Another significant development for RNLI safety was the creation of the new Safety and Independent Assurance Directorate. It draws together the existing Safety Team (previously within Lifesaving Operations) and combines that capability with a newly created Independent Assurance Team. This new team will enable independent, proactive, and risk-led assurance of our risks and compliance obligations across the charity. They will report to the chief executive via our newly appointed director of safety and independent assurance (not a member of the Executive Team).

OUR COMMITMENT TO SAFEGUARDING

The RNLI is committed to looking after the wellbeing and dignity of everyone who comes into contact with our charity, whether beneficiaries, supporters, volunteers or staff. Safeguarding is part of our business; it's everyone's business. Everybody working or volunteering at the RNLI should understand safeguarding. Safeguarding is about supporting and protecting people. It's about not causing harm through our interactions. It's about being aware of people's wellbeing and welfare. It's about keeping each other and ourselves safe, and it's about speaking out and taking appropriate action to prevent harm or abuse.

Our commitment to safeguarding is embedded within the leadership of the organisation, with a dedicated Trustee safeguarding champion and the appointment of a designated safeguarding lead. To help our people understand their responsibilities, we have a dedicated safeguarding policy and procedure.

To embed our understanding, a safeguarding e-learning resource is available through the Learning Zone, the RNLI's learning management system.

We are working to ensure our Safer Recruitment processes are effective and that they are meeting the relevant statutory requirements across the regions. We are working to ensure thorough scrutiny processes are in place to measure compliance and assurance.

We recognise that we have additional responsibilities to safeguard children and vulnerable adults. We encourage individuals to report concerns and we are committed to improving reporting mechanisms. When concerns are raised, we investigate them to understand the causes and how we can take steps to prevent similar occurrences. Staff and volunteers can report any type of abuse and harassment through various mechanisms, including the independent whistleblowing process.

In addition to reports of behaviour emanating from within the RNLI, we also receive reports of safeguarding concerns raised within the communities in which we operate. We work closely with partner organisations to help seek justice for survivors of abuse.

The RNLI's high standards ensure those participating in our programmes and activities are kept safe. This includes our education programme delivered in schools to prevent the risk of harm through drowning.

We have robust safeguarding systems in place and implement additional measures where we have concerns about an individual's suitability to work with vulnerable groups or other volunteers. We identified seven cases of

potential risk to a young person or vulnerable adult in 2021. We reported four safeguarding matters to the Charity Commission, one of which involved a partner organisation which we also reported through the Foreign, Commonwealth and Development Office. Not all safeguarding matters concern abuse of RNLI staff, volunteers or beneficiaries but relate to a risk notified to us by statutory agencies about the behaviour of individuals outside their involvement with the RNLI.

OPEN AND ACCOUNTABLE FUNDRAISING STANDARDS

The RNLI works hard to ensure that everyone supporting the charity understands how their money will be used to save lives. This is reflected in the low level of complaints received. When we receive complaints, we respond on a one-to-one basis in line with our Supporter Charter. We recently updated our charter and our complaints process to ensure that we have one approach for all our jurisdictions. We annually complete a complaints return for the Fundraising Regulator and we use the insight from the Fundraising Regulator's annual complaints report to influence and inform future fundraising strategies.

COMPLAINTS AND FEEDBACK

While the number of complaints we received in 2021 increased from the 1,383 received in 2020, they continued to remain low in relation to our activity, with 5,261 pieces of negative feedback to date. This increase is mainly due to the RNLI's response in the English Channel (1,322 complaints) and to

a new way of logging feedback in relation to our online shop to ensure we capture all feedback in this area (2,348 complaints). We also saw an increase in our positive feedback, receiving over 780 items. More than 550 of these were in support of our lifesaving work in the Channel. In 2021 we had 168 requests via the Fundraising Preference Service to remove individuals from our database. This is the first year we have shared this statistic in the annual report. We will offer an annual comparison in future reports.

We continue to log all feedback and we internally share a weekly Supporter Sentiment report highlighting trends and themes. These allow us to learn, adapt and continuously improve the supporter experience.

CERTIFICATIONS AND REGISTRATIONS

The RNLI had a number of certifications and registrations in place during 2021:

FUNDRAISING REGULATOR

We are registered with the Fundraising Regulator. It demonstrates that we take our fundraising extremely seriously. As a registered charity it means we promote best practice, defend the sector and demonstrate our compliance with the law. We follow the Regulator's process for reporting our fundraising complaints to them annually in April. In our April 2021 submission we reported 639 complaints to the regulator, this is in relation to sending out just over 22M items of targeted marketing communication. Going forward as we test TV, radio and digital marketing platforms, future reports will also compare total number of marketing

impressions, which currently stands at just over 186M. Should the need arise, we would follow the Regulator's complaints escalation process.

DIGITAL CODE OF CONDUCT

The RNLI follows the Charity Digital Code principles. In 2021 we have focused on a number of areas, including the accessibility of RNLI websites, reviewing our strategic intent and continuing to test emerging technologies.

UK GAMBLING COMMISSION REGULATION

The RNLI's quarterly Lifeboat Lottery is licensed by the Gambling Commission under the Gambling Act 2005. This is to ensure our gambling activities are safe, fair and crime-free. We hold a non-remote and an ancillary remote licence and strictly adhere to the Licence Conditions and Codes of Practice regulated by the Gambling Commission.

In 2021, the value of ticket sales for the Lifeboat Lottery was £3.5M, with an average 81% being the value returned directly for the purposes of the society. This complies with the Gambling Commission's requirements that a society lottery must apply a minimum of 20% of the gross proceeds of each lottery directly to the purposes of the society.

We have procedures and protective measures in place to encourage responsible gambling and to identify and help those with gambling problems. We strictly adhere to the Gambling Commission's directive on social responsibility and problem gambling. See more at [RNLI.org/lottery](https://www.rnli.org/lottery).

ACCREDITATION OF TRAINING AND ASSESSMENT STANDARDS

Our powerboating, motorcruising, VHF and shore-based theory courses are accredited by the Royal Yachting Association.

The Association of Marine Electronic and Radio Colleges accredits our Search and Rescue Radio Operator's course and our Long Range course.

Our STCW Sea Survival course, Casualty Care course and Approved Engine course are accredited by the Maritime and Coastguard Agency.

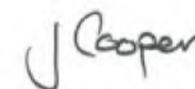
Our Casualty Care course is approved by the Anaesthesia Trauma and Critical Care Group and the Royal College of Surgeons.

UK MUSEUM ACCREDITATION

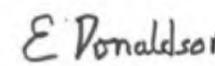
The RNLI Henry Blogg Museum and RNLI Grace Darling Museum continued to meet the standard for UK Museum Accreditation.

Conclusion

The Annual Report of the Trustees of the RNLI was approved by the Trustees of the RNLI on 13 April 2022. As Chairman Stuart Popham is indisposed, it is signed on his behalf by Deputy Chairs Janet Cooper and Eddie Donaldson.



Janet Cooper
RNLI Deputy Chairs



Eddie Donaldson

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE ROYAL NATIONAL LIFEBOAT INSTITUTION

OPINION ON THE FINANCIAL STATEMENTS

We have audited the financial statements of The Royal National Lifeboat Institution ('the Parent Charity') and its subsidiaries ('the Group') for the year ended 31 December 2021 which comprise the RNLI Consolidated and RNLI Statement of Financial Activities, the RNLI Consolidated and RNLI Balance Sheets, the RNLI Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 December 2021 and of the Group's and Parent Charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the requirements of the Charities Act 2011 and Charities and Trustee Investment (Scotland) Act 2005 and regulation 6 & 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010 and the Charities Act (Northern Ireland) 2008 as amended by the Charities Act (Northern Ireland 2013).

BASIS FOR OPINION

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

CONCLUSIONS RELATED TO GOING CONCERN

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

OTHER INFORMATION

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

whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Act (Northern Ireland) 2008 requires us to report to you if, in our opinion:

- the information contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- proper accounting records have not been kept by the Parent Charity; or
- the Parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustee Board Responsibilities section, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and section 65 of the Charities Act (Northern Ireland) 2008 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

EXTENT TO WHICH THE AUDIT WAS CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

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

Based on our understanding of the Charity and the industry in which it operates, we identified that the principal laws and regulations that directly affect the financial statements to be relevant charities' acts in the UK and Ireland. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

In addition the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment law, data protection and health and safety legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence if any.

Audit procedures performed by the engagement team included:

- discussions with management and internal audit, including consideration of known or

suspected instances of non-compliance with laws and regulations and fraud;

- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the various charity regulators;
- reviewing items included in the Group's fraud and theft database as well as the results of internal audit's investigation into these matters;
- review of sample of Gift Aid claims and ensuring these have been made in accordance with the regulations;
- challenging assumptions made by management in their significant accounting estimates in particular in relation to the legacy accrual and assumptions used in the calculation of the defined benefit pension liability, and
- in addressing the risk of fraud through management override of controls; testing the appropriateness of journal entries and other adjustments, in particular any journals posted by senior management or with unusual accounts combinations.

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

statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's ('FRC's') website at: frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the Charity's Trustees, as a body, in accordance with the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Act (Northern Ireland) 2008. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

BDO LLP, statutory auditor

London, UK
8 June 2022

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

FINANCIAL STATEMENTS

RNLI CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2021

The Statement of Financial Activities includes all gains and losses recognised in the year. Total consolidated income of the RNLI during the year, including investment gains/(losses), was £238.2M (2020: £207.2M) less resources expended of £199.8M (2020: £172.6M) led to a surplus of £38.4M (2020: surplus of £34.6M). All income, expenditure and resulting net movements are derived from continuing activities.

Notes 1 to 18 form part of these accounts.

	Note	Unrestricted funds			Restricted funds	Endowed funds	Total 2021	Total 2020
		General funds	Designated funds	Fixed asset funds				
		£M	£M	£M	£M	£M	£M	£M
Income and endowments from:								
Legacies		109.0	–	–	28.6	–	137.6	131.5
Donations		49.1	–	–	11.1	–	60.2	47.1
Trading activities		13.9	–	–	–	–	13.9	8.3
Investments	7c	0.5	–	–	0.8	–	1.3	1.6
Charitable activities		4.2	–	–	–	–	4.2	2.6
Other income		2.7	–	–	–	–	2.7	8.0
Total income and endowments		179.4	–	–	40.5	–	219.9	199.1
Expenditure on:								
Legacies and donations		(32.3)	–	(1.2)	–	–	(33.5)	(23.7)
Trading activities		(7.9)	–	(0.1)	–	–	(8.0)	(4.8)
Investment management		(0.3)	–	–	(0.2)	–	(0.5)	(0.5)
Raising funds		(40.5)	–	(1.3)	(0.2)	–	(42.0)	(29.0)
Lifeboat service		(31.7)	(0.5)	(2.8)	(11.2)	–	(46.2)	(38.6)
Lifeboats, property and equipment		(49.2)	(3.3)	(20.8)	(10.4)	–	(83.7)	(79.8)
Lifeboat rescue		(80.9)	(3.8)	(23.6)	(21.6)	–	(129.9)	(118.4)
Lifeguard rescue		(17.8)	–	(1.6)	(0.2)	–	(19.6)	(16.1)
International		(1.7)	–	–	(0.4)	–	(2.1)	(2.5)
Water safety, education and awareness		(5.7)	–	(0.1)	(0.4)	–	(6.2)	(6.6)
Charitable activities		(106.1)	(3.8)	(25.3)	(22.6)	–	(157.8)	(143.6)
Total expenditure	5	(146.6)	(3.8)	(26.6)	(22.8)	–	(199.8)	(172.6)
Net gain on investments	7b	1.3	–	–	10.7	6.3	18.3	8.1
Net income/(expenditure)		34.1	(3.8)	(26.6)	28.4	6.3	38.4	34.6
Transfers between funds	1h	(21.4)	13.5	24.6	(16.3)	(0.4)	–	–
Actuarial gain/(loss) on pension schemes		2.4	–	–	–	–	2.4	(11.0)
Net movement in funds		15.1	9.7	(2.0)	12.1	5.9	40.8	23.6
Reconciliation of funds:								
Funds at 1 January		81.4	11.4	468.0	135.4	61.2	757.4	733.8
Movement in funds		15.1	9.7	(2.0)	12.1	5.9	40.8	23.6
Funds at 31 December		96.5	21.1	466.0	147.5	67.1	798.2	757.4

RNLI CONSOLIDATED BALANCE SHEET

as at 31 December 2021

*E Donaldson*Eddie Donaldson
Deputy Chair*J Cooper*Janet Cooper
Deputy Chair*Mark Dowie*Mark Dowie
Chief Executive

Notes 1 to 18 form part of these accounts. The accounts of the RNLI and the consolidated accounts were approved and authorised for issue by the Trustees on 13 April 2022 and signed on their behalf.

	Note	2021		2020	
		£M	£M	£M	£M
Assets employed					
Fixed assets					
Intangible assets	6b	13.1		15.4	
Tangible assets	6a	452.9		452.6	
			466.0		468.0
Investments	7		307.7		268.6
Current assets					
Stocks	8	23.1		26.0	
Debtors	9	57.2		53.1	
Bank and cash		2.7		5.0	
		83.0		84.1	
Creditors – amounts falling due within 1 year	10	(17.7)		(14.7)	
Net current assets			65.3		69.4
Creditors					
Amounts falling due after more than 1 year	10		(6.4)		(7.8)
Defined benefit pension liability	10		(34.4)		(40.8)
Net assets			798.2		757.4
Funds					
Endowed funds: Permanent	12b	18.7		17.2	
Expendable		48.4		44.0	
			67.1		61.2
Restricted funds	12c		147.5		135.4
Unrestricted funds					
Fixed asset funds			466.0		468.0
Designated funds	12d		21.1		11.4
General funds: Free reserves		130.9		122.2	
Pension reserve		(34.4)		(40.8)	
			96.5		81.4
Total funds			798.2		757.4

RNLI CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 December 2021

	2021 £M	2020 £M
Cash flow from operating activities:		
Net cash provided by operating activities (see note below)	43.5	28.1
Cash flows from investing activities:		
Investment income	1.3	1.6
Proceeds from the sale of fixed assets	2.1	0.7
Purchase of fixed assets	(27.3)	(17.9)
Purchase of investments	(169.2)	(42.4)
Proceeds from sale of investments	148.4	26.5
Net cash used in investing activities	(44.7)	(31.5)
Cash flows from financing activities:		
Payment of short term lease liability	(1.1)	–
Net cash used in financing activities	(1.1)	–
Change in cash and cash equivalents in the reporting period	(2.3)	(3.4)
Reconciliation of cash flow:		
Cash and cash equivalents at the beginning of the reporting period	5.0	8.4
Change in cash and cash equivalents in the reporting period	(2.3)	(3.4)
Cash and cash equivalents at the end of the reporting period	2.7	5.0

	2021 £M	2020 £M
Note to the consolidated cash flow statement		
Reconciliation of net income to net cash flow from operating activities		
Net income for the period (as per the SoFA)	38.4	34.6
Depreciation and amortisation charges	26.6	25.6
Impairment of fixed assets	–	2.8
Gain on investments	(18.3)	(8.1)
Investment income	(1.3)	(1.6)
Loss/(profit) on disposal of fixed assets	0.6	(0.3)
Decrease/(increase) in stock	2.9	(2.8)
Increase in debtors	(4.1)	(11.7)
(Decrease)/increase in creditors	(3.7)	0.6
Actuarial gain/(loss) on pension schemes	2.4	(11.0)
Net cash provided by operating activities	43.5	28.1

Reconsolidation of net funds

	2020 £M	Cashflows £M	Non-cash movements £M	2021 £M
Cash	5.0	(2.3)		2.7
Loans falling due within one year	(1.1)	1.1	(1.1)	(1.1)
Loans falling due after more than one year	(2.8)	–	1.1	(1.7)
Total	1.1	(1.2)	–	(0.1)

Notes 1 to 18 form part of these accounts.

**RNLI STATEMENT OF
FINANCIAL ACTIVITIES†**

for the year ended 31 December 2021

	Note	Unrestricted funds			Restricted funds £M	Endowed funds £M	Total 2021 £M	Total 2020 £M
		General funds £M	Designated funds £M	Fixed asset funds £M				
Income and endowments from:								
Legacies		109.0	–	–	28.6	–	137.6	131.5
Donations		49.1	–	–	11.1	–	60.2	47.1
Donations from subsidiary companies		6.1	–	–	0.9	–	7.0	4.2
Investments	7c	0.5	–	–	0.5	–	1.0	1.3
Charitable activities		4.2	–	–	–	–	4.2	2.6
Other income		2.6	–	–	–	–	2.6	7.3
Total income and endowments		171.5	–	–	41.1	–	212.6	194.0
Expenditure on:								
Legacies and donations		(32.3)	–	(1.2)	–	–	(33.5)	(23.7)
Trading activities		–	–	–	–	–	–	–
Investment management		(0.3)	–	–	(0.2)	–	(0.5)	(0.5)
Raising funds		(32.6)	–	(1.2)	(0.2)	–	(34.0)	(24.2)
Lifeboat service		(31.7)	(0.5)	(2.8)	(11.2)	–	(46.2)	(38.6)
Lifeboats, property and equipment		(49.6)	(3.3)	(20.8)	(10.4)	–	(84.1)	(79.8)
Lifeboat rescue		(81.3)	(3.8)	(23.6)	(21.6)	–	(130.3)	(118.4)
Lifeguard rescue		(17.8)	–	(1.6)	(0.2)	–	(19.6)	(16.1)
International		(1.7)	–	–	(0.4)	–	(2.1)	(2.5)
Water safety, education and awareness		(5.7)	–	(0.1)	(0.4)	–	(6.2)	(6.6)
Donation to CIO		(0.3)	–	–	–	–	(0.3)	–
Charitable activities		(106.8)	(3.8)	(25.3)	(22.6)	–	(158.5)	(143.6)
Total expenditure		(139.4)	(3.8)	(26.5)	(22.8)	–	(192.5)	(167.8)
Net gain on investments	7b	1.3	–	–	10.7	1.5	13.5	6.7
Net income/(expenditure)		33.4	(3.8)	(26.5)	29.0	1.5	33.6	32.9
Transfers between funds	1h	(21.3)	13.5	24.7	(16.9)	–	–	–
Actuarial gain/(loss) on pension schemes		2.4	–	–	–	–	2.4	(11.0)
Net movement in funds		14.5	9.7	(1.8)	12.1	1.5	36.0	21.9
Reconciliation of funds:								
Funds at 1 January		84.1	11.4	465.3	135.4	17.2	713.4	691.5
Movement in funds		14.5	9.7	(1.8)	12.1	1.5	36.0	21.9
Funds at 31 December		98.6	21.1	463.5	147.5	18.7	749.4	713.4

Notes 1 to 18 form part of these accounts.

† The RNLI statement of financial activities shows the financial performance for the year of the charity excluding its subsidiaries.

RNLI BALANCE SHEET†

as at 31 December 2021

*E. Donaldson*Eddie Donaldson
Deputy Chair*J. Cooper*Janet Cooper
Deputy Chair*Mark Dowie*Mark Dowie
Chief Executive

Notes 1 to 18 form part of these accounts. The accounts of the RNLI and the consolidated accounts were approved and authorised for issue by the Trustees on 13 April 2022 and signed on their behalf.

† The RNLI balance sheet shows the financial position of the charity excluding its subsidiaries.

	Note	2021		2020	
		£M	£M	£M	£M
Assets employed					
Fixed assets					
Intangible assets		12.9		15.2	
Tangible assets		450.6		450.1	
			463.5		465.3
Investments	7		264.2		230.1
Current assets					
Stocks	8	20.3		23.5	
Debtors	9	58.1		53.4	
Bank and cash		1.7		3.9	
		80.1		80.8	
Creditors – amounts falling due within 1 year	10	(17.6)		(14.2)	
Net current assets			62.5		66.6
Creditors					
Amounts falling due after more than 1 year	10		(6.4)		(7.8)
Defined benefit pension liability	10		(34.4)		(40.8)
Net assets			749.4		713.4
Funds					
Endowed funds: Permanent		18.7		17.2	
			18.7		17.2
Restricted funds	12c		147.5		135.4
Unrestricted funds					
Fixed asset funds			463.5		465.3
Designated funds	12d		21.1		11.4
General funds: Free reserves		133.0		124.9	
Pension reserve		(34.4)		(40.8)	
			98.6		84.1
Total funds			749.4		713.4



Cork's famous Annie Moore statue gets a 2021 makeover as part of a joint RNLI and Helly Hansen safety campaign to encourage people to wear a lifejacket when out on the water

RNLI NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1. RNLI STRUCTURE AND ACCOUNTING POLICIES

The RNLI was founded in 1824 and was incorporated by Royal Charter granted in 1860, with Supplemental Charters granted in 1932, 1986, 2002 and 2011. The RNLI is a charity registered in England and Wales (209603), Scotland (SC037736), the Republic of Ireland (CHY 2678 and 20003326), the Bailiwick of Jersey (14), the Isle of Man (1308 and 006329F), the Bailiwick of Guernsey (CH135) and Alderney (CH386). The address of the registered office is West Quay Road, Poole, Dorset, BH15 1HZ.

a) Basis of accounting

The accounts (financial statements) have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP), Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (FRS102) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following Accounting and Reporting by Charities, preparing their accounts in accordance with *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (FRS102).

The RNLI meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

In preparing the separate financial statements of the charity, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the Parent Charity.
- Disclosures in respect of the Parent Charity's financial instruments have not been presented, as equivalent disclosures have been provided in respect of the Group as a whole.
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the Group as a whole.

Going concern

The Trustees reviewed the RNLI's plans for 2022 in November 2021 and were content that these plans were affordable and that the accounts should be prepared on a going-concern basis considering the effects of the pandemic in 2021 and the expectations in 2022. The RNLI Executive and Finance Committee also review forecasts on a regular basis, through the review of financial risks and opportunities, and are content that the RNLI has sufficient resources to continue operating for a period of at least 12 months from the date of signing these accounts, having considered the effects of the war in Ukraine on investments and supply chain.

Given the strength of the balance sheet and availability and liquidity of unrestricted investments, totalling around £108.2M, the Trustees believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the charity's ability to continue as a going concern. The Trustees, therefore, consider it appropriate for the accounts to be prepared on a going-concern basis.

b) Critical accounting judgements and key sources of estimation

In the application of the Charity's accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and

underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period to which they relate.

In preparing these financial statements, a key judgement has been made in respect of the following:

- Residuary legacies – a debtor is recognised at the point it can be reliably measured and that the RNLI is entitled to the legacy. This recognition point is reached when the executors make the first interim distribution.

The key sources of estimation are summarised below:

- Residuary legacies – the valuation of the legacy debtor involves making estimates in relation to the valuation that the RNLI will receive from the estate. Key components of this estimate relate to the estimated disposal value of capital assets and an estimate of the costs to be incurred administering the estate.
- Pension liabilities – the charity recognises its liability to its defined benefit pension scheme, which involves several estimations as disclosed in note 11. The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation include items such as standard rates of inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions can significantly influence the value of the liability recorded and annual defined benefit expense. Assumptions used are based on actuarial advice.

c) Basis of consolidation

All subsidiary companies and charities, as listed in note 2, have been consolidated on a line-by-line basis. Their objectives contribute to those of the RNLI Group strategy and under the test of control they are deemed to be subsidiaries of the RNLI. The intra-group transactions, balances and unrealised profits are eliminated in full.

RNLI (Trading) Limited was inactive throughout 2021 and has not been consolidated on that basis.

d) Depreciation, amortisation and impairment

Tangible and intangible fixed assets costing more than £10,000 are capitalised and included at cost.

Fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment an impairment loss is recognised immediately in the Statement of Financial Activities.

Fixed assets are depreciated or amortised over their current anticipated lives, which are assessed as follows:

Goodwill and intellectual property	Straight line over 10 years
Assets under construction	No depreciation is charged on assets in the course of construction
Freehold lifeboat stations and shoreworks	Straight line over 50 years
Other freehold/ leasehold buildings	Straight line over 50 years/ period of lease
Lifeboats	Straight line over 15–25 years. Shannon and Tamar lifeboat hulls over 50 years.
Launching equipment	Straight line over 10–25 years
Office furniture and depot plant	Straight line over 5–10 years
Computer hardware and software	Straight line over 4–10 years

e) Pension schemes

The RNLI operates a defined benefit pension scheme covering its employees in the UK and the Republic of Ireland. The scheme was closed to new entrants from 1 January 2007 and closed to future benefit accrual on 30 September 2012, although benefits for active members accrued up to 30 September 2012 continue to be subject to any increases in pensionable pay.

A defined contribution pension scheme was established for new staff joining from 1 January 2007 and this was also offered as an alternative to members of the defined benefit pension scheme on its closure. The RNLI also operates a dependants’ pension scheme where benefits are paid by the RNLI to dependants of former crew members who lost their

lives on lifeboat service. The defined benefit and dependants’ pension scheme assets are both held in separate trustee-administered funds. The cost charged in the Statement of Financial Activities (SoFA) represents current service costs and gains and losses on settlements and curtailments calculated in accordance with Accounting Standard FRS102. Further details are shown in note 11.

For the defined benefit pension and dependants’ pension scheme, the current service costs, gains and losses on settlements and curtailments, and administrative expenses are charged to expenditure.

Similarly, pension finance costs arising from changes in the net of the interest costs and expected return on assets are charged to expenditure. Actuarial gains and losses are recognised immediately in the Statement of Financial Activities as Actuarial gain/(loss) on pensions scheme. Contributions in respect of defined contribution schemes are recognised as expenditure as they become payable.

f) Income

Incoming resources are included in the SoFA when the RNLI is entitled to the income, the receipt is probable and the amount can be quantified with reasonable accuracy. If these conditions are not met the income is deferred. The following specific policies apply to categories of income.

Legacy income is recognised either at the point that the future income from an estate meets the recognition category or, for legacies not previously recognised, the point that the first cash payment is received. For pecuniary legacies, unpaid legacies are accrued into the accounts when they are notified unless there is any evidence that the legacy is contested, or the estate is impaired. For residuary legacies, a debtor is recognised at the point that it can be reliably measured, and that the RNLI is entitled to the legacy. This recognition point is reached when the executors make the first interim distribution. Legacies that do not meet the recognition criteria but where a value can be estimated represent a contingent asset and the value of these are disclosed in Note 9 on page 60. In the rare cases where legacy property assets are legally transferred to the RNLI, rather than sold during the process

to settle the estate, they are capitalised under tangible fixed assets at market value. When sold, the profit or loss on disposal is recognised in the SoFA as legacy income rather than profit or loss on disposal of fixed assets.

All donations are accounted for when received. Subscription income is treated as a donation, as there is no material benefit given, and is accounted for when receivable. Lottery income is recognised at the point the associated draw occurs. Charitable activity income represents lifeguard income which is accounted for when receivable. Investment income is accounted for on a receivable basis.

Other income includes government support from the various schemes across our jurisdictions and these have been accounted for on a receipts basis.

On receipt, and where material, donations in kind are recognised on the basis of the value of the gift to the charity, which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt. Gifts in kind that are not material are not disclosed.

Gift Aid donations made to the charity are recognised as income in the charity when claimed. Donations from subsidiaries, made under Gift Aid, are recognised as income when paid, or at the date when the subsidiary has a legal liability to make the donation payment if earlier.

g) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Support costs representing expenditure on governance, general administration, finance, human resources, and information technology have been allocated to expenditure, excluding merchandising and investment management, on the basis of cost (see note 5).

Employee benefits paid on termination include accrued amounts where the RNLI is demonstrably committed to make these payments.

The cost of volunteer time is not accounted for as this cannot be estimated reliably.

h) Fund accounting

The RNLI's funds fall into the following categories:

Permanent endowments are capital sums that are donated under the restriction that they are invested and that only the income arising is available for expenditure in accordance with the donors' directions. These capital sums can only be spent in exceptional circumstances with the agreement of the Charity Commission.

Expendable endowments are capital sums that are donated under the restriction that they are invested and that only the income arising is available for expenditure in accordance with the donors' directions. These capital sums may be spent at the discretion of the Trustees of the RNLI Lifesaving Endowment, where necessary, and in accordance with the donors' directions.

Restricted funds are only available for expenditure in accordance with the donors' directions. This will include any restricted legacy value accrued on an estimated basis, in accordance with the policy on income detailed in this note.

Fixed asset funds represent the assets of the RNLI, the vast majority of which are the lifeboats, launching equipment and operational properties, such as lifeboat stations and lifeguard units. Without them the RNLI could not operate. They are shown separately to other unrestricted funds due to the size and importance of these assets to the RNLI.

Designated funds are set aside at the discretion of the Trustees. A Pandemic Fund has been established to ensure that key operational projects that have been delayed because of the pandemic are completed. A Special Projects fund has also been established this year to designate funds where significant financial assurances have been made to third parties to ensure monies are available. For 2021, this is entirely for the project at Weston-super-Mare, where the local council are seeking significant funds to repair the pier that will give access to the lifeboat station and the RNLI has given assurances that these funds will be available for the construction of the lifeboat station and access.

The above funds are committed funds.

General funds are sums that are freely available for general use. They comprise:

- **Free reserves**, which are retained to enable the Trustees to provide assurance to those at sea, the public and the governments of the UK and Republic of Ireland that the RNLI will be able to sustain its commitment to provide the lifeboat and lifeguard service. The free reserves are set at a level to withstand any short-term financial risks, the main ones being in the investment markets, pension scheme funding or in key sources of income, such as legacies. Based on this value, if free reserves fall outside the range of 4–10 months' charitable expenditure cover, the Trustees will review the business plan and make changes, as they consider appropriate. These free reserves will include any unrestricted legacy values accrued.
- **Pension reserve**, which represents the FRS102 accounting deficit for the defined benefit pension scheme as at the year end. The FRS102 basis is a prescribed accounting basis that requires the discount rate to be the rate on high-quality corporate bonds with a duration equivalent to that of the scheme liabilities. Each year, the scheme actuary assesses the financial position of the scheme, allowing for the returns expected to be generated by the assets planned to be held by the scheme in the future. These assets would not typically consist of 100% in corporate bonds. Further details are shown in note 11.

Transfers between funds represent the completion of capital projects funded from restricted and designated funds and the satisfaction of the restriction or designation on completion of the project. Transfers to the fixed asset fund are required to maintain the committed value of the fund.

i) Operating leases

Rentals applicable to operating leases are charged to the SoFA over the period in which the cost is incurred on a straight-line basis.

j) Investments

Investments for which there is a quoted market value are valued at the bid-price ruling at the balance sheet date. Other investments are valued at their realisable market value. Investment gains and losses arising during the year are included in the SoFA. Investments in loans are carried at cost with an allowance for impairment.

k) Stocks

Stocks are valued at cost or written-down value. Stocks are reviewed on a line-item basis at least annually and provision is made against cost to reduce carrying value to estimated net realisable value. Included within operational stock are lifeboat manufacturing and repair materials, spares, crew kit, safety equipment and consumables. These are held as stock until distribution from the warehouse, at which point they are expensed if consumable or capitalised to fixed assets.

l) Presentation currency

The functional currency of the RNLI and its subsidiaries is considered to be in pounds sterling because that is the currency of the primary economic environment in which the organisation operates. The consolidated financial statements are also presented in pounds sterling.

m) Exchange rate gains and losses

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets are translated at the rate of exchange ruling at the balance sheet date. Gains and losses on exchange are included in the SoFA.

n) Cash at bank and short-term deposits

Cash at bank and short-term deposits include cash and short-term highly liquid investments with a short maturity of 3 months or less from the date of acquisition or opening of the deposit or similar account. All cash and short-term deposits are basic instruments and are measured at amortised cost.

o) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. SUBSIDIARY UNDERTAKINGS**a) Subsidiary companies**

The RNLI has four wholly owned subsidiaries, RNLI (Trading) Limited, RNLI College Limited, RNLI (Sales) Limited, and Clayton Engineering Limited. All are registered in England and Wales, and each has a year end of 31 December 2021. RNLI (Trading) Limited was not trading throughout 2020 and 2021.

The activities of RNLI College Limited relate directly to the charitable activities of the RNLI and comprise the training of lifeboat crew and lifeguards, although there are external sales of excess capacity which offset some of the costs of the training of lifeboat crew and lifeguards.

RNLI (Sales) Limited is used for non-charitable fundraising activities: selling gifts and souvenirs through the RNLI's network of station branches, fundraising branches and guilds, and running the Lifeboat Lottery.

Clayton Engineering Limited is a specialist engineering company which designs and manufactures lifeboat launch and recovery equipment.

The RNLI charges its subsidiaries for the use of any shared resources. In 2021 a total of £0.8M (2020: £0.7M) was charged to subsidiaries on a cost basis.

The subsidiary company boards have decided that all the net profit will be donated to the RNLI and any profit shown in this note will be donated within 9 months of the year-end. There may be occasion where profits are retained if taxable losses are available, at the discretion of the board.

No provision for corporation tax has been made on subsidiary company profits for the year. This is due to the policy of donating all tax adjusted profits available for

distribution under Gift Aid, to its ultimate charitable parent undertaking within 9 months of the year-end date.

b) Charitable incorporated organisation

RNLI Lifesaving Endowment Fund (LEF) is registered as a charitable incorporated organisation (CIO) with the Charity Commission for England and Wales (registration number: 1184013). Its year end is 31 December. The LEF is a separate legal entity, able to hold property in its own name. The purpose of the LEF is the advancement of saving lives at sea by establishing, building and investing an endowment fund. Income is donated to the RNLI from this fund for lifesaving purposes and in 2021 a donation of £0.9M was made (2020: £Nil). In 2021, a donation of £0.3M was made from the RNLI to the LEF (2020: £Nil). As at 31 December 2021, the LEF held investments to the value of £49.0M (2020: £44.0M) and the total return on investments in 2021, including income, was £5.1M (2020: £1.7M).

3. STAFF COSTS

The RNLI relies heavily on the work of volunteers to launch and crew the lifeboats, support our lifeguard service and operate the large network of station branches, fundraising branches and groups. We are founded on these volunteers who account for 95% of the RNLI's people and include more than 5,600 volunteer crew members (2020: 5,600) and over 3,700 volunteer shore crew and lifeboat station management (2020: 3,500).

The majority of our volunteers, in number, however, are the fundraisers who raise money and help in our shops, museums and offices. Staff costs, both to support these volunteers and to save lives in areas such as lifeguards, are as follows:

	2021 £M	2020 £M
Wages and salaries	73.7	65.4
Social security costs	7.1	6.5
Pension costs	12.5	11.4
Total	93.3	83.3
Severance pay	0.5	0.3

Subsidiary company financial information	RNLI (Sales) Limited Company number 02202240		RNLI College Limited Company number 07705470		Clayton Engineering Limited Company number 01274923	
	2021 £M	2020 £M	2021 £M	2020 £M	2021 £M	2020 £M
Merchandising and other trading income	12.4	7.6	1.5	0.7	–	–
Other income	0.1	0.3	–	0.4	–	0.3
Internal supplies to the RNLI	–	–	7.0	6.2	4.4	3.0
Cost of sales	(4.0)	(1.9)	(0.4)	(0.3)	(2.6)	(1.9)
Gross profit	8.5	6.0	8.1	7.0	1.8	1.4
Operating costs	(4.0)	(3.2)	(6.6)	(5.6)	(1.5)	(1.4)
Net profit	4.5	2.8	1.5	1.4	0.3	–
Amount of Gift Aid to the RNLI	(4.5)	(2.8)	(1.5)	(1.4)	(0.1)	–
Retained in subsidiary	–	–	–	–	0.2	–
Fixed assets	0.3	0.4	0.5	0.7	1.5	1.3
Current assets	2.5	2.3	–	–	2.0	1.9
Current liabilities	(0.6)	(1.0)	(0.7)	(0.4)	(0.8)	(0.5)
Amounts owed (to)/from RNLI group	(0.7)	(0.2)	1.2	0.7	0.2	–
Net assets	1.5	1.5	1.0	1.0	2.9	2.7

Staff costs have returned to a similar level as in 2019 (2019: £93.0M). Staff costs in 2020 were lower due to, mainly, the 2019 restructure; shorter season for seasonal staff due to lockdown measures; and employees that were on furlough, where salaries were paid at 80% rather than 100%.

Pension costs include the cost of the pension salary sacrifice scheme, which involves employees sacrificing a proportion of their salary to contribute into their defined contribution pension scheme.

The following number of employees received emoluments (excluding employer pension and NI contributions) in excess of £60,000 (of which members of the Executive Team who served during the year are shown in brackets):

	Including severance pay		Excluding severance pay	
	2021 Number	2020 Number	2021 Number	2020 Number
£60,000–£69,999	25 (-)	32 (-)	28 (-)	31 (-)
£70,000–£79,999	19 (-)	19 (-)	19 (-)	18 (-)
£80,000–£89,999	9 (1)	3 (-)	6 (1)	3 (-)
£90,000–£99,999	1 (-)	1 (-)	- (-)	1 (-)
£100,000–£109,999	7 (3)	6 (4)	4 (3)	6 (4)
£110,000–£119,999	3 (2)	3 (3)	3 (2)	3 (3)
£160,000–£169,999	1 (1)	- (-)	1 (1)	-
Total	65 (7)	64 (7)	61 (7)	62 (7)

The Executive Team (ET) including the chief executive are regarded as the Charity's key management personnel under FRS102. Aggregate employee benefits of the ET totalled £1,002,244 (2020: £943,269). Aggregate employee benefits comprise salaries, severance pay, company cars, pension costs and employer NI contributions. No member of the RNLI's Executive Team received a pay increase in 2021. RNLI Chief Executive Mark Dowie receives an annual salary of £160,000 (2020: £160,000). The chief executive received aggregate employee benefits of £180,862 (2020: £127,767), which included £20,861 employer's NI (2020: £14,433). During the 2020 pandemic Mark Dowie voluntarily reduced his

salary by 50% from 1 April to 31 October 2020. He does not receive any additional allowances, nor a company car or car allowance. He has chosen not to receive RNLI employer's pension contributions, but he does have the employee benefit of salary life assurance cover at one times' salary.

In 2021, there were 63 (2020: 62) employees who received emoluments in excess of £60,000 (including severance pay) and are members of defined contribution schemes and received employer contributions of £646,853 (2020: £641,034).

The average monthly headcount was 2,452 (2020: 2,118). The total average number of employees, calculated on a full-time equivalent (FTE) basis, analysed by function was:

	Average including seasonal staff		Average excluding seasonal staff		At 31 December	
	2021 Number	2020 Number	2021 Number	2020 Number	2021 Number	2020 Number
Full-time equivalent employees						
Lifeboat service	349	324	349	324	354	326
Lifeboats, property and equipment	758	737	758	737	775	731
Lifeguard rescue	590	372	50	52	47	52
International	12	16	12	16	13	13
Water safety, education and awareness	89	101	89	101	89	102
Support	257	238	257	238	267	236
Legacies and donations	321	254	293	252	318	258
Trading activities	22	17	22	17	24	19
Total	2,398	2,059	1,830	1,737	1,887	1,737

The RNLI employs seasonal staff in the form of lifeguards and face-to-face fundraisers. Lifeguards are recruited and deployed on beaches when required and have been included above in lifeguard rescue as FTE of 540 (2020: 320). The peak number of lifeguards employed during the summer months (excluding volunteers) was 1,529 (2020: 1,141). Face-to-face fundraisers are also recruited and deployed on beaches during the summer and have been included in legacies and donations as FTE of 28 (2020: 2). The variances in FTE between year 2021 and 2020 can be attributed to the restrictions imposed by the government through the height of the pandemic, which caused a delay in our roll-out of seasonal lifeguard services and a reduced number of beaches patrolled. 2021 FTEs shows a return in similar numbers when compared to 2019 reported FTEs (2019 data: average including seasonal: 2,319, excluding seasonal: 1,843, as at 31 December: 1,746).

4. TRUSTEE, COUNCIL AND COMMITTEE COSTS

No Trustees, or any persons connected with them, received remuneration. Travelling expenses are reimbursed, if claimed, to Trustees and members of the standing and advisory committees and the Council. In total, £9,803 (2020: £11,862) was reimbursed to 6 Trustees and 10 Council members and members of advisory committees (2020: 7 Trustees, 14 Council members and members of advisory committees and the Audit and Risk Committee). No material donations were made during the year by these persons.

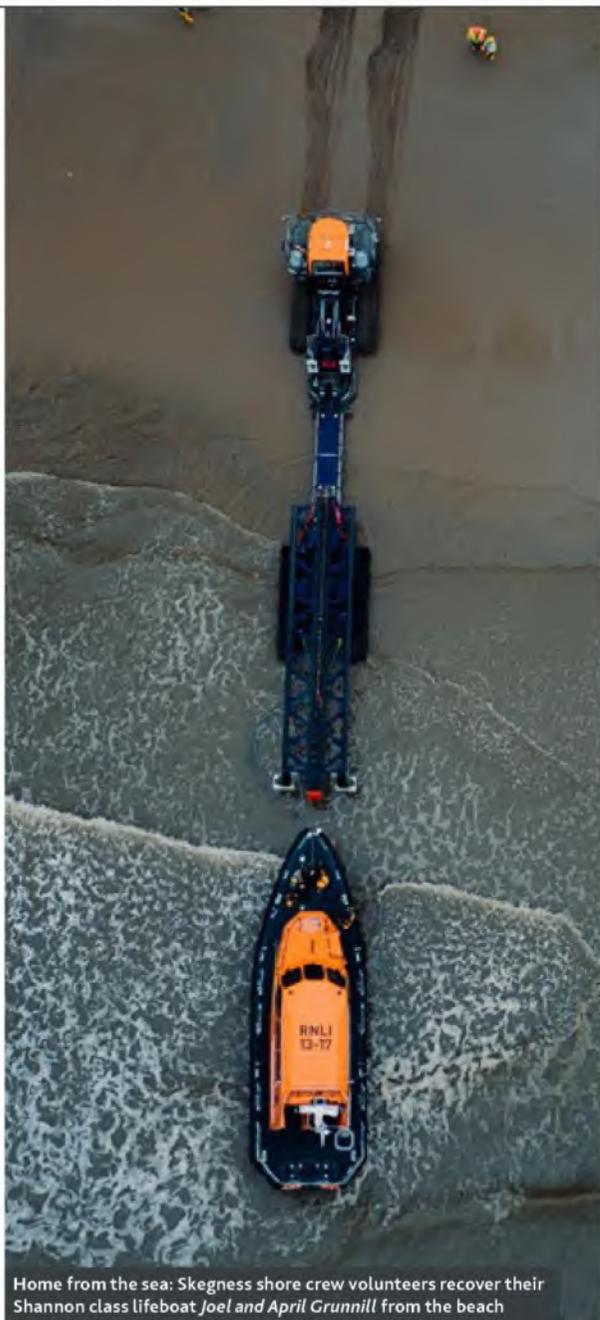
5. TOTAL RESOURCES EXPENDED

	Staff costs £M	Depreciation/ amortisation £M	Other direct costs £M	Other allocated costs £M	Total 2021 £M	Total 2020 £M
Legacies and donations	13.1	0.8	15.2	4.4	33.5	23.7
Trading activities	0.9	0.1	7.0	–	8.0	4.8
Investment management	–	–	0.5	–	0.5	0.5
Lifeboat service	17.3	2.2	20.7	6.0	46.2	38.6
Lifeboats, property and equipment	31.7	19.7	21.3	11.0	83.7	79.8
Lifeguard rescue	13.1	1.4	2.5	2.6	19.6	16.1
International	0.8	–	1.0	0.3	2.1	2.5
Water safety, education and awareness	3.9	–	1.5	0.8	6.2	6.6
Support	13.0	2.4	9.7	(25.1)	–	–
Total 2021	93.8	26.6	79.4	–	199.8	172.6
Total 2020	83.6	25.6	63.4	–		

Support costs are allocated to relevant categories based on their percentage share of overall direct costs:

	Governance £M	General admin £M	Finance £M	Human resource £M	Information technology £M	Total 2021 £M	Total 2020 £M
Legacies and donations	0.1	0.8	0.5	1.0	2.0	4.4	3.5
Lifeboat service	0.1	1.1	0.7	1.3	2.8	6.0	5.6
Lifeboats, property and equipment	0.2	1.9	1.4	2.4	5.1	11.0	11.8
Lifeguard rescue	0.1	0.5	0.3	0.6	1.1	2.6	2.4
International	–	0.1	–	0.1	0.1	0.3	0.4
Water safety, education and awareness	–	0.1	0.1	0.2	0.4	0.8	1.0
Total 2021	0.5	4.5	3.0	5.6	11.5	25.1	24.7
Total 2020	0.4	5.6	2.9	4.9	10.9		

Governance includes audit costs (both internal and external), the AGM and committee costs. Recurring audit fees of £88,300 (2020: £80,840), a one-off audit fee of £39,000 (2020: £Nil) relating to extended audit procedures, fees for gambling commission returns of £2,500 (2020: £1,650) and tax fees of £5,880 (2020: £5,605) were payable to the external auditor.



Home from the sea: Skegness shore crew volunteers recover their Shannon class lifeboat Joel and April Grunnill from the beach

6. FIXED ASSETS

a) Tangible assets

	Assets under construction	Lifeboats	Lifeboat stations and shoreworks	Launch and recovery equipment	Depots, offices and training facilities	Computer equipment, plant and vehicles	Total
	£M	£M	£M	£M	£M	£M	£M
Cost							
At 1 January 2021	28.1	349.1	303.5	55.2	99.7	78.5	914.1
Additions	24.8	0.1	–	0.1	0.2	2.0	27.2
Transfers	(18.6)	8.6	3.1	6.4	0.4	–	(0.1)
Disposals	(1.7)	(8.8)	–	(0.5)	(1.0)	(0.9)	(12.9)
At 31 December 2021	32.6	349.0	306.6	61.2	99.3	79.6	928.3
Depreciation and Impairment							
At 1 January 2021	–	244.0	99.4	32.9	26.5	58.7	461.5
Charge for the year	–	7.3	7.3	3.4	1.6	4.5	24.1
Disposals	–	(8.8)	–	(0.5)	–	(0.9)	(10.2)
At 31 December 2021	–	242.5	106.7	35.8	28.1	62.3	475.4
Net book amount							
At 31 December 2021	32.6	106.5	199.9	25.4	71.2	17.3	452.9
At 31 December 2020	28.1	105.1	204.1	22.3	73.2	19.8	452.6

Cumulative impairment costs to date were £2.8M (2020: £2.8M).

The net book amounts include the following property:

	Freehold £M	Leasehold £M	Total £M
Lifeboat stations and shoreworks	62.7	137.2	199.9
Depots, offices and training facilities	65.7	5.5	71.2
At 31 December 2021	128.4	142.7	271.1

b) Intangible assets

	Computer software £M	Goodwill £M	Total £M
Cost			
At 1 January 2021	21.5	0.2	21.7
Additions	0.1	–	0.1
Transfers	0.1	–	0.1
Disposals	–	–	–
At 31 December 2021	21.7	0.2	21.9
Depreciation and Impairment			
At 1 January 2021	6.3	–	6.3
Charge for the year	2.5	–	2.5
Disposals	–	–	–
At 31 December 2021	8.8	–	8.8
Net book amount			
At 31 December 2021	12.9	0.2	13.1
At 31 December 2020	15.2	0.2	15.4

Goodwill arose on the acquisition of Clayton Engineering Limited.

c) Subsidiary company assets

The consolidated schedule of fixed assets includes assets owned by subsidiary companies with the following net book amounts:

	2021 £M	2020 £M
Assets under construction	–	–
Lifeboats	0.1	0.1
Computer equipment, plant and vehicles	1.0	1.1
Depots, offices and training facilities	1.2	1.2
Total	2.3	2.4

d) Financial review analysis

The table below shows the asset purchase cost and depreciation analysis by type of expenditure for the financial review (see note 17a).

	Asset purchases			Depreciation/amortisation charge		
	£M	Allocated £M	Total £M	£M	Allocated £M	Total £M
Expenditure						
Lifeboat service	–	–	–	2.2	0.6	2.8
Lifeboats, property and equipment	25.5	0.1	25.6	19.7	1.1	20.8
Lifeguard rescue	1.5	–	1.5	1.4	0.2	1.6
International	–	–	–	–	–	–
Water safety, education and awareness	–	–	–	–	0.1	0.1
Legacies and donations	0.2	–	0.2	0.8	0.4	1.2
Trading activities	–	–	–	0.1	–	0.1
Support	0.1	(0.1)	–	2.4	(2.4)	–
Total	27.3	–	27.3	26.6	–	26.6

Asset purchases comprise fixed asset additions and acquisitions.



Lyme Regis crew members take the plunge during sea survival training at RNLI College in November 2021

7. INVESTMENTS

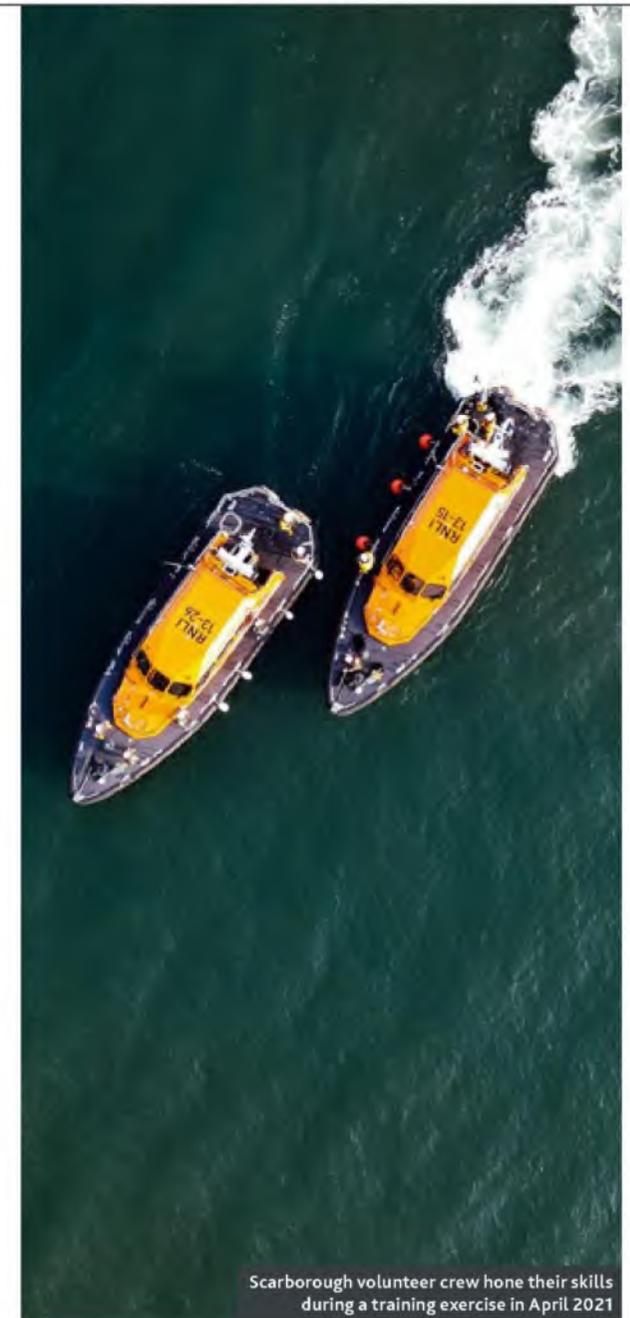
The RNLI held no derivative instruments as at 31 December 2021 (2020: none). Several of the pooled investment funds held by the RNLI use derivative products within their portfolios to reduce market risk in line with their investment strategies.

All investments are basic financial instruments and are measured at fair values, except for investment in subsidiaries, which are held at cost.

Consolidated	General funds	Restricted funds	Permanent endowed funds	Expendable endowed funds	Total 2021	Total 2020
	£M	£M	£M	£M	£M	£M
a) Investment assets						
Equities	–	33.6	–	29.8	63.4	48.2
Absolute return funds	28.4	–	9.0	–	37.4	87.8
Fixed interest	58.4	60.3	–	–	118.7	64.9
Property unit trusts	0.8	7.5	9.1	8.4	25.8	22.8
Deposits and cash	20.6	31.0	0.6	10.2	62.4	44.9
Market value at 31 December 2021	108.2	132.4	18.7	48.4	307.7	268.6
b) Analysis of movement						
Market value at 1 January 2021	81.9	125.5	17.2	44.0	268.6	244.6
Additions	36.8	104.2	–	28.2	169.2	42.4
Transfers	43.1	(42.7)	–	(0.4)	–	–
Disposals	(54.9)	(65.3)	–	(28.2)	(148.4)	(26.5)
Gains/(losses) on investments	1.3	10.7	1.5	4.8	18.3	8.1
Market value at 31 December 2021	108.2	132.4	18.7	48.4	307.7	268.6
Original cost	99.6	127.6	15.7	45.6	288.5	230.9
c) Investment income						
Equities	–	–	–	–	–	0.5
Absolute return funds	0.2	–	–	–	0.2	0.1
Fixed interest	0.1	–	–	–	0.1	–
Property unit trusts	0.2	0.8	–	–	1.0	1.0
Deposits and cash	–	–	–	–	–	–
Total	0.5	0.8	–	–	1.3	1.6

RNLI	General funds £M	Restricted funds £M	Permanent endowed funds £M	Investment in subsidiaries £M	Total 2021 £M	Total 2020 £M
a) Investment assets						
Equities	–	33.6	–	–	33.6	29.0
Unlisted companies	–	–	–	5.5	5.5	5.5
Absolute return funds	28.4	–	9.0	–	37.4	87.8
Fixed interest	58.4	60.3	–	–	118.7	64.9
Property unit trusts	0.8	7.5	9.1	–	17.4	15.5
Deposits and cash	20.5	30.5	0.6	–	51.6	27.4
Market value at 31 December 2021	108.1	131.9	18.7	5.5	264.2	230.1
b) Analysis of movement						
Market value at 1 January 2021	81.9	125.5	17.2	5.5	230.1	207.8
Additions	36.8	103.9	–	–	140.7	42.1
Transfers	43.0	(43.0)	–	–	–	–
Disposals	(54.9)	(65.2)	–	–	(120.1)	(26.5)
Gains/(losses) on investments	1.3	10.7	1.5	–	13.5	6.7
Market value at 31 December 2021	108.1	131.9	18.7	5.5	264.2	230.1
Original cost	100.1	127.1	15.7	5.5	248.4	203.6
c) Investment income						
Equities	–	–	–	–	–	0.5
Absolute return funds	0.2	–	–	–	0.2	0.1
Fixed interest	0.1	–	–	–	0.1	–
Property unit trusts	0.2	0.5	–	–	0.7	0.7
Deposits and cash	–	–	–	–	–	–
Total	0.5	0.5	–	–	1.0	1.3

Investment in subsidiaries comprises RNLI (Sales) Limited £1.5M (2020: £1.5M), RNLI College Limited £1.0M (2020: £1.0M) and Clayton Engineering Limited £3.0M (2020: £3.0M).



8. STOCKS

	Consolidated		RNLI	
	2021 £M	2020 £M	2021 £M	2020 £M
Operational stock	20.8	23.8	20.3	23.5
Gifts and souvenirs	2.3	2.2	–	–
Total	23.1	26.0	20.3	23.5

9. DEBTORS

	Consolidated		RNLI	
	2021 £M	2020 £M	2021 £M	2020 £M
Legacies receivable	46.7	46.5	46.7	46.5
Inter-company debtors	–	–	1.2	0.2
Trade and other debtors	2.1	1.8	1.9	1.5
VAT and Gift Aid recoverable	4.5	1.3	4.5	1.8
Prepayments and accrued income	3.9	3.5	3.8	3.4
Total	57.2	53.1	58.1	53.4

A proportion of legacies receivable may be received after more than 1 year, but this figure cannot be determined with any accuracy due to the inherent uncertainty in the timing of legacy income receipt.

The estimated value of legacies notified but neither received nor included in income is £88.6M (2020: £76.9M).

All debtors are basic financial instruments measured at amortised cost.

10. CREDITORS

	Consolidated		RNLI	
	2021 £M	2020 £M	2021 £M	2020 £M
Amounts falling due within 1 year				
Trade creditors	9.1	6.6	8.5	6.1
Other creditors	1.5	1.4	1.4	1.4
Inter-company creditor	–	–	1.4	0.7
PAYE taxes and social security	1.8	1.7	1.7	1.6
Pension creditor	1.1	1.0	1.0	0.9
Dependants' pensions liability	0.3	0.3	0.3	0.3
Accruals	3.9	3.7	3.3	3.2
Total	17.7	14.7	17.6	14.2
Amounts falling due after more than 1 year				
LT Lease Liability due 1–5 year	1.7	2.8	1.7	2.8
Dependants' pensions liability	4.7	5.0	4.7	5.0
Defined benefit pension liability	34.4	40.8	34.4	40.8
Total	40.8	48.6	40.8	48.6

The LT Lease Liability is a 4-year interest-free loan with Cisco, which commenced in July 2020, to pay for new telecommunications and infrastructure.

11. PENSION SCHEMES

The RNLI provides a number of pension schemes for its employees:

- The RNLI 1983 Contributory Pension Scheme, a defined benefit scheme, was closed to new entrants from 1 January 2007 and closed to future benefit accrual on 30 September 2012, although benefits for active members accrued up to 30 September 2012 continue to be subject to any increases in pensionable pay.
- The RNLI UK Group Personal Pension Plan is the main scheme for UK employees who joined the RNLI from 1 January 2007. It is a contract-based defined contribution scheme. Member retirement benefits are linked to the investment performance of contributions made.
- The RNLI RoI Group Fusion Pension Plan is the main scheme for Republic of Ireland employees who joined the RNLI from 1 January 2012. It is a contract-based defined contribution scheme. Member retirement benefits are linked to the investment performance of contributions made.

In 2021, the RNLI paid contributions of £12.5M (2020: £11.4M) in respect of members of the defined contribution pension schemes. Details of the defined benefit scheme, produced in accordance with the requirements of section 28 of The Financial Reporting Standard 102 (FRS102), are disclosed below and cover both the RNLI 1983 Contributory Pension Scheme and the payments to certain dependants.

Dependants' pensions are paid by the RNLI to dependants of former crew members who lost their lives on lifeboat service.

The figures in this note have been calculated by a qualified independent actuary based on a full actuarial valuation of the pension scheme as at 31 December 2019 rolled forward to 31 December 2021 using summarised cash flow and membership details and a full actuarial valuation of the

dependants' pensions as at 31 December 2019 on the basis required by FRS102.

On this basis, the FRS102 accounting deficit for the defined benefit pension scheme as at 31 December 2021 was £34.4M (2020: £40.8M) and £5.0M (2020: £5.3M) for the dependants' pensions. The FRS102 basis is a prescribed basis that requires the discount rate to be the rate of return on high-quality corporate bonds with a duration equivalent to that of the liabilities.

Each year, the scheme actuary assesses the financial position of the scheme for the formal actuarial valuation,

allowing for an expected rate of return on all assets at the discount rate, based on bond yields. These assets would not typically consist of 100% in corporate bonds.

The RNLI paid deficit reduction contributions of £4.7M in 2021 (2020: £4.7M), whilst for 2022 a total payment of £8.7M has been agreed as part of the 2020 Triennial Valuation.

The main financial assumptions used as at 31 December 2021 and the corresponding assumptions at 31 December 2020 and 31 December 2019 were:

	31/12/2021 % pa	31/12/2020 % pa	31/12/2019 % pa
Discount rate [†]	1.9	1.5	2.1
Rate of increase in salaries	4.1	3.6	3.9
Rate of increase in pensions in payment[‡]:			
Post-1988 GMP increases (CPI capped at 3%)	2.5	CPI-0.5%	CPI-0.4%
Pre-1997 increases (RPI capped at 4%)	3.1	RPI-0.5%	RPI-0.5%
1997–2005 increases (RPI capped at 4%, CPI 5%)	3.2	RPI-0.5%	RPI-0.5%
2005–07 increases (RPI capped at 5%, CPI 2.5%)	2.9	RPI-0.5%	RPI-0.5%
Post-2007 increases (CPI capped at 2.5%)	2.1	CPI-0.8%	CPI-0.6%
Rate of revaluation on deferred pensions	3.3	RPI-0.5%	RPI-0.5%
Rate of retail price inflation (RPI) [†]	3.6	3.1	3.4
Rate of consumer price inflation (CPI)	3.2	2.7	RPI-0.8%

[†]Represents the weighted average discount rate and inflation rate of the respective curves at the scheme's average duration.

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

Assumes life expectancy on retirement age 65 of:	Years	Years	Years
Retiring today – males	21.6	21.6	21.5
Retiring today – females	24.1	24.0	23.9
Retiring in 15 years – males	22.7	22.7	22.6
Retiring in 15 years – females	25.4	25.4	25.2

11. PENSION SCHEMES (CONTINUED)

The assets in the pension scheme and the expected rates of return at 31 December 2021 and the corresponding amounts and assumptions at 31 December 2020 and 31 December 2019 were:

	31/12/2021		31/12/2020		31/12/2019	
	Expected rate of return % pa	Market value of assets £M	Expected rate of return % pa	Market value of assets £M	Expected rate of return % pa	Market value of assets £M
Equities		57.5		49.1		49.1
Fixed interest		25.1		24.9		24.7
Private credit		22.4		24.8		24.3
Absolute return funds		51.0		49.1		47.6
Cash and net current assets		2.4		1.7		1.5
Liability-driven investment		182.4		186.2		162.1
Real estate/property		41.7		37.5		37.5
Total	1.9	382.5	1.5	373.3	2.1	346.8

a) The following amounts were measured in accordance with the requirements of FRS102:

	2021			2020		
	Pension scheme £M	Dependants' pensions £M	Total £M	Pension scheme £M	Dependants' pensions £M	Total £M
Total fair market value of assets	382.5	–	382.5	373.3	–	373.3
Present value of liabilities	(416.9)	(5.0)	(421.9)	(414.1)	(5.3)	(419.4)
Net pension liability	(34.4)	(5.0)	(39.4)	(40.8)	(5.3)	(46.1)

b) Changes in the present value of the defined benefit obligation are as follows:

	2021			2020		
	Pension scheme £M	Dependants' pensions £M	Total £M	Pension scheme £M	Dependants' pensions £M	Total £M
Opening defined benefit obligation	414.1	5.3	419.4	380.9	5.2	386.1
Interest cost	6.1	0.1	6.2	7.9	0.1	8.0
Actuarial loss/(gain)	9.2	(0.1)	9.1	35.7	0.3	36.0
Benefits paid	(12.5)	(0.3)	(12.8)	(10.4)	(0.3)	(10.7)
Scheme change/past service cost	–	–	–	–	–	–
Defined benefit obligation at the year end	416.9	5.0	421.9	414.1	5.3	419.4

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

	2021			2020		
	Pension scheme £M	Dependants' pensions £M	Total £M	Pension scheme £M	Dependants' pensions £M	Total £M
Opening fair value of scheme assets	373.3	–	373.3	346.8	–	346.8
Interest income on scheme assets	5.5	–	5.5	7.2	–	7.2
Return on scheme assets greater than/(less than) discount rate	11.5	–	11.5	25.0	–	25.0
Employer contributions	4.7	–	4.7	4.7	–	4.7
Benefits paid	(12.5)	–	(12.5)	(10.4)	–	(10.4)
Fair value of scheme assets at the year end	382.5	–	382.5	373.3	–	373.3

The actual return on scheme assets was a gain of £17.0M (2020: a gain of £32.2M).

d) The amounts included within the Statement of Financial Activities are as follows:

	2021			2020		
	Pension scheme £M	Dependants' pensions £M	Total £M	Pension scheme £M	Dependants' pensions £M	Total £M
Net interest on net defined benefit liability	0.6	0.1	0.7	0.7	0.1	0.8
Past service cost	–	–	–	–	–	–
Total amount charged within net income/(expenditure)	0.6	0.1	0.7	0.7	0.1	0.8
Actuarial loss/(gain)	9.2	(0.1)	9.1	35.7	0.3	36.0
Return on scheme assets (greater than)/less than discount rate	(11.5)	–	(11.5)	(25.0)	–	(25.0)
Remeasurement effects recognised in overall funds movement	(2.3)	(0.1)	(2.4)	10.7	0.3	11.0
Total amount (credited)/charged to the Statement of Financial Activities	(1.7)	–	(1.7)	11.4	0.4	11.8



Craster RNLI volunteers with their D class inshore lifeboat SKPR James Ballard RNVR DSC

12. TOTAL FUNDS ANALYSIS

a) Consolidated balance sheet – analysis of funds 2021 summary

	Unrestricted funds			Restricted funds £M	Endowed funds £M	Total 2021 £M
	General funds £M	Designated funds £M	Fixed asset funds £M			
Fixed assets	–	–	466.0	–	–	466.0
Investments	87.1	21.1	–	132.4	67.1	307.7
Net current assets	50.2	–	–	15.1	–	65.3
Creditors falling due after more than 1 year	(6.4)	–	–	–	–	(6.4)
Defined benefit pension liability	(34.4)	–	–	–	–	(34.4)
Total	96.5	21.1	466.0	147.5	67.1	798.2

b) Endowed funds – analysis of major funds

Name of fund	Purpose of fund	Opening balance 2021 £M	Income 2021 £M	Expenditure 2021 £M	Investment gains 2021 £M	Transfers 2021 £M	Closing balance 2021 £M
RNLI Lifesaving Endowment – expendable	The advancement of saving lives at sea by establishing, building and investing an endowment fund.	44.0	–	–	4.8	(0.4)	48.4
Roy Barker – permanent	All-weather lifeboat construction	11.0	–	–	1.0	–	12.0
Morrell – permanent	Dungeness Lifeboat Station – general	5.0	–	–	0.4	–	5.4
Other endowed funds – permanent		1.2	–	–	0.1	–	1.3
Total endowed funds		61.2	–	–	6.3	(0.4)	67.1

c) Restricted funds – analysis of major funds

There are over 700 of these restricted funds and so this table only details those funds with a balance of more than £2M. The transfers represent either a transfer to a fixed asset fund, where the fund is for the purpose of asset construction and the asset is completed, or a previous year adjustment, where a donor or legator has added a restriction at a later date or the restriction has been subject to negotiation.

Donor name	Purpose of fund	Opening balance 2021 £M	Income and investment gains 2021 £M	Expenditure 2021 £M	Transfers 2021 £M	Closing balance 2021 £M
Various donors	Jersey Lifeboat Station – general	6.7	1.0	(0.2)	–	7.5
Various donors	Guernsey Lifeboat Station – general	5.0	0.7	(0.1)	–	5.6
Various donors	Sheringham Lifeboat Station – general	3.0	0.8	(0.1)	–	3.7
Various donors	Morecambe Lifeboat Station – general	2.7	0.4	(0.1)	–	3.0
Anonymous legacy	All-weather lifeboat construction – Anstruther	2.3	0.2	–	–	2.5
Roy Barker	All-weather lifeboat construction	3.3	2.0	–	–	5.3
Various donors	Wells-next-the-Sea shoreworks	2.4	0.2	–	–	2.6
Various donors	Life-boatmen's Benevolent Fund	2.4	0.2	–	–	2.6
Various donors	Bridlington Lifeboat Station – general	2.6	0.3	(0.2)	–	2.7
Anonymous legacy	Great Yarmouth and Gorleston	2.3	0.2	–	–	2.5
Various donors	All-weather lifeboat construction – Invergordon	2.2	–	–	(2.2)	–
Anonymous legacy	All-weather lifeboat construction – Pwllheli	2.1	–	–	(2.1)	–
Mrs DJ Pearce	All-weather lifeboat construction	2.0	1.1	–	–	3.1
DW Filby	All-weather lifeboat construction	–	2.9	–	–	2.9
Various donors	All-weather lifeboat construction – Douglas	2.4	0.3	–	–	2.7
Dorothy Hunter	All-weather lifeboat construction – Aldeburgh	2.2	0.2	–	–	2.4
Various donors	All-weather lifeboat construction – Arbroath	2.2	0.2	–	–	2.4
Various donors	Cromer Lifeboat Station – general	1.6	1.0	(0.2)	–	2.4
Various donors	All-weather lifeboat construction – Ramsey	2.0	0.2	–	–	2.2
Various donors	Walton and Frinton Lifeboat Station – general	1.7	0.4	(0.1)	–	2.0
Total of major funds		51.1	12.3	(1.0)	(4.3)	58.1
Other restricted funds		84.3	38.9	(21.8)	(12.0)	89.4
Total restricted funds		135.4	51.2	(22.8)	(16.3)	147.5

d) Designated funds – analysis of funds

Designated funds are set aside at the discretion of the Trustees.

The Pandemic Fund continues to be held in 2021 to ensure that key operational projects and activities that were delayed due to the pandemic are completed in 2022.

A new fund has been established this year to ensure funds are available where significant financial assurances have been made to third parties.

Name of fund	Purpose of fund	Opening balance 2021 £M	Income and investment gains 2021 £M	Expenditure 2021 £M	Transfers 2021 £M	Closing balance 2021 £M
Pandemic Fund	To ensure that the urgent projects that have been delayed by the pandemic have funds available to be completed	11.4	–	(3.8)	4.8	12.4
Special Projects Fund	To ensure that where significant financial assurances have been made to third parties, funds are available for the purpose. For 2021, this is entirely for the project at Weston-super-Mare	–	–	–	8.7	8.7
Total designated funds		11.4	–	(3.8)	13.5	21.1

13. LINKED CHARITIES

The RNLI has several linked charities that have been established over the years, separated from the charity for a variety of reasons, due to the nature of the fund or the original terms of the legacy or donation. All of the funds of these charities are consolidated into the RNLI's accounts. The current active linked charities with a funds balance over £0.1M as at 31 December 2021 are as follows:

Donor name	Purpose of fund	Opening balance 2021 £M	Income 2021 £M	Expenditure 2021 £M	Transfers 2021 £M	Closing balance 2021 £M
Life-boatmen's Benevolent Fund	Grants for distressed past or present crew members	2.4	0.2	–	–	2.6
Langstreth Culliford Trust	Grants for dependants of lifesavers	0.3	–	–	–	0.3
John William Archer	All-weather lifeboat construction	0.1	0.1	–	–	0.2
Charles Carr Ashley	Lifeboat maintenance and support for crew	0.1	–	–	–	0.1
Anna Stock Memorial Fund	Col Stock lifeboat – construction and maintenance	0.1	–	–	–	0.1
Total of linked charities		3.0	0.3	–	–	3.3

The RNLI also has other active linked charities with a fund balance of less than £0.1M, or nil, and these are as follows: John Jones Rowland, Isabella Irwin, James Michael Bower Gift, Mrs Alice Gottwald, Ralph Glistler Award, Louise George Anderson Dunn, Mrs Sadie Hughes, William Stephen Mellis, Gorleston Volunteer Lifeboat Association, Miss Maud Smith's Reward, Salcombe Lifeboat Disaster Relief Fund, Miss Annie Gertrude Shayler, The George Nichol Charity for the RNLI and RNLI Heritage Collection Trust 2012.

14. CAPITAL COMMITMENTS

At 31 December 2021, approved and contracted capital commitments amounted to £23.8M (2020: £16.8M) which will be funded from designated, restricted and general funds.

15. OPERATING LEASE COMMITMENTS

	Land and buildings		Other	
	2021 £M	2020 £M	2021 £M	2020 £M
At 31 December the ageing of total minimum lease payments was as follows:				
Payable within 1 year	1.1	1.1	1.6	1.0
Payable between 1 and 5 years	2.2	2.4	2.4	1.2
Payable after more than 5 years	9.0	5.1	–	–
Total	12.3	8.6	4.0	2.2

Certain property leases are for an indefinite period, with the RNLI having the right to early termination should the need arise. In calculating minimum lease payments for these leases, a 50-year duration has been assumed.

16. 2020 COMPARATIVES – FUNDS AND LINKED CHARITIES**a) Consolidated statement of financial activities – previous year comparatives**

	Unrestricted funds			Restricted funds £M	Endowed funds £M	Total 2020 £M
	General funds £M	Designated funds £M	Fixed asset funds £M			
Income and endowments from:						
Legacies	101.0	–	–	30.5	–	131.5
Donations	39.0	–	–	8.1	–	47.1
Trading activities	8.3	–	–	–	–	8.3
Investments	0.9	–	–	0.4	0.3	1.6
Charitable activities	2.6	–	–	–	–	2.6
Other income	8.0	–	–	–	–	8.0
Total income and endowments	159.8	–	–	39.0	0.3	199.1
Expenditure on:						
Legacies and donations	(22.6)	–	(1.1)	–	–	(23.7)
Trading activities	(4.7)	–	(0.1)	–	–	(4.8)
Investment management	(0.3)	–	–	(0.2)	–	(0.5)
Raising funds	(27.6)	–	(1.2)	(0.2)	–	(29.0)
Lifeboat service	(26.3)	–	(2.1)	(10.2)	–	(38.6)
Lifeboats, property and equipment	(49.8)	–	(20.5)	(9.5)	–	(79.8)
Lifeboat rescue	(76.1)	–	(22.6)	(19.7)	–	(118.4)
Lifeguard rescue	(14.1)	–	(1.7)	(0.3)	–	(16.1)
International	(2.1)	–	–	(0.4)	–	(2.5)
Water safety, education and awareness	(6.5)	–	(0.1)	–	–	(6.6)
Charitable activities	(98.8)	–	(24.4)	(20.4)	–	(143.6)
Total expenditure	(126.4)	–	(25.6)	(20.6)	–	(172.6)
Net gain on investments	1.0	–	–	5.2	1.9	8.1
Net income/(expenditure)	34.4	–	(25.6)	23.6	2.2	34.6
Transfers between funds	(25.4)	11.4	17.9	(3.9)	–	–
Actuarial loss on pension schemes	(11.0)	–	–	–	–	(11.0)
Net movement in funds	(2.0)	11.4	(7.7)	19.7	2.2	23.6



RNLI lifeguards get their 2021 pre-season training underway at West Bay in Dorset

16. 2020 COMPARATIVES – FUNDS AND LINKED CHARITIES (CONTINUED)

b) RNLI statement of financial activities – previous year comparatives

	Unrestricted funds			Restricted funds £M	Endowed funds £M	Total 2020 £M
	General funds £M	Designated funds £M	Fixed asset funds £M			
Income and endowments from:						
Legacies	101.0	–	–	30.5	–	131.5
Donations	39.0	–	–	8.1	–	47.1
Donations from subsidiary companies	4.2	–	–	–	–	4.2
Investments	0.9	–	–	0.4	–	1.3
Charitable activities	2.6	–	–	–	–	2.6
Other income	7.3	–	–	–	–	7.3
Total income and endowments	155.0	–	–	39.0	–	194.0
Expenditure on:						
Legacies and donations	(22.6)	–	(1.1)	–	–	(23.7)
Trading activities	–	–	–	–	–	–
Investment management	(0.3)	–	–	(0.2)	–	(0.5)
Raising funds	(22.9)	–	(1.1)	(0.2)	–	(24.2)
Lifeboat service	(26.3)	–	(2.1)	(10.2)	–	(38.6)
Lifeboats, property and equipment	(49.8)	–	(20.5)	(9.5)	–	(79.8)
Lifeboat rescue	(76.1)	–	(22.6)	(19.7)	–	(118.4)
Lifeguard rescue	(14.1)	–	(1.7)	(0.3)	–	(16.1)
International	(2.1)	–	–	(0.4)	–	(2.5)
Water safety, education and awareness	(6.5)	–	(0.1)	–	–	(6.6)
Donation to CIO	–	–	–	–	–	–
Charitable activities	(98.8)	–	(24.4)	(20.4)	–	(143.6)
Total expenditure	(121.7)	–	(25.5)	(20.6)	–	(167.8)
Net gain/(loss) on investments	1.0	–	–	5.2	0.5	6.7
Net income/(expenditure)	34.3	–	(25.5)	23.6	0.5	32.9
Transfers between funds	(25.5)	11.4	18.0	(3.9)	–	–
Actuarial gain/(loss) on pension schemes	(11.0)	–	–	–	–	(11.0)
Net movement in funds	(2.2)	11.4	(7.5)	19.7	0.5	21.9

c) Reconciliation of net funds – previous year comparatives

	2019	Cashflows	Non-cash movements	2020
	£M	£M	£M	£M
Cash	8.4	(3.4)		5.0
Loans falling due within one year	–		(1.1)	(1.1)
Loans falling due after more than one year	–	–	(2.8)	(2.8)
Total	8.4	(3.4)	(3.9)	1.1

d) Total resources expended – previous year comparatives

	Staff costs	Depreciation/ amortisation	Other direct costs	Other allocated costs	Total 2020
	£M	£M	£M	£M	£M
Legacies and donations	11.0	0.7	8.5	3.5	23.7
Trading activities	0.8	0.1	3.9	–	4.8
Investment management	–	–	0.5	–	0.5
Lifeboat service	16.6	1.5	14.9	5.6	38.6
Lifeboats, property and equipment	29.7	19.2	19.1	11.8	79.8
Lifeguard rescue	9.5	1.4	2.8	2.4	16.1
International	0.9	–	1.2	0.4	2.5
Water safety, education and awareness	3.3	–	2.3	1.0	6.6
Support	11.8	2.7	10.2	(24.7)	–
Total	83.6	25.6	63.4	–	172.6



Newbiggin Crew Members Stuart Chirside-Ferrier and Carly Foreman look out from North Beach. RNLI volunteers have been saving lives off this shore for more than 150 years

16. 2020 COMPARATIVES – FUNDS AND LINKED CHARITIES (CONTINUED)

Support costs are allocated to relevant categories based on their percentage share of overall direct costs:

	Governance £M	General admin £M	Finance £M	Human resource £M	Information technology £M	Total 2020 £M
Legacies and donations	0.1	0.8	0.4	0.7	1.5	3.5
Lifeboat service	0.1	1.3	0.7	1.1	2.4	5.6
Lifeboats, property and equipment	0.2	2.7	1.4	2.3	5.2	11.8
Lifeguard rescue	–	0.5	0.3	0.5	1.1	2.4
International	–	0.1	–	0.1	0.2	0.4
Water safety, education and awareness	–	0.2	0.1	0.2	0.5	1.0
Total	0.4	5.6	2.9	4.9	10.9	24.7

e) Consolidated balance sheet – analysis of funds 2020 summary

	Unrestricted funds			Restricted funds £M	Endowed funds £M	Total 2020 £M
	General funds £M	Designated funds £M	Fixed asset funds £M			
Fixed assets	–	–	468.0	–	–	468.0
Investments	70.5	11.4	–	125.5	61.2	268.6
Net current assets	59.5	–	–	9.9	–	69.4
Creditors falling due after more than 1 year	(7.8)	–	–	–	–	(7.8)
Defined benefit pension liability	(40.8)	–	–	–	–	(40.8)
Total	81.4	11.4	468.0	135.4	61.2	757.4

f) Endowed funds – analysis of major funds

Name of fund	Purpose of fund	Opening balance 2020 £M	Income 2020 £M	Expenditure 2020 £M	Investment gains 2020 £M	Transfers 2020 £M	Closing balance 2020 £M
RNLI Lifesaving Endowment – expendable	The advancement of saving lives at sea by establishing, building and investing an endowment fund	42.3	0.3	–	1.4	–	44.0
Roy Barker – permanent	All-weather lifeboat construction	10.7	–	–	0.3	–	11.0
Morrell – permanent	Dungeness Lifeboat Station – general	4.8	–	–	0.2	–	5.0
Other endowed funds – permanent		1.2	–	–	–	–	1.2
Total endowed funds		59.0	0.3	–	1.9	–	61.2

g) Restricted funds – analysis of major funds

Donor name	Purpose of fund	Restated opening balance 2020 £M	Income and investment gains 2020 £M	Expenditure 2020 £M	Transfers 2020 £M	Closing balance 2020 £M
Richard W Colton	All-weather lifeboat construction	5.4	0.2	–	(5.2)	0.4
Various donors	Jersey Lifeboat Station – general	6.2	0.8	(0.3)	–	6.7
Gough Ritchie Trust	Isle of Man lifeboat stations – general	4.7	0.3	–	(4.7)	0.3
Various donors	Guernsey Lifeboat Station – general	4.5	0.7	(0.2)	–	5.0
Various donors	Sheringham Lifeboat Station – general	2.9	0.2	(0.1)	–	3.0
Various donors	Morecambe Lifeboat Station – general	2.7	0.1	(0.1)	–	2.7
Anonymous legacy	All-weather lifeboat construction – Anstruther	2.2	0.1	–	–	2.3
Roy Barker	All-weather lifeboat construction	2.6	0.7	–	–	3.3
Various donors	Wells-next-the-Sea shoreworks	2.3	0.1	–	–	2.4
Various donors	Life-boatmen's Benevolent Fund	2.3	0.1	–	–	2.4
Various donors	Bridlington Lifeboat Station – general	2.5	0.2	(0.1)	–	2.6
Anonymous legacy	Great Yarmouth and Gorleston	2.2	0.1	–	–	2.3
Various donors	Invergordon	2.1	0.1	–	–	2.2
Anonymous legacy	Pwllheli	2.0	0.1	–	–	2.1
Mrs. D J Pearce	All-weather lifeboat construction	2.0	–	–	–	2.0
Total of major funds		46.6	3.8	(0.8)	(9.9)	39.7
Other restricted funds		69.1	40.2	(19.8)	6.2	95.7
Total restricted funds		115.7	44.0	(20.6)	(3.7)	135.4



Living the RNLI's values: volunteer Paul Weston qualified as a helm at Portishead in 2021. Being in charge of a lifeboat and crew is a huge responsibility

16. 2020 COMPARATIVES – FUNDS AND LINKED CHARITIES (CONTINUED)

h) Designated funds – analysis of funds

Name of fund	Purpose of fund	Opening balance 2020 £M	Income and investment gains 2020 £M	Expenditure 2020 £M	Transfers 2020 £M	Closing balance 2020 £M
Pandemic Fund – 2020	Projects and activities that have been delayed from 2020 as a result of Covid-19	–	–	–	11.4	11.4
Total designated funds		–	–	–	11.4	11.4

i) Linked charities

Donor name	Purpose of fund	Opening balance 2020 £M	Income 2020 £M	Expenditure 2020 £M	Transfers 2020 £M	Closing balance 2020 £M
Life-boatmen's Benevolent Fund	Grants for distressed past or present crew members	2.3	0.1	–	–	2.4
Langstreth Culliford Trust	Grants for dependants of lifesavers	0.2	0.1	–	–	0.3
John William Archer	All-weather lifeboat construction	0.1	–	–	–	0.1
Charles Carr Ashley	Lifeboat maintenance and support for crew	0.1	–	–	–	0.1
Anna Stock Memorial Fund	Col Stock lifeboat – construction and maintenance	0.1	–	–	–	0.1
Total of linked charities		2.8	0.2	–	–	3.0

17. FINANCIAL REVIEW RECONCILIATION

The financial analysis in the financial review (page 24) has been revised to show the total charitable spend, including that spent on asset purchases, together with the cashflow effect of this spend. This note shows the reconciliation between the financial statements and this analysis. The main difference is to reflect the actual spend on fixed assets, for example lifeboats and lifeboat stations, as opposed to the depreciation charge, with the adjustments for this shown in (a).

a) Operating performance

	SoFA	Asset purchases	Asset depreciation/ amortisation	Asset disposal	Total 2021
	£M	£M	£M	£M	£M
Charitable spend					
Lifeboat service	46.2	–	(2.8)	–	43.4
Lifeboats, property and equipment	83.7	25.6	(20.8)	–	88.5
Lifeboat rescue	129.9	25.6	(23.6)	–	131.9
Lifeguard rescue	19.6	1.5	(1.6)	–	19.5
International	2.1	–	–	–	2.1
Water safety, education and awareness	6.2	–	(0.1)	–	6.1
Total charitable spend	157.8	27.1	(25.3)	–	159.6
Income available for charitable spend					
Legacies	137.6	–	–	–	137.6
Donation	60.2	–	–	–	60.2
Trading (net)	5.9	–	0.1	–	6.0
Charitable trading	4.2	–	–	–	4.2
Investments (net)	0.8	–	–	–	0.8
Other	2.7	–	–	2.7	5.4
Total Net Income	211.4	–	0.1	2.7	214.2
Cost of generating income	(33.5)	(0.2)	1.2	–	(32.5)
Net income available for charitable spend	177.9	(0.2)	1.3	2.7	181.7
Operating surplus/(deficit)	20.1	(27.3)	26.6	2.7	22.1

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

18. GOVERNMENT GRANTS

	2021 £M	2020 £M
Coronavirus Job Retention Scheme	0.1	5.4
Republic of Ireland (RoI) wage subsidy schemes	0.4	0.7
Retail, hospitality and leisure grants	0.1	0.3
International grants	0.2	0.3
Total	0.8	6.7

The RNLI does not normally seek funding from government, to ensure that we retain independence in all that we do to save lives at sea. However, there are exceptions made where such independence is not compromised.

For 2021, the need for furlough and wage subsidy support diminished significantly as restrictions eased and the RNLI adapted to new ways of working. As such, the RNLI only claimed £0.5M in 2021 (2020: £6.1M), most of which was from the Republic of Ireland (RoI) wage subsidy scheme in the first quarter of 2021. A waiver was received in respect of business rates for RNLI (Sales) Limited where shops have been unable to open.

There are no unfulfilled conditions in respect of these grants and no other government grants were received in respect of Covid-19.

During 2021, the RNLI received funding from the Foreign, Commonwealth and Development Office, for the total amount of £144,733 (2020: £228,681). These funds were spent entirely on the project 'Reducing mortality and improving early childhood development of children aged 1–4 in rural communities of Barisal, Bangladesh' under UK Aid Match Grant Reference number: 205210-301. There was also a grant from the Isle of Man Government of £46,804 (2020: £29,000) for international work.

RNLI OFFICERS AND CONTACTS

PATRON

HM The Queen

PRESIDENT

HRH The Duke of Kent KG

TRUSTEE BOARD



Stuart Popham
CMG QC(Hon)
Chairman

Stuart has over 35 years' experience as a solicitor

with Clifford Chance, then joined Citibank as vice-chairman of EMEA Banking from 2011 to 2018, and also chaired the policy institute Chatham House. He was appointed a Trustee in 2013 and became RNLI Chairman in 2016. Stuart was made a CMG in 2019.

Stuart has been indisposed since July 2021, when Janet Cooper and Eddie Donaldson, the Deputy Chairs, became acting Co-Chairs.

'As a lifelong sailor with family who recognise the real value of the RNLI, I felt I could do my bit to help.'



Janet Cooper OBE
Deputy Chair

Janet is an experienced non-executive director, corporate lawyer and

entrepreneur. Janet was appointed as an RNLI Trustee in 2014 and elected deputy chair in 2020. She chairs the Remuneration and Membership Nomination Committees, and serves on the Bicentenary and People Committees.

'I am grateful for the opportunity to be part of the One Crew supporting the invaluable lifesaving work of the RNLI.'



Eddie Donaldson
OBE FCA
Deputy Chair

Eddie was a partner with KPMG for 23 years, during

which time he was on both the UK and EMA executive teams. He became a Trustee in 2013 and is currently treasurer and a deputy chair. Eddie has chaired the Finance Committee since 2014.

'I have always admired those in the RNLI who risk their lives for others, so I jumped at the chance to come onboard myself.'



Fiona Fell

Fiona has been a non-executive director in the charitable and not-for-profit sectors for the

past 20 years. Elected to the RNLI Council in 2012 and appointed as a Trustee in 2020 she is a member of the Operations and Property Committees.

'A shared wish to save lives and to prevent drowning is deeply motivating and draws us together.'



Dr Philip Goodwin

Dr Goodwin has been chief executive of Voluntary Service Overseas (VSO) since 2015. He has a

background in international development with a PhD in environmental policy and planning. Dr Goodwin was elected to the RNLI Council and appointed a Trustee in 2018.

'The poorest countries globally account for 90% of drowning deaths. I'm delighted to be working with the RNLI to help bring about change.'



Sir Peter Housden KCB

Sir Peter has a background in public services in the UK and Ireland and served as a permanent secretary

in both Whitehall and in Scotland. Elected to the Council in 2012, he was appointed a Trustee in 2013, and is chair of the RNLI's People Committee.

'I am super proud to be an RNLI volunteer, helping to fulfil its mission in a changing world.'



Dr John Killeen

John is chairman of Marine Institute and president of Timoney Leadership Institute.

He has an engineering background and is founding president of the Irish Academy of Engineering. Elected to the Council in 2017, he was appointed a Trustee in 2020, chairs the Irish Council and serves on the Audit and Risk Committee.

'I am honoured to be a volunteer in an organisation which delivers an invaluable service to society which saved many lives for almost 200 years.'



**Rear Admiral
Roger Lockwood CB**

Following careers in the Royal Navy and the Northern Lighthouse Board,

Roger was elected to the RNLI Council in 2015 and appointed a Trustee in 2018. He is also chair of the Operations Committee and the Scottish Council.

'With my maritime background it is a great honour to play a full role in the RNLI and contribute to saving lives at sea.'



Paddy McLaughlin

Paddy has been an RNLI volunteer for over 40 years and is a serving coxswain of Red Bay's all-weather

lifeboat in Ireland. He is a company director with 30 years of experience in the hospitality supply industry throughout Ireland and the UK. Paddy joined the RNLI Council in 2014 and became a Trustee in 2020.

'Living in a coastal community, the RNLI has featured hugely throughout my life. It's a privilege to support and honour the Institution's lifesaving work.'



Sonia Modray

Sonia was originally appointed interim finance director at the RNLI. Subsequent to this

appointment she was elected to the RNLI Council in 2014 and appointed a Trustee in 2015. Sonia is chair of the Property Committee, a member of the Finance Committee and the Trustee responsible for safeguarding.

'From my first day at the RNLI I was impressed by the selfless dedication and professionalism of everyone involved with this inspiring organisation.'



Mike Sturrock

With a background in technology spanning numerous industries and sectors, Mike is now on the

board of several businesses. His early career was at sea as a professional yacht captain. Mike was elected to the RNLI Council in 2015 and appointed a Trustee in 2016.

'I've had a passion for the sea all my life and it's a huge privilege to be member of the RNLI crew.'



Chris Walters

CEng MEng MBA FIMarEST FRINA
Chris is a chartered engineer and naval architect with over 25 years' experience

in the marine and energy sectors, including executive positions with Lloyd's Register and P&O Group. Chris joined the RNLI Technical Committee in 2012, was appointed as Trustee in 2015 and chaired the Technical Committee from 2015 to 2019.

'Inspired by the courage of RNLI volunteer crews, communities and staff, I am delighted to play a role in saving lives at sea.'



Mark Wordsworth

Mark is an executive chair and trustee with significant commercial and investment experience. Elected to the

RNLI Council in 2018 and appointed a Trustee and Chair of the Investment Committee in 2021, Mark also serves on the Finance Committee and Bicentenary Steering Group.

'As a former crew volunteer, I am proud to help ensure that the selfless humanitarian work delivered by RNLI crews for 200 years will continue for many generations.'



Denis Woulfe MBE

Denis is a business adviser, non-executive director and former vice-chair of Deloitte LLP. He co-chairs the LACA-

Lead the Change Board. Denis was awarded an MBE for services to women and equality in 2018. Denis became an RNLI Trustee in 2019 and chairs the Audit and Risk Committee.

'The courage and dedication of RNLI staff and volunteers is truly inspiring. It is an incredible privilege to have the opportunity to support them.'

CHAIRMAN

Stuart Popham CMG QC(Hon)

DEPUTY CHAIRS

Eddie Donaldson OBE FCA

Janet Cooper OBE

TREASURER

Eddie Donaldson OBE FCA

OUTGOING TRUSTEES IN 2021

Rosie Norris (retired April 2021)

COUNCIL

HRH The Duke of Kent KG (President)

Stuart Popham CMG QC(Hon) (Chairman)

Dr Peter Aitken MB ChB MRCP FRCPsych FHEA DCH DRCOG

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Janet Cooper OBE

Philip Davies FAICD

David Delamer (retired July 2021)

The Hon Andrew Dixon

Eddie Donaldson OBE FCA

Simon Dudley

Roger Fairhead

Fiona Fell

Dr Philip Goodwin

Martin Gregory

Adam Griffin

David Hallam

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Gillian Hodgetts MSc MCIPR BA (Hons) DMS DN RGN

Geoff Holt MBE DL (retired July 2021)

Professor Dominic Houlder

Sir Peter Housden KCB

Charles Jones

Al Kassim CFA MSc BSc

Rear Admiral Mark Kerr (retired July 2021)

Professor Anthony Kessell MBBS MPhil MSc FFPH MRCP MD

Dr John Killeen

Rear Admiral Roger Lockwood CB

Althea Loderick (elected July 2021)

Peter Lloyd MBE MBA MA

Alan Marsh MBE FICS

Niamh McCutcheon

Paddy McLaughlin

Captain Ian McNaught CVO MNM

Alastair Miller BSc (Econ) FCA

Sonia Modray

Sandra Morson

Judy Nelson MBA

John Newell MBE BSc MSc CEng FIMarEST

Rosie Norris

Paul O'Leary

Scott Parsons

Melissa Potter

Mark Pritchard

Lord Mark Sedwill (elected July 2021)

Mike Sturrock

Professor Phil Sutton CBE FEng PhD

Professor Mike Tipton MBE MSc PhD

Jane Totten

Hugh Tully

Dr Jean Venables CBE

Ian Venner

Dinesh Visavadia (elected July 2021)

Chris Walters CEng MEng MBA FIMarEST FRINA

John Whybrow (retired July 2021)

Lesley Wilkin

Kate Wilson

Mark Wordsworth

Denis Woulfe MBE

EX OFFICIO GOVERNORS

The Lord Mayor of London

The Chairman of The Baltic Exchange

The First Sea Lord

The Chairman of Lloyd's

The Master of The Honourable Company of Master Mariners

The Deputy Master of Trinity House

The Chairman of The Royal Yachting Association

The Chairman of The Northern Lighthouse Board

The Chairman of The Commissioners of Irish Lights

The UK National Hydrographer

INVESTMENT ADVISER

Lane Clark & Peacock LLP

95 Wigmore Street, London W1U 1DQ

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Barclays

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AUDITOR

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Fisherton Street
Salisbury SP2 7RJ

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Oceana House
39–49 Commercial Road
Southampton SO15 1GA

BTO Solicitors LLP
48 St Vincent Street
Glasgow G2 5HS

Blake Morgan LLP
Harbour Court
Compass Road
North Harbour
Portsmouth PO6 4ST

Phillips Lee
7/8 Wilton Terrace,
Dublin D02 KC57

Sackers & Partners LLP
20 Gresham Street
London EC2V 7JE

Charles Russell Speechleys LLP
8–10 Fetter lane
London EC4A 1RS

Solicitors also used in 2021 were:

Amory Solicitors
Suite 10, The Mall, Beacon Court,
Sandyford Business Park, Sandyford, Dublin D18 RX03

Maclaine & Co Solicitors
Imperial Buildings, 72 High Street, Belfast BT1 2BE

STANDING COMMITTEES**Membership Nomination Committee**

Chairman: Stuart Popham CMG QC(Hon) (to July 2021)
Chair: Janet Cooper OBE (from July 2021)

Remuneration Committee

Chair: Janet Cooper OBE

Audit and Risk Committee

Chair: Denis Woulfe MBE

Investment Committee

Chair: Rosie Norris (retired April 2021)
Chair: Mark Wordsworth (appointed April 2021)

Property Committee

Chair: Sonia Modray

ADVISORY COMMITTEES**Operations Committee**

Chair: Rear Admiral Roger Lockwood CB

Technical Committee

Chair: John Newell MBE BSc MSc CEng FIMarEST

Finance Committee

Chair: Eddie Donaldson OBE FCA

Heritage Committee

Chair: Tim Bryan FMA

Medical Committee

Chair: Dr Peter Aitken MB ChB MRCPG FRCPsych FHEA DCH DRCOG

Scottish Council

Chair: Rear Admiral Roger Lockwood CB
Deputy Chairs: Sheona Smith and Karen Stewart

Council for Ireland

Chair: Dr John Killeen
Deputy Chair: Paddy McLaughlin

People Committee

Chair: Sir Peter Housden KCB

EXECUTIVE TEAM**Chief Executive**

Mark Dowie

Director of Engineering and Supply

Angus Watson (retired October 2021)
Jamie Chestnutt (appointed September 2021)

Chief Information Officer

Claire Deuchar

**Director of Fundraising,
Marketing and Media**

Jayne George

Director of Lifesaving Operations

John Payne

Chief Finance Officer

Steven Peacock

Director of People

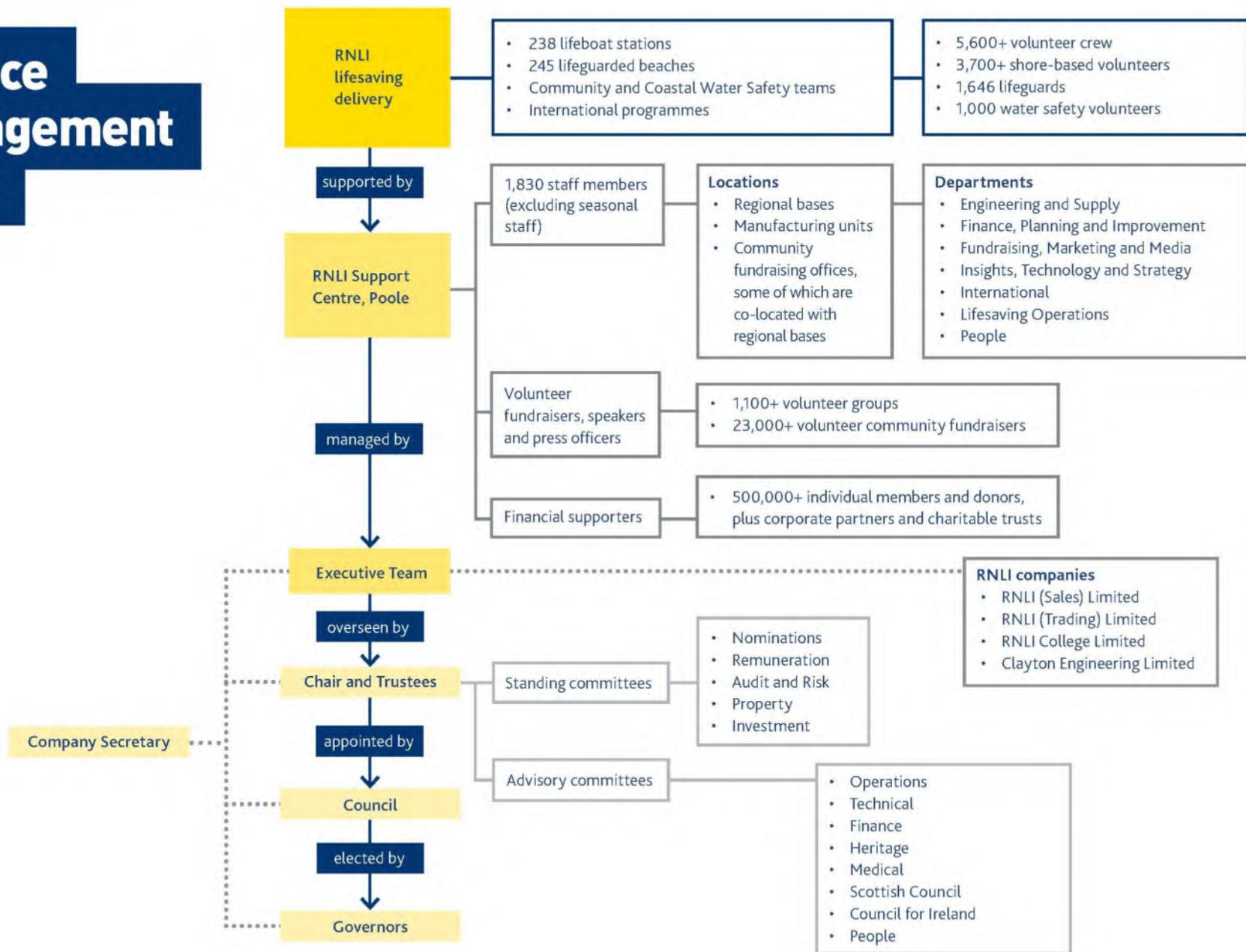
Sue Barnes

**GENERAL COUNSEL AND
COMPANY SECRETARY**

Simon Payne (retired March 2022)
Kerry Round (interim appointment March 2022)

The RNLI thanks its past chairs and vice presidents for their ongoing support and commitment.

RNLI governance and management structure





London lifesavers Hannah Liptrot, Craig Burn, Al Kassim and Jai Gudgeon tackle the Thames onboard E class lifeboat *Hearn Medicine Chest*. Tower is the RNLI's busiest lifeboat station

THANK YOU

The RNLI would like to say a huge thank you to the thousands of individuals who made our lifesaving work possible in 2021.

LEGACIES

The RNLI is grateful for every legacy, big or small. Here are just a few of the kind people who left a gift in their Will last year:

- **Myrtle Willis** from Stoke-on-Trent lost her father, a chief petty officer aboard HMS *Barham*, when it was sunk in the Mediterranean Sea during the Second World War. Her family had a long association with both the Royal and Merchant Navy, which were at the heart of her love of the sea and the RNLI. Her admiration for the work of our crews prompted her to leave a legacy.
- **Mrs Iris Moss's** late husband Dennis was rescued by the RNLI in July 1958, for which his family were forever grateful. Mrs Moss kindly left a legacy to the RNLI to 'ensure other families in the same situation were able to rely on this wonderful charity'.
- **Edith Abbey's** family lived and worked by the sea for many years. She was immensely moved by news of the Penlee lifeboat disaster in 1981, after which she was determined to support the work of the RNLI with a gift in her Will.
- **David Grimwade** from Kent was an officer in the Merchant Navy for 23 years, sailing with P&O, Portline and Cunard. His naval experience made him fully aware of the traumas faced by RNLI volunteers and so he held them in great respect.
- **Janet Dobbie** from London always said it was her intention to leave a legacy to the RNLI. Her father had been a lifeboat crew member in the 1930s, as well as having a distinguished service record in the Royal Navy and working as a marine engineer. All of this made Janet a loyal and dedicated supporter of our charity.

TRUSTS, FOUNDATIONS AND INSTITUTIONAL DONORS

We are extremely lucky to work with so many generous charitable organisations and individuals. Many of them support on a regular basis or phase their gifts over several years. This helps us plan for the future and match lifesaving projects to the specific objectives of these trusts, foundations and donors. Thank you to:

- Beacon Owl Trust
- Coldstones Charitable Trust
- D R Spalding's Charitable Trust
- Dr Scholl Foundation
- Foreign, Commonwealth and Development Office
- Historic England
- Hugh Fraser Foundation
- Iliffe Family Charitable Trust
- Isle of Man Government
- Leng Charitable Trust
- Logan Charitable Trust
- Miss Isabel Harvey Charitable Trust
- Moondance Foundation
- Portishead Lifeboat Trust
- Q Charitable Trust
- Richmond Parish Lands Charity
- Robert Barr's Charitable Trust
- The Alan Jones Charitable Trust
- The Ann Susman Charitable Trust
- The Band Trust
- The B&J Lloyd Family Charitable Trust
- The Bothwell Charitable Trust
- The Christopher Laing Foundation
- The Corton Hill Trust
- The Foster Wood Foundation
- The Ganton Furze Settlement
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- The Houghton Dunn Charitable Trust
- The John Scott Trust
- The Kenneth & Susan Green Foundation
- The Laurence Misener Charitable Trust
- The Mark Benevolent Fund
- The Master Charitable Trust
- The Mullion Charitable Trust
- The Norbury Boathouse Fund
- The Olive Herbert Charitable Trust
- The Olive Trust Fund
- The Philip and Connie Phillips Foundation
- The RS Macdonald Charitable Trust
- The Sally Odell Charitable Trust
- The Samuel & Freda Parkinson Charitable Trust
- The Sharp family in memory of John Sharp
- The Tom & Vicky Forsyth Charitable Trust
- The Valerie Evelyn Morant Trust
- The Wootton Grange Charitable Trust.

MEMBERS AND SUPPORTERS

Whether your donation pays for welly boots or a boat, every pound or euro has a part to play. We are grateful for the generosity of all our supporters, including those who donated in memory of a loved one or made an anonymous gift. We thank the following (or their donors) for their significant contributions last year:

- Val Adnams
- In memory of Charles and Agnes Bainbridge
- Tony Bedwell in memory of Maureen Bedwell
- Sylvia Blair
- Chris and Shirley Blanckley
- Roy Brabiner and in memory of Barbara Brabiner
- Ken Brown in memory of Margaret Olive Brown
- In memory of Vera Butterworth
- Jacqueline Chambers
- In memory of Eric John Davies
- Noreen Dickins in memory of John Gibson Kerr
- Martin Dickinson
- Wendy Forrester in memory of Donald Forrester
- Captain Robert Fullarton
- Brian Gilda
- Anthony and Gillian Gill
- Sam Gillies
- Raymond and Cherith Hirst
- John Holden
- David and Eleanor Holloway
- Patrick Johnson and Morgan Johnson
- Patricia Kane
- In memory of Bruce Kelland
- Jack Kelly
- Robert Harmer King
- In memory of Jim Kirkham
- Margaret McKee
- Callum Melville
- Clive Millward ISM
- John Nicholls
- Anne Lawson
- J Christopher Longridge
- Chris Perkins and Angela Hughes
- Denis Petropoulos
- In memory of Gordon and Maurice Pierssene
- Cecilia Ann Power
- In memory of Neil Procter
- Julia and Hans Rausing
- Imelda L Rawlins
- Andrew and Lynn Richmond
- Hilary Saw
- John and Doreen Scott
- In memory of Elizabeth M Sillars
- Ian and Lynda Smith
- Douglas Towler
- Andy and Dominie Walters in memory of Gwendoline Walters (nee Toms)
- Beryl Williamson
- Ann Dorothy Wilson
- Bill Wraith
- Mike and Naomi Yates.

PARTNERSHIP SUPPORTERS

We would like to thank all the companies and organisations that supported us in 2021. In particular, for their continued and significant support, we thank:

- BT
- Conker Spirit Limited
- EDF Renewables Ltd
- Elliot Brown Limited
- Ford Motor Company Limited
- Fred. Olsen Cruise Lines
- Finisterre
- Kärcher (UK) Ltd
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- Ørsted
- The Lifeboat Fund
- The Olive Trust Fund.

THE FUNDRAISERS

A heartfelt thank you to the thousands of volunteers in our branches and guilds. Your hard work and determination throughout another difficult year raised vital funds through a range of imaginative activities. And thank you to your communities for their generous donations and support.

Thanks to our shop/souvenir volunteers for being primed and ready for business following lockdowns and raising over £5.9M. And thank you to the hundreds of independent fundraisers who took on all sorts of challenges, real and virtual, raising £7.1M in 2021.

You keep our lifesavers ready for anything.

To save every one

The RNLI is the charity that saves lives at sea

The Royal National Lifeboat Institution, a charity registered in England and Wales (209603), Scotland (SC037736), the Republic of Ireland (CHY 2678 and 20003326), the Bailiwick of Jersey (14), the Isle of Man (1308 and 006329F), the Bailiwick of Guernsey (CH135) and Alderney (CH386) of West Quay Road, Poole, Dorset, BH15 1HZ

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

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

Cover image: Lifeguard Ella Benbow shares safety advice with a young family on Praa Sands beach, Cornwall. It was a relief for many to see RNLI lifeguards back to full strength again in 2021 following the restrictions of 2020. Cover photo: RNLI/Charis Walker

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