



RSR ANNUAL REPORT 2008/9

Dame Agnes Weston's Royal Sailors' Rests
Registered Charity No 238748

"For the Glory of God and the Good of the Service"

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Reference and administrative information

Patrons

RSR is honoured to have as its patrons:

Her Majesty the Queen
Ministry of Defence

Trustees

The following were Trustees for the Charity during the year (unless a shorter period is indicated):

Colonel Jos McCabe Royal Marines (Retd) (Chairman)
CPO Paul Attrell Royal Navy (Retd)
Commander Craig Fulton Royal Navy
Lieutenant Commander Tim Haddow Royal Navy
Lieutenant Commander Paul Nelson Royal Navy
CPO John Noble Royal Navy
Mr Nicholas Roberts
Mrs Annemarie Woods
Mrs Anna Wright (resigned 1 September 2008)
Mrs Joan Wright
Commander Danny Yarker Royal Navy (Retd)

Executive Director

Mr Brian Deverson

Charity Name

Dame Agnes Weston's Royal Sailors' Rests (generally known as RSR or Aggies)

Charity Registered Number

238748

Nature of Governing Document

A Scheme of the Charity Commission dated 6 November 2000, with revised Articles of Faith adopted 7 October 2005.

Objects of the Charity (per governing document para 4)

- (1) The objects of the charity are the advancement among the beneficiaries of:
- (a) religion in accordance with the articles of faith; and
 - (b) the cause of temperance.
- (2) The trustees may further the objects by providing accommodation and facilities for recreation and by other Christian outreach work, without alcohol being provided or consumed.

Registered Address

Castaway House
311 Twyford Ave
Portsmouth
PO2 8RN

Professional Advisors and Bankers

Solicitors	Large & Gibson Kent House 49 Kent Road Southsea Portsmouth PO5 3EJ
Accountants	McKrill & Co Ltd Certified Accountants 26 Leverton Avenue Felpham West Sussex PO22 7RA
Auditors	HW Chartered Accountants Cawley Priory South Pallant Chichester West Sussex PO19 1SY
Bankers	NatWest Bank plc 130 Commercial Road Portsmouth PO1 1ES
Investment Managers	Newton Investment Management Ltd 160 Queen Victoria St London EC4V 4LA

Trustees' report

The Trustees are pleased to present the RSR annual report and accounts for the financial year ended 31 March 2009.

Charitable objectives and purpose for public benefit

Dame Agnes Weston's Royal Sailors' Rests is an independent Christian charity founded in 1876. In response to the needs of her day, Agnes Weston provided the ratings of the Royal Navy with 'homes from home' (known as *Rests*) located in naval port areas. The Rests were alcohol-free facilities, providing a safe refuge and genuine alternative to the widespread frequenting of public houses and resultant excessive drinking. The Rests were also places where the truth of the Christian Gospel could be advanced amongst the sailors. Agnes Weston also corresponded extensively with sailors and successfully campaigned for the welfare of Naval families. Her pioneering efforts brought her national recognition and an indelible place in naval history. Her life's work is encapsulated in her simple memorial epitaph *The Sailors' Friend*.

Today, the charity is generally known as RSR and colloquially as *Aggies*. RSR continues to exist for the public benefit of the serving personnel and families of the Royal Navy and Royal Marines. The RSR Statement of Purpose is as follows:

"RSR is a Christian charity dedicated to supporting Naval Service personnel and their families. Motivated by the love of God, and in close co-operation with the Naval Authorities, RSR achieves this calling by:

- ◆ Seeking to befriend and support Naval personnel and their families;
- ◆ Providing facilities for education and recreation;
- ◆ Addressing other specific areas of need identified with Service life.

Working 'For the Glory of God and the Good of the Service' since 1876."

For over 130 years, Agnes Weston's mission has continued and developed. RSR's current strategy is a portfolio of work comprising three elements: *People, Places and Projects*. This report summarises progress during the year, as RSR continues to fulfil its original mission in a contemporary and relevant way.

Structure, governance and management

RSR is an unincorporated association and a registered charity (no. 238748), governed by a Scheme of the Charity Commission dated 6 November 2000 with revised Articles of Faith adopted 7 October 2005.

Governance is undertaken by a Board of Trustees comprising 6 to 15 members. Colonel Jos McCabe Royal Marines has acted as Chairman since June 2005. Potential trustees are identified from a range of networks and contacts, then invited to attend three Board meetings on an exploratory basis prior to the Board considering their appointment. In accordance with the Governing Scheme (clause 7.3), Trustees are appointed for a five-year period at a Special Meeting of RSR Trustees (convened in accordance with clause 15). Trustees may serve for a maximum of 15 years. All trustees sign a declaration of eligibility to serve in this capacity.

Trustee induction comprises the attendance at three meetings prior to appointment mentioned above. Regarding trustee training, RSR's policy is to consider requirements at each trustees' meeting within a standing agenda item.

The Board of Trustees meets three times per year. At its winter meeting, the Board reviews RSR's strategy and agrees a budgeted plan for the forthcoming financial year. RSR's Executive Director and his staff are responsible for implementing the agreed plan by undertaking the day-to-day management and operations. The Board is informed of progress by the Executive Director's monthly report to Trustees. The ED holds regular meetings with the Chairman and provides further reports to Trustees at their summer and autumn meetings.

RSR's office is at Castaway House, Portsmouth, which houses a number of other naval charities, including The Royal Naval Benevolent Trust, which owns the building. This arrangement provides for economy of administration, with individual charities sharing rent and service costs on a pro rata basis. The collocation of naval charities provides ease of communication, leading to valuable opportunities for mutual assistance in service provision. Individual charities have different remits but co-operate informally to serve the naval sector in complementary ways for the good of the whole. RSR is not formally connected or related to any other charity. However, it participates in appropriate forums of other charities and bodies relevant to its work, notably the Council for Voluntary Welfare Work, Military Christian Organisations and Principal Royal Naval Charities.

RSR is privileged to receive funding from individual donors, legacies, trusts and grant-making bodies. The Trustees extend their grateful appreciation to all who gave generous donations and bequests during the year. Sincere thanks are also due to the Dashwood Trust and other Trusts who give regularly year-on-year. The charity is equally appreciative of grants made during the year by various bodies, both for capital projects and revenue support.

The work of RSR continues to be promoted amongst its supporters, within the Naval service and in relevant Christian and charity circles. The charity's main means of external communication are its website and regular magazine *Ashore & Afloat*. The RSR website (www.rsr.org.uk) is actively maintained and offers a number of valuable links. All communications and fundraising activities are carefully assessed for effectiveness and value for money.

As a Christian charity, RSR recognises the importance of prayer and the Trustees express their grateful thanks to all prayer supporters for their valued commitment and kind messages of encouragement. RSR prayer diaries are circulated with the *Ashore & Afloat* magazine.

Achievements and performance

This section reports on the public benefit resulting from the charity's work during the year, in accordance with its charitable purposes outlined above. In preparing the report, trustees have taken due regard of the Charity Commission's guidance on public benefit from charitable activity. RSR's work continued to operate in accordance with its well-established *People, Places and Projects* strategy.

- ◆ *People* - support workers are provided to operate within Naval Chaplaincy Service teams.
- ◆ *Places* - RSR operates two Centres, RSR Rowner and RSR Helensburgh (*Braeholm*). RSR also staffs a range of facilities located at bases and establishments.
- ◆ *Projects* - these are special initiatives that serve the whole of the Royal Navy and Royal Marines.

The following sections provide an outline of the activities and developments in these three areas of RSR's work.

Chaplaincy Support Workers

The provision of Chaplaincy Support Workers (CSWs) to work alongside Naval Chaplains ensures RSR resources are used directly in support of Naval Service personnel and their families, close to their homes and place of training or work. CSWs are involved in a wide variety of support activities, including community work, pastoral care and managing on-base facilities such as cyber-café's and drop-in centres. CSWs provide a valuable extra dimension to Chaplaincy teams, increasing their ability to be effective. The CSW programme is a well-established initiative and during the year CSWs were present at:

- ◆ HMS NELSON, HM Naval Base Portsmouth (4 posts)
- ◆ JSU Northwood
- ◆ HMS SULTAN
- ◆ Commando Training Centre Royal Marines, Lympstone (3 posts)
- ◆ Royal Marines Poole
- ◆ Royal Marines Plymouth
- ◆ Royal Naval Air Station Culdrose (2 posts)
- ◆ Royal Naval Air Station Yeovilton
- ◆ HMS COLLINGWOOD
- ◆ HMS RALEIGH

Trustees express their appreciation to the Director General Naval Chaplaincy Service and the NCS team for their partnership in the CSW programme. The close working relationship is embodied in regular joint management meetings between NCS and RSR. The meetings monitor progress in the existing posts and identify new opportunities for CSW placements. RSR is especially pleased to report a placement for the first time at Royal Marines Plymouth, to support chaplains serving 3 Commando Brigade.

RSR Centres

RSR Helensburgh (Braeholm)

Braeholm was opened in 1997 and is located in Helensburgh, 8 miles from the Clyde Naval base at Faslane. There are 6 Service Family Accommodation estates in the area, housing 800 families. Braeholm provides quality accommodation [17 ensuite bedrooms] for visiting personnel and to assist families visiting the area to be close to loved ones serving in the submarine and small ships squadrons. Naval personnel & families also enjoy the use of an excellent fitness room and a coffee shop. The local community contributes to the success of Braeholm by hosting conferences in the three well-appointed conference rooms. Together with Naval Chaplaincy and the Naval Personal & Family Service, RSR Braeholm holds regular special events such as barbecues, marriage courses, Sunday dinners and fun days to boost morale for submariners' families during long patrols. The Braeholm Centre is known for the quality of its hospitality and is a much valued facility.

RSR Rowner

The Rowner Centre serves the Portsmouth Naval Base area, with its significant naval family presence. The Centre provides the thriving Anchor pre-school, which is complemented by a

number of successful holiday and regular out-of school activities. RSR Rowner provides NVQ classes for naval wives, in partnership with St Vincent College. The Centre's activities are supported by a café and crèche.

The Centre has been subject to increasing cost pressures and local demographic changes amongst the Naval community. After a thorough study, the Trustees made a positive decision during the year to close the Rowner facility in 2010 and re-locate the active work of the Centre to other locations in the Gosport area. Trustees remain committed to serving the local Naval community and this decision will enable RSR to be more effective in this role over the longer term.

Projects

Naval Families Federation

RSR receives MOD funding to facilitate the Naval Families Federation (NFF). In July 2008, the original contract expired and was replaced by a Grant-in-Aid funding arrangement. As the independent voice of Naval Families, the NFF attends relevant forums and meetings up to ministerial level. Its role is to represent views on key issues such as housing, education and health. The NFF has its own active website, (www.nff.org.uk), which is heavily used. Also well regarded is the NFF's quarterly magazine *Homeport*, which is widely distributed amongst Naval personnel and families. The contribution of the NFF is increasingly influential and highly valued by the Naval Authorities.

Financial counselling

Personal debt is an established and significant feature of modern society. To assist the Royal Navy, RSR contributes to providing a service in partnership with another Christian charity, Credit Action. The RSR-Credit Action partnership operates by invitation of the Naval Personal & Family Service (NPFS). The service comprises education initiatives, telephone counselling and provision of helpful literature. Close co-operation with NPFS is maintained regarding management and development of the project.

Christian literature

RSR provides New Testaments for Royal Marines passing out of CTCRM Lympstone and for recruits at HMS RALEIGH. Christian literature is also made available to service personnel and their families through RSR centres and CSWs. RSR works closely with the Naval, Military and Air Force Bible Society (NM&AFBS) who supply the texts.

Ark Community Project

RSR participates in this project together with the Church of England and the Royal Navy and Royal Marines Children's Fund. The three partners finance a Community Worker for housing estates in the Plymouth area with high proportions of Naval Service families. The project has its own website (www.arkcommunity.org.uk). The post is currently staffed on a job-share basis and the complementary team offer a much-valued contribution to local service families, which experience separation for long periods owing to deployments.

Future Developments

RSR plans further development within its *People, Places and Projects* strategy. There are intentions to recruit further CSWs during 2009/10 in response to opportunities. As reported above, the work at RSR's Rowner Centre is to be relocated and the facility closed in 2010.

RSR's Braeholm Centre at Helensburgh will continue to be developed, to serve the strategically important Faslane Naval Base. Lastly, RSR remains open to new project opportunities, following the success of initiatives such as the NFF and Ark Community Project. RSR's strategy remains subject to regular monitoring and review, to ensure a freshness and relevance of approach to mission, combined with a rigorous stewardship of resources. Despite the adverse economic climate, RSR remains well placed to respond creatively to opportunities to serve the Naval Service, ever mindful that its work is 'For the Glory of God and the Good of the Service'.

Financial review

Total income for the year was £1,149,637 (2008: £1,021,830), comprising income from investments (£285,393), charitable activities (£503,725), rental income (£20,971), and voluntary income (£339,549). The expenditure total was £1,073,030 resulting in a modest surplus of £76,607, compared to a deficit of £15,146 in the previous year. The surplus is within normal variances against a break-even target.

The Society's investment portfolio has significantly reduced in value in line with general adverse market conditions. As a result, total funds carried forward at 31 March 2009 are £5,900,150 compared to £7,523,238 brought forward at 1 April 2008, a large reduction of £1,623,088.

Reserves policy

The Trustees have established RSR's Reserves Policy with reference to Charity Commission guidance (CC19) and accounting standards (SORP 2005). The trustees do not intend to build up reserves for unspecified purposes, but rather to apply all income to direct charitable purposes. This intention is established annually when trustees agree the budget for the forthcoming year on a balanced budget basis.

RSR needs to hold adequate reserves as working capital, to match the irregular pattern of income receipts with operating expenditure. Holding such reserves avoids the possibility of having to liquidate investments for short-term purposes, potentially at unfavourable prices. As a result of market volatility and adverse economic circumstances, liquid reserves held have been increased from 3-6 months of budgeted expenditure to 4-8 months, ie a range of £375,000 to £750,000. Cash flow is carefully monitored on a continuing basis to meet this objective. Reserves held at 31 March 2009 were £488,247.

Investment policy

The investment manager, Newton Investment Management Ltd, is instructed to invest at moderate risk to provide a balance of growth and income. There are to be no investments in alcohol, pornography, gambling services or tobacco. All investments are acquired and held by the investment manager as nominee.

Risk management

The Board of Trustees recognises its ultimate responsibility for risk management. Within RSR, the Executive Director and senior management team discharge this duty on a day-to-day basis.

The Executive Director prepares monthly reports for the Board, and attends the three meetings of trustees held each year. Risk management is a standing agenda item at the meetings, ensuring all substantial risks are brought to trustees' attention and considered in priority order. RSR's strategy is quantified by an annual budget, against which financial progress is monitored.

The Board confirms that it has considered the major risks that can reasonably be identified, and taken pre-emptive action to mitigate those risks. RSR operates a policy of continuous review and development of its management systems. To assist this process, a formalised risk management framework is reviewed and updated at each Trustees' meeting.

Acknowledgements

The Trustees express their sincere gratitude to patrons, supporters, funding bodies and partners who have helped and enabled RSR in its work during the year. The Trustees also thank members of staff for undertaking their Christian service with strength of faith that comes from knowing God has a purpose for RSR.

Trustees' responsibilities in relation to financial statements

The trustees have accepted that they are responsible for preparing for each financial year accounts that give a true and fair view of the state of affairs of the Charity and of the result for the period. In preparing those accounts, the trustees are required to:

- ◆ Select suitable accounting policies and then apply them consistently;
- ◆ Make judgements and estimates that are reasonable and prudent;
- ◆ State whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The trustees have also accepted that they are responsible for:

- ◆ maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Charity and which enable them to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations and the provisions of the governing document;
- ◆ safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees and signed on their behalf:

.....
Colonel Jos McCabe Royal Marines
Chairman

Date

.....
Mr N Roberts
Deputy Chairman

Date

Independent auditor's report to the trustees of RSR

We have audited the financial statements of RSR for the year ended 31 March 2009, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with Regulations made under the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the Statements of Trustees' Responsibilities the charity's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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

We read the Trustees' Annual Report, and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view , in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charity's affairs as at 31 March 2009 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Charities Act 1993.

..... Date

HW Chartered Accountants & Registered Auditors
Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY

Statement of financial activities for the year ended 31 March 2009

	Notes	Unrestricted Funds 2009 £	Restricted Funds 2009 £	Endowment Funds 2009 £	Total Funds 2009 £	Total Funds 2008 £
Income and expenditure						
Incoming resources from generated funds						
Voluntary Income	2	200,256	139,293	-	339,549	282,976
Activities for generating funds	4	20,971	-	-	20,971	23,967
Investment income	3	285,393	-	-	285,393	264,764
Incoming resources from Charitable Activities						
	5	503,725	-	-	503,725	450,123
Total incoming resources		<u>1,010,344</u>	<u>139,293</u>	<u>-</u>	<u>1,149,637</u>	<u>1,021,830</u>
Resources expended						
Costs of generating Funds						
Costs of generating voluntary Income	6	18,338	-	-	18,338	16,347
Investment management costs		-	-	34,624	34,624	45,311
Charitable Activities						
	7	860,168	132,021	-	992,189	949,206
Governance Costs						
	8	27,879	-	-	27,879	26,112
Total resources expended		<u>906,385</u>	<u>132,021</u>	<u>34,624</u>	<u>1,073,030</u>	<u>1,036,976</u>
Net incoming/(outgoing) resources before transfers		103,959	7,272	(34,624)	76,607	(15,146)
Transfers						
Gross transfers between funds	16	-	-	-	-	-
Net incoming/(outgoing) resources before other gains and losses		103,959	7,272	(34,624)	76,607	(15,146)
Other recognised gains and losses						
Unrealised gains on functional fixed assets	11	-	-	-	-	147,771
Realised & unrealised gains/(losses) on Investment Assets	11	-	-	(1,699,695)	(1,699,695)	(493,709)
Net movement in funds		103,959	7,272	(1,734,319)	(1,623,088)	(361,084)
Funds b/d at 1 April 2008		1,221,335	-	6,301,903	7,523,238	7,884,322
Funds c/d at 31st March 2009	16	<u>1,325,294</u>	<u>7,272</u>	<u>4,567,584</u>	<u>5,900,150</u>	<u>7,523,238</u>

Balance sheet as at 31 March 2009

	Notes	2009	2008
		£	£
Fixed assets			
Tangible assets	12	837,047	868,749
Investments	13	4,569,331	6,157,407
Current assets			
Stocks		1,267	2,716
Debtors	14	48,861	33,850
Cash at bank and in hand		490,563	504,755
		<u>540,690</u>	<u>541,321</u>
Less Creditors: amounts falling due within one year	15	<u>(46,918)</u>	<u>(44,239)</u>
Net current assets (liabilities)		493,772	497,082
Total assets less current liabilities		<u>5,900,150</u>	<u>7,523,238</u>
Unrestricted funds	16	1,325,294	1,221,335
Restricted funds	16	<u>7,272</u>	<u>-</u>
Total general funds		1,332,566	1,221,335
Endowment funds		4,567,584	6,301,903
Total funds		<u>5,900,150</u>	<u>7,523,238</u>

Signed on behalf of Trustees

.....
Colonel Jos McCabe Royal Marines
Chairman

Date

.....
Mr N Roberts
Deputy Chairman

Date

Cash flow statement for the year ended 31 March 2009

	Notes	£	2009 £	£	2008 £
Net cash inflow/(outflow) from operating activities	17		(183,952)		(233,113)
Returns on investments & servicing of finance					
Interest received		21,776		26,213	
Dividends received		<u>263,617</u>		<u>238,553</u>	
Net cash inflow from returns on investments & servicing of finance			285,393		264,766
Capital expenditure & investing activities					
Purchase of tangible fixed assets		(4,014)		(25,016)	
Net movements in investment		<u>(111,619)</u>		<u>(33,373)</u>	
Net cash inflow/(outflow) from capital expenditure & investing activities			(115,633)		(58,389)
Increase/(decrease) in cash for year	18		<u><u>(14,192)</u></u>		<u><u>(26,736)</u></u>

Notes to the financial statements for the year ended 31 March 2009

1 Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards and the Statement of Recommended Practice "Accounting by Charities" (SORP 2005). The financial statements are prepared under the historical cost convention (modified to include the revaluation of freehold land and buildings and investments).

Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of incoming resource can be measured with sufficient reliability.

Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the activity.

Fundraising

All fund costs including advertising for legacy and general income are expensed in the year in which costs were incurred.

Allocation of overhead and support costs

Overhead and support costs have been allocated first between charitable activity and governance. Overhead and support costs relating to charitable activities have been apportioned based on the total costs associated with those activities. The allocation of overhead and support costs is analysed in note 9.

Governance costs

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

Fixed assets

All assets costing more than £500 are capitalised and all assets are valued at historical cost or revalued amount. Depreciation is calculated to write off the cost or revalued amount less estimated residual value of fixed assets over their estimated useful lives on the following basis:

Freehold property	2% straight line
Short leasehold property	over the period of the lease
Fixtures and fittings	10% straight line
Computer equipment	20% straight line

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Expendable endowment funds are funds which may be retained long term as capital funds or, at the discretion of the trustees, applied in furtherance of the charity's objects.

Investments

Investments are included in the balance sheet at market value. For listed investments, market value is based on mid market price as at the close of business on the balance sheet date.

Stocks

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

Pension scheme

RSR operated a defined contributions scheme during the year. Contributions are charged to the profit and loss accounts as they become payable in accordance with the rules of the scheme.

Realised and unrealised gains

Where investment assets and fixed assets have been revalued these amounts have been shown in the Statement of Financial Activities.

2 Voluntary income

	2009	2008
	£	£
Dashwood Trust	105,876	123,093
Other legacies	101,116	11,811
Donations	27,609	34,764
Income from Trusts	7,954	10,626
Grants	96,529	102,008
Miscellaneous Income	465	674
	<u>339,549</u>	<u>282,976</u>

RSR extends its appreciation to charitable trusts, institutions and individuals for donations and grants received during the year. The Dashwood Trust holds a portfolio of properties, which are generally disposed of on becoming vacant and proceeds distributed to the Trust's beneficiaries. Amounts distributed vary considerably from year to year. In the year to 31 March 2009 RSR

received £105,876 (2008: £123,093). RSR anticipates that legacies will be receivable over the next 10-15 years but amounts will decrease as the properties are sold off. Included within grants were sums received from Seafarers UK of £35,070 of which £7,570 was restricted to use for capital works (2008: total £59,509, of which restricted £22,509). A general purpose grant of £43,296 (2008: £42,000) was also received from Greenwich Hospital.

3 Investment income

	2009	2008
	£	£
Income from Assets in the UK	255,427	236,964
Income from Overseas Assets	29,966	27,800
	<u>285,393</u>	<u>264,764</u>

4 Income from activities for generating funds

	2009	2008
	£	£
Rental Income	20,971	23,967
	<u>20,971</u>	<u>23,967</u>

5 Income from charitable activities

	2009	2008
	£	£
Income from Centres	293,012	266,234
Naval Families Federation (MOD contract to July 2008)	63,526	156,351
Naval Families Federation (Grant-in-Aid funded from July 2008)	130,723	-
Grants Received for Chaplaincy Support Workers	16,464	27,538
Total Incoming Resources	<u>503,725</u>	<u>450,123</u>

6 Costs of generating voluntary income

	2009	2008
	£	£
Communication and Fundraising Costs	<u>18,338</u>	<u>16,347</u>

7 Costs of charitable activities

	Direct	Other	Support	Total	Total
	Staff Costs	Direct Costs	Costs	2009	2008
	£	£	£	£	£
Costs of operating centres	338,763	173,284	58,881	570,928	566,860
Naval Families Fed'n (to Jul 08)	50,239	4,444	6,246	60,929	151,484
Naval Families Fed'n (from Jul 08)	77,931	46,563	-	124,494	-
Chaplaincy Support Workers	186,722	9,604	22,307	218,633	217,556
Projects	-	15,420	1,785	17,205	13,306
	<u>653,655</u>	<u>249,315</u>	<u>89,219</u>	<u>992,189</u>	<u>949,206</u>

8 Analysis of governance costs

	Direct	Support	Total 2009	Total 2008
	£	£	£	£
Staff Costs	-	24,095	24,095	22,034
Trustee Expenses	184	-	184	578
Auditors Remuneration	3,600	-	3,600	3,500
	<u>3,784</u>	<u>24,095</u>	<u>27,879</u>	<u>26,112</u>

9 Allocation of Support Costs and Overheads

	Basis of Allocation	Total Allocated	Governance	Charitable Activities
		£	£	£
Staff Costs	Total Costs/Staff Time	83,055	24,095	58,960
Office Costs	Total Costs	9,314	-	9,314
Accounting/Payroll	Total Costs	12,498	-	12,498
Insurances	Total Costs	5,947	-	5,947
Publications	Total Costs	-	-	-
Depreciation	Total Costs	2,500	-	2,500
		<u>113,314</u>	<u>24,095</u>	<u>89,219</u>

10 Analysis of Staff Costs

	2009	2008
	£	£
Salaries and Wages	679,477	666,364
Social Security Costs	47,183	47,136
Pension Costs	35,979	30,137
Other Staff Costs	4,237	6,970
	<u>766,877</u>	<u>750,607</u>

The number of full time equivalent employees was 38 (2008: 38).

11 Other recognised gains and losses

	2009	2008
	£	£
Realised gain/(loss) on disposal of investments	(690,857)	258,024
Unrealised gain/(loss) on revaluation of investments	(1,008,838)	(751,733)
Revaluation of freehold buildings	-	147,771
	<u>(1,699,695)</u>	<u>(345,938)</u>

12 Fixed assets

	Freehold Property	Short Leasehold Property	Fixtures & Fittings	Computer Equipment	Total
	£	£	£	£	£
Cost or Valuation					
At 1 April 2008	800,000	29,186	170,769	24,946	1,024,901
Additions	-	-	-	4,014	4,014
At 31 March 2009	<u>800,000</u>	<u>29,186</u>	<u>170,769</u>	<u>28,960</u>	<u>1,028,915</u>
Comprising:					
Cost	-	29,186	170,769	28,960	228,915
Valuation	800,000	-	-	-	800,000
	<u>800,000</u>	<u>29,186</u>	<u>170,769</u>	<u>28,960</u>	<u>1,028,915</u>
Depreciation					
at 1 April 2008	1	29,185	107,991	18,975	156,152
Charge for the year	16,000	-	16,558	3,158	35,716
At 31 March 2009	<u>16,001</u>	<u>29,185</u>	<u>124,549</u>	<u>22,133</u>	<u>191,868</u>
Net book value					
At 31 March 2009	<u>783,999</u>	<u>1</u>	<u>46,220</u>	<u>6,827</u>	<u>837,047</u>
At 31 March 2008	<u>799,999</u>	<u>1</u>	<u>62,778</u>	<u>5,971</u>	<u>868,749</u>

The charity's freehold property was re-valued in 2008 by an external valuer and chartered surveyor, on the basis of open market value. The Trustees took advantage of the transitional arrangements within FRS15 in 2008 to fix this valuation going forward as if it were original cost.

13 Investments

	Listed Investments	Cash Deposits	Total
	£	£	£
At 1 April 2008	5,969,620	187,787	6,157,407
Additions	1,110,841	-	1,110,841
Disposals at carrying value	(1,676,524)	(13,555)	(1,690,079)
Revaluation	(1,008,838)	-	(1,008,838)
	<u>4,395,099</u>	<u>174,232</u>	<u>4,569,331</u>
Geographical division of investments			
Within the United Kingdom	3,757,265	174,232	3,931,497
Outside the United Kingdom	637,834	-	637,834
	<u>4,395,099</u>	<u>174,232</u>	<u>4,569,331</u>

The historic cost of listed investments included at valuation is £4,751,860 (2008: £5,171,352). The trustees consider individual investment holdings in excess of 5% of the portfolio are material. There were no material individual holdings at the year end.

14 Debtors

	2009	2008
	£	£
Income tax recoverable	12,720	11,841
Other debtors	36,141	22,009
	<u>48,861</u>	<u>33,850</u>

15 Creditors

	2009	2008
	£	£
Other creditors (including Taxation & Social Security)	15,430	19,570
Accruals and deferred income	31,488	24,669
	<u>46,918</u>	<u>44,239</u>

16 Analysis of charitable funds

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	£	£	£	£
Funds b/d at 1 April 2008	1,221,335	-	6,301,903	7,523,238
Incoming resources	1,010,344	139,293	-	1,149,637
Resources expended	(906,385)	(132,021)	(34,624)	(1,073,030)
Transfers	-	-	-	-
Gains and losses	-	-	(1,699,695)	(1,699,695)
Funds c/d at 31 March 2009	<u>1,325,294</u>	<u>7,272</u>	<u>4,567,584</u>	<u>5,900,150</u>

The restricted funds represent grants received during the year less expenditure incurred up to 31st March 2009. The balance at the year end wholly comprised cash at bank.

Unrestricted funds are available to be spent for any of the purposes of the charity.

The expendable endowment fund arises from capital assets donated to the charity during its history. When sold, the proceeds were invested.

17 Reconciliation of net movement to net cash flow from operating activities

	2009	2008
	£	£
Net movement in funds	(1,623,088)	(361,084)
Depreciation charges	35,716	37,394
Net interest (received)	(21,776)	(26,211)
Net dividends (received)	(263,617)	(238,553)
(Increase)/decrease in stocks	1,450	320
(Increase)/decrease in debtors	(15,011)	12,906
Increase/(decrease) in creditors	2,679	(3,823)
Other recognised losses/(profits)	<u>1,699,695</u>	<u>345,938</u>
Net cash inflow/(outflow) from operating activities	<u>(183,952)</u>	<u>(233,113)</u>

18 Analysis of changes in net debt

	At 1 April 2008	Cash Flows	At 31 March 2009
	£	£	£
Cash in hand and at bank	<u>504,755</u>	<u>(14,192)</u>	<u>490,563</u>

19 Trustees' remuneration

The Trustees neither received nor waived any emoluments during the year (2008: £nil). The amount paid to Trustees in respect of out-of-pocket expenses during the year was £184 (2008: £578).