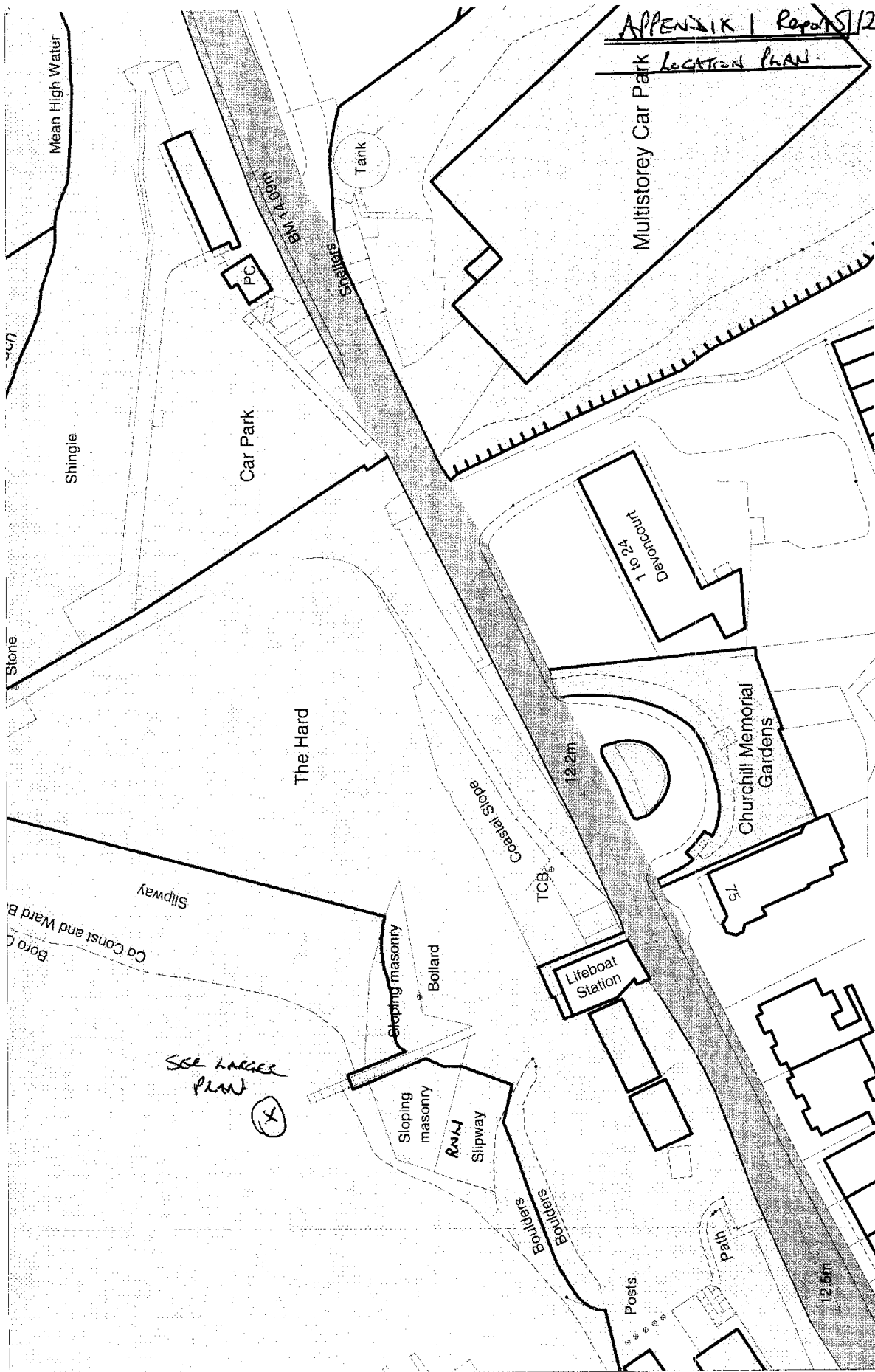
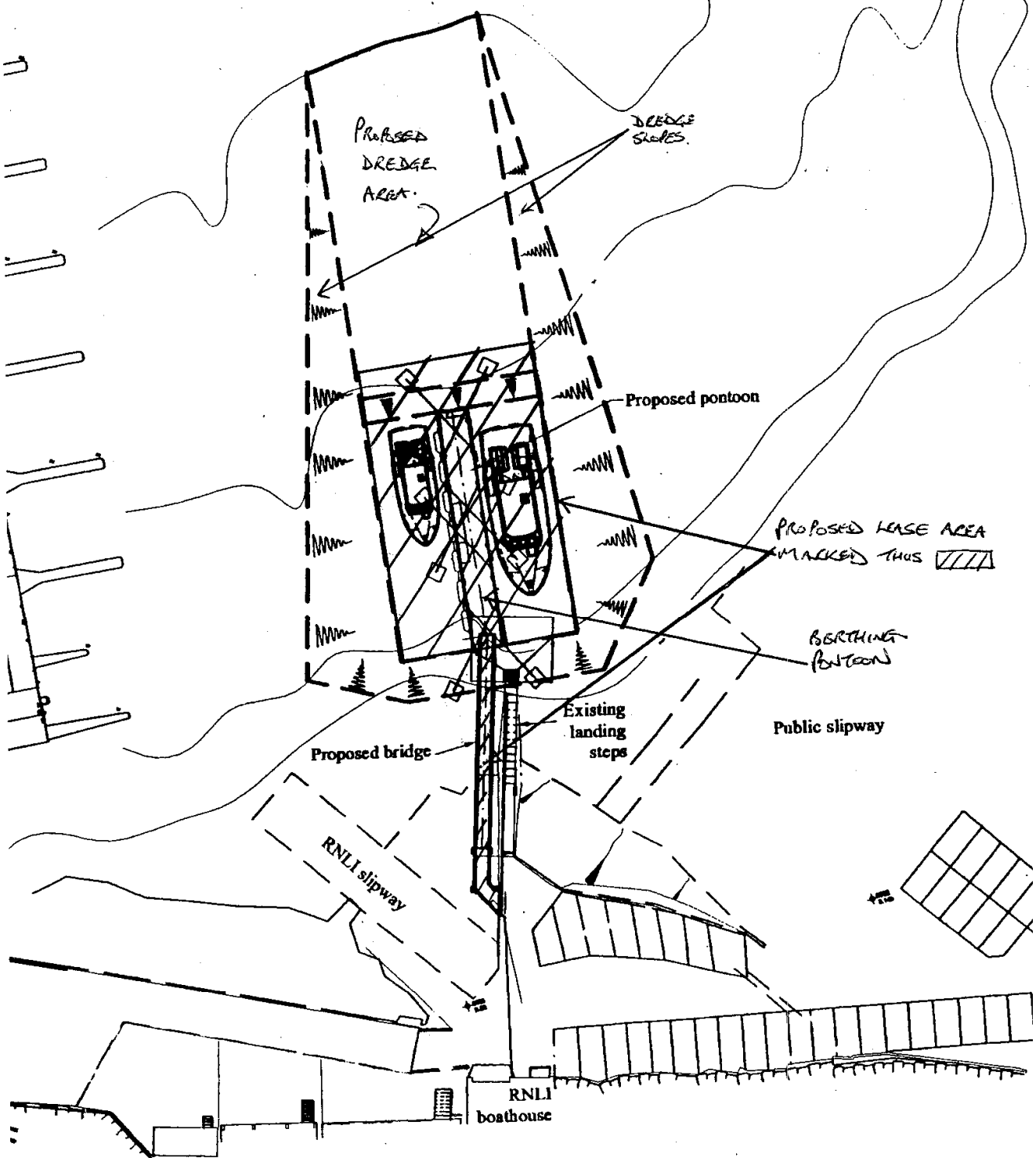


LOCATION PLAN



APPENDIX I

EXISTING MEDUAT MOORINGS



## Application Form for Grants in lieu of Rent

### 1. Information about the organisation

1.1 Name of Organisation

ROYAL NATIONAL LIFEBOAT INSTITUTION

1.2 Address of premises to which the grant will apply

LIFEBOAT STATION (BERTHING FACILITY)  
BERRY HEAD ROAD  
BRIXHAM  
DEVON

1.3 Which of the following best describes your organisation?

- a. Registered Charity ..... ☒  
If yes please provide Charity Registration Number: 209603  
b. Awaiting Charity Registration ..... ☐  
c. Charitable organisation which is not registered in any way ..... ☐  
d. Company Limited by guarantee ..... ☐  
e. Other (Please state): ..... ☐

1.4 Is your organisation:

affiliated to a national voluntary organisation? ..... Yes ☒ No ☐  
a branch of a national voluntary organisation? ..... Yes ☐ No ☒

If yes to either of these:

Do you have an independent local management committee? ..... Yes ☐ No ☒  
Do you produce separate accounts for the local organisation? ..... Yes ☐ No ☒

### 2. Name and Address of Contact Person

To whom any queries on this application and correspondence should be addressed

2.1 Name of contact.

PETER GUSCOTT

2.2 Position held within organisation:

PROPERTY TRANSACTIONS MANAGER

2.3 Address if different from above.

WEST QUAY ROAD  
POOLE  
DORSET  
BH15 1HZ

2.4 Telephone Number

Home:

Work:

01202 663243

### 3. Grant Information

3.1 Amount of rent due on premises

£3,500 pa

3.2 Amount of grant requested

£3,500 pa

3.3 Length of lease

40 YEARS

3.4 Do you wish to apply for a grant for the length of your lease? ..... Yes ☒ No ☐

3.5 Please explain why you need a lease of this length

RNLI ARE A NATIONAL CHARITY THAT PROVIDES A FREE 24/7 RESCUE SERVICE FOR ALL USERS OF THE SEA. RNLI ARE PROPOSING TO SPEND OVER £400K OF ITS CHARITABLE FUNDS ON A NEW LIFEBOAT BERTH AT BRIXHAM TO PROVIDE A SAFER AND MORE EFFICIENT SERVICE TO THE COMMUNITY

3.6 Have you ever received, or do you currently receive, funding from Torbay Council? ..... Yes ☒ No ☒

3.7 If Yes,      year  
                 amount  
                 type of grant  
                 what for

	2004/2005	
£	£1900	£
	Full	
	RATE RELIEF.	

### 4. Your Organisation

4.1 Please describe the aims of your organisation.

TO BE RECOGNISED UNIVERSALLY AS THE MOST EFFECTIVE, INNOVATIVE AND DEPENDABLE LIFEBOAT SERVICE

4.2 What services and/or activities will you provide from your premises?

A 24/7 SEA RESCUE SERVICE AT NO  
COST TO THE LOCAL AUTHORITY OF  
MEMBERS OF THE PUBLIC .

4.3 Which of the priorities within Torbay's Community Plan does the work of your organisation meet? If you meet more than one please tick appropriate boxes.

Making Torbay a safer place.....	<input checked="" type="checkbox"/>
Improving health and social care in Torbay.....	<input type="checkbox"/>
Improving access to good-quality affordable homes .....	<input type="checkbox"/>
Towards a prosperous Torbay .....	<input type="checkbox"/>
Valuing our environment.....	<input type="checkbox"/>
Placing learning at the heart of our community .....	<input type="checkbox"/>
Developing Torbay's culture .....	<input type="checkbox"/>
Creating sustainable communities .....	<input type="checkbox"/>

4.4 Please explain briefly how your organisation meets the priorities you have ticked.

BY PROMOTING A SEA-SAFETY INITIATIVE  
AND CARRYING OUT A FREE SAFETY CHECK ON  
ALL CRAFT

4.5 Please describe how your organisation promotes social inclusion (i.e. how does it serve people who are disadvantaged).

ORGANISATION SERVES ALL WHO NEED IT.

- 4.6 Please give three examples of how your organisation made a difference to the lives of your users in the last 12 months.

SAVING LIVES.  
PROMOTING SAFETY ON THE SEA.  
PROMOTING BEACH SAFETY

- 4.7 How many members does your organisation have?

>1000

- 4.8 How many users did your organisation have last year?

Numerous.

- 4.9 How many of your users were residents of Torbay last year?

Unknown

- 4.10 Do you have an equal opportunities policy? ..... Yes ☒ No ☐

- 4.11 Please give examples of how you ensure your service is accessible to all sections of the community

~~ALL~~ WE SERVE ALL OF THE COMMUNITY - SERVICE IS PROVIDED AT POINT OF DELIVERY

- 4.12 Are you aware of any other organisations which also provide similar services or activities in Torbay? ..... Yes ☒ No ☒

If yes, please give brief details, and describe how your organisation liaises or works with these organisations to complement each other and avoid duplication.

H.M. Coastguard; Air Sea Rescue. Often all organisations work together, when required.

5. **Financial Information**

5.1

*NO SITE SPECIFIC INFORMATION - FULL RML REPORT PROVIDED*  
Please provide details of your organisation's income and expenditure last year, your budget for this year and your proposed budget for next year.

INCOME – Source	Last year	This year	Next year
Grants			
:			
:			
:			
Fund-raising			
:			
:			
:			
Earned Income			
:			
:			
:			
Reserves brought forward (do not include fixed assets)			
Other (please specify what they are for)			
TOTAL			

EXPENDITURE – Details	Last year	This year	Next year
Salaries/Staffing			
Premises			
Administration			
Volunteers/Management Committee			
Resources and Training			
Transport			
Other			
TOTAL			

Please provide details of any reserves you had at the end of the last financial year, which were either reserves for a specific purpose (e.g. building fund) or were general reserves (e.g. funds held on deposit at the bank).

- 5.2 What reserves (excluding fixed assets) were held by your organisation at the end of the last financial year?

£

- 5.3 What are these reserves held for?

- 5.4 What was the value of your fixed assets at the end of the last financial year?

£

- 5.5 What are your plans generating income or making savings over the period of your lease?

## 6. Checklist

Please enclose with your application a copy of your constitution, your equal opportunities policy (if applicable) and your latest annual accounts and report.

Constitution  
 Equal Opportunities Policy  
 Annual Accounts for last financial year  
 Annual Report for last financial year

Enclosed	Not Produced
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>



**7. Additional Information**

Please use this space for any additional information relevant to your application.

**8. Declaration**

This application has been seen and approved by the organisation's Management Committee/officers of the Management Committee. The information contained in this application is correct to the best of my knowledge and belief.

Signed:

Position in Organisation:

Date:

**Please return completed form to:**



he RNLI saves lives at sea



## Royal National Lifeboat Institution

Founded 4th March 1824  
*Supported by voluntary contributions*

### Charter of Incorporation

*Granted by Her Majesty Queen Victoria on 24th April 1860*

### Supplemental Charter of 1932

*Granted by His Majesty King George V on 2nd May 1932*

### Supplemental Charter of 1986

*Granted by Her Majesty Queen Elizabeth II on 24th April 1986  
Including Amendments Allowed by Her Majesty Queen Elizabeth II on  
11th February 1998 and 16th July 2002*

## Bye-Laws

ROYAL NATIONAL LIFEBOAT INSTITUTION  
West Quay Road, Poole, Dorset, BH15 1HZ

**ROYAL NATIONAL LIFEBOAT INSTITUTION**  
**For the Preservation of Life from Shipwreck**  
**Charter of Incorporation**

**Victoria**, by the Grace of God of the United Kingdom of Great Britain and Ireland, Queen, Defender of the Faith, **To all to whom** these Presents shall come **Greeting**.

**Whereas** the late SIR WILLIAM HILLARY, baronet, the late MR THOMAS WILSON, Member of Parliament, and others of Our loving subjects, did, in the year 1824, establish a Society by the name of "THE ROYAL NATIONAL INSTITUTION FOR THE PRESERVATION OF LIFE FROM SHIPWRECK", and which title was altered in 1854, and the said Society is now designated "THE ROYAL NATIONAL LIFE-BOAT INSTITUTION, for the Preservation of Life from Shipwreck", and of which Society We have become Patron.

**And Whereas** it has been represented to Us, that the same Society has since its establishment sedulously pursued such its proposed object by establishing efficient Life-boats on the points of the Coasts of the United Kingdom most exposed to Shipwreck, and organizing and training crews ready to man the Boats at all times in case of Wreck, and by granting pecuniary Rewards to the persons who man the Life-boats or otherwise assist in saving life from Shipwreck, and by conferring honorary Gold and Silver Medals for distinguished Gallantry in such service.

**And Whereas** the same Society is supported by Annual Subscriptions and Donations, and other Contributions to its Funds, and has a funded property of £14,114 1s. 7d £3 per Cent Reduced Bank Annuities.

**And Whereas** in order to secure the property of the said Society, to extend its operations, and to place it on a more permanent basis, We have been besought to grant to ALGERNON PERCY DUKE OF NORTHUMBERLAND, Knight of the Most Noble Order of the Garter, and a Vice-Admiral in our Royal Navy, President; The Vice-Chancellor SIR WILLIAM PAGE WOOD, Knight, Vice-President; THOMAS BARING, Member of Parliament, Chairman; THOMAS CHAPMAN, Deputy-Chairman; SIR EDWARD GEORGE LAMBERT PERROTT, Baronet; JOHN BUNCE BONNEMAISON M'HARDY, a Rear-Admiral in our Royal Navy; JOHN WASHINGTON, Captain in our Royal Navy, and Hydrographer of the Admiralty; MONTAGUE GORE; WILLIAM HENRY HARTON; and GEORGE PALMER,\* Governors of the said Society, and to those who now are or shall hereafter become Governors of the said Society, Our Royal Charter of Incorporation, for the purposes aforesaid: **Now know ye** that We, being desirous of encouraging a design so laudable and benevolent, of Our especial grace, certain knowledge, and mere motion, have willed, granted, and declared and **Do** by these Presents for Us, Our Heirs, and Successors, will, grant, and declare that the said ALGERNON PERCY DUKE OF NORTHUMBERLAND, Knight of the Most Noble Order of the Garter, a Vice-Admiral in Our Royal Navy; The Vice-Chancellor SIR WILLIAM PAGE WOOD; THOMAS BARING; THOMAS CHAPMAN; SIR EDWARD GEORGE LAMBERT PERROTT, BARONET; JOHN BUNCE BONNEMAISON M'HARDY; JOHN WASHINGTON; MONTAGUE GORE; WILLIAM HENRY HARTON; and GEORGE PALMER, and such other of Our Loving subjects as now are or shall hereafter come Governors of the said Society, according to such Regulations or Bye-Laws as shall be hereafter framed or enacted; and their successors shall, for ever hereafter be, by virtue of these Presents, one body politic and corporate by the name of "THE ROYAL NATIONAL

\* The foregoing are the names of those Governors of the Institution whose names were appended to the Petition to Her Majesty in Council to grant it a Chart of Incorporation.

LIFEBOAT INSTITUTION, for the Preservation of Life from Shipwreck", and for the purposes aforesaid, and by the name aforesaid, shall have perpetual succession and a Common Seal, with full power and authority to alter, vary, break; and renew the same at their discretion: and by the same name to sue and be sued, implead and be impleaded, answer and be answered unto, in every Court of Us, Our Heirs and Successors, and be for ever able and capable in the Law to purchase, receive, possess, hold and enjoy to them and their successors, any goods and chattels whatsoever, and as well those now belonging to the said Society as those which may be hereafter acquired, and also to be able and capable in the Law (not withstanding the Statutes of Mortmain) to take, purchase, hold, and enjoy to them and their successors, a Hall or House, and any such messuages, lands, tenements, or hereditaments whatsoever as may be necessary for carrying out the purposes of the Society, and as well those now belonging to the said Society as those which may be hereafter acquired, the yearly value of which, including the site of the said Hall or House, shall not exceed in the whole the sum of £2000, computing the same respectively at the rack-rent which might have been had or gotten for the same respectively at the time of the purchase or acquisition thereof; and to act in all the concerns of the said body politic and corporate as effectually, to all intents and purposes, as any other of Our Liege subjects, or any other body politic or corporate in Our said Kingdom, not being under any disability, might do in their respective concerns.

**And** We do hereby grant Our especial licence and authority unto all and every person and persons, bodies politic and corporate, otherwise competent, to grant, sell, alien, and convey in mortmain unto and to the use of the said body politic and corporate, and their successors, any messuages, lands, tenements, or hereditaments, not exceeding such annual value as aforesaid.

**And** Our will and pleasure is, and we further grant and declare that there shall be a General Meeting or General Meetings of the Governors of the said Society, to be held from time to time as hereinafter mentioned, and that there shall be a Committee of Management to direct and manage the concerns of the said body politic and corporate, and that the General Meetings and the Committee of Management shall have the entire direction and management of the same in the manner and subject to the regulations hereinafter mentioned.

**And** We do hereby also will, grant, and declare, that there shall be a President, Vice-Presidents, a Treasurer, Secretary, and Inspector of life-boats of the said body politic and corporate, and that the Committee of Management shall consist of the President, Vice-Presidents, and Treasurer, and not more than 40, nor less than 15 other Governors of the said Society.

**And** We do hereby further will and declare, that the said ALGERNON PERCY DUKE OF NORTHUMBERLAND shall be the first President of the said body politic and corporate, and the other persons now being the Vice-Presidents, and Treasurer, together with those of the Governors now constituting the Committee of Management, shall be the first Members of the Committee of Management, and shall continue such until the election of officers shall be made in pursuance of these Presents.

**And** We do hereby further will and declare that RICHARD LEWIS shall be the first Secretary of the said body politic and corporate, and JOHN ROSS WARD, Captain of Our Royal Navy, shall be the first Inspector of Life-boats of the said body politic and corporate, subject in each case to the power of removal hereinafter given to the Committee of Management.

**And** We do hereby further will and declare that it shall be lawful for the Governors of the said body politic and corporate hereby established, to hold General Meetings for the purposes,

hereinafter mentioned, namely, That the President, Vice-Presidents, and the Treasurer, and other members of the Committee of Management, shall be chosen at Such General Meeting, and that the General Meeting shall from time to time make and establish such Bye-Laws, and vary and alter or revoke the same as they shall deem to be useful and necessary for the regulation of the said body politic and corporate, and for fixing the number of Presidents, Vice-Presidents, and Officers, and for the management of the proceedings and the estates, goods, and business of the said body politic and corporate, so that such Bye-Laws be not repugnant to these Presents or to the Laws and Statutes of this Our Realm, and shall and may also enter into any resolution, and make any regulation respecting the affairs of the said body politic and corporate that may be necessary and proper.

**And** We do further will and declare that a General Meeting shall be held at least once between the 1st day of January in every year and the 1st day of January in the next year ensuing; and all General Meetings shall take place at such time as may be fixed by the said Committee of Management, and that the present Regulations of the said Society, so far as they are not inconsistent with these Presents, shall continue in force until the same shall be altered by a General Meeting.

**And** We further will, grant, and declare that, notwithstanding anything herein contained, the Committee of Management shall have the sole management of the income and funds of the said body politic and corporate, and the power to appoint and remove the Secretary and Life-boat Inspector, and such other officers, attendants, and servants as the Committee of Management shall think necessary or useful, as also the entire management and superintendence of all the other affairs of the said Society, and shall and may, but not inconsistently with or contrary to the provisions of this Our Charter or any existing Bye-Law or Laws, or the Laws and Statutes of this Our Realm, do all such acts and deeds as shall appear to them necessary for carrying into effect the objects and views of the said body politic and corporate.

**Provided always** and We do will and declare that the Committee of Management shall, from time to time, and at least once in each year, render to a General Meeting a full account of their proceedings, and that every Governor of the Society may, at all reasonable times, to be fixed by the said Council, see and examine the accounts of the receipts and payments of the said body politic and corporate.

**And** We do further will, grant, and declare that no sale mortgage, encumbrance, or other disposition of any messuages, lands, tenements, or hereditaments belonging to the said body politic and corporate, shall be made except with the approbation and concurrence of a General Meeting.

**And** We do further will and declare that it shall be lawful for the Committee of Management of the said Society, with the approbation and concurrence of a General Meeting, from time to time, to appoint any persons to be Trustees of any part of the property of the said body politic and corporate, and to make, or direct to be made, any Conveyance or transfer to such Trustees.

**In Witness** whereof We have caused these Our Letters to be made Patent. **Witness** Ourself at, Our Palace at Westminster, this 24th day of April, in the Twenty-third year of our Reign.

By Her Majesty's Command,  
**Edmunds**



**George the fifth**, by the Grace of God of Great Britain, Ireland and the British Dominions beyond the Seas King, Defender of the Faith, Emperor of India, **To all to whom** these Presents shall come, **Greeting.**

**Whereas** Her Late Most Excellent Majesty Queen Victoria did in the year 1860 grant a Charter of Incorporation to THE ROYAL NATIONAL LIFE-BOAT INSTITUTION FOR THE PRESERVATION OF LIFE FROM SHIPWRECK and thereby willed granted and declared that this Institution should be for ever able and capable in the law (notwithstanding the Statutes of Mortmain) to take purchase hold and enjoy to them and their successors a Hall or House and any such messuages lands tenements or hereditaments whatsoever as might be necessary for carrying out the purposes of the Institution and as well those then belonging to the said Institution as those which might be thereafter acquired, the yearly value of which including the site of the said Hall or House should not exceed in the whole the sum of £2,000 computing the same respectively at the rack rent which might have been had or gotten for the same respectively at the time of the purpose of acquisition thereof And also that the Committee of Management of the said Institution should have the power to grant pecuniary rewards to the persons who should man the lifeboats or otherwise assist in saving life from shipwreck and to confer honorary gold and silver medals for distinguished gallantry in such services

**And also** that no sale or other disposition of any messuages lands tenements or hereditaments belonging to the Institution should be made except with the approbation and concurrence of a General Meeting of the Governors of the said Institution

**Now know ye** that We being satisfied that it is to the interest of the Institution that its power should be extended in the manner hereinafter mentioned

**Do** by these Presents for Us Our Heirs and Successors will grant and declare that the power of the Institution to hold land may be extended and that they be for ever able and capable in the Law (notwithstanding the Statutes of Mortmain) to take purchase hold and enjoy to them and their successors any such messuages lands tenements or hereditaments whatsoever as may be necessary for carrying out the purposes of the Institution and as well those now belonging to the Institution as those which may be hereafter acquired the yearly value of which, including the site of the Institution's Hall or House, shall not exceed in the whole the sum of £10,000 computing the same at the rack rent which might have been had or gotten for the same respectively at the time of the purchase or acquisition thereof. Also that the Committee of Management of the Institution shall have power to grant pecuniary rewards not only to the persons who man the lifeboats or otherwise assist in saving life from Shipwreck but also to any persons who use a life-boat or any other boat for the purpose of rescuing the lives of those in danger from any cause on or near the coasts of the British Islands and Ireland or otherwise assist towards the same ends and of conferring any medals or other honorary awards for distinguished gallantry in any such services

**Also that** the Committee of Management shall be at liberty to sell or otherwise dispose of any messuages lands tenements or hereditaments belonging to the Institution which they shall consider no longer to be required for the purposes thereof and it shall not be necessary for the said Committee of Management to obtain the approbation or concurrence of a General Meeting of the Governors of the Institution in respect of any such sale or disposition

**In Witness whereof** We have caused these Our Letters to be made Patent

**Witness** Ourself at Westminster the Second day of May in the twenty-second year of Our Reign.

By Warrant under the King's Sign Manual  
**Schuster.**

**Elizabeth the second**, by the Grace of God of the United Kingdom of Great Britain and Northern Ireland and of Our other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith: **To all to whom** these Presents shall come, **Greeting.**

**Whereas** Her Majesty Queen Victoria by Royal Charter dated the twenty-fourth day of April in the year of our Lord One thousand eight hundred and sixty (hereinafter referred to as "The Original Charter") constituted a body corporate and politic under the name of "The Royal National Life-Boat Institution for the Preservation of Life from Shipwreck" (hereinafter referred to as "the Institution").

**And whereas** His Majesty King George the Fifth by a Supplemental Royal Charter dated the second day of May in the year of our Lord One thousand nine hundred and thirty-two (hereinafter referred to as "the Supplemental Charter of 1932") extended the powers of the Institution:

**And whereas** an humble Petition has been presented unto Us by the Institution praying that We should be graciously pleased to grant to it a further Supplemental Charter:

**Now therefore** know ye that We having taken the said Petition into Our Royal Consideration have of Our especial grace, certain knowledge and mere motion granted and declared and do by these Presents for Us, Our Heirs and Successors grant and declare as follows:

1. Except insofar as it incorporates the Institution (which shall be known as "The Royal National Lifeboat Institution") and confers upon it perpetual succession and authorises it to have a Common Seal and to sue and be sued, the Original Charter and the Supplemental Charter of 1932 are hereby revoked, but nothing in this revocation shall affect the legality or validity of any act, deed or thing lawfully done or executed under the provisions thereof.
2. The members of the Institution shall continue to be one body politic and corporate with perpetual succession and a Common Seal with power to alter, vary, break or renew the said Seal from time to time at their will and pleasure, and with full power and capacity by and in such name to sue and be sued in all Courts and in all manner of actions and suits and shall, subject to the provisions of this Our Supplemental Charter, have power to do all other matters and things incidental or appertaining to a body corporate.
3. The objects of the Institution shall be, first, to save lives, promote safety and provide relief from disaster at sea and, secondly, to save lives, promote safety and provide relief from disaster on inland waters ("the Objects"). Without prejudice to the generality of the Objects, the work of the Institution shall be primarily carried out in and around the United Kingdom of Great Britain and Northern Ireland, the Isle of Man, the Channel Islands and the Republic of Ireland.
4. The Institution shall have the following powers, which may be exercised only in promoting the Objects and in accordance with the provisions of this, Our Supplemental Charter and Bye-laws:
  - 4.1 To develop, provide and equip lifeboat services and other facilities and services for promoting safety and saving life;
  - 4.2 To provide training and safety advice for the public;
  - 4.3 To confer medals and honorary awards on those who crew lifeboats and on voluntary supporters for gallantry, long service or outstanding service to the Institution;
  - 4.4 To give compensatory monetary rewards to those who crew the lifeboats or otherwise assist;
  - 4.5 To promote the work of the International Lifeboat Federation;

- 4.6 To carry out research and development;
  - 4.7 To publish or distribute information;
  - 4.8 To co-operate with Governments and other bodies;
  - 4.9 To support, administer or set up other charities and to accept gifts on trust for special purposes;
  - 4.10 To accept gifts for general purposes and to raise funds (but not by means of permanent trading activities, the profits of which are liable to tax);
  - 4.11 To borrow money and give security for loans (but only in accordance with the restrictions imposed by the law);
  - 4.12 To acquire or hire property of any kind;
  - 4.13 To let or dispose of property of any kind (but only in accordance with the restrictions imposed by law);
  - 4.14 To make grants or loans of money and to give guarantees;
  - 4.15 To set aside funds for special purposes or as reserves against future expenditure;
  - 4.16 To insure the Institution's property against any foreseeable risk and take out other insurance policies to protect the Institution and those working for the Institution, where required;
  - 4.17 To insure the members of the Trustee Committee against the costs of a successful defence to a criminal prosecution brought against them as charity trustees or against personal liability incurred in respect of any act or omission which is or is alleged to be a breach of trust or breach of duty (unless the person concerned knew that, or was reckless whether, the act or omission was a breach of trust or breach of duty);
  - 4.18 To employ a Chief Executive and other paid or unpaid agents, staff or advisers but so that, subject to Article 6.5, no member of the Trustee Committee and no member of the Council is to be a paid agent, employee or adviser of the Institution;
  - 4.19 To enter into contracts and other arrangements to provide services to or on behalf of Governments and other bodies;
  - 4.20 To do anything else within the law which promotes or helps to promote the Objects.
5. The Institution shall have the following powers with regard to its funds:
- 5.1 To deposit or invest funds in any manner, including investment in options and other forms of derivatives and in underwriting contracts (but to invest only after obtaining advice from one or more financial experts and having regard to the suitability of investments and the need for diversification).
  - 5.2 To delegate the management of cash and investments to one or more financial experts, but only on terms that:



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- (a) the investment policy is recorded in writing for each financial expert by the Trustee Committee or any investment committee appointed by them (either of which is referred to below as 'the committee');
- (b) every transaction is reported promptly to the committee;
- (c) the performance of the investments is reviewed regularly with the committee;
- (d) the committee is entitled to cancel the delegation arrangement at any time;
- (e) the investment policy and the delegation arrangement are reviewed at least once in every calendar year;
- (f) all payments due to the financial expert are on a scale or at a level which is agreed in advance and are reported promptly to the committee on receipt;
- (g) each financial expert must not do anything outside the powers of the Institution.

5.3 To appoint and remunerate as nominee or custodian for the purpose of holding funds, investments or documents, any corporation which is controlled either by the Institution or by a financial expert acting on its instructions.

5.4 In this Article 'financial expert' means an individual, firm or company who the committee reasonably believe to be competent to advise the Institution as to matters relating to investment.

6.1 The members of the Institution, who shall be known collectively as Governors, shall comprise:

(a) Governors; and

(b) Life Governors;

who shall be such persons as subscribe to the funds of the Institution such sums as may from time to time be prescribed in the Bye-Laws; and

(c) Honorary Life Governors; and

(d) Ex-officio Governors;

who shall be such persons as may be elected, or holders of offices as may be designated from time to time, in accordance with the Bye-Laws.

6.2 There shall be the following Honorary Officers of the Institution, the method and terms of whose appointments shall, subject to the provisions of this paragraph, be prescribed in the Bye-Laws:

(a) A President appointed for life from amongst the Vice-Presidents by the Council; and

(b) An unlimited number of Vice-Presidents appointed by the Council from amongst its own members, who may be appointed for life or otherwise, as a mark of special recognition of service to the Institution.

- 6.3 (a) There shall be an advisory and appointments committee, to be called the "Council", which shall have not more than seventy-four nor less than twenty-five members, comprising:

- (i) the President;
- (ii) up to seven ex-officio Governors; and
- (iii) up to sixty-six Governors elected by the Governors in General Meeting.

The method of election and terms of office of the elected members of the Council under 6.3 (a) (iii) above shall be prescribed in the Bye-Laws.

- (b) Subject to this Our Charter and as provided from time to time in the Bye-Laws, Council shall be responsible for appointing the Honorary Officers of the Institution and the members of the Trustee Committee, advising the Trustee Committee on the carrying out of its functions, formulating proposed amendments to the Bye-Laws and Regulations, and representing the Institution on public occasions when requested to do so by the Trustee Committee.

A quorum of the Council shall be ten.

- (c) The meetings and proceedings of the Council, including the appointment of its own chairman, shall be governed by or in accordance with the Bye-Laws.

- 6.4 (a) Subject to the provisions of the foregoing paragraph and to Article 7 below, the management of the Institution's affairs and the appointment of permanent staff shall be the responsibility of the members of the Trustee Committee, who shall be the charity trustees (within the meaning of the Charities Act 1993, as amended from time to time) of the Institution. The Trustee Committee shall have a maximum of sixteen members appointed by the Council from amongst its members. A quorum of the Trustee Committee shall be six, or no less than fifty percent of its members from time to time (whichever is the greater), and it may from time to time delegate detailed supervision of particular aspects of the Institution's business to Advisory Committees, constituted in accordance with the Bye-Laws.

- (b) The Trustee Committee shall appoint annually from its own number its Chairman ("the Chairman of the Institution"), two Deputy Chairmen, the Treasurer and such other officers as it thinks fit. A retiring officer shall be eligible for re-election. The Chief Executive, and such other senior members of staff as the Chief Executive shall nominate, shall be entitled to attend all meetings of the Trustee Committee, unless the Trustee Committee considers the Chief Executive or such other senior members of staff should not be present due to the nature of the matters to be discussed, but they shall not have a vote.

- 6.5 Members of the Trustee Committee and of the Council shall not receive any payment of money or other material benefit (whether directly or indirectly) from the Institution, except:

- (a) in the case of members of the Trustee Committee, as mentioned in Article 4.17;
- (b) reimbursement of reasonable out-of-pocket expenses (including hotel and travel costs) actually incurred in relation to the Institution;

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(c) an indemnity in respect of any liabilities properly incurred in relation to the Institution (including the costs of a successful defence to criminal proceedings); and

(d) only with the written approval of the Charity Commission in advance, a payment, or payment to any firm or company to which the member of the Trustee Committee or the Council, as the case may be, is a member, employee or partner, in relation to services supplied by the member or the member's firm or company, for goods or services.

7.1 An Annual General Meeting of the Institution shall be held once in every year at such time and place as shall be prescribed by and in accordance with the Bye-Laws. The Chairman of the Institution or, in his absence, one of his Deputy Chairmen shall lay before every such meeting such accounts and make to it such reports as may, from time to time, be prescribed by the Bye-Laws. Subject as aforesaid, meetings of the Institution shall be convened and the proceedings thereat regulated in accordance with the Bye-Laws. Not more than fifteen months shall elapse between each Annual General Meeting.

7.2 The accounts to be submitted to each Annual General Meeting shall be audited in accordance with the Charities Act 1993, as amended from time to time.

8. The affairs of the Institution shall be managed and regulated in accordance with the Bye-Laws. Any of the Bye-Laws may from time to time be revoked, amended or added to by a resolution passed by a majority of not less than two-thirds of the Governors present and entitled to vote at an Annual General Meeting or at an Extraordinary General Meeting duly convened for that purpose and any new Bye-Laws may from time to time be made in the like manner.

Provided that no new Bye-Law and no such alteration, addition or repeal as aforesaid shall have any force or effect if it be repugnant to any of the provisions of this Our Charter or to the Laws of Our Realm.

9. The Institution may, by a resolution passed by not less than three-fourths of the Governors present and voting at a General Meeting of which not less than twenty-one days' notice in writing has been given, revoke, amend or add to any of the remaining provisions of the Original Charter, the Supplemental Charter of 1932 and this Our Supplemental Charter and any further Supplemental Charter, and such revocation, amendment or addition shall, when allowed by Us, Our Heirs or Successors in Council, become effectual so that the Original Charter, the Supplemental Charter of 1932 and this Our Supplemental Charter and any further Supplemental Charter shall thenceforward continue and operate as though they had been originally granted as revoked, amended or added to in the manner aforesaid. This provision shall apply to the Original Charter, the Supplemental Charter of 1932 and this Our Supplemental Charter and any further Supplemental Charter as revoked, amended or added to as aforesaid.

Provided that no such revocation, amendment or addition shall be made which would cause the Institution to cease to be a charity in law.

10. **And lastly** We do by these Presents for Us, Our Heirs and Successors grant and declare that these Our Letters shall be in all things valid and effectual in law, according to the true interest and meaning thereof, and shall be taken, construed and adjudged in the most favourable and beneficial sense for the best advantage of the Institution, as well as in Our Courts of Record as elsewhere, by all Judges, Justices, Officers, Ministers and other subjects whatsoever of Us, Our Heirs and

Successors, any non-recital or other omission, defect or thing to the contrary notwithstanding.

In witness whereof we have caused these Our Letters to be made Patent.

Witness Ourselves at Westminster the 24th day of April in the thirty-fifth year of Our Reign.

By Warrant under the Queen's sign Manual.  
**Oulton**

Adopted by the  
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**Bye-Laws of the  
ROYAL NATIONAL LIFEBOAT INSTITUTION**

Adopted by the Governors at a Special General Meeting, 21st May and amended by the Governors at the Annual General Meeting, 10th May 1988, a Special General Meeting, 15th May 1997, and the Annual General Meeting, 16th May 2002.

**A. MANAGEMENT STRUCTURE**

1. *Council*

- (a) The members of the Council, other than the President and ex-officio governors, shall be elected at the Annual General Meeting from amongst the Governors, whether or not such members shall be present in person at such meeting, and shall serve for a maximum term of three years, after which they may, if eligible, offer themselves for re-election. Nomination for election to the Council may be made by the Chairman of the Institution or by any Governor at any time during the year up to twenty-eight days prior to the holding of the Annual General Meeting, for consideration by a Membership Nomination Committee comprising as a quorum not less than three persons selected from the Chairman of the Institution, his Deputy Chairmen and other members of the Trustee Committee, and with the Chief Executive and/or such senior members of staff as shall be nominated by the Chief Executive in attendance. This Committee, whose Terms of Reference for operation shall be agreed by the Trustee Committee, shall receive and study all nominations, and the Chairman of the Institution will then submit the names of those recommended by the Membership Nomination Committee at the Annual General Meeting.
- (b) The Council shall meet as often as required, provided that this is at least once every financial year, at the request of the Chairman of the Institution, to consider any business he may wish to put before it or to approve the filling of any vacancies arising in the Trustee Committee.
- (c) The Council at its first meeting after the Annual General Meeting shall appoint its own chairman (who may also be the Chairman of the Institution), Honorary Officers, sufficient members of the Trustee Committee to fill vacancies arising under Bye-Law D.4 and the members of the Membership Nomination Committee.
- (d) The Council shall also advise on such matters of policy as the Trustee Committee may wish to refer to it and consider changes that may be thought necessary to the Bye-Laws, rules and regulations issued from time to time. The Council shall also have the power to appoint Vice-Presidents.
- (e) The Council may make rules not inconsistent with the Charter and these Bye-Laws to govern its meetings and procedures.

2. *Trustee Committee*

- (a) The Trustee Committee shall be responsible for managing the Institution's affairs except those for which, in accordance with the Charter and under these Bye-Laws, the Council has responsibility.
- (b) The Trustee Committee shall have power to set up Advisory Committees. Such Committees shall be reappointed annually at the first meeting of the Trustee Committee held after the Annual General Meeting. The chairmen of such Committees shall be members of the Trustee Committee.



## **B. GOVERNORS**

1. Life Governors shall consist of those persons who shall have subscribed to the Funds of the Institution a one-off sum, as specified from time to time at the discretion of the Trustee Committee, such decision having been reported to an Annual General Meeting, but those who are already Life Governors shall remain so.
2. Governors shall consist of those persons who shall subscribe annually such sum as specified from time to time at the discretion of the Trustee Committee, such decision having been reported to an Annual General Meeting.
3. The Council may also elect as Honorary Life Governors those it considers to have rendered exceptional service to the Institution.
4. The Council may designate from time to time not more than seven offices, the holders of which for the time being shall be ex-officio Governors of the Institution.
5. Subject to sub-paragraph 6 below, Governors of whatever category are entitled to vote at all General Meetings.
6. A person, whose entitlement to be a Governor derives from his payment of an annual subscription, shall not be entitled to vote at any General Meeting unless he shall have paid his subscription for the current year before the calling of the Meeting.

## **C. PROCEEDINGS OF GENERAL MEETINGS**

### **1. *Summoning of General Meetings***

A General Meeting may be summoned by the Council or Trustee Committee at any time or at the request of not less than two percent of the Governors at the time submitted jointly. Such request by Governors must state the reason for calling a Special General Meeting. Such a meeting having been properly called, it is the duty of the Trustee Committee to make all such necessary arrangements for the holding of a Special General Meeting as speedily as possible.

### **2. *A Quorum***

A quorum for any General Meeting shall always be not less than one hundred Governors present.

### **3. *Irregularities at Meetings***

In case any irregularity shall occur in the convening or holding of any General Meeting, or in any election or other proceedings at any such Meeting, and the same shall not be publicly noticed and objected to at such Meeting, all proceedings of such meetings shall be of the same force and validity as if no such irregularity had occurred; but if any irregularity shall be publicly noticed and objected to, the Meeting shall decide thereon, and such decision shall be final and conclusive.

#### 4. *Annual General Meetings*

- (a) An Annual General Meeting shall be held at a convenient time and place before 30th June in each year.
- (b) Every Annual General Meeting and every Special General Meeting shall have power to adjourn to a future date.
- (c) Notice of every Annual General Meeting and of every Special General Meeting shall be given direct to each Governor or by advertisement in the Lifeboat or the current magazine of the Institution and in one national newspaper at least twenty-one days before the holding of the same. In the case of alterations, repeal or enactment of new Bye-Laws or the calling of Special General Meetings, the details and object shall be stated in the notice.
- (d) In the case of the Annual General Meeting, all nominations or motions for discussion proposed by Governors must be received in the prescribed form by the Chairman of the Institution at least fourteen days prior to the date of the meeting.
- (e) The Report and Accounts shall be presented to the Meeting by the Chairman of the Institution, or one of his Deputies, and the Treasurer, and shall also have been open to inspection by the Governors at the Headquarters Offices of the Institution twenty-one days prior to the date of the meeting, and having first been signed by the Chairman of the Institution and either a Deputy Chairman or the Chief Executive, or by any two of those people, and having a signed Auditor's Report appended.

In the event of the Accounts not being available, a meeting shall be held, a Report given and the meeting adjourned to such time as the Accounts are available.

- (f) At every Annual General Meeting the Chairman of the Institution, or one of his Deputies shall submit the names and the proposed term of membership of those Governors recommended by the Membership Nomination Committee for election to the Council. If the number of nominees so recommended amounts to the number of vacancies or less, the Governors so nominated shall be deemed to be elected by a show of hands. If the number of nominees so recommended exceeds the number of vacancies, there shall be an election to choose sufficient Governors to fill those vacancies from those nominated to serve on the Committee.
- (g) The recommendation of the Trustee Committee as to the appointment of professional Auditors shall be put to the Annual General Meeting for approval.
- (h) At the Annual General Meeting the order of business shall be:
  - (i) The Chairman of the Institution shall take the chair or, failing him, a Deputy Chairman present or, failing them, some other member of the Trustee Committee chosen by the Trustee Committee ("the AGM Chairman").
  - (ii) The AGM Chairman and the Treasurer shall present the Report and Accounts for the preceding year.
  - (iii) The election of persons to serve on the Council shall take place.
  - (iv) The appointment of professional Auditors shall take place.



- (v) Any other business may be introduced for discussion, provided the AGM Chairman considers it proper so to do, and the opinion of the Meeting may be taken thereon.
- (vi) All elections or votes shall be determined by a show of hands, unless a ballot be demanded by any ten Governors present, in which case the same shall take place forthwith and the AGM Chairman shall appoint two or more scrutineers from amongst the Governors present to superintend the ballot and to report the result.

**5. Special General Meetings**

- (a) At Special General Meetings the order of the proceedings shall be:
  - (i) The Chairman of the Institution or one of his Deputies or, failing them, some other member of the Trustee Committee chosen by the Trustee Committee shall take the chair.
  - (ii) The notice convening the meeting shall be read and the object for which it is being held stated.
- (b) The business to be transacted shall be taken in the order stated in the Notice calling the Meeting.
- (c) All elections, ballots and debates shall be conducted in the same manner as at the Annual General Meetings.
- (d) No business shall be transacted at a Special General Meeting other than the business for which it has been expressly called.

**6. Adjournment of Meetings**

At all adjourned Meetings the business to be transacted shall be taken in the order in which it shall have been entered in the minutes of the Meeting from which the adjournment took place, and no other business shall be considered at any adjourned Meeting than the business left unfinished at the Meeting from which such adjournment took place.

**7. Disputes**

In all cases of dispute or doubt or difficulty, the decision of the Chairman of the Meeting shall be final and conclusive.

**8. Minutes**

Minutes of the proceedings at all and every General Meeting, Council and Trustee Committee or Advisory Committee Meeting shall be taken and recorded in permanent form and confirmed at the next meeting and signed by the Chairman of the Meeting.

**9. Bye-Laws**

Proposals for the repeal or alteration of any existing Bye-Law, or for the enactment of any new Bye-Law, can be made by the Trustee Committee to any General Meeting and, if approved, shall be binding forthwith.

#### **D. ELECTION & APPOINTMENTS**

1. The President shall be chosen from amongst the Vice-Presidents of the Institution and appointed for life by the Council, unless the President for any reason wishes to relinquish the appointment.
2. Vice-Presidents shall be appointed by the Council from amongst their number.
3. The Trustee Committee shall propose to the Annual General Meeting each year the appointment of professional Auditors to audit and report on the Institution's accounts. The remuneration of such Auditors shall be left to the decision of the Trustee Committee.
4. Immediately before the first meeting of the Council to be held after the Annual General Meeting in any year, at least one-third of the members of the Trustee Committee must retire in accordance with regulations made by the Trustee Committee under Bye-Law F.3, provided that any retiring member who is eligible may offer himself for re-appointment.
5. The Chief Executive shall be the senior member of the Institution's staff. He shall be Secretary of the Institution and be responsible to the Trustee Committee for the execution of the responsibilities conferred upon it.

#### **E. COMMITTEE & COUNCIL MEMBERSHIP AGE LIMITS**

1. Subject to Bye-Laws E.2 and E.3 below, from the end of the Annual General Meeting in 2007, no-one shall be eligible to be or remain a member of the Trustee Committee or any other Committee, including the Council, after the end of the Annual General Meeting following his seventieth birthday.
2. Transitional arrangements which shall be determined by the Trustee Committee shall apply with effect from the end of the Annual General Meeting in 2002 until the end of the Annual General Meeting in 2007.
3. The above provisions shall also apply to Honorary Officers and Governors in relation to their Committee (including Council) memberships, subject only to the exception of the President who shall be permitted to remain a member of any such Committee for life, but shall not apply in relation to their status as Honorary Officers and Governors, where they shall not be subject to any age limits.

#### **F. LEGAL AUTHORITIES**

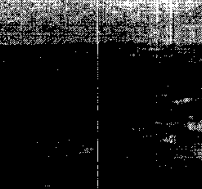
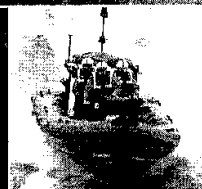
1. The Trustee Committee shall have custody of the common seal of the Institution and at all times one member, together with the Chief Executive or such senior member or members of staff as shall be nominated by the Chief Executive, shall be required to witness as to its approved use.
2. Members of the Trustee Committee, the Chief Executive and such senior member or members of staff as shall be nominated by the Chief Executive for the time being shall each be empowered to give a valid and sufficient discharge under their hands for any Legacy Bequest or other gift or benefit made to or conferred on the Institution, whether testamentary or otherwise.

3. The Trustee Committee may make such regulations not inconsistent with the Charter or Bye-Laws as may appear to it expedient for conducting the affairs of the Institution.
4. The funded property of the Institution shall be invested either in the name of the Institution in its corporate capacity, or in the name of a nominee appointed in accordance with Article 5.3 of the Charter.

# Annual Review and Report and Accounts

**RNLI**  
Lifeboats

2003



# Annual Report and Accounts

## Annual Report of the Trustees

*of the Royal National Lifeboat Institution for the period ended in December 2003*

The Trustees submit their annual report and accounts for the year ended 31 December 2003. The Trustees have complied with the provisions of the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in October 2000 and updated in January 2003 in preparing this report and accounts.

### Legal structure

The Royal National Lifeboat Institution (RNLI) is a registered charity, number 209603. Founded in 1824, the RNLI was incorporated under Royal Charter in 1860, with Supplemental Charters granted in 1932, 1986 and 2002. The address of the registered office is West Quay Road, Poole, Dorset BH15 1HZ. The RNLI has three wholly-owned subsidiary companies: RNLI (Enterprises) Limited, RNLI (Sales) Limited and RNLI (Trading) Limited.

### Purpose

The RNLI saves lives at sea. The objects of the Institution also include promoting safety and providing relief from disaster, both at sea and on inland waters. While the principal activity of the RNLI is providing a lifeboat service, it is empowered to promote the work of the International Lifeboat Federation. The RNLI has defined its vision as 'to be recognised universally as 'to be recognised universally as the most effective, innovative and dependable lifeboat service'.

### Review of activities

The RNLI maintains a network of 232 lifeboat stations around the coasts of the United Kingdom and the Republic of Ireland, which is served largely by over 13,000 volunteers (branch officials, coxswains/helmsmen, crew, shore helpers and supporters). In 2003, lifeboats launched 8,109 times and rescued 7,987 people (in 2002: 7,729 launches and 7,365 people rescued). This included the new lifeboats serving the tidal reaches of the River Thames, which had another busy year, responding to 725 incidents and rescuing 271 people (2002: 818 incidents, 269 rescued). In addition, the RNLI provides Beach Lifeguards to seven local authorities with 43 Beach Lifeguard units in the South West of England (2002: seven local authorities, 43 units). In 2003 Beach Lifeguards saved 27 lives, and attended 1,059 major incidents and over 6,000 minor incidents (2002: 22 lives, 867 major and nearly 5,500 minor incidents).

In addition to the lifesaving focus of the RNLI, the organisation has a much broader

impact with its sea safety initiatives, ranging from educational activities with schoolchildren to the launching-site safety checks offered to pleasure craft users. Through the operation of the lifeboat service, the RNLI supports the viability of small coastal communities, invests heavily in new boats and boathouses, £26.7M in 2003, and through its crew training programme, delivered training courses to over 4,000 crew members in the year (2002: 3,500 crew members).

The year has seen major progress with capital projects, notably the substantial progress with The Lifeboat College, the Survival Centre and the Lifeboat Support Centre in Poole and the commencement of the new slipway station at Tenby. Against a background of the decline in legacy income, the Trustees' decision last year to expand fundraising activity and slow down other major capital projects proved prudent. The completion of the Poole buildings this year will be marked by a significant reduction in the total value of our planned capital expenditure reserve, down to £71.7M from £92.6M at the end of 2002.

The RNLI is funded from voluntary contributions, with the active support of some 30,000 volunteers. The RNLI is hugely dependent on the fundraising activities of the dedicated volunteers in the 1,500 fundraising branches and guilds, as well as the Governors, members and other generous donors. The RNLI's profitable business in Christmas cards and souvenirs, through mail order and through RNLI branches, is operated by RNLI (Sales) Limited. Legacies, however, remain the largest single source of income and we are truly indebted to the legators for their extraordinary generosity.

The consolidated accounts for the RNLI and its subsidiaries for the year ended 31 December 2003 are reviewed in the Treasurer's statement.

### Future developments

In 2004 the expansion of the Beach Lifeguard service in the South West of England will proceed steadily as the service is consolidated and the appropriate support established. Building on the Sea Safety campaign, further investment will be made in promoting sea safety for commercial fishermen, who have been identified as being particularly at risk, with trials of a new Confidential Position Reporting System. Further work on new lifeboat development will continue with the focus on the Fast Inshore Lifeboat and the Fast Carriage-Launched Lifeboat. The introduction of competence-based training for

lifeboat crew members has been well established and will be supported by the modernisation and consolidation of formal training in the residential Lifeboat College and Survival Centre, which will open this summer. This investment will not only improve the quality of training but also be more cost effective than the present arrangements. The new central stores, the Lifeboat Support Centre, will also be commissioned this summer.

### Reserves policy

The Trustees review the reserves policy each year. In conducting this review, the Trustees have taken account of best practice and have been in consultation with the Charity Commission. The policy on endowment, restricted and designated reserves remains unchanged. The Trustees have also decided to maintain the cover provided by free reserves within a range of one to three years' cover of annual charitable expenditure which, it is felt, provides a sufficient safeguard for the provision of the lifeboat service.

The policy establishes:

**Endowment reserves** which are capital sums that are donated under the restrictions that they are invested and that only the income arising is available for expenditure in accordance with the donors' directions.

**Restricted reserves** which are reserves only available for expenditure in accordance with the donors' directions.

**Designated reserves** which are set aside at the discretion of the Trustees and comprise:

Fixed Assets in Use, which finances the fixed assets of the RNLI.

Planned Capital Expenditure, which sets aside funds to assure suppliers that the RNLI can meet its planned capital expenditure. This is expenditure to which the RNLI is committed over the next three years in order to maintain the operation of the lifeboat service into the future and is principally on new lifeboats, lifeboat stations and The Lifeboat College. The total amount set aside excludes projects funded by restricted reserves.

**Free reserves** which are retained to enable the Trustees to provide assurance to those at sea and the Governments of the United Kingdom and the Republic of Ireland, that the RNLI will be able to sustain its commitment to provide the lifeboat service. The reserves are set at a level to

withstand any short-term setback, whether operational, in the investment markets or in key sources of income, such as legacies. If the free reserve falls outside the range of one to three years' cover, the Trustees will review the RNLI's strategic plan accordingly.

### Governance and risk management

The RNLI is controlled by a Trustee Committee as set out on page 44. The Trustees are a body of volunteers who have had distinguished careers in a wide variety of activities; they come from all parts of the United Kingdom and the Republic of Ireland and many have first-hand experience of the working of lifeboat stations and fundraising branches. Trustees are appointed from within the Council. Members of Council may be proposed by the Chairman or a Governor to the Membership Nomination Committee. This Committee, which comprises the Chairman and the Deputy Chairmen, reviews the names proposed and submits its recommendations to the Annual General Meeting for election by the Governors. Council Members serve a three-year term but may be re-elected for succeeding terms. In addition, there are several advisory committees, enabling experienced specialists to contribute to every aspect of the RNLI's affairs.

The Chief Executive is responsible for the day-to-day running of the RNLI and carrying out the policies decided by the Trustee Committee.

Company and charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the surplus or deficit of the charity and group for that period. In preparing these financial statements, the Trustees have:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that are reasonable and prudent
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepared the financial statements on the going concern basis and in compliance with the legislation and regulation set out below.

The Trustees have responsibility for ensuring that the charity has appropriate systems of control, financial and otherwise. They are also responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993, the Charities (Accounts and Reports) Regulations 2000 and the RNLI's Charter. The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- the charity is operating efficiently and effectively
- its assets are safeguarded against

unauthorised use or disposition

- proper records are maintained and the financial information used within the charity or for publication is reliable
- the charity complies with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- a 5 year Business Plan and an annual budget approved by the Trustees
- regular consideration by the Trustees of financial results, variance from budgets and non-financial performance indicators
- appropriate delegation of authority and segregation of duties
- identification and management of risks.

The Trustees have carefully considered the standards for corporate governance and the guidance of the Turnbull report and, as a consequence, established an Audit Committee in 1999 and in 2000 appointed an internal auditor and codified the RNLI's internal controls, by publishing Standing Financial Instructions.

By the RNLI's very purpose, the crews, support staff and operational assets are exposed to substantial risk. The Trustees have taken all appropriate steps to mitigate and manage these operational risks, principally through crew training, appropriate operational procedures, stringent design and maintenance of the lifeboats and equipment, and insurance of third party risks. The further development of competence-based training for lifeboat crew members, shore helpers and beach lifeguards and the new designs of lifeboats are major elements of this continuing process.

The Audit Committee has again reviewed a Risk Assessment and agreed on the major strategic risks to which the RNLI is exposed. These risks have been analysed into key components in a risk register where responsibility for the management of each component is assigned to a senior manager. The Audit Committee monitors the management of these risks and reports to the Trustee Committee.

### Investment policy

The RNLI's investments are held as a reserve against any future shortfall in income against expenditure or as required by donors of endowments. The RNLI's investment objective is to maintain and, if possible, enhance the real value of the reserve represented by its investments. It seeks to do so by following an investment policy which is intended to maintain an appropriate balance between maximising long-term returns and avoiding undue volatility in capital values.

These objectives are pursued through a strategic investment policy which involves a broadly diversified spread of assets, covering United Kingdom and overseas equities, United Kingdom and overseas government and non-government bonds, and pooled property funds. Under this policy, approximately three-quarters of the investments are in equities,

with the remaining one-quarter being in bonds and property.

Over recent years, the RNLI has sought diversification of investment management style and philosophy by dividing its investments between two portfolios, each of which covers the full range of assets. For 2003 these portfolios were managed by Henderson Global Investors and UBS Global Asset Management. The assets within the managers' portfolios are held by professional custodians who are entirely independent of the RNLI.

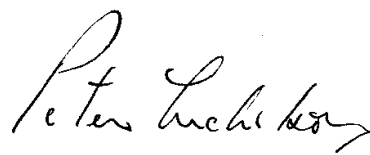
Both fund managers operate by reference to a benchmark of the RNLI's strategic investment policy, but they have discretion to vary their asset allocation from that policy, within certain specified ranges. They also have full discretion over the individual securities to be purchased, subject to safeguards designed to avoid undue concentration of investment. The activities and performance of the institution's investment managers are monitored closely by the RNLI's Investment Sub-Committee, which reports to the Finance Committee.

The performance of the RNLI's investments is measured by Russell/Mellon CAPS, which is one of the leading independent performance measurement services in the United Kingdom. The analysis of performance is carried out by reference to total returns, taking account of investment income and of movements in capital values, whether realised or unrealised.

2003 saw steady recovery in world stock markets and better returns from our fund managers contributing to investment valuation gains of £31.3M for the year: the benchmark total return of 18.0% for the year was comfortably exceeded at 19.7%. Helped by this improvement, over the five years ending on 31 December 2003, the RNLI's investments have now returned 2.4% a year, which is satisfactorily above the benchmark of 1.1%, but does still represent a disappointing return.

The Trustees have, therefore, continued with their review of investment policy in 2003 and agreed to make changes from January 2004. The new investment policy will focus more sharply on achieving satisfactory and less volatile returns by increasing the diversification of assets away from equities and expanding the range of investment approaches. Under these new mandates UBS Global Asset Management and Capital International were appointed in January 2004.

Overall, as the Treasurer's statement makes clear, the institution is in a reasonable financial position, but steps are being taken to raise income to cover the annual running costs and strengthen the RNLI's reserves.



Peter C Nicholson  
Chairman  
31 March 2004

# Annual Report of the Trustees

## The Treasurer's statement



Relief fleet Trent class lifeboat  
*Edward Duke of Windsor* at Wick  
Photo: Ken Crossan

My key message is that the total cost of running the RNLI was £8M more than our income for the year. While the RNLI remains in an acceptable financial position, it should not continue to run a deficit and needs to concentrate efforts on raising income, both to cover all our essential running costs and to restore our free reserves to more robust levels.

Total expenditure increased to £119M in 2003 from £114M in 2002. The main contributors to this increase were a £2M growth in rescue costs and an increase of just over £1M in fundraising and communications expenditure. The rescue costs incorporate an increase in the provision for dependants' pensions and the rising depreciation which reflects the increasing cost of modern lifeboats. Investment in fundraising continues to be increased following the 2002 decision to expand fundraising activity to raise other income to compensate for the decline in legacy income.

Income fell by over £5M in the year, principally because of the decline in legacy income, which fell by more than £5M. Raised voluntary income grew by over £1M, responding to the campaign to enlist more regular supporters and reaping the benefits of increased recoveries under Gift Aid. The net reduction in income and the increased investment in fundraising led to an increase in the percentage of fundraising and communications expenditure to income from 17.1% in 2002 to 19.1% in 2003.

After three years of declining investment valuations, 2003 saw a welcome stock market recovery contributing to £31M of investment gains for the year (2002: loss of £56M).

Investment in capital expenditure increased by almost £7M in the year, mainly reflecting the substantial progress in Poole with the construction of The Lifeboat College and Lifeboat Support Centre, both of which will be completed by mid 2004. This freehold development represents a sound investment in the future of the lifeboat service and will provide a very solid reserve for our successors, should this be needed.

The combined effect of these factors is a rather stronger balance sheet, with fixed assets increasing by £32M and investments reducing by only £6M. As the Poole projects near completion, the Planned Capital Expenditure reserve reduces to £72M and Free reserves recover to £113M, representing over 14 months of charitable expenditure, but still at the lower end of the range of one to three years set by the Trustees.

Iain R Bryce TD DL FCA  
Treasurer  
31 March 2004

# Independent auditors' report

to the Trustees of the Royal National Lifeboat Institution

We have audited the financial statements of the Royal National Lifeboat Institution for the year ended 31 December 2003 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention, as modified by the valuation of investments at market value, and the accounting policies set out therein.

This report is made solely to the Trustees, as a body, in accordance with Regulation 6(2) of the Charities (Accounts and Reports) Regulations 1995 (SI 1995/2724) as amended by Regulation 4(a) of the Charities (Accounts and Reports) Regulations 2000 (SI 2000/2868). Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

## Respective responsibilities of the Trustees and the auditors

The Trustees' responsibilities for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Trustees' Report. We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Trustees' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

## Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## Unqualified opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charity and its subsidiaries as at 31 December 2003 and of its incoming resources and application of resources for the year then ended and have been properly prepared in accordance with the Charities Act 1993.

*Horwath Clark Whitehill*

Horwath Clark Whitehill  
Chartered Accountants and Registered Auditors  
London  
31 March 2004



# Consolidated statement of financial activities

For the year ended 31 December 2002

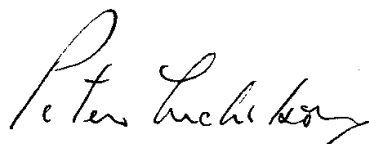
	Note	Free Reserves £M	Designated Reserves £M	Restricted Reserves £M	Endowment Reserves £M	Total 2003 £M	Total 2002 £M
<b>Incoming resources</b>							
Fundraising and communications							
Raised voluntary income		25.9	-	2.6	-	28.5	27.1
Legacies		46.7	-	16.1	-	62.8	68.5
Merchandising and lotteries	2	9.2	-	-	-	9.2	9.1
Investment income	7c	6.5	-	2.2	-	8.7	10.2
Other income		1.2	-	-	-	1.2	0.8
<b>Total incoming resources</b>		<b>89.5</b>	<b>-</b>	<b>20.9</b>	<b>-</b>	<b>110.4</b>	<b>115.7</b>
<b>Resources expended</b>							
Fundraising and communications		(17.4)	-	-	-	(17.4)	(16.3)
Merchandising and lottery expenditure	2	(7.5)	-	-	-	(7.5)	(7.3)
Investment fees		(0.7)	-	(0.2)	-	(0.9)	(1.0)
<b>Cost of generating funds</b>		<b>(25.6)</b>	<b>-</b>	<b>(0.2)</b>	<b>-</b>	<b>(25.8)</b>	<b>(24.6)</b>
Rescue		(48.3)	-	(4.3)	-	(52.6)	(50.5)
Prevention		(3.0)	-	-	-	(3.0)	(2.4)
Operational maintenance		(24.5)	-	(4.1)	-	(28.6)	(28.6)
Innovation		(4.8)	-	-	-	(4.8)	(4.4)
International		(0.1)	-	-	-	(0.1)	(0.2)
Support		(3.9)	-	-	-	(3.9)	(3.1)
<b>Charitable expenditure</b>		<b>(84.6)</b>	<b>-</b>	<b>(8.4)</b>	<b>-</b>	<b>(93.0)</b>	<b>(89.2)</b>
<b>Total resources expended</b>	5	<b>(110.2)</b>	<b>-</b>	<b>(8.6)</b>	<b>-</b>	<b>(118.8)</b>	<b>(113.8)</b>
<b>Net (resources expended)/incoming resources before transfers</b>		<b>(20.7)</b>	<b>-</b>	<b>12.3</b>	<b>-</b>	<b>(8.4)</b>	<b>1.9</b>
Transfers between reserves	1g	19.9	11.1	(30.9)	(0.1)	-	-
<b>Net (resources expended)/incoming resources</b>		<b>(0.8)</b>	<b>11.1</b>	<b>(18.6)</b>	<b>(0.1)</b>	<b>(8.4)</b>	<b>1.9</b>
Gains/(losses) on investments	7b	22.9	-	7.5	0.9	31.3	(55.9)
<b>Net movements in reserves</b>		<b>22.1</b>	<b>11.1</b>	<b>(11.1)</b>	<b>0.8</b>	<b>22.9</b>	<b>(54.0)</b>
Reserves brought forward		90.4	297.4	55.6	6.1	449.5	503.5
<b>Reserves at 31 December</b>		<b>112.5</b>	<b>308.5</b>	<b>44.5</b>	<b>6.9</b>	<b>472.4</b>	<b>449.5</b>

# RNLI and consolidated balance sheet (note 2)

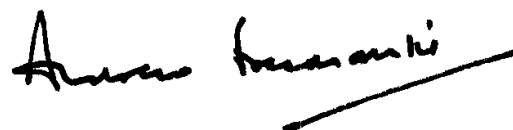
Approved by the Trustees on 31 March 2004

	Note	2003 £M	2002 £M
<b>Assets employed</b>			
<b>Fixed assets</b>	6	236.8	204.8
<b>Investments</b>	7	227.3	233.4
<b>Current assets</b>			
Stocks	8	9.4	9.8
Debtors	9	11.2	12.2
Short term deposits		6.6	4.4
Cash		1.7	2.0
		<u>28.9</u>	<u>28.4</u>
<b>Creditors</b>			
Amounts falling due within one year	10	<u>(15.1)</u>	<u>(12.0)</u>
<b>Net current assets</b>		13.8	16.4
<b>Creditors</b>			
Amounts falling due after more than one year	10	(5.5)	(5.1)
<b>Net assets</b>		<u>472.4</u>	<u>449.5</u>
<b>Financed by</b>			
<b>Capital reserves</b>			
Endowment reserves		6.9	6.1
<b>Income reserves</b>			
Restricted reserves		44.5	55.6
Designated reserves			
Fixed assets in use		236.8	204.8
Planned capital expenditure	12	71.7	92.6
Free reserves		112.5	90.4
		<u>472.4</u>	<u>449.5</u>

The accounts of the RNLI and the consolidated accounts were approved by the Trustees on 31 March 2004 and signed on their behalf.



Peter C Nicholson  
Chairman  
31 March 2004



Andrew W Freemantle  
Chief Executive and Secretary  
31 March 2004

# Consolidated cash flow statement

For the year ended 31 March 2003

	Note	2003 £M	2002 £M
Net cash inflow from operating activities	a	5.0	10.5
Returns on investments		8.7	10.2
Capital expenditure			
Payments to acquire tangible fixed assets		(12.3)	(19.8)
Lifeboats		(14.4)	(9.8)
Stations and shoreworks		(1.5)	(1.0)
Launching equipment		(17.3)	(7.3)
Depots, offices and training facilities		(5.9)	(6.9)
Computer equipment, plant and vehicles		(51.4)	(44.8)
Receipts from sales of tangible fixed assets		2.2	1.4
Net cash outflow for capital expenditure		(49.2)	(43.4)
Cash outflow after capital expenditure		(35.5)	(22.7)
Financial investment			
Purchase of investments		(107.4)	(116.5)
Receipts from sale of investments		144.8	139.8
Net cash inflow for financial investment		37.4	23.3
Cash inflow before use of liquid resources		1.9	0.6
Management of liquid resources			
Transfer to short term deposits		(2.2)	(1.7)
Decrease in cash in the year	b	(0.3)	(1.1)
Notes to the consolidated cash flow statement			
a. Reconciliation of changes in net (outgoing)/incoming resources to net cash inflow from operating activities		2003 £M	2002 £M
Net (outgoing)/incoming resources		(8.4)	1.9
Investment income		(8.7)	(10.2)
Depreciation		18.4	18.6
Profit on sale of tangible fixed assets		(1.2)	(0.8)
Decrease in stock		0.4	0.5
Decrease/(increase) in debtors		1.0	(0.4)
Increase in creditors		3.5	0.9
Net cash inflow from operating activities		5.0	10.5
b. Reconciliation of net cash outflow		2003 £M	2002 £M
Cash		1.7	2.0
			Decrease in year £M
			(0.3)

# Notes to the accounts

## 1. Accounting policies

### a) Basis of accounting

The accounts have been prepared under the historical cost convention, except that investments are stated at market value.

The accounts comply with applicable accounting standards, including the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in October 2000 and updated in January 2003.

### b) Basis of consolidation

All subsidiary companies have been consolidated on a line by line basis.

### c) Depreciation

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

Fixed assets are depreciated over their current anticipated lives which are initially assessed as follows:

Lifeboat stations and shoreworks	:	straight line over 50 years
Other freehold/leasehold buildings	:	straight line over 50 years/period of lease
Lifeboats - all weather	:	reducing balance @ 13% per annum
- inshore B class and E class	:	reducing balance @ 15% per annum
- inshore D class	:	reducing balance @ 25% per annum
Launching equipment	:	reducing balance @ 13% per annum
Office furniture and depot plant	:	straight line over 10 years
Computer and electronic equipment	:	straight line over 4 years
Motor vehicles	:	straight line over 4 years

### d) Pension scheme

The Institution operates a defined benefit pension scheme covering its employees in the United Kingdom and the Republic of Ireland. The scheme assets are held in a separate trustee-administered fund. The cost is charged in the Statement of Financial Activities (SOFA) over the average working lives of employees, in accordance with the recommendations of a qualified independent actuary. Further details are shown in note 14.

### e) Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Legacies include pecuniary legacies notified by 31 December and residuary legacies received up to 31 January following the year end.

### f) Resources expended

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 represent expenditure on training, information systems, financial management, human resources administration and corporate services net of the recharges allocated to rescue, prevention, operational maintenance, innovation and fundraising and communications which are made on the basis of usage.

# Notes to the accounts continued

## 1. Accounting policies (continued)

### g) Reserves policy

The RNLI's reserves fall into the following categories:

**Endowment reserves** are capital sums which are donated under the restrictions that they are invested and that only the income arising is available for expenditure in accordance with the donors' directions.

**Restricted reserves** are only available for expenditure in accordance with the donors' directions. There are over 700 of these reserves, all represented by investments, which are restricted to expenditure on particular items of equipment or at particular stations.

**Designated reserves** are set aside at the discretion of the Trustees and comprise:

Fixed Assets in Use, which finances the fixed assets of the RNLI.

Planned Capital Expenditure, which sets aside funds to assure suppliers that the RNLI can meet its planned capital expenditure. This is expenditure to which the RNLI is committed over the next three years in order to maintain the operation of the lifeboat service into the future and is principally on new lifeboats, lifeboat stations and The Lifeboat College. The total amount set aside excludes projects funded by restricted reserves.

**Free reserves** are retained to enable the Trustees to provide assurance to those at sea and the Governments of the United Kingdom and the Republic of Ireland, that the RNLI will be able to sustain its commitment to provide the lifeboat service. The reserves are set at a level to withstand any short-term setback, whether operational, in the investment markets or in key sources of income, such as legacies. When the free reserves fall outside the range of one to three years' cover, the Trustees will review the RNLI's strategic plan accordingly.

**Transfers between reserves** represent the application of restricted and designated funds to capital projects and transfers to maintain the committed value of restricted funds.

### h) Operating leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

### i) Investments

Listed investments are stated at market value. Realised gains and losses on sales of investments are calculated as the difference between the sale proceeds and original costs. Unrealised gains and losses represent the movement between market values.

### j) Stocks

Stocks are stated at the lower of cost and net realisable value.

### k) Exchange gains

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Foreign currency balances are translated at the rate of exchange ruling at the balance sheet date. Gains and losses on exchange are included in the SOFA under investment income.

## 2. Subsidiary companies

The RNLI has three wholly owned subsidiaries, RNLI (Trading) Limited, RNLI (Enterprises) Limited and RNLI (Sales) Limited, all of which are registered in England and Wales. The activities of RNLI (Trading) Limited relate directly to the charitable activities of the RNLI. The other two companies are used for non-charitable activities to raise funds for the charity. RNLI (Enterprises) Limited raises funds through lotteries and other trading activities. RNLI (Sales) Limited sells gifts and souvenirs through the RNLI's network of station branches and guilds and operates a mail order catalogue.

The internal supplies of RNLI (Trading) Limited represent supplies of lifeboats, lifeboat maintenance and lifeboat stations to the RNLI. At 31 December 2003 this company owned fixed assets with a net book value of £9.6M (2002: £10.0M), and stock and other current assets of £10.5M (2002: £10.2M). It has external and parent charity liabilities of £7.3M (2002: £6.6M) and £12.8M (2002: £13.5M) respectively. In total it has net assets of £nil (2002: £0.1M). The assets and liabilities of the other subsidiary companies are not material.

The unconsolidated balance sheet of the Royal National Lifeboat Institution, excluding the three subsidiary companies, has net assets of £472.4M (2002: £449.5M) which is the same as the consolidated balance sheet of the whole RNLI: where applicable, the notes to the accounts explain the differences in assets and liabilities.

A summary of the results for the subsidiary companies is shown below.

	RNLI (Enterprises) Limited 2003 £M	RNLI (Sales) Limited 2003 £M	Total 2003 £M	Total 2002 £M	RNLI (Trading) Limited 2003 £M	RNLI (Trading) Limited 2002 £M
Merchandising and lotteries	1.2	8.0	9.2	9.1	-	-
Internal supplies	-	-	-	-	59.1	63.5
Cost of sales	-	(3.6)	(3.6)	(3.5)	-	-
New lifeboats	-	-	-	-	(13.9)	(19.9)
Lifeboat maintenance	-	-	-	-	(30.9)	(32.2)
New lifeboat stations	-	-	-	-	(9.9)	(7.3)
<b>Gross profit</b>	<b>1.2</b>	<b>4.4</b>	<b>5.6</b>	<b>5.6</b>	<b>4.4</b>	<b>4.1</b>
Operating costs	(0.3)	(3.6)	(3.9)	(3.8)	(2.9)	(2.7)
Operating profit	0.9	0.8	1.7	1.8	1.5	1.4
Interest payable to the RNLI	-	-	-	-	(0.1)	(0.2)
<b>Net profit</b>	<b>0.9</b>	<b>0.8</b>	<b>1.7</b>	<b>1.8</b>	<b>1.4</b>	<b>1.2</b>
Amount of covenant or gift aid to the RNLI	(0.9)	(0.8)	(1.7)	(1.7)	(1.5)	(1.2)
<b>Retained in subsidiary</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.1</b>	<b>(0.1)</b>	<b>-</b>
Donations to the RNLI generated through the companies' activities	0.2	0.3	0.5	0.6	-	-

# Notes to the accounts continued

Report of the Directors for the year ended 31 March 2004

## 3. Staff costs

The RNLI relies heavily on the work of unpaid volunteers both to crew the lifeboats and to operate the large network of station branches, financial branches and guilds. The costs of staff are as follows:

	2003 £M	2002 £M
Wages and salaries	29.1	27.0
Social security costs	2.1	1.9
Pension costs	3.9	3.7
	<u>35.1</u>	<u>32.6</u>
Severance pay		
Payments to employees	0.8	1.2
Pension enhancements	-	0.4
	<u>0.8</u>	<u>1.6</u>

The number of employees whose emoluments as defined for taxation purposes exceeded £50,000 was as follows:

	2003 Number	2002 Number
£50,000 – £59,999	18	14
£60,000 – £69,999	1	2
£70,000 – £79,999	3	3
£80,000 – £89,999	3	1
£100,000 – £109,999	-	1
£110,000 – £119,999	1	-

All employees belong to the RNLI defined benefit pension scheme.

The average number of employees, calculated on a full-time equivalent basis, analysed by function was:

	2003 Number	2002 Number
Rescue	470	453
Prevention	30	30
Operational maintenance and construction	208	216
Innovation	34	31
International	2	2
Support	152	138
Fundraising and communications	209	210
	<u>1,105</u>	<u>1,080</u>

#### 4. Committee costs and Trustees' indemnity insurance

No Trustees received any remuneration. Travelling expenses are reimbursed, if claimed, to Trustees and members of advisory committees. In total, £57,000 (2002: £61,000) was reimbursed to 11 Trustees and 18 members of advisory committees (2002: 10 Trustees and 21 members of advisory committees).

During the year the charity paid £14,000 (2002: £14,000) in respect of Trustees' Indemnity Insurance on behalf of all the Trustees.

#### 5. Total resources expended

	Staff costs £M	Depreciation £M	Other direct costs £M	Other allocated costs £M	Total 2003 £M	Total 2002 £M
Fundraising and communications	4.7	0.3	11.1	1.3	17.4	16.3
Merchandising and lottery expenditure	1.1	0.4	6.0	-	7.5	7.3
Investment fees	-	-	0.9	-	0.9	1.0
Rescue	15.8	15.3	19.7	1.8	52.6	50.5
Prevention	1.0	0.1	1.9	-	3.0	2.4
Operational maintenance	5.3	0.7	21.6	1.0	28.6	28.6
Innovation	1.2	0.1	3.4	0.1	4.8	4.4
International	0.1	-	-	-	0.1	0.2
Support	5.9	1.5	0.7	(4.2)	3.9	3.1
	<u>35.1</u>	<u>18.4</u>	<u>65.3</u>	<u>-</u>	<u>118.8</u>	<u>113.8</u>

Other allocated costs represent the allocation of support services (central services, human resources and finance) to the other activities above.

Innovation comprises boat design of £4.6M (2002: £4.0M) and the management of the Poole construction projects of £0.2M (2002: £0.4M).

The balance of £3.9M (2002: £3.1M) shown above as support costs represents the costs of the management and administration of the charity.

	2003 £'000	2002 £'000
Other direct costs include:		
Audit fee	62	57
Tax and accountancy services	6	6
Operating lease rentals	600	522



# Notes to the accounts continued

Continued from page 102

## 6. Fixed assets

	Lifeboats £M	Lifeboat stations and shoreworks £M	Launching equipment £M	Depot, offices and training facilities £M	Computer equipment, plant and vehicles £M	Total £M
<b>Cost</b>						
At 1 January 2003	187.7	84.4	14.9	34.8	29.8	351.6
Additions	12.3	14.4	1.5	17.3	5.9	51.4
Disposals	(2.8)	(0.6)	(0.1)	(0.4)	(0.9)	(4.8)
At 31 December 2003	<u>197.2</u>	<u>98.2</u>	<u>16.3</u>	<u>51.7</u>	<u>34.8</u>	<u>398.2</u>
<b>Depreciation</b>						
At 1 January 2003	99.8	14.7	10.2	3.5	18.6	146.8
Charge for the year	10.5	2.3	0.7	0.4	4.5	18.4
Disposals	(2.8)	(0.2)	(0.1)	-	(0.7)	(3.8)
At 31 December 2003	<u>107.5</u>	<u>16.8</u>	<u>10.8</u>	<u>3.9</u>	<u>22.4</u>	<u>161.4</u>
<b>Net book amount</b>						
At 31 December 2003	<u>89.7</u>	<u>81.4</u>	<u>5.5</u>	<u>47.8</u>	<u>12.4</u>	<u>236.8</u>
At 31 December 2002	<u>87.9</u>	<u>69.7</u>	<u>4.7</u>	<u>31.3</u>	<u>11.2</u>	<u>204.8</u>

The net book amounts include the following property:

	Freehold £M	Leasehold £M	Total £M
Lifeboat stations and shoreworks	32.4	49.0	81.4
Depots, offices and training facilities	<u>38.5</u>	<u>9.3</u>	<u>47.8</u>
	<u>70.9</u>	<u>58.3</u>	<u>129.2</u>

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

	2003 £M	2002 £M
Depots, offices and training facilities	8.6	8.4
Computer equipment, plant and vehicles	<u>2.3</u>	<u>2.4</u>
	<u>10.9</u>	<u>10.8</u>

## 7. Investments

	Free and designated funds £M	Restricted funds £M	Endowment funds £M	Total 2003 £M	Total 2002 £M
<b>(a) Investment assets</b>					
<b>UK Investments</b>					
Fixed interest	15.4	3.9	-	19.3	25.4
Equities	94.3	23.9	6.4	124.6	122.2
Property unit trusts	12.0	3.0	0.5	15.5	15.9
Deposits and cash	3.6	1.0	-	4.6	1.2
<b>Non-UK</b>					
Fixed interest	5.4	1.3	-	6.7	9.7
Equities	45.2	11.4	-	56.6	59.0
<b>Market value at 31 December</b>	<b>175.9</b>	<b>44.5</b>	<b>6.9</b>	<b>227.3</b>	<b>233.4</b>
<b>(b) Analysis of movement</b>					
Market value at 1 January	171.7	55.6	6.1	233.4	312.6
Acquisitions at cost	99.7	-	-	99.7	107.5
New funds added	7.7	-	-	7.7	9.0
Funds withdrawn	(26.4)	(18.6)	(0.1)	(45.1)	(32.3)
Disposals	(99.7)	-	-	(99.7)	(107.5)
Net realised losses	(8.4)	(2.7)	-	(11.1)	(12.4)
Net unrealised gains/(losses)	31.3	10.2	0.9	42.4	(43.5)
<b>Market value at 31 December</b>	<b>175.9</b>	<b>44.5</b>	<b>6.9</b>	<b>227.3</b>	<b>233.4</b>
<b>Original cost</b>					
	<b>176.7</b>	<b>44.7</b>	<b>8.9</b>	<b>230.3</b>	<b>280.1</b>
<b>(c) Investment income</b>					
<b>UK Investments</b>					
Fixed interest	0.9	0.3	-	1.2	1.5
Equities	3.3	1.1	-	4.4	5.2
Property unit trusts	0.7	0.2	-	0.9	0.9
Deposits and cash	0.2	0.1	-	0.3	0.3
Investment commission	0.6	0.2	-	0.8	1.0
<b>Non-UK</b>					
Fixed interest	0.2	0.1	-	0.3	0.5
Equities	0.6	0.2	-	0.8	0.8
<b>Total</b>	<b>6.5</b>	<b>2.2</b>	<b>-</b>	<b>8.7</b>	<b>10.2</b>

The RNLI holds 100% of the share capital of RNLI (Sales) Limited amounting to £0.5M.

# Notes to the accounts continued

## 8. Stocks

	2003 £M	2002 £M
Operational stock	8.0	8.3
Gifts and souvenirs	1.4	1.5
	<u>9.4</u>	<u>9.8</u>

## 9. Debtors

	2003 £M	2002 £M
Legacies	6.1	6.4
Trade and other debtors	1.8	1.2
Income tax and VAT recoverable	2.8	1.9
Prepayments and accrued income	0.5	2.7
	<u>11.2</u>	<u>12.2</u>

## 10. Creditors

	2003 £M	2002 £M
<b>Amounts falling due within one year</b>		
Trade creditors	9.3	8.0
PAYE taxes and social security	1.2	1.1
Dependants' pensions	0.4	0.4
Accruals and deferred income	4.2	2.5
	<u>15.1</u>	<u>12.0</u>

### Amounts falling due after more than one year – dependants' pensions

An amount of £5.9M (2002: £5.5M), of which £5.5M (2002: £5.1M) falls due after more than one year, has been provided to meet future payments to dependants of former crew members who have lost their lives on lifeboat service. These amounts have been calculated by an actuarial valuation at 31 December 2003.

## 11. Loans to subsidiary companies

The loans to subsidiary companies comprise:

	2003 £M	2002 £M
Debentures to RNLI (Trading) Limited	3.4	3.6
Debenture to RNLI (Sales) Limited	0.4	0.5
	<u>3.8</u>	<u>4.1</u>
Working capital advance to RNLI (Trading) Limited	<u>9.4</u>	<u>9.9</u>

The debentures to RNLI (Trading) Limited are redeemable and secured by a floating charge on the property of RNLI (Trading) Limited and earn interest at HSBC plc Base Rate. The capital is repayable in annual instalments of £156,000.

The debenture to RNLI (Sales) Limited is convertible and secured by a floating charge over the assets of the company and earns interest at HSBC plc Base Rate. The capital is repayable in annual instalments of £33,750.

## 12. Capital commitments

At 31 December 2003 the institution had capital commitments of £33.7M (2002: £28.1M). Planned capital expenditure, largely on new lifeboats, shoreworks, and The Lifeboat College over the next three years amounts to £94.0M (2002: £124.9M), of which £22.3M (2002: £32.3M) is represented by restricted funds and £71.7M (2002: £92.6M) is held in the planned capital expenditure reserve.

## 13. Operating lease commitments

At 31 December 2003 the Institution had the following annual commitments under operating leases:

	Land and buildings		Other	
	2003 £M	2002 £M	2003 £M	2002 £M
Operating leases which expire:				
Within one year	0.1	-	-	-
In two to five years	-	-	0.3	0.3
After more than five years	0.1	0.2	-	-
	<u>0.2</u>	<u>0.2</u>	<u>0.3</u>	<u>0.3</u>

# Notes to the accounts continued

## 14. Pension scheme

The RNLI operates a defined benefit pension scheme for its employees. Accounting for defined benefit pensions is currently under review by the Accounting Standards Board, with these accounts reflecting the valuation under SSAP24 but disclosing additional information in accordance with the transitional requirements of FRS17.

### SSAP24 valuation

For the purpose of calculating pension costs under SSAP24 the 'projected unit' actuarial method has been adopted. Actuarial assumptions as at 31 December 2002 were:

	% per annum
Investment rate of return	6.5
Future pay escalation	4.5
Future increases to pensions in payment and deferred pensions	2.5

The pension costs for the year were £3.9M (2002: £4.1M), which are the same as the contributions paid during the year (see also note 3). This included an amount of £nil (2002: £0.4M) in respect of certain augmentations granted during the year.

The most recent actuarial valuation of the scheme took place as at 31 December 2002. The actuarial assumptions were the same as those set out above. The market value of the fund was £87.4M and the ratio of assets to liabilities disclosed by the valuation was 94%. The contributions payable by the RNLI have been adjusted to allow for the shortfall disclosed by the valuation and for 2004 will be 29.5% of pensionable payroll for operational lifeboat crew and 21.1% in respect of other members. These rates of contributions are expected to reduce by 0.5% each year for the next four years in tandem with a simultaneous increase in the rate of member contributions to the scheme. During 2003 the RNLI's contributions remained at the previous rates of 15% of pensionable pay, plus an additional 6% in respect of operational lifeboat crew.

### FRS17 disclosures

The additional disclosures required under the transitional arrangements within FRS17 'Retirement Benefits', which are set out below, cover both the pension scheme and the payments to certain dependants detailed in note 10. The figures below have been calculated by a qualified independent actuary based on an approximate update of the actuarial valuation of the pension scheme as at 31 December 2002 and a full actuarial valuation of the dependants' pensions as at 31 December 2003.

The main financial assumptions used as at 31 December 2003 and the corresponding assumptions as at 31 December 2002 and 31 December 2001 for both purposes were:

	2003 % per annum	2002 % per annum	2001 % per annum
Discount rate	5.40	5.60	5.75
Rate of increase in salaries	4.50	4.50	4.50
Rate of increase in pensions in payment*	2.75	2.50	2.50
Rate of revaluation on deferred pensions	2.75	2.50	2.50
Rate of retail price inflation	2.75	2.50	2.50

\* in excess of the Guaranteed Minimum Pension (GMP) element

# Notes to the accounts continued

## 14. Pension scheme

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\* in excess of the Guaranteed Minimum Pension (GMP) element

## 14. Pension scheme (continued)

The assets in the pension scheme and the expected rates of return at 31 December 2003 and the corresponding amounts and assumptions at 31 December 2002 and 31 December 2001 were:

	2003		2002		2001	
	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	8.25	85.4	8.50	69.2	7.90	82.6
Bonds	5.00	9.9	5.00	9.1	5.30	16.7
Property	6.50	5.1	6.50	5.0	6.00	4.8
Cash and net current assets	3.75	3.6	4.00	4.0	4.50	2.6
<b>Total</b>	<b>7.70</b>	<b>104.0</b>	<b>7.80</b>	<b>87.3</b>	<b>7.30</b>	<b>106.7</b>

The following amounts were measured in accordance with the requirements of FRS17:

	Pension scheme £M	2003 Dependants' pensions £M	Total £M	Pension scheme £M	2002 Dependants' pensions £M	Total £M
<b>Value</b>						
Total market value of assets	104.0	-	104.0	87.3	-	87.3
Present value of liabilities	(124.1)	(5.9)	(130.0)	(107.4)	(5.5)	(112.9)
<b>Net pension liability</b>	<b>(20.1)</b>	<b>(5.9)</b>	<b>(26.0)</b>	<b>(20.1)</b>	<b>(5.5)</b>	<b>(25.6)</b>

# Notes to the accounts continued

14. Pension scheme (continued)

An analysis of the amounts that would be recognised in the SOFA for the year ended 31 December 2003 and the corresponding amounts for the year ended 31 December 2002 is:

	Pension scheme £M	2003 Dependants' pensions £M	Total £M	Pension Scheme £M	2002 Dependants' pensions £M	Total £M
<b>Pension finance income</b>						
Interest on liabilities	5.9	0.3	6.2	5.3	0.3	5.6
Expected return on assets in the pension scheme	(6.8)	-	(6.8)	(7.8)	-	(7.8)
<b>Net (credit)/charge to pension finance income</b>	<u>(0.9)</u>	<u>0.3</u>	<u>(0.6)</u>	<u>(2.5)</u>	<u>0.3</u>	<u>(2.2)</u>
<b>Resources expended</b>						
Current service cost	6.5	-	6.5	5.5	-	5.5
Past service costs	-	0.2	0.2	0.5	-	0.5
<b>Total charged to resources expended</b>	<u>6.5</u>	<u>0.2</u>	<u>6.7</u>	<u>6.0</u>	<u>-</u>	<u>6.0</u>
<b>Other recognised gains and losses</b>						
(Gains)/losses on assets	(9.3)	-	(9.3)	27.9	-	27.9
Experience losses/(gains) on liabilities	0.1	-	0.1	2.5	(0.3)	2.2
Losses on change of assumptions (financial and demographic)	7.5	0.3	7.8	2.7	0.1	2.8
<b>Total (credited)/charged to other recognised gains and losses</b>	<u>(1.7)</u>	<u>0.3</u>	<u>(1.4)</u>	<u>33.1</u>	<u>(0.2)</u>	<u>32.9</u>

An analysis of the movement in surplus or deficit in the pension scheme and in respect of the dependants' pensions during the year and over the previous year is:

	Pension scheme £M	2003 Dependants' pensions £M	Total £M	Pension scheme £M	2002 Dependants' pensions £M	Total £M
(Deficit)/surplus at beginning of year	(20.1)	(5.5)	(25.6)	12.4	(5.8)	6.6
Contributions paid	3.9	0.4	4.3	4.1	0.4	4.5
Current service cost	(6.5)	-	(6.5)	(5.5)	-	(5.5)
Past service cost	-	(0.2)	(0.2)	(0.5)	-	(0.5)
Pension finance income/(charge)	0.9	(0.3)	0.6	2.5	(0.3)	2.2
Actuarial gains/(losses)	1.7	(0.3)	1.4	(33.1)	0.2	(32.9)
<b>Deficit at end of year</b>	<u>(20.1)</u>	<u>(5.9)</u>	<u>(26.0)</u>	<u>(20.1)</u>	<u>(5.5)</u>	<u>(25.6)</u>



#### 14. Pension scheme (continued)

A history of experience gains and losses in the pension scheme and in relation to the dependants' pensions is:

	2003			2002		
	Pension scheme	Dependants' pensions	Total	Pension scheme	Dependants' pensions	Total
<b>(Gains)/losses on assets</b>						
amount (£M)	(9.3)	-	(9.3)	27.9	-	27.9
% of assets at end of year	(8.9)	-	(8.9)	32.0	-	32.0
<b>Experience losses/(gains) on liabilities</b>						
amount (£M)	0.1	-	0.1	2.5	(0.3)	2.2
% of liabilities at end of year	0.1	-	0.1	2.3	(5.4)	1.9
<b>Total actuarial (gains)/losses recognised in SOFA</b>						
amount (£M)	(1.7)	0.3	(1.4)	33.1	(0.2)	32.9
% of liabilities at end of year	(1.4)	5.1	(1.1)	30.8	(3.6)	29.1

If the above pension scheme liability or asset had been recognised in the accounts, the RNLI's net assets and unrestricted reserves would be as follows:

	2003 £M	2002 £M
Net assets excluding pension scheme liability	472.4	449.5
Pension scheme liability	(20.1)	(20.1)
<b>Net assets including pension scheme liability</b>	<b>452.3</b>	<b>429.4</b>
	2003 £M	2002 £M
Unrestricted reserves excluding pension scheme liability	421.0	387.8
Pension scheme liability	(20.1)	(20.1)
<b>Unrestricted reserves including pension scheme liability</b>	<b>400.9</b>	<b>367.7</b>

#### 15. Value added tax

Included in the Statement of Financial Activities is a cost of £3.9M (2002: £2.9M) in respect of irrecoverable VAT.

#### 16. Connected charity

The Institution's Trustees are also Trustees of the Royal National Lifeboat Institution Lifeboatmen's Benevolent Fund. The principal activities of the Fund, which has net assets of £0.8M (2002: £0.7M), are to make grants to relieve distress among past or present members of crews of lifeboats, their families, relatives or dependants. Copies of the Fund's accounts can be obtained from the principal office of the RNLI.

# Fundraising

As an independent charity, the RNLI relies on voluntary donations to pay for emergency rescue cover over some 8,850 miles of coastline, beaches and inland waters

In recent years the RNLI's financial situation was looking healthy, but as a result of weakness in stock markets the value of RNLI investments fell dramatically in 2002, leaving reserves at the lowest level set by the trustees. There was also a worrying downturn in legacy income and membership numbers, and a significant drop in public awareness of the RNLI and what it does. But work has already begun to turn this around.

Fundraisers worked hard in 2003 with some encouraging results. Gift Aid donations increased dramatically, raising £2M. An important way of boosting income, Gift Aid allows the RNLI to claim an extra 28p from the Inland Revenue for every pound given. In most cases it's simply a case of the tax-paying supporter ticking a box on a donation or sponsorship form.

## giftaid it

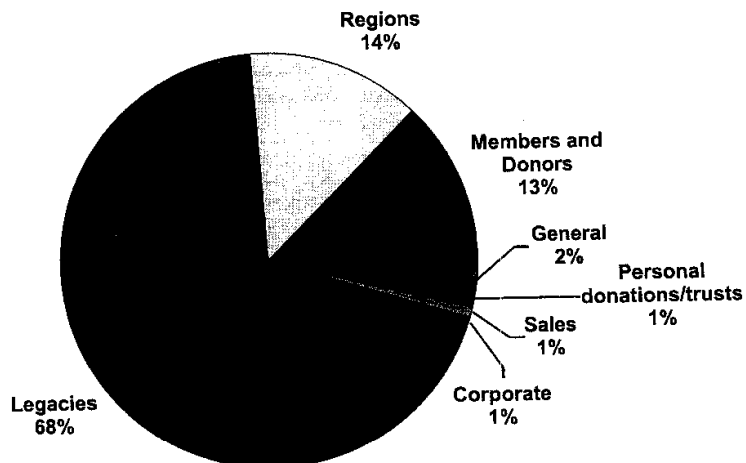
Short-term fundraising is vital but it is even more important for the RNLI to build long-term relationships with the public to assure the future of the lifeboat service. The RNLI has set itself an

ambitious target to double membership over the next five years. The renewed membership drive has already recruited an additional 22,000 new members. 'Join us' is the message reaching the public. Legacies still played a major role in keeping the lifeboats afloat in 2003, generating an income of £62.8M. For information on how you can remember

the RNLI in your will, please contact John Marshall at RNLI headquarters on 01202 663032.

The RNLI has always been honest with its supporters and has never asked for money that wasn't needed. That's why, when it was in a stronger financial position four years ago, it reduced the

Sources of fundraised income 2003



The fashion extravaganza Faith, Soap and Charity, raises thousands of euros for the Galway branch



The 'lifeboat' completes the 2003 Flora London Marathon. Runners raised over £90,000 in sponsorship

Marketing campaign to heighten people's awareness of legacies. The RNLI received £62.8M in legacies in 2003

"If I thanked the lifeboatmen every day for the rest of my life, it would still not be enough for bringing him back."



Mrs Rose McRoy, whose husband Jim was rescued by Sunderland inshore lifeboat

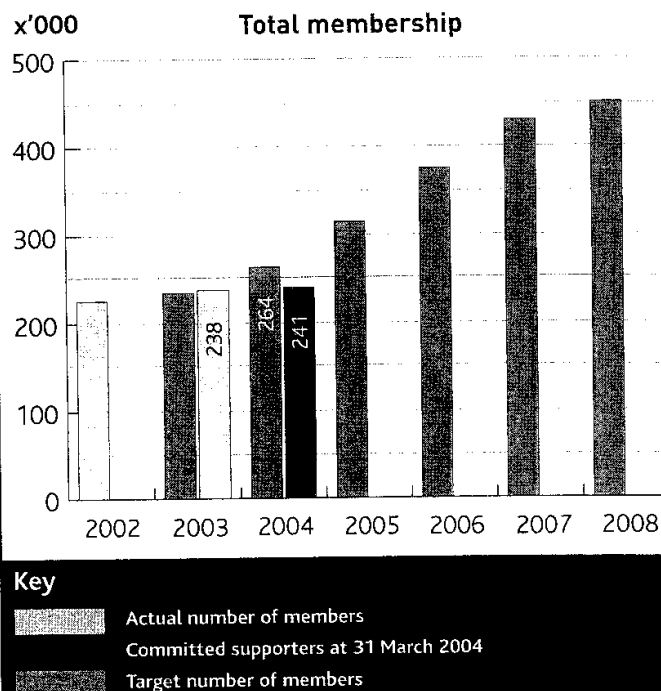
number of appeals to just two. Now that things have changed financially the programme is set to run full steam ahead in 2004 with the launch of 36 new regional appeals.

One regional appeal that started in 2003 has already raised over £1M: the Lifeboats of the Clyde appeal launched in August 2003, raising funds for all seven lifeboat stations based along the Firth of Clyde.

The first phase of the appeal focused on Troon. The station's existing all weather lifeboat was due to be replaced by a Trent and so the first target was £1.3M.

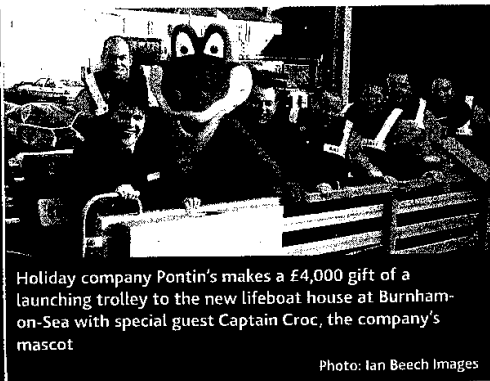
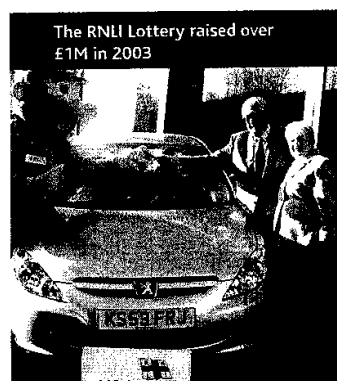
The appeal reached this target in just four months, thanks to some extremely generous donations from trusts, individual donors and legacies, and a lot of hard work by local volunteers. The new lifeboat went on station at Troon in February 2004 and will be named in June.

The RNLI is looking at new and creative ways to raise funds and awareness, including via new media. Income from the website for RNLI Sales Ltd increased by 500% in 2003, and this will be further developed in 2004. Growth via the web buoyed sales company results last year as did positive growth of souvenir sales through branches and guilds. Efforts to grow the membership database will provide an opportunity for the sales company to expand its mail order activity in 2004. Retail growth will be achieved as the retail network expands; four new shops are planned for 2004.



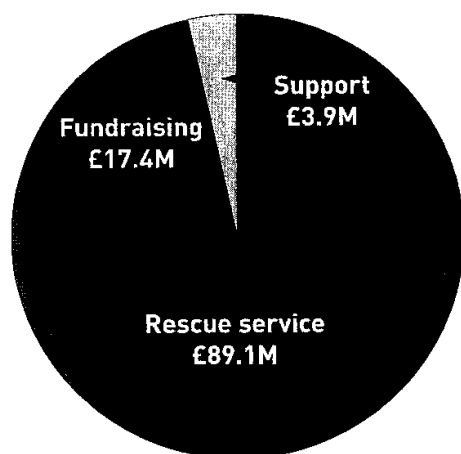
**'We want to re-awaken people to the breadth of the RNLI's work. The service is relevant to far more people than just 'boaties' and we want to bring peace of mind to anyone who finds themselves at sea – whether they are on a cross channel ferry or enjoying a dip at the beach.'**

Chris Rhodes, Head of Central Fundraising and Communications



# Where the money goes

It cost £110M in 2003 to run the RNLI, equivalent to £300,000 per day. For every pound spent, 80p was spent on the rescue service itself, which includes the cost of the crew, the boats and the station properties as well as sea safety and education, 16p on fundraising and 4p on support.

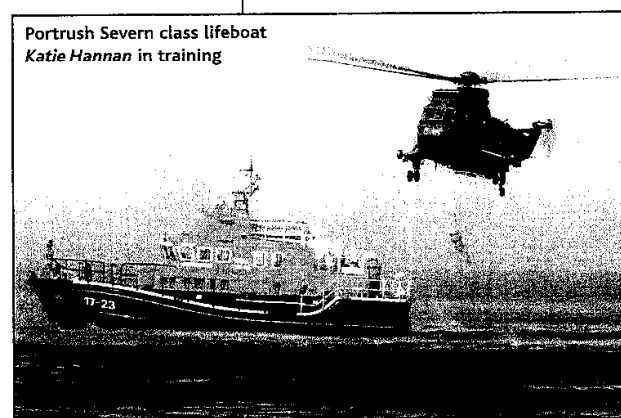
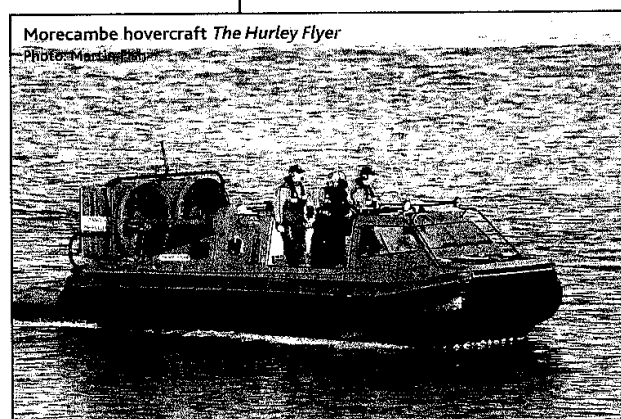
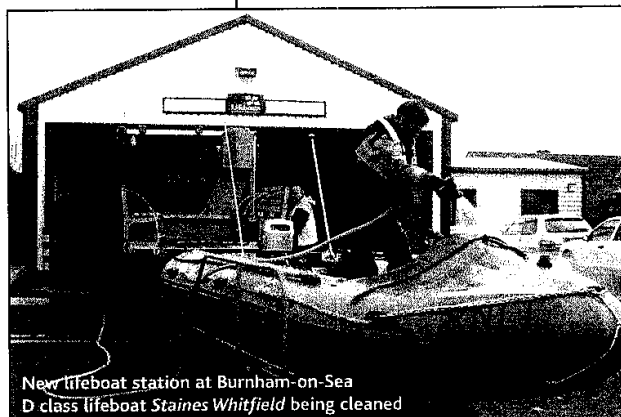


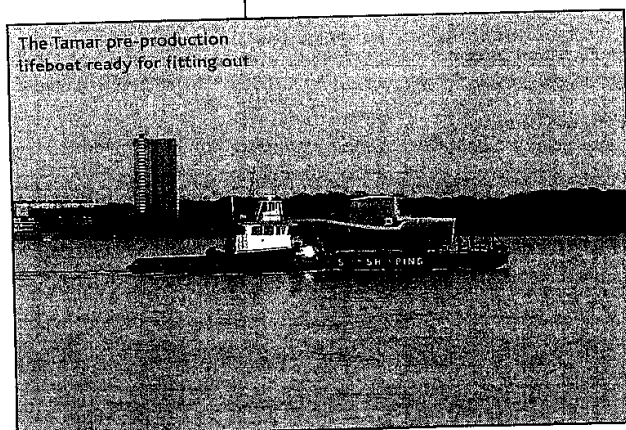
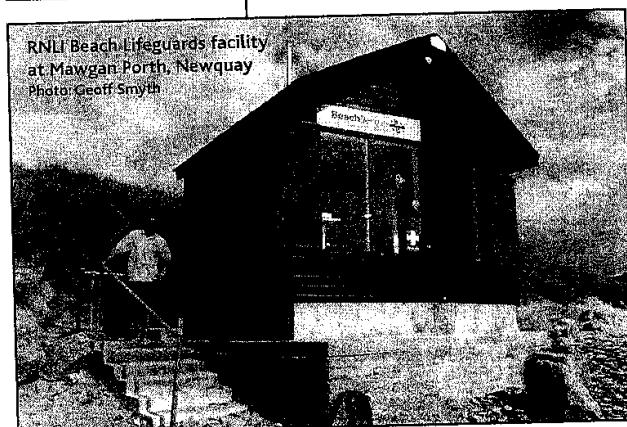
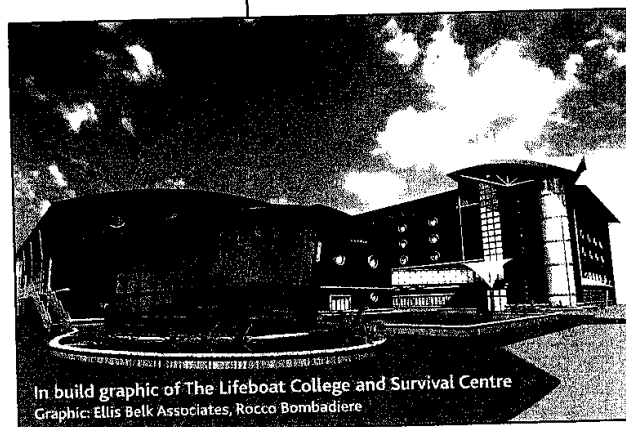
## In 2003, the RNLI invested £26.7M in new boats and boathouses

- new lifeboat stations at Burnham-on-Sea, South Brooms, Wexford, Kinsale and Belmullet will help us continue to improve our rescue cover
- we maintained our modern lifeboat fleet with a new hovercraft at Hunstanton, together with nine new all weather and 20 inshore lifeboats
- our boathouses, boarding and berthing facilities and beach lifeguard buildings need to survive in the most inhospitable conditions and our shoreworks team are constantly striving to improve the comfort and convenience for our volunteers

## We trained over 4,000 crew in 2003

- The RNLI invests heavily to train our crews to the highest standards, aware that many have no nautical background





- our new Lifeboat College, Survival Centre and Lifeboat Support Centre are a real investment in our future, and will provide the best in training at much reduced cost
- Beach Lifeguards saved 27 lives and introduced the RNLI to a new audience of beach users

### Investment in technology and education also saves lives

- Our crews rely on high-tech solutions, from the advanced marine technology we design into our lifeboats, to the crew pager system that alerts them to an emergency. An extensive research and development programme provides our crews with the equipment they need now and in the future.
- Educating sea users and young people in sea safety matters will save lives in the future. In 2003, we stepped up our activity with leisure boat and fishing safety campaigns; ran a programme of school visits and curriculum activities; and took some exciting new steps in beach safety and signage.

### Our fundraising programme guarantees our future

- Fundraising and awareness activities cost £17.4M in 2003 and these activities are vital in enabling us to raise enough money to run the lifeboat service.

For the full annual statutory accounts, please see overleaf.



**Criteria for assessing grants in lieu of rent**

1. Do the activities or services provided by the organisation contribute to Torbay's Community Plan objectives?

The Council will not normally offer grant support to organisations whose activities do not support one or more of the Community Plan objectives.

2. How many residents of Torbay benefit from the services provided by the organisation?
3. What is the level of benefit received by those users of the organisation?
4. How well does the organisation promote social inclusion?
5. Would the Council need to provide the services if they were not provided by the organisation?
6. How much other funding will the organisation be able to access if the Council provides a grant?
7. What mechanisms are in place for working in partnership with other organisations?
8. How far is the organisation able to become self-supporting over the period of the grant?