

One Courageous Community

RNLI Annual Report and Accounts 2015



Lifeboats

We are the RNLI: The charity that saves lives at sea

Every day of every year, people of all ages and backgrounds get into danger in the water.

It's a problem that we're here to tackle.

We're here to explain the risks, share safety knowledge, and rescue people whose lives are in danger.

We're here to work with others to make the water a safer place for everyone.

We're here to prevent tragedies on and offshore. And with your support, we always will be.

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EXTRAORDINARY
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LIFESAVING
THAT LASTS

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PREVENTION

Annual Report of the Trustees of the Royal National Lifeboat Institution



'With courage nothing is impossible' – that is quite some family motto from our founder Sir William Hillary. In 2015, whether on or offshore, the RNLI community lived up to these words and more. We were just weeks into

the year when a remarkable rescue effort by the crew at Scarborough led to the first RNLI Medal for Gallantry in 2 years. We thank everyone involved in that difficult day, and the family of Andrew McGeown for creating a positive legacy in his memory.

In my 25 years with the RNLI, I have seen courage in all its forms. I have seen fundraisers brave the elements to keep our lifesavers kitted and trained. I have met people from all walks of life, who have told me about the life-changing moment those rescuers came to their aid. I have heard families share stories of terrible loss so that others might stay safe. And I have seen this charity grapple with the ongoing drowning problem – at home and overseas – and decide to evolve to make a real difference.

As I hand the role of RNLI Chairman to Stuart Popham in October, I know that our charity is in the best possible position to save more lives, long into the future. Today, 442 people are alive who would otherwise have been lost to the water in 2015. Thousands more were kept safe by our ever-expanding prevention work. That's all thanks to your courage, commitment and skill.

However you play a part in our courageous community, thank you.

A. S. Hunter-Pease

Charles Hunter-Pease
RNLI Chairman



To celebrate the opening of our All-weather Lifeboat Centre last August, we threw open our doors to welcome supporters into the heart of the RNLI. As I walked around our headquarters in Poole, I was struck by

the variety of work our charity undertakes to save lives – and the creativity and energy volunteers and staff give to our cause.

There were Shannon class lifeboats under construction, bringing us a step closer to completing our 25-knot all-weather fleet. Children tackled fun beach safety challenges. And we showcased some of the innovations that will keep communities safer in the future.

These are the sort of activities that will help us achieve the aims we set ourselves 3 years ago: to halve the number of coastal fatalities in the UK and Republic of Ireland, and to make a serious impact on global drowning by 2024. Last year, the RNLI went further than ever to build an organisation ready to save more lives. Reinforced by our core rescue service, we expanded and developed our prevention work. And we have renewed our commitment to supporters by pledging to switch to opt-in communications by 2017.

As with any shift in perspective, some of the decisions along the way will not be easy. But – as our founder has shown – with courage and determination, it is possible. On that weekend in August, I knew that the RNLI community was on its way to fulfilling its mission. By working together, we make difficult things so much easier. Thank you for supporting our commitment to save more lives.

Paul Boissier

Paul Boissier
RNLI Chief Executive

With courage we save life in the toughest conditions

RNLI rescue teams saved 442 people's lives last year. Our frontline service of lifeboat crews, lifeguards and flood rescue teams remains at the heart of our charity. And as long as people need our help on the water, this will never change

Courage isn't just about facing towering waves, powerful currents or howling winds. It's the 433 new crew members who jumped into the gruelling Sea Survival element of their Trainee Crew course. It's the 1,070 major incidents where lifeguards treated the seriously injured or unwell. And it's the countless difficult conversations, hands held and reassurance given to casualties and their loved ones. The bravery, skill and commitment of our lifesavers ease the fear and distress of the people they go to help.

LIFEBOAT CREWS

Lifeboat volunteers dropped everything to head out on service 8,228 times, rescuing 7,973 people in 2015. Many will have risked their lives in unimaginably tough conditions – almost 40% of those missions went out in the dark and on 97 shouts our crews went to sea in gale force 8 winds or stronger.

Tron and Girvan lifeboat crews battled for 4½ hours in 8m swell and force 11 winds to bring a 140-tonne trawler

home to Troon Harbour in January 2015. After a brief break for tea, the Girvan crew headed back out into 90mph winds for the 3-hour journey home. 'We have a lot of respect for the boats themselves, and a lot of trust in them and their capabilities. We feel comfortable and safe in that environment,' explains Girvan's Second Coxswain Gary McGarvie, who – along with Troon Coxswain Joe Millar – received the Thanks of the Institution Inscribed on Vellum for leadership, boathandling and teamwork.

Inland crews can face different, but equally difficult, conditions. Two of our busiest lifeboat stations, Tower and Chiswick, save lives on the River Thames in central London. Fast-flowing currents and tides mean they have to make life-critical decisions quickly and support vulnerable casualties, all while working around moored or submerged hazards and frequent marine traffic. In 2015 these crews made 692 launches, more than 8% of the RNLI's total. Shouts may last only seconds or minutes, but that rapid response is vital in reaching people before it's too late.

 **442**
lives saved

 **4** more stations
have a 25-knot
all-weather lifeboat

 **10**
additional
lifeguard patrols



Lifeboat crews and lifeguards saved 442 lives in 2015

FACING THE TOUGHEST TEST

Scarborough

On a cold February night, RNLI volunteers from Scarborough launched their lifeboat into dark and treacherous conditions. Led by Helm Rudi Barman, they braved breaking 2m waves and whipping force 7 winds to reach Andrew McGeown. They brought him to shore and did everything they could to revive him. Tragically, Andrew was beyond help.

Rudi received the RNLI's Bronze Medal for Gallantry for his leadership, boathandling skills and bravery. 'I don't think anything can ever prepare you for a rescue like that,' he says. 'It was the most difficult rescue I've been on. But it's something we train for day in, day out. To be recognised with an award like this is a great honour, but it's not just me. There are many different wheels that work in this station down to the people who have trained me and the crew over the years.'

Photo: RNLI/Nathan Williams



'The most difficult rescue I've been on'

LIFEGUARDS

Lifeguard patrols at 225 beach units rescued 1,790 people in 2015 and assisted thousands more. Many of their incidents each year involve rip currents. In August, Lifeguard Ray Cunningham spotted an 8-year-old bodyboarder drifting almost 50m out to sea in a rip at Downhill Strand, Co Londonderry. 'He was working so hard to try and get back to the shore but he was going nowhere and becoming exhausted,' says Ray, who used his rescue board to bring the shaken boy to safety.

New stretches of beach were protected by RNLI lifeguards last year in the Wirral, Fife, Suffolk and the Isle of Wight, and we are progressing well towards our current aim of 260 patrols in place where they're needed by 2019. You can see just how important one of these patrols became in West Kirby's story (top right).

FLOOD RESCUE

With December 2015 the wettest month since records began, many people faced misery and destruction in the wake of repeated storms and floods. Flood Rescue Team volunteers from across the UK deployed 13 times to emergencies in Scotland, Northern Ireland, Wales and the north of England. Working with other search and rescue organisations, they helped rescue 74 people and aided 337 more in flooded homes, vehicles and workplaces. Volunteers from Aberdeen even helped Scottish Hydro to restore power to a village by firing a cable-carrying rocket line 60m across the River Dee.

Speaking from Carlisle in Cumbria, Flood Rescue Team Volunteer Chris Missen said, 'I've been involved in six other flood rescue operations and the scale of this isn't like anything I've seen before. It's relentless.'

Photo: RNLI/Phil Byrde



NEW LIFEGUARD PATROLS COMPLETE THE TEAM

West Kirby

Just weeks after the RNLI adopted local patrols at West Kirby, Lifeguard Mike Procter called on his new

lifeboat colleagues for help when he spotted a man at the foot of a cliff on Hilbre Island. In the hours that followed, the lifeguard team worked with West Kirby's D class lifeboat crew and the volunteers aboard Hoyle's new Shannon.

'He must have felt so reassured that people kept coming to look after him,' says Mike. 'I told him, "You're in the best position you can possibly be in. All these people – you've got so much help".'

Together they fought to protect the casualty from incoming waves, to lift him gently from the sea over sharp and slippery rocks, to treat his multiple wounds and comfort him before he was evacuated by helicopter. Their actions saved his life.

'All these people – you've got so much help'



SAVING LIVES INTERNATIONALLY

With at least 372,000 deaths from drowning worldwide every year, it's clear that we have a duty to share our years of lifesaving expertise more widely. The RNLI's international projects are not about replicating frontline services overseas – instead, our sustainable approach creates and tests programmes that give high-risk communities the skills to do so themselves.

Our most established partnership project, SeaSafe, has been working with the Centre for Injury Prevention and Research, Bangladesh (CIPRB) since 2012 to set up a full-time lifeguard service at popular resort Cox's Bazar. In 2015, the service expanded to cover another stretch of beach, and in both flagged areas no one drowned. Today, local supervisors and senior lifeguards can train and recruit lifeguards to sustain the service independently, and almost 8,300 schoolchildren have benefited from safety talks.



RNLI flood rescue teams, like this one working in Cumbria, rescued or aided 411 people

Photo: Mark Barker



Sixteen lifeguards like Sukkur now receive training to save lives and wages to support their families in Cox's Bazar, Bangladesh

THE RIGHT KIT AND TRAINING FOR THE JOB

We know that being an RNLI lifesaver takes a huge personal commitment and sacrifice. In return, our Community Lifesaving and Engineering Teams work hard to ensure crews and lifeguards have everything they need to save lives – and to keep themselves safe.

The rollout of our state-of-the-art Shannon class lifeboat continued to plan, with Lough Swilly becoming the first Irish station to welcome this agile all-weather craft. Shannons also arrived at Ilfracombe, Montrose, St Ives and to the RNLI relief fleet, keeping us on course for the 25-knot all-weather fleet being almost complete by 2019. We also continue to modernise our inshore lifeboat fleet – 22 new inshore lifeboats went on service in 2015.

Every new lifeboat represents hours given by volunteers to raise the funds needed, work to modify station buildings and the extra training to prepare the crew for her arrival. Every lifeboat is treasured from her first shout to her last. As Chris Wallis, Ilfracombe's Lifeboat Operations Manager, said as they received their new Shannon: 'Being tasked with the care of this amazing equipment is a huge honour, and I know that every member of our team feels the same.'

All our lifesavers receive the latest casualty care training, where they learn how to use specialist first aid equipment including defibrillators and oxygen. So when Sean Ashton collapsed in cardiac arrest on Mawgan Porth beach last May, RNLI lifeguards were ready to form a vital link in the chain of survival that would save his life.



LIFEGUARDS IN THE FLOOD

Cox's Bazar, Bangladesh

Working with groups like the SeaSafe lifeguards, we've seen how everyone can benefit from a community approach to lifesaving. When a tropical cyclone added to the worst rainfall in 50 years, lifeguards on duty at Cox's Bazar decided they would be more useful to the victims of ever-worsening floods in nearby Ramu. They grabbed rescue boards, tubes and inflatable boats, and used their RNLI flood training to rescue more than 100 people in 7 hours.

'When they came to rescue us we were on the roofs of our houses,' remembers one man. 'We were there for 2 to 3 days, and there was no food and no water. They rescued everyone ... They acted like our family members.'

'They acted like our family members'

13

flood rescue
deployments



8,228

lifeboat launches



22

new inshore
lifeboats

They took over CPR from the visitors first on scene, then started the rapid defibrillation that greatly increases a casualty's chances of survival, pre-hospital. All of this happened against a fast rising tide, with Sean being moved repeatedly up the beach as they worked.

Sean's wife Kate wrote to the lifeguards, 'Your actions that day have a far-reaching impact that should not be underestimated. You have given a 3-year-old her daddy

back – he will see her start school next year, can teach her to drive, and hold his future grandchildren. My family and I are incredibly grateful and will never forget that the RNLI gave us those opportunities.'

Lifeguards and lifeboat crews attended 1,241 major first aid incidents like this one in 2015. Every year, RNLI lifesavers are giving lives and futures back to countless families like Sean's.



'The boys were scared and crying'

THE PROMISE OF RESCUE

Cumbria

In the early hours of 6 December, six people were stranded for 12 hours in a bungalow near Kendal, penned in by fast-flowing water at the height of the Cumbria floods. RNLI volunteers found Sebastian (5) and Jacob (3), terrified and taking refuge from the rising water on top of their bunk beds.

'The boys were scared and crying that they wanted their daddy to come and help. We felt so helpless,' says Alan Holmes, whose sons were being looked after by their grandparents that night.

The team encouraged them out by promising them their own Flood Rescue Team helmets once they were safe and well. And on 23 December, the volunteers from Wales made good on that promise, travelling up to give their gifts to the reunited family.

'We never thought the team would turn up on our doorstep in time for Christmas,' adds mum Helen. 'I just want to say a huge thank you to the RNLI ... for putting their lives at risk to rescue my family and for being awesome human beings.'

With courage we will prevent more tragedies

British and Irish waters are dangerously unpredictable – more than 200 people still die every year in accidents on or near the sea. Worldwide, drowning is an epidemic that kills around 372,000 people annually. In 2015 we went further than ever to change this story

Since the RNLI was founded in 1824, our mission has remained the preservation of life, regardless of the technique or equipment available. Whether by barometers installed in fishing villages, lifeboats funded by local benefactors or rocket lines used to haul victims of shipwreck to safety, we have always stood for saving lives in the most effective way possible.

Today, this has not changed. But despite the best efforts of our lifesavers, the number of people lost to the sea every year does not go down. Advances in search and rescue technology, the latest casualty care training and a faster lifeboat fleet – all will reach people more quickly and give them the best possible chance of survival. But these improvements are only half the story.

OUR VISION FOR 2024

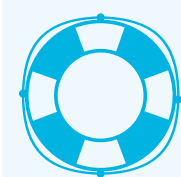
With such stubborn statistics, it is easy to be daunted. To accept the status quo. Instead, the RNLI is building a wave of activities that will reach people not just minutes or hours earlier – but years before they get into difficulty.

We have our line in the sand. We want to halve the number of accidental coastal deaths in the UK and Republic of Ireland by our 200th anniversary in 2024. And we want to see a significant reduction in the number of serious incidents. For a long-term shift in attitudes, results will take time. In 2015, we continued to lay the foundations that will save lives long into the future through national campaigns, community plans and targeted interventions for specific activities.

STARTING AT HOME

All around our coastline, community lifesaving plans empower people to implement solutions to the local coastal hazards that affect them. Solutions like the tidal cut-off service at Cramond Island in the Firth of Forth, which in 2015 saw 4,561 people text in to find out safe causeway crossing times.

We set out to complete 40 plans per year but have far exceeded our targets: thanks to local volunteers, partners and businesses, 70 plans were active and 62 in development at lifeboat stations by the end of 2015.



132
community
lifesaving plans
underway



4,561
texts for tides sent



attendance up
58%



Swim Safe training, provided at 7 locations in 2015, teaches children how to stay safe in open water

HOW DOES IT WORK?

Community lifesaving plans

RNLI lifeguard units are active when and where they're needed most, but they can't supervise every stretch of water, all of the time. As part of Newquay and Padstow's community plans, we're working with surf schools to increase beach safety out of hours. Volunteers learn lifesaving skills, give advice and have access to local board bins containing rescue boards, first aid equipment and emergency action plans.

One evening in August, surf instructor and scheme member Peter Able (pictured below) rescued two people from the water at Mawgan Porth. Three people had died in a similar location and tide state in October 2014 – volunteers like Peter are helping to prevent these tragedies recurring.



REACHING PEOPLE EARLIER

When two thirds of lifeguard rescues involve children, education is clearly an important influence against drowning. During term time, youth education volunteers and lifeguards inspired almost 593,000 young people with interactive water safety talks.

As the Summer holidays arrived, we expanded the Swim Safe programme to three additional locations, giving 5,688 children free, practical training sessions to boost their confidence in open water. Run in partnership with the Amateur Swimming Association (ASA), it's a powerful formula as Aidan's story shows (top right).

Lifeguards carried out over 2.3M preventative actions in 2015, such as giving advice and marking out safe places to swim. Together with our free Beach Smart safety packs, which reached 12,400 more families than in 2014, lifeguards ensured that over 15.6M beach visitors enjoyed a safe day by the sea.

In 2015 we published the first measurable evidence of the effect on beach safety of lifeguards' prevention activity. We found that on a typical beach with 75 people in the water, making 30 interventions using safety signs or flags reduced the need for lifeguard rescues by about 50%. In the same situation, 70 face-to-face conversations reduced rescues by about 20%. Although this initial research did not use non-lifeguarded beaches for comparison, it gives a valuable sign that prevention measures increase lifeguards' effectiveness in reducing serious incidents.



HOW DOES IT WORK?

Swim Safe

Aidan Cowie (9) is one of Swim Safe's biggest fans, attending four of the fun sessions in 2014. Last year he was able to keep calm and summon help when he found himself suddenly out of his depth in a swimming pool in Malta.

'When I couldn't touch the bottom, I was going up and down trying to get air and started to feel really panicked. I remembered the lifeguard saying to put my hand in the air and shout "help". It was really scary, but the Swim Safe sessions gave me the confidence. I remember thinking that I knew what to do because I've done this in the sea.'

'The Swim Safe sessions gave me the confidence'

NEW ROUTES TO A SAFER FUTURE

We're keen to explore new ways of delivering safety messages to suit different learning styles (see page 21 for more on our Minecraft education project). It's also vital that we adapt quickly to help people who face specific and immediate risks.

In Fife, our Education Team and lifeguards have worked with the Royal Life Saving Society UK, Police Scotland and the Fire Service to deliver hard-hitting water safety messages, after two young people died at Prestonhill Quarry in less than a year. So far the team has reached more than 4,000 teenagers.

Gillian Barclay, whose son Cameron Lancaster died in August 2014, has given her full support to the scheme. 'The second death in the quarry so soon after Cameron's accident really brought me to life,' she told *The Courier*. 'I was in deep shock and grief ... That really woke me up and it shook me into doing something about it.'

In 2015 our work on activity-specific campaigns also continued, using incident data to target high-risk groups. We sparked conversations and gave safety tips to kayakers calling for help, scuba divers in need of health checks, sailors falling overboard, rock anglers without lifejackets and sea anglers with leaking boats.

Face-to-face conversations with lifeguards could reduce the need for rescues by 20%



Photo: RNLI/Nathan Williams

HOW DOES IT WORK?

Targeted campaigns

Colm Plunkett credits his lifejacket with saving his life, after a rogue wave swept him from the shore into the sea at Dursey Island, Co Cork. In November 2015 Colm bravely shared his story for an RNLI campaign, urging all shore anglers to wear lifejackets. We hope that hard-hitting personal accounts like this will start to make a difference: in 2010–14 alone, 24 anglers died while fishing from rocks or the shoreline.

'I spent the next 55 minutes fighting for my life,' remembers Colm. 'Upon entering the water my lifejacket automatically inflated and kept me on the surface of the sea. I am here solely because I wear a lifejacket. Fishermen don't usually wear them, they think they are invincible. If you are not wearing a lifejacket you are as good as dead.'

'I am here solely because I wear a lifejacket'



Photo: RNLI/Iain Webster

A NATIONAL CAMPAIGN

Where youth education sows the seeds for a drowning-free future, our Respect the Water campaign reaches the people who are most at risk right now: 16–39-year-old men. It leads with the message that the water is dangerously unpredictable, and highlights the dangers of rip currents, cold water shock and falling into water unexpectedly.

Eighty-nine per cent of UK men in the target age range saw at least one element of the campaign last Summer. These elements included shocking cinema adverts

(viewed 7M times), a breathtaking interactive website and #RespectTheWater conversations trending on social media. More importantly, awareness is inspiring action – 80% of those surveyed said they would rethink their abilities in the water and take more care around it because of the campaign.

SAFER WATERS FOR EVERYONE

As a driving force for change in the National Water Safety Forum, we were pleased to help launch the UK's first



Photo: RNLI/Nathan Williams



80%
rethink their abilities



29%
more Beach Smart packs requested



289
Aquatic Survival teachers trained in Zanzibar

drowning prevention strategy to stakeholders in October, with a public launch in February 2016. We believe that every country should have a similar strategy in place. The epidemic proportion of drowning globally – especially in low- and middle-income countries (LMICs) – is the focus of the RNLI's International Team.

In 2015, the team reviewed its strategy to ensure that the most at-risk regions and communities have the training, resources and empowerment to tackle drowning – and that the issue is raised and recognised on the global health agenda. Finding ways for people to set up local lifesaving services – such as the lifeguard patrols in Bangladesh – will remain a valuable element, but prevention work is the foundation that creates safer futures for everyone.

RNLI trainers have been working closely with partners in Zanzibar to test and develop an Aquatic Survival programme. In LMICs, being exposed to open water hazards is often part of daily life, from collecting water to washing and bathing. The programme has developed a classroom module and practical swimming training that will keep children safer around water for life. In 2015, 38,360 children received classroom training, and in Zanzibar 289 teachers were trained to deliver the course themselves. As more communities get the skills and resources to train their own teachers, Aquatic Survival could become one of the key measures that help to reduce drowning worldwide.

The Aquatic Survival programme in Zanzibar is expanding, with 460 children learning survival swimming skills in 2015



Photo: RNLI/Mike Lewis

With courage people can power our lifesaving charity

We believe there is a way for every member of the community to save lives. Whatever their role, the RNLI supports its volunteers, donors and staff to achieve their best and save more lives

How do people work together to save lives? One story from Whitby:

A 17-year-old fishing apprentice falls overboard. As she hits the sea, her personal flotation device (PFD) inflates, keeping her head above water. Unable to get back onto her own vessel, she is rescued by a nearby angling boat and then transferred to the Whitby lifeboat. She knew how to fit and wear her PFD, thanks to training from an RNLI fishing safety manager. She received her PFD at a community event from Whitby lifeboat's coxswain.

And those PFDs were funded by local people, who decided to support their hometown's fishing fleet through the Whitby Community Lifejacket Scheme.

KEEPING US READY FOR ANYTHING


Across the UK and Republic of Ireland, there are countless chains of action like this one that ultimately end in saving a life. Our fundraisers and supporters form that first, vital link. Their efforts ensure that RNLI lifesavers can carry out training and rescues, without worrying about where the money is coming from. They ensure that sea goers don't have to choose between safety and economy. And they ensure that we can maintain and improve our service long into the future.

It takes just as much determination and courage to raise funds as it does to launch a lifeboat. It's that determination that sees small communities like Wells-next-the-Sea raise £250,000 towards their new Shannon class lifeboat in fewer than 18 months. It drives people like Donna Loveland (see overleaf), who is creating something positive out of immense personal loss. And it motivates others, like long-distance walker Alex Ellis-Roswell, to start a personal challenge that inspires support and raises awareness.

Many choose to leave a gift that will go on saving lives far beyond their own lifetime. In 2015, we were overwhelmed by the generous legacy of Richard Colton, who left the RNLI two rare Ferraris that raised £8.5M at auction. Richard had great respect for the men and women who crew the lifeboats, and his gift will include two new Shannon class lifeboats to keep them even safer.

AT THE HEART OF FUNDRAISING

The lifeblood of fundraising in the community is our network of 1,082 fundraising groups. Whether perched on the coast or miles from a sea view, their volunteers find and share creative new ways to fundraise, as well as promoting national campaigns.

2 
Ferraris become
all-weather lifeboats

£546,624
raised by Mayday

 **57,394**
hours given to rescues
by crew members



In 2015, branches helped make Mayday an RNLI-wide appeal, following successful trials in Ireland. As giant yellow wellies popped up in cities and celebrity friends lent their support, volunteers ran events and sold welly badges to celebrate the humble bit of kit on which every crew member stands. Their combined efforts brought in £546,624, a welcome boost to the €143,701 raised in Ireland in 2014.

'It's a positive way for us all to remember Andrew'



As the RNLI looks to diversify and sustain its income sources, we use market research to create new products for branches and individual fundraisers. Our award-winning opinion panel, RNLI Supporter View, is central to confirming new ideas are tested, relevant and viable. In October, for example, we launched the first ever RNLI Fish Supper. Volunteer crew members spent more than 57,000 hours away from their homes on rescues last year – 127 grateful supporter groups cooked up tasty dinners in honour of those who drop everything to answer the pager's call.

CHOOSING WHAT'S RIGHT, NOT CONTINUING WHAT'S EASY

When so much dedication goes into raising money, the RNLI has a duty to look after these funds – and the people who generously donate them. In 2015, charities came under intense public and parliamentary scrutiny, resulting in a number of recommendations to improve the way they fundraise.

Although the RNLI was never implicated in any questionable practices, we know this isn't good enough. We want to be setting the standards and upholding our values, not just reaching the bare minimum. Our supporters trust us to do the right thing – and we will make sure that trust is not misplaced. Last year we took the bold decision that by 2017, people will only be contacted by the RNLI if they have given their express permission. This makes us the first major charity to give supporters complete control over how they are contacted.

It's a tough choice that could substantially reduce our income over the next 4 years. But we will use our experience and creativity to generate new and improved funding streams, rather than risking the loss of our valued supporters.

HOPE FROM TRAGEDY

Donna Loveland is determined to create a positive future in memory of her brother Andrew McGeown, who was sadly lost at Scarborough (see the rescue story on page 4). His family set up a fund dedicated to making the sea a safer place for everyone. The money raised so far will fund safety signs on the seafront and will bring Swim Safe training to Scarborough's children for the first time in 2016.

Donna says: 'I heard the helicopter go over my house, and I said to the kids – because you could hear the weather – "I'm glad we're inside". When I think about it now, it's a bit daft really because I must have known – partly – that it was Andrew.'

'It has been a very difficult year for us all since we lost Andrew. We do not want other families to go through what we have. With the help of family, friends and the local community we have raised around £11,000 to help reduce dangers at sea. It's a positive way for us all to remember Andrew and we have had some great fun fundraising.'



'The volunteers inspire me and keep me going'

THE 19,000-MILE CHALLENGE

Since 3 August 2014, Alex Ellis-Roswell has been steadily walking around the coast of Britain visiting every lifeboat station en route – and in 2015, he decided to pop round Ireland too. He has already beaten his £10,000 target. What keeps him going through the endless miles, shredded tents and sore knees?

'I've met hundreds of RNLI volunteers and been able to hear their stories and experiences,' he says. 'That's what inspires me and keeps me going.'

SAFETY – WE'RE ONBOARD

Our courageous community is made up of ordinary people achieving extraordinary things, many in hazardous and challenging conditions. Our volunteers and staff deserve to work in a safe environment, but despite being an organisation with safety at our core, we need to do more to minimise the risks faced by our own people.

A new safety management system will ensure that all our activities are legally compliant, and the Safety – Get Onboard programme continues to focus on changing the RNLI's culture as a whole. Compulsory online safety courses now have an average initial completion rate of 91.4%, well above the national benchmark of 84%. Team talks held throughout the RNLI helped staff to find practical ways of working more safely, and to think about reporting incidents and hazards as standard. Reported hazards and near misses almost tripled in 2015 (from 474 in 2014 to 1,365) – a 'no blame' culture and raised awareness give more opportunities to learn from minor incidents and put measures in place to prevent harm.

With plans for 2016 including wider training, more consistent risk assessments and an improved reporting system, the RNLI is looking at a safer future, both for the users of our lifesaving service and the people who deliver it.

FIND THE DETAIL

TRUSTEES

Our Trustees are all volunteers who have signed a commitment to support the RNLI in its purpose of saving lives at sea. Using their experience in various fields of business and the maritime industry – as well as a few keen sailors in their number – they lend their expertise to help guide and govern our charity.

Meet the Trustee Board and find out why they got involved with the RNLI on page 65.

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With courage we build lifesaving that lasts

In order to save more lives, we must be prepared to go further, adapt more quickly and build an organisation that will be sustainable for future generations

Getting the keys to the new All-weather Lifeboat Centre (ALC) on 24 February 2015 was a landmark moment for the RNLI's future. The centre will be critical to putting a 25-knot fleet in place, but it's also an investment that will grow long after our 200th year. Faced with rising costs and fewer suppliers to build and maintain increasingly specialised lifeboats, we decided to take control of the process by bringing it all in-house. This has cost us over £24M to set up, but the move will save the RNLI an estimated £3M a year once fully up and running.

With the future of our lifeboats secured, the reshaping of teams within the RNLI continued in 2015. Organisational changes are bringing lifesavers closer to the fundraising and operations staff who support them, and encouraging collaboration across the charity.

The RNLI regularly reviews the lifeboats stationed around the UK and Republic of Ireland's 19,000 miles of coastline. We need to maintain that vital ring of safety, while making the best possible use of donations. By working more closely with communities to better understand the risks local to them, we collate data that shows the most effective ways to deliver lifesaving together.

In September, we took the difficult decision to close St Abbs Lifeboat Station, thanking the volunteers for over 100 years of service to their community. An extra inshore lifeboat at Eyemouth, 2 miles down the coast, will maintain the cover the area needs.

MADE FOR LIFE

As the demands of lifesaving evolve, stations must adapt to give new lifeboats a home and crews the facilities they need and deserve. In 2015 the RNLI completed 14 building projects, including a station for the newly adopted Portishead lifeboat, and a permanent base for Enniskillen's Carrybridge volunteers on Upper Lough Erne.

Heating and lighting the buildings in our care comes at no small cost, but we continue to introduce technology that will reduce their financial – and environmental – impact. During 2015 we added 12 new renewable energy installations to our existing assets, boosting kilowatt hours generated by 42% compared with 2014. RNLI solar panels, heat pumps and a wind turbine generated 653,000kWh and an income/savings benefit of around £122,000. This all adds up: our current savings from renewables equate to the cost of 9 inshore rescue boats a year.



All-weather
Lifeboat Centre
officially opens



14
building projects
completed



12
new renewable
energy
installations



Photo: RNLI/Nathan Williams

BUILDING FOR THE FUTURE

A new generation of lifesavers

Caryl Jones (20) from Porthdinllaen and Arranmore's John McDermid (17) were two of the RNLI's youngest qualified crew members when they rang the bell to open the new All-weather Lifeboat Centre on 21 August 2015. Caryl was eager to join the crew at 17, continuing her family's strong connection with coastal lifesaving. Her father has been a crew member for 25 years, her younger brother has recently joined and her grandparents are involved in the local coastguard.

'It's a huge honour to represent our volunteer lifeboat crews,' Caryl said at the ceremony. 'The All-weather Lifeboat Centre was amazing, and when I was looking around it I could really see the future of the RNLI in front of me.'

'I could really see the future of the RNLI'



Photo: Nicholas Leach

DRIVEN BY INNOVATION

By the end of 2015, our award-winning 235 Made for Life project had saved pallet-loads of decommissioned lifejackets from landfill by upcycling the materials into handmade products, generating £52,000 profit so far. Innovation is vital to keeping our activities sustainable, whether that's by reducing environmental or economic impact, saving costs, developing new income streams or finding new ways to save lives.

The Innovation Team's launchpad encourages anyone in the RNLI to bring an idea to the table and access resources for testing and development. Not every idea will succeed, but it gives people the freedom to explore new ideas and learn from any failures. As the early success of the Beach Builder Challenge shows this freedom can bring huge benefits (see right).



Photo: RNLI/Nathan Williams

Laura Croxson works in the Marketing Team and is one of 10 new apprentices to join the RNLI in 2015

SUPPORTING THE WORK WE DO

As our charity evolves to meet the shifting demands of lifesaving, support systems need to keep up with these advances. During 2015 we continued our Business Systems Modernisation Programme (BSMP), which will ultimately integrate information management, supporter databases and retail systems, reduce long-term software costs and help us make better business decisions.

Almost 8,000 crew members and shore crew depend on our paging system, which is crucial for getting volunteers to the station and launched within minutes of the call for help. In 2015 we started designing and trialling improvements to help stations manage crew availability, call out information and sending crew with the right skills to specific rescues. Better signal routing could mean we save money with fewer radio masts needed, and we're also planning a smartphone app that will manage crew availability and location even more effectively.

While these programmes involve an increased spend on support costs, we are constantly looking for ways to make savings and use funds more effectively. Last April the RNLI started to claim a VAT rebate totalling £2.4M in 2015, following our campaign for full VAT relief from the UK Government on behalf of all charities in the UK Emergency Response Service. This move puts us on the same tax footing as our emergency services colleagues, and benefits fellow charities that save lives through search and rescue.

A STRONGER, MORE DIVERSE WORKFORCE

We want to grow a sustainable workforce so that expertise is developed and passed on within the RNLI. The ALC brings around 90 new jobs to Poole, and in 2015 we built on our award-winning reputation for apprenticeship training by recruiting seven new technical and engineering apprentices, plus new apprentice roles in marketing and IT. We hope they will all join the full-time workforce once qualified.

Everyone who works or volunteers for the RNLI should feel welcome, regardless of their background. Last year, the Inclusion and Diversity project focused on starting groups that encourage a more open and inclusive culture. The RNLI Women's Network was founded in October, complementing the Female Lifeguard Engagement Group, and we play an active role in the Diversity Champions programme of LGBT (lesbian, gay, bi and trans) rights charity Stonewall.

Volunteer groups are equally committed to recruiting a diverse range of people, who will all help sustain our frontline services. At Cowes Lifeboat Station, they have responded to difficulties in getting cover throughout the

INNOVATION IN ACTION

Beach Builder Challenge

We've been exploring a popular video building game to communicate safety messages to young people with different learning styles. We invited 7-14-year-olds to build a safe beach environment on Minecraft, to help them learn about safety items like flags and lifeguard towers. Eight thousand young people took part (6,000 more than our target for this small trial). In a follow-up quiz, 21% more children knew how to wave and shout for help than before playing.

'Some of the most exciting outcomes were unpredicted,' says project manager Bridie Appleby-Gunnill. 'We found that children on the autistic spectrum, who otherwise struggled with awareness of danger, could identify the safe things to look for when visiting the beach. Plus up to 70% of the children reached live inland.'

'The most exciting outcomes were unpredicted'



Photo: RNLI/Nathan Williams

week by encouraging more women and single parents to join the crew. Now when mums or dads head out on a shout, a childminder on the support crew is on hand to look after their children, with the help of the station's extensive toy cupboard and even sleepover gear.

Together with a new commitment to flexible working, we are creating an environment where individuals can be true to themselves, reach their full potential and strengthen the RNLI's mission to save more lives.

 **£52,000**
profit from old lifejackets

 **10**
new apprentices



42%
increase in kilowatt
hours generated



The Hellenic Rescue
Team training with
RNLI instructors



Photo: RNLI/Simon Ling



Photo: RNLI/Nathan Williams

A WORLD WHERE NO ONE SHOULD DROWN

When the world's attention turned to the desperate refugee crisis in the Mediterranean last year, we looked carefully at what support would be most effective. Working with other European search and rescue organisations, the RNLI has delivered equipment to help protect rescuers in serious need, and we have started to deliver training to the Hellenic Rescue Team, a Greek volunteer lifeboat service with extremely limited resources.

Alongside these emergency responses, planned international programmes help others to establish sustainable drowning prevention strategies in their

own countries. By 2024, we want effective strategies in place in the highest risk areas internationally.

The RNLI's Future Leaders in Lifesaving programme plays a central part in getting new projects moving. The 2015 programme in Malaysia gave 28 delegates from across Africa and Asia the skills to set up their own lifesaving and education services. The course coincided with the World Conference on Drowning Prevention, which gave the future leaders the chance to share ideas and experiences with like-minded organisations worldwide.

At the conference we also launched our research paper, *Estimating the global economic cost of drowning*.



Future Leaders in
Lifesaving participants gain
experience and share ideas
to make a difference in
their own countries



Photo: RNLI/Mike Lavis

INTERNATIONAL INNOVATORS

Sustainable equipment project

When RNLI instructors first delivered training overseas, a pattern emerged. In countries like Bangladesh and Kenya, where lifesaving resources are limited, they found improvisation and innovation. There was an overwhelming attitude of rethinking the problem using skills and materials close at hand.

'That resourcefulness led us to look at the materials people use in their daily lives, to try and engineer rescue equipment with them,' says Darren Williams from the International Team.

So far, one of our Future Leaders programme graduates has designed a rescue throw line and bag that can be made locally for just £4.02 in the Philippines, we've worked with a French NGO to prototype a cheap, easily repairable rescue board in Bangladesh made out of locally abundant jute fibre, and students from Bournemouth University are designing rescue tubes that can be made in-country.

**'We look at the materials
people use in their daily lives'**

These early findings show the financial burden faced by countries with high drowning rates – importantly, the paper gives regional and national advocates hard evidence to start conversations and ultimately demand change. Policymakers also have the tools to assess the costs and benefits of proposed drowning reduction programmes.

With a relatively small outlay invested in this area so far, the RNLI can still make a profound difference to the lives of thousands of people in developing countries. Initiatives like the sustainable equipment project (above) also find ways for lifesaving teams to create cheap, easily repairable rescue kit, instead of shipping in expensive items from further afield.

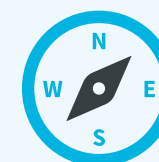
As a world-leading search and rescue organisation benefiting from almost 200 years of development, we believe it is now our duty to share that expertise with those who need it most, regardless of their location.

It's inevitable that drowning risks and causes will change – we won't always be able to predict or resolve them using methods that have worked in the past. What we do know is that working with partners, both locally and internationally, is key to saving more lives. We know that we can set up our charity in the best possible way to meet future demands. And we know that we will always be guided by our founding aim – the preservation of life.

FIND THE DETAIL

How we manage risk
Future sustainability
Inclusion and diversity

page 34
page 35
page 35



Our plans and purpose

STATEMENT OF PUBLIC BENEFIT

The RNLI provides public benefit as a charity by saving lives at sea.

Our Trustees have complied with their duty in accordance with the *Charities Act 2011* to follow the Charity Commission's guidance on the operation of this public benefit.

The governments of the UK and the Republic of Ireland have a statutory duty to provide a maritime search and rescue service. HM Coastguard and Irish Coast Guard initiate search and rescue, and rely heavily on the RNLI for its resources to save lives at sea.

The RNLI works independently of government and relies on donations to meet the cost of providing this public service.

PRINCIPAL ACTIVITIES

Our charity saves lives at sea throughout the UK, Republic of Ireland, Isle of Man and Channel Islands. We achieve this through four principal activities – lifeboats, lifeguards, community safety and flood rescue.

These four strands make up the RNLI's Concept of Operations, which we support with extensive fundraising.

Our crews aim to launch their **lifeboats** within 10 minutes of being notified, and can operate up to 100 nautical miles out to sea. We aim to reach at least 90% of all casualties within 10 nautical miles of the coast, within 30 minutes of a lifeboat launch – in any weather.

Lifeguards aim to reach any person up to 300m from shore, within the red and yellow flags on RNLI-patrolled beaches, within 3½ minutes.

Community safety is core to the RNLI's operations and underpins our aim to halve drowning in the UK and Republic of Ireland by 2024. We use research, targeted campaigns and lifesaving plans to encourage changes in people's behaviour, in and around the water.

Flood rescue teams are capable of reaching any flooded area in the UK and Republic of Ireland within 6 hours of request, and an international team can deploy within 24 hours of being notified. In 2015, more than 100 specially trained members volunteered in 7 strategically placed teams.

Fundraising makes all of this activity possible. In 2015, 31% of the RNLI's income came from donations, generated by a wide variety of activities including membership support, our Mayday campaign and the thousands of dedicated volunteer fundraisers based in 1,082 groups. This effort is supported by a network of RNLI shops and an online sales operation offering gifts and souvenirs. Legacies remain our lifeline, accounting for 64% of income in 2015. Gifts in Wills, whether big or small, enable lifeboat crews and lifeguards to continue their lifesaving work with the right boats, kit and training.

THE RNLI PLAN AND FUTURE DIRECTION

To fulfil our commitment to saving lives at sea, we must ensure the charity is able to sustain its lifesaving service now and into the future. In practical terms, we need to maintain a highly effective organisation, identifying what people, equipment and skills are needed, and the support – both financial and time-related – required to fulfil this need.

The RNLI plans for the long term, against which a 5-year business plan is prepared that shows what we need to focus on to achieve these aims.

We review and reconfirm our future direction at regular intervals to ensure we remain on track to achieve a measurable reduction in the rates of drowning and other coastal fatalities.

During 2014 we undertook a strategic review and issued our business plan for 2015–19, which outlines our new approach to saving more lives. It also reaffirmed our commitment to the previous business plan's key priorities, namely to:

- deliver a 25-knot all-weather lifeboat fleet
- provide lifeguard coverage at identified locations
- maintain our position as a leading organisation in coastal safety.

To complement these priorities we will continue our commitment to:

- identify, foster and grow vital partnerships and coalitions locally, nationally and internationally
- work with others to build understanding and awareness of the international drowning problem, and scale up programmes at a pace that meets a country's needs and capacity
- support the delivery of our lifesaving service through and for the community.

There are many circumstances and events that lead to someone drowning. The RNLI and other water safety organisations define this as the drowning chain. This series of events is made up of a lack of understanding, information, protection, ability to cope, supervision and – ultimately – rescue. The RNLI's activities focus on interrupting that chain at every stage. As we expand our prevention work to reach people long before they get into difficulty, we are equally focusing on how to measure the impact of our activities, to ensure that we meet our targets:

2019

- Progress towards a 50% reduction in drowning in the UK and Republic of Ireland.
- Declining trend in serious incidents.
- Firmly established drowning prevention coalition that advocates effectively for the global cause.

2024

- A 50% reduction in drowning in the UK and Republic of Ireland.
- Reduction in serious incidents.
- Effective drowning prevention strategies in place in the highest risk areas internationally.

In order to make this impact and save more lives, we need to transform how we think, feel and talk about the RNLI.

We currently identify ourselves as:

a sea rescue service in the UK and Republic of Ireland, presenting ourselves as largely independent of others.

We need to be:

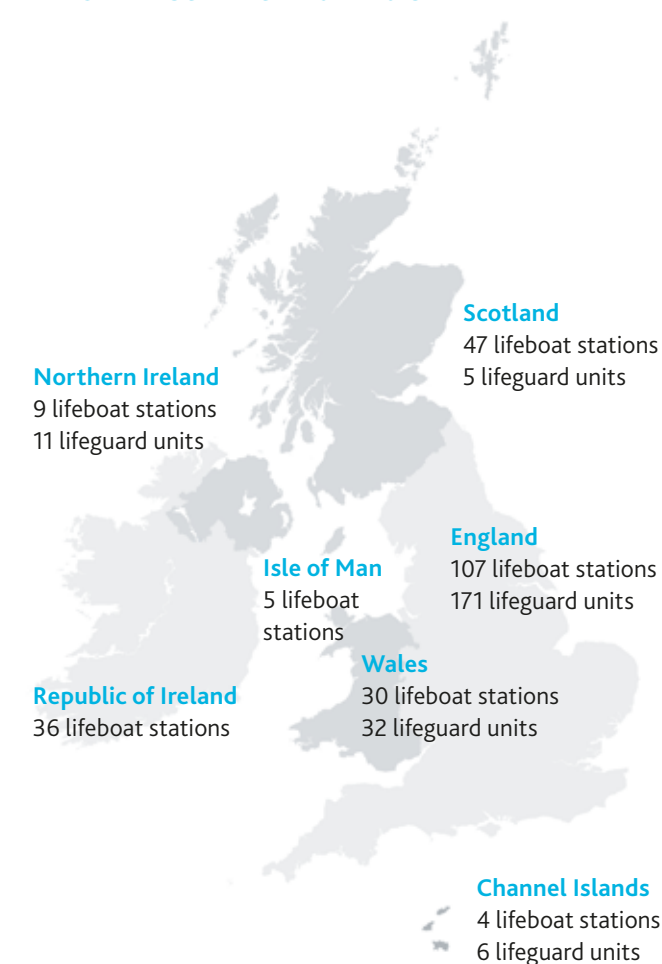
a sea rescue service in the UK and Republic of Ireland, with a growing commitment to preventative action, using our expertise to work in partnership locally, nationally and internationally to prevent drowning.

FULFILLING OUR PLANS IN 2015 AND BEYOND

The review on pages 2–23 shows the key activities and achievements made in 2015, both in terms of direct lifesaving impact (pages 2–13) and the supporting activities that make this possible (pages 14–23). We are proud to say that in 2015, we met all the operational targets described in our principal activities.

As outlined on page 19 the RNLI is beginning a significant change in organisational structure, which will help us to coordinate activities more effectively and ultimately save more lives. Significantly, we are also communicating with our supporters in a new way (see page 16) and that will affect our overall strategy (see pages 36–37 for the impact of these changes).

RNLI LIFEBOAT STATIONS AND BEACH LIFEGUARD UNITS IN 2015



95%
of our people
are volunteers



238
lifeboat
stations



225
lifeguard
units



Financial review

FOR THE YEAR ENDED 31 DECEMBER 2015

SUMMARY

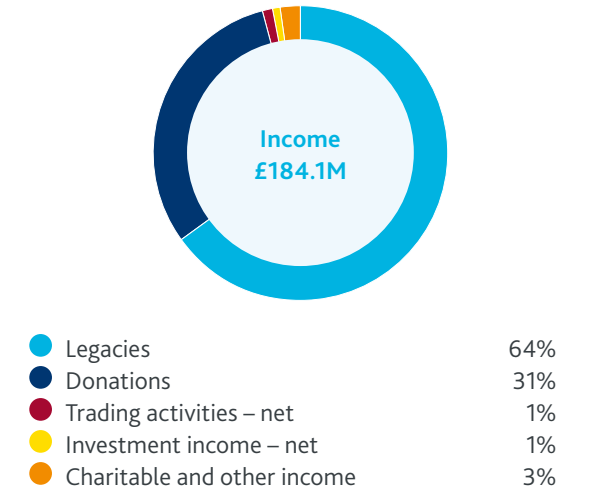
Transforming the RNLI into a truly sustainable, complete lifesaving service (encompassing both rescue and prevention work) will have a significant financial impact, and this can clearly be seen in our 2015 results. Total expenditure has increased by £16.2M, in line with our plans, as we improve all aspects of what we do to save lives at sea. Income is around the same level as last year, as expected, with a fall in donations matched by an increase in legacies. We have spent the latter half of the year reviewing and improving our fundraising methods to retain the trust of our supporters, in light of the criticism that the charity sector has received. Capital expenditure has reduced by £13.4M with the completion of the All-weather Lifeboat Centre in early 2015, but still remains high at £51.3M as we continue to improve our lifeboat fleet. Our overall investments have reduced as planned by £16.6M, but we remain in a healthy financial position, with free reserves within the range prescribed by the Trustees at 11 months' worth of charitable expenditure. This is 1 month more than last year, largely due to an increase in the legacy accrual from accounting changes this year to the Charity SORP, and 1 month better than we planned, mainly due to delays in capital expenditure.

INCOME

Total income increased by £0.7M, as the fall in donations and trading activities was matched by a further increase in legacy income. This was due mainly to the generous legacy from Richard Colton of two Ferraris, which raised £8.5M at auction. The reduction in donations was the result of two large one-off donations received in 2014 that were not repeated in 2015, combined with the effect of cancelling some fundraising campaigns as we reviewed our communications to supporters. The fall in trading income was due to the decision to move the Lifeboat Lottery from RNLI (Enterprises) Limited to the charity itself at the beginning of the year, although this has now moved to RNLI (Sales) Limited. This has reclassified the income as donations, which has had the effect of partially offsetting the decline in donations.

	Ratio %	2015 £M	2014 £M	Change %
Legacies	64	118.5	114.3	3.7
Donations	31	56.5	58.0	(2.6)
Trading activities – net	1	2.4	5.2	(53.8)
Investment income – net	1	1.7	1.7	–
Charitable and other income	3	5.0	4.2	19.0
Total income	100	184.1	183.4	0.4

Note: Income is shown net of trading costs and investment fees.



RUNNING COSTS

Total running costs increased by £16.2M (10.7%) due mainly to improvements in all aspects of the RNLI's lifesaving service, which includes both rescue and prevention work. The main increase in cost is on our lifeboats, property and equipment, where moving to a 25-knot all-weather lifeboat fleet has increased the cost of the boat and the properties that house it, as well as the costs of maintenance and depreciation. There have been some one-off costs involved in setting up the new All-weather Lifeboat Centre (ALC) this year, including an accelerated amortisation of the goodwill balance sheet asset from SAR Composites Ltd (£0.7M) as we close that facility and move its operations to the ALC. Within our lifeboat service we have had the additional cost of rolling out the new Shannon class lifeboat, as well as adopting a new lifeboat station at Portishead.

Lifeguard rescue costs have increased as we had 10 additional beach units in 2015, improved seasonal coverage and extended the number of hours on certain beaches as visitors change their behaviours.

We continue to expand our safety work, with successful campaigns such as Respect the Water, to target key audiences most at risk from drowning. Similarly, we continue to expand our international presence through both advocacy and interventions, such as our work in Bangladesh and the Philippines in 2015.

	Ratio %	2015 £M	2014 £M	Change %
Legacies and donations	17	28.0	27.3	2.6
Lifeboat service	20	33.5	31.9	5.0
Lifeboats, property and equipment	45	76.4	68.3	11.9
Lifeguard rescue	11	18.9	16.4	15.2
International	1	1.3	1.0	30.0
Safety, education and awareness	6	10.0	7.0	42.9
Total expenditure	100	168.1	151.9	10.7

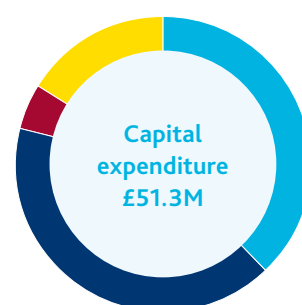


Legacies and donations	17%
Lifeboat service	20%
Lifeboats, property and equipment	45%
Lifeguard rescue	11%
International	1%
Safety, education and awareness	6%

CAPITAL EXPENDITURE

In comparison with 2014, there was a significant reduction in capital expenditure of £13.4M due to the completion of the new All-weather Lifeboat Centre in February 2015. This also explains some of the reduction in lifeboat costs this year as we transition to building our all-weather lifeboats in-house, allowing some time for the new production facility to get up to speed. Lifeboat station costs remain high as we continue work on major projects. We have continued our investment in IT software for our move to Microsoft Dynamics AX, which will improve decision making and, ultimately, make us more efficient and effective.

	Ratio %	2015 £M	2014 £M	Change %
Lifeboat stations	38	19.3	18.2	6.0
Lifeboats and launching equipment	41	21.2	23.3	(9.0)
All-weather Lifeboat Centre	5	2.7	13.8	(80.4)
Other equipment and property	16	8.1	9.4	(13.8)
Total capital expenditure	100	51.3	64.7	(20.7)



Lifeboat stations	38%
Lifeboats and launching equipment	41%
All-weather Lifeboat Centre	5%
Other equipment and property	16%

INVESTMENTS

2015 was a volatile year for investments, especially equities, so it was pleasing that the RNLI achieved investment gains of £3.4M and an overall return, including net investment income, of 2.0% for the year. RNLI investments are held as a reserve against any future shortfall in income against expenditure. They seek to maintain and, if possible, enhance the real value of the funds represented by its investments in line with the business plan. We seek to meet these objectives by maintaining an appropriate balance between maximising long-term returns and avoiding undue risk and volatility in capital values. To this end investments are made in a well-diversified portfolio, with the risk spread across different asset classes and styles of investment management. Investment manager performance is measured against established market benchmarks suitable for each investment class. In the last 3 years, overall investment return, including net investment income, has yielded an annualised 6.1% against the weighted average of those benchmarks of 5.5%.

PENSIONS

The RNLI operates a defined benefit pension scheme, which was closed to new entrants from 1 January 2007 and closed to future benefit accrual on 30 September 2012. The actuarial gain of £4.1M shown on the Statement of Financial Activities (SoFA) and the long-term balance sheet liability of £22.6M (see note 10) are based on the disclosures required by the Financial Reporting Standard 102 (FRS102). Further detailed information on RNLI pension schemes, including the current defined contribution scheme, can be found in note 15e.

FINANCIAL HEALTH

As at 31 December 2015 the RNLI had consolidated net assets of £745.3M, primarily representing its fixed assets of £427.1M and investments of £273.6M. While our total funds increased by £23.5M, all of this increase was invested in our capital programme, through the movement in fixed assets of £23.2M, and there was a reduction in our investments of £16.6M to pay for new lifeboats and lifeboat stations, which was actually less than planned as we experienced some slippage on our capital programmes.

The finances of the RNLI remain sound, but we continue to operate in an uncertain economic environment. This comes at a time when we are facing a significant investment need for our lifesaving services and infrastructure requirements if we are to save more lives in the future. We continue to depend more than ever on the public's generosity to support our work in saving lives at sea.

The Trustees have reviewed the RNLI's 5-year business plan this year, which is updated on an annual basis, as well as the principal financial risks, and consider that there

is a reasonable expectation that the RNLI has sufficient resources to continue operating for the foreseeable future. For this reason, they continue to adopt the going-concern basis in preparing the accounts in the knowledge that the RNLI is a viable organisation. A period of 5 years is considered appropriate for the organisation to reflect its pipeline income, including legacy forecasts, and its capital plans with reasonable accuracy, while also giving a reasonable time period to change plans.

FINANCIAL POLICIES FUNDS POSITION AND POLICY

The RNLI's free reserves stood at £132.4M, £12.4M higher than in 2014. This is due mainly to a reduction in the planned capital expenditure fund, as the move to in-house production of our all-weather lifeboat fleet has removed the need to designate funds to reassure suppliers. The free reserves are equivalent to 11 months of charitable expenditure, which is within the Trustees' policy range. These reserves are held to provide assurance of the continuity of lifesaving operations in the event of adverse economic conditions. They include £48.9M of accrued legacies where monies are only accessible once the estate is finalised by the executor and so they are not immediately accessible. This is a substantial increase (£26.9M) on the 2014 position prior to the new Charity SORP, and due to the requirement to accrue legacies on a probable, rather than a certain, basis. There is a further £10.6M of accrued legacies held in restricted funds.

	Ratio %	2015 £M	2014 £M	Change %
Endowed funds	2	14.8	15.3	(3.3)
Restricted funds	15	114.9	107.5	6.9
Fixed asset funds	57	427.1	403.9	5.7
Planned capital expenditure	11	78.7	105.0	(25.0)
Free reserves	18	132.4	120.0	10.3
Pension reserve	(3)	(22.6)	(29.9)	24.4
Total funds	100	745.3	721.8	3.3

The Trustees review the funds policy each year. In conducting this review, they have taken into account best practice and past consultations with the Charity Commission. The policy on endowed and restricted funds remains unchanged, as does the policy on the designated funds for planned capital expenditure. There has been a further designation against our investment gains this year (£0.6M) to set aside funds for international work. This covers any international costs in the event that they are not covered by restricted income.

The RNLI's funds fall into the following categories:

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

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

Restricted funds are only available for expenditure in accordance with the donors' directions. There are over 700 of these funds, which are restricted to expenditure on particular items of equipment and on particular types of service such as crew training or at particular stations. This will include any restricted legacy value accrued on an estimated basis, in accordance with the policy on incoming resources detailed in note 1.

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

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

- 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 3 years in order to maintain the operation of the lifeboat and lifeguard service, principally lifeboat stations and launching equipment now that all lifeboat build is done in-house. The total amount set aside excludes projects to be funded by restricted and endowment funds.
- international, which sets aside funds from investment gains for international work to reassure RNLI supporters that their donations are being used as they expect. It covers any international costs that are not already covered by restricted income. This will be for a period of 5 years only on a cumulative basis, starting from 2015, so that if there is a loss on investments in any one year this can be covered by any prior or future years within that timeframe. It is planned that international work will be self-funded by the end of that period.

All of the above are committed funds.

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

- free reserves, which are retained to enable the Trustees to provide assurance to those at sea, the public and the governments of the UK and Republic of Ireland that the RNLI will be able to sustain its commitment to provide the lifeboat and lifeguard service. The reserves are set at a level to withstand any short-term financial risks, the main ones being in the investment markets or in key sources of income, such as legacies. If free reserves fall outside the range of 6–18 months' charitable expenditure cover, the Trustees will review the business plan and make changes, as they consider appropriate. This will include any unrestricted legacy values accrued.
- pension reserve, which represents the FRS102 accounting deficit for the defined benefit pension scheme and dependants' pensions due after more than 1 year as at the year end. The FRS102 basis is a prescribed accounting basis that requires the discount rate to be the rate on high quality corporate bonds with a duration equivalent to that of the liabilities. Each year, the Scheme Actuary assesses the financial position of the scheme, allowing for the returns expected to be generated by the assets planned to be held by the scheme in the future. These assets would not typically consist of 100% in corporate bonds. Further details are shown in note 15.

INVESTMENT POLICY

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

The RNLI's investment policy is reviewed annually by the Investment Committee and with its investment advisers.

It seeks to adopt a cautious, prudent and well-diversified investment stance to balance potential return with appropriate risk. At the same time, the Trustees are conscious that some level of volatility is inevitable if good investment use is to be made of the sums involved. Risk is spread across different asset classes and between different styles of investment management.

Investments are held centrally by an independent custodian, Northern Trust, who also measured performance during the year.

The RNLI's investments are substantially held in pooled funds, some of which are index tracking funds and not actively managed. The RNLI periodically reviews the policies of the managers of those funds and the managers of its remaining segregated assets with reference to the United Nations Principles of Responsible Investment, and the composition of both its pooled fund and segregated investment portfolios. However, it would not seek to influence the investment discretion of the investment manager or withdraw from any pooled fund unless an investment was identified that conflicted with the charitable objectives of the RNLI. Both the investment policy and the performance of the investment advisers, pooled investment funds and investments held by other investment managers are monitored closely by RNLI staff and the RNLI's Investment Committee.



Photo: RNLI/Nigel Millard



Governance

The Royal National Lifeboat Institution (RNLI) was founded in 1824, and incorporated under Royal Charter in 1860, with Supplemental Charters granted in 1932, 1986, 2002 and 2011. The RNLI is registered as a charity in England and Wales (209603), Scotland (SC037736) and the Republic of Ireland (20003326). The address of the registered office is West Quay Road, Poole, Dorset, BH15 1HZ.

The RNLI is also the sole shareholder for four wholly owned subsidiaries (see note 2), all of which are registered in England and Wales and each managed by a Board of Directors to ensure that company law requirements are met and the business activities are properly managed.

THE TRUSTEES AND MANAGEMENT STRUCTURE

The RNLI is controlled by a Trustee Board that meets formally at least four times a year. Between meetings Trustees engage with the charity, its volunteers and staff in many and varied ways, such as providing guidance on projects, visiting our communities and supporting new initiatives.

The Trustees are a body of volunteers with distinguished careers in a wide variety of fields. They come from all parts of the UK and Republic of Ireland and many have had a lifelong interest in the sea.

Names of RNLI Trustees who served at any time during 2015 and/or were Trustees of the charity as at the date of this report, together with the names of the Chief Executive, other members of the Executive Team, and other relevant people and organisations, are given on pages 65–69, alongside the overall management structure. Trustee Board members serve a 3-year term, and may be reappointed for up to a further two succeeding terms. Following this, after a 3-year break, Trustees can be reappointed.

Trustees are appointed from within and by the Council, which in turn provides broad advice and support to the Trustees. Members of Council may be proposed to the Membership Nomination Committee by the Trustees or a Governor. Consideration is given to people with a range of skills and experience from a cross-section of sectors and industries. We aim to match the skills in the Council to our strategic goals and business plan needs. The Membership Nomination Committee, which comprises the Chairman, the Vice-Chairman (if one is appointed), the Deputy Chairmen and the Chief Executive, reviews the names proposed and submits its recommendations to the Annual General Meeting for election by the Governors.

An additional trustee currently sits on the Membership Nomination Committee, although this is not a mandatory requirement of the committee's composition. Council members serve a 3-year term, but may be re-elected by the Governors for up to a further two succeeding terms.

In 2015, the Trustee Board reviewed their terms of reference and the Matters Reserved for the Board statement. This makes clear the Board responsibilities and where there are clear delegated authorities to act on behalf of the Board. The delegated authorities are discharged through the Committees of the Board, or through the Chief Executive. The Chief Executive is responsible to the Board for the day-to-day running of the RNLI and the execution of the strategy and policies decided by the Trustee Board. A full list of Trustee Board Committees can be found on page 68.

Each Committee of the Board has defined terms of reference, detailing the delegated authorities where appropriate. These terms were all reviewed in 2015, to ensure alignment with the Matters Reserved for the Board. The Committees enable experienced volunteer specialists to contribute to key aspects of the RNLI's affairs.

The RNLI Board operates a *Conflicts of Interest* policy. Conflicts of interest are collated annually and new declarations made and recorded at the start of every formal meeting.

In 2015, the Board reviewed their performance through an online questionnaire and individual interviews. This led to the development of an action plan to improve identified areas in the operation of the Board. In 2015 the Membership Nomination Committee also completed a full review of their role and the nominations processes. An 18-month improvement plan to enhance and improve these was agreed by the Trustees in April 2015, including making the AGM more accessible to our Governors and developing a Trustee Board and Council skills matrix aligned to the RNLI strategic aims.

On appointment, new Trustees have an induction programme and a reference manual to familiarise themselves with the work of the RNLI and their role requirements. Periodic training and workshop sessions are also held for the Trustee body as a whole. In 2015, we refreshed our Trustee and Council induction programmes. They now cover their core role responsibilities, plus a tailored section personalised to meet individuals' needs. We also started a twice-yearly Board and Executive Team workshop to discuss the strategic opportunities and risks we may face in the future.

STATEMENT OF TRUSTEES' FINANCIAL RESPONSIBILITIES

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

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under charity law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the group, and of its, and the group's, surplus or deficit for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records sufficient to show and explain the charity's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the *Charities Act 2011* and applicable accounting regulations. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RISK MANAGEMENT

Effective risk management is at the heart of the successful delivery of our strategy and protecting the future sustainability of the RNLI. By the very nature of the RNLI's purpose, our lifesavers, support staff and operational assets are exposed to risk on a daily basis – we are fully committed to ensuring those risks are properly managed.

An organisation-wide risk management approach is in place that identifies the key strategic and operational risks and ensures they are effectively managed, through clear accountability and escalation when needed. Risks are assessed to determine their level of seriousness, to verify that they are effectively managed and that further mitigation actions are taken where needed.

The Trustee Board, its committees and the Executive Team review risks on an ongoing basis, evaluating the mitigations that are in place and identifying any new risks. The Audit and Risk Committee is a Committee of the

Board, meeting at least twice a year to review the work of the external and internal auditors and the key risks to the RNLI. The committee monitors the resulting risk profile and reports its findings to the Trustee Board. Major incidents can still occur, however, and should the need arise the RNLI has a crisis response plan that is rehearsed and reviewed on a regular basis.

In recognition of the importance of risk management, during 2015 we have strengthened the Risk and Compliance Team to provide additional focus on embedding and improving the risk management framework. We have also established a new Special Interest Group to provide advice in areas such as risk policy development, competence, processes, tools and techniques. In 2016 we will continue to develop our competencies in risk management across the RNLI.

KEY RISKS FACED BY THE RNLI AND HOW WE ARE MANAGING THEM

Health and safety continues to be a risk priority for the RNLI. We have an excellent track record in preventing harm to volunteers, staff and members of the public and are fully committed to maintaining this record. A health and safety framework exists to maintain safety awareness at the highest possible level and to prevent accidents from happening. Operational procedures are in place that set out the appropriate best practice and standards to be followed and these are audited periodically to ensure compliance. A robust training regime is in place for all lifeboat crews, lifeguards and volunteers, supported by an ongoing programme of internal health and safety promotions and awareness campaigns, such as Safety – Get Onboard. A Health and Safety Committee, chaired by the Chief Executive, oversees all aspects of health and safety at the RNLI.

Information security is increasingly high on the risk agenda of many organisations. The importance of defending our IT systems from malicious attack and protecting the personal data we hold from unauthorised access and misuse is also fully recognised by the RNLI. Security measures are in place to protect unauthorised access to IT systems and to carry out ongoing tests for potential vulnerabilities in the IT network. Policies and procedures are also established for protecting data within the working environment, supported by mandatory awareness training for all staff.

Supporter communications by charities have recently come under the spotlight, and the RNLI's decision to move to an opt-in marketing approach recognises both the financial risk to future fundraising income, and the challenge of changing the internal marketing systems and procedures within the committed timescales. A programme is in place to manage this transition, and a robust governance framework has been established to

ensure the associated risks are managed so that the targets are met. You can read more about this on page 16.

Organisational change is key to delivering the RNLI's strategy and business plan successfully, where we save more lives by making the water a safer place for everyone. With any such programme there is a risk that the required change is not achieved. To mitigate this a Transformation programme is in place, resourced with the necessary programme and change management skills. The governance framework for this programme ensures the Executive Team can monitor its progress, and resolves any conflicts in priorities across the organisation.

FUTURE SUSTAINABILITY

For the RNLI to stay sustainable in the future, we need to strike a balance between our economic choices and their impact on the environment, communities and individuals. We need to achieve all of this while maintaining our operational effectiveness.

Our vision is a sustainable RNLI that creates more value than we take. We will achieve this by integrating sustainability considerations into all our planning and decision-making processes.

Our current focus is on the following three areas:

- Social and Community
- Environment
- Economic.

SOCIAL AND COMMUNITY

Health and safety

In 2015 the RNLI continued the Safety – Get Onboard programme, which is about keeping our people, properties and environment safe.

The programme focuses on delivering a safety management system that demonstrates our legal and moral compliance, and on increasing safety awareness by creating a better safety culture and behaviours. These two streams of work are designed to reduce the potential number of incidents or accidents that cause harm, which we actively track through our reporting system. The programme has introduced a new governance structure, as well as a Special Interest Group made up of specialist volunteers who help update us on best practice and provide advice in this field.

Inclusion and diversity

Our goal is to be truly inclusive, benefit from diversity and appreciate everyone for their individual contribution. Work on inclusion and diversity (I&D) in the RNLI continues to focus on creating awareness and putting the building blocks in place that will make an impact in future. Building a genuinely inclusive and diverse culture is integral to our organisational goals and, in 2016, I&D will play a key role in creating the conditions for saving more lives in a sustainable fashion.

A sustainable RNLI that creates more value than we take

Environment

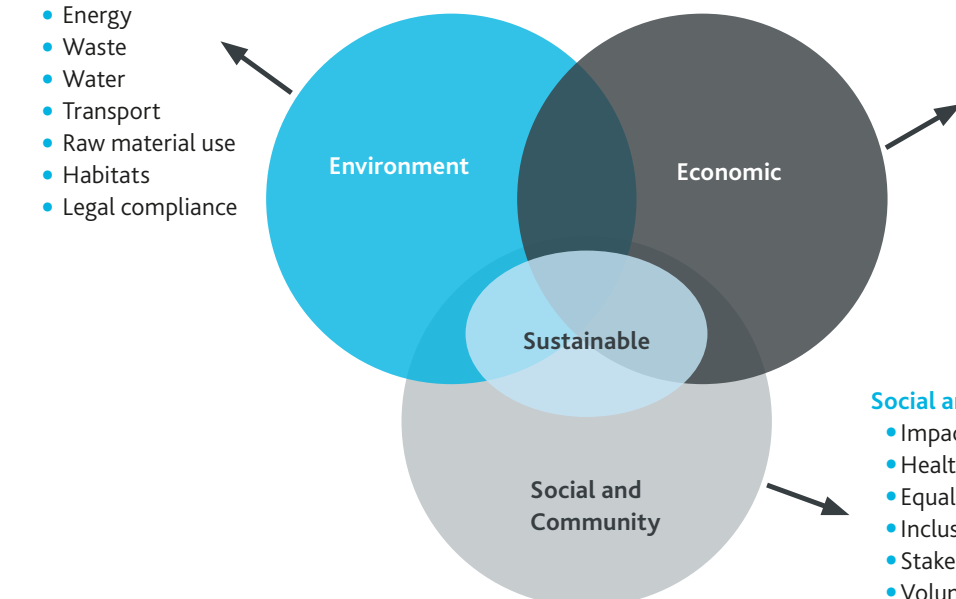
- ISO 14001
- Energy
- Waste
- Water
- Transport
- Raw material use
- Habitats
- Legal compliance

Economic

- Product selection
- Suppliers' sustainability credentials
- Investment criteria
- Fundraising standards
- Transparent financial reporting

Social and Community

- Impacts on health and wellbeing
- Health and safety
- Equal opportunities
- Inclusion and diversity
- Stakeholder engagement
- Volunteer engagement
- Fair and equal pay



In 2015 we have developed consultation and network groups to encourage openness, collaboration and an inclusive culture, some of which are reviewed on page 21.

We have actively supported Pride events and have explored using diversity associates as a reporting route for issues. We promote flexible working to enable a diverse workforce, and are expanding Inspiring Inclusion training to reach new audiences. Investment in inclusive leadership capability will enable leaders and managers to contribute to the I&D culture shift.

Our priorities in 2016 are to build on this work, using a network of I&D champions, and drive our themes through the organisation into our communities, in the UK, Republic of Ireland and worldwide.

ENVIRONMENT

Environmental management

The RNLI passed the ISO 14001 surveillance audit in 2015 and is now preparing for recertification in 2016 and transition to the revised ISO 14001 (2015) standard by 2018.

Energy

The RNLI achieved Energy Saving Opportunities Scheme (ESOS) compliance. A new Energy Manager role is helping us to achieve improved energy efficiency, financial savings and carbon reduction where practical and cost effective.

Waste

We continue to investigate future options for recovering value and reducing waste to landfill from all RNLI equipment at the end of its operational life. Innovative solutions, such as the lifejacket decommissioning project 235 Made for Life, will help us pursue the circular economy model of resource use.

ECONOMIC

Investment criteria

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

Fundraising standards

Contacting our supporters and supervising our fundraisers

The RNLI prides itself on a high standard of ethical fundraising and we continually review how we contact the public to ask for support. This ensures we follow regulations, meet our charity's own high standards and exceed the public's expectations. Following the public's concern over charity fundraising during Summer 2015, the RNLI reviewed its practices and made the decision to move to opt-in communications. From 1 January 2017 we promise to only contact people by email, post or phone if they have given their express permission. During 2016, the RNLI will be working hard to ensure that all staff and volunteers understand the implications of the RNLI's opt-in approach and are fully aware of their responsibilities.

RNLI staff and volunteers deliver all the charity's fundraising activities. While we do work with specialist people and organisations to advise and support our fundraising activities, we do not employ external agencies to carry out professional fundraising on our behalf.

Future funding stance

The RNLI has identified that there are some potential risks to its current long-term fundraising model and as part of the restructure at the start of 2015, began the move towards a wider funding strategy. It will take a more comprehensive approach to funding the organisation, broadening the range of activities that generate income to support the RNLI's purpose alongside traditional fundraising approaches.

The reliance on fundraising will be reduced over the coming years, in order to provide a sustainable and balanced portfolio of activity that allows the organisation to have the flexibility to cope with future changes in the economy and fundraising environment.

It should be noted that the contribution that fundraising income makes to our overall funding model is not expected to reduce in absolute terms, but over time we aim to decrease the percentage contribution.

There is a short-term risk to funding as a result of the decision to move to an opt-in communication strategy, and this will be managed through our normal planning process.

Planning effectively

Following our decision to move to an opt-in communications strategy from January 2017, we have realigned our fundraising plans in 2016 to ensure success in implementing the programme. This includes the mitigation activities that the Trustees have overseen and contributed to. Our plans in 2016 have been built in line with the agreed business plan projections.

Protecting our reputation, money and other assets

As a charity, gaining supporters' trust is incredibly important. The RNLI must demonstrate that it is a responsible and worthy recipient of supporters' generous donations. We therefore work hard to ensure that we actively manage our money and other assets responsibly and do all we can to maintain our good reputation by being transparent and trustworthy.

The decision to move to an opt-in communications approach is a clear statement that the RNLI remains committed to meeting its supporters' expectations by acting ethically. We believe that this approach has led to us having – and retaining – one of the highest levels of donor and supporter trust within the sector.

The RNLI takes its responsibility for managing supporters' donations very seriously and applies rigorous financial controls to ensure funds are monitored, tracked and go to the right places at the right time. While these internal processes can be complex, the RNLI strives to make the supporter's experience simple – making it easy to donate in a way that suits individuals, whether that's online, by post, over the phone or through other means.

Protecting the vulnerable

The RNLI takes its responsibility towards vulnerable supporters very seriously and our in-house Supporter Care Team have been trained to respond sensitively and appropriately to any individual who they consider to be vulnerable. We are reviewing our approach and intend to extend this specialist training to all frontline fundraising teams.

Complying with fundraising laws and regulation

We recognise that fundraising regulation is changing – our Compliance Team advises fundraising teams of their responsibilities with regard to any amendments.

The Trustees are satisfied that the RNLI has adhered to the appropriate fundraising standards in 2015.

Compliance with recognised standards

Each fundraising team is responsible for making sure that they are compliant with the standards laid out in the Institute of Fundraising's *Code of Fundraising Practice*. However, the RNLI aims to exceed these by applying our own additional fundraising standards to ensure that we are open, honest and respectful in all cases. It is this approach that has led us to manage and run our own internal teams rather than outsource this activity as some charities do. We are satisfied that we meet all current standards.

Open and accountable

The RNLI works hard to ensure that anyone supporting the charity understands how their money will be used to save lives at sea. This is reflected in the low levels of negative feedback and complaints received. Where we receive complaints, we respond on a one-to-one basis as quickly as possible.

Complaints and negative feedback

We continue to record and report all complaints received. Response times and levels have been in accordance with our policy. In 2015 we received a total of 274 complaints, which – compared to our levels of activity – is extremely low. Of these complaints, 99 related directly to fundraising activities.

Policies, principles and standards

RNLI PAY POLICY

Around 95% of the people who work for the RNLI do so as unpaid volunteers, including all the members of the Trustee Board, the Chair, and members of the Council. The RNLI only employs paid staff where absolutely necessary to run what is a complex service in a hazardous environment. There are a number of specific skills needed to keep such an organisation running as safely as possible and at peak efficiency. As such the RNLI has to compete in the labour market and have an appropriate pay policy in place to ensure we can attract and retain the right people with the right skills to deliver our lifesaving work, offering a suitably competitive level of reward and appropriate recognition for our staff.

The pay policy of the RNLI is approved by the Remuneration Committee. The Remuneration Committee may take external counsel as well as recommendations from the Chief Executive and the People and Transformation Director.

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

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

The RNLI adheres to the requirements of the UK Government's National Living Wage.

KEY PRINCIPLES APPLICABLE TO PAY AT ALL LEVELS IN THE RNLI

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

a complementary recognition scheme using non-cash and cash rewards for exceptional contributions outside an individual's normal job role.

- Pay is reviewed consistently using the same approach for all staff, including the Executive Team and the Chief Executive. No individual performance bonuses are paid.
- Annual pay budgets take into account affordability, economic trends and external market pay movement.

SENIOR EXECUTIVE PAY DISCLOSURE

The RNLI acknowledges the recommendations made following the *Report of the Inquiry into Charity Senior Executive Pay and the Guidance Provided for Trustees in Setting Remuneration* by the National Council for Voluntary Organisations (NCVO). The inquiry advocates greater transparency and the RNLI recognises and accepts those recommendations. As a result, the RNLI has provided greater clarity since the *2014 Annual Report*, and on the RNLI website, with greater disclosure on the pay of key management personnel – the Executive Team – as well as continuing to disclose the Chief Executive's pay in full (see note 3).

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

GRANT-MAKING POLICY

With the development of our International Strategy there has been an increase in the frequency and value of the grants we pay to support the work of partner organisations. On the advice of our legal and finance specialists, we undertook a review of the policy and processes that guide RNLI grant-making. The review was informed by the best practices of peer organisations, and the Charity Commission's guidelines and recommendations following the UK Government's investigation of its funding of Kids Company.

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

The payment of grants is linked to reaching agreed project milestones and is controlled under the RNLI's Standing Financial Instructions. Planned annual grants are sanctioned as part of the annual budget approval process. These are recorded in a register and are subject to regular review and control by the Executive Team under a delegated authority from the Trustees.

CERTIFICATIONS

The RNLI works to the following standards and certifications:

THE FUNDRAISING STANDARDS BOARD

The RNLI is a member of the Fundraising Standards Board and maintains a formal complaints procedure. The RNLI fully supports the self-regulation of fundraising and is committed to providing its supporters with the best possible level of service.

ACCREDITATION OF TRAINING AND ASSESSMENT STANDARDS

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

The Association of Marine Electronic and Radio Colleges (AMERC) accredits our Search and Rescue Radio Operator's course (SARROC) and our Long Range course (LRC).

Our STCW 95 Sea Survival course, Casualty Care course and Approved Engine course (AEC) are accredited by the Maritime and Coastguard Agency (MCA).

Our Casualty Care course is also accredited by the College of Paramedics, the Anaesthesia Trauma and Critical Care (ATACC) group and the Faculty of Pre-Hospital Care at The Royal College of Surgeons of Edinburgh.

All our flood rescue courses are approved by the Department for Environment, Food & Rural Affairs (DEFRA). Our launch and recovery training is accredited by the Off-highway Plant and Equipment Research Centre (OPERC).

PENSION QUALITY MARK PLUS

The RNLI's Group Personal Pension Plan has met the standards required for the Pension Quality Mark Plus from the Pensions and Lifetime Savings Association.

UK MUSEUM ACCREDITATION

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

ISO 9001:2008, QUALITY MANAGEMENT SYSTEMS

The RNLI's Engineering and Supply function is certified to this quality standard and regularly externally audited to ensure quality in the design, supply and support of boats and related equipment.

ISO 14001, ENVIRONMENTAL MANAGEMENT SYSTEMS

The RNLI is certified to ISO 14001, which is the International Standard for Environmental Management Systems. Through this we assess, monitor and document the significant environmental aspects and impacts of our operations. We set objectives and targets, and take action in order to continually improve our environmental performance and to reduce our carbon footprint, without compromising our operational effectiveness.

SUPPORT TO THE DEVELOPMENT OF ISO STANDARDS

The RNLI played an active and leadership role in developing a new global International Standard for beach operations (ISO 13009:2015), including lifeguard operations, first aid, zoning, flags and signage, which is now in its first year of publication. We will continue to support countries across the world in developing their beach safety practices in line with this standard.

The Annual Report of the Trustees of the RNLI was approved by the Trustees of the RNLI on 13 April 2016 and signed on their behalf by



Charles Hunter-Pease OBE
RNLI Chairman

Independent auditor's 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 2015 set out on pages 41–64. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's Trustees, as a body, in accordance with section 154 of the Charities Act 2011 and in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 151 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). These standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements.

In addition, we read all the information in the Trustees' Report to identify material inconsistencies with the audited

financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 December 2015 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 2011 or the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Crowe Clark Whitehill LLP

Crowe Clark Whitehill LLP
Statutory Auditor
St Bride's House
10 Salisbury Square
London
EC4Y 8EH
20 April 2016

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

RNLI CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2015

	Note	Unrestricted funds			Restricted funds £M	Endowed funds £M	Total 2015 £M	Total 2014 £M
		General funds £M	Designated funds £M	Fixed asset funds £M				
Income and endowments from:								
Legacies		88.1	–	–	30.4	–	118.5	114.3
Donations		42.5	–	–	14.0	–	56.5	58.0
Trading activities		9.3	–	–	–	–	9.3	12.5
Investments	7c	2.2	–	–	(0.1)	–	2.1	2.5
Charitable activities		3.5	–	–	–	–	3.5	3.6
Other income		1.5	–	–	–	–	1.5	0.6
Total income and endowments		147.1	–	–	44.3	–	191.4	191.5
Expenditure on:								
Legacies and donations		(27.5)	–	(0.4)	(0.1)	–	(28.0)	(27.3)
Trading activities		(6.8)	–	(0.1)	–	–	(6.9)	(7.3)
Investment management		(0.3)	–	–	(0.1)	–	(0.4)	(0.8)
Raising funds		(34.6)	–	(0.5)	(0.2)	–	(35.3)	(35.4)
Lifeboat service		(22.1)	–	(1.6)	(9.8)	–	(33.5)	(31.9)
Lifeboats, property and equipment		(41.1)	–	(22.9)	(12.4)	–	(76.4)	(68.3)
Lifeboat rescue		(63.2)	–	(24.5)	(22.2)	–	(109.9)	(100.2)
Lifeguard rescue		(17.1)	–	(1.6)	(0.2)	–	(18.9)	(16.4)
International		–	(0.6)	–	(0.7)	–	(1.3)	(1.0)
Safety, education and awareness		(9.9)	–	(0.1)	–	–	(10.0)	(7.0)
Charitable activities		(90.2)	(0.6)	(26.2)	(23.1)	–	(140.1)	(124.6)
Total expenditure	5	(124.8)	(0.6)	(26.7)	(23.3)	–	(175.4)	(160.0)
Net gains/(losses) on investments	7b	1.2	0.6	–	2.1	(0.5)	3.4	18.0
Net income/(expenditure)		23.5	–	(26.7)	23.1	(0.5)	19.4	49.5
Transfers between funds	1h	(7.9)	(26.3)	49.9	(15.7)	–	–	–
Actuarial gains/(losses) on pension schemes		4.1	–	–	–	–	4.1	(14.9)
Net movement in funds		19.7	(26.3)	23.2	7.4	(0.5)	23.5	34.6
Reconciliation of funds:								
Funds at 1 January		90.1	105.0	403.9	107.5	15.3	721.8	687.2
Movement in funds		19.7	(26.3)	23.2	7.4	(0.5)	23.5	34.6
Funds at 31 December		109.8	78.7	427.1	114.9	14.8	745.3	721.8

All of the charity's activities are continuing. There were no gains or losses other than those shown above. The notes on pages 46–64 form part of these accounts.

RNLI CONSOLIDATED BALANCE SHEET

as at 31 December 2015

	Note	2015		2014	
		£M	£M	£M	£M
Assets employed					
Fixed assets	6				
Intangible assets		0.4		1.2	
Tangible assets		426.7		402.7	
			427.1		403.9
Investments	7		273.6		290.2
Current assets					
Stocks	8	16.4		13.2	
Debtors	9	65.2		60.4	
Short-term deposits		0.3		2.4	
Bank and cash		3.3		2.0	
		85.2		78.0	
Creditors – amounts falling due within 1 year	10	(12.6)		(14.4)	
Net current assets			72.6		63.6
Creditors					
Amounts falling due after more than 1 year	10		(5.4)		(6.0)
Defined benefit pension liability	10		(22.6)		(29.9)
Net assets			745.3		721.8
Funds					
Endowed funds: Permanent		10.6		10.9	
Expendable		4.2		4.4	
			14.8		15.3
Restricted funds			114.9		107.5
Unrestricted funds					
Fixed asset funds			427.1		403.9
Designated funds			78.7		105.0
General funds: Free reserves		132.4		120.0	
Pension reserve		(22.6)		(29.9)	
			109.8		90.1
Total funds			745.3		721.8

The notes on pages 46–64 form part of these accounts.
The accounts of the RNLI and the consolidated accounts
were approved and authorised for issue by the Trustees
on 13 April 2016 and signed on their behalf.



Charles Hunter-Pease OBE
Chairman



Paul Boissier CB MA MSc
Chief Executive

RNLI CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2015

	Note	2015 £M	2014 £M
Cash flow from operating activities:			
Net cash provided by operating activities	(a)	26.8	50.6
Cash flows from investing activities:			
Investment income		2.1	2.5
Proceeds from the sale of fixed assets		1.6	2.1
Purchase of fixed assets		(51.3)	(64.7)
Purchase of investments		(30.5)	(79.5)
Proceeds from sale of investments		50.5	86.0
Net cash used in investing activities		(27.6)	(53.6)
Cash flow from financing activities		–	–
Change in cash and cash equivalents in the reporting period		(0.8)	(3.0)
Reconciliation of cash flow:			
Cash and cash equivalents at the beginning of the reporting period		4.4	7.4
Change in cash and cash equivalents in the reporting period		(0.8)	(3.0)
Cash and cash equivalents at the end of the reporting period	(b)	3.6	4.4

	2015 £M	2014 £M
Notes to the consolidated cash flow statement		
(a) Reconciliation of net income to net cash flow from operating activities		
Net income for the period (as per the SoFA)	23.5	34.6
Depreciation and amortisation charges	26.7	24.8
Gains on investments	(3.4)	(18.0)
Investment income	(2.1)	(2.5)
Profit on the sale of fixed assets	(0.2)	(0.3)
(Increase)/decrease in stock	(3.2)	1.3
(Increase)/decrease in debtors	(4.8)	2.7
(Decrease)/increase in creditors	(9.7)	8.0
Net cash provided by operating activities	26.8	50.6
(b) Analysis of cash and cash equivalents		
Bank and cash	3.3	2.0
Short-term deposits	0.3	2.4
Total cash and cash equivalents	3.6	4.4

RNLI STATEMENT OF FINANCIAL ACTIVITIES†

for the year ended 31 December 2015

	Note	Unrestricted funds			Restricted funds	Endowed funds	Total 2015	Total 2014
		General funds	Designated funds	Fixed asset funds				
		£M	£M	£M	£M	£M	£M	£M
Income and endowments from:								
Legacies		88.1	–	–	30.4	–	118.5	114.3
Donations		42.5	–	–	14.0	–	56.5	58.0
Donations from trading companies		4.0	–	–	–	–	4.0	8.2
Investments	7c	2.2	–	–	(0.1)	–	2.1	2.5
Charitable activities		3.5	–	–	–	–	3.5	3.6
Other income		1.5	–	–	–	–	1.5	0.6
Total income and endowments		141.8	–	–	44.3	–	186.1	187.2
Expenditure on:								
Legacies and donations		(27.5)	–	(0.4)	(0.1)	–	(28.0)	(27.3)
Investment management		(0.3)	–	–	(0.1)	–	(0.4)	(0.8)
Raising funds		(27.8)	–	(0.4)	(0.2)	–	(28.4)	(28.1)
Lifeboat service		(22.1)	–	(1.6)	(9.8)	–	(33.5)	(31.9)
Lifeboats, property and equipment		(42.9)	–	(22.9)	(12.4)	–	(78.2)	(71.5)
Lifeboat rescue		(65.0)	–	(24.5)	(22.2)	–	(111.7)	(103.4)
Lifeguard rescue		(17.1)	–	(1.6)	(0.2)	–	(18.9)	(16.4)
International		–	(0.6)	–	(0.7)	–	(1.3)	(1.0)
Safety, education and awareness		(9.9)	–	(0.1)	–	–	(10.0)	(7.0)
Charitable activities		(92.0)	(0.6)	(26.2)	(23.1)	–	(141.9)	(127.8)
Total expenditure		(119.8)	(0.6)	(26.6)	(23.3)	–	(170.3)	(155.9)
Net gains/(losses) on investments	7b	1.2	0.6	–	2.1	(0.5)	3.4	18.0
Net income/(expenditure)		23.2	–	(26.6)	23.1	(0.5)	19.2	49.3
Transfers between funds	1h	(7.9)	(26.3)	49.9	(15.7)	–	–	–
Actuarial gains/(losses) pension schemes		4.1	–	–	–	–	4.1	(14.9)
Net movement in funds		19.4	(26.3)	23.3	7.4	(0.5)	23.3	34.4
Reconciliation of funds:								
Funds at 1 January		97.6	105.0	395.7	107.5	15.3	721.1	686.7
Movement in funds		19.4	(26.3)	23.3	7.4	(0.5)	23.3	34.4
Funds at 31 December		117.0	78.7	419.0	114.9	14.8	744.4	721.1

All of the charity's activities are continuing. There were no gains or losses other than those shown above. The notes on pages 46–64 form part of these accounts

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

RNLI BALANCE SHEET†

as at 31 December 2015

	Note	2015		2014	
		£M	£M	£M	£M
Assets employed					
Fixed assets					
Tangible assets			419.0		395.7
Investments			274.8		291.7
Current assets					
Debtors	9	81.6		69.4	
Short-term deposits		0.3		2.4	
Bank and cash		2.1		3.4	
		84.0		75.2	
Creditors – amounts falling due within 1 year	10	(5.4)		(5.6)	
Net current assets			78.6		69.6
Creditors					
Amounts falling due after more than 1 year	10		(5.4)		(6.0)
Defined benefit pension liability	10		(22.6)		(29.9)
Net assets			744.4		721.1
Funds					
Endowed funds: Permanent		10.6		10.9	
Expendable		4.2		4.4	
			14.8		15.3
Restricted funds			114.9		107.5
Unrestricted funds					
Fixed asset funds			419.0		395.7
Designated funds			78.7		105.0
General funds: Free reserves		139.6		127.5	
Pension reserve		(22.6)		(29.9)	
			117.0		97.6
Total funds			744.4		721.1

The notes on pages 46–64 form part of these accounts. The accounts of the RNLI and the consolidated accounts were approved and authorised for issue by the Trustees on 13 April 2016 and signed on their behalf.

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

Charles Hunter-Pease OBE
Chairman

Paul Boissier CB MA MSc
Chief Executive

RNLI NOTES TO THE ACCOUNTS
for the year ended 31 December 2015

1. ACCOUNTING POLICIES

a) Basis of accounting

The accounts (financial statements) have been prepared in accordance with the *Accounting and Reporting by Charities: Statement of Recommended Practice (SORP)*, in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the *Charities Act 2011* and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts (financial statements) have been prepared to give a true and fair view and have departed from the *Charities (Accounts and Reports) Regulations 2008* only to the extent required to provide a true and fair view. This departure has involved following *Accounting and Reporting by Charities*, preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 rather than the *Accounting and Reporting by Charities: Statement of Recommended Practice* effective from 1 April 2005, which has since been withdrawn.

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

There are no material uncertainties about the charity's ability to continue as a going concern.

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS102 and the Charities SORP FRS102 the restatement of comparative items was required. This is detailed in note 18.

b) Significant judgements and estimates

The key sources of uncertainty in our estimations that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

- residuary legacies – the charity recognises residuary legacies once probate has been granted, which therefore requires an estimation of the amount receivable
- pension liabilities – the charity recognises its liability to its defined benefit pension scheme, which involves a number of estimations as disclosed in note 15.

c) Basis of consolidation

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

d) Depreciation and impairment

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 assessed as follows:

Goodwill and Intellectual property	Straight line over the estimated useful life
Assets under construction	No depreciation is charged on assets in the course of construction
Freehold lifeboat stations and shoreworks	Straight line over 50 years
Other freehold/ leasehold buildings	Straight line over 50 years/ period of lease
Lifeboats	13–25% reducing balance per annum
Launching equipment	13% reducing balance per annum/ straight line over 10 years
Office furniture and depot plant	Straight line over 5–10 years
Computer and electronic equipment	Straight line over 4 years
Motor vehicles	Straight line over 4 years

Assets are valued at their value in use to the charity, as prescribed by the SORP, rather than the market value of the asset. On that basis, impairment is recognised when the asset is no longer used for its original charitable purpose.

e) Pension schemes

The RNLI operates a defined benefit pension scheme covering its employees in the UK and the Republic of Ireland. The scheme was closed to new entrants from 1 January 2007 and closed to future benefit accrual on 30 September 2012, although benefits for active members accrued up to 30 September 2012 continue to be subject to any increases in pensionable pay. A defined contribution pension scheme was established for new staff joining from 1 January 2007 and this was also offered as an alternative to members of the defined benefit pension scheme on its closure. The defined benefit scheme assets are held in a separate Trustee-administered fund. The cost charged in the Statement of Financial Activities (SoFA) represents current service costs and gains and losses on settlements and curtailments calculated in accordance with Accounting Standard FRS102. Further details are shown in note 15. Contributions in respect of the defined contribution scheme are recognised as expenditure as they become payable.

f) Income

All income is included in the SoFA when the charity is legally entitled to the income and the amount can be

quantified with reasonable accuracy. Pecuniary legacies are recognised as receivable once probate has been granted and notification has been received. Residuary legacies are recognised as receivable once probate has been granted where sufficient information has been received, on an estimated basis as follows: cash elements are recognised at monetary value, with property and other assets, including investments, valued at probate or estimated market value. Values are reviewed and adjusted up to the point of accounts approval. On receipt, and where material, donations in kind are recognised on the basis of the value of the gift to the charity, which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Support costs representing expenditure on governance, estates and administration, financial management, human resources administration and information systems and infrastructure have been allocated to resources expended, excluding merchandising and investment management, on the basis of cost.

h) Fund accounting

The RNLI's funds fall into the following categories:

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

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

Restricted funds are only available for expenditure in accordance with the donors' directions. There are over 700 of these funds, which are restricted to expenditure on particular items of equipment and on particular types of service such as crew training or at particular stations. This will include any restricted legacy value accrued on an estimated basis, in accordance with the policy on incoming resources detailed in this note.

Fixed asset funds represent the assets of the RNLI, the vast majority of which are the lifeboats, launching equipment and operational properties, such as lifeboat stations and lifeguard units. Without them the RNLI could not operate.

They are shown separately to other unrestricted funds due to the size and importance of these assets to the RNLI.

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

- 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 3 years in order to maintain the operation of the lifeboat and lifeguard service, principally lifeboat stations and launching equipment now that all lifeboat build is done in-house. The total amount set aside excludes projects to be funded by restricted and endowment funds.
- international, which sets aside funds from investment gains for international work to reassure RNLI supporters that their donations are being used as they expect. It covers any international costs that are not already covered by restricted income. This will be for a period of 5 years only on a cumulative basis, starting from 2015, so that if there is a loss on investments in any one year this can be covered by any prior or future years within that timeframe. It is planned that international work will be self-funded by the end of that period.

All of the above are committed funds.

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

- free reserves, which are retained to enable the Trustees to provide assurance to those at sea, the public and the governments of the UK and Republic of Ireland that the RNLI will be able to sustain its commitment to provide the lifeboat and lifeguard service. The free reserves are set at a level to withstand any short-term financial risks, the main ones being in the investment markets or in key sources of income, such as legacies. If free reserves fall outside the range of 6–18 months' charitable expenditure cover, the Trustees will review the business plan and make changes, as they consider appropriate. This will include any unrestricted legacy values accrued.
- pension reserve, which represents the FRS102 accounting deficit for the defined benefit pension scheme and dependants' pensions due after more than 1 year as at the year end. The FRS102 basis is a prescribed accounting basis that requires the discount rate to be the rate on high quality corporate bonds with a duration equivalent to that of the liabilities. Each year, the Scheme Actuary assesses the financial position of the scheme, allowing for the returns expected to be generated by the assets planned to be held by the scheme in the future. These assets would not typically consist of 100% in corporate bonds. Further details are shown in note 15.

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

i) Operating leases

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

j) Investments

Investments for which there is a quoted market value are valued at the bid-price ruling at the balance sheet date. Other investments are valued at their realisable market value. Unrealised gains and losses arising during the year are included in the Statement of Financial Activity.

k) Stocks

Stocks are valued at cost or written-down value. Stocks are reviewed on a line-item basis at least annually and provision is made against cost to reduce carrying value to estimated realisable value.

l) Presentation currency

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

m) Exchange rate gains and losses

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

n) Cash at bank and short-term deposits

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

o) Financial instruments

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

2. SUBSIDIARY COMPANIES

The RNLI has four directly, wholly owned subsidiaries, RNLI (Trading) Limited (company number 1073377), RNLI (Enterprises) Limited, RNLI (Sales) Limited and RNLI College Limited, all of which are registered in England and Wales. RNLI (Trading) Limited has a fully owned subsidiary, SAR Composites Limited, that carries out hull construction.

The activities of RNLI (Trading) Limited and RNLI College Limited relate directly to the charitable activities of the RNLI, although both companies have some external sales of excess capacity, if available. The other companies are used for non-charitable activities to raise funds for the charity. RNLI (Sales) Limited sells gifts and souvenirs through the RNLI’s network of station branches, fundraising branches and guilds and operates a mail order and web-based catalogue and started to operate the Lifeboat Lottery from October 2015, while RNLI (Enterprises) Limited raises funds through any other business activities.

In 2015 the RNLI reviewed the operation of its subsidiary companies to streamline operations and save money, where possible. As a result, the Trustees have decided to close RNLI (Enterprises) Limited and SAR Composites Limited. The business activities of RNLI (Enterprises) Limited will move to RNLI (Sales) Limited, while the activities of SAR Composites Limited will transfer within the RNLI Group, as appropriate. The closure of these companies is expected to complete by the end of 2016.

At 31 December 2015 RNLI (Trading) Limited, and its subsidiary, owned fixed assets with a net book value of £5.3M (2014: £5.0M), and stock and other current assets of £19.8M (2014: £16.2M). It has external and parent charity liabilities, including its subsidiaries, of £5.9M (2014: £10.1M) and £18.2M (2014: £10.1M) respectively. In total it has net assets of £1.0M (2014: £1.0M). The assets and liabilities of the other subsidiary companies are not material.

The internal supplies of RNLI (Trading) Limited to the RNLI represent supplies of lifeboats and lifeguard equipment and maintenance, lifeboat station construction and maintenance, and the provision of communications equipment at a total of £95.4M (2014: £106.8M), while SAR Composites Limited carries out the lifeboat hull construction with supplies of £3.6M (2014: £4.3M). RNLI College Limited trains lifeboat crew and lifeguards for the RNLI, with supplies of £5.8M (2014: £5.8M). The RNLI charges its subsidiaries for the use of any shared resources at a total of £5.0M (2014: £5.5M), charged to the subsidiaries on a cost basis.

The unconsolidated balance sheet of the RNLI, excluding the four subsidiary companies, has net assets, after pension liabilities, of £744.4M (2014: £721.1M). This is substantially the same as group net assets at £745.3M (2014: £721.8M). For this reason, while an RNLI balance sheet is presented on page 45, the notes to the financial statements show only the consolidated position, except where there is a material difference.

	RNLI (Enterprises) Ltd		RNLI (Sales) Ltd		RNLI College Ltd	
	2015 £M	2014 £M	2015 £M	2014 £M	2015 £M	2014 £M
Merchandising and other trading	0.7	3.6	7.6	7.1	1.6	1.8
Internal supplies	–	–	–	–	5.8	5.8
Cost of sales	–	–	(3.9)	(4.0)	(0.9)	(0.9)
Gross profit	0.7	3.6	3.7	3.1	6.5	6.7
Operating costs	–	(0.4)	(1.5)	(1.3)	(6.2)	(6.0)
Net profit	0.7	3.2	2.2	1.8	0.3	0.7
Amount of covenant or Gift Aid to the RNLI	(0.7)	(3.2)	(2.2)	(1.8)	(0.3)	(0.7)
Retained in subsidiary	–	–	–	–	–	–
Amounts owed (to)/by the RNLI	(0.3)	(0.3)	(0.4)	(0.8)	0.1	0.7

Donations to the RNLI generated through the activities of RNLI (Enterprises) Limited and RNLI (Sales) Limited amounted to £0.5M (2014: £1.4M).

	RNLI (Trading) Ltd		SAR Composites Ltd	
	2015 £M	2014 £M	2015 £M	2014 £M
Internal supplies	95.4	106.8	3.6	4.3
New lifeboats and lifeboat/lifeguard equipment	(20.4)	(17.2)	(2.5)	(2.6)
Maintenance of lifeboats, equipment and property	(48.6)	(56.2)	–	–
New lifeboat stations and lifeguard units	(21.8)	(28.8)	–	–
Gross profit	4.6	4.6	1.1	1.7
Operating costs	(3.8)	(3.3)	(1.4)	(0.5)
Net profit/(loss)	0.8	1.3	(0.3)	1.2
Amount of covenant or Gift Aid to the RNLI	(0.8)	(1.3)	–	(1.2)
Retained in subsidiary	–	–	(0.3)	–
Amounts owed to the RNLI	(18.0)	(11.5)	–	(0.1)

3. STAFF COSTS

The RNLI relies heavily on the work of volunteers to launch and crew the lifeboats, support our lifeguard service and operate the large network of station branches, fundraising branches and groups. We are founded on these volunteers who account for 95% of the RNLI's people and include 4,700 volunteer crew members and over 3,000 volunteer shore crew and lifeboat station management. The majority of our volunteers, in number, however, are the fundraisers who raise money, give safety advice and help in our shops, museums and offices.

Staff costs, both to support these volunteers and to save lives in areas such as lifeguards, are as follows:

	2015 £M	2014 £M
Wages and salaries	56.0	50.3
Social security costs	5.3	5.0
Pension costs	8.1	7.5
Total	69.4	62.8
Severance pay	0.2	0.5

Total staff costs include £1.3M (2014: £0.4M) resulting from RNLI lifeguard expansion, which includes 10 additional beach lifeguard units, and also an increase in the season and hours of patrol on certain beaches. The remaining increase is due, largely, to the increase in staff numbers for the new All-weather Lifeboat Centre and the various projects to transform the RNLI, ranging from IT projects to safety initiatives, that are transient in nature and should decrease once the projects are completed.

The following number of employees received emoluments in excess of £60,000:

	2015 Number	2014 Number
£60,000–£69,999	15	15
£70,000–£79,999	7	5
£80,000–£89,999	4	4
£90,000–£99,999	3	2
£100,000–£109,999	–	1
£110,000–£119,999	–	–
£120,000–£129,999	–	–
£130,000–£139,999	–	–
£140,000–£149,999	–	1
£150,000–£159,999	1	–
Total	30	28

Included in this are RNLI Directors, who received emoluments in excess of £60,000 as follows:

	2015 Number	2014 Number
£60,000–£69,999	–	–
£70,000–£79,999	1	1
£80,000–£89,999	3	4
£90,000–£99,999	3	1
£100,000–£109,999	–	1
£110,000–£119,999	–	–
£120,000–£129,999	–	–
£130,000–£139,999	–	–
£140,000–£149,999	–	1
£150,000–£159,999	1	–
Total	8	8

Key management personnel (including RNLI Directors and the Chief Executive) received total aggregate employee benefits of £977,092 (2014: £913,400). The Chief Executive received aggregate employee benefits of £151,110 (2014: £149,123). Aggregate employee benefits represents salaries, social security, pension costs and company cars.

26 (2014: 27) employees who received emoluments in excess of £60,000 are members of the defined contribution scheme and received employer contributions of £396,520 (2014: £405,648).

The average monthly headcount was 2,138 (2014: 1,907). The total average number of employees, calculated on a full-time equivalent (FTE) basis, analysed by function was:

	2015 Number	2014 Number
Lifeboat service	248	234
Lifeboats, property and equipment	559	512
Lifeguard rescue	456	421
International	8	3
Safety, education and awareness	101	90
Support	252	229
Legacies and donations	273	253
Trading activities	19	21
Total	1,916	1,763

The RNLI employs seasonal staff in the form of lifeguards and face-to-face fundraisers. Lifeguards are recruited and deployed on beaches when required and have been included above in Lifeguard rescue as FTE of 412 (2014: 377). The peak number of lifeguards employed during the Summer months was 1,180 (2014: 1,062).

Face-to-face fundraisers are also recruited and deployed on beaches during the Summer months and have been included in legacies and donations as FTE of 28 (2014: 23).

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

	2015 Number	2014 Number
Lifeboat service	248	234
Lifeboats, property and equipment	559	512
Lifeguard rescue	44	44
International	8	3
Safety, education and awareness	101	90
Support	252	229
Legacies and donations	245	230
Trading activities	19	21
Total	1,476	1,363

4. TRUSTEE, COUNCIL AND COMMITTEE COSTS

No Trustees, or any persons connected with them, received remuneration. Travelling expenses are reimbursed, if claimed, to Trustees and members of advisory committees, the Audit and Risk Committee and the Council. In total, £8,542 (2014: £11,676) was reimbursed to 7 Trustees, 13 Council members and members of advisory committees and the Audit and Risk Committee (2014: 7 Trustees, 18 Council members and members of advisory committees and the Audit and Risk Committee). Total donations of £7,519 were received in 2015 from the Trustees.

5. TOTAL RESOURCES EXPENDED

	Staff costs £M	Depreciation/ amortisation £M	Other direct costs £M	Other allocated costs £M	Total 2015 £M	Total 2014 £M
Legacies and donations	10.6	0.3	14.2	2.9	28.0	27.3
Trading activities	0.6	0.1	6.2	–	6.9	7.3
Investment management	–	–	0.4	–	0.4	0.8
Lifeboat service	11.7	1.5	16.8	3.5	33.5	31.9
Lifeboats, property and equipment	21.8	22.6	24.0	8.0	76.4	68.3
Lifeguard rescue	11.3	1.5	4.1	2.0	18.9	16.4
International	0.5	–	0.6	0.2	1.3	1.0
Safety, education and awareness	3.5	0.1	5.4	1.0	10.0	7.0
Support	9.4	0.6	7.6	(17.6)	–	–
Total	69.4	26.7	79.3	–	175.4	160.0



Photo: RNLI/ Nigel Millard

Support costs are allocated as follows:

	Governance	Estates and general administration	Finance	Human resources	Information technology	Total 2015	Total 2014
	£M	£M	£M	£M	£M	£M	£M
Legacies and donations	0.1	0.6	0.5	0.8	0.9	2.9	2.6
Lifeboat service	0.1	0.7	0.5	1.0	1.2	3.5	3.0
Lifeboats, property and equipment	0.3	1.7	1.3	2.2	2.5	8.0	6.4
Lifeguard rescue	0.1	0.4	0.4	0.6	0.5	2.0	1.5
International	–	–	–	0.1	0.1	0.2	0.1
Safety, education and awareness	–	0.2	0.2	0.3	0.3	1.0	0.7
Total	0.6	3.6	2.9	5.0	5.5	17.6	14.3

Support costs are allocated based on cost.

Included within these costs are audit fees of £73,360 (2014: £73,360) and tax fees payable to the auditors of £15,670 (2014: £15,670).

Included within Governance costs are the costs of audit (both internal and external), the AGM and Committee costs.

6. FIXED ASSETS

a) Tangible assets

	Assets under construction	Lifeboats	Lifeboat stations and shoreworks	Launch and recovery equipment	Depots, offices and training facilities	Computer equipment, plant and vehicles	Total
	£M	£M	£M	£M	£M	£M	£M
Cost							
At 1 January 2015	60.1	276.6	225.7	29.3	80.6	57.5	729.8
Additions	39.5	–	3.0	–	3.7	5.1	51.3
Transfers	(54.0)	13.9	12.8	8.1	19.2	–	–
Disposals	–	(2.5)	(0.2)	(0.1)	(1.0)	(2.3)	(6.1)
At 31 December 2015	45.6	288.0	241.3	37.3	102.5	60.3	775.0
Depreciation							
At 1 January 2015	–	191.4	58.7	18.1	16.6	42.3	327.1
Charge for the year	–	12.7	5.9	1.7	1.6	4.0	25.9
Disposals	–	(2.5)	(0.1)	(0.1)	(0.2)	(1.8)	(4.7)
At 31 December 2015	–	201.6	64.5	19.7	18.0	44.5	348.3
Net book amount							
At 31 December 2015	45.6	86.4	176.8	17.6	84.5	15.8	426.7
At 31 December 2014	60.1	85.2	167.0	11.2	64.0	15.2	402.7

The net book amounts include the following property:

	Freehold £M	Leasehold £M	Total £M
Lifeboat stations and shoreworks	68.3	108.5	176.8
Depots, offices and training facilities	75.6	8.9	84.5
Total	143.9	117.4	261.3

b) Intangible assets

	Goodwill £M	Intellectual property £M	Total £M
Cost			
At 1 January 2015	1.7	0.1	1.8
Additions	–	–	–
Disposals	–	–	–
At 31 December 2015	1.7	0.1	1.8
Amortisation			
At 1 January 2015	0.5	0.1	0.6
Charge for the year	0.8	–	0.8
At 31 December 2015	1.3	0.1	1.4
Net book amount			
At 31 December 2015	0.4	–	0.4
At 31 December 2014	1.2	–	1.2

The accounting goodwill forms part of the purchase cost by SAR Composites Limited, a fully owned subsidiary of RNLI (Trading) Limited, of the lifeboat hull construction capabilities of Green Marine Limited in 2009. Green Marine Limited was the only company operating in this field in the UK, and this purchase was considered essential to ensure continuity of hull production for all-weather lifeboats through an established operation and to retain staff expertise in this specialist field. The activities of SAR Composites Limited are moving to the All-weather Lifeboat Centre in 2016, hence the accelerated amortisation in 2015. This accelerated amortisation has been charged to Lifeboats, property and equipment.

c) Subsidiary company assets

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

	2015 £M	2014 £M
Goodwill	0.4	1.2
Assets under construction	2.7	2.7
Lifeboats	0.3	0.4
Computer equipment, plant and vehicles	4.7	3.9
Total	8.1	8.2

7. INVESTMENTS

	General/ Designated funds £M	Restricted funds £M	Endowed funds £M	Total 2015 £M	Total 2014 £M
a) Investment assets					
Equities	58.0	–	–	58.0	59.2
Absolute return funds	12.0	104.3	6.9	123.2	125.3
Fixed interest	66.2	–	–	66.2	75.2
Property unit trusts	15.1	–	7.8	22.9	13.9
Deposits and cash	3.2	–	0.1	3.3	16.6
Market value at 31 December 2015	154.5	104.3	14.8	273.6	290.2
b) Analysis of movement					
Market value at 1 January 2015	177.2	97.7	15.3	290.2	278.7
Additions	10.1	5.8	14.6	30.5	79.5
Disposals	(34.6)	(1.3)	(14.6)	(50.5)	(86.0)
Gains/(losses) on investments	1.8	2.1	(0.5)	3.4	18.0
Market value at 31 December 2015	154.5	104.3	14.8	273.6	290.2
Original cost	127.7	92.3	15.2	235.2	244.9
c) Investment income					
Equities	0.7	–	–	0.7	0.6
Absolute return funds	0.2	(0.1)	–	0.1	0.2
Fixed interest	0.3	–	–	0.3	1.0
Property unit trusts	0.8	–	–	0.8	0.6
Deposits and cash	0.1	–	–	0.1	0.1
Foreign exchange losses	0.1	–	–	0.1	–
Total	2.2	(0.1)	–	2.1	2.5

At the end of December 2015, UK investments amounted to £214.7M (2014: £228.9M) and overseas investments amounted to £58.9M (2014: £61.3M).

The RNLI holds 100% of the share capital of RNLI (Sales) Limited, amounting to £0.2M (2014: £0.5M), and RNLI College Limited, amounting to £1.0M (2014: £1.0M).

The RNLI held no derivative instruments as at 31 December 2015 (2014: none). Several of the pooled investment funds held by the RNLI use derivative products within their portfolios to reduce market risk in line with their investment strategies.

All investments are basic financial instruments and are measured at fair values.

8. STOCKS

	2015 £M	2014 £M
Operational stock	15.3	11.9
Gifts and souvenirs	1.1	1.3
Total	16.4	13.2

9. DEBTORS

	Consolidated		RNLI	
	2015 £M	2014 £M	2015 £M	2014 £M
Legacies receivable	59.5	56.5	59.5	56.5
Inter-company debtors	–	–	20.0	12.0
Trade and other debtors	0.3	0.1	0.3	0.3
VAT and Gift Aid recoverable	3.9	2.3	0.6	(0.7)
Other debtors	–	0.2	–	0.1
Prepayments and accrued income	1.5	1.3	1.2	1.2
Total	65.2	60.4	81.6	69.4

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

All debtors are basic financial instruments measured at amortised cost, with the exception of VAT of £3.4M (2014: £1.7M) and prepayments of £0.4M (2014: £0.2M).

10. CREDITORS

	Consolidated		RNLI	
	2015 £M	2014 £M	2015 £M	2014 £M
Amounts falling due within 1 year				
Trade creditors	7.2	7.6	2.9	2.9
PAYE taxes and social security	1.4	1.3	1.0	1.0
Pension creditor	0.7	0.7	0.5	0.5
Pensions liability	0.3	0.2	0.2	0.2
Accruals	3.0	4.6	0.8	1.0
Total	12.6	14.4	5.4	5.6
Amounts falling due after more than 1 year				
Dependants' pensions liability	5.4	6.0	5.4	6.0
Defined benefit pension liability	22.6	29.9	22.6	29.9
Total	28.0	35.9	28.0	35.9

All creditors are basic financial instruments measured at amortised cost, with the exception of PAYE taxes and social security, pensions liability and pension creditor.

11. LOANS TO SUBSIDIARY COMPANIES

	2015 £M	2014 £M
Debenture to RNLI (Trading) Limited	–	0.1
Debenture to RNLI (Sales) Limited	–	0.1
Total	–	0.2
Working capital advance to RNLI (Trading) Limited and its subsidiary	18.2	10.0

The debenture to RNLI (Trading) Limited is now repaid in full.

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 and there is one instalment remaining as at 31 December 2015.

12. CAPITAL COMMITMENTS

At 31 December 2015, capital commitments amounted to £17.2M (2014: £25.6M). Planned capital expenditure, largely on new lifeboats and shoreworks over the next 3 years, amounted to £93.0M (2014: £153.4M), of which £14.3M (2014: £48.4M) is represented by restricted funds and £78.7M (2014: £105.0M) is held in planned capital expenditure reserves as a designated fund.

13. OPERATING LEASE COMMITMENTS

	Land and buildings		Other	
	2015 £M	2014 £M	2015 £M	2014 £M
At 31 December the ageing of total minimum lease payments was as follows:				
Payable within 1 year	1.3	1.4	1.0	0.9
Payable between 1 and 5 years	2.7	2.8	1.2	1.0
Payable after more than 5 years	4.8	4.3	–	–
Total	8.8	8.5	2.2	1.9



Photo: RNLI/Nigel Millard

14. TOTAL FUNDS ANALYSIS

a) Consolidated statement of financial activities – previous year comparatives

	Unrestricted funds			Restricted funds £M	Endowed funds £M	Total 2014 £M
	General funds £M	Designated funds £M	Fixed asset funds £M			
Income and endowments from:						
Legacies	91.3	–	–	23.0	–	114.3
Donations	44.3	–	–	13.7	–	58.0
Trading activities	12.5	–	–	–	–	12.5
Investments	2.0	–	–	0.5	–	2.5
Charitable activities	3.6	–	–	–	–	3.6
Other income	0.6	–	–	–	–	0.6
Total income and endowments	154.3	–	–	37.2	–	191.5
Expenditure on:						
Legacies and donations	(26.8)	–	(0.4)	(0.1)	–	(27.3)
Trading activities	(7.2)	–	(0.1)	–	–	(7.3)
Investment management	(0.5)	–	–	(0.3)	–	(0.8)
Raising funds	(34.5)	–	(0.5)	(0.4)	–	(35.4)
Lifeboat service	(21.4)	–	(1.4)	(9.1)	–	(31.9)
Lifeboats, property and equipment	(34.2)	–	(21.1)	(13.0)	–	(68.3)
Lifeboat rescue	(55.6)	–	(22.5)	(22.1)	–	(100.2)
Lifeguard rescue	(14.9)	–	(1.5)	–	–	(16.4)
International	(0.7)	–	(0.2)	(0.1)	–	(1.0)
Safety, education and awareness	(6.8)	–	(0.1)	(0.1)	–	(7.0)
Charitable activities	(78.0)	–	(24.3)	(22.3)	–	(124.6)
Total expenditure	(112.5)	–	(24.8)	(22.7)	–	(160.0)
Gains on investments	10.9	–	–	6.8	0.3	18.0
Net income/(expenditure)	52.7	–	(24.8)	21.3	0.3	49.5
Transfers between funds	(52.5)	3.4	62.9	(18.2)	4.4	–
Actuarial losses on pension schemes	(14.9)	–	–	–	–	(14.9)
Net movement in funds	(14.7)	3.4	38.1	3.1	4.7	34.6



Photo: RNLI/Nathan Williams

b) Consolidated balance sheet – analysis of funds

2015 summary

	Unrestricted funds			Restricted funds	Endowed funds	Total
	General funds	Designated funds	Fixed asset funds			
	2015 £M	2015 £M	2015 £M	2015 £M	2015 £M	2015 £M
Fixed assets	–	–	427.1	–	–	427.1
Investments	75.8	78.7	–	104.3	14.8	273.6
Net current assets	62.0	–	–	10.6	–	72.6
Creditors falling due after more than 1 year	(5.4)	–	–	–	–	(5.4)
Defined benefit pension liability	(22.6)	–	–	–	–	(22.6)
Total	109.8	78.7	427.1	114.9	14.8	745.3

2014 summary

	Unrestricted funds			Restricted funds	Endowed funds	Total
	General funds	Designated funds	Fixed asset funds			
	2014 £M	2014 £M	2014 £M	2014 £M	2014 £M	2014 £M
Fixed assets	–	–	403.9	–	–	403.9
Investments	72.2	105.0	–	97.7	15.3	290.2
Net current assets	53.8	–	–	9.8	–	63.6
Creditors falling due after more than 1 year	(6.0)	–	–	–	–	(6.0)
Defined benefit pension liability	(29.9)	–	–	–	–	(29.9)
Total	90.1	105.0	403.9	107.5	15.3	721.8

c) Endowed funds – analysis of major funds

Name of fund	Purpose of fund	Balance b/f 2015 £M	Income 2015 £M	Expenditure 2015 £M	Investment losses 2015 £M	Balance c/f 2015 £M
Roy Barker – permanent	All-weather lifeboat construction	9.7	–	–	(0.2)	9.5
Morrell – expendable	Dungeness Lifeboat Station – general	4.4	–	–	(0.2)	4.2
Other endowed funds		1.2	–	–	(0.1)	1.1
Total endowed funds		15.3	–	–	(0.5)	14.8

d) Restricted funds – analysis of major funds

Donor name	Purpose of fund	Balance b/f 2015 £M	Income and investment gains 2015 £M	Expenditure 2015 £M	Transfers 2015 £M	Balance c/f 2015 £M
Richard W Colton	All-weather lifeboat construction	–	8.6	–	–	8.6
Various donors	Jersey Lifeboat Station – general	6.3	0.5	(0.2)	–	6.6
Gough Ritchie Trust	Isle of Man lifeboat stations – general	3.3	0.3	–	–	3.6
Various donors	Guernsey Lifeboat Station – general	3.2	0.3	(0.1)	–	3.4
Various donors	Bridlington Lifeboat Station – construction	3.3	–	–	(0.3)	3.0
Various donors	Bridlington Lifeboat Station – general	2.9	0.1	(0.2)	–	2.8
Various donors	Llandudno Lifeboat Station – construction	1.8	1.2	–	(0.3)	2.7
Anonymous legacy	All-weather lifeboat construction	2.1	–	–	–	2.1
John and Elizabeth Allan Memorial Trust	All-weather lifeboat construction – Seahouses	2.1	–	–	–	2.1
Various donors	Sheringham Lifeboat Station – general	2.0	0.2	(0.1)	–	2.1
Various donors	Morecambe Lifeboat Station – general	2.0	0.1	(0.1)	–	2.0
John and Elizabeth Allan Memorial Trust	All-weather lifeboat construction	–	2.0	–	–	2.0
Roy Barker	All-weather lifeboat construction	1.0	0.3	–	–	1.3
Total of major funds		30.0	13.6	(0.7)	(0.6)	42.3
Other restricted funds		77.5	32.8	(22.6)	(15.1)	72.6
Total restricted funds		107.5	46.4	(23.3)	(15.7)	114.9

There are over 700 of these restricted funds and so this table only details those funds with a balance over £1.0M. The transfers represent either a transfer to a fixed asset fund, where the fund is for the purpose of asset construction and the asset is completed, or a previous year adjustment, where a donor or legator has added a restriction at a later date or the restriction has been subject to negotiation.



15. PENSION SCHEMES

The RNLI operates a defined benefit pension scheme for some of its employees, which was closed to new entrants from 1 January 2007 and closed to future benefit accrual on 30 September 2012, although benefits for active members accrued up to 30 September 2012 continue to be subject to any increases in pensionable pay. These accounts reflect the requirements of section 28 of the Financial Reporting Standard 102 (FRS102). The disclosures required by FRS102 cover both the pension scheme and the payments to certain dependants detailed in note 10. The figures in this note have been calculated by a qualified independent actuary based on a full actuarial valuation of the pension scheme as at 31 December 2014, rolled forward to 31 December 2015 using summarised cash flow and membership details and a full actuarial valuation of the dependants’ pensions as at 31 December 2015 on the basis required by FRS102.

On this basis, the FRS102 accounting deficit for the defined benefit pension scheme as at 31 December 2015 was £22.6M (2014: £29.9M) and £5.7M (2014: £6.2M) for the dependants’ pensions. The FRS102 basis is a prescribed basis that requires the discount rate to be the rate of return

on high-quality corporate bonds with a duration equivalent to that of the liabilities. Each year, the Scheme Actuary assesses the financial position of the scheme for the formal actuarial valuation, allowing for the returns expected to be generated by the assets planned to be held by the scheme in the future. These assets would not typically consist of 100% in corporate bonds.

The defined benefit pension scheme’s latest formal actuarial valuation under the *Pensions Act 2004* was carried out by the Scheme Actuary as at 31 December 2014. The position will be reviewed as part of the formal assessment carried out by the Scheme Actuary as at the 31 December 2015 valuation date.

The RNLI paid deficit reduction contributions of £4.7M in 2015 (2014: £4.0M).

Dependants’ pensions are provided by the RNLI 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 2015.

The main financial assumptions used as at 31 December 2015 and the corresponding assumptions at 31 December 2014 and 31 December 2013 for both purposes were:

	31/12/2015 % pa	31/12/2014 % pa	31/12/2013 % pa
Discount rate [†]	3.8	3.7	4.4
Rate of increase in salaries	3.9	3.8	4.1
Rate of increase in pensions in payment[‡]:			
Post-1988 GMP increases (CPI capped at 3%)	CPI-0.4%	CPI-0.4%	CPI-0.4%
Pre-1997 increases (RPI capped at 4%)	RPI-0.5%	RPI-0.5%	RPI-0.5%
1997–2005 increases (RPI capped at 4%, CPI 5%)	RPI-0.4%	RPI-0.4%	RPI-0.4%
2005–2007 increases (RPI capped at 5%, CPI 2.5%)	RPI-0.5%	RPI-0.5%	RPI-0.5%
Post-2007 increases (CPI capped at 2.5%)	CPI-0.6%	CPI-0.6%	CPI-0.6%
Rate of revaluation on deferred pensions	RPI-0.5%	RPI-0.5%	RPI-0.5%
Rate of retail price inflation (RPI) [†]	3.4	3.3	3.6
Rate of consumer price inflation (CPI)	RPI-1.0%	RPI-1.0%	RPI-1.0%
Assumes life expectancy on retirement age 65 of:	Years	Years	Years
Retiring today – males	22.5	23.0	22.9
Retiring today – females	25.0	25.5	25.4
Retiring in 15 years – males	24.0	24.6	24.5
Retiring in 15 years – females	26.7	27.3	27.1

[†]Represents the weighted average discount rate and inflation rate of the respective curves at the scheme’s average duration.
[‡]In excess of the Guaranteed Minimum Pension (GMP) element.

The assets in the pension scheme and the expected rates of return at 31 December 2015 and the corresponding amounts and assumptions at 31 December 2014 and 31 December 2013 were:

	31/12/2015		31/12/2014		31/12/2013	
	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	See below for change in assumptions		6.3	94.6	6.8	94.6
Fixed interest			2.8	20.0	3.9	92.2
Property			4.6	11.6	5.4	9.7
Absolute return funds			5.1	55.3	5.8	51.7
Cash and net current assets			2.5	25.6	3.1	14.4
Liability-driven investment			2.8	75.7	–	–
Total	3.8	277.5	4.5	282.8	5.3	262.6

With effect from 1 January 2015 the assumptions have changed. FRS102 replaced FRS17 and the expected rate of return on all assets is now equal to the discount rate.

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

	2015			2014		
	Pension scheme £M	Dependants’ pensions £M	Total £M	Pension scheme £M	Dependants’ pensions £M	Total £M
Total fair market value of assets	277.5	–	277.5	282.8	–	282.8
Present value of liabilities	(300.1)	(5.7)	(305.8)	(312.7)	(6.2)	(318.9)
Net pension liability	(22.6)	(5.7)	(28.3)	(29.9)	(6.2)	(36.1)

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

	2015			2014		
	Pension scheme £M	Dependants’ pensions £M	Total £M	Pension scheme £M	Dependants’ pensions £M	Total £M
Opening defined benefit obligation	312.7	6.2	318.9	281.4	5.8	287.2
Interest cost	11.4	0.2	11.6	12.2	0.2	12.4
Actuarial (gain)/loss	(14.8)	(0.4)	(15.2)	27.9	0.5	28.4
Benefits paid	(9.4)	(0.3)	(9.7)	(8.8)	(0.3)	(9.1)
Past service cost	0.2	–	0.2	–	–	–
Defined benefit obligation at the year end	300.1	5.7	305.8	312.7	6.2	318.9

15. PENSION SCHEMES (CONTINUED)

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

	2015			2014		
	Pension scheme £M	Dependants' pensions £M	Total £M	Pension scheme £M	Dependants' pensions £M	Total £M
Opening fair value of scheme assets	282.8	–	282.8	262.6	–	262.6
Interest income on plan assets	10.4	–	10.4	11.5	–	11.5
Return on scheme assets greater/(less) than discount rate	(11.1)	–	(11.1)	13.5	–	13.5
Employer contributions	4.8	–	4.8	4.0	–	4.0
Benefits paid	(9.4)	–	(9.4)	(8.8)	–	(8.8)
Fair value of scheme assets at the year end	277.5	–	277.5	282.8	–	282.8

The actual return on scheme assets was £(0.7)M (2014: £25.0M).

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

	2015			2014		
	Pension scheme £M	Dependants' pensions £M	Total £M	Pension scheme £M	Dependants' pensions £M	Total £M
Net interest on net defined benefit liability	1.0	0.2	1.2	0.7	0.2	0.9
Past service cost	0.2	–	0.2	–	–	–
Total amount charged within net income/ (expenditure)	1.2	0.2	1.4	0.7	0.2	0.9
Actuarial (gain)/loss	(14.8)	(0.4)	(15.2)	27.9	0.5	28.4
Return on plan assets less/(greater) than discount rate	11.1	–	11.1	(13.5)	–	(13.5)
Remeasurement effects recognised in overall funds movement	(3.7)	(0.4)	(4.1)	14.4	0.5	14.9
Total amount charged to the Statement of Financial Activities	(2.5)	(0.2)	(2.7)	15.1	0.7	15.8

Pension deficit reduction contributions in 2015 were £4.7M (2014: £4.0M) and a further £4.7M is expected to be contributed to the defined benefit scheme in the 2016 financial year.

e) The defined contribution pension scheme

The defined benefit pension scheme was closed to new entrants from 1 January 2007, and a defined contribution pension scheme was established for new staff joining after that date. On 30 September 2012, the defined benefit pension scheme was also closed to future benefit accrual. At that time the defined contribution scheme was offered as an alternative to the members of the defined benefit pension scheme. In 2015, the RNLI paid contributions of £8.1M (2014: £7.5M) in respect of members of the defined contribution pension scheme.

16. VALUE ADDED TAX

From 1 April 2015, the RNLI was able to reclaim its previously irrecoverable VAT through Section 33 rebate, after a successful campaign to persuade the UK Government to put the RNLI on the same footing as other emergency services. As a result, in 2015 the RNLI recovered £2.4M through this rebate, reducing irrecoverable VAT to £0.7M (2014: £2.4M), which was due to the inability to claim this rebate in the first quarter of the year.

The RNLI also claims Gift Aid from the Government, which represents a repayment of the tax our supporters pay on their donations and, effectively, means that the donation is tax free. In 2015, this amounted to £4.8M (2014: £5.1M).

17. LINKED CHARITIES

The RNLI has a number of linked charities that have been established over the years, separated from the charity for a variety of reasons, due to the nature of the fund or the original terms of the legacy or donation. All of the funds of these charities are consolidated into the RNLI's accounts. The current active linked charities with a funds balance over £0.1M as at the end of 2015 are as follows:

Donor name	Purpose of fund	Balance b/f 2014 £M	Income 2015 £M	Expenditure 2015 £M	Transfers 2015 £M	Balance c/f 2015 £M
Lifeboatmen's Benevolent Fund	Grants for distressed past or present crew members	1.7	–	–	–	1.7
Langstreth Culliford Trust	Grants for dependants of lifesavers	0.2	–	–	–	0.2
John William Archer	All-weather lifeboat construction	0.1	–	–	–	0.1
Charles Carr Ashley	Lifeboat maintenance and support for crew	0.1	–	–	–	0.1
Anna Stock Memorial Fund	Col Stock lifeboat – construction and maintenance	0.1	–	–	–	0.1
Total of linked charities		2.2	–	–	–	2.2

While there has been movement on the above funds in the year, it is less than £0.1M and so is not disclosed on that basis.

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

18. TRANSITIONAL DISCLOSURES –
FRS102 AND CHARITY SORP 2015

The transition to FRS102 has had the following financial effect:

	At 1 Jan 2014 £M	At 31 Dec 2014 £M
Reconciliation of reserves:		
Reserves (as previously stated)	661.7	694.9
Legacy accrual increase – change in basis	25.5	26.9
Reserves (as restated)	687.2	721.8

	2014 £M
Reconciliation of 2014 surplus for the period:	
2014 surplus (as previously stated)	33.2
Legacy accrual movement – change in basis	1.4
2014 surplus (as restated)	34.6

The change in the calculation of the pensions net financing cost has changed the 2014 comparatives for the Pension Scheme remeasurement and total expenditure. This has decreased the Pension Scheme remeasurement cost by £2.3M and increased total expenditure, which has been allocated across the expenditure categories by cost, in line with note 5 allocations.



Photo: RNLI/Neil Millard

RNLI officers and contacts

PATRON

HM The Queen

PRESIDENT

HRH The Duke of Kent KG

TRUSTEE BOARD



Charles Hunter-Pease OBE

Charles is a former Senior Vice-President of Volvo Car Corporation, having spent over 30 years in various roles with the brand, latterly as a Senior Vice President on the Management Board. He was elected to the RNLI's Council in 1996 and became Vice-Chairman in March 2013. He succeeded Admiral of the Fleet the Lord Boyce as Chairman of the RNLI on 11 July 2013.

'Growing up beside the sea, it was always a passion. It was almost inevitable that a respect for the RNLI would follow.'



Mark Byford

Mark Byford is a former broadcasting executive, and was Deputy Director-General of the BBC and Head of BBC Journalism from 2004 to 2011. He was elected to the RNLI Council in 2011 and was appointed a Trustee in 2012.

'The appeal of the RNLI has always been the strong sense of volunteering, courage, independence and community.'



Janet Cooper

Janet Cooper has more than 30 years' experience as a lawyer specialising in remuneration and corporate governance, advising many global businesses. Janet is a co-founding partner of Tapestry Compliance and before that was a partner at global law firm Linklaters. She was elected to the RNLI Council in 2014 and appointed a Trustee in July 2014.

'I am inspired by the many volunteers who work so hard to provide the RNLI's invaluable service.'



Sir Andrew Cubie CBE FRSE

Sir Andrew was Chairman of a law firm in Edinburgh, also holding a wide range of directorships of both public and private companies. He was appointed Vice-Convenor of the Scottish Lifeboat Council in 1996 and Chairman in 2003. He has been a member of the RNLI's

Council since 1989, and was appointed a Trustee in July 2003. He has been an RNLI Deputy Chairman since 2009 and became Chairman of the Property Committee in May 2015.

'I am a keen sailor and my family has a strong maritime tradition – I grew up with tales of shipwreck and drama at sea.'



David Delamer

David is Managing Director of Technico, a company specialising in solutions for the Irish telecoms industry. David was elected to the RNLI Council in 2012 and appointed a Trustee in 2014.

'For me, the RNLI gives incredible importance and value to individual life.'



Eddie Donaldson BSc FCA

Eddie was a partner with KPMG for 23 years, during which time he was on both the UK and EMA Executive Teams. He was elected to the RNLI Council in May 2013, appointed a Trustee in July

2013 and Treasurer in 2014. He has chaired the Finance and Investment Committees since 2014.

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



Sir Peter Housden KCB

Sir Peter Housden has served as a Permanent Secretary in both Whitehall and Scotland. He has a broad background in public services in the UK, and now in Ireland. He was elected to the RNLI Council in May 2012 and was appointed a Trustee in November 2013.

'I want to help the RNLI be the very best organisation it can be, supporting coastal work both here and overseas.'



Vice Admiral Sir Tim Laurence
KCVO CB ADC(P)

Vice Admiral Sir Tim Laurence is pursuing a second career as a property and business non-executive director. He was elected to the RNLI Council in 2004 and appointed a Trustee in 2011. He became Chairman of the Operations Committee in 2012.

'Seeing the shiny, beautiful and awe-inspiring Dungeness lifeboat aged 4 – I was hooked for life.'



Sonia Modray
(appointed mid-term Nov 2015)

Sonia is an interim director and business advisor. From December 2012 to April 2013 she was interim Finance Director at the RNLI. She was elected to the RNLI Council in 2014 and appointed a Trustee in 2015. Sonia is a member of the Property and Finance Committees.

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



Stuart Popham QC(Hon)

After working as a solicitor for over 35 years, Stuart joined Citigroup in July 2011 as Vice-Chairman of EMEA Banking. He was elected to the RNLI Council in May 2011 and appointed a Trustee in July 2013. He became Chairman of the Audit and Risk Committee in 2014 and was appointed RNLI Vice-Chairman in November 2015.

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



Chris Walters CEng MEng MBA FIMarEST
(appointed May 2015)

Chris Walters is Chief Executive Officer at TSC Inspection Systems Ltd. A chartered engineer and naval architect, Chris previously held senior positions in the Lloyd's Register Group and the P&O Group. Chris joined the RNLI in 2012 as a member of the Technical Committee. He was elected to the RNLI Council, appointed a Trustee and became Chairman of the Technical Committee in May 2015.

'Inspired by the courage of volunteer crews and communities, I am delighted to play a role in advancing the safety and performance of the RNLI fleet.'



Vicky Wright OBE

Vicky is a Director of GPDF Ltd and PQM Ltd. She is also a member of the Council of Newcastle University. Her background is in Human Resources management and she is a past President of the Chartered Institute of Personnel and Development. She was elected to the RNLI Council in 2003 and appointed a Trustee in 2008. She is currently an RNLI Deputy Chairman and Chair of the Remuneration Committee.

'Committed to its founder's vision, but contemporary in how it achieves its aims, the RNLI is an inspirational organisation to work in. A great way to give back at this stage in my career.'

CHAIRMAN

Charles Hunter-Pease OBE

DEPUTY CHAIRMEN

Sir Andrew Cubie CBE FRSE

Vicky Wright OBE

VICE-CHAIRMAN

Stuart Popham QC(Hon) (appointed Nov 2015)

TREASURER

Eddie Donaldson BSc FCA

OUTGOING TRUSTEES IN 2015

John Coyle MConSc (resigned Feb 2015)

Malcolm Vincent MSc CEng FIMarEST (retired May 2015)

COUNCIL

HRH The Duke of Kent KG (President)

Charles Hunter-Pease OBE (Chairman)

Richard Acland (resigned Jan 2016)

Dr Husna Ahmad OBE (resigned Feb 2015)

Bob Allan OBE

Tony Allen

Johnny Bergius (resigned Jan 2015)

Robin Broadhurst CBE FRICS (retired May 2015)

The Hon Christopher A Brooke DL

Mark Byford

Professor John Chudley BSc PhD CMarEng CEng FIMarEST
(elected May 2015)

Andrew Cooper CMG

Janet Cooper

John Coyle MConSc

Peter Crowley

Sir Andrew Cubie CBE FRSE

Professor Charles Deakin MA MD FRCP FRCA FERC FFICM

David Delamer

Eddie Donaldson BSc FCA

John Drake

William Everard CBE BSc(Eng)

Air Commodore Simon Falla CBE DSC RAF (Retd)
(resigned Feb 2015)

Fiona Fell

Andrew Given

James Grazebrook OBE (elected May 2015)

Martin Gregory

Adam Griffin

David Grose MIH FCMi (retired May 2015)

Geoff Holt MBE DL

Professor Dominic Houlder

Sir Peter Housden KCB

Lord Iliffe DL (retired May 2015)

Charles Jones

Rear Admiral Mark Kerr

Peter Killen

Vice Admiral Sir Tim Laurence KCVO CB ADC(P)

Neil Lerner

Richard Leworthy

Rear Admiral Roger Lockwood CB (elected May 2015)

Francis George Major MBE JP DL

Alan Marsh FICS

Norma Marwick

John McAuley

Niamh McCutcheon

Paddy McLaughlin

Captain Ian McNaught (elected May 2015)

Robin Middleton CBE

Sonia Modray

Eamon Moloney

Sandra Morson

Beverley Nielsen (resigned Jan 2015)

Doug Pattison FEng FRINA CEng RCNC (retired May 2015)

Paul Phoenix

Stuart Popham QC(Hon)

Mark Pritchard

Clive Rand

Michael Seymour

Simon Sherrard DL

Archie Frederick Smith

Commodore David Squire CBE MNM FNI FCMi

Mike Sturrock (elected May 2015)

Professor Phil Sutton CBE FEng PhD

Miles Templeman

Dr Jean Venables CBE

Sir Roger Vickers KCVO

Malcolm Vincent MSc CEng FIMarEST (retired May 2015)

Philip Wake OBE MSc RD* FNI

Chris Walters CEng MEng MBA FIMarEST (elected May 2015)

John Whybrow

Vicky Wright OBE

EX OFFICIO GOVERNORS

The Lord Mayor of London

The Chairman of The Baltic Exchange

The First Sea Lord

The Chairman of Lloyd's

The Master of The Honourable Company
of Master Mariners

The Deputy Master of Trinity House

The Chairman of The Royal Yachting Association

The Chairman of The Northern Lighthouse Board

The Chairman of the Commissioners of Irish Lights

The UK National Hydrographer

INVESTMENT ADVISER

Lane Clark & Peacock

95 Wigmore Street

London

W1U 1DQ

PRINCIPAL BANKERS

Barclays Bank plc

Apex Plaza

Forbury Road

Reading

RG1 1AX

AUDITORS

Crowe Clark Whitehill LLP

St Bride's House

10 Salisbury Square

London

EC4Y 8EH

PRINCIPAL SOLICITORS

Wilsons Solicitors

Steynings House

Fisherton Street

Salisbury

SP2 7RJ

Brechin Tindall Oatts

48 St Vincent Street

Glasgow

G2 5HS

Gore & Grimes

Cavendish House

Smithfield

Dublin 7

Bond Dickinson

Oceana House

39–49 Commercial Road

Southampton

SO15 1GA

Charles Russell Speechleys LLP

8–10 Fetter Lane

London

EC4A 1RS

Blake Morgan LLP

Harbour Court

Compass Road

North Harbour

Portsmouth

PO6 4ST

Sackers & Partners LLP

20 Gresham Street

London

EC2V 7JE

STANDING COMMITTEES

Membership Nomination Committee

Chairman: Charles Hunter-Pease OBE

Remuneration Committee

Chairman: Vicky Wright OBE

Audit and Risk Committee

Chairman: Stuart Popham QC(Hon)

Investment Committee

Chairman: Eddie Donaldson BSc FCA

Property Committee

Chairman: Malcolm Vincent MSC CEng FIMarEST

(retired May 2015)

Chairman: Sir Andrew Cubie CBE FRSE (appointed May 2015)

ADVISORY COMMITTEES

Operations Committee

Chairman: Vice Admiral Sir Tim Laurence KCVO CB ADC(P)

Technical Committee

Chairman: Malcolm Vincent MSC CEng FIMarEST

(retired May 2015)

Chairman: Chris Walters CEng MEng MBA FIMarEST

(appointed May 2015)

Finance Committee

Chairman: Eddie Donaldson BSc FCA

Medical Committee

Chairman: Professor Charles Deakin MA MD FRCP

FRCA FERC FFICM

Heritage Committee

Chairman: Dr Nick Winterbotham

CHIEF EXECUTIVE

Paul Boissier CB MA MSc

BUSINESS SERVICES AND SUPPORT DIRECTOR

Angela Rook BSc MBA ACIS

COMMUNITY LIFESAVING
AND FUNDRAISING DIRECTOR

Leesa Harwood

ENGINEERING AND ASSET
MANAGEMENT DIRECTOR

David Brook OBE BSc MA CEng MRAS FIMarEST

(resigned Aug 2015)

Angus Watson (appointed Acting Director Aug 2015,

appointed Director Dec 2015)

FINANCE AND CORPORATE STRATEGY DIRECTOR

Alan Pardon FCA FCI

INTERNATIONAL DIRECTOR

James Vaughan

OPERATIONS DIRECTOR

George Rawlinson

PEOPLE AND TRANSFORMATION DIRECTOR

Heidi Allen Chartered FCIPD (resigned Dec 2015)

Sue Barnes (appointed Oct 2015)

The RNLI wishes to thank its past chairmen and vice-presidents for their ongoing support and commitment. Following their significant contribution to the RNLI Council we are pleased to welcome as new vice-presidents:

John Coyle MEdConSc

Peter Crowley

John Drake

Peter Killen

Richard Leworthy

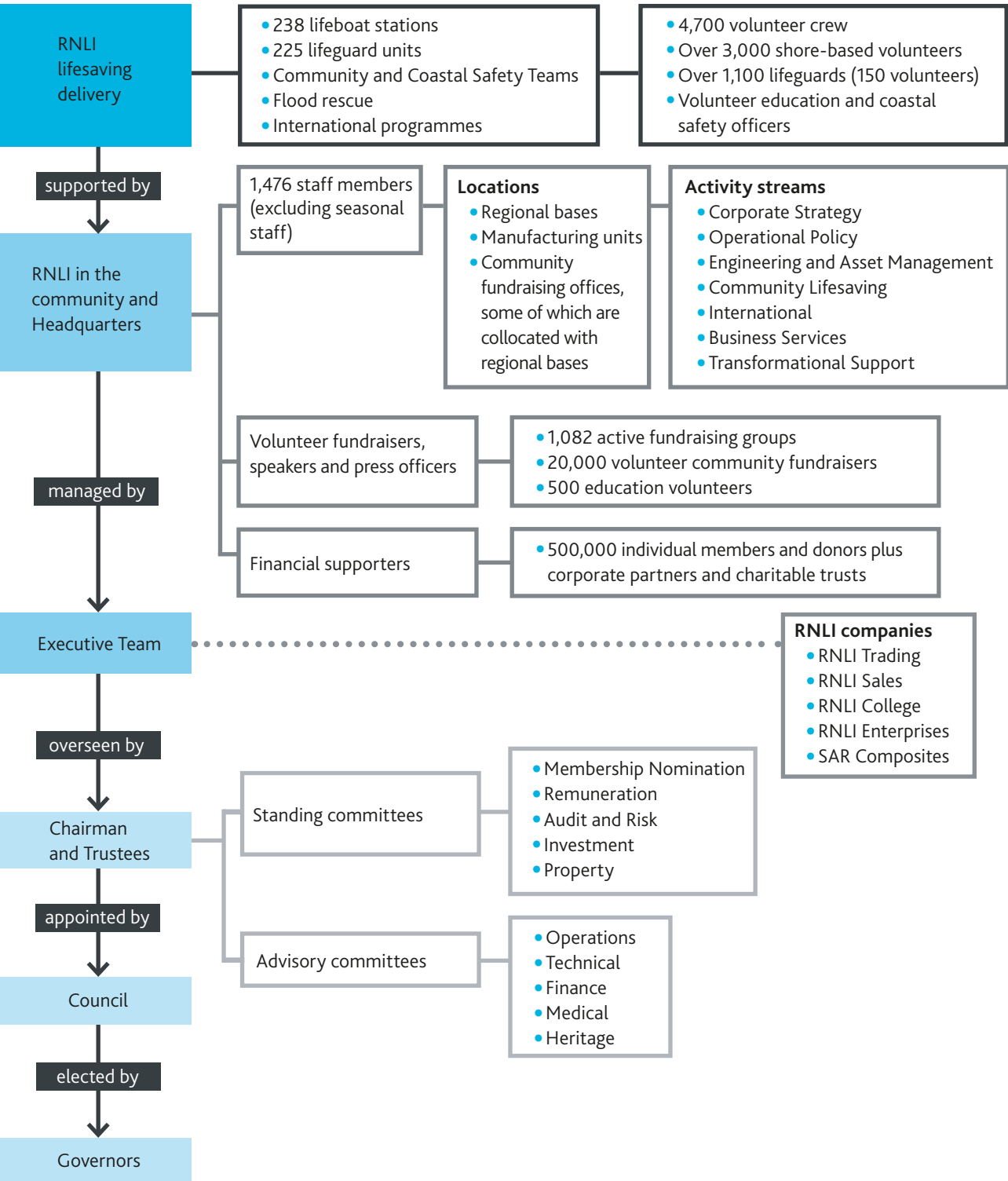
Norma Marwick

John McAuley

Simon Sherrard DL

Philip Wake OBE MSc RD* FNI

RNLI governance and management structure



Awards to RNLI people in 2015

QUEEN’S BIRTHDAY HONOURS 2015

- Barry High OBE
- Lady Sarah Pigot OBE
- Vicky Wright OBE
- Captain Neil Hardy MBE
- Kenneth Headley BEM
- Edna Heappey BEM
- Natasha Lambert BEM
- Captain Reginald May BEM

NEW YEAR HONOURS 2016 (announced December 2015)

- Philip Wake OBE
- Dr Reginald Carr MBE
- Ray Chapman MBE
- Lady Rose Crossman MBE
- Janet Kelly MBE
- John W Senior MBE TD
- Richard Spindler MBE
- David Whiteley BEM

APPRENTICES

Bournemouth and Poole College

Apprentices of the Year:

- Terry Brown
- Reece Bunce
- Billy Hook

CASUALTY CARE

UK Heart Safe Awards:

- Not for Profit Organisation of the Year

HERITAGE

Dorset Museums Association Awards –

Volunteer of the Year:

- Barry Cox
- Peter Moorman

LIFEBOAT STATIONS

Royal Humane Society Certificate of Commendation:

- David Ridout, Weston-super-Mare
- Daniel Hawkins, Weston-super-Mare
- Andrew Stone, Weston-super-Mare
- Liam McDermott, Weston-super-Mare

Royal Humane Society Resuscitation Certificate:

- Liam McDermott, Weston-super-Mare

RSPCA Bronze Gallantry Medal:

- New Brighton Lifeboat Station

MARKETING AND BRAND

DMA Awards:

- Best Art Direction – Bronze (Beach Smart, with Proximity London)

Third Sector Awards:

- Brand Development Award

Campaign magazine:

- Top 10 customer engagement adverts – 10 (Beach Smart, with Proximity London)

The Solutions Awards

- Solutions for Books (*The Big Christmas Rescue*, with Harrier)

Transform Awards Europe:

- Best Brand Consolidation – Gold
- Best Visual Identity from a Charity, NGO or NFP – Silver
- Best Brand Evolution – Bronze
- Best Use of a Visual Property – Bronze

SUSTAINABILITY

Supply Management Awards:

- Best Third Sector/Not-for-profit Procurement Project (235 Made for Life)

Business Travel Network Awards:

- Business Travel Award – Silver
- Sustainable Travel Champion of the Year

RESEARCH AND INSIGHTS

Institute of Fundraising Awards:

- Insight in Fundraising
- Best Use of Insight – Highly commended

RNLI COLLEGE AND DISCOVERY TOURS

Dorset Tourism Awards:

- Large Hotel of the Year – Silver
- Small Visitor Attraction – Bronze

TripAdvisor Certificates of Excellence:

- RNLI College
- Tours

SUPPORTERS

UK Prime Minister’s Points of Light Award:

- Harry Mascal

Letters of thanks from UK Prime Minister:

- Emilia Ridyard
- Tomasso Ridyard

Thank you

The RNLI would like to thank the thousands of individual supporters and organisations who made our lifesaving work possible in 2015. Here are just some of them:

LEGACIES

The RNLI is grateful for every legacy we receive. All gifts in Wills, regardless of their size, are recognised in our Book of Remembrance.

- **Kathleen Margaret Butler** of Spalding, Lincolnshire, was an RNLI supporter during her lifetime as her late husband had been in the Royal Navy. She continued her support by leaving a legacy for the general use of the Institution.
- **Richard William Colton** of Wellingborough left an extraordinary legacy of two classic Ferraris to be sold at auction and the proceeds used to fund an all-weather lifeboat, named *Richard and Caroline Colton*. Although Mr Colton was not keen on the cold waters of the British Isles, during his younger years – and in warmer waters – he was a keen waterskier and diver.
- **Marcia Elizabeth Gooderham** of Bournemouth supported the RNLI’s work during her lifetime and continued her support by generously bequeathing half her estate to the general use of the Institution.
- **Teddie Georgina Sortwell** of St Albans gave a legacy for the general use of the Institution. Together with her husband John, who was in the Royal Navy, Teddie was a supporter for many years and often visited Dungeness Lifeboat Station when holidaying in Kent.
- **Jean Dougall Taylor** of Dundee bequeathed a quarter of her estate to help meet the running costs of Broughty Ferry Lifeboat Station.

TRUSTS AND FOUNDATIONS

- **David Rogers** for generously funding the new crew room at Cleethorpes Lifeboat Station in memory of Henry Norman Rogers.
- **The Donald Dean Trust** for the generous gift to fund *Donald Dean*, the new D class lifeboat at St Ives Lifeboat Station.
- **The Dulverton Trust** for generously supporting crew training at Trearddur Bay Lifeboat Station over the next 3 years.
- **The Ernest Kleinwort Charitable Trust** for contributing to new crew facilities at Selsey Lifeboat Station.
- **The Foster Wood Foundation** for their ongoing support and contribution towards the new boathouse at Swanage Lifeboat Station.

- **The Ganton Furze Settlement** for their generous contribution to lifeguard supervision, training and equipment at Redcar.
- **The Graham Trust** for support towards crew training at Troon Lifeboat Station.
- **The Iliffe Family Charitable Trust** for generously supporting crew training over 5 years.
- **The John and Elizabeth Allan Memorial Trust** for very kindly funding a Shannon class and two B class Atlantic 85 lifeboats.
- **The John W Ross Charitable Fund** for their ongoing support of the RNLI in Scotland.
- **The Jordan Charitable Foundation** for their contribution towards the new boathouse at Loch Ness Lifeboat Station.
- **The Kenneth & Susan Green Charitable Foundation** for kindly supporting crew training costs at The Lizard Lifeboat Station.
- **The Kinsurdy Charitable Trust** for very kindly funding the shoreworks at Barry Dock Lifeboat Station.
- **The Laurence Misener Charitable Trust** for their gift in continued support of the RNLI.
- **The Lloyd’s Register Foundation** for very generously supporting sea survival training at RNLI College with a donation of more than £920,000 over the last 5 years, and a commitment to continue this support for the coming 5 years.
- **Miss EM Lidbury Charitable Trust** for their continued support of the RNLI.
- **The Owl Trust** for their generous support of crew training in the north east of England.
- **The Pistol Benefit Fund** for their generous support to fund *Terry*, the new D class lifeboat at Larne Lifeboat Station.
- **The Portishead Lifeboat Trust** for their generous donation towards the renovation of Portishead Lifeboat Station.
- **The Princess Charlene of Monaco Foundation** for generously supporting our international work.
- **The Samuel and Freda Parkinson Charitable Trust** for supporting running costs of the lifeboats at St Bees and Workington Lifeboat Stations.
- **The Stafford Trust** for generously supporting the renovation of Loch Ness Lifeboat Station.
- **The Toby Charitable Trust** for their very generous contribution to the Shannon launch and recovery system at Anstruther Lifeboat Station.

MEMBERS AND SUPPORTERS

Whether their donation pays for welly boots or a boat, we are grateful for the generosity of all our supporters. Every pound and euro given has a part to play in our lifesaving work. For their significant contributions to the RNLI in 2015, we thank:

- **Kathleen Dunion** for her generous donation to the RNLI in Scotland, in memory of her father Eddie Stronach.
- **Viscount Gough** for his contribution to the Loch Ness Appeal through his charitable trust.
- **April Grunnill** for her generous contributions and support of Skegness Lifeboat Station.
- **Dr Jones** for his most generous support of the RNLI.
- **Elsa Liszka** for her support of RNLI lifeguards in Sunderland.
- **Jennifer Martin** for her support of the RNLI in Weymouth and Aberystwyth.
- **Nick Millard** for his kind contributions towards Criccieth Lifeboat Station.
- **David Pigott**, who made a substantial gift towards the replacement boat for Rye Harbour Lifeboat Station.
- **Mrs Rushton** for her kind contribution towards our lifesaving work.
- **Pat and Susan Russell** for generously funding crew training at Humber Lifeboat Station.
- **Mrs Stokes** for her kind contributions towards our lifesaving work.
- **Mrs Scott** for her generous contributions towards Gorleston lifeguards and Aldeburgh Lifeboat Station.
- **Mr and Mrs Towler** for their generous contribution towards Falmouth Lifeboat Station.
- **Mrs Waterman** for her generous contribution towards our lifesaving work.
- **David Watts** for his support of the RNLI.
- **Bill Wraith** for his ongoing generous support of the RNLI and, in particular this year, Portishead Lifeboat Station.
- **Roger Wright** for his support of the RNLI.

CORPORATE SUPPORTERS

We would like to thank all the companies and organisations that supported us in 2015. In particular, for their continued and significant support, we thank:

- Apache Oil UK
- BG Group
- Centrica Energy
- Communications and Public Service Lifeboat Fund
- Dana Petroleum
- DONG Energy UK
- Drayton Manor Theme Park
- Fred. Olsen Cruise Lines
- giffgaff
- Godrej Consumer Products Limited (P20)
- Greenenergy
- Gwynt y Môr Offshore Wind Farm*
- John Swire & Sons
- K&L Gates
- Loch Fyne Seafood & Grill
- MEATliquor
- The Met Office
- Nexen Petroleum UK
- Recycle4Charity
- The Recycling Factory
- SurveyMonkey
- Toolstation
- Wilko
- Yamaha Motor Europe N.V., branch UK

*a project currently shared between RWE Innogy, Stadtwerke München (Munich Municipal Utilities), the UK Green Investment Bank and Siemens

Royal National Lifeboat Institution
West Quay Road, Poole, Dorset, BH15 1HZ
0845 122 6999 (UK) 1800 789589 (Republic of Ireland)
info@rnli.org.uk
RNLI.org

Illustrations: Stuart McReath
Please note, graphics are for illustrative purposes only.
They are not designed to be a technical depiction of
RNLI operations.

The RNLI is the charity that saves lives at sea
Royal National Lifeboat Institution, a charity registered in England and Wales (209603)
and Scotland (SC037736). Registered charity number 20003326 in the Republic of Ireland



Lifeboats