

The Communications and Public Service Lifeboat Fund

Report and Financial Statements

for the year ended 31 December 2003

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The Communications and Public Service Lifeboat Fund

Registered charity number 248421

Trustees' Report 2003**TRUSTEES**

The Communications and Public Service Lifeboat Fund, whose short title is The Lifeboat Fund, consists of a Council and its governing document is its Constitution. The Council appoints the members of the Executive Committee who act as the charity's trustees. The members who served on the Executive Committee during the year ended 31 December 2003 are shown below with the Department or body that they represent:

Name	Office	Dates acted, if not for whole year
Dame Valerie Strachan DCB	Chairman	
Sir John Bourn KCB	Deputy Chairman	
Sir Kevin Tebbit KCB CMG	Deputy Chairman	
Mr T P Grant	Hon.Treasurer	
Mrs L C Jones	Hon.Secretary	
Mr S Hawkins	HM Customs and Excise	
Mr J Jarvis	Civil Service Pensioners	
Mrs C Ringshaw-Dowle	Home Office	
Mrs J Roberts	MOD	
Mr T Roter	DWP	
Ms P Shahin	Inland Revenue	Nominated October 2003
Ms T Orchard	Inland Revenue	Nominated October 2003
Mrs C Wardle	Royal Mail	

OBJECTIVES

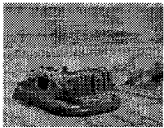
The object of the Fund is to raise money to further the work of the Royal National Lifeboat Institution (RNLI) by providing lifeboats or other items agreed with the RNLI. The Fund seeks to achieve this object by issuing an annual appeal to staff of the Civil Service, Royal Mail and BT and by promoting Payroll and Pension Payroll Giving.

ORGANISATION

The Council oversees the Fund's strategy, and the Executive Committee administers and manages the Fund. Day to day business of the charity is conducted by the Honorary Secretary and Honorary Treasurer under the direction of the Executive Committee.

- **The principal address** of the Fund is Culver House, Beaconsfield Road, Bickley, Kent, BR1 2BL; Telephone: 020 8466 1150
- **Website:** www.thelifeboatfund.org.uk
- **Independent Examiner:** Reeves and Neylan, 37 St Margarets Street, Canterbury, Kent, CT1 2TU.
- **Banks:** HSBC, Ridgeland House, 167 Dyke Road, Hove, East Sussex, BN3 1TX.
Girobank plc, Bootle, Merseyside, GIR 0AA.
Halifax plc, Trinity Road, Halifax HX1 2RG.

ACTIVITIES AND ACHIEVEMENTS DURING 2003



"Hunstanton Flyer" went on station on 21 July 2003

The Hunstanton Flyer, The Lifeboat Fund's 45th lifeboat, is one of the new RNLI search and rescue hovercraft and is stationed at Hunstanton, Norfolk. The RNLI operate these lifeboats in estuaries or close inshore where the terrain, as in the Wash, presents problems for the more traditional craft. The hovercraft has proved itself in that environment and the crew have worked hard to develop the skills required to operate it. The RNLI believe the hovercraft will help them to reach people more quickly and save more lives.

The Hunstanton Flyer is a Griffon 470SAR that has been developed in conjunction with the RNLI's Technical Department specifically for search and rescue purposes. It is 7.75m in length, carries a crew of three and has a top speed of 30 knots with a range of 3 hours at maximum speed.

FUNDRAISING

Annual Appeal

Each year, the Fund launches an annual appeal for contributions. Supporters are encouraged to fundraise in many forms and to find new and exciting ways to boost their collections.

Retired Civil Servants, Royal Mail pensioners and BT staff mainly subscribe through pension payroll and payroll giving, respectively. The Government gave a boost to payroll giving in 2003 by adding 10 per cent to all donations. The Fund gained £10,000 during 2003 as a result.

Flora London Marathon

The Flora London Marathon took place on 13 April 2003, and Paul Hoedemaker, who works for the Department for Work and Pensions, ran a very good first race and raised a tremendous £1,035.50. The Fund expresses grateful thanks for his efforts in the Marathon and his success in raising such a marvellous sum, from friends and colleagues, for The Lifeboat Fund

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The Fund can reclaim tax on all donations if donors make a simple declaration that they have paid sufficient income tax and that they wish their donation to be made under the Gift Aid Scheme. Supporters are invited to complete the declaration form on the reverse of the appeal poster so that tax can be reclaimed. In 2003, the Fund reclaimed £700.

Payroll Giving and Pension Payroll Giving

The Government adds a 10 per cent supplement on all donations in approved payroll giving schemes and this will continue until 2004. The Fund is actively encouraging donations in this way and has designed forms to be held in Government Departments to simplify support for the Fund. The charity processing agents (Charities Trust, Charities Aid Foundation and South West Charitable Giving) also provide forms that can be used and The Lifeboat Fund (not the RNLI, please) should be quoted if supporters wish to give to the Fund in this way.

WEBSITE AND E-MAIL LINKS

The website gives full details of the Fund's activities and shows pictures of the Fund's lifeboats currently in service. Visitors to the site can download a Gift Aid form and send it to the Honorary Secretary with their contribution should they wish.

The Lifeboat Fund entered the first Charities' Online Accounts Award held by Charities Aid Foundation. The Fund was not awarded a prize but the annual report and accounts can be accessed via the internet at www.thelifeboatfund.org.uk.

Email is now a standard means of communication and collectors and representatives are urged to provide their email address to secretary@thelifeboatfund.org.uk.

The Lifeboat Fund wants supporters to be able to donate online and steps are being taken to arrange this.

THE LIFEBOAT FUND'S LIFEBOATS

	Launches	Lives saved	Others given assistance
2003	45	2	21
2002	68	2	38
2001	39	2	46
2000	56	3	59
1999	55	2	32
1998	74	10	54

Total launches and lives saved by the Fund's lifeboats currently operational in the RNLI fleets

	Launches	Lives saved
Windsor Runner	93	15
Princess Royal	144	14
Public Servant	31	1
Hunstanton Flyer	11	0
Fraser Flyer	60	4
St. Cybi II	321	119
Richard Evans	338	70

There are currently four Lifeboat Fund lifeboats that have been allocated to stations in the RNLI's active fleet: *Hunstanton Flyer* at Hunstanton, Norfolk, *Public Servant* at Tower Pier, London; RNLB *Princess Royal* at St Ives and RNLB *Windsor Runner* at Blyth. The relief fleet includes RNLBs *Fraser Flyer*, *St Cybi II* and *Richard Evans*. During 2003, the Fund's lifeboats were launched 45 times, saving two lives and giving assistance to a further 21 people.

Three other lifeboats previously provided by the Fund are in a unique RNLI museum in Kent. The *Edward Bridges* (at Torbay until 1994), *St Cybi* (at Holyhead until 1980) and the *North Foreland* (at Margate until 1978) are all on display in the Lifeboat Gallery at the Historic Dockyard, Chatham, Kent. This is well worth a visit.

Public Servant – modifications needed to resolve technical problems

The E Class Lifeboats have been on service on the Thames since January 2002 and the RNLI has had the chance to review their operational capacity. It became apparent that there were issues related to the workload (they are the busiest lifeboats in the RNLI fleet) and the type of incidence the boats were dealing with, which was effecting reliability and operational effectiveness. *Public Servant* also exhibited a directional stability problem – it would veer off for no apparent reason. As a result, this boat was taken off service whilst the RNLI Engineering Office at Cowes conducted a series of trials to try to resolve this serious problem.

The lifeboat was measured and compared with the other boats in its class. The water-jet manufacturers were also involved, in case there was a problem with the jet set up. Unfortunately nothing obviously wrong was found. The boat was returned to Poole where further trials and measurements were carried out. At the same time the RNLI decided that the E Class boats should be modified so that they were brought into line with the high standards demanded of RNLI vessels.

Public Servant's modifications were completed before Christmas 2003 and the lifeboat delivered to the Thames Lifeboat Stations in early February 2004. As a result of the refit program *Public Servant* no longer exhibits the dangerous handling characteristics of before.

FINANCIAL REVIEW

In 2003, the Fund collected £160,000 for the RNLI. The main sources of these donations were:

	2003	2002
	£	£
Pension payroll giving (net of distribution charges)	85,000	91,000
Legacy	23,300	60,500
Payroll giving	23,000	17,000
Traditional appeal	17,000	16,000
Ten per cent Government uplift	10,000	10,500
Gift aid	700	1,000
Card Aid	-	1,000
Miscellaneous	1,000	1,000
Total	160,000	198,000

This table shows the continuing strength of support from pension payroll giving and the very useful boost that The Lifeboat Fund gets from the Government's ten per cent uplift. The table also reflects the impact that legacies can have on fundraising.

The net cost of collecting these donations was £4,900, or about three per cent, most of which (£4,000) relates to the fees charged by those agencies that collect and distribute pay and pension payroll giving on the Fund's behalf. The Fund's administration costs were about £850, or about 0.5 per cent of receipts.

Reserve Policy

The Fund does not hold any reserves. As necessary, it retains any sums required to meet planned expenditure, and transfers all other income as it arises to the RNLI, which holds The Lifeboat Fund's donations in a restricted fund, accruing notional interest, until there is sufficient to purchase a new lifeboat or such other purchase as the Fund decides on, under its sponsorship arrangements with the RNLI. In 2003, the Fund paid £100,000 for its 45th lifeboat. After deducting this expenditure from the balance brought forward at 1 January 2002, adding this year's net donations of £84,000, and £15,000 of notional interest, there is a closing balance in the restricted fund of £302,000.

The Fund is wholly dependent on the services of unpaid volunteers and donations in kind. As such, it would wish to acknowledge the generosity of the Office of the Deputy Prime Minister in donating the services of the Honorary Secretary, and of Reeves and Neylan in donating their services as the Honorary Independent Examiner.

The Fund's financial statements and a summary of contributions are part of this annual report.

REMUNERATION TO CHARITY TRUSTEES

No remuneration or other benefits were paid from the charity to a charity trustee.

FUTURE PLANS AND EVENTS

The Lifeboat Fund continues to discuss with the RNLI future opportunities for the deployment of the Fund's donations with the broad aim of funding lifeboats as evenly as possible throughout the UK.

The Fund will continue to encourage support through Pension Payroll and Payroll Giving. The Fund is negotiating with Capita, which processes pensions for retired Civil Servants, for their permission to write to pensioners enlisting support through the Pension Payroll Giving Scheme. Significant costs would be incurred for a mailing and details will be published if mailings take place.

The Fund will continue to encourage donors participating in the main appeal to make their donations under the Gift Aid Scheme so that tax can be reclaimed. The Inland Revenue will not accept Gift Aid declarations without a home address and supporters are urged to give this information.

The Fund will also continue to remind supporters how a legacy can help lifeboat crews long into the future.

RELATIONSHIP WITH OTHER CHARITIES

Since its foundation in 1866, the Communications and Public Service Lifeboat Fund has been and still is the biggest single supporter of the Royal National Lifeboat Institution. The RNLI is a registered charity that exists to save lives at sea by providing, on call, the 24-hour service necessary to cover search and rescue to 50 miles out from the coast of the United Kingdom and the Republic of Ireland. It depends entirely on voluntary contributions and legacies for its income, and mostly volunteers man its lifeboats (some Thames lifeboats have full time crew).

The RNLI pays for all substantial expenditure by the Fund out of restricted funds held by them, as explained above, subject to the approval of the Fund's Executive Committee. The RNLI provides the Fund with a Statement of Account at the end of the Fund's financial year.

The Fund's Chairman, Dame Valerie Strachan, is a member of the RNLI's Resources' Committee.

Valerie Strachan

Chairman

on behalf of the Trustees

22 March 2004

Statement of Financial Activities
(incorporating income and expenditure account)
for the year ended 31 December 2003

	Note	Unrestricted Funds 2003 £	Unrestricted Funds 2002 £
Incoming resources			
Donations, legacies and similar incoming resources	2	164,903	201,806
Staff sponsorship	3	15,149	14,539
Interest on bank balances		399	459
Lifeboat Fund expenses met by the RNLI		1,198	1,371
Total incoming resources		181,649	218,175
Resources expended			
Costs of generating funds:			
Fundraising and publicity	4	4,881	4,694
Charitable expenditure:			
Donations to the RNLI	5	83,532	220,336
Management and administration	6	16,430	16,042
Total resources expended		104,843	241,072
Net incoming resources		76,806	(22,897)
Total funds at 1 January 2003		1,851	24,748
Total funds at 31 December 2003		78,657	1,851

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 9 to 13 form part of these financial statements.

Balance Sheet

As at 31 December 2003

	Note	£	2003 £	2002 £
Fixed assets				
Tangible fixed assets	7		-	393
Current assets				
Cash at bank			78,706	1,578
Creditors: amounts falling due within one year	8		(49)	(120)
Net current assets			<u>78,657</u>	<u>1,458</u>
Net assets			<u>78,657</u>	<u>1,851</u>
Unrestricted Funds				
General Funds			78,657	1,851
Total Funds			<u>78,657</u>	<u>1,851</u>

The financial statements were approved by the trustees on 22 March 2004 and signed on their behalf, by:

T P Grant
Honorary Treasurer

Valerie Strachan
Chairman

The notes on pages 9 to 13 form part of these financial statements.

Additional note

The RNLI hold the money donated to them by The Lifeboat Fund in Restricted Funds accruing interest until there is sufficient to buy a lifeboat. At 31 December 2003, the position of these Restricted Funds was as follows:

	2003 £	2002 £
Lifeboat Fund balances held in RNLI Restricted Funds at 1 January 2003	303,837	334,743
Less: Payment for 45th lifeboat	(100,000)	(263,000)
The Lifeboat Fund's donations to RNLI in 2003	83,532	220,336
Notional interest received in 2003 on Restricted Fund balance	15,622	13,129
Less: Lifeboat Fund expenses paid direct by RNLI	(1,198)	(1,371)
Lifeboat Fund balances held in RNLI Restricted Funds at 31 December 2003	<u>301,793</u>	<u>303,837</u>

Notes to the financial statements
For the year ended 31 December 2003

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in October 2000 and SORP Update Bulletin 1 issued in December 2002 and applicable accounting standards.

1.2 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.

1.3 Incoming resources

Income is recognised in the period in which the Lifeboat Fund is entitled to receipt and the amount can be measured with reasonable certainty. Legacies are included when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

The financial statements do not include the value of services provided by volunteers.

1.4 Resources expended

All expenditure is accounted for on an accruals basis under headings that aggregate all costs related to the heading. It is inclusive of any VAT that cannot be recovered.

1.5 Cash flow

The financial statements do not include a cash flow statement because the charitable company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office Equipment	-	25%	straight line
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Notes to the financial statements
For the year ended 31 December 2003

2. Donations, legacies and similar incoming resources

	Unrestricted Funds 2003 £	Unrestricted Funds 2002 £
Donations received gross of cost of distributing payroll and pension-giving costs	105,602	110,309
Legacies	23,913	60,440
Government uplift for pension payroll giving	10,316	10,608
Gift Aid	721	1,245
Donations received via RNLI	24,351	19,204
Total	164,903	201,806

The donations received direct by the RNLI include some payroll giving that relates to the period April to December 2002.

3. Staff sponsorship

A government department meets the following part time salary and associated costs of a member of The Lifeboat Fund's staff.

	Unrestricted Funds 2003 £	Unrestricted Funds 2002 £
Salary	14,266	13,687
Employer's National Insurance contributions	839	749
Lifeboat Fund's telephone costs	44	103
Total	15,149	14,539

The Honorary Independent Examiners also donate their services free.

4. Fundraising and publicity

	Unrestricted Funds 2003 £	Unrestricted Funds 2002 £
Cost of distributing payroll and pension-giving donations	4,026	3,790
Printing and distribution of appeal leaflets	855	904
Total	4,881	4,694

Notes to the financial statements
For the year ended 31 December 2003

5. Donations to the RNLi

	Unrestricted Funds 2003 £	Unrestricted Funds 2002 £
Donations passed to the RNLi	45,210	190,692
Donations received direct by the RNLi	38,322	29,644
	<hr/>	<hr/>
Total	83,532	220,336
	<hr/> <hr/>	<hr/> <hr/>

6. Management and administration

	Unrestricted Funds 2003 £	Unrestricted Funds 2002 £
Miscellaneous	545	856
Printing and distribution of annual report	343	254
Donated services (Note 3)	15,149	14,539
Depreciation	393	393
	<hr/>	<hr/>
Total	16,430	16,042
	<hr/> <hr/>	<hr/> <hr/>

7. Tangible fixed assets

	Computers and other office equipment £
Cost	
At 1 January 2003 and 31 December 2003	1,572
	<hr/>
Depreciation	
At 1 January 2003	1,179
Charge for the year	393
	<hr/>
At 31 December 2003	1,572
	<hr/>
Net book value	
At 31 December 2003	-
	<hr/> <hr/>
At 31 December 2002	393
	<hr/> <hr/>

Notes to the financial statements
For the year ended 31 December 2003

8. Creditors:
Amounts falling due within one year

	2003	2002
	£	£
Miscellaneous expenses	49	120

9. Trustees' expenses

During the year, one trustee was reimbursed £372 (2002: £606) for sundry expenses.

SUMMARY OF CONTRIBUTIONS TO THE FUND

Recorded during the year ended 31st December 2003

	£
DEFRA	944.00
Customs and Excise, HM	690.00
Defence, Ministry of	743.10
DfT/ODPM (formerly DTLR).....	762.01
GCHQ	?
Home Office	956.00
Inland Revenue	5,836.67
Land Registry, HM	188.99
Lord Chancellor's Department	0.85
National Archives	24.76
National Audit Office	693.00
National Savings Department	100.00
Treasury Solicitor	9.41
Work and Pensions, Department of	1,247.07
NORTHERN IRELAND	
DETI	208.40
NI Department of Agriculture	842.82
NI Department of Finance and Personnel	994.79
NI Office	50.00
NI Social Security Agency	225.33
Department for Regional Development	1,421.00
Department for Social Development	41.50
PAYROLL GIVING (including £22,356.80 from BT)	23,096.44
PENSION PAYROLL GIVING (Civil Servants and Royal Mail).....	84,677.90
GOVERNMENT'S 10% UPLIFT	10,315.91
LEGACIES (in memory of Mr G Rixon, Mrs D M Hall & Miss F E Jones-Stopford)	23,913.48
TAX RECLAIM ON GIFT AID DONATIONS	721.01
OTHERS	536.79