

**Company Registration Number: 07142012 (England & Wales)**  
**Registered Charity Number in England & Wales: 1134205**  
**Registered Charity Number in Scotland: SC048185**

**ROYAL MARINES ASSOCIATION - THE ROYAL MARINES CHARITY**  
**(A Company Limited by Guarantee)**

**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**ROYAL MARINES ASSOCIATION - THE ROYAL MARINES CHARITY**

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FOR THE YEAR ENDED 31 DECEMBER 2019**

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**ROYAL MARINES ASSOCIATION - THE ROYAL MARINES CHARITY  
REPORT OF THE TRUSTEES**

The Trustees, who are also Directors of the Charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the period ended 31 December 2019. The Trustees have adopted the provisions of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in July 2014.

**LEGAL AND ADMINISTRATIVE INFORMATION**

**Royal Patron**

Her Majesty The Queen

**Honorary Patron**

General Sir GK Messenger KCB DSO\* OBE

**Honorary President**

Major General CR Stickland OBE (resigned 15.06.2019)  
Major General MJ Holmes CBE DSO (appointed 15.06.2019)

**Trustees and Directors**

Mr D Cox (Chairman)	
Brigadier HJ White ADC (Vice Chairman)	
Mr R Bell JP OBE	(Appointed 01.04.2019) (Resigned 05.12.2019)
Mr S Beet	(Appointed 15.01.2020)
Mr KM Breslauer	
Mr P Deacon	(Appointed 05.12.2019)
Brig P Denning OBE	
Mrs LR Fordham	(Appointed 01.04.2020)
Mr R Nast	(Resigned 05.12.2019)
WO1(CRSM) D Mason RM	
Mrs S Reed	
Mrs K Richardson OBE	
Mr W Stocks BEM	(Resigned 15.01.2020)
Mr R Weaver	
Mr J Zuppinger	

**Member**

The Royal Navy and Royal Marines Charity

**Company Secretary**

Mr J Ball (Resigned 01.04.2019)  
Lieutenant Colonel AC Wilson (Retired) (Appointed 01.04.2019)

**Chief Executive**

Mr J Ball

**ROYAL MARINES ASSOCIATION - THE ROYAL MARINES CHARITY  
REPORT OF THE TRUSTEES**

**Company Registration Number**

07142012 (England and Wales)

**Registered Charity Number**

1134205 (England and Wales)

SC048185 (Scotland)

**Registered Office**

Building 72  
Commando Training Centre Royal Marines  
Lympstone  
Exmouth  
Devon  
EX8 5AR

**Auditor**

Moore Kingston Smith LLP, Chartered Accountants  
Devonshire House, 60 Goswell Road, London EC1M 7AD

**Investment Managers**

Cazenove Capital Management  
1 London Wall Place  
London EC2Y 4AU

**Banker**

Lloyds Bank PLC  
2 – 4 Palmerston Road  
Southsea  
Hampshire  
PO5 3HQ

**ROYAL MARINES ASSOCIATION - THE ROYAL MARINES CHARITY  
REPORT OF THE TRUSTEES**

**STRUCTURE GOVERNANCE AND MANAGEMENT**

The Charity was incorporated on 1 February 2010 and registered as a charity on 1 April 2010 and is structured as follows:

- a. There is one restricted fund with the status of a subsidiary Charity:

The Royal Marines Benevolent Fund (Reg. Charity No. 1134205-1). This fund was formed from the amalgamation of the old Royal Marines Benevolent Fund (Reg Charity No. 1069059) and the Royal Marines Reserve 50th Anniversary Relief Fund (Reg Charity No. 1069629).

- b. There is one subsidiary Charitable Company limited by guarantee:

The Royal Marines Association Limited (Company No 09932494) (Registered Charity No. 1134205-4); this is a shell company retained following merger of RMA with The Royal Marines Charity in order to benefit from legacies.

The Royal Marines Sports Association (Company No. 07987097) (Registered Charity No. 1134205-3) was deregistered as a subsidiary charity in September 2019, with all assets transferred to the main charity, and was struck off the register of Companies House in January 2020. RMSA was established as a subsidiary charitable company in 2013 in order to limit the liability of Trustees from injuries sustained during sport on duty; this is now no longer required as Ministry of Defence cover for such injuries is now in place. RMSA remains as a restricted fund within the Charity (see d. below) into which an annual block grant is made.

- c. There are 3 restricted day's pay giving funds:

- (1) The Royal Marines Officers Trust Fund.
- (2) The Royal Marines Central Sergeants Mess Fund.
- (3) The Royal Marines Central Unit Institute Fund.

- d. There are three other restricted funds:

- (1) The Royal Marines Cadet Fund.
- (2) The Gordon Messenger Resilience Centre Fund.
- (3) The Royal Marines Sports Association.

- e. There are two designated funds:

- (1) The "LIBOR" fines Fund.
- (2) The Royal Marines Association Investment Fund.

- f. There are two wholly owned trading companies, TRMC Enterprises Ltd (Company No. 10020682) established to enable building projects and Royal Marines Shop Ltd (Company No. 08015901) established as a merchandise outlet (acquired on 1 April 2019 on merger with the Royal Marines Association).

## ROYAL MARINES ASSOCIATION - THE ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

### Governance

The Charity is a subsidiary of the [Royal Navy and Royal Marines Charity](#) (RNRMC) which is incorporated in the United Kingdom (Company No.6047294) (Reg Charity No. 1117794) and Scotland (SC041898). The RNRMC is the Sole Member of RMA-The Royal Marines Charity and its Board has the right to nominate one of its Trustees to the Board, though this post will be unfilled until the Board's June meeting, when Mark Robinson will be proposed by RNRMC.

The charity is governed by its Articles of Association last amended on 26 March 2019 and is subject to the requirements and the protection of both charity and company law.

The Board of Trustees comprises two serving Royal Marines in an ex-officio status: the Deputy Commandant General Royal Marines and the Corps Regimental Sergeant Major, alongside retired Royal Marines, two trustees appointed by the membership and other elected Trustees recruited for their competencies. They serve for a term of three years and may be elected to serve two further consecutive terms.

The Commandant General Royal Marines is ex-officio Honorary President, currently Major General MJ Holmes CBE DSO.

Four Board meetings were held during 2019. The Trustees agree the strategy and areas of activity for the Charity, including grant making and the provision of support, investments, reserves, risk management, fundraising and marketing.

In line with the RNRMC Group structure, the Board has members on two Group sub-committees and one Group trading subsidiary company, comprising trustees of both the RNRMC parent and the Charity, which are:

- The Investment Committee (IC), meeting twice yearly with the fund managers (member Mr K Breslauer).
- The Finance, Risk and Audit Committee (FRAC), meeting twice yearly (member Mr R Weaver).
- RNRMC Enterprises Ltd, meeting four times a year (director Mr J Zuppinger)

Both committees have delegated authority to scrutinise their respective areas and to make recommendations to the Board, particularly concerning the annual budget. RNRMC Ltd has delegated decision making authority concerning fundraising events and merchandise.

Six other sub-committees exist to ensure appropriate oversight over Charity functions: Fundraising, and Communications; Health and Wellbeing; Membership; Amenities; Employment & Education and People (HR, remuneration, nominations and grievance/discipline). There are separate Boards for the subsidiary charity RMA, and the two subsidiary companies TRMC Enterprises and Royal Marines Shop.

Trustees are selected through interview by the People Committee, which then makes recommendations to the Board. The induction process for any newly appointed Trustee is to meet with the Chief Executive (CE) and other charity staff as appropriate to explain the Charity's strategy, policies and outputs, followed by meetings with the Chairman and external induction training. The new Trustee receives a copy of the Articles of Association and is expected to be conversant with the Charity's aims and objectives, along with the responsibilities of a Trustee as identified by the Charity Commission and receives briefing and training to that effect.

The Charity does not remunerate its Trustees, but refunds travel and incidental expenses if claimed. The serving military members of the Board undertake their duties as volunteers.

## ROYAL MARINES ASSOCIATION - THE ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

### Management and Administration

As of 1 April 2019 on merger with RMA, the Charity employed 32 full- and part-time staff principally based in two locations: the Commando Training Centre Royal Marines, Exmouth; and HMS Excellent, Whale Island, Portsmouth, alongside RNRMC staff; and in smaller numbers at Royal Marines Barracks Stonehouse, Plymouth; and at the office of Patron Capital Partners LLP, Piccadilly, London. There is also a part-time relationships manager based in Scotland. The day-to-day control and administration of the Charity is delegated to the Chief Executive (CE). The charity has a pay ratio of 4:1 between the CE's salary and the lowest paid charity employee. The sector average for a medium sized charity is 5:1.

The Trustees are responsible for setting the remuneration of the charity's staff. Remuneration is set in the context of the Charity's purposes, aims and values and to reflect the skills, experience and competences required for particular roles. In setting remuneration, the Trustees also consider a number of additional factors including an individual's contribution, affordability and the remuneration offered by charities of a similar size.

### BACKGROUND

#### Our Beneficiaries

Royal Marines are deployed on duty serving the nation around the globe 365 days a year. Though they form only 4.5% of UK defence forces, they provide over 40% of UK Special Forces personnel. As elite personnel, Royal Marines are disproportionately exposed to danger, which in turn has had disproportionate consequences over the past 20 years.

Currently there are 155 disabled Royal Marines, including 30 amputees and two tetraplegics who require through-life care. 256 Royal Marines have suffered life changing injuries and had their service cut short as a result, 180 of whom have exhibited signs of post-traumatic stress, in addition to hundreds who have developed complex post-traumatic stress disorder though not physically injured.

A small fighting force of 6,000 has suffered disproportionate loss, a disproportionate number of Marines continue to fight their challenges, a disproportionate number of families are coming to terms with the death or injury of a loved one, while the Corps still remains exposed to disproportionate risk.

#### Our case for support

We are the Royal Marines' own Charity set up in 1946, and so are uniquely placed to understand, respond and react, enabling Marines and their families to overcome their challenges.

We can target support across a wide range of needs to ensure no one is left behind. We seek to strengthen the Commando Mindset in every beneficiary.

#### Our Vision

Giving a lifetime of support to the Royal Marines Family – Once a Royal Marine, always a Royal Marine.

- RMA - The Royal Marines Charity will be the central pillar of the Royal Marines Family, drawing together those who aspire to join, those who serve, those who have served and those who support and enable us;
- We will be the instinctive first place to which the Royal Marines Family turns for support and camaraderie;
- We will deliver through life support serving the needs of our Family.

## ROYAL MARINES ASSOCIATION - THE ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

### Our Ethos

We embrace the Commando Values - Excellence, Integrity, Self-Discipline and Humility, and the Commando Spirit – Courage, Determination, Unselfishness and Cheerfulness, in order to enable the Commando Mindset – first to understand, first to adapt and respond, first to overcome.

### Our objectives and activities

The Articles of Association of RMA – The Royal Marines Charity specify the following objects:

- a. To maintain and increase the efficiency of the Royal Marines, and to promote and preserve the esprit de corps, heritage, ethos and traditions of the Corps;
- b. To assist or benefit persons serving in or who have served in the Royal Marines or of such dependants, spouses, civil partners, widows, widowers, children (including adopted children) or immediate close family of such persons as may for the time being be in need of charitable assistance or benefit;
- c. To commemorate and remember those members of the Royal Marines who have lost their lives or suffered injury, or put themselves at risk of loss of life or injury, in service of the Crown and to encourage public recognition of their service and sacrifice;
- d. To support the Royal Marines, the Royal Marines Cadet Section of the Sea Cadet Corps, the Royal Marines Cadet Section of the Combined Cadet Force, the Royal Marines Volunteer Cadet Corps by any other charitable means as the Trustees shall from time to time permit.

### Our Mission

Our work combines the following roles:

- Prevent – ensure that members of our community do not descend into acute need;
- Respond – provide holistic support to those who have serious mental, physical or other challenges which threaten their independence and dignity;
- Assure – provide professional and safe support;
- Inform – ensure that our community knows how to promote good health and welfare, and where and how to seek help;
- Collaborate – ensure that members of our community are assisted by the most appropriate source.

Our work is in areas which span whole service provision from cadets to bereaved dependants:

**Benevolence and Transition:** we provide intelligent, cost-effective and sustainable solutions combining professional guidance and services with effective grant-making, in co-operation with partner agencies, charities and business. This is funded by money we raise ourselves; we receive no Government support.

**Amenities:** we deliver appropriate and sustainable financial support to the serving Corps through infrastructure enhancements, adventure training, unit and family welfare, sport and regimental life in order to strengthen morale, improve effectiveness and encourage retention. Apart from support to families, this is funded by the voluntary donations of Royal Marines themselves or from historic reserves, rather than donations raised from the general public.

**Membership:** our membership (14,800, up 2,600 in 2019) is a focus for our promote and prevent work, which we undertake to stave off charitable spend further down the line; this includes working through our 87 UK-based regional and specialist branches to promote comradeship and mutual support. This pays for itself from member donations and historic Association reserves.



## **ROYAL MARINES ASSOCIATION - THE ROYAL MARINES CHARITY REPORT OF THE TRUSTEES**

We are facing rising needs from our community, and what is most particularly concerning is increasing mental health support requirements in the veteran community – last year 12 Royal Marines veterans committed suicide, an alarming 300% increase on 2016. To meet this rising need, the Charity has put in place the people, resources, structures and processes necessary to provide effective support appropriate for our community over the last three years, and all this support infrastructure does cost money.

### **Public Benefit**

We provide quantifiable and tangible benefits to Defence and by extension to the public, underpinning its support of the Military Covenant between the Nation and its Armed Forces:

- Our work is retention positive. It supports RM units, personnel and families, providing a better quality of life and facilities/opportunities which the taxpayer cannot fund, thereby communicating to them that their contribution is recognised and valued. Our funding addresses specific needs identified by the Royal Navy which are deemed essential but for which no public funding is available, such as in-barracks social facilities, also family centres and childcare (contributing to the MOD's childcare policy) which are known to have an impact on retention.
- Our work contributes to military efficiency through our funding of sport and adventure training from the RM Sports Association fund. This improves physical fitness, teamwork and cohesion, in addition to the improvement in morale and enhancement of retention.
- Our work improves the morale of the Royal Marines and its community through funding of functions and activities such as unit functions, medal parades and family days which the taxpayer cannot support.
- We contribute to the welfare and mental wellbeing of the Corps Family through our Support Network, providing a network of locally based volunteers who are able to give additional help to unit-based Royal Navy welfare services through local engagement with families who are often far away from welfare hubs, and also offering recognised courses of therapy to dependants which outstrip the NHS and Combat Stress provision for speed and length of treatment provided, and which are also more cost-effective.
- We engage closely with the Commandant General Royal Marines and Corps Regimental Sergeant Major in order to ensure that the funding and services provided to the Corps are those most needed through the Naval Service perspective.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

### **Grant making policy**

During Trustees' meetings, Trustees consider bids for funding exceeding £10,000 and decide which fit the Charity's criteria, making grants where appropriate within the agreed funds budget limits for the current year. The CE and the deputy CE hold delegated authority to make grants of up to £10,000 within pre-set budgets agreed by Trustees; the Director of Welfare and Head of Grants RNRMC hold delegated authority to make grants of up to £5,000 from within approved pre-set budgets, with authority to seek to almonise (share) grants with funds from RNRMC and other agreed sources; Transition and Welfare staff (administering RM Benevolent Fund grants) each have a delegation of £2,500. Any extraordinary or urgent bids exceeding £10,000 falling outside these parameters may be considered by a quorum of at least three Trustees as and when they are received, out of committee.

## ROYAL MARINES ASSOCIATION - THE ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

Trustees have indicated that they wish the General Purpose Fund to be used primarily for welfare and well being, to ensure that need arising from the Wounded, Injured and Sick is met first, followed by welfare grants which directly benefit serving individuals and their dependants or serving communities. It is intended that the Day's Pay Giving Funds serve primarily as the source for amenity grants for which funds raised from the General Public would not be appropriate.

### **Fundraising policy**

We have reviewed and revised our fundraising policies and procedures during 2019 reflecting the increased oversight of the Fundraising Regulator and need to assure our supporters and the wider general public that we fundraise ethically and within the guidelines of the Charity Commission and the Fundraising Regulator.

Our approach to fundraising rests on positive supporter engagement in order to enable us to attract, steward and maintain support, but also to protect our reputation. A key element is the segmentation of supporters through our Customer Relationship Management database, so that supporters receive communications at appropriate frequencies. The Charity only fundraises and promotes support to the Charity from individuals and companies following explicit written ('opt in') consent from potential donors. Trustees and staff are aware of the need to protect the public, and especially vulnerable people, hence no cold call, telephone or street fundraising is carried out, and no bonuses or inducements are made to staff or volunteers. No professional fundraisers or commercial participators carried out any fundraising activities on behalf of the Charity.

The Charity is registered with the Fundraising Regulator (FR), and contributes to the FR levy on fundraising charities according to its income, adhering to the FR Code of Practice and to Charity Commission guidelines, particularly CC20 (Charity fundraising: a guide to trustee duties). Trustees are aware of the Commission's six fundraising principles and ensure adherence by charity staff: effective planning; supervision of fundraisers; protection of charity reputation, money and other assets; ensuring compliance with laws and regulations; following recognised standards; openness and accountability. Fundraising practices are monitored through a designated trustee engaging in weekly oversight of the Charity's Directors of Development and Fundraising, formal quarterly reporting to the Board, and oversight of volunteers by the Community Fundraising Manager, whose induction training includes the protection of vulnerable people. Failures to comply will be reported to the FR if they occur, as will complaints, for which there is a process to follow if received; there have been none of either in the last financial year or since the FR was introduced. Policies and processes are in place to ensure the Charity's compliance with the General Data Protection Regulation (GDPR), particularly with regard to the use of personal data for fundraising purposes.

## **ACHIEVEMENTS AND PERFORMANCE 2019**

### **Merger outcomes delivered**

Trustees from the boards of the Corps' own charitable organisations committed in 2014 to improving the service to the Royal Marines Family through a "root and branch" transformation of the existing model, to create a single, unified Royal Marines charity that will harness the unique brand of the Royal Marines and truly replicate its ethos. They adopted the following vision:

*'To create a single Royal Marines Charity serving the needs of the whole Corps family through enhanced delivery of comradeship, heritage, transition, benevolence and amenities'.*

The merger in April 2019 of the Royal Marines Association and The Royal Marines Charity achieved this vision, and since then has delivered the envisaged benefits committed to in 2014, namely:

- The new charity will be the hub of the whole Royal Marines Corps Family;
- Creation of a Royal Marines charity fit for purpose to support the future needs of the Royal Marines Family;

## ROYAL MARINES ASSOCIATION - THE ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

- A platform for increased membership of the RMA, a decreasing average age and an increase in member satisfaction;
- A unified brand and improved profile, representative of the whole Royal Marines Family, serving and retired;
- Greater unity of purpose and synergy resulting in enhanced output and services;
- Economies of scale removing duplication and creating a more entrepreneurial charity which can compete in the marketplace;
- Reduced bureaucracy;
- Reduced overheads;
- More focused fundraising;
- More effective grant making and service provision;
- Stronger engagement with the whole Corps Family;
- Improved engagement with other service charities;
- Coherent messaging and communications;
- Stronger governance;
- Greater value for money;
- Promotes further consolidation of Royal Marines charities;
- A sustainable future in terms of people, money and strategy.

### **Smart working - collaboration with partners**

We work closely with the NHS (the Veterans' Transition Intervention and Liaison Service and Complex Treatment Service), the Government (Ministry of Defence, Office for Veterans' Affairs) and 3<sup>rd</sup> Sector partners, especially the Veterans' Gateway, of which we are a Referral Partner. The NHS and Combat Stress refer beneficiaries to the Charity because of overstretch or under-resourcing.

We work in close partnership with SSAFA-The Armed Forces Charity, and other Naval Service charities (the Royal Navy and Royal Marines Charity, Greenwich Hospital, the Royal Naval Benevolent Trust, the Naval Children's Charity, the White Ensign Association, the Royal Navy Officers' Charity, the Naval Service Sports Charity, and the Royal Naval Association) in our funding and service delivery work, with our USP being its ability to use the power of the Royal Marines brand to generate income and non-monetary support from the general public which would not otherwise be brought into the Naval Service Charity sector, and thereby ensuring that significant further funding and benefit is available for the Naval Service community.

### **Rising need**

Our outputs are driven by need. We have monitored need systematically over the last 5 years and can evidence that the need continues to rise; hence our work outputs continue to increase. In particular:

- need is rising faster in the veteran sphere than in the serving Corps
- it is rising especially quickly in the veteran mental health sphere – 12 Royal Marines veterans committed suicide in 2019, up from 3 in 2016; the classic gestation period for PTSD is 7-10 years, meaning we will most likely be facing this rise for 3-4 years yet.

This rising need has led to rising spend by the Charity which has had to put in place the people, resources, structures and processes necessary to provide effective first place of support appropriate for our community:

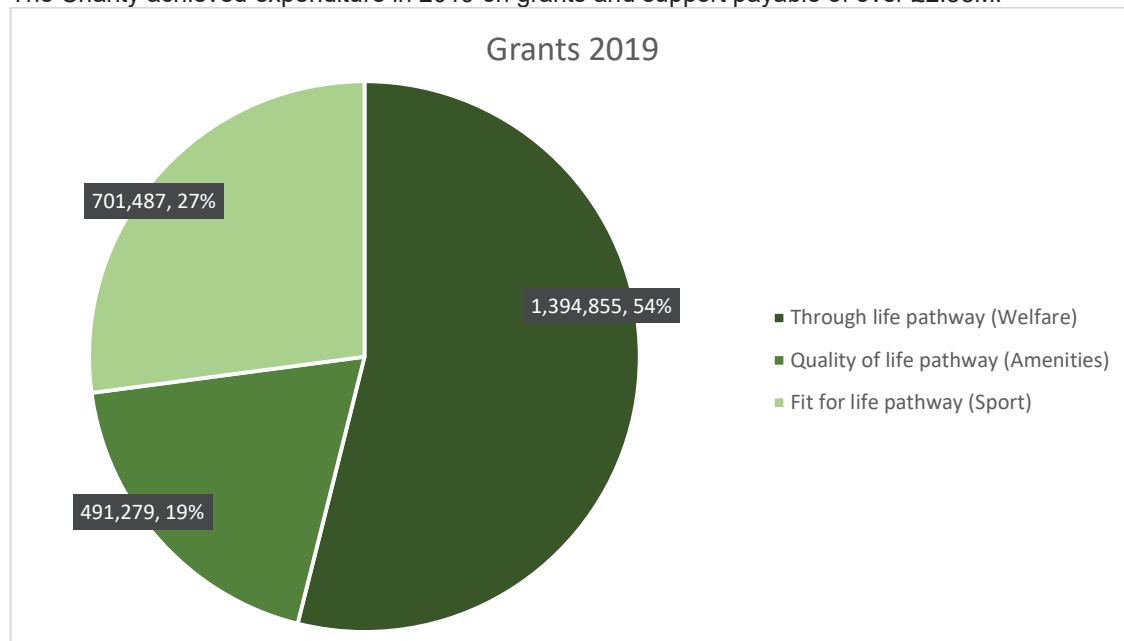
- The creation of Transition Support Officer and Alcohol Education Adviser posts i.e. safeguards for vulnerable leavers, enabling early intervention to stave off later interventions and increased spend; this creates a virtuous circle whereby the beneficiary does not need further intervention;
- The appointment of a Casework Manager – providing more effective triaging to ensure better holistic support;
- The recruitment of a Clinical Care Manager (responsible for veterans' mental health referrals to accredited therapists) and an Armed Forces Compensation Scheme & Pensions Adviser (responsible for appeals to secure higher lump sum and ongoing pensions payments) taken onto staff because of the rising volume of cases;

## ROYAL MARINES ASSOCIATION - THE ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

- The implementation of a suicide prevention programme in 2020 leading to a World Suicide Prevention Day conference on 10 September ie positive mental health promotion to prevent the need for intervention further down the line.

### Lifesaving support delivered

Since establishment of the Royal Marines Charitable Trust Fund (one of our precursor charities) in 2010, over £19M has been given in grants towards recovery, quality of life and through life care. The Charity achieved expenditure in 2019 on grants and support payable of over £2.58M.



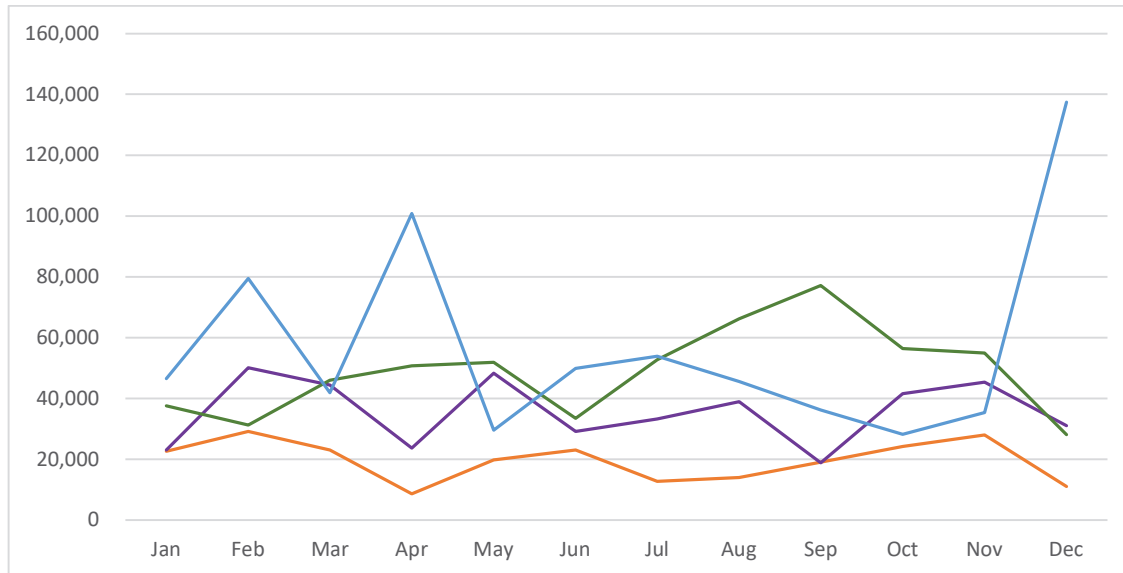
The delivery of support amounted to a further £1,033,460 of charitable expenditure, giving a total of £3,621,082.

### Funding outputs

- Beneficiaries supported by charitable interventions through year: 16,092. This figure does not include their dependants, plus an uncounted number of Association members with events and branch funding;
- Total amount of welfare grants: £1,394,855, as against £1,112,964 in 2018;
- Total number of beneficiaries supported through financial and non-financial benevolence support: 1,662 individuals as against 1,404 in 2018.

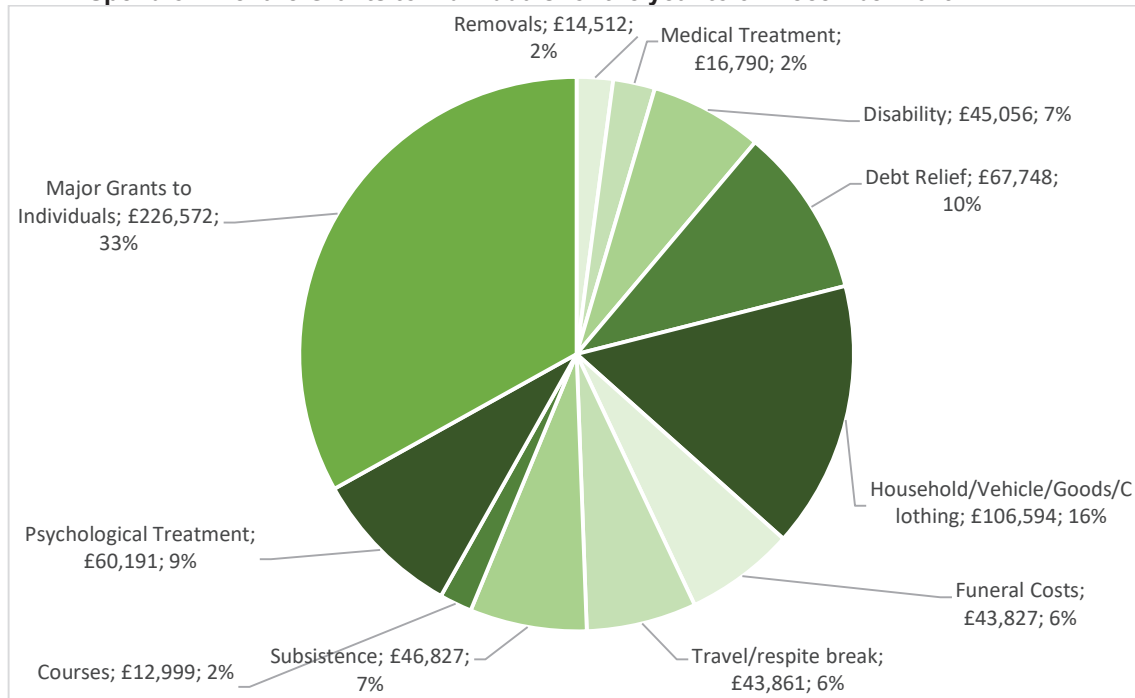
**ROYAL MARINES ASSOCIATION - THE ROYAL MARINES CHARITY  
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**Annual comparison of welfare grants to individuals 2016, 2017, 2018 and 2019**



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
2016	22,630	29,207	23,062	8,705	19,892	23,024	12,676	14,002	19,069	24,250	27,968	11,032	235,517
2017	22,991	50,132	44,381	23,679	48,316	29,133	33,352	38,957	18,914	41,514	45,367	31,021	427,757
2018	37,552	31,282	45,998	50,717	51,856	33,532	52,755	66,263	77,124	56,379	54,930	28,120	586,508
2019	46,495	79,484	41,940	100,794	29,592	49,842	53,973	45,655	36,209	28,191	35,403	137,397	684,974

**RMBF Spend on Welfare Grants to Individuals for the year to 31 December 2019**



- Total amount of amenities and sports/adventure training grants: £1,192,766, as against £1,011,557 in 2018. These figures include £300,000 funding allocated in 2018 for the Virginia Gauntlet 2 sports tour in April 2019 (which directly led to retaining 7 Royal Marines who would otherwise have left at a replacement cost of £875,000);
- Number of serving Royal Marines benefitting from amenities and sports grants: 14,430.
- The grant to individuals in December 2019 includes a single grant of £102,000 for the house extension approved by the trustees at their October 2019 meeting.

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**Support outputs and impact:**

- A greater number of welfare grant cases were supported than ever before - 665 with £758,904 (586 veterans, 79 serving); this represented a rise of 28.6% in cost, and a rise of 22% in numbers supported; (2018: 545 – 445 veterans, 100 serving were supported with £590K, 2017: 354 veterans and 76 serving with £406K, 2016: 285 veterans and 52 serving with £234K);
- A record number of discharged Royal Marines - 71 – were assisted into employment worth over £2.2M in added social value, with 319 advised in total (53 individuals were funded, 24 serving, 27 veterans, 2 spouses); this represented a rise of 29.1% (2018: 55, 2017: 19);
- 117 pension and Armed Forces Compensation Scheme tribunal cases were supported (66 veterans, 51 serving, winning £ tens of thousands for individuals; this represented a rise of 20.6% (2018: 97);
- All 10 major Royal Marines units were visited more than once to be given alcohol education advice, received by universal chain of command praise, 43 individual addiction cases were supported (23 serving with a replacement cost of £2.875M if they had been discharged, and 20 veterans);
- A larger number of Veterans' Referral Plan mental health therapy cases were supported, 92 (54 new) (2018: 79, 2017: 26);
- 96 new vulnerable leavers were supported by our Transition Support Officer, as against 62 in 2018;
- Funding of £177,600 was provided for the coaching of 193 battling mental ill-health by Rock to Recovery (136 veterans, 48 family members, 9 serving); representing a rise of 32.5% in funding and 35.9% in the numbers supported (2018: £134K for 142).

**Created Social Value:**

Through 2019, the Charity has been meeting with a Not For Profit organisation the [Social Value Portal](#), to work out appropriate metrics using government approved Themes, Outcomes and Measures (TOMS) including calculations of added social value. Government TOMS are concerned with jobs and skills, and societal and community development. There were 65 metrics captured.

Areas where extra value was added were as follows:

- Family members supported through Association events;
- Veterans attending parades;
- Discharged RM assisted into full time employment;
- Hours dedicated to supporting RMs into work by providing career mentoring, including mock interviews, CV advice, and careers guidance;
- Unpaid work experience provided by employer partnerships;
- Time dedicated to supporting divorcing families;
- Increase in lump sum and pension won following the tribunal and pension advice service.

The Social Value created by the Charity as measured through the Social Value Portal Themes, Outcomes and Measures in 2019 was £4,005,099 (added to a further £4M in 2018).

	£SV	Budget	%SVA	% of the programme over the overall delivered (£SV)
Funding of Amenities	<b>£707,145</b>	£542,977	130%	18%
Promotion of Membership	<b>£417,467</b>	£332,752	125%	10%
Transition	<b>£2,210,191</b>	£100,000	2,210%	55%
Welfare	<b>£670,296</b>	£898,500	75%	17%
<b>Total 2019</b>	<b>£4,005,099</b>	£1,874,229	214%	100%

## ROYAL MARINES ASSOCIATION - THE ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

This is a significant number, but it does not tell the whole story of what we do as it only captures value to wider society and not that delivered specifically to the military community. This incremental support to the serving Corps Family not captured in SVP was £1,640,906, while the value added to the Corps through evidenced retention resulting from the Charity's interventions was worth a further £4,500,000.

**Therefore, the total social value created in 2019 was worth £10,146,005, meaning that every £1 donated to the Group was turned into £2.55 of charitable value.**

### FINANCIAL REVIEW

The Trustees consider that expenditure has been within the Objects of the Charity during the reporting period. They consider that the Charity remains healthy and thus able to meet its future charitable obligations.

The Charity was again reliant on income from donations, grants, fundraising events and investments. In 2019:

- Income generation was diversified across a number of strands: major events (mostly dinners), major donor and corporate gifts, regular giving and one-off donations, trusts and foundations, grants, community fundraising (either Charity-organised initiatives or individuals undertaking their own initiatives) and legacies;
- Total gross Voluntary Income (ie fundraised) for the Group was £3.98M, after costs the net figure was £1.9M;
- £548K was received in legacies, an increase of £15K over 2018;
- Total Net voluntary income for the Charity (including grants received and after cost of raising funds) was £1M below the target at £3.2M, due to a difficult fundraising climate created by Brexit anxieties;
- Investment income was £109K ahead of budget at £439K;
- Overheads (Office and administration costs and Direct Governance costs) rose from £460K in 2018 to £685K. Although this increase was significant, the increase was planned and is primarily caused by a number of one-off costs: professional advice and RNRMC SLA service costs for merger; legal advice with regards to the construction of the Gordon Messenger Resilience Centre; and an Information Technology/Environment project which saw migration to the cloud and replacement of all equipment to enable remote and more professional working;
- The whole fund value of the Charity rose to £16.7M and to £16.9M for the group, a rise due to the merger with the Royal Marines Association which brought £2.3M of assets. The Investment Portfolio stood at £13.0M at the end of 2019, though this was significantly impacted by the COVID-19 pandemic.

### Investment policy and performance

The Articles of Association authorise Trustees to make and hold investments using the funds of the Charity within current rules and regulations. The Charity has two investment management teams: the majority of funds are held by Cazenove Capital Management, who are currently instructed to invest in a portfolio which will generate an agreed level of income (currently CPI plus 3%) whilst growing capital with a medium risk portfolio; they have ensured that income has been maintained and realised significantly beyond budget despite volatile markets in 2019, whilst exposing the Fund to significantly less risk. Legacy RMA investments worth £1.9M at the end of 2019 are held by BNY Mellon. The combined investment funds value increased from £10.4M at the end of 2018 to £13.2M at the end of 2019. The instruction to the fund managers is subject to annual review in accordance with projected need to draw on investment income.

The oversight of the management of the Charity's investments lies with a nominated trustee (Mr K Breslauer), and also with the Investment Committee (IC) of RNRMC, which is responsible for monitoring the performance of the investment managers in line with the investment strategy approved by the Boards alongside RNRMC.

## ROYAL MARINES ASSOCIATION - THE ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

### Reserves Policy

- a. The reserves of the Charity must be flexible to meet the changing demands and calls on the Charity's funds, which are held and applied for many different activities in line with its charitable objectives and strategic plans.
- b. Because of the frequent and changing operational deployment pattern of serving Royal Marines, which inevitably increases the chances of casualties and potential future calls on reserves, along with the increasing needs of veterans, it is the policy of the Trustees to review the reserves holding regularly. Indeed, in the event of a major operation, the Trustees may find that they must draw on a substantial amount of capital to assist the Corps family at a time of need; hence reserves must be readily accessible.
- c. Whilst the total value of the Fund at 31 December 2019 was £16.9M,
  - £6.71M was held in restricted funds to be applied in specific circumstances. These funds are principally held in investments to ensure that there is a balance of income to meet the needs of current beneficiaries, but also growing capital to ensure that the needs of future beneficiaries are met, in order that RMA-TRMC remains a sustainable resource for the Corps for future generations;
  - £3.34M was held in designated funds, £1.81M for membership services and events, £0.53M towards the remaining costs of the construction of the Gordon Messenger Resilience Centre at the Commando Training Centre and £1M for the National Museum of the Royal Navy;
  - £581K represented unrestricted fixed assets holdings;
  - £6.09M was left as unrestricted funds, however £4.83M was held in investments in order to generate income which covers budgeted spend in 2020.
- d. Therefore, the free reserves of the charity were £1.26M, which equates to just under 3 months of expenditure to provide for charitable grants and the administration of the Charity. The Trustees' reserves policy is to hold 3 months of free reserves.
- e. However, since January these reserves have been significantly affected by negative stock market movements due to COVID-19, with a loss of investment values to the end of May 2020 in the order of 15%. This means that as of 1 June, unrestricted funds stood at £5.86M with the free reserves reduced to £735K.

### RISK MANAGEMENT

The Charity Trustees have considered the major risks to which the Charity is exposed and review those risks and the established systems and procedures to manage those risks through oversight of a risk register at each Trustee meeting. This register is directly linked to the delivery programme in order to ensure that risks which cannot be removed are mitigated against through the operations of the Charity's staff. A three-stage line of defence assurance system is in place, based on the regular checks of staff, the oversight of trustees, and the annual interrogation of the appointed auditor.

Principal risks identified as at 31 December 2019 were:

Risk	Mitigation
<p><b>Financial</b> which includes:</p> <ul style="list-style-type: none"> <li>• Not meeting our Voluntary Income targets</li> <li>• Constraining Corporate and Major Donors</li> <li>• Loss or reduction of funding streams</li> </ul> <p><b>These risks would reduce our capacity to deliver our strategy</b></p>	<ul style="list-style-type: none"> <li>• We continue to diversify our income opportunities as much as possible, focusing particularly on strengthening the support of major individual and corporate donors</li> <li>• In the COVID-19 context this means identifying companies and donors which have proved resilient in the economic downturn</li> </ul>



**ROYAL MARINES ASSOCIATION - THE ROYAL MARINES CHARITY  
REPORT OF THE TRUSTEES**

	<ul style="list-style-type: none"> <li>• We are further developing measurement of whole social value to demonstrate impact to donors, and our marketing function in order better to promote case studies</li> <li>• We have a systematic approach to budget setting and financial planning with detailed monthly sequencing and monitoring during the year, with monthly cashflow projections and quarterly forecasts used to mitigate any budget/income pressures that arise during the year</li> <li>• We regularly review our investment strategy and its performance managed by appointed external fund managers</li> </ul>
<p><b>Governance</b> which includes:</p> <ul style="list-style-type: none"> <li>• Lack of compliance with legal and regulatory requirements</li> <li>• Breach of data and/or IT breach by external agents</li> <li>• Lack of impact/outcome evidence may lead to sub-optimal block grant making</li> </ul> <p><b>These risks will impact our operational delivery and increase regulatory scrutiny, both of which will impact our ability to deliver our objectives</b></p>	<ul style="list-style-type: none"> <li>• We are registered with the Fundraising Regulator to evidence our compliance with the Charities Act 2016, and comply with regulations, receiving no complaints</li> <li>• We benefit through being hosted on the RNRMC server from the cyber protection provided</li> <li>• We have a whistle-blowing policy that is known to employees. There is a robust process for any issues arising from a disclosure to be dealt with promptly and properly</li> <li>• We have developed improved methods of monitoring the impact of grants made to individuals and organisations, including ensuring safeguarding protocols are in place with those we fund</li> </ul>
<p><b>Reputational</b> which includes:</p> <ul style="list-style-type: none"> <li>• Adverse publicity concerning the Royal Marines may affect public's perception of the charity's need for support and funds</li> <li>• Lack of control of funded organisations' activities</li> <li>• Lack of control of membership branches and individual members</li> </ul> <p><b>These risks would impact our reputation which is absolutely essential to keep key stakeholders, funders and beneficiaries positively engaged in assisting us delivering our outcomes</b></p>	<ul style="list-style-type: none"> <li>• We are developing a PR function which will give the capability to respond to reputational challenge, with direct links into Navy Media</li> <li>• We expect regular reports to the Board of Trustees from through year funded organisations and implements MOUs where appropriate</li> <li>• We have revised terms and conditions for those outside organisations</li> <li>• Our revised branch and membership byelaws are subject to close oversight from the Membership Committee</li> </ul>
<p><b>People Risk</b> which includes:</p> <ul style="list-style-type: none"> <li>• Inability to recruit and retain people with the required skills and expertise.</li> </ul> <p><b>These risks would reduce our effectiveness to deliver our objectives, reducing our impact</b></p>	<ul style="list-style-type: none"> <li>• We have reviewed and agreed a new salary structure for the merged charity, alongside revised role descriptions and improved means of regular whole staff communication to improve retention and enhance retention</li> <li>• We have introduced a new Performance and Development Report to improve our performance and focus on learning and development</li> </ul>

The Trustees consider by reviewing accounts and cashflow at each Board meeting that they are able to manage income over expenditure effectively, whilst they are also able to seek advice from the RNRMC IC and FRAC, which have a depth of relevant experience.

## ROYAL MARINES ASSOCIATION - THE ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

### FUTURE PLANS

#### 2020 Strategy and Programme

In 2019 the following strategies were reviewed and revised by the Trustees:

- Health and Well being;
- Employment and Education;
- Fundraising and Development;
- Marketing and Communications.

The Membership strategy will be reviewed and revised in 2020 for implementation in Q4.

We have set in place a 3-year budgeted delivery programme with associated risk register based on the revised strategies, delivered by the staff but with regular reporting oversight from the sub-committees allied to the Charity's functional teams, which in turn report to the Board.

This programme will ensure that the Charity is proactive and bold, differentiated, sustainable, owned by the Corps Family, recognised by the wider community, and effective – efficient, cost-effective and achieving maximum impact.

The programme ensures the following objectives will be secured:

1. We will enable those we serve to live by the Commando Mindset (restoring, maintaining and enhancing independence, dignity and effectiveness) through financial and non-monetary support;
2. We will promote and sustain the Royal Marines brand and esprit de corps;
3. We will increase and achieve a representative membership mix of the Corps Family and supporters, in order that the Charity and Association become the heart of the Corps Family.

#### Income generation

Even before COVID-19, the Charity faced a significant challenge in fundraising in 2020:

- LIBOR bank fine funds are exhausted and will not be replaced;
- There is no potential government funding apart from small Armed Forces Covenant Fund Trust grants;
- Brexit anxieties in 2019 which have not yet restored business confidence;
- No public campaigning by the Royal Marines meaning that the military are out of mind.

#### COVID-19

The impact of COVID-19 has been considered on the company's future plans and budgeting processes and the effect of the outbreak will be a significant risk for the year to 31 December 2020.

The crisis resulted in the Charity staff ceasing office-based operations and moving to remote working from home; this was achieved seamlessly due to a major IT migration programme undertaken in late 2019. Staff can continue to deliver most aspects of welfare support, though it must be conducted remotely, but all membership events have been cancelled in year.

The pandemic has removed a significant proportion of our fundraising capability in 2020. We face a potential deficit of almost £2.5M in 2020. We depend on the public's goodwill and generosity, but the total shutdown of the fundraising events for an unknown period, alongside the downturn in trust, private, corporate and investment income all threaten our continued ability to deliver our support. This unprecedented situation is attacking every area of our income, whilst it is increasing demand on our services and our costs, which threaten to burn through our reserves.

## ROYAL MARINES ASSOCIATION - THE ROYAL MARINES CHARITY REPORT OF THE TRUSTEES

Our first priority is to provide support to the vulnerable members of our community, those suffering from economy and the social impact of Coronavirus and particularly those who may have even greater troubles due to the social distancing measures imposed. Whilst not front line, we are confident that we will alleviate pressure on the NHS and government, as we are addressing the following crucial areas where COVID-19 is impacting our community significantly:

- Mental ill-health across our community;
- Family stresses across our community;
- Medical discharges of serving Royal Marines;
- Unemployment among veterans and dependants.

In response we have revised our income generation plans and budgeted spend for the remainder of the year, and in particular will seek income from Government sources as made available, from trusts and foundations, and from companies which have been relatively unaffected by the downturn. The Trustees will make appropriate decisions concerning the drawdown of invested funds as the year progresses, and into 2021. There are sufficient reserves for 12 months of expenditure as at the time of signing, but these will be exhausted through 2021 if fundraising and other income-generating activities are not able to resume. Cashflow will be monitored monthly, looking forward 12 months. Based on the revised forecasts the Trustees are satisfied that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

The effect on this year's financial statements has been considered in note 26 – post balance sheet events of the financial statements.

The Trustees will address a recovery and refresh programme for the period June 2020-December 2021, taking account of the impact of COVID-19 on beneficiary needs, welfare and membership delivery, and the new working environment, in addition to the restricted income generation environment which will ensure for some considerable time. This recovery and refresh programme will entail review of all areas of the Charity's activity, a revised delivery programme and staffing structure.

### ACKNOWLEDGEMENTS

The Board wishes to place on record its gratitude to all those who have contributed to the fundraising progress of the Charity and its outputs in 2019, in particular:

- Our corporate partner Patron Capital Advisers LLP and its Managing Director Mr Keith Breslauer, who have made significant donations and enabled the generation of further income by bringing in substantial support from other corporates and individuals, alongside giving support to individual Royal Marines seeking employment or training, and assisting families in need, whilst also providing meeting space and an office free of charge;
- Larchpoint Capital LLP and its Managing Partner Mrs Lynn Fordham; Peak Scientific and June and Robin MacGeachy; Mundy Group and its proprietor Mr John Mundy, all of whom who have provided significant sponsorship to events and projects;
- The other individuals are too numerous to mention in full, but particular thanks must go to supporting organisations - the Royal Marines Band Service, the Royal Marines Sports Association, Commando Training Centre Royal Marines, the Corps Colonel's Department, and all regular and reserve units of the Corps; and to the tireless army of community fundraisers.

The Board wishes to thank the RNRMC for its Board and substantial back office support during the run up to, and the period after merger with RMA, and other established and independent charities with which it works closely: SSAFA the Armed Forces Charity, the Royal Naval Benevolent Trust, the Naval Children's Charity, the Royal Navy Officers' Charity, The Royal British Legion, Greenwich Hospital, the Special Boat Service Association, Devon Air Ambulance Trust, the Not Forgotten Association, Aggie Weston's, the White Ensign Association, Heropreneurs and Rock to Recovery.

**ROYAL MARINES ASSOCIATION - THE ROYAL MARINES CHARITY  
REPORT OF THE TRUSTEES**

**Statement of Trustees' Responsibilities**

The trustees (who are also the directors of RMA-The Royal Marines Charity for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 as amended by The Charities Accounts (Scotland) Amendment (No. 2) Regulations 2014.

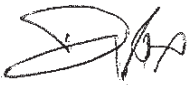
They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The charitable company has taken advantage of the small companies' exemption.

This report was approved by the Trustees on 24 June 2020 and signed on their behalf by



**Mr D Cox  
(Chairman)**



**Brigadier HJ White ADC  
(Vice Chairman)**

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBER OF  
ROYAL MARINES ASSOCIATION- THE ROYAL MARINES CHARITY**

**Opinion**

We have audited the financial statements of The Royal Marines Charity for the year ended 31 December 2019 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2019 and of the group's incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

**Basis for opinion**

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

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBER OF ROYAL MARINES ASSOCIATION- THE ROYAL MARINES CHARITY**

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a strategic report.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 15 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, the Companies Act 2006 and Section 151 of the Charities Act 2011 and report to you in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBER OF  
ROYAL MARINES ASSOCIATION- THE ROYAL MARINES CHARITY**

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBER OF  
ROYAL MARINES ASSOCIATION- THE ROYAL MARINES CHARITY**

**Use of this report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006; and to the charity's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and in respect of the consolidated financial statements, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body for our audit work, for this report, or for the opinion we have formed.

*Moore Kingston Smith LLP*

Neil Finlayson (Senior Statutory Auditor)  
for and on behalf of Kingston Smith LLP  
Chartered Accountants  
Statutory Auditors  
Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

Date: 14 August 2020

Kingston Smith LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



**RMA THE ROYAL MARINES CHARITY**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
<b>INCOME &amp; ENDOWMENTS</b>					
Donations and legacies	4	3,211,965	766,009	3,977,974	4,088,155
Transfer of assets from RMA	24	2,602,527	3,687	2,605,944	-
Other trading activities		490,748	-	490,748	-
Investment income	5	204,457	234,765	439,222	391,592
Charitable activities	6	6,509,427 58,500	1,004,461 333,447	7,513,888 391,497	4,479,747 422,122
<b>Total operating income</b>		<u>6,567,927</u>	<u>1,337,908</u>	<u>7,905,835</u>	<u>4,901,869</u>
<b>EXPENDITURE</b>					
<b>Raising funds</b>					
Investment management fees		42,653	59,855	102,508	64,736
Fundraising costs		2,053,960	28,936	2,082,896	1,200,245
Total cost of raising funds		<u>2,096,613</u>	<u>88,791</u>	<u>2,185,404</u>	<u>1,264,981</u>
<b>Charitable activities</b>					
Through life pathway	7	443,028	1,406,441	1,406,401	1,321,880
Quality of life pathway		349,508	527,695	877,203	892,680
Fit for life pathway		126,582	767,868	894,450	383,529
End of life pathway		-	-	-	6,140
Total charitable expenditure		<u>919,118</u>	<u>2,701,964</u>	<u>3,621,082</u>	<u>2,604,229</u>
<b>Total operating expenditure</b>		<u>3,015,731</u>	<u>2,790,755</u>	<u>5,806,486</u>	<u>3,869,210</u>
<b>Net operating income/(expenditure)</b>		3,552,196	(1,452,847)	2,099,349	1,032,659
<b>Net gains/(losses) on investment assets</b>	16	495,747	471,019	966,766	(444,760)
<b>Net income/(expenditure)</b>		<u>4,047,943</u>	<u>(981,828)</u>	<u>3,066,115</u>	<u>587,899</u>
Gross transfers between funds		-	-	-	-
<b>Net movement in funds</b>		<u>4,047,943</u>	<u>(981,828)</u>	<u>3,066,115</u>	<u>587,899</u>
Total funds brought forward		<u>6,116,238</u>	<u>7,694,381</u>	<u>13,810,619</u>	<u>13,222,270</u>
<b>Total funds carried forward</b>		<u>10,164,181</u>	<u>6,712,553</u>	<u>16,876,734</u>	<u>13,810,619</u>

The charity has no recognised gains or losses for the year other than as detailed above.

The net movements in the charity's funds for the year arise from the charity's continuing activities.

The notes on pages 28 to 44 form part of these accounts.

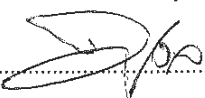
**ROYAL MARINES ASSOCIATION- THE ROYAL MARINES CHARITY  
BALANCE SHEET- GROUP AND CHARITY  
AS AT 31 DECEMBER 2019**

	Note	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
<b>Fixed assets</b>					
Tangible assets	15	2,412,477	13,682	2,410,435	13,682
Investments	16	13,081,101	10,403,490	13,081,201	10,403,490
		<u>15,943,578</u>	<u>10,417,172</u>	<u>15,491,636</u>	<u>10,417,172</u>
<b>Current assets</b>					
Stock	17	185,585	58,818	67,585	58,818
Debtors	18	395,047	580,392	381,170	576,236
Cash at bank and in hand		1,708,339	2,973,838	1,484,449	2,846,639
		<u>2,288,971</u>	<u>3,613,048</u>	<u>1,933,204</u>	<u>3,481,693</u>
<b>Liabilities</b>					
Creditors falling due within one year	19	(905,815)	(219,061)	(755,084)	(531,502)
<b>Net current assets</b>		<u>1,383,156</u>	<u>3,393,447</u>	<u>1,178,120</u>	<u>2,950,191</u>
<b>Total assets less current liabilities</b>		<u>16,876,734</u>	<u>13,810,619</u>	<u>16,669,756</u>	<u>13,038,416</u>
<b>Net assets</b>		<u>16,876,734</u>	<u>13,810,619</u>	<u>16,669,756</u>	<u>13,038,416</u>
<b>Accumulated funds</b>					
Restricted funds	20	6,712,553	7,694,381	6,644,951	7,251,125
Unrestricted funds	20	10,164,181	6,116,238	10,024,805	6,116,238
<b>Total accumulated funds</b>		<u>16,876,734</u>	<u>13,810,619</u>	<u>16,669,756</u>	<u>13,367,363</u>

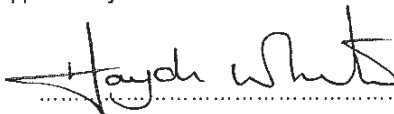
Company registration number: 07142012

The charitable company has taken advantage of the small companies exemption.

The financial statements on pages 25 to 44 were approved by the trustees on 24 June 2020 and signed on their behalf by:



**Mr D Cox**  
(Chairman)



**Brigadier HJ White ADC**  
(Vice Chairman)

**ROYAL MARINES ASSOCIATION- THE ROYAL MARINES CHARITY  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
<b>Cash flow/(outflow) from operating activities</b>		
Net cash provided by/(used in) operating activities	2,418,202	409,205
<b>Cash flows from investing activities</b>		
Investment income and interest received	439,222	391,592
Proceeds from disposal of fixed asset investments excluding endowment funds	1,960,923	2,256,040
Acquisition of fixed asset investments excluding endowment funds	(3,671,768)	(2,227,085)
Payments to acquire tangible fixed assets	(2,412,078)	(9,088)
	<u>(3,683,701)</u>	<u>411,459</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(1,265,499)	820,664
Cash and cash equivalents at beginning of year	2,973,838	2,153,174
<b>Cash and cash equivalents at end of year</b>	<u>1,708,339</u>	<u>2,973,838</u>

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**Reconciliation of net income/ (expenditure) to net cash flow from operating activities**

	2019 £	2018 £
<b>Net income</b>	3,066,115	587,898
<b>Adjustments for:</b>		
Depreciation charges	13,283	15,837
Net (gains)/losses on investments	(966,766)	444,760
Investment income	(439,222)	(391,592)
(Increase) in stock	(126,767)	(4,462)
Decrease/(increase) in debtors	185,345	(288,750)
Increase in creditors	686,214	45,514
<b>Net cash provided by operating activities</b>	<u>2,418,202</u>	<u>409,205</u>

**ROYAL MARINES ASSOCIATION- THE ROYAL MARINES CHARITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

## **1. ACCOUNTING POLICIES**

### **a) Basis of preparation**

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company and its subsidiaries are a public benefit group for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006, the Charities Act 2011 and Charities Accounts (Scotland) Regulations 2006 as amended by The Charities Accounts (Scotland) Amendment (No. 2) Regulations 2014.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

### **b) Going concern**

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions, particularly those arising from the COVID-19 pandemic, that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charitable group's forecasts and projections and have taken account of pressures on donation and investment income. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

### **c) Group financial statements**

These financial statements consolidate the results of the Charity and TRMC Enterprises Limited, RMA Limited and the RM Shop Limited, wholly owned trading subsidiaries, with RMA-The Royal Marines Charity as the Charity is the sole member, on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account are not presented for the Charity itself as the Charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

### **d) Income**

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Legacies are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy receivable can be measured reliably. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.

Income is deferred when the donor attaches conditions outside the charity's own control or specifies that the resources are to be used in a future accounting period.

Investment income is received net of investment management fees but is grossed up in the accounts for investment management fees.

**ROYAL MARINES ASSOCIATION- THE ROYAL MARINES CHARITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**e) Volunteers and donated services and facilities**

The value of services provided by volunteers is not incorporated into these financial statements.

Where services are provided to the charity as a donation that would normally be purchased, this contribution is included in the financial statements at an estimate based on the value of the contribution to the charity.

**f) Expenditure**

Liabilities are recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity. Unconditional grant offers are accrued once the recipient has been notified of the grant award and its payment is probable. Grant awards that are subject to the recipient fulfilling performance or other conditions are accrued when the recipient has been notified of the grant and either the performance condition is met or any remaining unfulfilled condition attaching to the grant is outside of the control of the Charity.

**g) Irrecoverable VAT**

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

**h) Allocation of overhead and support costs**

Overhead and support costs have been allocated first between cost of generating funds, charitable activities and governance. Overhead and support costs relating to charitable activities have been apportioned between activities.

**i) Cost of raising funds**

The cost of raising funds consists of investment management fees and fundraising costs including an apportionment of overhead and support costs.

**j) Charitable activities**

Costs of charitable activities include grants payable and other costs directly associated with providing sports, amenities, prizes and awards, dependants grants or benevolence to beneficiaries and an apportionment of overhead and support costs.

**k) Governance costs**

Governance costs comprise all costs involving the public accountability and running of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit, legal fees and trustee meeting expenses together with an apportionment of overhead and support costs.

**l) Pension costs and other post-retirement benefits**

The charity operates a defined contribution pension scheme. Contributions payable are charged to the Statement of Financial Activities in the period to which they relate.

**m) Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**ROYAL MARINES ASSOCIATION- THE ROYAL MARINES CHARITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 18 and 19 for the debtor and creditor notes.

**n) Stock**

Stock is stated at the lower of cost and net realisable value.

**o) Tangible fixed assets**

Individual fixed assets costing £500 or more are capitalised at cost.

Tangible fixed assets are depreciated on a straight line basis over their estimated useful economic lives as follows:

Computer and office equipment	-	over 3 years straight line
Freehold property	-	over 50 years straight line
Leasehold property	-	over the life of the lease

**p) Investments**

Investments are stated at market value inclusive of accrued income as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the Statement of Financial Activities as 'gains or losses on investments' and are allocated to the appropriate fund holding or disposing of the relevant investment.

**q) Funds structure**

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor.

Unrestricted funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

**r) Heritage assets**

The Charity is the owner of a collection of Paintings, Silverware and other items. Many precious works are contained within messes across the Corps, which is housed and managed on behalf of the Charity by Serving Royal Marines within the Corps Secretariat. The collection is considered irreplaceable and as such it is not possible to attribute a reliable cost or value to it. It is additionally considered that the process of obtaining valuations of the collection would be disproportionate to any public benefit that might be derived and that it is impractical to apply conventional valuation techniques to the collection, due to the uniqueness of its nature.

**s) Critical accounting estimates and areas of judgement**

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

**2. LEGAL STATUS OF THE CHARITY**

The charity is a company limited by guarantee and has no share capital. The sole member of the Charity is The Royal Navy and Royal Marines Charity. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**ROYAL MARINES ASSOCIATION- THE ROYAL MARINES CHARITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**3. FINANCIAL ACTIVITIES OF THE CHARITY**

The financial activities shown in the consolidated statement includes those of RMA-TRMC and its wholly owned trading subsidiaries TRMC Enterprises Limited and Royal Marines Shop Limited; RMSA a charitable company of which the RMA-TRMC is the sole member; The RMA of which the RMA-TRMC is the sole member.

A summary of the financial activities undertaken by the RMA-TRMC is set out below:

		<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
Total income		7,130,385	4,710,323
Expenditure on charitable activities		(3,034,507)	(2,673,823)
Expenditure on raising funds		(1,760,251)	(1,267,797)
		<u>2,335,627</u>	<u>773,703</u>
Net investment (losses)/gains	16	966,766	(444,760)
Net income		3,302,393	328,943
Total funds brought forward		<u>13,367,363</u>	<u>13,038,420</u>
Total funds carried forward		<u><u>16,669,756</u></u>	<u><u>13,367,363</u></u>
Represented by:			
Restricted funds	21	6,644,951	7,251,125
Unrestricted funds	21	<u>9,024,805</u>	<u>6,116,238</u>
		<u><u>16,669,756</u></u>	<u><u>13,367,363</u></u>

**4. VOLUNTARY INCOME**

	<b>Unrestricted Funds 2019 £</b>	<b>Restricted Funds 2019 £</b>	<b>Total Funds 2019 £</b>
Donations	2,700,951	206,394	2,907,345
Subscriptions	-	522,561	522,561
Legacies	511,014	37,054	548,068
	<u>3,211,965</u>	<u>766,009</u>	<u>3,977,974</u>
	<u><u>3,211,965</u></u>	<u><u>766,009</u></u>	<u><u>3,977,974</u></u>
	<b>Unrestricted Funds 2018 £</b>	<b>Restricted Funds 2018 £</b>	<b>Total Funds 2018 £</b>
Donations	2,411,772	605,547	3,017,319
Subscriptions	-	537,808	537,808
Legacies	533,028	-	533,028
	<u>2,944,800</u>	<u>1,143,355</u>	<u>4,088,155</u>
	<u><u>2,944,800</u></u>	<u><u>1,143,355</u></u>	<u><u>4,088,155</u></u>

**ROYAL MARINES ASSOCIATION- THE ROYAL MARINES CHARITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**5. INVESTMENT INCOME**

	<b>Unrestricted Funds 2019 £</b>	<b>Restricted Funds 2019 £</b>	<b>Total Funds 2019 £</b>
Dividends – United Kingdom equities	81,792	124,459	206,251
Property Fund	20,286	30,873	51,159
Unit Trust	98,109	80,103	178,212
Interest on cash deposits	673	(1,831)	(1,158)
Other	3,597	1,161	4,758
	<u>204,457</u>	<u>234,765</u>	<u>439,222</u>

	<b>Unrestricted Funds 2018 £</b>	<b>Restricted Funds 2018 £</b>	<b>Total Funds 2018 £</b>
Dividends – United Kingdom equities	60,025	108,446	168,471
Property Fund	26,678	46,795	73,473
Unit Trust	54,342	99,908	154,250
Interest on cash deposits	273	449	722
Other	2,384	(7,708)	(5,324)
	<u>143,702</u>	<u>247,890</u>	<u>391,592</u>

**6. INCOME FROM CHARITABLE ACTIVITIES**

	<b>Unrestricted Funds 2019 £</b>	<b>Restricted Funds 2019 £</b>	<b>Total Funds 2018 £</b>
Other grants received	<u>58,500</u>	<u>333,447</u>	<u>391,947</u>

	<b>Unrestricted Funds 2018 £</b>	<b>Restricted Funds 2018 £</b>	<b>Total Funds 2018 £</b>
Other grants received	<u>118,251</u>	<u>303,871</u>	<u>422,122</u>

**7. ANALYSIS OF CHARITABLE EXPENDITURE**

	<b>Grants Payable £</b>	<b>Other Direct Costs £</b>	<b>Support Costs (see note 10) £</b>	<b>Total 2019 £</b>
Fit for life pathway	701,487	-	192,963	894,450
Quality of life pathway	491,279	-	385,924	877,203
Through life pathway	1,394,855	68,650	385,924	1,849,429
	<u>2,587,621</u>	<u>68,650</u>	<u>964,811</u>	<u>3,621,082</u>



**ROYAL MARINES ASSOCIATION- THE ROYAL MARINES CHARITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**7. ANALYSIS OF CHARITABLE EXPENDITURE (continued)**

	Other Grants Payable	Support Direct Costs	Costs (see note 10)	Total 2018
	£	£	£	£
Fit for life pathway	295,312	-	88,218	383,530
Quality of life pathway	716,245	-	176,436	892,681
Through life pathway	1,106,824	38,620	176,436	1,321,880
End of life pathway	6,140	-	-	6,140
	<u>2,124,521</u>	<u>38,620</u>	<u>441,090</u>	<u>2,604,231</u>

**8. ANALYSIS OF GRANTS PAYABLE**

	Grants to institutions	Grants to individuals	Total 2019	Total 2018
	£	£	£	£
Fit for life pathway	701,847	-	701,847	295,312
Quality of life pathway	325,402	165,877	491,279	716,245
Through life pathway	489,466	905,389	1,394,855	1,106,824
End of life pathway	-	-	-	6,140
<b>Total</b>	<u>1,516,355</u>	<u>1,071,266</u>	<u>2,587,621</u>	<u>2,214,521</u>

Analysis of institutions receiving grants:

	2019 £
<b>Fit for life pathway</b>	
Royal Marines Sports Associations	701,847
	<u>701,847</u>
<b>Quality of life pathway</b>	
Globe & Laurel	85,117
Royal Marines Association	72,616
RM Stonehouse	58,388
Others less than £5,000	109,281
	<u>325,402</u>
<b>Through life pathway</b>	
Royal Marines Association	32,238
Rock to Recovery	194,155
Aggies	25,315
Royal Marines Club	54,381
Not Forgotten Association	16,620
Horseback UK	31,500
The Soldier's Art Academy	15,819
65 Degrees North	30,000
Others less than £5,000	89,436
	<u>489,464</u>

**ROYAL MARINES ASSOCIATION- THE ROYAL MARINES CHARITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**9. ANALYSIS OF DIRECT GOVERNANCE COSTS**

	<b>Unrestricted Funds 2019 £</b>	<b>Restricted Funds 2019 £</b>	<b>Total Funds 2019 £</b>
Auditor's remuneration	19,513	4,242	23,755
Legal fees	107,655	34,372	142,027
Trustees' expenses	14,379	-	14,379
Meeting expenses	7,132	-	7,132
Other governance costs	39	-	39
	<u>148,718</u>	<u>38,614</u>	<u>187,332</u>

	<b>Unrestricted Funds 2018 £</b>	<b>Restricted Funds 2018 £</b>	<b>Total Funds 2018 £</b>
Auditor's remuneration	13,590	4,242	17,832
Legal fees	136,706	8,400	145,106
Trustees' expenses	3,413	-	3,413
Meeting expenses	3,047	-	3,047
Bad debts	565	-	565
Other governance costs	8,285	134	8,419
	<u>165,606</u>	<u>12,776</u>	<u>178,382</u>

**10. ALLOCATION OF SUPPORT COSTS AND OVERHEADS**

<b>Cost type</b>	<b>Cost of Raising Funds 2019 £</b>	<b>Charitable Activities 2019 £</b>	<b>Governance 2019 £</b>	<b>Total Allocated 2019 £</b>	<b>Basis</b>
Staff costs	585,507	657,426	68,216	1,311,449	Usage
Office and administration costs	143,927	143,689	71,844	359,460	Usage
Fundraising expenses	1,189,466	-	-	1,189,466	Usage
Investment management fees	102,508	-	-	102,508	Usage
	<u>2,021,708</u>	<u>801,115</u>	<u>140,060</u>	<u>2,962,883</u>	
Direct governance costs (see note 9)	-	-	187,332	187,332	
	<u>2,021,708</u>	<u>801,115</u>	<u>327,392</u>	<u>3,150,215</u>	
Allocation of governance support costs	163,696	163,696	(327,392)	-	
	<u>2,185,404</u>	<u>964,811</u>	<u>-</u>	<u>3,150,215</u>	

**ROYAL MARINES ASSOCIATION- THE ROYAL MARINES CHARITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**10. ALLOCATION OF SUPPORT COSTS AND OVERHEADS (continued)**

<b>Cost type</b>	<b>Cost of Raising Funds 2018</b>	<b>Charitable Activities 2018</b>	<b>Governance 2018</b>	<b>Total Allocated 2018</b>	<b>Basis</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	
Staff costs	312,394	183,159	56,357	551,910	Usage
Office and administration costs	112,449	112,449	56,224	281,122	Usage
Fundraising expenses	629,920	-	-	629,920	Usage
Investment management fees	64,736	-	-	64,736	Usage
	<u>1,119,499</u>	<u>295,608</u>	<u>112,581</u>	<u>1,527,688</u>	
Direct governance costs (see note 9)	-	-	178,382	178,382	
	<u>1,119,499</u>	<u>295,608</u>	<u>290,963</u>	<u>1,706,070</u>	
Allocation of governance support costs	145,482	145,482	(290,963)	-	
	<u><u>1,264,981</u></u>	<u><u>441,090</u></u>	<u><u>-</u></u>	<u><u>1,706,070</u></u>	

**11. STAFF COSTS**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Salaries and wages	1,123,877	464,709
Social security costs	116,640	48,778
Pension costs	65,058	28,346
Temporary staff	5,864	10,077
	<u>1,311,449</u>	<u>551,910</u>

No employees earned £70,000-£80,000 in the year (2018: One employee).

One employee earned £80,000-£90,000 in the year (2018: No employees).

No trustee received emoluments (2018: none). 12 trustees (2018: 6) received reimbursed travel and subsistence expenses totalling £9,403 (2018: £3,413).

Included in the above costs are termination payments of £nil paid to no individuals (2017: £23,250, 1 individual).

**STAFF NUMBERS**

The average number of staff employed was 28 (2018: 14 staff) and the average number of full-time equivalent employees (including casual and part time staff) during the year was as follows:

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
Support	33	14
	<u>33</u>	<u>14</u>

**12. MOVEMENT IN NET FUNDS FOR THE PERIOD**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Movement in net funds is stated after charging/(crediting):		
Auditor's remuneration (excluding irrecoverable VAT):		
- Statutory audit (current year)	19,515	17,832
- Taxation	654	936
- Other	10,715	7,128
Depreciation – owned assets	13,283	15,836
	<u>13,283</u>	<u>15,836</u>

**ROYAL MARINES ASSOCIATION- THE ROYAL MARINES CHARITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**13. TRUSTEES AND KEY MANAGEMENT PERSONNEL**

Key management personnel include the Trustees, Chief Executive (and senior staff reporting directly to the chief executive). The total employee benefits of the charity's key management personnel were £428,112 (2018: £166,051). Following the merger with the RMA and the increase in service delivery by the charity the number of key management personnel increased to 7 in 2019 (2018: 2)

**14. TAXATION**

The company is a registered charity and no provision is considered necessary for taxation.

**15. TANGIBLE FIXED ASSETS (Group)**

	Leasehold Improvements	Freehold property	Office and computer equipment	Total
Cost or valuation	£	£	£	£
As at 1 January 2019	-	-	82,598	82,598
Additions	1,838,953	550,000	23,125	2,412,078
As at 31 December 2019	<u>1,898,953</u>	<u>550,000</u>	<u>105,723</u>	<u>2,412,477</u>
<b>Depreciation</b>				
As at 1 January 2019	-	-	68,916	68,916
Charge for the year	-	-	13,283	13,283
As at 31 December 2019	<u>-</u>	<u>-</u>	<u>82,199</u>	<u>82,199</u>
<b>Net book value</b>				
As at 31 December 2019	<u>1,898,953</u>	<u>550,000</u>	<u>23,524</u>	<u>2,412,477</u>
As at 31 December 2018	<u>-</u>	<u>-</u>	<u>13,682</u>	<u>13,682</u>

**15. TANGIBLE FIXED ASSETS (Charity)**

	Leasehold Improvements	Freehold property	Office and computer equipment	Total
Cost or valuation	£	£	£	£
As at 1 January 2019	-	-	82,598	82,598
Additions	1,838,953	550,000	21,083	2,410,036
As at 31 December 2019	<u>1,898,953</u>	<u>550,000</u>	<u>103,681</u>	<u>2,492,634</u>
<b>Depreciation</b>				
As at 1 January 2019	-	-	68,916	68,916
Charge for the year	-	-	13,283	13,283
As at 31 December 2019	<u>-</u>	<u>-</u>	<u>82,199</u>	<u>82,199</u>
<b>Net book value</b>				
As at 31 December 2019	<u>1,898,953</u>	<u>550,000</u>	<u>21,482</u>	<u>2,410,435</u>
As at 31 December 2018	<u>-</u>	<u>-</u>	<u>13,682</u>	<u>13,682</u>

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**16. FIXED ASSET INVESTMENTS**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Charity 2019 £</b>	<b>Charity 2018 £</b>
Movements in fixed asset investments				
Market value brought forward	10,403,490	10,877,205	10,403,490	10,877,205
Additions at cost	3,671,768	2,227,085	3,671,868	2,227,085
Disposals at carrying value	(1,960,923)	(2,256,040)	(1,960,923)	(2,256,040)
Net gain/(loss) on revaluation	966,766	(444,760)	966,766	(444,760)
Market value carried forward	<u>13,081,101</u>	<u>10,403,490</u>	<u>13,081,201</u>	<u>10,403,490</u>

Analysis of market value of investments by type:

Unlisted – RM Shop Limited	-	-	100	-
Equities	8,036,549	7,057,498	8,036,549	7,057,498
Bonds	956,717	1,139,199	956,717	1,139,199
Alternative investments	3,417,448	1,399,171	3,417,448	1,399,171
Cash	670,387	807,622	670,387	807,622
	<u>13,081,101</u>	<u>10,403,490</u>	<u>13,081,201</u>	<u>10,403,490</u>

Analysis of market value of investments between those held within and outside the United Kingdom:

Within the United Kingdom	11,908,938	7,449,533	11,909,038	7,449,533
Outside the United Kingdom	1,172,163	2,953,957	1,172,163	2,953,957
	<u>13,081,101</u>	<u>10,403,490</u>	<u>13,081,201</u>	<u>10,403,490</u>

**17. STOCK**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Charity 2019 £</b>	<b>Charity 2018 £</b>
Wine and ports	62,690	53,923	62,690	53,923
Armada dishes	4,895	4,895	4,895	4,895
Merchandise	118,000	-	-	-
	<u>185,585</u>	<u>58,818</u>	<u>67,585</u>	<u>58,818</u>

**18. DEBTORS**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Charity 2019 £</b>	<b>Charity 2018 £</b>
Other debtors	65,661	55,856	51,784	51,700
Prepayments and accrued income	213,856	351,188	213,856	351,188
Due from parent charity	115,530	173,348	115,530	173,848
	<u>395,047</u>	<u>580,392</u>	<u>381,170</u>	<u>576,236</u>

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**19. CREDITORS:****AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Charity 2019 £</b>	<b>Charity 2019 £</b>
Grants payable	250,315	95,673	237,884	78,002
Almonised grants payable	6,625	495	6,625	495
Trade creditors	125,841	28,959	82,076	28,959
Taxation and social security	57,218	22,583	35,310	22,583
Accruals	301,087	71,891	143,441	71,629
Other creditors	164,729	-	163,850	-
Due to group entities	-	-	85,898	329,834
	<u>905,815</u>	<u>219,601</u>	<u>755,084</u>	<u>531,502</u>

**Custodian funds**

The RMA-TRMC holds custodian funds on behalf of RMA Branches and other RM Trusts. These amounts are included within creditors above.

<b>Entity</b>	<b>Principal Object</b>	<b>Held</b>	<b>2019 £</b>	<b>2018 £</b>
Fisher House	Residue of fundraising for sponsorship bedroom suite in Fisher House	Cash	£ 564	£ -
Commando Cops	Now called the RM Club which is in process of becoming a branch	Cash	£ 2,936	£ -
Frankton Memorial	Maintenance of memorial at Eastney	Cash	£ 2,390	£ -
45 Woodlands Trust	Maintenance of a Memorial Garden	Cash	£ 35,066	£ -
Adam's Hoofing Hut	Beach Hut at Christchurch	Cash	£ 24,107	£ -
42 Commando Memorial Garden	Maintenance of a Memorial Garden	Cash	£ 11,842	£ -
Help4Heroes Training	Held for training and business set-up for former marines	Cash	£ 15,077	£ -
RMA Rugby Branch	Virtual Branch of RMA-TRMC	Cash	£ 14,046	£ -
RMA Landing Craft Branch	Virtual Branch of RMA-TRMC	Cash	£ 1,025	£ -
RMA Concert Band	Future branch of RMA-TRMC	Cash	£ 53,586	£ -
Local Branch Donations	Monies collected centrally for RMA-TRMC branches	Cash	£ 566	£ -

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**20. ANALYSIS OF CHARITABLE FUNDS**

**Analysis of unrestricted fund movements**

	Balance at 01.01.2019 £	Incoming resources £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2019 £
TRMC general funds	5,580,154	3,657,316	(1,915,462)	(1,000,000)	349,860	6,671,688
LIBOR Fund	536,084	1,339	-	-	-	537,423
RMA	-	2,437,104	(677,477)	-	146,067	1,815,694
National Museum of the Royal Navy	-	-	-	1,000,000	-	1,000,000
<b>Charity total</b>	<u>6,116,238</u>	<u>6,005,759</u>	<u>(2,592,939)</u>	<u>-</u>	<u>495,747</u>	<u>10,024,805</u>
<b>Subsidiaries</b>						
Royal Marines Shop Limited	-	562,168	(422,792)	-	-	139,376
TRMC Enterprises Limited	-	-	-	-	-	-
<b>Group Total</b>	<u>6,116,238</u>	<u>6,567,927</u>	<u>(3,015,731)</u>	<u>279,983</u>	<u>495,747</u>	<u>10,164,181</u>

The LIBOR Fund was designated by the trustees in 2014 following a grant award from HM Treasury, without any restrictions. The Trustees have designated this for specific projects with a view to spending all of the funds within the next few years depending on the project timelines.

The RMA Fund represents activities related to the Royal Marines Association (see note 24 for more details on the acquisition of the Royal Marines Association in the year).

**The National Museum of the Royal Navy fund has been designated by the Trustees towards the cost of the new Royal Marines Museum.**

**Analysis of restricted fund movements**

	Balance at 01.01.2019 £	Incoming resources £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2019 £
<b>Charity</b>						
RM Benevolence Fund	3,354,992	372,403	(1,589,807)	-	239,286	2,376,874
RM Cadet Fund	121,442	4,066	(1,217)	-	8,553	132,844
RM Officers' Trust Fund	997,720	158,647	(159,740)	-	72,843	1,069,470
RM Central Sergeants' Mess Fund	872,552	174,171	(175,957)	-	67,549	938,315
RM Central Unit Institute Fund	1,146,979	302,555	(167,058)	(74,208)	82,788	1,291,056
CTCFC	757,440	109,099	(33,834)	-	-	832,705
RMA Magazine	-	3,687	-	-	-	3,687
	<u>7,251,125</u>	<u>1,124,628</u>	<u>(2,127,613)</u>	<u>(74,208)</u>	<u>471,019</u>	<u>6,644,951</u>
<b>Subsidiaries</b>						
Royal Marines Sports Association	443,256	213,280	(663,142)	74,208	-	67,602
<b>Group Total</b>	<u>7,694,381</u>	<u>1,337,908</u>	<u>(2,790,755)</u>	<u>-</u>	<u>471,019</u>	<u>6,712,553</u>

RM Benevolent Fund is a restricted fund amalgamated from a range from Royal Marines specific funds designed to support Serving, Veterans and their dependants.

RM Cadet Fund is a restricted fund which generates a small amount of investment income to support RM Cadets with various amenity bids.

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**20. ANALYSIS OF CHARITABLE FUNDS (continued)**

RM Officers' Trust Fund is a restricted fund to support Royal Marines Officers in providing grants for Sports, Functions and Amenity bids.

RM Central Sergeants' Mess Fund is a restricted fund to support Royal Marines Seniors in providing grants for Sports, Functions and Amenity bids.

RM Central Unit Institute' Fund is a restricted fund to support Royal Marines Juniors in providing grants for Sports, Functions and Amenity bids.

RM Support Network is the rebranded TRIM4Veterans fund which is a restricted fund to support the RMA Welfare team in providing volunteer support to Serving and Veteran Royal Marines through signposting and other support services.

CTCFC Commando Training Centre Family Centre is a restricted fund for donations collected to support the building of a capital project at CTCRM, Lympstone.

RMA Magazine is a restricted fund for the production the RMA magazine. This is no longer produced.

**Analysis of fund movements- prior year**

**Analysis of unrestricted fund movements**

	Balance at 01.01.2018 £	Incoming resources £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2018 £
TRMC general funds	5,052,015	3,203,905	(2,233,079)	(279,983)	(162,704)	5,580,154
LIBOR Fund	581,068	2,848	(47,832)	-	-	536,084
	<u>5,633,083</u>	<u>3,206,753</u>	<u>(2,281,911)</u>	<u>(279,983)</u>	<u>(162,704)</u>	<u>6,116,238</u>
	Balance at 01.01.2018 £	Incoming resources £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31.12.2018 £
<b>Charity</b>						
RM Benevolence Fund	4,045,127	141,206	(674,546)	-	(156,795)	3,354,992
RM Cadet Fund	123,903	4,017	(1,849)	-	(4,629)	121,442
RM Officers' Trust Fund	1,045,016	156,350	(154,291)	(10,035)	(39,320)	997,720
RM Central Sergeants' Mess Fund	930,809	177,862	(165,493)	(34,118)	(36,508)	872,552
RM Central Unit Institute Fund	1,205,986	308,595	(166,257)	(156,541)	(44,804)	1,146,979
RM Support Network	4,193	-	(4,193)	-	-	-
CTCFC	50,299	715,541	(8,400)	-	-	757,440
	<u>7,405,333</u>	<u>1,503,571</u>	<u>(1,175,029)</u>	<u>(200,694)</u>	<u>(282,056)</u>	<u>7,251,125</u>
<b>Subsidiaries</b>						
Royal Marines Sports Association	184,304	191,545	(408,400)	475,807	-	443,256
TRMC Enterprises Limited	-	-	(4,870)	4,870	-	-
<b>Group Total</b>	<u>7,589,637</u>	<u>1,695,116</u>	<u>(1,588,299)</u>	<u>279,983</u>	<u>(282,056)</u>	<u>7,694,381</u>



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**21. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted Funds 2019 £</b>	<b>Restricted Funds 2019 £</b>	<b>Total 2019 £</b>
Tangible fixed assets	751,741	1,660,736	2,412,477
Fixed asset investments	7,400,491	5,680,610	13,081,101
Cash at bank and in hand	1,998,337	(289,998)	1,708,339
Other net current assets/(liabilities)	13,612	(338,795)	(325,183)
	<u>10,164,181</u>	<u>6,712,553</u>	<u>16,876,734</u>

**21. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS (continued)**

	<b>Unrestricted Funds 2018 £</b>	<b>Restricted Funds 2018 £</b>	<b>Total 2018 £</b>
Tangible fixed assets	13,682	-	13,682
Fixed asset investments	4,125,610	6,277,880	10,403,490
Cash at bank and in hand	1,992,054	981,784	2,973,838
Other net current assets/(liabilities)	(15,108)	434,717	419,609
	<u>6,116,238</u>	<u>7,694,381</u>	<u>13,810,619</u>

**22. ULTIMATE CONTROLLING PARTY**

During the year the charitable company and group was under the control of Royal Navy and Royal Marines Charity (a registered charity incorporated in England and Wales, registered company number 6047294, registered charity number 1117794 and also a registered charity in Scotland, charity number SC041898).

The ultimate controlling party is also the Royal Navy and Royal Marines Charity. Copies of the Royal Navy and Royal Marines Charity consolidated financial can be obtained from Building 29, HMS Excellent, Whale Island, Portsmouth, PO2 8ER.

**23. RELATED PARTY TRANSACTIONS**

During the year trustees donated £44,316 (2018: £82,050) to the charity. The charity also received a £80,000 (2018: £80,000) donation from the Globe and Laurel magazine, an organisation with common trustees.

During the year the charity made a grant to its now de-registered subsidiary, The Royal Marines Sports Association, of £74,208 (2018: £499,708).

During the year The Royal Navy and Royal Marines Charity, the ultimate controlling party, charged the charity £50,000 (2018: £143,789) in respect of management and administration services and additional donated services totalling £138,155.

The charity received grants from The Royal Navy and Royal Marines Charity of £230,225 in relation to Afghan Veterans and Education and Employment (2018: £346,413 in relation to the Commando Centre).

During the year the charity purchased merchandise totalling £15,542 from Royal Marines Shop Limited and also paid the company for fulfilment charges for the sale of gin totalling £8,993.

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**24. SUBSIDIARIES- RMA**

The charity became the sole member of The Royal Marines Association Limited on 1 April 2019 and accordingly on that date the RMA became a subsidiary of the group. On that date the RMA also transferred all of its trade and net assets to the charity. The RMA has been dormant since 1 April 2020.

The following is an extract of the financial statements of The Royal Marines Association Limited for the year ended 31 December 2019:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Income	107,660	1,037,960
Expenditure	(139,963)	(797,034)
Net assets transferred to RMA-TRMC	(1,779,543)	(219,581)
Investment gains/(losses)	119,632	(89,900)
Net movement in funds	<u>(1,692,214)</u>	<u>151,026</u>
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Fixed assets	-	1,715,855
Current assets	-	132,586
Liabilities	-	(156,227)
Net assets	<u>-</u>	<u>1,692,214</u>
Unrestricted funds	-	1,688,527
Restricted funds	-	3,687
Total funds	<u>-</u>	<u>1,692,214</u>

**24. SUBSIDIARIES- Royal Marines Shop Limited**

The charity became the sole shareholder of Royal Marines Shop Limited on 1 April 2019 and accordingly on that date the company became a subsidiary of the group.

The following is an extract of the financial statements of Royal Marines Shop Limited for the year ended 31 December 2019:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Income	594,331	449,248
Expenditure	(557,548)	(462,519)
Net movement in funds	<u>36,783</u>	<u>(13,271)</u>
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Fixed assets	2,042	4,662
Current assets	179,130	131,486
Liabilities	(59,754)	(51,513)
Net assets	<u>121,418</u>	<u>84,635</u>

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**24. SUBSIDIARIES - RMSA**

The following is an extract of the financial statements of The Royal Marines Sports Association for the year ended 31 December 2019:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Income	287,488	667,240
Expenditure	(663,142)	(408,289)
Net movement in funds	<u>(375,654)</u>	<u>258,951</u>
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Current assets	79,992	490,926
Liabilities	(12,391)	(17,671)
Net assets	<u>67,601</u>	<u>443,255</u>
Unrestricted funds	<u>67,601</u>	<u>443,255</u>

**24. SUBSIDIARIES - TRMCE**

The following is an extract of the financial statements of TRMC Enterprises Limited for the period ended 31 December 2019:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Income	1,484,605	4,870
Expenditure	(1,484,605)	(4,870)
Net movement in funds	<u>-</u>	<u>-</u>
	<b>2019</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Current assets	160,509	169
Liabilities	(160,508)	(168)
Net assets	<u>1</u>	<u>1</u>
Net assets	<u>1</u>	<u>1</u>

**25. CAPITAL COMMITMENTS**

At the balance sheet date the group and charity had capital commitments of £480,780 (2018: £nil)

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**26. POST BALANCE SHEET EVENT**

The charity has given due consideration for the effects of the Covid-19 outbreak, which occurred before these financial statements were signed. A number of significant major events were expected to take place throughout the following financial year have been cancelled, however this will be offset by a fall in associated expenditure. Investment Income is expected to fall by 30% during this financial year along with a large decrease in Community Fundraising. We expect major income streams such as Payroll Giving to remain largely unaffected as these rely predominately on Serving personnel donating through their pay.

Since the year end global financial markets have suffered as a result of COVID-19 fears, demonstrating the inherent volatility of investment assets in general which is expected to have an impact on their values during the year ending 31 December 2020, however the extent of this impact is currently unknown. As at 31 May 2020 the market value of the investments (after a drawdown of £750k since the end of the year) was £10.6M value at 31 May with 13% decrease.

We also anticipate an increase in requests for support through a newly created Hardship fund, partly funded offset by reduced demand in other areas and Reserves.

More information on the impact of COVID-19 can be found in the Trustee report on page 18.

**27. CONTINGENT LIABILITY**

During the year the charity made a grant award of £1,000,000 to the National Museum of the Royal Navy that is contingent on certain conditions being met by the museum. The trustees believe that the probability of the museum fulfilling the conditions of the award is remote and accordingly this amount has not been provided for in these financial statements. The trustees continue to work with the museum on potential alternative funding and in the meantime have designated the funds.