

What a difference a year makes

RNLI 2014 | Annual Report and Accounts



Lifeboats



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

Every day of every year, people of all 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.

Contents

Annual Review

The RNLI year: a message from the Chairman 4

Community 6

Rescue 8

Prevention 10

Partnership 12

International 14

The future: a message from the Chief Executive 16

Annual Report of the Trustees

Activities, plans and progress 18

Financial review 22

Governance 26

Accounts

Independent auditor's report 30

Financial statements 31

Notes to the accounts 35

RNLI officers and contacts 50

RNLI governance and management structure 53

Supporters 54

Awards 56



'Our volunteers, staff and supporters are helping to save more lives'

What a difference your **time, talent and support** make

The RNLI has always made a difference by empowering communities to preserve life

As you will read in these pages, the impact that our lifesaving communities made in 2014 is extraordinary: 460 lives saved, over 8,500 lifeboat rescues carried out, and over 17,000 incidents attended on lifeguarded beaches. We also delivered safety messages to hundreds of thousands of people.

The amount of time, talent and support that went into making it all possible was equally extraordinary, thanks to our volunteers, our fundraisers, our staff and our donors. One of the many highlights of 2014 for me was visiting lifesaving communities such as Porthdinllaen (see left). Last Autumn it was a great honour to open the town's new lifeboat station, equipped with everything needed to keep the crew and the lifeboat ready for the next rescue. It was an even greater honour to present the volunteers with an award to celebrate 150 years of saving lives – and to witness the naming ceremony of their new 25-knot all-weather lifeboat. The whole team at Porthdinllaen deserve to enter their 151st year with the right facilities and craft to enable them to save lives for decades to come.

Every time our volunteers complete a rescue or share a safety message, it is the last link in a remarkable chain of generous acts. Our supporters and fundraisers helped us to raise £182M last year. Every pound and euro received from every collection, event, sale and donation make a lifesaving difference. That is because we rely entirely on this income to fund what we do, from education materials and lifeboat fuel, to buildings and rescue

craft, all around the United Kingdom and the Republic of Ireland. The amazing support we get from each and every one of you has allowed us to make significant progress towards our long-term goals, as well as to fund our day-to-day lifesaving operations.

What are those long-term goals? Last year we pledged to save more lives by completing the introduction of the 25-knot all-weather lifeboat fleet and by expanding our lifeguard service to give almost UK-wide coverage by 2019. We also set the objective to halve coastal drowning around the UK and Republic of Ireland by 2024. Maintaining our rescue service and building our preventative work is essential if we are to save more lives and tackle a tragic and stubborn statistic: every year there are around 170 drownings and coastal fatalities around the UK coastline.

Global drowning is an epidemic – so we will grow our overseas lifesaving work, operating closely with local communities and other organisations.

We have made significant progress towards these goals. By the end of 2014, our All-weather Lifeboat Centre in Poole had taken shape. All-weather lifeboat production will begin there in the early part of 2015, which will ensure we meet our target of building six 25-knot all-weather lifeboats every year.

We expanded our beach lifeguard service to 215 units in 2014, and will add a further 10 this year. And we have now finalised our safety strategy, which combines campaigning, community



Photo: RNLI/Nathan Williams

lifesaving plans and partnerships to reach the right people with the right safety messages – before they put themselves at risk. Increasingly we will do this with the support of other like-minded organisations.

All these achievements are thanks to another link in the chain – in addition to the generous time and support people give – and that is the talent within the RNLI. I have never been more proud of the skilled people we have in this highly professional and efficient organisation. The comprehensive training and support we offer to our people; the high standard of design, engineering and maintenance of our craft and facilities; the creative ways we raise funds; the ingenuity we show to promote safety awareness, and the continuous improvement culture that has found even better ways of doing almost everything. Together this has saved over £22M in annual running costs in comparison with when we started in 2009 – which ensures we make best use of the funds our people work so hard to raise.

So, 2014 was the year in which we set out to save even more lives, now and in the future. Whatever time, talent or support you generously gave to make that difference, thank you.

Charles Hunter-Pease

Charles Hunter-Pease OBE
Chairman



What a difference **community** makes

Since the RNLI's earliest days, communities have been pulling together to deliver and support our charity's lifesaving service. Today, whether local or virtual, they remain united in the cause of saving lives at sea

We rely on community. It is the driving force behind every lifeboat launch, lifeguard patrol and flood rescue deployment. Our frontline service of 237 lifeboat stations depends on local lifeboat and shore crews, backed by teams of fundraising, education, safety and press volunteers. They will be at the centre of our mission to halve coastal drowning around the UK and Republic of Ireland by 2024.

Even in the most landlocked corners of the UK and Republic of Ireland, people are moved to raise funds to make the water a safer place for everyone. In 2014, our network of 1,112 fundraising branches and guilds raised £14.8M. They were joined by thousands of volunteers in RNLI museums, visitor centres and shops, who all give precious hours year-round to raise funds and awareness.

Individual fundraisers and groups come to the RNLI from all walks of life and every motivation, from personal challenges to remembering loved ones. In May 2013, Victoria Milligan lost her husband and daughter in a tragic accident on the Camel Estuary. The Milligan Bike Ride, which she established in their memory the following June, raised £250,000 to train crew members at every lifeboat station in Cornwall. 'We wanted to

raise money for something tangible and relevant,' Victoria explains.

With the powerful advocacy and awareness that social media can raise, virtual communities contribute an increasing amount to our cause. In May, our new fundraising campaign H2Only saw 1,196 thirsty supporters drink nothing but water for 2 weeks. Spurred on by an award-winning mobile app, they raised £110,154 and helped share the RNLI's work with new and younger audiences.

In the year the RNLI turned 190, we also looked back 100 years to the vital contribution our communities made during the First World War. Launched in February 2014, the touring exhibition *Hope in the Great War* remembers the courage and sacrifice of those who saved lives during a time of terrible conflict. In October the RNLI joined with the people of Whitby to remember those lost and rescued from the stricken hospital ship *SS Rohilla* in 1914.

Community is the common thread that links the RNLI's beginnings to the present day. RNLI groups have formed our proud history – and it is their teamwork, experience and expertise that hold the key to our future.

That's the difference community makes.

'The one constant is the fantastic support she has shown our volunteer crews'



Photo: RNLI/Dave Cocks

**VERA ROBINSON MBE
FUNDRAISER | REDCAR**

In 2014 we celebrated the dedication of a woman who has served the RNLI community for half its 190-year history. When Vera Robinson started fundraising at Redcar in 1930, lifeboats were still powered by oars and launched using horses. Now President of the local RNLI fundraising guild, Vera made no plans to slow down when she turned 100 on 7 May.

Almost 19,000 Facebook supporters liked the RNLI's birthday message, with a selection of their good wishes sent on to Vera in a printed card. 'Vera really is one of a kind,' says Dave Cocks, Lifeboat Operations Manager at Redcar. 'She has seen so many changes over the last 84 years, but the one thing that has remained constant is the fantastic support that she and the ladies' guild have shown our volunteer crews.'

 **237**
**LIFESAVING
COMMUNITIES
BASED AROUND
LIFEBOAT STATIONS**

 **£14.8M**
**RAISED BY OUR
COMMUNITY
FUNDRAISERS**

 **1,112**
**COMMUNITY
FUNDRAISING
GROUPS**

What a difference rescue makes

The seas, beaches and waterways watched over by our lifesavers are enjoyed by thousands of people every year. But the water remains an unpredictable environment that can catch people out. Experienced or novice, well-equipped or underprepared – people will always need our help. And we will always be there to answer that call

In 2014, lifeboats rescued an average of 24 people a day. Crew members gave nearly 55,000 hours to service calls. Lifeguards watched over 15.5M beachgoers and aided almost 20,000. As our frontline rescue service continued, the RNLI looked at how to secure, support and sustain it long into the future.

It was a landmark year in our plans for a 25-knot all-weather lifeboat fleet, which will provide every all-weather station with a faster, more capable craft. In February the final 25-knot Tamar class lifeboat went on service at The Mumbles, and the first Shannon class to go on station arrived at Dungeness. This was followed by Exmouth, Lowestoft and Hoylake, plus another Shannon for the relief fleet at RNLI Headquarters in Poole.

Just across the water from that fleet, the future of all-weather lifeboat production and maintenance was taking shape as the structure of the All-weather Lifeboat Centre (ALC) rose from the ground. Soon it will take on its first maintenance work, and before long a new, state-of-the-art lifeboat will roll off the production line every 2 months.

As new lifeboats arrive and the technical demands of equipment increases, training volunteers is more important than ever. In June we celebrated 10 years of RNLI College, our centre for training excellence. In its first decade, the College has hosted

13,000 crew course attendees. Today it offers around 50 courses for lifeboat crews, lifeguards and flood responders.

We patrolled more lifeguarded beaches than ever in 2014. The new base at Wells-next-the-Sea, Norfolk, proved its worth within 24 hours. On their second day of patrols, lifeguards saved the life of a teenager caught in a strong channel current, minutes from drowning.

The storms that battered our coastline in the Winter of 2013–14 presented many lifeguard teams with new challenges the following Summer. Beach profiles had changed dramatically. Sand was washed away or piled up into dangerous cliffs, leaving rocks exposed and new or stronger rip currents forming around them. In August, lifeguards at Polzeath in Cornwall stayed on duty late into the evening as a high spring tide, strong onshore winds and powerful swell created treacherous conditions. They pulled 32 people from the sea in just 90 minutes.

Volunteers at the end of a pager, ready to save those in trouble at a moment's notice. Watchful lifeguards who rescue whole families from powerful rip currents. Faster, more capable boats that reach casualties more quickly. Without them, 460 people wouldn't be alive today.

That's the difference rescue makes.



**6 NEW
ALL-WEATHER
LIFEBOATS**

**215
LIFEGUARD
PATROLS**



**4 PEOPLE
RESCUED IN
3 HOURS BY
WICKLOW CREWS**

'The training just kicked in'

When a rip current dragged a pregnant woman into a cave at Silver Strand beach, Co Wicklow, lifeboat volunteers arrived to find a further three people in need of their help nearby. All four casualties, injured and badly traumatised, were rescued by Wicklow inshore and all-weather lifeboat crews.

Crew Member Alan Goucher, who swam into the cave, waded against currents and scaled rocks to reach three of them, had his casualty care skills put to the test – as well as his fitness.

'I consider myself fairly fit, but I was beat by the time I got into that cave,' he says. 'And when we went to the mother and child, the sea took my legs away wading out to those rocks. The rip current goes both sides, and that's what had caught so many people out.'

'The training just kicked in. We've been on the courses at RNLI College and we all watch and learn from the older lads on station. I know we whinge about training early on a Sunday morning – but it works.'

Photo: RNLI/Nigel Millard



ALAN GOUCHER
CREW MEMBER | WICKLOW

Photo: Steve Richards

Photo: Steve Richards



PIP HARE
COMMUNITY SAFETY | RNLI

'The most exciting part of the job is rethinking the problem and not being afraid to try new things'

After a successful pilot in 2013, Swim Safe continued and grew in Summer 2014, giving children used to swimming in pools practical experience of open water. Volunteers for the partnership between the RNLI and Amateur Swimming Association delivered free training to 3,381 children aged 7–14 at four locations across the UK. For the first time sessions took place inland on Lake Windermere in Cumbria, thanks

to partnerships with the National Trust and the Royal Lifesaving Society UK.

Pip Hare, RNLI Community Safety Product Manager, helped set up and pilot the scheme: 'The most exciting part of the job is picking up the phone and finding out what's possible,' she says. 'It's about rethinking the problem and not being afraid to try new things.'

What a difference prevention makes

Every year we celebrate the hundreds of lives our lifeboat crews and lifeguards save – and rightly so. But behind that statistic are countless lives that have been saved before help was needed. Every year we also mark hundreds of personal tragedies – those who could not be reached in time

It is prevention work that will drive us to our goal of halving coastal drowning by 2024.

While the headlines focus on our lifeguards' admirable rescues, this accounts for only 5% of a typical day's patrol. In 2014 they carried out almost 2.4M preventative actions, ranging from face-to-face safety advice to marking out safe areas to swim. Two thirds of incidents they respond to involve children, which is why the commitment of our 500 education volunteers is so important. In 2014, they delivered water safety talks to 341,794 children.

Despite the best efforts of our lifesavers, around 170 people still die around the UK coastline each year. In 2012 we realised we needed to take a radical new approach to make an impact on this persistent statistic. Since then the Community Safety Team has identified the locations and activities that need attention most. They focus on three areas designed to change behaviour and reduce the loss of life around our coastline: a national awareness campaign, community lifesaving plans and activity-specific safety products and messages.

All of this is underpinned by detailed research led by our Operations Research Unit, which maps coastal fatalities and their contributing factors. In 2014, our researchers completed risk profiles for many new activities, including commercial fishing and scuba diving.

Our national Respect the Water campaign is designed to increase awareness and understanding of drowning in men aged 20–64 years. We grew the campaign in 2014, delivering interactive displays to nine UK towns and testing messages

through unconventional, memorable media. Shop-shutter graffiti appeared overnight at Newquay and text was pressure-washed into the slipway at Happisburgh. During the Summer 14,000 people visited the campaign website.

Across the UK and Republic of Ireland, community lifesaving plans map local incidents and empower communities to tackle the coastal hazards that affect them. In 2014, community incident reduction managers worked with volunteers to devise and introduce 41 new plans. At Sully Island in the Vale of Glamorgan, this involved the development of a traffic light system linked to a tidal gauge, which will help reduce the number of people being cut off and caught out by dangerous tides.

Other targeted products included free kayak safety kits, a tidal text service for the causeway to Cramond Island, and a Beach Smart pack that helped 41,000 families stay safe during the Summer. Working closely with sports' governing bodies, participants and local experts, we ensured that messages and products were relevant to the target users.

The chain of events that leads to drowning is built from a lack of understanding, information, protection, ability to cope, supervision and – ultimately – rescue. Every day, education, targeted advice, interventions and products interrupt that chain and prevent countless deaths. We may never know how many people these measures have saved, but we do know that – with the right research and support – they have the power to save many more.

That's the difference prevention makes.



REACHED
10.1M
ADULT MEN



NEW COMMUNITY
LIFESAVING
PLANS IN PLACE

3,381
CHILDREN
RECEIVED
SWIM SAFE
TRAINING

What a difference partnership makes

We know we can't do this alone. Alone, the number of people at risk from drowning at home and overseas is a daunting one. In partnership with like-minded organisations, experts and local communities, it becomes a problem that we can tackle together, one intervention at a time

From the coastguard officer who takes the call when someone's in trouble on the water, to the international organisations taking on global drowning – teamwork makes lifesaving possible. Our lifesavers are well accustomed to forming partnerships, both temporary and enduring. This experience is essential for a future where collaboration is the key to reducing drowning rates.

Our regional Flood Rescue Teams bring together local lifeboat crew members with swift-water rescue expertise. They form new teams at a moment's notice, often with people they've just met. Their unifying cause? To save lives and minimise the distress that flooding brings.

During the wettest Winter on record, volunteers drove hundreds of miles and spent many watchful hours on stand-by. In January 2014, the Welsh team worked with fire service, coastguard and local mountain rescue teams to save four people from a farmhouse near Pwllheli. The cold water flooding their home was waist deep.

Partnerships are crucial in rescue – but they're needed for prevention too. As a member of the National Water Safety Forum we are committed to creating a UK national drowning prevention strategy.

In 2014 we continued to help equip commercial fishermen with personal flotation devices (PFDs) and the training to use them safely at sea. Over 8,500 lifejackets are now in place and saving lives, thanks to partnerships between fishermen's federations, the RNLI, MCA, Fishermen's Mission and Seafish.

This Winter, commercial fishermen also helped us devise a relevant, hard-hitting

campaign on vessel stability. We hope its messages will save more lives at the most hazardous time of year, for the most dangerous peacetime profession.

That level of expert insight – paired with professional research – is vital to saving more lives. We work with academic and industry experts to improve lifesaving techniques, interventions and equipment. RNLI research into the economic benefits of lifeguards, conducted with Oxford Economics and Ipsos Mori, found that a lifeguarded beach attracts up to £130,000-worth of additional tourism. This now gives local authorities a compelling financial – and social – case for lifeguard cover.

Our award-winning apprenticeship scheme also brings local economic benefits, employing at least six new apprentices a year, giving them skills for life and helping us to make the All-weather Lifeboat Centre a home for engineering excellence.

The RNLI's world-leading service is a respected authority on search, rescue and education. We want to share this expertise to combat the global drowning epidemic. In order to tackle a problem of this scale, we have been working with others (including Plan UK and the International Life Saving Federation) to make drowning a global priority. Only then can we implement effective, united action.

Local alliances and international coalitions. Temporary teams that have lasting, life-changing impacts. Research findings published and valuable experience shared.

That's the difference partnership makes.



8,500+
FISHERMEN
NOW HAVE PFDs



A LIFEGUARD
PATROL CAN
ADD £130,000
TO TOURISM
INCOME



3 YEARS
OF RIP RESEARCH
WITH PLYMOUTH
UNIVERSITY



TOM WALTERS
RESEARCH MANAGER | RNLI

'The expertise and dedication of the Plymouth University team made this partnership a success'

In June 2014 we supported the full launch of the website ripcurrents.co.uk, a culmination of 3 years' collaborative research with Plymouth University. Funded jointly by the Natural Environment Research Council and the RNLI, the site gives lifesavers and members of the public valuable new insight into the formation, risks and identification of rip currents.

Lifeguards have new tools at their fingertips, including hazard assessment check cards and a pilot rip forecasting tool, developed in partnership with the Met Office.

Tom Walters, RNLI Research Manager, says: 'The expertise and dedication of the Plymouth University team made this partnership a success. Since the research concluded in 2013, lifeguards and beach goers across the UK and Channel Islands have benefited from its findings every Summer. 'And the partnership continues: the marine science team at the university are now researching relative levels of risk on beaches across the UK and Ireland for the RNLI.'

What a difference our **international** work makes

Global drowning is an epidemic that requires international attention. We are expanding our work overseas to provide communities with the knowledge, equipment and skills needed to reduce this staggering loss of life

In November 2014, the World Health Organization (WHO) released its report on global drowning. The findings were stark. Of the 372,000 drownings worldwide every year, 90% occur in low- and middle-income countries. The causes are close to home, involving basic, day-to-day activities like washing and collecting water.

The tragedy is that many of these deaths are preventable and relatively cheap to address, through training and education. We believe that all nations (the UK and Republic of Ireland included) should have a national drowning prevention strategy, underpinned by a range of practical, effective programmes and interventions. We will be supporting the WHO's recommendations for improved data, tailored programmes and global partnerships to achieve this.

We are not aiming to replicate or fund an overseas RNLI, but help build capacity to those who can make a difference in their own countries. The extent of our investment in this work during 2014 was less than 0.5% of the RNLI's total expenditure, yet this affected thousands of people.

Since 2012 we've worked with the Centre for Injury Prevention and Research Bangladesh to help set up the country's first lifeguard service. In May 2014 that service became full time, and it's now self-sustaining for recruiting and training its own lifeguards. Within weeks of going full time, Lifeguard Mohammed Abdul Sukkur saved a girl from a rip current.

In previous months, she would almost certainly have died.

Our programmes in the Philippines build on what we've learned in Bangladesh. In March 2014, RNLI trainers travelled to the Camotes Islands to train 26 candidates in lifeguard essentials. It was just 4 months after Typhoon Haiyan struck. 'Hearing the stories of so many who had tragically lost loved ones to drowning, and witnessing their strength and passion to prevent more people dying in this way, was truly humbling,' says RNLI Trainer Chris Rigby.

You can read one of these stories on the right.

For the first time in 2014 our Future Leaders in Lifesaving course took place overseas. Delegates from across Africa came to Zanzibar to learn about operations, leadership and our Aquatic Survival programme, piloted successfully on the island in 2013. They took home skills and experience to help their own countries tackle the highest continental drowning rate in the world. Ghanaian delegate Felix Uzor has already set up his own drowning education programme that aims to reach 26,000 children in the first year.

Together, we are building a picture of the global drowning problem. We are using our voice to advocate for greater recognition – and sharing our 190 years of experience through new training programmes.

That's the difference our international work makes.

'At the time I could do nothing to save my family'



JOLEM ALFECHE
LIFEGUARD | THE PHILIPPINES

Jolem Alfeche lost two of his children in a flash flood in 2011. Only his wife and youngest daughter survived. In 2014, Jolem joined 25 others from across the Philippines on lifeguard training.

'I have a very sad story in my life,' he explains. 'At the time I could do nothing to save my family. I joined the RNLI training to learn how to save life at sea and also in the river. When I come back to my bahay, my home, I can share my knowledge – first with my family, and then with people in the community, so that they will be aware of the techniques and ideas to save life. I am so thankful to the RNLI for giving me this opportunity.'

Since his initial training, Jolem has become a tutor. He will teach lifeguard instructors how to develop their own lifesaving services and train new recruits.

71
FLOOD
RESPONDERS
TRAINED



60,000
CHILDREN
TAUGHT ABOUT
WATER SAFETY

26

LEARNED
LIFEGUARDING
ESSENTIALS IN
THE PHILIPPINES

'As long as the demands of saving lives on the water evolve, so will we'

What a difference we will make

I look back on 2014 as a year of remarkable achievement, particularly by our frontline lifesavers. But every year, despite our best efforts, people still drown around the UK, Republic of Ireland, Channel Islands and Isle of Man coastlines. In the UK there are around 170 drownings and coastal fatalities each year. It's a stubborn statistic that doesn't seem to go down.

I don't want to settle for that, and I don't think you – our supporters – do either. Internationally, we are only beginning to grasp the epidemic proportions of drowning worldwide. We can – and we will – do more. But if we are going to save more lives, we will have to be ready to do things differently.

We must alter the way we think about lifesaving, the way we work and how we define ourselves as an organisation. We must also be prepared to continue our efforts to improve the service that we give to the public. As long as the demands of saving lives on the water evolve, so will we.

In 2014 we tested the ways of working that will help us achieve our challenging new goals: doing more prevention work, and saving more lives by working in communities and partnerships, rather than working alone.

This approach is all about the power of the community to do something amazing, with a new Community Lifesaving department that will bring lifesavers closer to the operations and fundraising staff who support them. It sets us up with the right structure to save lives today, yet keeps us flexible enough to meet the needs of the future. We have hundreds of extraordinary and selfless communities within the RNLI, strengthened by partnerships with a variety of like-minded organisations.

Now is the time to celebrate and build on these strengths.

This all amounts to a significant shift in perspective that will mean changing our structure, and the way we do things. But there are some aspects of the RNLI that will never change. We will maintain our world-class search and rescue service built on maritime expertise. Our safety culture will be of paramount importance to everything we do. We will remain independent in thought, but keen to work with others. We will celebrate our heritage and learn from our predecessors. And we will always rely on the teamwork, courage, the selflessness and the generosity of volunteers, supporters and staff to keep the RNLI going.

I am immensely proud of how far we have already come. Others in the sector are looking at our Continuous Improvement programme to see what we are doing. We're leading the way in fundraising with innovative new campaigns, and are, for instance, the first major UK charity to accept Bitcoin. Our volunteers and staff have a constant appetite to do things better – and we're all working to make the RNLI's extraordinary public service sustainable into the future.

That's what gives me hope that we really can achieve our bold vision: by 2024, the number of people drowning around our coastline will be half what it is today. And internationally, there will be solid partnerships in place to tackle the global drowning problem. That's what we are working for, and it really does matter.

That is the difference we will make.



Paul Boissier CB MA MSc
Chief Executive



Photo: RNLI/Nathan Williams

Ways of working

We can only achieve our long-term goals and make the RNLI **sustainable** if we commit to **continuous improvement** and **innovation**. So these three themes will be a permanent part of our culture

Our All-weather Lifeboat Centre (ALC) is a great example of all these approaches in action. The process we are using for lifeboat building and maintenance was designed using our continuous improvement methodology and will save the RNLI over £3M per year once production has reached a steady state. The vision to build our own all-weather lifeboats came from our determination to always find new, innovative ways to improve quality and save funds. Our own naval architects designed the Shannon class lifeboat hull that will be built there.

The ALC also encapsulates our commitment to keeping the RNLI fit for the future. It was built using methods that minimise its environmental impact, with new flood defences that anticipate a rise in sea levels. Many of the lifeboats built here will be housed in new stations powered and heated by renewable energy. The project was also designed to ensure the sustainability of our production line. Bringing it all in-house makes the process more secure and cost-effective than relying on external contractors. So this continuously improving, innovative project is crucial to the sustainability of our organisation, and will help us save lives on the water indefinitely.

Annual Report of the Trustees of the Royal National Lifeboat Institution

Our activities, plans and progress

Statement of principal activities

The RNLI saves lives at sea throughout the UK, Republic of Ireland, Isle of Man and Channel Islands through four principal activities – lifeboats, lifeguards, community safety and flood rescue. These four strands make up the RNLI’s Concept of Operations, which is underpinned by extensive fundraising activity.

The charity is founded on volunteers, who account for 95% of the RNLI’s people, and include 4,600 volunteer crew members, over 3,000 volunteer shore crew and lifeboat station management, and many more dedicated supporters who raise funds, give safety advice and help in our shops, museums and offices. They are supported by core staff at RNLI Headquarters in Poole and at locations around the UK and Republic of Ireland.

The RNLI was set up in 1824 and in 2014 operated 237 lifeboat stations including 4 on the River Thames and 4 inland stations at Lough Derg, Lough Ree, Enniskillen and Loch Ness. The charity’s lifeguards patrolled beaches at 215 lifeguard units across England, Northern Ireland, Wales, Scotland and the Channel Islands.

The RNLI covers more than 19,000 miles of coastline and continually reviews its operations to adapt to shifting demands and ensure the public receives the best possible search and rescue service.

The RNLI aims to launch its **lifeboats** within 10 minutes of being notified, and can operate up to 100 nautical miles out to sea. Crews aim to reach at least 90% of all casualties within 10 nautical miles of the coast within 30 minutes from launch, where there is an identified need, 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 behaviour change in people’s attitude towards the water.

The RNLI’s fourth operational arm is **flood rescue**. There are currently 16 strategically placed teams consisting of more than 250 specially trained individuals available to deploy in the UK, Republic of Ireland and Isle of Man. The aim is to send a team to any flooded area within 6 hours of request. In addition, an international team can deploy to any UK port of departure within 24 hours of being notified.

None of this would happen without the efforts of the RNLI’s thousands of dedicated volunteer fundraisers based in 1,112 branches and other groups. This effort is supported by a network of RNLI shops and an online sales operation, which offers clothing, gifts, and souvenirs.

Fundraising, which includes corporate and philanthropy teams, is centrally managed by RNLI Headquarters in Poole, Dorset. In addition, community fundraising teams are strategically placed across England, Wales, Scotland, Northern Ireland and the Republic of Ireland.

Training is paramount in ensuring lifeboat crews and lifeguards are equipped to save lives at sea, especially now that less than 10% of crew have a professional maritime background. We train our people at – or close to – lifeboat stations and beaches, and at RNLI College in Poole.

Statement of public benefit

The RNLI provides public benefit as a charity through the saving of lives at sea. The Trustees have complied with their duty in accordance with the *Charities Act 2011*

to have due regard to 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.

The RNLI plan and future direction

The RNLI has a very clear purpose: to save lives at sea. To fulfil this commitment 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 – 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 make a measurable impact on the problem we are here to tackle – drowning.

During 2014 we undertook a strategic review and issued our Business Plan for 2015–19, which outlines the new approach we will take to save 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 renew 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.

These priorities and commitments will all contribute to the impact we want to make:

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 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 2014 and beyond

Direct lifesaving impact

In 2014 we saved 460 lives. **Lifeboat crews** rescued 8,727 people and our **lifeguards** helped or rescued 19,353. **Flood rescue** teams deployed 7 times and rescued 5 people.

Our renewed focus on **prevention** has identified the need to bring about safer behaviour by those on, or near, the water.

Our **community safety** work has highlighted awareness of the issues and will be instrumental in our approach to reducing the numbers of lives lost. During 2014 we identified 41 locations where we can actively work in partnership, developing specific community lifesaving plans to tackle local issues. We plan to develop a further 40 each year. Our Respect the Water campaign reached 10.1M adult men, while Swim Safe completed its second year as part of our education and prevention work. RNLI lifeguards delivered additional safety programmes such as Beach to City and Hit the Surf. We also engaged with numerous other sea users including commercial fishermen, anglers, kayakers and sub-aqua divers to share safety messages and advice.

Our **International** strategy evolved considerably in 2014, in terms of both advocacy and interventions. In the Autumn we hosted an advocacy workshop in London, attended by the World Health Organization, four major child-focused charities and international water safety organisations from Australia and Canada. Our core RNLI interventions are progressing well, with pilot and delivery partners now in place in Ghana, Tanzania, Sierra Leone, Bangladesh and the Philippines. Over the past year the programme has educated 60,000 children in water safety and taught 500 to swim. We have also trained 63 lifeguards, 15 search and rescue personnel, 71 flood responders and provided leadership training to 31 people.

We were very grateful to receive a £1.25M donation via the Kinsurdy Charitable Trust in 2014, with a further £0.25M promised in 2015, which will help fund our work over the next 3 years. Results of research among our supporters were encouraging, showing that 80% of RNLI financial supporters and 77% of non-RNLI supporters in the UK view our work in this area as important. In the Republic of Ireland it was 92% and 88% respectively.

Supporting activities

Supporting our people

Volunteers are at the heart of the RNLI. We value the incredible contribution that they make to saving lives at sea. In 2014, we improved the ways we engage, communicate with and thank our volunteers. We launched several new channels of communication, including a new email newsletter for all volunteers, and looked at improving how we recognise their efforts. We wanted to ensure that the recognition was inspiring, motivating and built on volunteer feedback.

We are developing new materials to support managers in **recruitment and retention of volunteers**, and we want to give all new volunteers the best possible start with our charity. Staff and volunteers also need the skills to manage volunteers effectively, so we are developing training materials to create a consistent approach across the organisation.

Keeping our people safe is fundamental to the RNLI. Our **Safety – Get Onboard** strategy aims to create a world-class, proactive safety culture across the organisation. During 2014 we established a baseline from which specific plans have been developed and resourced. These plans will help reduce incidents that cause harm, improve our culture from reactive to proactive, and achieve and maintain a four-star audit rating from the British Safety Council.

Securing and supporting boatbuilding and technical skills for the long term is vital. It has led to us expanding our **apprenticeship** programme to provide further opportunities for young people. During 2014 we employed six apprentices to study towards a Level 3 apprenticeship in Marine Engineering. We hope that they will ultimately become maintenance technicians in the All-weather Lifeboat Centre. We plan to recruit seven more apprentices in various boatbuilding, mechanical and electrical trades in 2015, and we are also looking at business administration and marketing schemes.

Securing the right boats and equipment

The final Tamar class **all-weather lifeboat** went on service at The Mumbles in February 2014. Five Shannon class lifeboats also arrived in 2014, going on service in the RNLI's relief fleet and at Dungeness, Exmouth, Lowestoft and Hoylake. The most agile and manoeuvrable all-weather lifeboat yet, the Shannon can operate in shallower waters and will reach casualties more quickly.

An innovative hull design and safety features also provide better protection for volunteer crews.

In **inshore lifeboats**, 9 B class Atlantic 85 and 12 D class lifeboats went on service, with 4 of these entering the relief fleet. We continue to refine and improve these craft – innovations in 2014 included a new seat design for the Atlantic 85 that will minimise the impact on crew heading to the rescue at speed.

Building and maintaining property

In 2014 we completed 21 **building projects** to support our lifesaving service, including a new boathouse at Porthdinllaen to support our slipway fleet, modifications at Exmouth, Lowestoft and Hoylake to accommodate the new Shannon class lifeboat, and new crew facilities at Islay. Construction of the All-weather Lifeboat Centre neared completion in 2014. It will be fundamental to the Shannon deployment programme and the sustainability of future lifeboat builds and maintenance.

Sustainability

Our sustainability strategy on page 27 sets out our long-term goals. Our recent focus has been on managing our environmental impact. Our future focus will be expanded to ensure we also include the appropriate balance of economic and social factors.

During 2014 we continued to honour our **environmental commitments**. We monitored and controlled energy use with automatic meter readers at lifeboat stations and other properties. We have also installed solar panels at 17 sites, including lifeboat stations, the Sea Survival Centre and Inshore Lifeboat Centre. We operate one wind turbine, heat pumps at 14 locations, and use eco-cooling technology to ventilate some IT systems at Poole. Renewable technologies contribute 5% to our overall energy use, and they reduced our CO₂ emissions by 207,000 tonnes in 2014. Our new 235 Made for Life range takes lifejackets at the end of their operational life and creates a range of consumer products, generating funds and saving disposal costs as well. It's part of our wider commitment to reuse and recycle materials wherever possible.





Photo: RNLI/Nigel Millard

Financial review

For the year ended 31 December 2014

The RNLI achieved a steady performance in 2014 that ensured continuing improvement in our lifesaving capabilities while keeping a sound financial position.

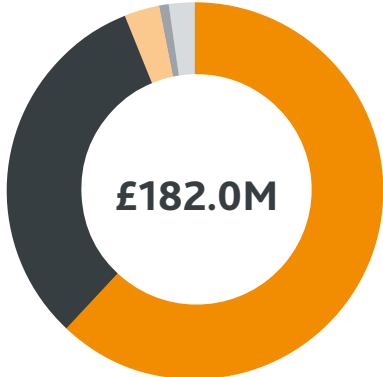
Total income, at £182.0M, was only £0.7M lower than 2013, a remarkable performance considering that 2013 included an exceptional legacy of £7.4M. While legacy income fell by £5.5M, this was mitigated by two large trust donations totalling £3.2M and an anonymous donation of £1.4M from a major donor. These large donations have created the first significant increase in fundraised voluntary income since 2007 and are testament to the undiminished hard work of our volunteer fundraisers and staff.

Charitable costs increased by £5.0M to £149.6M as we continue to improve our capabilities, expand our lifeguard service and grow our international presence, with the latter representing a relatively small cost increase for a significant impact. The main increase was in our total depreciation costs (£2.1M), an inevitable result of upgrading our lifeboats, property and equipment. We were also badly affected by the severe storms in early 2014, with repair and replacement costs of around £0.9M for our lifeboat stations and lifeguard units.

Even with this increase in costs it is comforting to know that, thanks to the RNLI's Continuous Improvement programme, costs are just over 1% above 2009 levels, despite inflation of around 14% over that 5-year period.

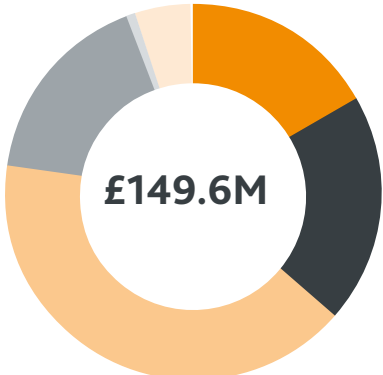
Capital expenditure increased by 35% to £64.7M in 2014 as we continue to replace our ageing all-weather lifeboat fleet, including all the related equipment and facilities, and increase our annual all-weather lifeboat build from four boats to six, with £13.8M of this spend on the new All-weather Lifeboat Centre that will be used to build the new Shannon fleet. This level of capital spend is expected to continue into the foreseeable future, the forecast for the period 2015–19 is to spend just under £300M on operational boats, equipment and properties alone.

All in all, this has led to a £5.0M reduction in the level of available free reserves to £96.9M, or 10 months of charitable expenditure. This still remains well within the Trustees' policy range of 6–18 months, albeit at the lower end of that range.



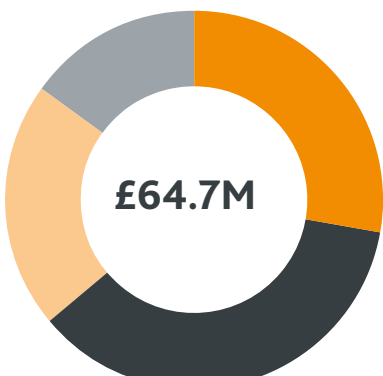
Income

| | |
|-------------------------------------|-----|
| Legacies | 62% |
| Fundraised voluntary income | 32% |
| Net merchandising and other trading | 3% |
| Net investment income | 1% |
| Lifeguard and other income | 2% |



Running costs

| | |
|-----------------------------------|-----|
| Fundraising and legacies | 18% |
| Lifeboat service | 21% |
| Lifeboats, property and equipment | 44% |
| Lifeguard rescue | 11% |
| International and flood rescue | 1% |
| Safety, education and awareness | 5% |
| Governance | <1% |



Capital expenditure

| | |
|-----------------------------------|-----|
| Lifeboat stations | 28% |
| Lifeboats and launching equipment | 36% |
| All-weather Lifeboat Centre | 21% |
| Other equipment and property | 15% |

Note: Income and expenditure are shown net of the cost of merchandising and other trading (£7.3M) and investment fees (£0.8M).

Financial review (continued)

Income

| | Ratio % | 2014 £M | 2013 £M | Change % |
|-------------------------------------|------------|------------|------------|-------------|
| Legacies | 62 | 112.9 | 118.4 | [4.6] |
| Fundraised voluntary income | 32 | 58.0 | 51.7 | 12.2 |
| Net merchandising and other trading | 3 | 5.2 | 6.0 | [13.3] |
| Net investment income | 1 | 1.7 | 2.6 | [34.6] |
| Lifeguard and other income | 2 | 4.2 | 4.0 | 5.0 |
| Total income | 100 | 182.0 | 182.7 | 0.4 |

Income remained at 2013 levels; despite a £5.5M (4.6%) decrease in legacy income due to one exceptional legacy of £7.4M in 2013. This was compensated for by a £6.3M (12.2%) increase in fundraised voluntary income, largely from two individual trust donations totalling £3.2M and an anonymous donation of £1.4M from a major donor. Net merchandising income saw small reductions in mail order, lottery and RNLI College sales, resulting in an overall reduction of £0.8M (13.3%). Net investment income was £0.9M (34.6%) lower than in 2013 at £1.7M reflecting a further change in the mix of investments and a move to investment gains from investment income.

Running costs

| | Ratio % | 2014 £M | 2013 £M | Change % |
|-----------------------------------|------------|------------|------------|-------------|
| Fundraising and legacies | 18 | 26.8 | 26.1 | 2.7 |
| Lifeboat service | 21 | 31.3 | 31.2 | 0.3 |
| Lifeboats, property and equipment | 44 | 66.9 | 64.3 | 4.0 |
| Lifeguard rescue | 11 | 16.1 | 14.9 | 8.1 |
| International and flood rescue | 1 | 1.0 | 0.7 | 42.9 |
| Safety, education and awareness | 5 | 6.9 | 6.8 | 1.5 |
| Governance | – | 0.6 | 0.6 | <0.0 |
| Total expenditure | 100 | 149.6 | 144.6 | 3.5 |

Total charitable expenditure increased by £5.0M (3.5%) in 2014. This was mainly in lifeboats, property and equipment (£2.6M) where the cost of replacing our ageing fleet and moving to a 25-knot all-weather lifeboat has increased depreciation in this area by £1.6M. There were also some one-off running costs in relation to the construction of the new All-weather Lifeboat Centre. The cost of delivering the lifeguard service increased by £1.2M (8.1%), with £0.8M on lifeguard expansion and an additional £0.4M spent on replacing and repairing lifeguard properties after the severe storms in early 2014. The increase in international and flood rescue of £0.3M (42.9%) was almost entirely for our international work as we become increasingly involved in the problem of global drowning. It is worth noting that one of the large trust donations received this year, with a value of £1.25M, was specifically restricted to such international work.

Investments

Our investment portfolio achieved total investment gains of £18.0M in 2014, 3.4% above that achieved in 2013. The RNLI investments are held as a reserve against any future shortfall in income against expenditure and seek to maintain and, if possible, enhance the real value of the reserve represented by its investments in line with its 5-year Business Plan. It seeks 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. Overall 2014 investment returns, including net investment income, were encouraging at 8.1%, compared with 8.2% in 2013 and against a medium-term portfolio target return of 6.0%.

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 loss of £17.2M (2013: £6.9M) shown on the Statement of Financial Activities (SoFA) and the balance sheet liability of £29.9M (2013: £18.8M) are based on the disclosures required by the Financial Reporting Standard FRS17 – ‘Retirement Benefits (FRS17).

The FRS17 basis is a prescribed basis that requires the discount rate to be the rate of return on AA-rated (or equivalent) corporate bonds. 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.

The scheme assets would not typically consist of 100% in corporate bonds and so this may not reflect the actual liabilities of the scheme.

Further detailed information on the RNLI pension schemes, including the current defined contribution scheme, can be found in Note 15.

Capital expenditure

| | Ratio % | 2014 £M | 2013 £M | Change % |
|-----------------------------------|------------|------------|------------|-------------|
| Lifeboat stations | 28 | 18.2 | 21.9 | [16.9] |
| Lifeboats and launching equipment | 36 | 23.3 | 16.6 | 40.4 |
| All-weather Lifeboat Centre | 21 | 13.8 | 4.7 | 193.6 |
| Other equipment and property | 15 | 9.4 | 4.8 | 95.8 |
| Total capital expenditure | 100 | 64.7 | 48.0 | 34.8 |

We continue to spend and commit to significant levels of capital expenditure in order to secure the delivery performance of the RNLI into the future. In 2014 £64.7M was spent on capital projects, a £16.7M (34.8%) increase on 2013, which itself was a £35.5M (35.2%) increase on 2012. The biggest single project was the new All-weather Lifeboat Centre at Poole at a cost of £13.8M in 2014. Operational in 2015, it will bring all-weather lifeboat building in-house, starting with the build of over 50 new Shannon class lifeboats in the next 10 years, and also accommodate the repair and refit activity for our all-weather fleet. The rollout of the Shannon class lifeboat is the major driver for the high level of spend on our operational equipment, with a £6.7M (40.4%) increase on lifeboats

and launching equipment mainly due to production of the launch vehicle for the Shannon class lifeboat. Lifeboat station costs remain high as we continue work on the last major slipway stations in the Tamar programme, namely The Mumbles, Porthdinllaen, Moelfre and St Davids. The £4.6M (95.8%) increase in other equipment and property was due to investment in IT software and hardware, primarily in our Business Systems Modernisation Programme that will be transformational for the entire RNLI.

Financial position at year end

As at 31 December 2014 the RNLI had consolidated net assets of £694.9M (2013: £661.7M), primarily representing its fixed assets of £403.9M (2013: £365.8M) and investments of £290.2M (2013: £278.7M).

While our total funds increased by £33.2M, all of this increase and more was invested in our capital programme, through the movement in fixed assets (£38.1M) and an increase in our designated funds to provide for future capital spend (£3.4M). As a result, the RNLI’s free reserves stood at £96.9M, £5.0M lower than in 2013 but still equivalent to 10 months of charitable expenditure (2013: 10 months), which remains at the lower end of the Trustees’ policy range. They are held to provide assurance of the continuity of lifesaving operations in the event of adverse economic conditions. These free reserves include £23.6M of accrued legacies where monies are only accessible once the estate is finalised by the executor.

The finances of the RNLI remain sound, but we continue to operate in an uncertain economic environment, which may adversely impact on our fundraising activities. This comes at a time when we are facing a significant investment need for our lifeboat, lifeboat station and infrastructure requirements if we are to deliver our lifesaving service in the longer term. We continue to depend entirely on the public’s generosity to support our work in saving lives at sea.

The Trustees consider that there is a reasonable expectation that the RNLI has sufficient resources to continue in operational existence for the foreseeable future and, for this reason, they continue to adopt the going-concern basis in preparing the accounts.

Funds policy

The Trustees review the 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, restricted and designated funds continues to remain unchanged.

This year, while the funds policy has not changed, the layout has been amended to improve clarity and take into account a best practice description of funds rather than reserves. The main change has been to review the classification of fixed assets where the restriction against them has been fulfilled. This has resulted in amalgamating the fixed asset funds to show the total value that the RNLI has committed to its operational assets, representing 58% of overall funds.

The full policy is set out in note 1g.

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 advisors, and was last significantly revised in 2009.

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, but 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.

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 to be any listed investment adverse to the purpose of the charity, saving lives at sea, and therefore they do not apply any specific ethical constraint to the investment policy.

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 established 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 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 coastal 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 2014 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 organisations and persons, are given on pages 50–52, alongside the overall management structure. Trustee Board Members serve a 3-year term, but may be reappointed for up to a further 2 succeeding terms.

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. Council members serve a 3-year term, but may be re-elected by the Governors for up to a further two succeeding terms.

In 2014, the Trustee Board reviewed their terms of reference, and developed a 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. A full list of Trustee Board Committees can be found on page 51.

Each Committee of the Board has defined terms of reference, detailing the delegated authorities where appropriate. These terms were all reviewed in 2014, 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 plans to review and evaluate their performance, through an online questionnaire and individual interviews. This will lead to developing an action plan to improve any identified areas in the operation of the Board.

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, the RNLI plans to refresh the induction and development programme for our Trustees and Council members, and commence Board and Executive strategic workshops.

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.

Statement of Trustees’ 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.

Safety, Health and Environment

In 2014 the RNLI approved the Safety – Get Onboard strategy, focused on keeping our people, properties and environment safe. The strategy is targeted on two improvement workstreams – the development of an integrated safety management system that will demonstrate our legal and moral compliance, plus safety behaviours and cultural change to ensure everyone involved with the RNLI is aware of the part they play in improving our safety culture and reducing incidents that cause harm. To ensure that these are achieved and sustained the RNLI has introduced a safety governance structure allowing safety to be managed at all levels of the organisation. This structure currently includes a special interest group to inform on progress and take benefit from external best practice.

Risk management

By the RNLI’s very purpose, our lifesavers, their support staff and operational assets are exposed to substantial risk. The current strategic risks can be categorised into key areas: mission delivery, reputation, financial stability, organisational sustainability and people. The Trustees have taken all appropriate steps to mitigate and manage these risks, principally through competence-based training, appropriate operational procedures, stringent and professional design, build and maintenance of all our operational assets and equipment, and insurance of third-party risks. Should the need arise, the RNLI has a crisis response plan that is rehearsed and reviewed on a regular basis. 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. We consider the impact of every risk individually and collectively, considering the impact on the organisation of any risk being realised. Our risk management system also includes a log of emerging concerns. The ongoing development of our safety culture and procedures has seen a new programme put in place in 2014 to minimise the risk of any harm coming to our people.

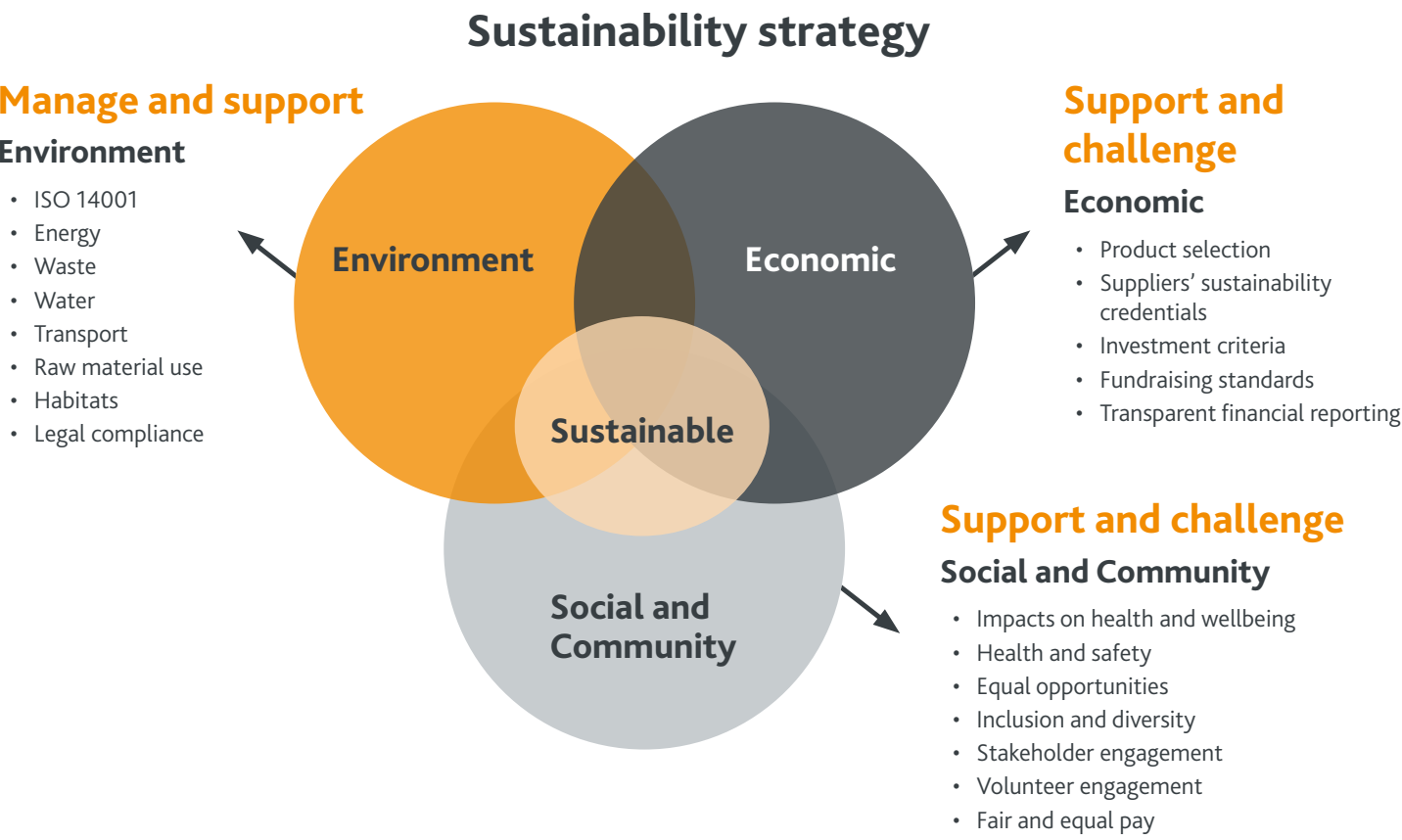
The Audit and Risk Committee is a Committee of the Board. It meets at least three times a year and reviews the work of the external and internal auditors, internal controls and the risk register. The risks are analysed into key components and the responsibility for the management of each of the components is assigned to a senior manager. Although responsibility for risk management lies with RNLI management, the Internal Auditor facilitates the assessment process. The Audit and Risk Committee monitors the resulting risk profile and reports to the Trustee Board on this. The RNLI also employs specialist advisers as shown on pages 51 and 52.

In 2015 the RNLI is increasing its focus on Risk Management at all levels and has recently created a Head of Corporate Risk and Compliance role, with the intention of further developing our approach to managing the opportunities and obstacles in delivering on our day-to-day activities and strategic transformation initiatives. The Head of Corporate Risk and Compliance will deliver continuous improvement to the RNLI risk management framework, health and safety, quality and business continuity management.

Sustainability

The RNLI introduced its first sustainability strategy in 2014, the purpose of which is to help us focus on improving the social, economic and environmental impacts of RNLI activities, also known as the ‘triple bottom line’. Our long-term vision is for a sustainable RNLI that creates positive value for both communities and the environments in which we operate.

The RNLI plans to achieve this by consciously managing the balance between our social responsibilities to RNLI people and the communities we serve, the effect of our economic choices and environmental impacts (see illustration below). Success will be driven by the new corporate strategy that embraces innovation, continuous improvement and the adoption of new ways of thinking and working.



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 Chairman, 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 the RNLI can attract and retain the right people with the right skills to deliver its 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 Director of People.

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 from top to bottom.

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 in this report, and on the RNLI website, by differentiating between directors and other senior managers who earned in excess of £60,000, 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.

Inclusion and diversity

Work on inclusion and diversity in the RNLI continues to focus on creating awareness, putting building blocks in place and making an impact. The requirement to build a genuine inclusion and diversity culture is integral to our organisational goals and, in 2015, inclusion and diversity will play a key role in creating the conditions for how community lifesaving is achieved in a sustainable fashion. In 2015, with the strong support of Executive Team sponsors, and a cross-organisational leadership group of advocates, we aim to firmly establish the appropriate principles, process and policy with staff and volunteers, building on the skills and behaviours developed in 2014.

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.

Investors in People

The RNLI has Investors in People accreditation, a well-recognised standard in relation to good people management.

Accreditation of Training and Assessment Standards

In 2014 we achieved Scottish Qualifications Authority accreditation of our assessing/verification of training. Our Continuous Improvement training has been accredited by the Cardiff University Lean Enterprise Research Centre (LERC) programme.

Pension Quality Mark Plus

The RNLI's Group Personal Pension Plan has met the standards required for the Pension Quality Mark Plus from the National Association of Pension Funds.

UK Museum Accreditation

The RNLI Henry Blogg Museum continued to meet the standard for UK Museum Accreditation and the RNLI Grace Darling Museum also achieved accreditation in 2014.

ISO 9001:2008, Quality Management System

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

ISO 14001, Environmental Management Systems

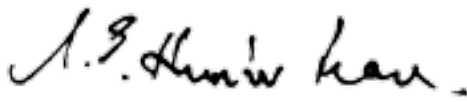
The RNLI is certified to ISO 14001, which is the International Standard for Environmental Management Systems. Through this we will assess, monitor and document the significant environmental aspects and impacts of our operations. We will set objectives and/or targets and take action in order to continually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

Support to the development of ISO Standards

Since 2008 the RNLI has been working with other countries and organisations to develop the Standard ISO 13009 *Tourism and related services – requirements and recommendations for beach operation*, recently published by the International Organization for Standardization. Going forward we plan to support countries across the world in developing their beach safety practices in line with the Standard.

In addition Community Safety has helped implement a number of other standards, including: BS 8569:2014 *Coastal slipway safety signs*; ISO 20712-1:2008 *Water safety signs and beach safety flags – Part 1: Specifications for water safety signs*; ISO 20712-2:2007 *Water safety signs and beach safety flags – Part 2: Specifications for beach safety flags*; ISO 20712-3:2014 *Water safety signs and beach safety flags – Part 3: Guidance for use*.

The Annual Report of the Trustees of the RNLI was approved by the Trustees of the RNLI on 15 April 2015 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 2014 set out on pages 31–49. 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 2014 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
15 April 2015

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 2014

| | Note | Unrestricted funds | | | Restricted funds £M | Endowed funds £M | Total 2014 £M | Total 2013 £M |
|---|------|---------------------|------------------------|-------------------------|------------------------|---------------------|------------------|------------------|
| | | General funds £M | Designated funds £M | Fixed asset funds £M | | | | |
| | | | | | | | | |
| Incoming resources | | | | | | | | |
| Legacies | | 89.9 | – | – | 23.0 | – | 112.9 | 118.4 |
| Fundraised voluntary income | | 44.3 | – | – | 13.7 | – | 58.0 | 51.7 |
| Merchandising and other trading | | 12.5 | – | – | – | – | 12.5 | 13.5 |
| Investment income | 7c | 2.0 | – | – | 0.5 | – | 2.5 | 3.4 |
| Lifeguard income from charitable activities | | 3.6 | – | – | – | – | 3.6 | 3.5 |
| Other income | | 0.6 | – | – | – | – | 0.6 | 0.5 |
| Total incoming resources | | 152.9 | – | – | 37.2 | – | 190.1 | 191.0 |
| Resources expended | | | | | | | | |
| Fundraising and legacies | | (26.3) | – | (0.4) | (0.1) | – | (26.8) | (26.1) |
| Merchandising and other trading | | (7.2) | – | (0.1) | – | – | (7.3) | (7.5) |
| Investment management | | (0.5) | – | – | (0.3) | – | (0.8) | (0.8) |
| Cost of generating funds | | (34.0) | – | (0.5) | (0.4) | – | (34.9) | (34.4) |
| Lifeboat service | | (20.8) | – | (1.4) | (9.1) | – | (31.3) | (31.2) |
| Lifeboats, property and equipment | | (32.8) | – | (21.1) | (13.0) | – | (66.9) | (64.3) |
| Lifeboat rescue | | (53.6) | – | (22.5) | (22.1) | – | (98.2) | (95.5) |
| Lifeguard rescue | | (14.6) | – | (1.5) | – | – | (16.1) | (14.9) |
| International and flood rescue | | (0.7) | – | (0.2) | (0.1) | – | (1.0) | (0.7) |
| Safety, education and awareness | | (6.7) | – | (0.1) | (0.1) | – | (6.9) | (6.8) |
| Charitable expenditure | | (75.6) | – | (24.3) | (22.3) | – | (122.2) | (117.9) |
| Governance expenditure | | (0.6) | – | – | – | – | (0.6) | (0.6) |
| Total resources expended | 5 | (110.2) | – | (24.8) | (22.7) | – | (157.7) | (152.9) |
| Net incoming resources before transfers | | 42.7 | – | (24.8) | 14.5 | – | 32.4 | 38.1 |
| Transfers between funds | 1g | (52.5) | 3.4 | 62.9 | (18.2) | 4.4 | – | – |
| Net incoming resources | | (9.8) | 3.4 | 38.1 | (3.7) | 4.4 | 32.4 | 38.1 |
| Gains on investments | 7b | 10.9 | – | – | 6.8 | 0.3 | 18.0 | 17.4 |
| Actuarial losses on pension schemes | 15d | (17.2) | – | – | – | – | (17.2) | (6.9) |
| Net movements in funds | | (16.1) | 3.4 | 38.1 | 3.1 | 4.7 | 33.2 | 48.6 |
| Funds at 1 January | | 83.1 | 101.6 | 365.8 | 100.6 | 10.6 | 661.7 | 613.1 |
| Funds at 31 December | | 67.0 | 105.0 | 403.9 | 103.7 | 15.3 | 694.9 | 661.7 |

The notes on pages 35–49 form part of these accounts.

RNLI consolidated balance sheet

as at 31 December 2014

| | | 2014 | | 2013 | |
|---|------|--------|--------|--------|--------|
| | Note | €M | €M | €M | €M |
| Assets employed | | | | | |
| Fixed assets | | | | | |
| Intangible assets | 6 | 1.2 | | 1.3 | |
| Tangible assets | | 402.7 | | 364.5 | |
| | | | 403.9 | | 365.8 |
| Investments | 7 | | 290.2 | | 278.7 |
| Current assets | | | | | |
| Stocks | 8 | 13.2 | | 14.5 | |
| Debtors | 9 | 33.5 | | 37.6 | |
| Short-term deposits | | 2.4 | | 5.3 | |
| Bank and cash | | 2.0 | | 2.1 | |
| | | 51.1 | | 59.5 | |
| Creditors | | | | | |
| Amounts falling due within 1 year | 10 | (14.4) | | (17.9) | |
| Net current assets | | | 36.7 | | 41.6 |
| Creditors | | | | | |
| Amounts falling due after more than 1 year | 10 | | (6.0) | | (5.6) |
| Net assets excluding pension liability | | | 724.8 | | 680.5 |
| Defined benefit pension liability | 10 | | (29.9) | | (18.8) |
| Net assets including pension liability | | | 694.9 | | 661.7 |
| Funds | | | | | |
| Endowed funds: Permanent | | | | | |
| | | 10.9 | | 10.6 | |
| Expendable | | 4.4 | | – | |
| | | | 15.3 | | 10.6 |
| Restricted funds | | | 103.7 | | 100.6 |
| Unrestricted funds | | | | | |
| Fixed asset funds | | | 403.9 | | 365.8 |
| Designated funds | 12 | | 105.0 | | 101.6 |
| General funds: Free reserves | | 96.9 | | 101.9 | |
| Pension reserve | | (29.9) | | (18.8) | |
| | | | 67.0 | | 83.1 |
| Total funds | | | 694.9 | | 661.7 |

The notes on pages 35–49 form part of these accounts. The accounts of the RNLI and the consolidated accounts were approved and authorised for issue by the Trustees on 15 April 2015 and signed on their behalf.

Charles Hunter-Pease OBE
Chairman

Paul Boissier CB MA MSc
Chief Executive

RNLI balance sheet[†]

as at 31 December 2014

| | | 2014 | | 2013 | |
|---|------|--------|--------|--------|--------|
| | Note | €M | €M | €M | €M |
| Assets employed | | | | | |
| Fixed assets | | | | | |
| Tangible assets | | | 395.7 | | 359.2 |
| | | | | | |
| Investments | | | 291.7 | | 280.2 |
| Current assets | | | | | |
| Debtors | | 42.4 | | 46.7 | |
| Short-term deposits | | 2.4 | | 5.3 | |
| Bank and cash | | 3.4 | | 1.6 | |
| | | 48.2 | | 53.6 | |
| Creditors | | | | | |
| Amounts falling due within 1 year | | (5.5) | | (7.4) | |
| Net current assets | | | 42.7 | | 46.2 |
| Creditors | | | | | |
| Amounts falling due after more than 1 year | | | (6.0) | | (5.6) |
| Net assets excluding pension liability | | | 724.1 | | 680.0 |
| Defined benefit pension liability | | | (29.9) | | (18.8) |
| Net assets including pension liability | | | 694.2 | | 661.2 |
| Funds | | | | | |
| Endowed funds: Permanent | | | | | |
| | | 10.9 | | 10.6 | |
| Expendable | | 4.4 | | – | |
| | | | 15.3 | | 10.6 |
| Restricted funds | | | 103.7 | | 100.6 |
| Unrestricted funds | | | | | |
| Fixed asset funds | | | 395.7 | | 359.2 |
| Designated funds | | | 105.0 | | 101.6 |
| General funds: Free reserves | | 104.4 | | 108.0 | |
| Pension reserve | | (29.9) | | (18.8) | |
| | | | 74.5 | | 89.2 |
| Total funds | | | 694.2 | | 661.2 |

The notes on pages 35–49 form part of these accounts. The accounts of the RNLI and the consolidated accounts were approved and authorised for issue by the Trustees on 15 April 2015 and signed on their behalf.

Charles Hunter-Pease OBE
Chairman

Paul Boissier CB MA MSc
Chief Executive

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

RNLI consolidated cash flow statement for the year ended 31 December 2014

| | | 2014 | | 2013 | |
|---|------|------------|------------|-------------------------|--------|
| | Note | £M | £M | £M | £M |
| Net cash inflow from operating activities | *(a) | | 50.6 | | 46.8 |
| Returns on investments | | | | | |
| Investment income | | | 2.5 | | 3.4 |
| Capital expenditure | | | | | |
| Payments to acquire fixed assets: | | | | | |
| Lifeboats | | (18.3) | | (11.6) | |
| Stations and shoreworks | | (24.6) | | (12.8) | |
| Launching equipment | | (3.2) | | (5.2) | |
| Depots, offices and training facilities | | (1.2) | | (0.2) | |
| Computer equipment, plant and vehicles | | (6.0) | | (4.0) | |
| Assets under construction movement | | (11.4) | | (14.2) | |
| | | (64.7) | | (48.0) | |
| Receipts from sales of fixed assets | | 2.1 | | 2.1 | |
| Net cash outflow for capital expenditure | | | (62.6) | | (45.9) |
| Cash (outflow)/inflow after capital expenditure | | | (9.5) | | 4.3 |
| Investments | | | | | |
| Purchase of investments | | (79.5) | | (26.9) | |
| Receipts from sale of investments | | 86.0 | | 23.0 | |
| Net cash inflow from/(outflow to) investments | | | 6.5 | | (3.9) |
| Cash (outflow)/inflow before use of liquid resources | | | (3.0) | | 0.4 |
| Management of liquid resources | | | | | |
| Transfer from/(to) short-term deposits | | | 2.9 | | (1.2) |
| Decrease in cash in the year | *(b) | | (0.1) | | (0.8) |
| Notes to the consolidated cash flow statement | | | | | |
| *(a) Reconciliation of changes in net incoming resources to net cash inflow from operating activities | | 2014 £M | | 2013 £M | |
| Net incoming resources | | 32.4 | | 38.1 | |
| Investment income | | (2.5) | | (3.4) | |
| Depreciation/amortisation | | 24.8 | | 22.6 | |
| Profit on sale of tangible fixed assets | | (0.3) | | (0.1) | |
| Asset write-downs | | - | | 1.5 | |
| Decrease/(increase) in stock | | 1.3 | | (0.9) | |
| Decrease/(increase) in debtors | | 4.1 | | (4.1) | |
| (Decrease)/increase in creditors | | (3.5) | | 6.2 | |
| Increase/(decrease) in pensions liabilities | | 11.5 | | (6.2) | |
| Actuarial losses on pension schemes | | (17.2) | | (6.9) | |
| Net cash inflow from operating activities | | 50.6 | | 46.8 | |
| *(b) Reconciliation of net cash outflow | | 2014 £M | 2013 £M | Change in year £M | |
| Cash | | 2.0 | 2.1 | (0.1) | |

RNLI notes to the accounts for the year ended 31 December 2014

1. Accounting policies

a) Basis of accounting

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

The accounts have been prepared in accordance with applicable accounting standards, the *Charities Act 2011*, and the *Statement of Recommended Practice (SORP), Accounting and Reporting by Charities (revised 2005) (second edition 2008)*.

b) Basis of consolidation

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

c) Depreciation

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

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

| | |
|---|--|
| Goodwill and Intellectual property | Straight line over 20 years |
| 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 year |

d) Pension scheme

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 FRS17. Further details are shown in note 15. Contributions in respect of the defined contribution scheme are recognised as expenditure as they become payable.

e) Incoming resources

All incoming resources are included in the SoFA when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. 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 at the accounting date as required. The RNLI maintains a legacy pipeline system which, in addition to accrued legacies, includes further estimated legacies of which the RNLI is aware but which do not meet the above criteria and which, therefore, have not been included within these accounts but are evaluated in note 9. Donations in kind are valued at the value in use of the assets to the RNLI.

RNLI notes to the accounts

for the year ended 31 December 2014

1. Accounting policies (continued)

f) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Support costs representing expenditure on 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. Governance costs are those costs associated with the governance arrangements rather than the day-to-day management of the charity.

g) Fund accounting

The RNLI's funds fall into the following categories:

Endowed funds are capital sums, which are donated under the restrictions that they are invested and that only the income arising is available for expenditure in accordance with the donors' directions. They comprise:

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 funds that 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, launch equipment and operational properties, such as lifeboat stations and lifeguard units, which are used to carry out our lifesaving services and without which 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 new lifeboats and lifeboat stations. The total amount set aside excludes projects to be funded by restricted reserves.

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 setback, whether operational, 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 RNLI Plan and make changes, as they consider appropriate. This will include any unrestricted legacy values accrued, which was previously shown separately.

Pension reserve, which represents the FRS17 accounting deficit for the defined benefit pension scheme and dependants' pensions as at the year end. The FRS17 basis is a prescribed accounting basis that requires the discount rate to be the return on AA-rated (or equivalent) corporate bonds. Each year, the Scheme Actuary assesses the financial position of the scheme for the formal 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. 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.

h) Operating leases

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

i) 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.

j) 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.

k) 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.

2. Subsidiary companies

The RNLI has four directly, wholly owned subsidiaries, RNLI (Trading) Limited, 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 (Enterprises) Limited raises funds through lotteries and other trading activities. RNLI (Sales) Limited sells gifts and souvenirs through the RNLI's network of station branches, fundraising branches and guilds and operates a mail order and web-based catalogue. In 2015, the RNLI is opening a new All-weather Lifeboat Centre so that the majority of the all-weather lifeboat construction and maintenance work will be carried out directly by RNLI (Trading) Limited.

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 31 December 2014 this company, and its subsidiary, owned fixed assets with a net book value of £3.7M (2013: £3.6M), and stock and other current assets of £17.6M (2013: £17.7M). It has external and parent charity liabilities, including its subsidiaries, of £10.1M (2013: £9.1M) and £10.2M (2013: £12.5M) respectively. In total it has net assets of £1.0M (2013: £1.0M). The assets and liabilities of the other subsidiary companies are not material.

In addition, RNLI Heritage Trust Limited, which was a subsidiary charity of the RNLI, educates the public and promotes the work of the RNLI through historical archive collections. The company ceased to operate in 2014 having been replaced by the RNLI Heritage Collection Trust 2012 (see note 17).

Summaries of the results for all subsidiary companies are shown below. The RNLI's subsidiaries are all consolidated in these accounts and there is, therefore, no requirement to report related-party transactions under FRS8.

| | RNLI (Enterprises) Ltd | | RNLI (Sales) Ltd | | RNLI College Ltd | |
|--|------------------------|------------|------------------|------------|------------------|------------|
| | 2014 £M | 2013 £M | 2014 £M | 2013 £M | 2014 £M | 2013 £M |
| Merchandising and other trading | 3.6 | 4.0 | 7.1 | 7.5 | 1.8 | 1.9 |
| Internal supplies | – | – | – | – | 5.8 | 5.5 |
| Cost of sales | – | – | (4.0) | (4.1) | (0.9) | (1.0) |
| Gross profit | 3.6 | 4.0 | 3.1 | 3.4 | 6.7 | 6.4 |
| Operating costs | (0.4) | (0.5) | (1.3) | (1.2) | (6.0) | (5.6) |
| Net profit | 3.2 | 3.5 | 1.8 | 2.2 | 0.7 | 0.8 |
| Amount of covenant or Gift Aid to the RNLI | (3.2) | (3.5) | (1.8) | (2.2) | (0.7) | (0.8) |
| Retained in subsidiary | – | – | – | – | – | – |
| Amounts owed (to)/by the RNLI | (0.3) | (0.1) | (0.8) | (1.0) | 0.7 | 0.6 |

Donations to the RNLI generated through the activities of RNLI (Enterprises) Limited and RNLI (Sales) Limited amounted to £1.4M (2013: £1.5M).

RNLI notes to the accounts (continued)

for the year ended 31 December 2014

2. Subsidiary companies (continued)

| | RNLI (Trading) Ltd | | SAR Composites Ltd | |
|---|--------------------|------------|--------------------|------------|
| | 2014 £M | 2013 £M | 2014 £M | 2013 £M |
| Internal supplies | 106.8 | 119.1 | 4.3 | 4.0 |
| New lifeboats and equipment | (17.2) | (15.1) | (2.6) | (2.9) |
| Lifeboat, equipment and station maintenance | (56.2) | (71.6) | – | – |
| New lifeboat stations | (28.8) | (25.5) | – | – |
| Gross profit | 4.6 | 6.9 | 1.7 | 1.1 |
| Operating costs | (3.3) | (4.4) | (0.5) | (0.2) |
| Net profit | 1.3 | 2.5 | 1.2 | 0.9 |
| Amount of covenant or Gift Aid to the RNLI | (1.3) | (2.5) | (1.2) | (0.9) |
| Retained in subsidiary | – | – | – | – |
| Amounts owed to the RNLI | (11.5) | (12.1) | (0.1) | (0.4) |

The unconsolidated balance sheet of the RNLI, excluding the four subsidiary companies, has net assets, after pension liabilities, of £694.2M (2013: £661.2M). This is substantially the same as group net assets at £694.9M (2013: £661.7M). For this reason, while an RNLI balance sheet is presented on page 33, the notes to the financial statements show only the consolidated position.

3. Staff costs

The RNLI relies heavily on the work of volunteers to launch and crew the lifeboats and to operate the large network of station branches, fundraising branches and groups.

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

| | 2014 £M | 2013 £M |
|-----------------------|------------|------------|
| Wages and salaries | 50.3 | 46.7 |
| Social security costs | 5.0 | 4.7 |
| Pension costs | 7.5 | 7.2 |
| Total | 62.8 | 58.6 |
| Severance pay | 0.5 | 0.5 |

Total staff costs include £0.4M (2013: £0.6M) resulting from 2014 RNLI lifeguard expansion.

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

| | 2014 Number | 2013 Number |
|-------------------|----------------|----------------|
| £60,000–£69,999 | 15 | 16 |
| £70,000–£79,999 | 5 | 9 |
| £80,000–£89,999 | 4 | 4 |
| £90,000–£99,999 | 2 | – |
| £100,000–£109,999 | 1 | 1 |
| £110,000–£119,999 | – | 1 |
| £120,000–£129,999 | – | – |
| £130,000–£139,999 | – | 1 |
| £140,000–£149,999 | 1 | – |
| Total | 28 | 32 |

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

| | 2014 Number | 2013 Number |
|-------------------|----------------|----------------|
| £60,000–£69,999 | – | 2 |
| £70,000–£79,999 | 1 | 3 |
| £80,000–£89,999 | 4 | 1 |
| £90,000–£99,999 | 1 | – |
| £100,000–£109,999 | 1 | 1 |
| £110,000–£119,999 | – | – |
| £120,000–£129,999 | – | – |
| £130,000–£139,999 | – | 1 |
| £140,000–£149,999 | 1 | – |
| Total | 8 | 8 |

The Chief Executive received emoluments of £143,583 (2013: £133,593) in 2014. He withdrew from the standard RNLI defined contribution pension scheme, which is available to all RNLI employees, in February 2014 and, as such, the RNLI contributions in relation to the Chief Executive reduced to £5,540 in 2014 (2013: £32,940). Total costs have, therefore, decreased by £17,410.

27 (2013: all) employees who received emoluments in excess of £60,000 are members of the defined contribution scheme and received employer contributions of £405,648 (2013: £474,092).

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

| | 2014 Number | 2013 Number |
|-----------------------------------|----------------|----------------|
| Lifeboat service | 234 | 227 |
| Lifeboats, property and equipment | 512 | 494 |
| Lifeguard rescue | 421 | 404 |
| International and flood rescue | 3 | 2 |
| Safety, education and awareness | 90 | 88 |
| Support and governance | 229 | 208 |
| Fundraising and legacies | 253 | 230 |
| Merchandising and other trading | 21 | 17 |
| Total | 1,763 | 1,670 |

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 377 (2013: 358). The peak number of lifeguards employed during the Summer months was 1,062 (2013: 950). Face-to-face fundraisers are also recruited and deployed on beaches during the Summer months and have been included in fundraising and legacies as FTE of 23 (2013: 18).

The total number of FTE staff, excluding seasonal staff was 1,363 (2013: 1,294).

RNLI notes to the accounts (continued)

for the year ended 31 December 2014

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, £11,676 (2013: £9,824) was reimbursed to 7 Trustees, 18 Council members and members of advisory committees and the Audit and Risk Committee (2013: 8 Trustees, 21 Council members and members of advisory committees and the Audit and Risk Committee).

5. Total resources expended

| | Staff costs | Depreciation/ amortisation | Other direct costs | Other allocated costs | Total 2014 | Total 2013 |
|-----------------------------------|-------------|-------------------------------|-----------------------|-----------------------------|---------------|---------------|
| | £M | £M | £M | £M | £M | £M |
| Fundraising and legacies | 9.4 | 0.3 | 14.5 | 2.6 | 26.8 | 26.1 |
| Merchandising and other trading | 0.8 | 0.1 | 6.4 | – | 7.3 | 7.5 |
| Investment management | – | – | 0.8 | – | 0.8 | 0.8 |
| Lifeboat service | 11.5 | 1.3 | 15.5 | 3.0 | 31.3 | 31.2 |
| Lifeboats, property and equipment | 20.0 | 20.7 | 19.8 | 6.4 | 66.9 | 64.3 |
| Lifeguard rescue | 9.7 | 1.4 | 3.5 | 1.5 | 16.1 | 14.9 |
| International and flood rescue | 0.2 | 0.2 | 0.5 | 0.1 | 1.0 | 0.7 |
| Safety, education and awareness | 3.2 | 0.1 | 2.9 | 0.7 | 6.9 | 6.8 |
| Governance | 0.2 | – | 0.3 | 0.1 | 0.6 | 0.6 |
| Support | 7.8 | 0.7 | 5.9 | (14.4) | – | – |
| Total | 62.8 | 24.8 | 70.1 | – | 157.7 | 152.9 |

Support department costs are allocated as follows:

| | Estates and general administration | Finance | Human Resources | Information systems | Total 2014 | Total 2013 |
|-----------------------------------|---------------------------------------|---------|--------------------|------------------------|---------------|---------------|
| | £M | £M | £M | £M | £M | £M |
| Fundraising and legacies | 0.6 | 0.4 | 0.6 | 1.0 | 2.6 | 2.8 |
| Lifeboat service | 0.6 | 0.5 | 0.7 | 1.2 | 3.0 | 3.1 |
| Lifeboats, property and equipment | 1.4 | 1.1 | 1.5 | 2.4 | 6.4 | 6.7 |
| Lifeguard service | 0.3 | 0.3 | 0.4 | 0.5 | 1.5 | 1.4 |
| International and flood rescue | – | – | – | 0.1 | 0.1 | 0.1 |
| Safety, education and awareness | 0.1 | 0.1 | 0.2 | 0.3 | 0.7 | 0.7 |
| Governance | – | – | 0.1 | – | 0.1 | 0.1 |
| Total | 3.0 | 2.4 | 3.5 | 5.5 | 14.4 | 14.9 |

Support department costs are allocated over relevant departments, based on that department’s share of direct costs.

Included within these costs are audit fees £73,360 (2013: £71,970), tax fees payable to the auditors £15,670 (2013: £15,975) and operating lease rentals £273,954 (2013: £399,284).

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

6. Fixed assets

a) Tangible assets

| | Lifeboats and lifeboat stations 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 2014 | 48.7 | 262.2 | 202.1 | 26.2 | 81.4 | 53.5 | 674.1 |
| Additions | 54.7 | – | 3.5 | – | 1.2 | 5.3 | 64.7 |
| Transfers | (43.3) | 18.3 | 21.1 | 3.2 | – | 0.7 | – |
| Disposals | – | (3.9) | (1.0) | (0.1) | (2.0) | (2.0) | (9.0) |
| At 31 December 2014 | 60.1 | 276.6 | 225.7 | 29.3 | 80.6 | 57.5 | 729.8 |

| | | | | | | | |
|---------------------|---|-------|-------|-------|-------|-------|-------|
| Depreciation | | | | | | | |
| At 1 January 2014 | – | 182.9 | 53.2 | 17.1 | 15.9 | 40.5 | 309.6 |
| Charge for the year | – | 12.4 | 5.9 | 1.2 | 1.5 | 3.7 | 24.7 |
| Disposals | – | (3.9) | (0.4) | (0.2) | (0.8) | (1.9) | (7.2) |
| At 31 December 2014 | – | 191.4 | 58.7 | 18.1 | 16.6 | 42.3 | 327.1 |

| | | | | | | | |
|---------------------|------|------|-------|------|------|------|-------|
| Net book amount | | | | | | | |
| At 31 December 2014 | 60.1 | 85.2 | 167.0 | 11.2 | 64.0 | 15.2 | 402.7 |
| At 31 December 2013 | 48.7 | 79.3 | 148.9 | 9.1 | 65.5 | 13.0 | 364.5 |

The net book amounts include the following property:

| | Freehold £M | Leasehold £M | Total £M |
|---|----------------|-----------------|-------------|
| Lifeboat stations and shoreworks | 57.5 | 109.5 | 167.0 |
| Depots, offices and training facilities | 56.0 | 8.0 | 64.0 |
| Total | 113.5 | 117.5 | 231.0 |

RNLI notes to the accounts (continued) for the year ended 31 December 2014

6. Fixed assets (continued)

b) Intangible assets

| | Goodwill €M | Intellectual property €M | Total €M |
|---------------------|----------------|--------------------------------|-------------|
| Cost | | | |
| At 1 January 2014 | 1.7 | 0.1 | 1.8 |
| Additions | - | - | - |
| Disposals | - | - | - |
| At 31 December 2014 | 1.7 | 0.1 | 1.8 |
| Amortisation | | | |
| At 1 January 2014 | 0.4 | 0.1 | 0.5 |
| Charge for the year | 0.1 | - | 0.1 |
| At 31 December 2014 | 0.5 | 0.1 | 0.6 |
| Net book amount | | | |
| At 31 December 2014 | 1.2 | - | 1.2 |
| At 31 December 2013 | 1.3 | - | 1.3 |

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.

c) Subsidiary company assets

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

| | 2014 €M | 2013 €M |
|---|------------|------------|
| Goodwill | 1.2 | 1.3 |
| Lifeboats, lifeboat stations and launching equipment under construction | 1.2 | 1.1 |
| Lifeboats and launching equipment | 0.4 | 0.5 |
| Computer equipment, plant and vehicles | 5.4 | 3.7 |
| Total | 8.2 | 6.6 |

7. Investments

| | General/ Designated funds €M | Restricted funds €M | Endowed funds €M | Total 2014 €M | Total 2013 €M |
|----------------------------------|------------------------------------|---------------------------|------------------------|---------------------|---------------------|
| a) Investment assets | | | | | |
| Equities | 59.2 | - | - | 59.2 | 61.0 |
| Absolute return funds | 28.9 | 96.4 | - | 125.3 | 132.8 |
| Fixed interest | 75.2 | - | - | 75.2 | 71.9 |
| Property unit trusts | 13.3 | - | 0.6 | 13.9 | 12.4 |
| Deposits and cash | 0.6 | 1.3 | 14.7 | 16.6 | 0.6 |
| Market value at 31 December 2014 | 177.2 | 97.7 | 15.3 | 290.2 | 278.7 |
| b) Analysis of movement | | | | | |
| Market value at 1 January 2014 | 177.8 | 90.3 | 10.6 | 278.7 | 257.4 |
| Additions | 35.3 | 28.2 | 16.0 | 79.5 | 26.9 |
| Disposals | (46.8) | (27.6) | (11.6) | (86.0) | (23.0) |
| Gains on investments | 10.9 | 6.8 | 0.3 | 18.0 | 17.4 |
| Market value at 31 December 2014 | 177.2 | 97.7 | 15.3 | 290.2 | 278.7 |
| Original cost | 146.5 | 83.3 | 15.1 | 244.9 | 230.5 |
| c) Investment income | | | | | |
| Equities | 0.6 | - | - | 0.6 | 1.1 |
| Absolute return funds | - | 0.2 | - | 0.2 | 0.3 |
| Fixed interest | 0.7 | 0.3 | - | 1.0 | 1.7 |
| Property unit trusts | 0.6 | - | - | 0.6 | 0.2 |
| Deposits and cash | 0.1 | - | - | 0.1 | 0.1 |
| Foreign exchange losses | - | - | - | - | - |
| Total | 2.0 | 0.5 | - | 2.5 | 3.4 |

At the end of December 2014, UK investments amounted to £228.9M (2013: £210.8M) and overseas investments amounted to £61.3M (2013: £67.9M).

The RNLI holds 100% of the share capital of RNLI (Sales) Limited, amounting to £0.5M (2013: £0.5M), and RNLI College Limited, amounting to £1.0M (2013: £1.0M).

The RNLI held no derivative instruments as at 31 December 2014 (2013: 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.

RNLI notes to the accounts (continued) for the year ended 31 December 2014

8. Stocks

| | Total 2014 €M | Total 2013 €M |
|---------------------|---------------------|---------------------|
| Operational stock | 11.9 | 13.2 |
| Gifts and souvenirs | 1.3 | 1.3 |
| Total | 13.2 | 14.5 |

9. Debtors

| | Total 2014 €M | Total 2013 €M |
|--------------------------------|---------------------|---------------------|
| Legacies receivable | 29.6 | 33.1 |
| Trade and other debtors | 0.1 | 0.1 |
| Income tax and VAT recoverable | 2.3 | 2.7 |
| Other debtors | 1.3 | 1.4 |
| Prepayments and accrued income | 0.2 | 0.3 |
| Total | 33.5 | 37.6 |

A proportion of legacies receivable may be received after more than 1 year, but this figure cannot be determined with any accuracy due to the inherent uncertainty in the timing of legacy income receipt. The RNLI is also aware of legacy income for which probate has been granted but monies have not yet been received, which makes them more probable than certain. The value of these legacies at the end of 2014 is €25.0M. These have not been included in legacies receivable.

10. Creditors

| | Total 2014 €M | Total 2013 €M |
|--|---------------------|---------------------|
| Amounts falling due within 1 year | | |
| Trade creditors | 7.6 | 12.2 |
| PAYE taxes and social security | 1.3 | 1.1 |
| Pension creditor | 0.7 | 0.6 |
| Dependants' pensions | 0.2 | 0.2 |
| Accruals and deferred income | 4.6 | 3.8 |
| Total | 14.4 | 17.9 |
| Amounts falling due after more than 1 year | | |
| Pension liabilities | | |
| Dependants' pensions | 6.0 | 5.6 |
| Defined benefit pension liability | 29.9 | 18.8 |
| Total | 35.9 | 24.4 |

An amount, disclosed above as Dependants' pensions, of €6.2M (2013: €5.8M), of which €6.0M (2013: €5.6M) falls due after more than 1 year, has been provided to meet future payments to dependants of former crew members who have lost their lives on lifeboat service. These amounts have been calculated by an actuarial valuation at 31 December 2014. Further details are shown in note 15.

11. Loans to subsidiary companies

| | Total 2014 €M | Total 2013 €M |
|--|---------------------|---------------------|
| Debtenture to RNLI (Trading) Limited | 0.1 | 0.2 |
| Debtenture to RNLI (Sales) Limited | 0.1 | 0.1 |
| Total | 0.2 | 0.3 |
| Working capital advance to RNLI (Trading) Limited and its subsidiary | 11.6 | 11.5 |

The debtenture to RNLI (Trading) Limited is redeemable and secured by a floating charge on the property of RNLI (Trading) Limited and earns interest at HSBC plc Base Rate. The capital is repayable in annual instalments of €100,000.

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

12. Capital commitments

At 31 December 2014, capital commitments amounted to €25.6M (2013: €30.4M). Planned capital expenditure, largely on new lifeboats and shoreworks over the next 3 years, amounted to €153.4M (2013: €143.9M), of which €48.4M (2013: €42.3M) is represented by restricted funds and €105.0M (2013: €101.6M) is held in planned capital expenditure reserves.

13. Operating lease commitments

| | Land and buildings | | Other | |
|---|---------------------|---------------------|---------------------|---------------------|
| | Total 2014 €M | Total 2013 €M | Total 2014 €M | Total 2013 €M |
| At 31 December 2014 the RNLI had the following annual commitments under operating leases: | | | | |
| Operating leases that expire: | | | | |
| Within 1 year | 0.1 | 0.4 | 0.1 | – |
| In 2 to 5 years | 0.5 | 0.5 | 0.8 | 0.6 |
| After more than 5 years | 0.8 | 0.6 | – | – |
| Total | 1.4 | 1.5 | 0.9 | 0.6 |

14. Total funds analysis

| | Unrestricted funds | | | Restricted funds | Endowed funds | Total 2014 | Total 2013 |
|--|--------------------|------------------|-------------------|------------------|---------------|------------|------------|
| | General funds | Designated funds | Fixed asset funds | €M | €M | €M | €M |
| Fixed assets | – | – | 403.9 | – | – | 403.9 | 365.8 |
| Investments | 72.2 | 105.0 | – | 97.7 | 15.3 | 290.2 | 278.7 |
| Net current assets | 30.7 | – | – | 6.0 | – | 36.7 | 41.6 |
| Creditors falling due after more than 1 year | (6.0) | – | – | – | – | (6.0) | (5.6) |
| Defined benefit pension liability | (29.9) | – | – | – | – | (29.9) | (18.8) |
| Total | 67.0 | 105.0 | 403.9 | 103.7 | 15.3 | 694.9 | 661.7 |

RNLI notes to the accounts (continued)

for the year ended 31 December 2014

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 Financial Reporting Standard FRS17 – ‘Retirement Benefits’ (‘FRS17’). The disclosures required by FRS17 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 2011, rolled forward to 31 December 2014 using summarised cash flow and membership details and a full actuarial valuation of the dependants’ pensions as at 31 December 2014 on the basis required by FRS17.

On this basis, the FRS17 accounting deficit for the defined benefit pension scheme as at 31 December 2014 was £29.9M (2013: £18.8M) and £6.2M (2013: £5.8M) for the dependants’ pensions. The FRS17 basis is a prescribed basis that requires the discount rate to be the

rate of return on AA-rated (or equivalent) corporate bonds. 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 2013. The position will be reviewed as part of the formal assessment carried out by the Scheme Actuary as at the 31 December 2014 valuation date.

The RNLI paid deficit reduction contributions of £4.0M in 2014 (2013: £12.7M).

The main financial assumptions used as at 31 December 2014 and the corresponding assumptions at 31 December 2013 and 31 December 2012 for both purposes were:

| | 31/12/2014 % pa | 31/12/2013 % pa | 31/12/2012 % pa |
|--|--------------------|--------------------|--------------------|
| Discount rate [†] | 3.7 | 4.4 | 4.5 |
| Rate of increase in salaries | 3.8 | 4.1 | 3.6 |
| Rate of increase in pensions in payment [‡] : | | | |
| Post-88 GMP increases (CPI capped at 3%) | CPI-0.4% | CPI-0.4% | CPI-0.3% |
| 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-0.3% |
| 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-0.5% |
| Rate of revaluation on deferred pensions | RPI-0.5% | RPI-0.5% | RPI-0.5% |
| Rate of retail price inflation (RPI) [†] | 3.3 | 3.6 | 3.1 |
| Rate of consumer price inflation (CPI) | RPI-1.0% | RPI-1.0% | RPI-0.5% |
| Assumes life expectancy on retirement age 65 of: | Years | Years | Years |
| Retiring today – males | 23.0 | 22.9 | 22.9 |
| Retiring today – females | 25.5 | 25.4 | 25.6 |
| Retiring in 15 years – males | 24.6 | 24.5 | 24.5 |
| Retiring in 15 years – females | 27.3 | 27.1 | 27.3 |

[†]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 2014 and the corresponding amounts and assumptions at 31 December 2013 and 31 December 2012 were:

| | 31/12/2014 | | 31/12/2013 | | 31/12/2012 | |
|-----------------------------|------------------------------|---------------------------|------------------------------|---------------------------|------------------------------|---------------------------|
| | 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 | 6.3 | 94.6 | 6.8 | 94.6 | 7.1 | 78.4 |
| Fixed interest | 2.8 | 20.0 | 3.9 | 92.2 | 3.4 | 90.7 |
| Property | 4.6 | 11.6 | 5.4 | 9.7 | 5.2 | 14.4 |
| Absolute return funds | 5.1 | 55.3 | 5.8 | 51.7 | 5.9 | 37.2 |
| Cash and net current assets | 2.5 | 25.6 | 3.1 | 14.4 | 2.6 | 19.2 |
| Liability-driven investment | 2.8 | 75.7 | – | – | – | – |
| Total | 4.5 | 282.8 | 5.3 | 262.6 | 5.0 | 239.9 |

With effect from 1 January 2015 FRS102 replaces FRS17 and, once FRS102 is adopted, the return on assets will be set equal to the discount rate.

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

| | 2014 | | | 2013 | | |
|------------------------------|-------------------|-------------------------|----------|-------------------|-------------------------|----------|
| | Pension scheme £M | Dependants’ pensions £M | Total £M | Pension scheme £M | Dependants’ pensions £M | Total £M |
| Total market value of assets | 282.8 | – | 282.8 | 262.6 | – | 262.6 |
| Present value of liabilities | (312.7) | (6.2) | (318.9) | (281.4) | (5.8) | (287.2) |
| Net pension liability | (29.9) | (6.2) | (36.1) | (18.8) | (5.8) | (24.6) |

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

| | 2014 | | | 2013 | | |
|--|-------------------|-------------------------|----------|-------------------|-------------------------|----------|
| | Pension scheme £M | Dependants’ pensions £M | Total £M | Pension scheme £M | Dependants’ pensions £M | Total £M |
| Opening defined benefit obligation | 281.4 | 5.8 | 287.2 | 264.8 | 5.9 | 270.7 |
| Interest cost | 12.2 | 0.2 | 12.4 | 11.7 | 0.3 | 12.0 |
| Actuarial loss/(gain) | 27.9 | 0.5 | 28.4 | 13.2 | (0.1) | 13.1 |
| Benefits paid | (8.8) | (0.3) | (9.1) | (8.3) | (0.3) | (8.6) |
| Defined benefit obligation at the year end | 312.7 | 6.2 | 318.9 | 281.4 | 5.8 | 287.2 |

RNLI notes to the accounts (continued) for the year ended 31 December 2014

15. Pension schemes (continued)

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

| | 2014 | | | 2013 | | |
|---|----------------------|----------------------------|-------------|----------------------|----------------------------|-------------|
| | Pension scheme £M | Dependants' pensions £M | Total £M | Pension scheme £M | Dependants' pensions £M | Total £M |
| Opening fair value of scheme assets | 262.6 | – | 262.6 | 239.9 | – | 239.9 |
| Expected return | 13.8 | – | 13.8 | 12.1 | – | 12.1 |
| Asset gains | 11.2 | – | 11.2 | 6.2 | – | 6.2 |
| Employer contributions | 4.0 | – | 4.0 | 12.7 | – | 12.7 |
| Benefits paid | (8.8) | – | (8.8) | (8.3) | – | (8.3) |
| Fair value of scheme assets at the year end | 282.8 | – | 282.8 | 262.6 | – | 262.6 |

The actual return on scheme assets was £25.0M (2013: £18.3M).

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

| | 2014 | | | 2013 | | |
|---|----------------------|----------------------------|-------------|----------------------|----------------------------|-------------|
| | Pension scheme £M | Dependants' pensions £M | Total £M | Pension scheme £M | Dependants' pensions £M | Total £M |
| Expected return on scheme assets | (13.8) | – | (13.8) | (12.1) | – | (12.1) |
| Interest on pension | 12.2 | 0.2 | 12.4 | 11.7 | 0.3 | 12.0 |
| Total amount charged within net incoming/(outgoing) resources | (1.6) | 0.2 | (1.4) | (0.4) | 0.3 | (0.1) |
| Actuarial losses/(gains) | 16.7 | 0.5 | 17.2 | 7.0 | (0.1) | 6.9 |
| Total amount charged to the Statement of Financial Activities | 15.1 | 0.7 | 15.8 | 6.6 | 0.2 | 6.8 |

Contributions in 2014 were £4.0M (2013: £12.7M) and a further £4.0M is expected to be contributed to the defined benefit scheme in the 2015 financial year. The cumulative actuarial loss recognised via the SoFA at the end of December 2014 is £92.2M (2013: £75.5M).

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

| | 2014 | | 2013 | | 2012 | | 2011 | | 2010 | |
|--|--------------|-----------------------------|--------------|-----------------------------|--------------|-----------------------------|--------------|-----------------------------|--------------|-----------------------------|
| | Amount £M | % of assets/ liabilities | Amount £M | % of assets/ liabilities | Amount £M | % of assets/ liabilities | Amount £M | % of assets/ liabilities | Amount £M | % of assets/ liabilities |
| Total market value of assets | 282.8 | | 262.6 | | 239.9 | | 213.9 | | 203.7 | |
| Present value of liabilities | (318.9) | | (287.2) | | (270.7) | | (252.5) | | (247.4) | |
| Net pension liability | (36.1) | | (24.6) | | (30.8) | | (38.6) | | (43.7) | |
| (Gains)/losses experienced on assets | (11.2) | (4.0) | (6.2) | (2.4) | (5.3) | (2.2) | 6.5 | 3.0 | (9.6) | (4.7) |
| (Gains)/losses experienced on liabilities | 0.1 | – | (2.8) | (1.0) | (7.4) | (2.7) | 2.7 | 1.1 | 0.3 | 0.1 |
| (Gains)/losses on liabilities on change of assumptions | 28.3 | 8.9 | 15.9 | 5.5 | 16.5 | 6.1 | (12.0) | (4.8) | 9.8 | 4.0 |

No (gains)/losses experienced on assets relate to dependants' pensions (2013: nil); £0.5M (2013: (0.1M)) of losses/(gains) experienced on liabilities relate to dependants' pensions.

f) 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. At the same time, all members of the scheme were offered a pension salary sacrifice, which will have increased the pension contributions at the expense of salary costs. In 2014, the RNLI paid contributions of £7.5M (2013: £7.1M) in respect of members of the defined contribution pension scheme.

16. Value added tax

Included in the accounts is a cost of £2.4M (2013: £2.5M) in respect of irrecoverable VAT incurred in 2014 on both revenue and capital expenditure.

17. Connected charity

In November 2013, the RNLI Heritage Collection Trust 2012 was established, with the RNLI as one of three Trustees. The process of transferring the RNLI's heritage collection into this trust was started during the year. In 2015, this trust is intended to become a subsidiary charity of the RNLI.

RNLI officers and contacts

Patron

HM The Queen

President

HRH The Duke of Kent KC

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.

He was elected to the RNLI's Council in 1996 and became Vice-Chairman in March 2013.

He succeeded Admiral 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.

'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 is currently a business advisor. 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 was appointed Permanent Secretary to the Scottish Government in June 2010. 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.'



Stuart Popham QC(Hon)

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.

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



Malcolm Vincent MSc CEng FIMarEST

Malcolm is a chartered marine engineer and former managing director of P&O Three Quays Marine

Services Ltd. He was elected to the RNLI Council in 2005 and appointed a Trustee in July 2007. He became Chairman of the Technical Committee in 2007 and also chairs the Property Committee.

'I want to use my experience to ensure our volunteer crews have the very best lifeboat design and construction.'



Vicky Wright BSc MSc CCCIPD

Vicky is Director of GPDF Ltd. She is Visiting Professor, Middlesex University, Director of PQM Ltd and Member of Council,

Newcastle University. She was elected to the RNLI Council in 2003 and appointed a Trustee in July 2008. She has been an RNLI Deputy Chairman since 2012, and was appointed Chairman of the Remuneration Committee in 2014.

'I have friends who had been rescued at sea by the RNLI. I said "yes" to help on one problem, little knowing it would become a "yes" for many years to come.'

Chairman

Charles Hunter-Pease OBE

Deputy Chairmen

Sir Andrew Cubie CBE FRSE

Vicky Wright BSc MSc CCCIPD

Treasurer

Sir Alan Reid GCVO (resigned May 2014)

Eddie Donaldson BSc FCA (appointed May 2014)

Outgoing Trustees in 2014

John Coyle MEdSc (resigned Feb 2015)

Angela Horsman BA(Hons) Dip HCIM (resigned Oct 2014)

Sir Alan Reid GCVO (resigned May 2014)

Council

HRH The Duke of Kent KC (President)

Charles Hunter-Pease OBE (Chairman)

Richard Acland

Dr Husna Ahmad OBE (resigned Feb 2015)

Bob Allan OBE

Tony Allen

Rosanna Allen-Mirehouse

(stepped down May 2014)

Johnny Bergius (resigned Jan 2015)

Robin Broadhurst CBE FRICS

The Hon Christopher A Brooke DL

Mark Byford

Rear Admiral John Clarke CB LVO MBE

(stepped down May 2014)

Andrew Cooper CMG (elected May 2014)

Janet Cooper (elected May 2014)

John Coyle MEdSc

Peter Crowley

Sir Andrew Cubie CBE FRSE

Prof 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

Martin Gregory (elected May 2014)

Adam Griffin (elected May 2014)

David Grose MIH FCMI

Anthony Hannay LLB (retired May 2014)

Geoff Holt MBE DL

Angela Horsman BA (Hons) Dip HCIM

(resigned Oct 2014)

Professor Dominic Houlder

Sir Peter Housden KCB

The Rt Hon the Earl Howe

(stepped down May 2014)

Lord Iliffe

Michael Jeffries RIBA FICE

(stepped down May 2014)

Charles Jones

Rear Admiral Mark Kerr

Peter Killen

Vice Admiral Sir Tim Laurence KCVO CB ADC(P)

Neil Lerner

Richard Leworthy

Francis George Major MBE JP DL

(elected May 2014)

Alan Marsh

Norma Marwick

John McAuley

Niamh McCutcheon

Paddy McLaughlin (elected May 2014)

Robin Middleton CBE

Sonia Modray (elected May 2014)

Eamon Moloney

Sandra Morson

Beverley Nielsen (resigned Jan 2015)

The Rt Hon Albert Owen MP

(stepped down May 2014)

Doug Pattison FREng FRINA CEng RCNC

Paul Phoenix

Stuart Popham QC(Hon)

Mark Pritchard

Clive Rand

Keith Read CBE FIMarEST (retired May 2014)

Sir Alan Reid GCVO (resigned May 2014)

Michael Seymour

Simon Sherrard DL

Archibald Frederick Smith

Commodore David Squire CBE MNM FNI FCMI

Maurice Storey CB CEng FIMarEST FRINA

(retired May 2014)

Prof Phil Sutton CBE FREng PhD

The Rt Hon Hugo Swire MP

(stepped down May 2014)

Miles Templeman (elected May 2014)

Dr Jean Venables CBE

Sir Roger Vickers KCVO

Malcolm Vincent MSc CEng FIMarEST

Philip Wake MSc RD* FNI

John Whybrow

Vicky Wright BSc MSc CCCIPD

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

Standing Committees

Membership Nomination Committee

Chairman: Charles Hunter-Pease OBE

Remuneration Committee

Chairman: Charles Hunter-Pease OBE

(stepped down Apr 2014)

Chairman: Vicky Wright BSc MSc CCCIPD

(appointed Apr 2014)

Audit and Risk Committee

Chairman: Sir Andrew Cubie CBE FRSE

(stepped down Oct 2014)

Chairman: Stuart Popham QC(Hon)

(appointed Oct 2014)

Investment Committee

Chairman: Eddie Donaldson BSc FCA

Property Committee

Chairman: Malcolm Vincent MSc CEng FIMarEST

Advisory Committees

Operations Committee

Chairman: Vice Admiral Sir Tim Laurence

KCVO CB ADC(P)

Technical Committee

Chairman: Malcolm Vincent MSc CEng FIMarEST

Finance Committee

Chairman: Sir Alan Reid GCVO

(resigned May 2014)

Chairman: Eddie Donaldson BSc FCA

(appointed May 2014)

Fundraising and Communications Committee

(disbanded Autumn 2014)

Chairman: Mark Byford

(until Autumn 2014)

Resources Committee

(disbanded Autumn 2014)

Chairman: Vicky Wright BSc MSc CCCIPD

(until Autumn 2014)

Medical and Survival Sub-Committee

Chairman: Prof Charles Deakin MA MD FRCP FRCA

FERC FFICM

Heritage Sub-Committee

Chairman: Dr David Winterbotham

(appointed Aug 2014)

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

Chief Executive

Paul Boissier CB MA MSc

Business Services and Support Director

Angela Rook BSc MBA ACIS

Community Lifesaving and Fundraising Director

Leesa Harwood (appointed Oct 2014, previously Fundraising and Communications Deputy Director)

Engineering and Asset Management Director

David Brook OBE BSc MA CEng MRaES FIMarEST

Finance and Corporate Strategy Director

Alan Pardon FCA FCMl

International Director

James Vaughan (appointed Sep 2014, previously Fundraising and Communications Director)

Operations Director

George Rawlinson

People and Transformation Director

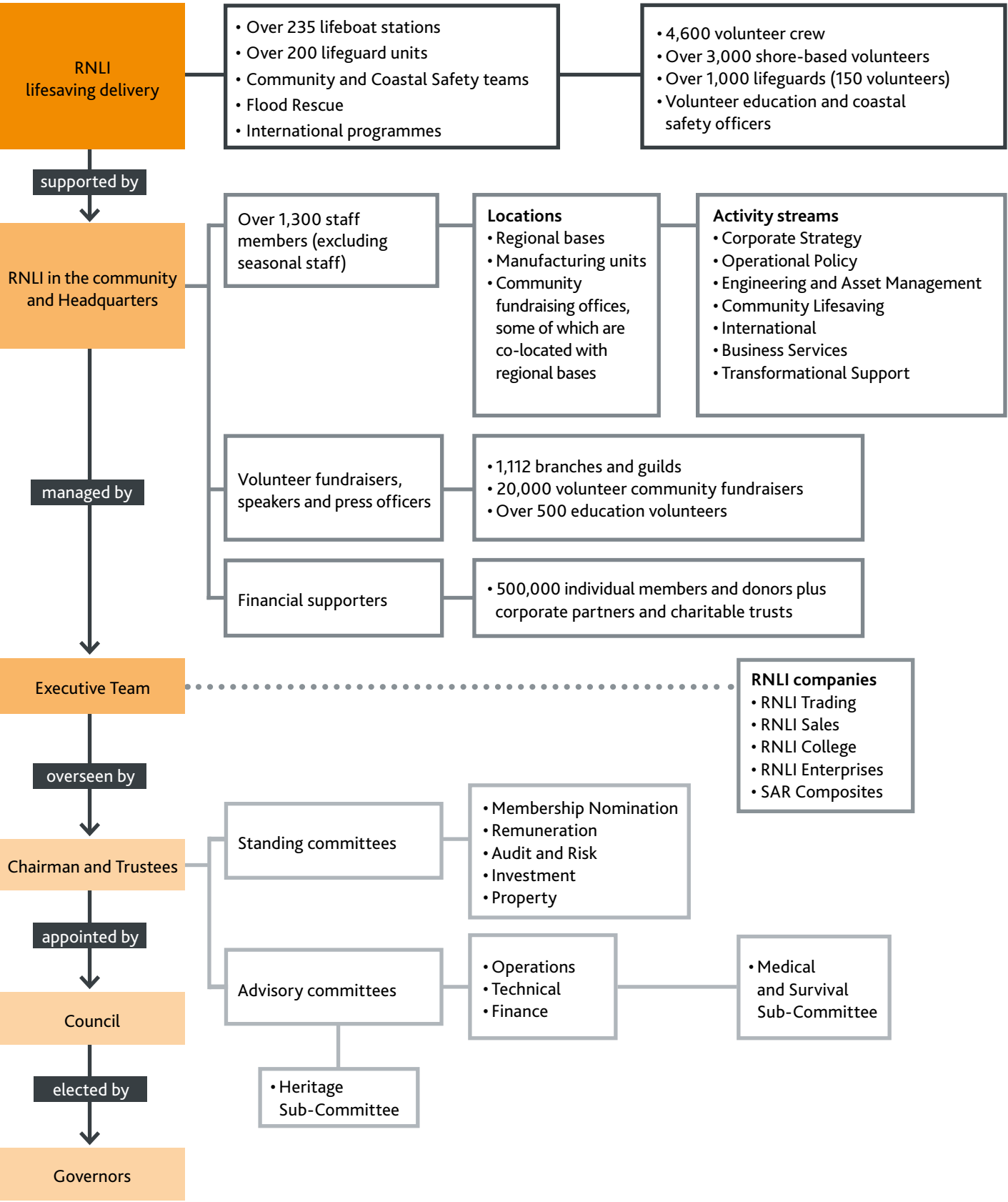
Heidi Allen FCIPD

The RNLI also wishes to thank its Chairmen Emeriti and Vice-Presidents for their ongoing support and commitment.

This year we are pleased to welcome as Vice-Presidents the following individuals:

Robin Broadhurst CBE FRICS
David Grose MIH FCMl
Lord Iliffe
Doug Pattison FEng FRINA CEng RCNC
Malcolm Vincent MSc CEng FIMarEST

RNLI governance and management structure



What a difference you have made

The RNLI would like to thank the thousands of individual supporters and organisations who made our lifesaving work possible in 2014. 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.

Hazel Mary Barrell of Kenley, Surrey, gave a legacy of £5,000 for the general use of the Institution.

Janice Angela Bones of Market Rasen, Lincolnshire, left the Institution one ninth of her estate. Her father volunteered many years ago as part of the launch crew at Skegness.

Christine Cull of Worcester bequeathed half of her estate, which will go towards the construction of the new St David's boathouse.

Aideen Mary Cresswell of Kiltarnan, Dublin, was a keen sailor who embarked on a honeymoon cruise in 1945 along the east coast of Ireland in a 5m open boat. She left a generous legacy that will fund a D class lifeboat and contribute to the new pontoon berth at Howth.

Trusts and foundations

The Iliffe Family Charitable Trust for supporting crew training at RNLI College.

The Band Trust for generously donating £30,000 over 3 years to support training for lifeboat mechanics.

The John and Elizabeth Allan Memorial Trust for very generously donating £2M to fund the new Shannon class lifeboat for Seahouses Lifeboat Station.

Kinsurdy Charitable Trust for the very generous donation of £1.25M, which will underwrite our International lifesaving strategy for the next 3 years. A further £0.25M is promised in 2015 for the same purpose.

The Kenneth & Susan Green Foundation for kindly supporting running costs at The Lizard Lifeboat Station.

The Sandbox Trust for their continued generous support of crew training in the north east of England and at RNLI College.

The Coward Endowment for very generously funding *Super GII*, the new D class lifeboat at Angle Lifeboat Station.

The Derek and Jean Dodd Charitable Trust for very generously supporting the building of the new boathouse at Aberdovey Lifeboat Station.

The Corporation of Trinity House for very generously supporting the renovation of Ramsgate Lifeboat Station.

The Lloyd's Register Foundation for very generously supporting sea survival training at RNLI College with a donation of more than £920,000 over 5 years.

The Robertson Trust for their continued support of crew training at Peterhead Lifeboat Station.

The Gay & Peter Hartley's Hillards Charitable Trust for very generously funding the forthcoming new D class at Scarborough Lifeboat Station.

The Pistol Benefit Fund for very generously funding the forthcoming new D class lifeboat at Larne Lifeboat Station.

The Laurence Misener Charitable Trust for their continued support.

The Samuel and Freda Parkinson Charitable Trust for supporting crew training at Silloth Lifeboat Station.

The Ganton Furze Settlement for their generous contribution to the Shannon class lifeboat for Scarborough Lifeboat Station.

Members and supporters

Mary Milton for her support of the RNLI.

Mr Allard for his support of Aldeburgh Lifeboat Station.

Mrs Brown John for her support for Teddington Lifeboat Station.

Mr James Stephenson for his support of the All-weather Lifeboat Centre.

Mr Robert Daws for his ongoing support of the RNLI.

Mrs Jill Marshment for her support of the All-weather Lifeboat Centre.

Mr William Gronow-Davis for his support of Swanage Lifeboat Station.

Captain and Mrs Fullerton for their generous support of Loch Ness Lifeboat Station.

Mr D Robertson for his support of the RNLI in Scotland.

Dr Margaret Rollo for her support of the RNLI.

Dr Roy Schofield and his late wife Katie for their continuing support of Fleetwood Lifeboat Station.

Ian and Lynda Smith for their support of RNLI lifeguards.

With thanks to Mr Atherton for his support of Lytham Lifeboat Station.

With thanks to Mr Ingle for his ongoing support of the RNLI.

With thanks to Mr and Mrs Kaday for their generous contributions towards crew training at Exmouth Lifeboat Station.

All the civil servants, past and present, who contribute so generously to the Lifeboat Fund.

Corporate supporters

We would like to thank all the companies that supported us in 2014. In particular, for their continued and significant support, we thank:

Aramark
BG Group
Bishop Skinner Marine
Centrica Energy
cottages4you
Fred. Olsen
Furness Building Society
Greenenergy
MEATliquor
Nexen
SurveyMonkey
The Pink Pig
Toolstation
Wilko
Yamaha



Photo: RNLI/Nigel Willard

Awards

Awards to RNLI people in 2014

Queen’s Birthday Honours 2014

- Dr Holly Phillips MBE
- Nigel Sweeny MBE
- David Williams MBE
- Richard Mead BEM
- Shirley Rogerson BEM
- Mary Rowe BEM

New Year Honours 2015

(announced December 2014)

- Stephen Davies MBE
- Hugh J Fogarty MBE
- William Michael Hewitt MBE
- David Martin MBE
- Tom Ridyard MBE
- Mary Tulloch MBE
- Roy Pascoe BEM
- Susan Watson BEM

Engineering

- Apprentice Employer of the Year – Worshipful Company of Shipwrights Award

Heritage

- Archive records of national significance – UNESCO Memory of the World UK Register
- Arts Council accredited museums: Grace Darling, Bamburgh Henry Blogg, Cromer
- Best Told Story 2014 – VisitEngland Awards – Henry Blogg Museum

Lifeboat stations

- Contribution to the Irish State – Frontline Emergency and Security Services Eire Awards
- Ian J Scott Cup – Tighnabruaich
- Seiko Just in Time Rescue Award – Irish Water Safety – Martin O’Donoghue and Dave Fenton, Castletownbere
- Legal & General Community Champion – Paul Stewart, Burry Port
- Morecambe Town Council Community Award
- Resuscitation Certificate – Royal Humane Society – James Hart, Portishead
- Shipwrecked Mariners’ Society Skill and Gallantry Awards: The Lady Swaythling Trophy – Derek Pusey, Cardigan Individual Commendation – Clive Williams, Cardigan
- *The Opinion*/Bandon Co-Op Silver Jubilee Community Award: Courtmacsherry Kinsale
- UK Prime Minister’s Points of Light Award – Richard Spindler, Weston-super-Mare

Lifeguards

- Certificates of Merit – Thanet Community Safety Partnership – Nick Ayers, Alex Walker
- Gareth Nicholas Memorial Trophy – Gareth Jones, Ian Nancarrow
- Pride of Plymouth Emergency Services Award – Tregonhawke team
- Surf Life Saving Australia Rescue of the Month – Ben Sowter, Pete Geall

Marketing

- Giving App of the Year (H2Only) – JustGiving Awards
- IDM Award in Digital Copywriting – Vicki Lovegrove

RNLI College/Discovery Tours

- Dorset Tourism Awards: Large Hotel of the Year – Bronze Small Visitor Attraction (tours) – Silver
- TripAdvisor Certificates of Excellence (college and tours)



Photos: RNLI/(Tim Ash, Owen Howells, Mike Lavis, Nigel Millard, Andy Perryman, Nathan Williams)



Lifeboats



Royal National Lifeboat Institution
West Quay Road, Poole, Dorset, BH15 1HZ
Telephone: 0845 122 6999 (UK) 1800 789589 (RoI)
Web: RNLI.org Email: info@rnli.org.uk

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