

SOCIETY FOR NAUTICAL RESEARCH

England & Wales · Charity number 1026357

Details

Status Registered

Legal form Charitable company

Company number [02848095](#)

Registered 1993-09-22

Register [View on the Charity Commission register](#)

Contact

Address MOORE KINGSTON SMITH & PARTNERS LTD
9 Appold Street
London
EC2A 2AP

Phone 02075664000

Website www.snr.org.uk

Activities

Objects: TO PROMOTE RESEARCH INTO NAUTICAL ANTIQUITIES, INTO MATTERS RELATING TO SEAFARING AND SHIPBUILDING IN ALL AGES AND AMONG ALL NATIONS, INTO THE LANGUAGE AND CUSTOMS OF THE SEA AND INTO OTHER SUBJECTS OF NAUTICAL INTEREST, TO PUBLISH THE USEFUL RESULTS OF SUCH RESEARCH AND OTHERWISE ADVANCE PUBLIC EDUCATION IN SUCH SUBJECTS

Activities: The Society's core activities are to support and publish research into maritime areas by means of inter alia producing The Mariner's Mirror; supporting conferences; making an award for the best book published on maritime history in the previous year, delivering an annual lecture; developing the Society's website and administering the Save The Victory Fund and the Macpherson Fund.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, Arts/culture/heritage/science, Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£261,406	£154,593	-	-
2023-12-31	£238,130	£135,812	-	-
2022-12-31	£218,862	£294,121	-	-
2021-12-31	£305,422	£228,498	-	-
2020-12-31	£198,265	£119,278	-	-

Trustees

Name	Role	Appointed
Captain Peter Henry King		2024-06-15
Christopher John Brandon		2019-06-16
Dr Alison Averil Telfer		2024-06-15
Dr Catherine Elisabeth Cecilia Scheybeler		2024-06-15
Dr Claire Elaine Jowitt		2024-06-15
Dr Derek Victor Nudd		2024-06-15
Dr Hannah Cunliffe		2024-06-15
Dr Hannah Melissa Stockton		2024-06-15
Dr John David Davies		2024-06-15
Dr Katherine Parker		2025-06-07
Dr Mark Alfred Barton		2024-06-15
Dr Matthew Joseph Heaslip		2024-06-15
Dr Nicholas Hewitt		2025-06-07
Paul Michael Bugden		2015-06-13

Accounts

The Society for Nautical Research

(A Company Limited by Guarantee)

Company Number: 2848095

Charity Number: 1026357

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2024

The Society for Nautical Research
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The Society for Nautical Research

Legal and Administrative Information

President

Jonathan Coad

Chairman

Dr J D Davies

Hon. Secretary and Company Secretary

Cdr M A Barton

Hon. Treasurer

P Northcott

Editor

Dr M Bellamy

Vice Presidents

Cdr J M Bingeman Dr A Coats

Dr C Holt

Dr Cathryn Pearce

Lt Cdr F L Phillips

Mr A M Roach

Dr S Rose

Membership Secretary

Mrs H Garvey

Independent Auditor

Moore Kingston Smith LLP

9 Appold Street

London

EC2A 2AP

Bankers

Barclays Bank plc

8/9 Hanover Square

London W1A 4ZW

Investment Managers

Adam & Company

88 Wood Street

London EC2V 7QR

Registered Office

9 Appold Street

London

EC2A 2AP

The Society for Nautical Research
Trustees' Report
For the year ended 31 December 2024

Status and Administration

The Society is a charitable company limited by guarantee (registration number: 2848095) registered with the Charity Commission number 1026357. The Council sets the policies of the Society and these are administered by the Chairman, Honorary Secretary and Honorary Treasurer. The governing document of the charity is the memorandum and articles of association which were updated and approved at the 2021 Annual General Meeting. There are no restrictions imposed by the governing document except the objects of the charity as stated below.

Objects

The principal activity of the company includes the promotion of research into nautical antiquities and matters relating to the history of seafaring and ship building, languages and customs of the sea and to publish the results of such research and otherwise advance public education in such subjects. In particular this includes the publication of 'The Mariner's Mirror' quarterly. In addition there are two restricted funds, both of which are subsidiary charities, the Save the Victory Fund and the Macpherson Collection Endowment Fund. The Save the Victory Fund has been formed for the restoration and presentation to the public of Nelson's Flag Ship HMS Victory and the Macpherson Collection Endowment Fund acquires works of art for the National Maritime Museum.

Trustees

The Officers of the Society and the Council members are the Charity Trustees of the Society and are listed below:

Dr J D Davies		Dr M Heaslip	
C. Brandon		Prof C Jowitt	
Mark Barton		K Jamieson	
D Nudd		S Fisher	
A A Telfer		J Michell	<i>Resigned on 13/09/2024</i>
Capt P King		Dr K Parker	<i>Resigned on 15/06/2024</i>
H M Stockton	<i>Appointed on 19/09/2024</i>	Dr P V Nash	<i>Resigned on 15/06/2024</i>
P Budgen	<i>Appointed on 15/06/2024</i>		
Dr C Scheybeler			
N Ball			
HCunliffe			

Trustee appointment, induction and training

The Articles of Association of the Society specify the election procedure for the Officers of the Society and the Council. In accordance with their obligations Council in each year nominates a list of willing candidates for election by the members of the Society at each properly constituted annual general meeting. These may be for the positions of Vice President or for Councillors as well as for the President and other Officers of the society. The Officers are obliged to submit themselves for re-election each year. The Councillors whose four year term of office has expired may stand for re-election. The final say as to which persons serve is made by the membership of the Society who are also asked to nominate candidates for election. All the Vice Presidents, Councillors and Officers are given a copy of the Memorandum of Understanding and the Articles of Association of the Society together with a copy of the Society's Guide to the Conduct of Business. This includes a reminder that Vice Presidents have a working role and that Councillors and Officers are both Directors and Trustees of the Society and this reminder is reinforced in Council meetings from time to time by the Officers. The Directors and Trustees of the Society are helped to discharge their responsibilities through guidance in Council by the Officers, by receiving necessary papers recording the advice of the Society's financial advisers and by receiving, at least once a year, a Risk Analysis Review. The Council's particular contribution is a rigorous annual scrutiny of budget proposals and a quarterly review of progress. In addition, the Finance and General Purposes Committee receive an oral and written briefing every six months by the Society's financial advisors. The frequency has increased during the difficult market conditions which have prevailed in recent years.

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2024

Key Management Personnel

The key management personnel of the society are the Officers and the Council members. The Officers are re-elected every year by the Society at the AGM, and their efforts during the year speak for themselves. Council members have been elected on the basis of the wisdom and experience that they can bring to the Society. The vice presidents bring a wealth of experience across many fields to Council meetings, and are always available to give advice in their particular field of expertise if it is asked for. The Editor of the Mariner's Mirror, Dr Bellamy is remunerated at the rate of £2,000 per edition. The Editors' of Topmasts, were N Blanchford, succeeded by Bill Lindsay, for which they were remunerated at the rate of £1,000 per edition.

The Aims of the Society

To promote research into nautical antiquities, into matters relating to sea-faring and shipbuilding in all ages and among all nations, into the language and customs of the sea and into other subjects of nautical interest, to publish the useful results of such research and otherwise advance public education in such subjects (Memo of Association, updated 2021).

Objectives, Strategies and Achievements

Objective	Strategy	Achievement
Publish The Mariner's Mirror four times per annum.	Support the work of the Editor, the Hon. Reviews Editor and the Editorial Board. (Operations overseen by the Publications Committee).	This was achieved as usual with electronic copies of The Mariner's Mirror targeted at institutional users by Taylor & Francis and with hard copies for personal members.
Publish Topmasts, the Society's newsletter, four times a year.	Support the work of the Topmasts Editor.	Topmasts is available electronically through the SNR website.
Manage the website to reflect the Society and its achievements.	The website reflects the strengths and achievements of the Society and uses social media to reach new members.	Membership figures continue to increase, with members joining through activities relating to the Forum and Topmasts.
Advance public education in Maritime History.	Provide financial support from the budget set from the Tomlin Fund for research conferences and programmes of work. To award the Anderson, Victory and Centenary Medals as appropriate.	Three research grants (totalling £2,600) were made to individuals and six grants were made to support conferences and seminars around the UK (totalling £2,900). The Anderson Medal for best book in Maritime History (2023) was awarded to James Davey for his book <i>Tempest: The Royal Navy in the Age of Revolutions</i> . The Victory Medal was awarded to Alan Watson, who masterminded the reconstruction of HMS Medusa, a Second World War Harbour Defence Motor Launch.

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2024

Overview

This year is the twelfth to reflect the publishing arrangements between ourselves and Taylor & Francis for The Mariner's Mirror, an INT1 category international publication in the European List of Humanities with high visibility and influence among researchers in the various research domains in different countries, regularly cited all over the world. Whilst still retaining editorial control of The Mariner's Mirror and meeting the costs of editing and typesetting, the Society is no longer responsible for the printing and distribution of the journal which continues to be undertaken by Taylor & Francis. Council believes this partnership will continue to secure the Society's standing in the electronic age. The Mariner's Mirror is produced in electronic form and targeted by Taylor & Francis at institutional bodies who no longer want to receive publications in paper format. This has not only significantly increased The Mariner's Mirror's exposure to the worldwide institutional market but it has also created online worldwide demand for full text downloads. The Mariner's Mirror continues to be available in the traditional form to personal members of the Society.

This is the tenth year in which the SNR website managed by Burlington Partnership has continued to provide a dynamic and interactive platform covering the activities of the society and its members available to both existing and potential new members worldwide. It has now become the predominant source for securing new members. In addition, our electronic newsletter TOPMAST'S remains extremely popular with our membership and continues to expand and provide an invaluable - if more informal - source of information and articles covering a wide spectrum of maritime interests. The Society has also continued the very successful programme of podcasts through Dr Sam Willis which we strongly believe is both beneficial to anyone interested in maritime history as well as to the profile and reputation of the SNR.

Review of Activities and Financial Results

The Society has recorded a surplus for the year ended 31 December 2024 amounting to £113,592 taking into account £6,779 which represented net gains on investments (2023: net gain £347,326). Investments for both unrestricted and restricted funds increased in market value by just over 0.17% from £5,340,730 to £5,349,948. As far as the balance sheet is concerned this increased the net assets by nearly 2.04% from £5,576,687 to £5,690,279.

Overall, this year's operational activities are very encouraging despite the many political and economic changes within the global market. Once again, the Tomlin Fund was able to support conferences in different parts of the country while research grants have once again been in demand from both UK and overseas applicants. However, we were not called upon this year to consider major projects or support from our restricted funds associated with HMS Victory and the National Maritime Museum at Greenwich. We have nevertheless been able to remain very active in pursuing our publishing endeavours, both print and particularly on the website. Both Mariner's Mirror and TOPMAST continue to be very well received and our website has been particularly busy, enhanced by the accelerated podcast programme successfully organised for the fifth by Dr Willis, which can be accessed through our website.

Our operating income and expenditure on core activities is steady and has been helped by a very good return on our investment income. However, overseas subscriptions have decreased very slightly to 30% from 33% of total subscriptions. Our contract with Taylor & Francis has enabled a further modest improvement in royalties in lieu of subscription income traditionally derived from our institutional membership subscriptions. Overall administration costs for the year have remained stable and within budget.

The Society has determined that given the uncertainty of the markets and general economic outlook which might affect the level of surplus year-end this was not the time to transfer £5,000 to the contingency fund held with our investment advisers Adam & Co. We try to achieve this each year but only if the surplus warrants it.

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2024

The following comments for each fund provide some background behind the overall results.

The Society's Tomlin Fund provided £500 to the Naval Dockyards conference in Portsmouth, as well as £500 for the annual New Researchers conference. A further £500 was given to support Maritime History North as well as £250 to the BCMH for the Kings College maritime seminars and £650 to the University of Hull. The University of Exeter also received £500 to support the CMHS.

The Save the Victory Fund (STVF) was not called upon for funds this year, so it has continued to strengthen its balance sheet and continue to build up a very healthy liquid reserve for future demands.

The Macpherson Collection Endowment Fund was again not called upon to provide funds to the National Maritime Museum this year.

The Anderson Fund provided research grants amounting to just over £2,500 to the following recipients: E. Bujokova C.G. Ryan and P Huddle. It also continued to support the annual Anderson conference at Greenwich.

Risk Assessment

The Trustees have examined the financial and operational risks which the charity faces and confirm that systems controls and review procedures have been established to mitigate exposure to these risks.

In order to help manage these risks further, a Reserves Policy was adopted and first published in the Annual Report for 2001. This is reviewed annually and revised if necessary to reflect the financial circumstances in which the Society operates should these change significantly.

Although the Society has no fixed assets, nor places any reliance upon raising funds from new donors to meet commitments, it nevertheless considers the following types of risk to be the most important and the Society has therefore taken over time a number of appropriate steps designed to mitigate their impact.

Loss of reputation, whether through the website, our podcasts or The Mariner's Mirror, is a significant group of risks that would seriously affect the performance of the Society. Although there is a relatively low probability of this happening we nevertheless undertake certain continuing precautions including but not limited to vigilant management at all times, properly exercised moderation on the website as well as making sure we comply with all applicable regulations and legislation. Moreover, we continually monitor performance of Taylor & Francis as well as having in place a proper succession plan to ensure we maintain editorial continuity. We are also considering a more formalised approach to succession planning overall to ensure the Society has the necessary human resources in place to provide management continuity going forward.

The other major area of risk is financial including significant loss of funds or reserves due to negligence or incompetence by our investment advisers or collapse of investment markets. Again such events would be very serious if they were to happen although their likelihood remains relatively low provided we continue to monitor their performance through regular meetings including agreeing appropriate risk guidelines and performance assessment criteria.

The third broad group of risks are operational including uncontrolled budgetary excesses as well as fraud, theft or dishonesty by staff or third parties. The precautions we have taken for the former include but are not limited to applying a rigorous budgetary procedure that must be approved by the Trustees, and regularly monitored by the Finance & General Purposes committee. For the latter we have instituted liability insurance cover where and when appropriate, we have dual control of payments and disbursements while our payment systems on the website are secured with a ring-fenced bank account for transfers via PAYPAL/STRIPE. Finally, we recognize that as a charity we must ensure a continuous and seamless operation of the Society's affairs by ensuring we have established successor planning and potential for recruitment, particularly for volunteers which can be challenging for this sector.

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2024

Reserves Policy

The Reserves Policy of the Society has been determined based on the Society's objectives and the current and expected future activities needed to fulfil these objectives. The trustees have set a policy after taking into account the foreseeable future income and expenditure patterns and associated risks. Its main features are:

Restricted Funds

- a) One of the Society's major activities is the long term preservation and restoration of HMS Victory, conducted through the Society's restricted Charitable fund called 'Save the Victory Fund' (STVF) whereby expenditure is budgeted annually against expected annual income derived from investments, in accordance with an overall rolling five-year plan. This year has seen a further considerable build-up in the amount of available funds to meet funding bids from HMS Victory but these have not been forthcoming while major infrastructural development continues apace on the hull itself. The Society remains ready to respond to further calls for supporting HMS Victory as part of the STVF mandate.
- b) The Society's other Charitable restricted fund, called the Macpherson Collection Endowment Fund is available for purchasing from time to time, from available accumulated funds, works of art for the National Maritime Museum to add to the Macpherson Collection. Any purchases are funded only from surplus income not endowment capital.

Unrestricted Funds

The policy is designed to provide resources to fund the rest of the Society's activities into the foreseeable future, including promotion of research into nautical antiquities and matters relating to the history of seafaring and ship building, languages and customs of the sea and to publish the results of such research and otherwise advance public understanding and education in these subjects. This requires the Society:

- a) To achieve a margin of working capital sufficient to enable all aspects of the Society's work to be conducted in an orderly and efficient manner.
- b) To achieve a liquid reserve to provide cover for expected but unavoidable items of expenditure which cannot be funded from current income. This proved a particularly valuable strategy when we were able to apply contingency funds built up over the previous five years towards funding special one-off centenary publications which would not have been otherwise possible from current income alone. We continue to set aside each year an appropriate amount to help prepare us for future unforeseen or even planned exceptional costs which might arise from time to time.

However, the major challenge before us remains the need to ensure we have the resources available to invest in the necessary technology to enable the Society to meet the needs of a changing readership market by adopting a number of web-based strategies including the digitization of The Mariner's Mirror. As such the Farrar Fund continues to provide an assured source of potential funding for such development and has been structured from an investment point of view to provide both liquidity (for potentially sudden or urgent capital requirements) as well as longer term equity type support for the sort of transformation that is now well underway.

Our reserves are therefore derived from two sources. The first is by transferring every year whenever there is a sufficient surplus at year end, a sum of £5,000 to a contingency fund held by our investment managers intended to facilitate the Society's ability to meet an unbudgeted or emergency liability that might prove difficult to fund from available current income at the time. The second source derives from surpluses reached in any year on our unrestricted funds where grants or donations are by nature erratic due to the nature of the purpose or economic environment.

Future plans

The Trustees are mindful that they are responsible for the heritage of the society and also for its healthy future. The commissioning of the new website was the first step towards a more electronically aware future which is already bringing in new members. There are other new projects in hand. The Research and Programs Committee continues to invite our members to suggest areas for new development. Their responses will be analysed, but it is pleasing to note that many members have indicated their approval of the developments which have taken place.

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2024

Investment Powers, Policy and Performance

On 31st December 2024, the value of the portfolios overseen by the Society totalled £5.35 million, representing an increase of 0.17% over 2024. This includes the Farrar Fund (c.£171k) which is managed with a lower risk mandate but excludes money accumulating in the income accounts of each portfolio. In aggregate all 6 portfolios produced income of £163,152 over the year.

By way of comparison, the Societies bespoke benchmark that was agreed with the trustees for all the portfolios bar the Farrar Fund, consisting of 50% FTSE All Share TR/20% FTSE All World ex UK (£) TR/30% Government All Stocks TR, rose 8.24% (gross of fees) during the year. The Retail Price Index (RPI) rose by 3.5% during 2024.

Market Review - Summary

2024 was a year where financial markets were largely influenced by three key themes: monetary policy, elections, and geopolitics.

Within monetary policy, investor sentiment was driven by expectations surrounding both the path of inflation and central bank decisions on interest rate. After pausing rate hikes in 2023, 2024 saw central banks began cutting interest rates. However, whilst the Federal Reserve (Fed), European Central Bank (ECB), and Bank of England (BoE) all moved to lower rates, the number, scale and pace of cuts was more muted than market expectations. The Bank of England largely anticipated to cut rates six times in 2024, only enacted two, The Fed delayed its first rate cut to until September, whilst the ECB made their first reduction before a short pause.

This "higher-for-longer" interest rate environment persisted for much of 2024, with the knock-on impact that Global Government bonds were relatively flat over the year and investors sought higher returns in corporate bonds, which supported by strong corporate balance sheets and stable profit margins provided yields in the region of 5-6%.

Investor sentiment was further significantly influenced by geopolitical shifts, with elections in 64 countries giving nearly half the global population an opportunity to reshape their nations' political landscapes. Amid ongoing cost-of-living pressures, electorates expressed widespread dissatisfaction, leading to challenges for incumbent parties across various jurisdictions. The most consequential event for global markets was the U.S. presidential election, which saw Donald Trump return to office. While his policies on deregulation, tax cuts, and onshoring provided an initial boost to small and mid-cap stocks, his rhetoric on tariffs and trade protectionism created uncertainty, particularly weighing on Asian markets, most notably China.

Despite a challenging backdrop, 2024 proved to be a strong year for equities. Global equity markets posted a 17.8% return, with the U.S. market leading the way, rising 24%, driven by a combination of earnings growth and multiple expansion. Notably, the "Magnificent Seven" technology giants continued to dominate, delivering an average total return of 60.5%. This group now accounts for approximately 36% of the U.S. equity market and 26% of total earnings. However, their outsized influence raised concerns about high valuations and market concentration risks. While there were brief periods of market broadening—particularly after the U.S. election—these were short-lived, and the Magnificent Seven stocks resumed their leadership by year-end.

Looking ahead, uncertainty remains high with the key themes of 2024 continuing into 2025. Global GDP growth is projected to remain positive, however concerns over trade policies and its implication towards inflation and government debt levels continue to cast a shadow over financial markets.

This is likely to increase equity market volatility, particularly as the valuation levels of the mega-cap technology finished 2024 at elevated levels. The expectation is for a broadening of market returns, with the "other 493" stocks in the S&P 500 set to benefit. Europe may offer further opportunity, with earnings within this region forecast to grow at 8% and attractive valuations relative to U.S. peers.

Investment Objectives

a) Restricted funds

The investment objective of The Save the Victory Fund is to seek a balanced return from a combination of income and capital growth using a portfolio consisting of UK equities/funds, overseas equities/funds, fixed interest securities and cash. A 'medium' risk approach is adopted for the portfolio, with a strategic asset allocation split between equities and fixed interest/cash set at 70:30. The income generated from the portfolio during 2024 was £112,740.

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2024

Investment Objectives (continued)

The investment objective of the Macpherson Fund is to seek a balanced return from a combination of income and capital growth using a portfolio consisting of UK equities/funds, overseas equities/funds, fixed interest securities and cash. A 'medium' risk approach is adopted for the portfolio, with a strategic asset allocation split between equities and fixed interest/cash set at 70:30. The income generated from the portfolio during 2024 was £19,032.

b) Unrestricted Funds

The investment objectives for the SNR Fund, the Anderson Bequest Fund and the Tomlin Bequest Fund are to seek a balanced return from a combination of income and capital growth using a portfolio consisting of UK equities/funds, overseas funds, fixed interest securities and cash. A 'medium' risk approach is adopted for the portfolios, with a strategic asset allocation split between equities and fixed interest/cash set at 70:30.

In respect to the Farrar Fund, the benchmark is the Adam Income & Capital Preservation benchmark, which consists of 45% FTSE All Stocks Gilt Index, 40% FTSE All Share Index, 10% FTSE All World excluding UK Index and 5% cash. The income produced from the Farrar Fund in 2024 was £6,175.

Resources

The reserves are split between unrestricted and restricted funds that relate to the individual funds and unrestricted general funds available to the charity for day-to-day use. The Society's assets are sufficient to meet its obligations.

Grant Making Policy

Grants will be made within the established objectives of the Society to promote research into nautical antiquities, into matters relating to seafaring and ship building in all ages and among all nations, into the language and customs of the sea and into other subjects of nautical interest, to publish the useful results of such a research and otherwise advance education in such subjects.

The Society holds various Trust Funds and bequests, whose monies are kept, managed and accounted for separately from its own financial affairs, with purposes dedicated to fulfil particular objectives.

- *Anderson Bequest Fund*

This fund was established by a bequest from the estate of Dr R C Anderson, and its income is available for grant in aid of research on maritime historical affairs in the widest possible sense. The funding of the Anderson Medals is also allocated from this fund for publications of particular merit on maritime history.

- *The Tomlin Fund*

The Tomlin Fund was created by a legacy from Lt Cmdr R J Tomlin. The income from this fund is used to support research in accordance with the Society's objectives and education in maritime historical affairs.

- *Macpherson Trust*

This fund is the residue of funds raised by subscription to purchase the Macpherson Collection of Prints for the National Maritime Museum. The income is devoted to grants for the purchase of prints and pictures for the National Maritime Museum.

- *The Save the Victory Fund*

This fund is the residue of a sum raised by public subscription for the restoration of HMS Victory, and is still open to supplement by donation. The income is reserved for grants devoted to the restoration of the ship to her 1805 state and to her presentation to the Public as such.

- *The Farrar Fund*

This fund was created by a legacy from the estate of Austin Farrar and its income and capital is available for projects designed to promote the awareness as well as the objectives of the Society.

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2024

Statement of Council Members' Responsibilities

The trustees (who are also the directors of the Society for Nautical Research for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

Company law required trustees to prepare financial statements for each financial year which give a true and fair view of the state of the 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 these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 steps they ought to have taken to make themselves aware of any relevant information and to establish that the auditor is aware of that information.

Public benefit

We have referred to the guidance in the Charity Commission's general guidance on Public Benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Auditor

Moore Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditor for the ensuing year

Small company rules

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By Order of the Council

Signed by:

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Dr David Davies

Chairman of the Society

Date: 23 May 2025

6 Appold Street
London

Independent Auditor's Report to the Trustees of The Society For Nautical Research

Opinion

We have audited the financial statements of The Society For Nautical Research ('the company') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its 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;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 the 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 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.

Independent Auditors' Report to the Trustees of The Society For Nautical Research

Opinion 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.

Other matter

The comparative figures in the financial statements of The Society for Nautical Research were not audited, as the company did not require a statutory audit under the Companies Act 2006 or Charities Act 2011 in the prior year

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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, 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 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 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

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. 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.

Independent Auditors' Report to the Trustees of The Society For Nautical Research

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 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 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 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.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

Independent Auditors' Report to the Trustees of The Society For Nautical Reseach

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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.

Use of our 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. Our audit work has been undertaken so that we might state to the company's members 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

Moore Kingston Smith LLP

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Adam Fullerton, Senior Statutory Auditor
for and on behalf of Moore Kingston Smith LLP
Statutory Auditor

9 Appold Street
London
EC2A 2AP

Date: 23 May 2025

The Society For Nautical Research
Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For the year ended 31 December 2024

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
INCOME FROM:					
Donations and legacies	2	-	-	-	5,035
Investments					
Investment income and interest received	3	31,380	131,772	163,152	138,526
Charitable activities					
Subscriptions	4	64,236	-	64,236	65,198
AGM Income		3,853	-	3,853	-
Podcast income		1,524	-	1,524	1,699
Publications, royalties and copyright sales		28,473	-	28,473	26,672
		<u>98,086</u>	<u>-</u>	<u>98,086</u>	<u>93,569</u>
Other		<u>168</u>	<u>-</u>	<u>168</u>	<u>1,000</u>
Total Income		<u>129,634</u>	<u>131,772</u>	<u>261,406</u>	<u>238,130</u>
EXPENDITURE ON:					
Raising funds					
Investment management costs		3,379	22,272	25,651	29,219
Charitable activities					
Grants and donations payable	5	20,533	-	20,533	15,344
Publications	6	81,955	-	81,955	67,740
Advancing interest in nautical research	8	26,455	-	26,455	23,509
		<u>128,942</u>	<u>-</u>	<u>128,942</u>	<u>106,593</u>
Total Expenditure		<u>132,321</u>	<u>22,272</u>	<u>154,593</u>	<u>135,812</u>
Net gains/(losses) on investments	11	<u>35,606</u>	<u>(28,827)</u>	<u>6,779</u>	<u>347,326</u>
Net Income before transfers		32,919	80,673	113,592	449,644
Transfers	14	-	-	-	-
Net Income/(Expenditure) for the year/Net movement in funds		32,919	80,673	113,592	449,644
Fund Balances Brought Forward		<u>943,855</u>	<u>4,632,832</u>	<u>5,576,687</u>	<u>5,127,043</u>
Fund Balances Carried Forward	14	<u><u>976,774</u></u>	<u><u>4,713,505</u></u>	<u><u>5,690,279</u></u>	<u><u>5,576,687</u></u>

All amounts relate to continuing activities.

The notes on pages 16 to 23 form part of these financial statements.

The Society For Nautical Research
Balance Sheet
As at 31 December 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed Assets					
Tangible fixed assets	10		1		1
Investments	11		<u>5,349,948</u>		<u>5,340,730</u>
			5,349,949		5,340,731
Current Assets					
Debtors	12	17,214		6,395	
Cash at bank and in hand		<u>362,815</u>		<u>257,008</u>	
		380,029		263,403	
Creditors: Amounts falling due within one year	13	<u>(39,699)</u>		<u>(27,447)</u>	
Net Current Assets			<u>340,330</u>		<u>235,956</u>
Net Assets			<u><u>5,690,279</u></u>		<u><u>5,576,687</u></u>
Unrestricted Funds	14, 15		976,774		943,855
Restricted Funds	14, 15		4,713,505		4,632,832
			<u><u>5,690,279</u></u>		<u><u>5,576,687</u></u>

The notes on pages 16 to 23 form part of these financial statements.

The accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and in accordance with the provisions of the Financial Reporting Standard 102.

Approved by the Council Members, and authorised for issue, on 23 May 2025
and signed on their behalf by:

Signed by:

952E5C2B699F483...

.....
Dr David Davies
Chairman of the Society

Companies House Number: 2848095

The Society For Nautical Research

Notes to the Financial Statements

For the year ended 31 December 2024

1 Accounting policies

Basis of Preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The company is a public benefit entity for the purposes of FRS 102 and a registered charity established as a company limited by guarantee in the United Kingdom and therefore has 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 and Charities Act 2011.

The charity has taken advantage of the provisions of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities. Figures are rounded to the nearest pound.

Going concern

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

A summary of the principal accounting policies adopted, judgements and key sources of estimation uncertainty, is set out below.

a) *Incoming resources*

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

b) *Subscription Income*

Subscriptions received in advance of next year are carried forward in the balance sheet and will be included in the Statement of Financial Activities for the following year.

c) *Other Income*

Other income, including publication sales, advertising, royalty income and conference income, is included in the accounts when receivable.

d) *Donations*

Donations are recognised as they are received except in the case where they relate to a specific future project, in which case they are deferred until the commencement of that project.

e) *Legacies*

Legacies include all unsolicited legacies. Legacies are taken into account when capable of financial measurement and receipt is virtually certain.

The Society For Nautical Research

Notes to the Financial Statements

For the year ended 31 December 2024

1 Accounting policies

f) *Investments and Gains and Losses on Investment Assets*

Investments are stated in the financial statements at market value in accordance with the Statement of Recommended Practice issued by the Charity Commission. Gains or losses on investments are disclosed in the statement of financial activities showing separately realised gains from investment sales in the year (sale proceeds less market value last year) and unrealised gains arising from the increase in value during the year of investments still held. Investment income including the associated income tax recoverable is credited to income on a receivable basis.

g) *Cash Flow Statement*

The trustees have taken advantage of the exemptions available in FRS 102 and have chosen not to prepare a cash flow statement.

h) *Resources Expended*

Expenditure is included in the Statement of Financial Activities on a accruals basis, inclusive of any VAT which cannot be recovered. Expenditure is 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.

Wherever possible costs are directly attributed to headings that aggregate all costs related to the category. Costs common to more than one area are apportioned on the basis of time spent on each area or on a direct cost basis. The irrecoverable element of VAT is included with the expense item to which it relates.

Costs of generating funds are those costs of seeking potential funders and applying for funding.

Grants payable are accounted for on an accruals basis.

Support costs are those costs incurred in support of the charitable objectives. These have been allocated to the charitable activities on a basis that fairly reflects the true use of those resource within the organisation.

Governance costs are those incurred in the governance of the charity and are primarily associated with the constitutional and statutory requirements. The irrecoverable element of VAT is included with the expense item to which it relates.

i) *Critical accounting estimates and areas of judgement*

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. 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.

j) *Financial instruments*

The company 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 company 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 reduce the asset and settle the liability simultaneously.

With the exception of deferred income, all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 12 and 13 for details.

The Society For Nautical Research

Notes to the Financial Statements

For the year ended 31 December 2024

1 Accounting policies (continued)

k) *Cash and cash equivalents*

Cash and cash equivalents include cash in hand and current and fixed term deposits with banks that are accessible within 3 months.

l) *Functional currency*

The functional and presentation currency of the company is the pound sterling.

m) *Tangible fixed assets*

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses. Depreciation is provided on tangible fixed assets to write off their cost over estimates of their useful lives at the following

Computers - 33 1/3% straight line

n) *Fund Accounting*

Unrestricted: these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated: these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Restricted: these are funds that can only be used for particular restricted purposes within the objects of the charity. Capital funds with restrictions attached are included in this category. These funds consist of an original endowment and accumulated unspent restricted income.

o) *Taxation*

The company, as a charity, is exempt from taxation.

2 Voluntary Income

Unrestricted funds

Donations and legacies

2024

£

-

2023

£

5,035

3 Investment income and interest received

Unrestricted funds

Restricted funds

2024

£

31,380

131,772

163,152

2023

£

22,549

115,977

138,526

4 Subscriptions

Of the subscription income, £19,271 was received from overseas (2023: £21,515). This equates to 30% of total subscription income (2023: 33%).

Subscription income includes the associated recoverable gift aid.

5 Grants Payable

Unrestricted funds:

Anderson Medal

Tomlin Awards and Research Grant

Anderson Conference

Anderson Awards

Maritime History North

University of Hull

BCMh Kings College maritime seminars

New Researchers conference

Naval Dockyards conference

Support costs (Note 8)

Restricted funds:

Support costs (Note 8)

Victory Medal

2024

£

-

500

-

2,595

500

650

250

500

500

15,038

-

-

20,533

2023

£

27

-

960

3,029

500

-

-

500

500

6,866

2,935

27

15,344

The Society For Nautical Research
Notes to the Financial Statements
For the year ended 31 December 2024

6 Publication Costs	2024	2023
	£	£
<i>Unrestricted funds</i>		
General cost of publications	53,628	48,982
Support costs (Note 8)	28,327	18,758
	<u>81,955</u>	<u>67,740</u>

7 Governance Costs	2024	2023
	£	£
<i>Unrestricted funds</i>		
Support costs (Note 8)	21,656	12,187
Audit and accountancy	8,837	9,285
Other management costs	2,072	150
	<u>32,565</u>	<u>21,622</u>
<i>Restricted funds</i>		
Audit and accountancy	-	2,085
Other management costs	-	850
	<u>32,565</u>	<u>24,557</u>

8 Allocation of Other Membership and Support Costs

Year to 31 December 2024	Grants Payable	Publications	Advancing Interest in Nautical Research	Governance Costs
	£	£	£	£
Membership secretary fees	-	-	15,600	-
Travel, postage and general expenses	1,178	1,178	-	2,356
Lecture and conferences	333	333	-	666
AGM Cost	1,573	1,572	-	3,146
Membership cards	687	687	-	1,375
Publicity and Website	-	13,290	-	13,290
Bank charges	412	412	-	824
	<u>4,183</u>	<u>17,472</u>	<u>15,600</u>	<u>21,656</u>
Direct governance costs	-	-	-	10,909
	<u>4,183</u>	<u>17,472</u>	<u>15,600</u>	<u>32,565</u>
Allocation of governance support costs	<u>10,855</u>	<u>10,855</u>	<u>10,855</u>	<u>(32,565)</u>
	<u>15,038</u>	<u>28,327</u>	<u>26,455</u>	<u>-</u>

The Society For Nautical Research
Notes to the Financial Statements
For the year ended 31 December 2024

8 Allocation of Other Membership and Support Costs Continued

Year to 31 December 2023	Grants Payable £	Publications £	Advancing Interest in Nautical Research £	Governance Costs £
Membership secretary fees	-	-	13,200	-
Travel, postage and general expenses	1,615	1,615	-	3,230
Lecture and conferences	-	-	750	-
Victory events	-	-	1,373	-
Professional	-	-	-	-
Publicity and Website	-	8,957	-	8,957
	1,615	10,572	15,323	12,187
Direct governance costs	-	-	-	12,370
	1,615	- 10,572 -	15,323	24,557
Allocation of governance support costs	8,186	8,186	8,186	(24,557)
	9,801	18,758	23,509	-

No staff were employed by the charity during 2024 (2023: None).

9 Net Incoming Resources

Are stated after charging:	2024 £	2023 £
Independent auditor's/examiner's remuneration	8,837	11,370
Trustee expenses reimbursed to 7 trustees (2023: 5 trustees)	1,527	600

Trustee expenses related predominantly to travel costs. No trustee received remuneration in 2024 (2023: £Nil).

10 Tangible Fixed Assets

	Plant & Machinery £
Cost	
As at 1 January 2024 and 31 December 2024	1,485
Depreciation	
As at 1 January 2024 and 31 December 2024	1,484
Net Book Value	
As at 1 January 2024 and 31 December 2024	1

The Society For Nautical Research

Notes to the Financial Statements

For the year ended 31 December 2024

11 Investments

Investments are listed on a recognised stock exchange or are held in units of common investment funds where their values are calculated by reference to investments quoted on a recognised stock exchange.

	2024		2023	
	Cost £	Market Value £	Cost £	Market Value £
Unrestricted Funds				
General Fund	176,666	282,490	187,075	268,349
Designated Funds:				
Anderson Bequest Fund	204,386	294,208	221,520	296,218
Tomlin Bequest Fund	64,293	73,580	64,000	67,514
Farrar Fund	139,712	170,657	135,605	150,809
	<u>585,058</u>	<u>820,935</u>	<u>608,200</u>	<u>782,890</u>
Restricted Funds	<u>3,019,270</u>	<u>4,529,013</u>	<u>3,106,265</u>	<u>4,557,840</u>
	<u><u>3,604,328</u></u>	<u><u>5,349,948</u></u>	<u><u>3,714,465</u></u>	<u><u>5,340,730</u></u>
	Unrestricted Funds £	Restricted Funds £	Unrestricted Funds £	Restricted Funds £
Balance at beginning of year	782,890	4,557,840	701,192	3,998,109
Additions	116,887	818,855	125,827	490,884
Disposals at book value	(131,362)	(881,820)	(101,535)	(248,574)
Net gains/(losses) on investments	35,606	(28,827)	49,013	296,171
Add: Cash balances included in investments	16,914	62,965	8,393	21,250
	<u>820,935</u>	<u>4,529,013</u>	<u>782,890</u>	<u>4,557,840</u>
Balance at end of year	<u><u>820,935</u></u>	<u><u>4,529,013</u></u>	<u><u>782,890</u></u>	<u><u>4,557,840</u></u>
			Market Value 2024 £	Market Value 2023 £
UK equities			2,277,125	2,103,743
UK Fixed Interest			773,261	1,223,366
UK index linked			-	20,194
Overseas equities			1,937,977	1,633,326
Overseas Fixed Interest			281,706	330,457
Cash			<u>79,879</u>	<u>29,644</u>
			<u><u>5,349,948</u></u>	<u><u>5,340,730</u></u>

The Society For Nautical Research

Notes to the Financial Statements

For the year ended 31 December 2024

12 Debtors							2024	2023
							£	£
Taxation and social security debtor							1,862	859
Subscriptions							5,614	-
Royalty debtor							7,738	5,000
AGM Cost							2,000	536
							<u>17,214</u>	<u>6,395</u>
13 Creditors: Amounts falling due within one year							2024	2023
							£	£
Trade creditors							20,271	-
Accruals							19,428	27,447
							<u>39,699</u>	<u>27,447</u>
14 Funds	Balance at							Balance at
	1 Jan	Incoming	Outgoing	Transfers	Investment			31 Dec
	2024	Resources	Resources		Gains/(losses)			2024
Unrestricted Funds	£	£	£		£		£	
General Fund	427,664	113,479	(125,514)	-	20,221			435,850
Designated Funds:								
Anderson Bequest	292,865	9,925	(4,120)	-	(794)			297,876
Tomlin Bequest	66,668	55	(1,988)	-	7,029			71,764
Farrar Fund	156,658	6,175	(699)	-	9,150			171,284
	<u>943,855</u>	<u>129,634</u>	<u>(132,321)</u>	<u>-</u>	<u>35,606</u>			<u>976,774</u>
Restricted Funds								
Save the Victory	3,856,492	112,740	(17,819)	-	(13,043)			3,938,370
Macpherson Collection	<u>776,340</u>	<u>19,032</u>	<u>(4,453)</u>	<u>-</u>	<u>(15,784)</u>			<u>775,135</u>
	<u>5,576,687</u>	<u>261,406</u>	<u>(154,593)</u>	<u>-</u>	<u>6,779</u>			<u>5,690,279</u>

Designated Funds

The designated funds will be spent in line with the investment income that becomes available and will be spent in accordance with the designations as per the below:

The Anderson Bequest

This fund is used to fund grants for research work on maritime history in general. The transactions of the fund are separately recorded and were created from unrestricted legacies received.

The Tomlin Bequest Fund

This fund is designated by the Council to augment financial support for conferences and other Society activities.

The Farrar Fund

This fund was created by a legacy from the estate of Austin Farrar and its income and capital is available for projects designed to promote awareness as well as the objectives of the society.

Restricted Funds

The restricted funds comprise two endowment funds which are the Save the Victory Fund and the Macpherson Collection Endowment Fund. The Save the Victory Fund engages in activities that preserve and restore HMS Victory. The Macpherson Collection Endowment Fund purchases works of art for the National Maritime Museum.

The Society For Nautical Research
Notes to the Financial Statements
For the year ended 31 December 2024

14 Funds	Balance at 1 Jan 2023	Incoming Resources	Outgoing Resources	Transfers	Investment Gains	Balance at 31 Dec 2023
	£	£	£		£	£
Unrestricted Funds						
General Fund	398,714	108,589	(99,720)	-	20,081	427,664
Designated Funds:						
Anderson Bequest	275,240	7,326	(6,354)	-	16,653	292,865
Tomlin Bequest	61,873	1,458	(1,945)	-	5,282	66,668
Farrar Fund	145,854	4,780	(1,074)	-	7,098	156,658
	<u>881,681</u>	<u>122,153</u>	<u>(109,093)</u>	<u>-</u>	<u>49,114</u>	<u>943,855</u>
Restricted Funds						
Save the Victory	3,536,595	97,849	(22,060)	-	244,108	3,856,492
Macpherson Collection	<u>708,767</u>	<u>18,128</u>	<u>(4,658)</u>	<u>-</u>	<u>54,103</u>	<u>776,340</u>
	<u><u>5,127,043</u></u>	<u><u>238,130</u></u>	<u><u>(135,811)</u></u>	<u><u>-</u></u>	<u><u>347,325</u></u>	<u><u>5,576,687</u></u>

15 Analysis of Net Assets between Funds	Fixed Assets and Investments	Net Current Assets	2024 Total	2023 Total
	£	£	£	£
Unrestricted funds	820,936	155,838	976,774	943,857
Restricted funds:				
Save the Victory Fund	3,819,192	119,178	3,938,370	3,856,489
Macpherson Collection Endowment Fund	<u>709,821</u>	<u>65,314</u>	<u>775,135</u>	<u>776,341</u>
	<u><u>5,349,949</u></u>	<u><u>340,330</u></u>	<u><u>5,690,279</u></u>	<u><u>5,576,687</u></u>

16 Councils' Liability

In the event of the company being wound up, the liability of each member is limited to £1. At 31 December 2024, there were 16 members.

17 Related party transactions

During the year, Helen Garvey, the membership secretary received fees of £15,600 (2023: £13,200).

The key management personnel of the society are the Officers and the Council members. They were not remunerated in the year (2023: £nil).

Accounts



The Society for Nautical Research

(A Company Limited by Guarantee)

Company Number: 2848095

Charity Number: 1026357

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2023

The Society for Nautical Research

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The Society for Nautical Research

Legal and Administrative Information

President

Jonathan Coad

Chairman

Dr J D Davies

Hon. Secretary and Company Secretary

Cdr M A Barton

Hon. Treasurer

Dr P V Nash

Editor

Dr M Bellamy

Vice Presidents

Cdr J M Bingeman Dr A Coats

Dr C Holt

Dr Cathryn Pearce

Lt Cdr F L Phillips

Mr A M Roach

Dr S Rose

Membership Secretary

Mrs H Garvey

Independent Examiner

Moore Kingston Smith LLP

9 Appold Street

London

EC2A 2AP

Bankers

Barclays Bank plc

8/9 Hanover Square

London W1A 4ZW

Investment Managers

Adam & Company

88 Wood Street

London EC2V 7QR

Registered Office

9 Appold Street

London

EC2A 2AP

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2023

Status and Administration

The Society is a charitable company limited by guarantee (registration number: 2848095) registered with the Charity Commission number 1026357. The Council sets the policies of the Society and these are administered by the Chairman, Honorary Secretary and Honorary Treasurer. The governing document of the charity is the memorandum and articles of association which were updated and approved at the 2021 Annual General Meeting. There are no restrictions imposed by the governing document except the objects of the charity as stated below.

Objects

The principal activity of the company includes the promotion of research into nautical antiquities and matters relating to the history of seafaring and ship building, languages and customs of the sea and to publish the results of such research and otherwise advance public education in such subjects. In particular this includes the publication of *The Mariner's Mirror* quarterly. In addition there are two restricted funds, both of which are subsidiary charities, the Save the Victory Fund and the Macpherson Collection Endowment Fund. The Save the Victory Fund has been formed for the restoration and presentation to the public of Nelson's Flag Ship HMS Victory and the Macpherson Collection Endowment Fund acquires works of art for the National Maritime Museum.

Trustees

The Officers of the Society and the Council members are the Charity Trustees of the Society and are listed below:

Dr J D Davies (Chairman of the Society)	Mr S Fisher (elected 2023, review 2027)
Dr P V Nash (Honorary Treasurer)	Dr M Heaslip (elected 2023, review 2027)
Cdr M A Barton (Honorary Secretary, resigned as Trustee 10 June 2023)	Prof. C Jowitt (elected 2023, review 2027)
N Ball (elected 2023, review 2027)	K Jamieson (elected 2021, review 2025)
C. Brandon (elected 2019, ends 2023)	Capt P King (elected 2020 review 2024)
H Cunliffe (elected 2023, review 2027)	J Michell (elected 2021, review 2025)
D. Nudd (elected 2022, review 2026)	Dr K Parker (elected 2021, review 2025)
Lt Cdr A Telfer (elected 2022, review 2026)	Dr C Scheybeler (elected 2021, review 2025)
A Roach (resigned 10 June 2023)	P M Bugden (resigned 10 June 2023)
Dr J Davey (resigned 10 June 2023)	N Hewitt (resigned 10 June 2023)
Dr C P Holt (resigned 10 June 2023)	

Trustee appointment, induction and training

The Articles of Association of the Society specify the election procedure for the Officers of the Society and the Council. In accordance with their obligations Council in each year nominates a list of willing candidates for election by the members of the Society at each properly constituted annual general meeting. These may be for the positions of Vice President or for Councillors as well as for the President and other Officers of the society. The Officers are obliged to submit themselves for re-election each year. The Councillors whose four year term of office has expired may stand for re-election. The final say as to which persons serve is made by the membership of the Society who are also asked to nominate candidates for election. All the Vice Presidents, Councillors and Officers are given a copy of the Memorandum of Understanding and the Articles of Association of the Society together with a copy of the Society's Guide to the Conduct of Business. This includes a reminder that Vice Presidents have a working role and that Councillors and Officers are both Directors and Trustees of the Society and this reminder is reinforced in Council meetings from time to time by the Officers. The Directors and Trustees of the Society are helped to discharge their responsibilities through guidance in Council by the Officers, by receiving necessary papers recording the advice of the Society's financial advisers and by receiving, at least once a year, a Risk Analysis Review. The Council's particular contribution is a rigorous annual scrutiny of budget proposals and a quarterly review of progress. In addition, the Finance and General Purposes Committee receive an oral and written briefing every six months by the Society's financial advisors. The frequency has increased during the difficult market conditions which have prevailed in recent years.

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2023

Key Management Personnel

The key management personnel of the society are the Officers and the Council members. The Officers are re-elected every year by the Society at the AGM, and their efforts during the year speak for themselves. Council members have been elected on the basis of the wisdom and experience that they can bring to the Society. The vice presidents bring a wealth of experience across many fields to Council meetings, and are always available to give advice in their particular field of expertise if it is asked for. The Editor of the Mariner's Mirror, Dr Bellamy is remunerated at the rate of £2,000 per edition. The Editor of Topmasts, N Blanchford, is remunerated at the rate of £1,000 per edition.

The Aims of the Society

To promote research into nautical antiquities, into matters relating to sea-faring and shipbuilding in all ages and among all nations, into the language and customs of the sea and into other subjects of nautical interest, to publish the useful results of such research and otherwise advance public education in such subjects (Memo of Association, updated 2021).

Objectives, Strategies and Achievements

Objective	Strategy	Achievement
Publish The Mariner's Mirror four times per annum.	Support the work of the Editor, the Hon. Reviews Editor and the Editorial Board. (Operations overseen by the Publications Committee).	This was achieved as usual with electronic copies of The Mariner's Mirror targeted at institutional users by Taylor & Francis and with hard copies for personal members.
Publish Topmasts, the Society's newsletter, four times a year.	Support the work of the Topmasts Editor.	Topmasts is available electronically through the SNR website.
Manage the website to reflect the Society and its achievements.	The website reflects the strengths and achievements of the Society and uses social media to reach new members.	Membership figures continue to increase, with members joining through activities relating to the Forum and Topmasts.
Advance public education in Maritime History.	Provide financial support from the budget set from the Tomlin Fund for research conferences and programmes of work. To award the Anderson, Victory and Centenary Medals as appropriate.	Six research grants (totalling £3,000) were made to individuals and five grants were made to support conferences and seminars around the UK (totalling £2,500) The Anderson Medal for best book in Maritime History (2022) was awarded to Roger Knight for his book Convoys. The Victory Medal was awarded to Henry Cleary OBE for his dedication to the preservation and restoration of VIC 56.

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2023

Overview

This year is the eleventh to reflect the publishing arrangements between ourselves and Taylor & Francis for The Mariner's Mirror, an INT1 category international publication in the European List of Humanities with high visibility and influence among researchers in the various research domains in different countries, regularly cited all over the world. Whilst still retaining editorial control of The Mariner's Mirror and meeting the costs of editing and typesetting, the Society is no longer responsible for the printing and distribution of the journal which continues to be undertaken by Taylor & Francis. Council believes this partnership will continue to secure the Society's standing in the electronic age. The Mariner's Mirror is produced in electronic form and targeted by Taylor & Francis at institutional bodies who no longer want to receive publications in paper format. This has not only significantly increased The Mariner's Mirror's exposure to the worldwide institutional market but it has also created online worldwide demand for full text downloads. The Mariner's Mirror continues to be available in the traditional form to personal members of the Society.

This is the ninth year in which the SNR website managed by Burlington Partnership has continued to provide a dynamic and interactive platform covering the activities of the society and its members available to both existing and potential new members worldwide. It has now become the predominant source for securing new members. In addition, our electronic newsletter TOPMAST'S remains extremely popular with our membership and continues to expand and provide an invaluable - if more informal - source of information and articles covering a wide spectrum of maritime interests. The Society has also continued the very successful programme of podcasts through Dr Sam Willis which we believe is both beneficial to anyone interested in maritime history as well as to the profile and reputation of the SNR.

Review of Activities and Financial Results

The Society has recorded a surplus for the year ended 31 December 2023 amounting to £449,644 taking into account £347,326 which represented net gains on investments (2022: net loss £612,993). Investments for both unrestricted and restricted funds increased in market value by just over 11.99% from £4,768,736 to £5,340,730. As far as the balance sheet is concerned this increased the net assets by nearly 8.77% from £5,127,043 to £5,576,687.

Overall, this year's operational activities however have been encouraging as we have returned to normal business post the hiatus of the COVID 19. We have remained active in pursuing our publishing endeavours, both print and on the website. Both Mariner's Mirror and TOPMAST' continue to be very well received and our website has been particularly busy, enhanced by the podcast programme along with several YouTube videos. Podcast episodes have now been downloaded over 500,000 times. The podcast was supported by Lloyd's Register Foundation, although their funding has changed such that it will reduce to fortnightly in 2024.

Our operating income and expenditure otherwise remain in harmony helped by significantly improved investment income, podcast income and donations. Moreover, subscriptions have increased again which is most encouraging, as is the fact that members resident overseas have also increased to 33% from 28% of total subscriptions. Our contract with Taylor & Francis has enabled a further modest improvement in royalties in lieu of subscription income traditionally derived from our institutional membership subscriptions. Overall administration costs for the year have remained stable and within budget.

The Society has determined that given the uncertainty of the markets and general economic outlook which might affect the level of surplus year-end this was not the time to transfer £5,000 to the contingency fund held with our investment advisers Adam & Co. We try to achieve this each year but only if the surplus warrants it.

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2023

The following comments for each fund provide some background behind the overall results.

The Society's Tomlin Fund provided £500 to the Naval Dockyards conference in Portsmouth, as well as £500 for the annual New Researchers conference. A further £500 was given to support Maritime History North as well as £250 to the BCMH for the Kings College maritime seminars.

The Save the Victory Fund (STVF) was not called upon for funds this year, so it has continued to strengthen its balance sheet and continue to build up a very healthy liquid reserve for future demands.

The Macpherson Collection Endowment Fund was again not called upon to provide funds to the National Maritime Museum this year.

The Anderson Fund provided research grants amounting to just over £3,000 to the following recipients: P Huddie, E Smith, P D Harvey, G Kerr, L Wojahn, C O'Connell, J Boyd. It also continued to support the annual Anderson conference at Greenwich.

Risk Assessment

The Trustees have examined the financial and operational risks which the charity faces and confirm that systems controls and review procedures have been established to mitigate exposure to these risks.

In order to help manage these risks further, a Reserves Policy was adopted and first published in the Annual Report for 2001. This is reviewed annually and revised if necessary to reflect the financial circumstances in which the Society operates should these change significantly.

Although the Society has no fixed assets, nor places any reliance upon raising funds from new donors to meet commitments, it nevertheless considers the following types of risk to be the most important and the Society has therefore taken over time a number of appropriate steps designed to mitigate their impact.

Loss of reputation, whether through the website, our podcasts or The Mariner's Mirror, is a significant group of risks that would seriously affect the performance of the Society. Although there is a relatively low probability of this happening we nevertheless undertake certain continuing precautions including but not limited to vigilant management at all times, properly exercised moderation on the website as well as making sure we comply with all applicable regulations and legislation. Moreover, we continually monitor performance of Taylor & Francis as well as having in place a proper succession plan to ensure we maintain editorial continuity. We are also considering a more formalised approach to succession planning overall to ensure the Society has the necessary human resources in place to provide management continuity going forward.

The other major area of risk is financial including significant loss of funds or reserves due to negligence or incompetence by our investment advisers or collapse of investment markets. Again such events would be very serious if they were to happen although their likelihood remains relatively low provided we continue to monitor their performance through regular meetings including agreeing appropriate risk guidelines and performance assessment criteria.

The third broad group of risks are operational including uncontrolled budgetary excesses as well as fraud, theft or dishonesty by staff or third parties. The precautions we have taken for the former include but are not limited to applying a rigorous budgetary procedure that must be approved by the Trustees, and regularly monitored by the Finance & General Purposes committee. For the latter we have instituted liability insurance cover where and when appropriate, we have dual control of payments and disbursements while our payment systems on the website are secured with a ring-fenced bank account for transfers via PAYPAL/STRIPE. Finally, we recognize that as a charity we must ensure a continuous and seamless operation of the Society's affairs by ensuring we have established successor planning and potential for recruitment, particularly for volunteers which can be challenging for this sector.

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2023

Reserves Policy

The Reserves Policy of the Society has been determined based on the Society's objectives and the current and expected future activities needed to fulfil these objectives. The trustees have set a policy after taking into account the foreseeable future income and expenditure patterns and associated risks. Its main features are:

Restricted Funds

- a) One of the Society's major activities is the long term preservation and restoration of HMS Victory, conducted through the Society's restricted Charitable fund called 'Save the Victory Fund' (STVF) whereby expenditure is budgeted annually against expected annual income derived from investments, in accordance with an overall rolling five-year plan. This year has seen a further considerable build-up in the amount of available funds to meet funding bids from HMS Victory but these have not been forthcoming while major infrastructural development continues apace on the hull itself. The Society remains ready to respond to further calls for supporting HMS Victory as part of the STVF mandate.
- b) The Society's other Charitable restricted fund, called the Macpherson Collection Endowment Fund is available for purchasing from time to time, from available accumulated funds, works of art for the National Maritime Museum to add to the Macpherson Collection. Any purchases are funded only from surplus income not endowment capital.

Unrestricted Funds

The policy is designed to provide resources to fund the rest of the Society's activities into the foreseeable future, including promotion of research into nautical antiquities and matters relating to the history of seafaring and ship building, languages and customs of the sea and to publish the results of such research and otherwise advance public understanding and education in these subjects. This requires the Society:

- a) To achieve a margin of working capital sufficient to enable all aspects of the Society's work to be conducted in an orderly and efficient manner.
- b) To achieve a liquid reserve to provide cover for expected but unavoidable items of expenditure which cannot be funded from current income. This proved a particularly valuable strategy when we were able to apply contingency funds built up over the previous five years towards funding special one-off centenary publications which would not have been otherwise possible from current income alone. We continue to set aside each year an appropriate amount to help prepare us for future unforeseen or even planned exceptional costs which might arise from time to time.

However, the major challenge before us remains the need to ensure we have the resources available to invest in the necessary technology to enable the Society to meet the needs of a changing readership market by adopting a number of web-based strategies including the digitization of *The Mariner's Mirror*. As such the Farrar Fund continues to provide an assured source of potential funding for such development and has been structured from an investment point of view to provide both liquidity (for potentially sudden or urgent capital requirements) as well as longer term equity type support for the sort of transformation that is now well underway.

Our reserves are therefore derived from two sources. The first is by transferring every year whenever there is a sufficient surplus at year end, a sum of £5,000 to a contingency fund held by our investment managers intended to facilitate the Society's ability to meet an unbudgeted or emergency liability that might prove difficult to fund from available current income at the time. The second source derives from surpluses reached in any year on our unrestricted funds where grants or donations are by nature erratic due to the nature of the purpose or economic environment.

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2023

Future plans

The Trustees are mindful that they are responsible for the heritage of the society and also for its healthy future. The commissioning of the new website was the first step towards a more electronically aware future which is already bringing in new members. A new five-year business strategy has now been put in place with each committee have clearer delegated tasks. From this several proposed developments are now under discussion, although further ideas from members remain welcome.

Investment Powers, Policy and Performance

On 31st December 2023, the value of the portfolios overseen by the Society totalled £5.34 million, representing an increase of 11.99% over 2022. This includes the Farrar Fund (c.£151k) which is managed with a lower risk mandate but excludes money accumulating in the income accounts of each portfolio. Adjusting for all withdrawals, and the size of the different portfolios, the weighted average performance net of fees over the year (including the Farrar Fund) was 7.2%. In aggregate all 6 portfolios produced income of £138,526 over the year.

By way of comparison, the Societies bespoke benchmark that was agreed with the trustees for all the portfolios bar the Farrar Fund, consisting of 50% FTSE All Share TR/20% FTSE All World ex UK (£) TR/30% Government All Stocks TR, rose 8.24% (gross of fees) during the year. The Retail Price Index (RPI) rose by 5.2% during 2023.

Market Review - Summary

The beginning of 2023 still saw economies worldwide grappling with soaring prices which Central banks attempted to tame through interest hikes and other tightening monetary policy measures. However, the ripple effects of these monetary policies were far-reaching, with turmoil being experienced within the US regional banking sector leading to US bank failures, elevated market uncertainty over the future path of interest rates.

Against the backdrop of economic turbulence, a select group of stocks emerged as the undisputed champions within investor portfolios. Dubbed the "Magnificent Seven," this small group of shares, comprising Apple, Alphabet, Amazon, Meta, Microsoft, Nvidia, and Tesla, rose precipitously. For the first three quarters, these tech titans accounted for the bulk of stock market returns, responsible for an extraordinary 90% of the S&P500 returns and two-thirds of global market returns.

As the end of 2023 approached, geopolitical tensions in Ukraine, the Middle East and between China and Taiwan exacerbated anxieties over inflation and whether central banks' attempts to engineer a "soft landing" would succeed. As the year progressed, the prospect of interest rate cuts on the horizon permeated financial circles, and market sentiment recovered with UK 10-year treasury bonds falling from 4.60% to 3.65%. The FTSE 250, a measure of UK-focused medium-sized companies, climbed by 13.2% and the S&P 500 index of the largest companies in the US rose by 8.1%, exactly matching the return on US government bonds.

Investment Objectives

a) Restricted funds

The investment objective of The Save the Victory Fund is to seek a balanced return from a combination of income and capital growth using a portfolio consisting of UK equities/funds, overseas equities/funds, fixed interest securities and cash. A 'medium' risk approach is adopted for the portfolio, with a strategic asset allocation split between equities and fixed interest/cash set at 70:30. The income generated from the portfolio during 2023 was £97,849.

The investment objective of the Macpherson Fund is to seek a balanced return from a combination of income and capital growth using a portfolio consisting of UK equities/funds, overseas equities/funds, fixed interest securities and cash. A 'medium' risk approach is adopted for the portfolio, with a strategic asset allocation split between equities and fixed interest/cash set at 70:30. The income generated from the portfolio during 2023 was £18,128.

Given the lack of any drawdown this year there has been a buildup of accumulated net income for both funds, which by year end had accrued about £250,000.

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2023

Investment Objectives (continued)

b) Unrestricted Funds

The investment objectives for the SNR Fund, the Anderson Bequest Fund and the Tomlin Bequest Fund are to seek a balanced return from a combination of income and capital growth using a portfolio consisting of UK equities/funds, overseas funds, fixed interest securities and cash. A 'medium' risk approach is adopted for the portfolios, with a strategic asset allocation split between equities and fixed interest/cash set at 70:30.

The actual income delivered during 2023 was £8,985, £7,326 and £1,458 respectively.

In respect to the Farrar Fund, the benchmark is the Adam Income & Capital Preservation benchmark, which consists of 45% FTSE All Stocks Gilt Index, 40% FTSE All Share Index, 10% FTSE All World excluding UK Index and 5% cash. The income produced from the Farrar Fund in 2023 was £4,780.

Resources

The reserves are split between unrestricted and restricted funds that relate to the individual funds and unrestricted general funds available to the charity for day-to-day use. The Society's assets are sufficient to meet its obligations.

Grant Making Policy

Grants will be made within the established objectives of the Society to promote research into nautical antiquities, into matters relating to seafaring and ship building in all ages and among all nations, into the language and customs of the sea and into other subjects of nautical interest, to publish the useful results of such a research and otherwise advance education in such subjects.

The Society holds various Trust Funds and bequests, whose monies are kept, managed and accounted for separately from its own financial affairs, with purposes dedicated to fulfil particular objectives.

- *Anderson Bequest Fund*

This fund was established by a bequest from the estate of Dr R C Anderson, and its income is available for grant in aid of research on maritime historical affairs in the widest possible sense. The funding of the Anderson Medals is also allocated from this fund for publications of particular merit on maritime history.

- *The Tomlin Fund*

The Tomlin Fund was created by a legacy from Lt Cmdr R J Tomlin. The income from this fund is used to support research in accordance with the Society's objectives and education in maritime historical affairs.

- *Macpherson Trust*

This fund is the residue of funds raised by subscription to purchase the Macpherson Collection of Prints for the National Maritime Museum. The income is devoted to grants for the purchase of prints and pictures for the National Maritime Museum.

- *The Save the Victory Fund*

This fund is the residue of a sum raised by public subscription for the restoration of HMS Victory, and is still open to supplement by donation. The income is reserved for grants devoted to the restoration of the ship to her 1805 state and to her presentation to the Public as such.

- *The Farrar Fund*

This fund was created by a legacy from the estate of Austin Farrar and its income and capital is available for projects designed to promote the awareness as well as the objectives of the Society.

The Society for Nautical Research

'Trustees' Report

For the year ended 31 December 2023

Statement of Council Members' Responsibilities

The trustees (who are also the directors of the Society for Nautical Research for the purposes of company law) are responsible for preparing the 'Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

Company law required trustees to prepare financial statements for each financial year which give a true and fair view of the state of the 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 these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Public benefit

We have referred to the guidance in the Charity Commission's general guidance on Public Benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Small company rules

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By Order of the Council

Dr David Davies

Chairman of the Society

Date:

6 Appold Street
London

Independent Examiner's Report to the Trustees of The Society For Nautical Research

I report to the charity trustees on my examination of the accounts of The Society for Nautical Research for the year ended 31 December 2023.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the 2011 Act ("the 2011 Act"). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent Examiner's Statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- 1) accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
- 2) the accounts do not accord with those records; or
- 3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- 4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Adam Fullerton, FCA, DChA
For and on behalf of Moore Kingston Smith LLP
Chartered Accountants

9 Appold Street
London
EC2A 2AP

Date:

The Society For Nautical Research
Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For the year ended 31 December 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
INCOME FROM:					
Donations and legacies	2	11,096	-	11,096	7
Investments					
Investment income and interest received	3	22,549	115,977	138,526	125,223
Charitable activities					
Subscriptions	4	59,137	-	59,137	64,501
Podcast income		1,699	-	1,699	-
Publications, royalties and copyright sales		26,672	-	26,672	27,183
		<u>87,508</u>	<u>-</u>	<u>87,508</u>	<u>91,684</u>
Other		<u>1,000</u>		<u>1,000</u>	<u>1,948</u>
Total Income		<u>122,153</u>	<u>115,977</u>	<u>238,130</u>	<u>218,862</u>
EXPENDITURE ON:					
Raising funds					
Investment management costs		5,463	23,756	29,219	30,366
Charitable activities					
Grants and donations payable	5	12,382	2,962	15,344	171,631
Publications	6	67,740	-	67,740	66,957
Advancing interest in nautical research	8	23,509	-	23,509	25,167
		<u>103,631</u>	<u>2,962</u>	<u>106,593</u>	<u>263,755</u>
Total Expenditure		<u>109,094</u>	<u>26,718</u>	<u>135,812</u>	<u>294,121</u>
Net gains/(losses) on investments	11	<u>49,115</u>	<u>298,211</u>	<u>347,326</u>	<u>(612,993)</u>
Net Income before transfers		62,174	387,470	449,644	(688,252)
Transfers	14	-	-	-	-
Net Income/(Expenditure) for the year/Net movement in funds		62,174	387,470	449,644	(688,252)
Fund Balances Brought Forward		<u>881,681</u>	<u>4,245,362</u>	<u>5,127,043</u>	<u>5,815,295</u>
Fund Balances Carried Forward	14	<u>943,855</u>	<u>4,632,832</u>	<u>5,576,687</u>	<u>5,127,043</u>

All amounts relate to continuing activities.

The notes on pages 13 to 20 form part of these financial statements.

The Society For Nautical Research

Balance Sheet

As at 31 December 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed Assets					
Tangible fixed assets	10		1		1
Investments	11		5,340,730		4,768,736
			5,340,731		4,768,737
Current Assets					
Debtors	12	6,395		6,619	
Cash at bank and in hand		257,008		531,424	
		263,403		538,043	
Creditors: Amounts falling due within one year	13	(27,447)		(179,737)	
Net Current Assets			235,956		358,306
Net Assets			5,576,687		5,127,043
Unrestricted Funds	14, 15		943,855		881,681
Restricted Funds	14, 15		4,632,832		4,245,362
			5,576,687		5,127,043

The notes on pages 13 to 20 form part of these financial statements.

The directors state:

(a) For the year ended 31st December 2023 the charitable company was entitled to exemption under Section 477 of the Companies Act 2006.

(b) No notice from Trustees requiring an audit has been deposited under Section 476 of the Companies Act 2006.

(c) The directors acknowledge their responsibilities for:

(i) ensuring that the charitable company keeps accounting records which comply with Section 386 of the Companies Act 2006, and

(ii) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year, and of its income and expenditure for the financial year, in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the charitable company.

(d) The accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and in accordance with the provisions of the Financial Reporting Standard 102.

Approved by the Council Members, and authorised for issue, on
and signed on their behalf by:

.....
Dr J D Davies - Chairman

.....
Peter Nash - Hon Treasurer

Companies House Number: 2848095

The Society For Nautical Research

Notes to the Financial Statements

For the year ended 31 December 2023

1 Accounting policies

Basis of Preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The company is a public benefit entity for the purposes of FRS 102 and a registered charity established as a company limited by guarantee in the United Kingdom and therefore has 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 and Charities Act 2011.

The charity has taken advantage of the provisions of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities. Figures are rounded to the nearest pound.

Going concern

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

A summary of the principal accounting policies adopted, judgements and key sources of estimation uncertainty, is set out below.

a) *Incoming resources*

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

b) *Subscription Income*

Subscriptions received in advance of next year are carried forward in the balance sheet and will be included in the Statement of Financial Activities for the following year.

c) *Other Income*

Other income, including publication sales, advertising, royalty income and conference income, is included in the accounts when receivable.

d) *Donations*

Donations are recognised as they are received except in the case where they relate to a specific future project, in which case they are deferred until the commencement of that project.

e) *Legacies*

Legacies include all unsolicited legacies. Legacies are taken into account when capable of financial measurement and receipt is virtually certain.

The Society For Nautical Research

Notes to the Financial Statements

For the year ended 31 December 2023

1 Accounting policies

f) *Investments and Gains and Losses on Investment Assets*

Investments are stated in the financial statements at market value in accordance with the Statement of Recommended Practice issued by the Charity Commission. Gains or losses on investments are disclosed in the statement of financial activities showing separately realised gains from investment sales in the year (sale proceeds less market value last year) and unrealised gains arising from the increase in value during the year of investments still held. Investment income including the associated income tax recoverable is credited to income on a receivable basis.

g) *Cash Flow Statement*

The trustees have taken advantage of the exemptions available in FRS 102 and have chosen not to prepare a cash flow statement.

h) *Resources Expended*

Expenditure is included in the Statement of Financial Activities on a accruals basis, inclusive of any VAT which cannot be recovered. Expenditure is 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.

Wherever possible costs are directly attributed to headings that aggregate all costs related to the category. Costs common to more than one area are apportioned on the basis of time spent on each area or on a direct cost basis. The irrecoverable element of VAT is included with the expense item to which it relates.

Costs of generating funds are those costs of seeking potential funders and applying for funding.

Grants payable are accounted for on an accruals basis.

Support costs are those costs incurred in support of the charitable objectives. These have been allocated to the charitable activities on a basis that fairly reflects the true use of those resource within the organisation.

Governance costs are those incurred in the governance of the charity and are primarily associated with the constitutional and statutory requirements. The irrecoverable element of VAT is included with the expense item to which it relates.

i) *Critical accounting estimates and areas of judgement*

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. 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.

j) *Financial instruments*

The company 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 company 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 reduce the asset and settle the liability simultaneously.

With the exception of deferred income, all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 12 and 13 for details.

The Society For Nautical Research

Notes to the Financial Statements

For the year ended 31 December 2023

1 Accounting policies (continued)

k) *Cash and cash equivalents*

Cash and cash equivalents include cash in hand and current and fixed term deposits with banks that are accessible within 3 months.

l) *Functional currency*

The functional and presentation currency of the company is the pound sterling.

m) *Tangible fixed assets*

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses. Depreciation is provided on tangible fixed assets to write off their cost over estimates of their useful lives at the following

Computers - 33 1/3% straight line

n) *Fund Accounting*

Unrestricted: these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated: these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Restricted: these are funds that can only be used for particular restricted purposes within the objects of the charity. Capital funds with restrictions attached are included in this category. These funds consist of an original endowment and accumulated unspent restricted income.

o) *Taxation*

The company, as a charity, is exempt from taxation.

2 Voluntary Income

	2023 £	2022 £
<i>Unrestricted funds</i>		
Donations and legacies	5,035	7
Gift Aid - HMRC	6,061	-
	<u>11,096</u>	<u>7</u>

3 Investment income and interest received

	2023 £	2022 £
<i>Unrestricted funds</i>	22,549	19,505
<i>Restricted funds</i>	115,977	105,718
	<u>138,526</u>	<u>125,223</u>

4 Subscriptions

Of the subscription income, £XXX was received from overseas (2022: £21,488). This equates to XX% of total subscription income (2022: 33%).

Subscription income includes the associated recoverable gift aid.

5 Grants Payable

	2023 £	2022 £
<i>Unrestricted funds:</i>		
Anderson Medal	27	-
Anderson Conference	960	-
Scottish Maritime History Conference	-	500
Anderson Bequest - Other	-	1,611
Anderson Awards	3,029	3,045
Maritime History North	500	500
New Researchers Grant	500	500
Naval Dockyards Conference	500	2,800
Support costs (Note 8)	6,866	9,350
<i>Restricted funds:</i>		
National Maritime Museum	-	-
Support costs (Note 8)	2,935	2,935
National Museum of the Royal Navy	-	150,000
Victory Medal	27	390
	<u>15,344</u>	<u>171,631</u>

The Society For Nautical Research
Notes to the Financial Statements
For the year ended 31 December 2023

6 Publication Costs	2023	2022
	£	£
<i>Unrestricted funds</i>		
General cost of publications	48,982	47,172
Support costs (Note 8)	18,758	19,785
	<u>67,740</u>	<u>66,957</u>

7 Governance Costs	2023	2022
	£	£
<i>Unrestricted funds</i>		
Support costs (Note 8)	12,187	13,749
Audit and accountancy	9,285	11,695
Other management costs	150	150
	<u>21,622</u>	<u>25,594</u>
<i>Restricted funds</i>		
Audit and accountancy	2,085	2,085
Other management costs	850	850
	<u>24,557</u>	<u>28,529</u>

8 Allocation of Other Membership and Support Costs

Year to 31 December 2023	Grants Payable £	Publications £	Advancing Interest in Nautical Research £	Governance Costs £
Membership secretary fees	-	-	13,200	-
Travel, postage and general expenses	1,615	1,615	-	3,230
Lecture and conferences	-	-	750	-
Warrior dinner (net)	-	-	1,373	-
Professional	-	-	-	-
Publicity and Website	-	8,957	-	8,957
	<u>1,615</u>	<u>10,572</u>	<u>15,323</u>	<u>12,187</u>
Direct governance costs				<u>12,370</u>
	1,615	10,572	15,323	24,557
Allocation of governance support costs	8,186	8,186	8,186	(24,557)
	<u>9,801</u>	<u>18,758</u>	<u>23,509</u>	<u>-</u>

The Society For Nautical Research

Notes to the Financial Statements

For the year ended 31 December 2023

8 Allocation of Other Membership and Support Costs Continued

Year to 31 December 2022	Grants Payable £	Publications £	Advancing Interest in Nautical Research £	Governance Costs £
Membership secretary fees	-	-	13,200	-
Travel, postage and general expenses	2,775	2,775	-	5,549
Lecture and conferences	-	-	250	-
Victory events	-	-	2,208	-
Professional	-	-	-	700
Publicity and Website	-	7,500	-	7,500
	<u>2,775</u>	<u>10,275</u>	<u>15,658</u>	<u>13,749</u>
Direct governance costs	-	-	-	14,780
	<u>2,775</u>	<u>-</u>	<u>10,275</u>	<u>-</u>
			15,658	28,529
Allocation of governance support costs	9,510	9,510	9,510	(28,529)
	<u>12,285</u>	<u>19,785</u>	<u>25,168</u>	<u>-</u>

No staff were employed by the charity during 2023 (2022: None).

9 Net Incoming Resources

Are stated after charging:	2023 £	2022 £
Independent examiner's remuneration	11,370	9,750
Trustee expenses reimbursed to 5 trustees (2022: 2 trustees)	600	465

Trustee expenses related predominantly to travel costs. No trustee received remuneration in 2023 (2022: £Nil).

10 Tangible Fixed Assets

	Plant & Machinery £
Cost	
As at 1 January 2023 and 31 December 2023	<u>1,485</u>
Depreciation	
As at 1 January 2023 and 31 December 2023	<u>1,484</u>
Net Book Value	
As at 1 January 2023 and 31 December 2023	<u>1</u>

The Society For Nautical Research

Notes to the Financial Statements

For the year ended 31 December 2023

11 Investments

Investments are listed on a recognised stock exchange or are held in units of common investment funds where their values are calculated by reference to investments quoted on a recognised stock exchange.

	2023		2022	
	Cost £	Market Value £	Cost £	Market Value £
Unrestricted Funds				
General Fund	187,075	268,349	188,260	249,015
Designated Funds:				
Anderson Bequest Fund	221,520	296,218	198,207	260,438
Tomlin Bequest Fund	64,000	67,514	48,867	62,233
Farrar Fund	135,605	150,809	131,168	139,761
	<u>608,200</u>	<u>782,890</u>	<u>566,502</u>	<u>711,447</u>
Restricted Funds	<u>3,106,265</u>	<u>4,557,840</u>	<u>2,902,186</u>	<u>4,057,289</u>
	<u>3,714,465</u>	<u>5,340,730</u>	<u>3,468,688</u>	<u>4,768,736</u>
	Unrestricted Funds £	Restricted Funds £	Unrestricted Funds £	Restricted Funds £
Balance at beginning of year	701,192	3,998,109	786,951	4,451,335
Additions	125,827	490,884	16,005	179,663
Disposals at book value	(101,535)	(248,574)	(22,740)	(98,817)
Net gains/(losses) on investments	49,013	296,171	(78,993)	(534,000)
Add: Cash balances included in investments	8,393	21,250	10,224	59,108
	<u>782,890</u>	<u>4,557,840</u>	<u>711,447</u>	<u>4,057,289</u>
Balance at end of year				
			Market Value 2023 £	Market Value 2022 £
UK equities			2,103,743	955,729
UK Fixed Interest			1,223,366	20,404
UK index linked			20,194	2,030,515
Overseas equities			1,633,326	1,477,529
Overseas Fixed Interest			330,457	215,123
Cash			<u>29,644</u>	<u>69,436</u>
			<u>5,340,730</u>	<u>4,768,736</u>

The Society For Nautical Research

Notes to the Financial Statements

For the year ended 31 December 2023

12 Debtors	2023	2022
	£	£
Taxation and social security debtor	859	1,290
Royalty debtor	5,000	5,000
Podcast debtor	536	329
	<u>6,395</u>	<u>6,619</u>

13 Creditors: Amounts falling due within one year	2023	2022
	£	£
Accruals and deferred income	27,447	29,737
Grant creditor	-	150,000
	<u>27,447</u>	<u>179,737</u>

Of the above, £7,499 relates to deferred income, all of which was deferred in the current year (2022: £7,872).
Deferred income relates to subscription income received in advance.

14 Funds	Balance at 1 Jan 2023	Incoming Resources	Outgoing Resources	Transfers	Investment Gains	Balance at 31 Dec 2023
	£	£	£		£	£
Unrestricted Funds						
General Fund	398,714	108,589	(99,720)	-	20,081	427,664
Designated Funds:						
Anderson Bequest	275,240	7,326	(6,354)	-	16,653	292,865
Tomlin Bequest	61,873	1,458	(1,945)	-	5,282	66,668
Farrar Fund	145,854	4,780	(1,074)	-	7,098	156,658
	<u>881,681</u>	<u>122,153</u>	<u>(109,093)</u>	<u>-</u>	<u>49,114</u>	<u>943,855</u>
Restricted Funds						
Save the Victory	3,536,595	97,849	(22,060)	-	244,108	3,856,492
Macpherson Collection	708,767	18,128	(4,658)	-	54,103	776,340
	<u>5,127,043</u>	<u>238,130</u>	<u>(135,811)</u>	<u>-</u>	<u>347,325</u>	<u>5,576,687</u>

Designated Funds

The designated funds will be spent in line with the investment income that becomes available and will be spent in accordance with the designations as per the below:

The Anderson Bequest

This fund is used to fund grants for research work on maritime history in general. The transactions of the fund are separately recorded and were created from unrestricted legacies received.

The Tomlin Bequest Fund

This fund is designated by the Council to augment financial support for conferences and other Society activities.

The Farrar Fund

This fund was created by a legacy from the estate of Austin Farrar and its income and capital is available for projects designed to promote awareness as well as the objectives of the society.

Restricted Funds

The restricted funds comprise two endowment funds which are the Save the Victory Fund and the Macpherson Collection Endowment Fund. The Save the Victory Fund engages in activities that preserve and restore HMS Victory. The Macpherson Collection Endowment Fund purchases works of art for the National Maritime Museum.

The Society For Nautical Research
Notes to the Financial Statements
For the year ended 31 December 2023

14 Funds	Balance at 1 Jan 2022	Incoming Resources	Outgoing Resources	Transfers	Investment Gains	Balance at 31 Dec 2022
	£	£	£		£	£
Unrestricted Funds						
General Fund	433,377	98,882	(103,143)	-	(30,402)	398,714
Designated Funds:						
Anderson Bequest	302,446	7,111	(7,045)	-	(27,272)	275,240
Tomlin Bequest	71,388	1,882	(4,805)	-	(6,592)	61,873
Farrar Fund	157,419	4,321	(1,159)	-	(14,727)	145,854
	<u>964,630</u>	<u>112,196</u>	<u>(116,152)</u>	<u>-</u>	<u>(78,993)</u>	<u>881,681</u>
Restricted Funds						
Save the Victory	4,081,557	90,792	(173,228)	-	(462,526)	3,536,595
Macpherson Collection	<u>769,108</u>	<u>15,874</u>	<u>(4,741)</u>	<u>-</u>	<u>(71,474)</u>	<u>708,767</u>
	<u><u>5,815,295</u></u>	<u><u>218,862</u></u>	<u><u>(294,121)</u></u>	<u><u>-</u></u>	<u><u>(612,993)</u></u>	<u><u>5,127,043</u></u>

15 Analysis of Net Assets between Funds	Fixed Assets and Investments	Net Current Assets	2023 Total	2022 Total
	£	£	£	£
Unrestricted funds	782,890	160,967	943,857	881,681
Restricted funds:				
Save the Victory Fund	3,832,235	24,254	3,856,489	3,536,595
Macpherson Collection Endowment Fund	<u>725,606</u>	<u>50,735</u>	<u>776,341</u>	<u>708,767</u>
	<u><u>5,340,731</u></u>	<u><u>235,956</u></u>	<u><u>5,576,687</u></u>	<u><u>5,127,043</u></u>

16 Councils' Liability

In the event of the company being wound up, the liability of each member is limited to £1. At 31 December 2023, there were 16 members.

17 Related party transactions

During the year, Helen Garvey, the membership secretary received fees of £13,200 (2022: £13,200).

The key management personnel of the society are the Officers and the Council members. They were not remunerated in the year (2022: £nil).

Accounts



The Society for Nautical Research

(A Company Limited by Guarantee)

Company Number: 2848095

Charity Number: 1026357

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

The Society for Nautical Research

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The Society for Nautical Research

Legal and Administrative Information

President

Admiral Sir K. Eaton (until July 2022)
Jonathan Coad (from October 2022)

Chairman

Dr J D Davies

Hon. Secretary and Company Secretary

Mr A B Roach

Hon. Treasurer

Dr P V Nash

Editor

Dr M Bellamy

Vice Presidents

Cdr J M Bingeman
Dr A Coats
Professor R Harding (Senior Vice President)
Dr Cathryn Pearce
Lieut Cmdr F L Phillips
Dr S Rose
Dr Pieter van de Merwe

Membership Secretary

Mrs H Garvey

Auditor

Moore Kingston Smith LLP
9 Appold Street
London
EC2A 2AP

Bankers

Barclays Bank plc
8/9 Hanover Square
London W1A 4ZW

Investment Managers

Adam & Company
40 Princes Street
Edinburgh EH2 2BY

Registered Office

9 Appold Street
London
EC2A 2AP

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2022

Status and Administration

The Society is a charitable company limited by guarantee (registration number: 2848095) registered with the Charity Commission number 1026357. The Council sets the policies of the Society and these are administered by the Chairman, Honorary Secretary and Honorary Treasurer. The governing document of the charity is the memorandum and articles of association which were updated and approved at the 2021 Annual General Meeting. There are no restrictions imposed by the governing document except the objects of the charity as stated below.

Objects

The principal activity of the company includes the promotion of research into nautical antiquities and matters relating to the history of seafaring and ship building, languages and customs of the sea and to publish the results of such research and otherwise advance public education in such subjects. In particular this includes the publication of *The Mariner's Mirror* quarterly. In addition there are two restricted funds, both of which are subsidiary charities, the Save the Victory Fund and the Macpherson Collection Endowment Fund. The Save the Victory Fund has been formed for the restoration and presentation to the public of Nelson's Flag Ship HMS Victory and the Macpherson Collection Endowment Fund acquires works of art for the National Maritime Museum.

Trustees

The Officers of the Society and the Council members are the Charity Trustees of the Society and are listed below:

Dr J D Davies (Chairman of the Society)	Dr J Davey (elected 2019, review 2023)
Dr P V Nash (Honorary Treasurer)	N Hewitt (elected 2019, review 2023)
A Roach (Honorary Secretary)	Dr C Holt (elected 2019, review 2023)
Commander M Barton (elected 2021, review 2025)	K Jamieson (elected 2021, review 2025)
P Bugden (elected 2019, review 2023)	Capt P King (elected 2020 review 2024)
C. Brandon (elected 2019, review 2023)	J Michell (elected 2021, review 2025)
D. Nudd (elected 2022, review 2026)	Dr K Parker (elected 2021, review 2025)
Lt Comdr A Telfer (elected 2022, review 2026)	Dr C Scheybeler (elected 2021, review 2025)

Trustee appointment, induction and training

The Articles of Association of the Society specify the election procedure for the Officers of the Society and the Council. In accordance with their obligations Council in each year nominates a list of willing candidates for election by the members of the Society at each properly constituted annual general meeting. These may be for the positions of Vice President or for Councillors as well as for the President and other Officers of the society. The Officers are obliged to submit themselves for re-election each year. The Councillors whose four year term of office has expired may stand for re-election. The final say as to which persons serve is made by the membership of the Society who are also asked to nominate candidates for election. All the Vice Presidents, Councillors and Officers are given a copy of the Memorandum of Understanding and the Articles of Association of the Society together with a copy of the Society's Guide to the Conduct of Business. This includes a reminder that Vice Presidents have a working role and that Councillors and Officers are both Directors and Trustees of the Society and this reminder is reinforced in Council meetings from time to time by the Officers. The Directors and Trustees of the Society are helped to discharge their responsibilities through guidance in Council by the Officers, by receiving necessary papers recording the advice of the Society's financial advisers and by receiving, at least once a year, a Risk Analysis Review. The Council's particular contribution is a rigorous annual scrutiny of budget proposals and a quarterly review of progress. In addition, the Finance and General Purposes Committee receive an oral and written briefing every six months by the Society's financial advisors. The frequency has increased during the difficult market conditions which have prevailed in recent years.

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2022

Key Management Personnel

The key management personnel of the society are the Officers and the Council members. The Officers are re-elected every year by the Society at the AGM, and their efforts during the year speak for themselves. Council members have been elected on the basis of the wisdom and experience that they can bring to the Society. The vice presidents bring a wealth of experience across many fields to Council meetings, and are always available to give advice in their particular field of expertise if it is asked for. The Editor of the Mariner's Mirror, Dr Bellamy is remunerated at the rate of £2,000 per edition. The Editor of Topmasts, N Blanchford, is remunerated at the rate of £1,000 per edition.

The Aims of the Society

To promote research into nautical antiquities, into matters relating to sea-faring and shipbuilding in all ages and among all nations, into the language and customs of the sea and into other subjects of nautical interest, to publish the useful results of such research and otherwise advance public education in such subjects (Memo of Association, 1993).

Objectives, Strategies and Achievements

Objective	Strategy	Achievement
Publish The Mariner's Mirror four times per annum	Support the work of the Editor, the Hon. Reviews Editor and the Editorial Board. (Operations overseen by the Publications Committee)	This was achieved as usual with electronic copies of The Mariner's Mirror targeted at institutional users by Taylor & Francis and with hard copies for personal members.
Publish Topmasts, the Society's newsletter, four times a year.	Support the work of the Topmasts Editor.	Topmasts is available electronically through the SNR website.
Manage the website to reflect the Society and its achievements.	The website reflects the strengths and achievements of the Society and uses social media to reach new members.	Membership figures continue to increase, with members joining through activities relating to the Forum and Topmasts.
Advance public education in Maritime History.	Provide financial support for at least two conferences annually as well as other research proposals, the New Researchers Conference and the ICMH Seminar Series. To award the Anderson, Victory and Centenary Medals as appropriate.	Ten organisations and individuals were awarded grants to support research projects and/or conferences - including BCMH, Exeter University and Maritime History North. The Anderson Medal for best book in Maritime History (2021) was awarded to Dr Paul Brown for his book Abandon Ship. The Victory Medal was awarded to Jonathan Coad for his dedication to the preservation and restoration of HMS Victory.

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2022

Overview

This year is the tenth to reflect the publishing arrangements between ourselves and Taylor & Francis for The Mariner's Mirror, an INT1 category international publication in the European List of Humanities with high visibility and influence among researchers in the various research domains in different countries, regularly cited all over the world. Whilst still retaining editorial control of The Mariner's Mirror and meeting the costs of editing and typesetting, the Society is no longer responsible for the printing and distribution of the journal which continues to be undertaken by Taylor & Francis. Council believes this partnership will continue to secure the Society's standing in the electronic age. The Mariner's Mirror is produced in electronic form and targeted by Taylor & Francis at institutional bodies who no longer want to receive publications in paper format. This has not only significantly increased The Mariner's Mirror's exposure to the worldwide institutional market but it has also created online worldwide demand for full text downloads. The Mariner's Mirror continues to be available in the traditional form to personal members of the Society.

This is the eighth year in which the SNR website managed by Burlington Partnership has continued to provide a dynamic and interactive platform covering the activities of the society and its members available to both existing and potential new members worldwide. It has now become the predominant source for securing new members. In addition, our electronic newsletter TOPMASTS has become extremely popular for our membership and continues to expand and provide an invaluable if more informal source of information and articles covering a wide spectrum of maritime interests. The Society has also continued the programme of podcasts through Dr Sam Willis which we believe is both beneficial to anyone interested in maritime history as well as to the profile of the SNR.

Review of Activities and Financial Results

The Society has recorded a net loss for the year ended 31 December 2022 amounting to £688,252 taking into account £612,993 which represented net losses on investments (2021: net gain £490,422). Investments for both unrestricted and restricted funds decreased in market value by just over 11% from £5,392,015 to £4,768,736. As far as the balance sheet is concerned this decreased the net assets by nearly 12% from £5,815,295 to £5,127,043.

Overall, this year's operational activities however have been encouraging despite the very slow economic and social recovery following the hiatus of the COVID 19 which continued to impact our ability to achieve all that we had hoped and budgeted for in supporting maritime history research. Nevertheless, we have been able to remain very active in pursuing our publishing endeavours, both print and on the website. Both Mariner's Mirror and TOPMAST continue to be very well received and our website has been particularly busy, enhanced by the accelerated podcast programme successfully organised for this second full year by Dr Willis, which can be accessed through our website. Unlike the previous year there was no repeat of incorporating into our Statement of Financial Activities the inclusion of funds representing a Lloyds grant negotiated by Dr Willis to support podcast activity, of which £80,000 was channelled via the SNR exclusively to support the podcast programme. As a result, our income and expenditure has correspondingly reverted back to more normal levels, as was the case pre-2021.

Our operating income and expenditure otherwise remain in harmony despite a reduction in investment income compared to the previous year. Moreover, subscriptions have increased again which is most encouraging, as is the fact that members resident overseas have also increased to 33% from 28% of total subscriptions. Our contract with Taylor & Francis has enabled a further modest improvement in royalties in lieu of subscription income traditionally derived from our institutional membership subscriptions. Overall administration costs for the year have remained stable and within budget. On the grants funding side, in general those provided through the Anderson and Tomlin portfolios have seen a very positive increase including support for three important conferences. The major expenditure this year was the grant provided by the STVF to the National Museum of the Royal Navy, for £150,000 derived from accumulated unspent income, which has had a significant impact upon the Income and Expenditure statements.

The Society has determined that given the uncertainty of the markets and general economic outlook which might affect the level of surplus year-end this was not the time to transfer £5,000 to the contingency fund held with our investment advisers Adam & Co. We try to achieve this each year but only if the surplus warrants it.

The Society for Nautical Research

'Trustees' Report

For the year ended 31 December 2022

The following comments for each Fund provide some background behind the overall results.

The Society's Tomlin Fund provided £2,800 to the Naval Dockyards conference in Portsmouth, £500 for the Scottish Maritime History Conference as well as £500 for the annual New Researchers conference. A further £500 was given to support Maritime History North as well as £250 to the BCMH for the Kings College maritime seminars.

The Save the Victory Fund (STVF) was able to provide from accumulated unspent income a grant of £150,000 to the National Museum of the Royal Navy in support of the acquisition of the model of HMS Victory for public display.

The Macpherson Collection Endowment Fund was not called upon to provide funds to the National Maritime Museum this year.

The Anderson Fund provided research grants to the following recipients both home and abroad, namely S.R. Pender, R. S. Tyson, A. Elliot, R Thomson.

Risk Assessment

The Trustees have examined the financial and operational risks which the charity faces and confirm that systems controls and review procedures have been established to mitigate exposure to these risks.

In order to help manage these risks further, a Reserves Policy was adopted and first published in the Annual Report for 2001. This is reviewed annually and revised if necessary to reflect the financial circumstances in which the Society operates should these change significantly.

Although the Society has no fixed assets, nor places any reliance upon raising funds from new donors to meet commitments, it nevertheless considers the following types of risk to be the most important and the Society has therefore taken over time a number of appropriate steps designed to mitigate their impact.

Loss of reputation, whether through the website or The Mariner's Mirror, is a significant group of risks that would seriously affect the performance of the Society. Although there is a relatively low probability of this happening we nevertheless undertake certain continuing precautions including but not limited to vigilant management at all times, properly exercised moderation on the website as well as making sure we comply with all applicable regulations and legislation. Moreover, we continually monitor performance of Taylor & Francis as well as having in place a proper succession plan to ensure we maintain editorial continuity. We are also considering a more formalised approach to succession planning overall to ensure the Society has the necessary human resources in place to provide management continuity going forward.

The other major area of risk is financial including significant loss of funds or reserves due to negligence or incompetence by our investment advisers or collapse of investment markets. Again such events would be very serious if they were to happen although their likelihood remains relatively low provided we continue to monitor their performance through regular meetings including agreeing appropriate risk guidelines and performance assessment criteria.

The third broad group of risks are operational including uncontrolled budgetary excesses as well as fraud, theft or dishonesty by staff or third parties. The precautions we have taken for the former include but are not limited to applying a rigorous budgetary procedure that must be approved by the Trustees, and regularly monitored by the Finance & General Purposes committee. For the latter we have instituted liability insurance cover where and when appropriate, we have dual control of payments and disbursements while our payment systems on the website are secured with a ring-fenced bank account for transfers via PAYPAL/STRIPE.

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2022

Reserves Policy

The Reserves Policy of the Society has been determined based on the Society's objectives and the current and expected future activities needed to fulfil these objectives. The trustees have set a policy after taking into account the foreseeable future income and expenditure patterns and associated risks. Its main features are:

Restricted Funds

- a) One of the Society's major activities is the long term preservation and restoration of HMS Victory, conducted through the Society's restricted Charitable fund called 'Save the Victory Fund' (STVF) whereby expenditure is budgeted annually against expected annual income derived from investments, in accordance with an overall rolling five-year plan. This year has seen a further considerable build-up in the amount of available funds to meet funding bids from HMS Victory but these have not been forthcoming while major infrastructural development continues apace on the hull itself. The Society remains ready to respond to further calls for supporting HMS Victory as part of the STVF mandate and in this connection made a grant this year to the National Museum of the Royal Navy to support the acquisition of a unique model of HMS Victory for display in the Victory gallery.
- b) The Society's other Charitable restricted fund, called the Macpherson Collection Endowment Fund is available for purchasing from time to time, from available accumulated funds, works of art for the National Maritime Museum to add to the Macpherson Collection. Any purchases are funded only from surplus income not endowment capital.

Unrestricted Funds

The policy is designed to provide resources to fund the rest of the Society's activities into the foreseeable future, including promotion of research into nautical antiquities and matters relating to the history of seafaring and ship building, languages and customs of the sea and to publish the results of such research and otherwise advance public understanding and education in these subjects. This requires the Society:

- a) To achieve a margin of working capital sufficient to enable all aspects of the Society's work to be conducted in an orderly and efficient manner.
- b) To achieve a liquid reserve to provide cover for expected but unavoidable items of expenditure which cannot be funded from current income. This proved a particularly valuable strategy when we were able to apply contingency funds built up over the previous five years towards funding special one-off centenary publications which would not have been otherwise possible from current income alone. We continue to set aside each year an appropriate amount to help prepare us for future unforeseen or even planned exceptional costs which might arise from time to time.

However, the major challenge before us remains the need to ensure we have the resources available to invest in the necessary technology to enable the Society to meet the needs of a changing readership market by adopting a number of web-based strategies including the digitization of *The Mariner's Mirror*. As such the Farrar Fund continues to provide an assured source of potential funding for such development and has been structured from an investment point of view to provide both liquidity (for potentially sudden or urgent capital requirements) as well as longer term equity type support for the sort of transformation that is now well underway.

Our reserves are therefore derived from two sources. The first is by transferring every year whenever there is a sufficient surplus at year end, a sum of £5,000 to a contingency fund held by our investment managers intended to facilitate the Society's ability to meet an unbudgeted or emergency liability that might prove difficult to fund from available current income at the time. The second source derives from surpluses reached in any year on our unrestricted funds where grants or donations are by nature erratic due to the nature of the underlying purpose or environment, such as the impact of COVID-19 had these last two years or so.

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2022

Future plans

The Trustees are mindful that they are responsible for the heritage of the society and also for its healthy future. The commissioning of the new website was the first step towards a more electronically aware future which is already bringing in new members. There are other new projects in hand. The Research and Programs Committee continues to invite our members to suggest areas for new development. Their responses will be analysed, but it is pleasing to note that many members have indicated their approval of the developments which have taken place.

Investment Powers, Policy and Performance

On 31st December 2022, the value of the portfolios overseen by the Society totalled £4.77 million, which represents a decrease of 11% from the value a year ago. This figure includes the Farrar Fund (c.£140k) which is managed with a lower risk mandate. The total value above excludes money accumulating in the income accounts of each portfolio. Adjusting for all withdrawals, and the size of the different portfolios, the weighted average performance net of fees over the year (including the Farrar Fund) was -9.3%. In aggregate all 6 portfolios produced income of £126,171 over the year, versus £134,688 in 2021.

By way of comparison, the Societies bespoke benchmark that was agreed with the trustees for all the portfolios bar the Farrar Fund, consisting of 50% FTSE All Share TR/20% FTSE All World ex UK (£) TR/30% Government All Stocks TR, lost 9.1% (gross of fees) during the year. The Retail Price Index (RPI) rose by 13.4% during 2022.

Market Review - Summary

The beginning of 2022 witnessed an increasingly rapid rise in inflation due to the impact of the supply/demand imbalance following the Covid-19 pandemic and the effects of the 2020 stimulus packages designed to support households and businesses during the pandemic. Initially, central bankers became unwilling to run the risk of what the International Monetary Fund (IMF) termed "inaction bias" and began to announce policies to tame the rapid rise in inflation, with the Bank of England being the first major central bank to increase interest rates in December 2021. This contraction of monetary policy led equity markets – particularly in highly valued tech names – to decline in value.

The invasion of Ukraine by Russia caused a global market collapse with European markets down close to 5% at the worst point on the day of invasion. Although the sudden market impact of the war was short lived, its effects would cast a shadow across the rest of 2022. Ukraine and Russia are major producers of Energy and Food and the sharp reduction in supply has placed significant upward pressure on global inflation. This has resulted in more aggressive measures being taken by Governments and Central Banks to manage the economic impacts. Such actions have invariably come with a cost and as rates have risen so too has fears that most major economies will enter some form of recession by the end of 2022 or early 2023. The severity of the recession and likely length remained the key topic of debate for the rest of the year, with markets reacting as new economic data points were released.

From a market perspective, whilst the selloff has been broad based and across all asset classes the brunt of falling markets have been felt not only in growth stocks, but within quality stocks as investors have sold positions which have served them well over the recent past.

The market turmoil was compounded by the political chaos resulting in the departure of two prime ministers in a matter of weeks, together with initial proposals to cut taxes to stimulate economic growth that were considered by the markets to be even more inflationary and insupportable given the potential increase this would cause to government borrowing. Consequently, the UK Stock Market, UK Gilt Markets and Sterling fell sharply. The associated market rout forced the Bank of England to intervene and prop up the UK Fixed Income Market and increase UK interest rates by 0.75% – a historically large move. Market expectations for UK interest rates rapidly rose, with markets expecting a rate of 6% by the end of 2023. The debacle led to the sacking of the Chancellor and resignation of the Prime Minister, and a new Chancellor almost immediately rolled back or reversed almost all of these proposed policies. This more prudent approach to government spending resulted in a rebound in Sterling which had plunged to an intraday low of \$1.03, whilst equity markets took solace in inflation data that began to fall. Further market confidence returned as a new Prime Minister was installed and some stability re-established at least for the remainder of the year.

The economic outlook remains very difficult to predict, and concerns remained over the strength of labour markets and how this may impact the key inflation numbers. This dynamic was expected to dominate policies over the coming months, but with equities overall looking better value than for some time, the view remains that we must continue to adopt a long-term approach, and for the investment managers to look for companies and Funds that can thrive through the cycle, and focus on the underlying risk fundamentals rather than trying to time the economic backdrop.

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2022

Investment Objectives

a) Restricted funds

The investment objective of The Save the Victory Fund is to seek a balanced return from a combination of income and capital growth using a portfolio consisting of UK equities/funds, overseas equities/funds, fixed interest securities and cash. A 'medium' risk approach is adopted for the portfolio, with a strategic asset allocation split between equities and fixed interest/cash set at 70:30. The income generated from the portfolio during 2022 was £89,844.

The investment objective of the Macpherson Fund is to seek a balanced return from a combination of income and capital growth using a portfolio consisting of UK equities/funds, overseas equities/funds, fixed interest securities and cash. A 'medium' risk approach is adopted for the portfolio, with a strategic asset allocation split between equities and fixed interest/cash set at 70:30. The income generated from the portfolio during 2022 was £15,874.

B) Unrestricted Funds

The investment objectives for the SNR Fund, the Anderson Bequest Fund and the Tomlin Bequest Fund are to seek a balanced return from a combination of income and capital growth using a portfolio consisting of UK equities/funds, overseas funds, fixed interest securities and cash. A 'medium' risk approach is adopted for the portfolios, with a strategic asset allocation split between equities and fixed interest/cash set at 70:30. Respectively, the actual income delivered during 2022 was £6,191, £7,111, and £1,882 respectively.

In respect to the Farrar Fund, the benchmark is the Adam Income & Capital Preservation benchmark, which consists of 45% FTSE All Stocks Gilt Index, 40% FTSE All Share Index, 10% FTSE All World excluding UK Index and 5% cash. The income produced from the Farrar Fund in 2022 was £4,321.

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2022

Resources

The reserves are split between unrestricted and restricted funds that relate to the individual funds and unrestricted general funds available to the charity for day-to-day use. The Society's assets are sufficient to meet its obligations.

Grant Making Policy

Grants will be made within the established objectives of the Society to promote research into nautical antiquities, into matters relating to seafaring and ship building in all ages and among all nations, into the language and customs of the sea and into other subjects of nautical interest, to publish the useful results of such a research and otherwise advance education in such subjects.

The Society holds various Trust Funds and bequests, whose monies are kept, managed and accounted for separately from its own financial affairs, with purposes dedicated to fulfil particular objectives.

- *Anderson Bequest Fund*

This fund was established by a bequest from the estate of Dr R C Anderson, and its income is available for grant in aid of research on maritime historical affairs in the widest possible sense. The funding of the Anderson Medals is also allocated from this fund for publications of particular merit on maritime history.

- *The Tomlin Fund*

The Tomlin Fund was created by a legacy from Lt Cmdr R J Tomlin. The income from this fund is used to support research in accordance with the Society's objectives and education in maritime historical affairs.

- *Macpherson Trust*

This fund is the residue of funds raised by subscription to purchase the Macpherson Collection of Prints for the National Maritime Museum. The income is devoted to grants for the purchase of prints and pictures for the National Maritime Museum.

- *The Save the Victory Fund*

This fund is the residue of a sum raised by public subscription for the restoration of HMS Victory, and is still open to supplement by donation. The income is reserved for grants devoted to the restoration of the ship to her 1805 state and to her presentation to the Public as such.

- *The Farrar Fund*

This fund was created by a legacy from the estate of Austin Farrar and its income and capital is available for projects designed to promote the awareness as well as the objectives of the Society.

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2022

Statement of Council Members' Responsibilities

The trustees (who are also the directors of the Society for Nautical Research for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

Company law required trustees to prepare financial statements for each financial year which give a true and fair view of the state of the 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 these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 steps they ought to have taken to make themselves aware of any relevant information and to establish that the auditor is aware of that information.

Public benefit

We have referred to the guidance in the Charity Commission's general guidance on Public Benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Auditor

Moore Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditor for the ensuing year

Small company rules

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By Order of the Council

Dr David Davies

Chairman of the Society

Date:

21/4/23

6 Appold Street
London

Independent Auditor's Report to the Trustees of The Society For Nautical Research

Opinion

We have audited the financial statements of The Society For Nautical Research ('the company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet 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, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its 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;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 the 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 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.

Independent Auditors' Report to the Trustees of The Society For Nautical Research

Opinion 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 have 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 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 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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, 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 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 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

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. 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Independent Auditors' Report to the Trustees of The Society For Nautical Research

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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.

Use of our 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. Our audit work has been undertaken so that we might state to the company's members 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



James Cross, Senior Statutory Auditor
for and on behalf of Moore Kingston Smith LLP
Statutory Auditor

9 Appold Street
London
EC2A 2AP

Date: 21 April 2023

The Society For Nautical Research
Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For the year ended 31 December 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
INCOME FROM:					
Donations and legacies	2	7	-	7	1,103
Investments					
Investment income and interest received	3	19,505	105,718	125,223	134,688
Charitable activities					
Subscriptions	4	64,501	-	64,501	61,650
Publications, royalties and copyright sales		27,183	-	27,183	106,981
		<u>91,684</u>	<u>-</u>	<u>91,684</u>	<u>168,631</u>
Other		<u>1,000</u>	<u>948</u>	<u>1,948</u>	<u>1,000</u>
Total Income		<u>112,196</u>	<u>106,666</u>	<u>218,862</u>	<u>305,422</u>
EXPENDITURE ON:					
Raising funds					
Investment management costs		5,722	24,644	30,366	30,319
Charitable activities					
Grants and donations payable	5	18,306	153,325	171,631	32,050
Publications	6	66,957	-	66,957	143,847
Advancing interest in nautical research	8	25,167	-	25,167	22,282
		<u>110,430</u>	<u>153,325</u>	<u>263,755</u>	<u>198,179</u>
Total Expenditure		<u>116,152</u>	<u>177,969</u>	<u>294,121</u>	<u>228,498</u>
Net (losses)/gains on investments	11	<u>(78,993)</u>	<u>(534,000)</u>	<u>(612,993)</u>	<u>490,422</u>
Net Income before transfers		(82,949)	(605,303)	(688,252)	567,346
Transfers	14	-	-	-	-
Net Income for the year/Net movement in funds		(82,949)	(605,303)	(688,252)	567,346
Fund Balances Brought Forward		<u>964,630</u>	<u>4,850,665</u>	<u>5,815,295</u>	<u>5,247,949</u>
Fund Balances Carried Forward	14	<u>881,681</u>	<u>4,245,362</u>	<u>5,127,043</u>	<u>5,815,295</u>

All amounts relate to continuing activities.

The notes on pages 16 to 23 form part of these financial statements.

The Society For Nautical Research

Balance Sheet

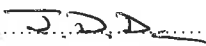
As at 31 December 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed Assets					
Tangible fixed assets	10		1		1
Investments	11		<u>4,768,736</u>		<u>5,392,015</u>
			4,768,737		5,392,016
Current Assets					
Debtors	12	6,619		11,915	
Cash at bank and in hand		<u>531,424</u>		<u>542,179</u>	
		538,043		554,094	
Creditors: Amounts falling due within one year	13	<u>(179,737)</u>		<u>(130,815)</u>	
Net Current Assets			<u>358,306</u>		<u>423,279</u>
Net Assets			<u><u>5,127,043</u></u>		<u><u>5,815,295</u></u>
 Unrestricted Funds	 14, 15		 881,681		 964,630
 Restricted Funds	 14, 15		 4,245,362		 4,850,665
			<u><u>5,127,043</u></u>		<u><u>5,815,295</u></u>

The notes on pages 16 to 23 form part of these financial statements.

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006, relating to small companies.

Approved by the Council Members, and authorised for issue, on 21 April 2023
and signed on their behalf by:


Dr J D Davies - Chairman


Peter Nash - Hon Treasurer

Companies House Number: 2848095

The Society For Nautical Research

Notes to the Financial Statements

For the year ended 31 December 2022

1 Accounting policies

Basis of Preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The company is a public benefit entity for the purposes of FRS 102 and a registered charity established as a company limited by guarantee in the United Kingdom and therefore has 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 and Charities Act 2011.

The charity has taken advantage of the provisions of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities. Figures are rounded to the nearest pound.

Going concern

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

A summary of the principal accounting policies adopted, judgements and key sources of estimation uncertainty, is set out below.

a) *Incoming resources*

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

b) *Subscription Income*

Subscriptions received in advance of next year are carried forward in the balance sheet and will be included in the Statement of Financial Activities for the following year.

c) *Other Income*

Other income, including publication sales, advertising, royalty income and conference income, is included in the accounts when receivable.

d) *Donations*

Donations are recognised as they are received except in the case where they relate to a specific future project, in which case they are deferred until the commencement of that project.

e) *Legacies*

Legacies include all unsolicited legacies. Legacies are taken into account when capable of financial measurement and receipt is virtually certain.

The Society For Nautical Research

Notes to the Financial Statements

For the year ended 31 December 2022

1 Accounting policies

f) *Investments and Gains and Losses on Investment Assets*

Investments are stated in the financial statements at market value in accordance with the Statement of Recommended Practice issued by the Charity Commission. Gains or losses on investments are disclosed in the statement of financial activities showing separately realised gains from investment sales in the year (sale proceeds less market value last year) and unrealised gains arising from the increase in value during the year of investments still held. Investment income including the associated income tax recoverable is credited to income on a receivable basis.

g) *Cash Flow Statement*

The trustees have taken advantage of the exemptions available in FRS 102 and have chosen not to prepare a cash flow statement.

h) *Resources Expended*

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. Expenditure is 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.

Wherever possible costs are directly attributed to headings that aggregate all costs related to the category. Costs common to more than one area are apportioned on the basis of time spent on each area or on a direct cost basis. The irrecoverable element of VAT is included with the expense item to which it relates.

Costs of generating funds are those costs of seeking potential funders and applying for funding.

Grants payable are accounted for on an accruals basis.

Support costs are those costs incurred in support of the charitable objectives. These have been allocated to the charitable activities on a basis that fairly reflects the true use of those resources within the organisation.

Governance costs are those incurred in the governance of the charity and are primarily associated with the constitutional and statutory requirements. The irrecoverable element of VAT is included with the expense item to which it relates.

i) *Critical accounting estimates and areas of judgement*

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. 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.

j) *Financial instruments*

The company 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 company 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 reduce the asset and settle the liability simultaneously.

With the exception of deferred income, all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 12 and 13 for details.

The Society For Nautical Research

Notes to the Financial Statements

For the year ended 31 December 2022

Accounting policies (continued)

k) *Cash and cash equivalents*

Cash and cash equivalents include cash in hand and current and fixed term deposits with banks that are accessible within 3 months.

l) *Functional currency*

The functional and presentation currency of the company is the pound sterling.

m) *Tangible fixed assets*

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses. Depreciation is provided on tangible fixed assets to write off their cost over estimates of their useful lives at the following rates:

Computers - 33 1/3% straight line

n) *Fund Accounting*

Unrestricted: these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated: these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Restricted: these are funds that can only be used for particular restricted purposes within the objects of the charity. Capital funds with restrictions attached are included in this category. These funds consist of an original endowment and accumulated unspent restricted income.

o) *Taxation*

The company, as a charity, is exempt from taxation.

2 Voluntary Income

Unrestricted funds

Donations and legacies

2022	2021
£	£
7	1,103

3 Investment income and interest received

Unrestricted funds

Restricted funds

2022	2021
£	£
19,505	18,948
105,718	115,740
125,223	134,688

4 Subscriptions

Of the subscription income, £21,488 was received from overseas. This equates to 33% of total subscription income (2021: 28%)

Subscription income includes the associated recoverable gift aid.

5 Grants Payable

Unrestricted funds:

Scottish Maritime History Conference

Anderson Bequest - Other

Anderson Awards

Maritime History North

New Researchers Grant

Naval Dockyards Conference

Support costs (Note 8)

Restricted funds:

National Maritime Museum

Support costs (Note 8)

National Museum of the Royal Navy

Victory Medal

2022	2021
£	£
500	-
1,611	22
3,045	1,589
500	500
500	-
2,800	-
9,350	6,955
-	-
-	20,000
2,935	2,935
150,000	-
390	49
171,631	32,050

The Society For Nautical Research
Notes to the Financial Statements
For the year ended 31 December 2022

6 Publication Costs	2022	2021
	£	£
<i>Unrestricted funds</i>		
General cost of publications	47,172	126,457
Support costs (Note 8)	19,785	17,390
	<u>66,957</u>	<u>143,847</u>

7 Governance Costs	2022	2021
	£	£
<i>Unrestricted funds</i>		
Support costs (Note 8)	13,749	12,326
Audit and accountancy	11,695	9,645
Other management costs	150	150
	<u>25,594</u>	<u>22,121</u>
<i>Restricted funds</i>		
Audit and accountancy	2,085	2,085
Other management costs	850	850
	<u>28,529</u>	<u>25,056</u>

8 Allocation of Other Membership and Support Costs	Grants	Publications	Advancing Interest in Nautical Research	Governance Costs
Year to 31 December 2022	Payable			
	£	£	£	£
Membership secretary fees	-	-	13,200	-
Travel, postage and general expenses	2,775	2,775	-	5,549
Lecture and conferences	-	-	250	-
Victory events	-	-	2,208	-
Professional	-	-	-	700
Publicity and Website	-	7,500	-	7,500
	<u>2,775</u>	<u>10,275</u>	<u>15,658</u>	<u>13,749</u>
Direct governance costs	-	-	-	14,780
	<u>2,775</u>	<u>10,275</u>	<u>15,658</u>	<u>28,529</u>
Allocation of governance support costs	<u>9,510</u>	<u>9,510</u>	<u>9,509</u>	<u>(28,529)</u>
	<u>12,285</u>	<u>19,785</u>	<u>25,167</u>	<u>-</u>

The Society For Nautical Research
Notes to the Financial Statements
For the year ended 31 December 2022

8 Allocation of Other Membership and Support Costs Continued

Year to 31 December 2021	Grants Payable	Publications	Advancing Interest in Nautical Research	Governance Costs
	£	£	£	£
Membership secretary fees	-	-	13,200	-
Travel, postage and general expenses	1,538	1,538	-	3,076
Lecture and conferences	-	-	730	-
Professional	-	-	-	1,750
Publicity and Website	-	7,500	-	7,500
	<u>1,538</u>	<u>9,038</u>	<u>13,930</u>	<u>12,326</u>
Direct governance costs	-	-	-	12,730
	<u>1,538</u>	<u>9,038</u>	<u>13,930</u>	<u>25,056</u>
Allocation of governance support costs	8,352	8,352	8,352	(25,056)
	<u>9,890</u>	<u>17,390</u>	<u>22,282</u>	<u>-</u>

No staff were employed by the charity during 2022 (2021: None).

9 Net Incoming Resources

Are stated after charging:	2022	2021
	£	£
Auditor's remuneration	9,750	7,450
Trustee expenses reimbursed to 2 trustees (2021: 2 trustee)	465	520

Trustee expenses related predominantly to travel costs. No trustee received remuneration in 2022 (2021: £Nil).

10 Tangible Fixed Assets

	Plant & Machinery
	£
Cost	
As at 1 January 2022 and 31 December 2022	<u>1,485</u>
Depreciation	
As at 1 January 2022 and 31 December 2022	<u>1,484</u>
Net Book Value	
As at 1 January 2022 and 31 December 2022	<u>1</u>

The Society For Nautical Research

Notes to the Financial Statements

For the year ended 31 December 2022

11 Investments

Investments are listed on a recognised stock exchange or are held in units of common investment funds where their values are calculated by reference to investments quoted on a recognised stock exchange.

	2022		2021	
	Cost	Market Value	Cost	Market Value
	£	£	£	£
Unrestricted Funds				
General Fund	188,260	249,015	185,514	280,061
Designated Funds:				
Anderson Bequest Fund	198,207	260,438	265,427	287,569
Tomlin Bequest Fund	48,867	62,233	49,815	69,821
Farrar Fund	131,168	139,761	132,941	163,423
	<u>566,502</u>	<u>711,447</u>	<u>633,697</u>	<u>800,874</u>
Restricted Funds	<u>2,902,186</u>	<u>4,057,289</u>	<u>2,770,798</u>	<u>4,591,141</u>
	<u>3,468,688</u>	<u>4,768,736</u>	<u>3,404,495</u>	<u>5,392,015</u>
	Unrestricted Funds	Restricted Funds	Unrestricted Funds	Restricted Funds
	£	£	£	£
Balance at beginning of year	786,951	4,451,335	735,300	4,096,429
Additions	16,005	179,663	52,264	320,865
Disposals at book value	(22,740)	(98,817)	(57,301)	(399,669)
Net gains/(losses) on investments	(78,993)	(534,000)	56,688	433,734
Add: Cash balances included in investments	<u>10,224</u>	<u>59,108</u>	<u>13,923</u>	<u>139,782</u>
Balance at end of year	<u>711,447</u>	<u>4,057,289</u>	<u>800,874</u>	<u>4,591,141</u>
			Market Value 2022	Market Value 2021
			£	£
UK equities			955,729	2,378,762
UK Fixed Interest			20,404	805,714
UK index linked			2,030,515	23,677
Overseas equities			1,477,529	1,495,293
Overseas Fixed Interest			215,123	534,864
Cash			<u>69,436</u>	<u>153,705</u>
			<u>4,768,736</u>	<u>5,392,015</u>

The Society For Nautical Research

Notes to the Financial Statements

For the year ended 31 December 2022

12 Debtors	2022	2021
	£	£
Taxation and social security debtor	1,290	692
Royalty debtor	5,000	5,000
Podcast Debtor	329	5,336
Other debtors	-	887
	<u>6,619</u>	<u>11,915</u>

13 Creditors: Amounts falling due within one year	2022	2021
	£	£
Accruals and deferred income	29,737	30,815
Grant creditor	150,000	100,000
	<u>179,737</u>	<u>130,815</u>

Of the above, £7,872 relates to deferred income, all of which was deferred in the current year (2021: £8,346). Deferred income relates to subscription income received in advance.

14 Funds	Balance at 1 Jan 2022	Incoming Resources	Outgoing Resources	Transfers	Investment Gains	Balance at 31 Dec 2022
	£	£	£		£	£
Unrestricted Funds						
General Fund	433,377	98,882	(103,143)	-	(30,402)	398,714
Designated Funds:						
Anderson Bequest	302,446	7,111	(7,045)	-	(27,272)	275,240
Tomlin Bequest	71,388	1,882	(4,805)	-	(6,592)	61,873
Farrar Fund	157,419	4,321	(1,159)	-	(14,727)	145,854
	<u>964,630</u>	<u>112,196</u>	<u>(116,152)</u>	<u>-</u>	<u>(78,993)</u>	<u>881,681</u>
Restricted Funds						
Save the Victory	4,081,557	90,792	(173,228)	-	(462,526)	3,536,595
Macpherson Collection	769,108	15,874	(4,741)	-	(71,474)	708,767
	<u>5,815,295</u>	<u>218,862</u>	<u>(294,121)</u>	<u>-</u>	<u>(612,993)</u>	<u>5,127,043</u>

Designated Funds

The designated funds will be spent in line with the investment income that becomes available and will be spent in accordance with the designations as per the below:

The Anderson Bequest

This fund is used to fund grants for research work on maritime history in general. The transactions of the fund are separately recorded and were created from unrestricted legacies received.

The Tomlin Bequest Fund

This fund is designated by the Council to augment financial support for conferences and other Society activities.

The Farrar Fund

This fund was created by a legacy from the estate of Austin Farrar and its income and capital is available for projects designed to promote awareness as well as the objectives of the society.

Restricted Funds

The restricted funds comprise two endowment funds which are the Save the Victory Fund and the Macpherson Collection Endowment Fund. The Save the Victory Fund engages in activities that preserve and restore HMS Victory. The Macpherson Collection Endowment Fund purchases works of art for the National Maritime Museum.

The Society For Nautical Research
Notes to the Financial Statements
For the year ended 31 December 2022

14 Funds	Balance at 1 Jan 2021	Incoming Resources	Outgoing Resources	Transfers	Investment Gains	Balance at 31 Dec 2021
	£	£	£		£	£
Unrestricted Funds						
General Fund	409,930	177,919	(174,771)	-	20,299	433,377
Designated Funds:						
Anderson Bequest	277,973	6,337	(4,005)	-	22,142	302,447
Tomlin Bequest	65,546	1,688	(1,009)	-	5,163	71,388
Farrar Fund	145,772	3,738	(1,176)	-	9,084	157,418
	<u>899,221</u>	<u>189,682</u>	<u>(180,961)</u>	<u>-</u>	<u>56,688</u>	<u>964,630</u>
Restricted Funds						
Save the Victory	3,636,173	99,832	(22,814)	-	368,366	4,081,557
Macpherson Collection	<u>712,555</u>	<u>15,908</u>	<u>(24,723)</u>	<u>-</u>	<u>65,368</u>	<u>769,108</u>
	<u>5,247,949</u>	<u>305,422</u>	<u>(228,498)</u>	<u>-</u>	<u>490,422</u>	<u>5,815,295</u>

15 Analysis of Net Assets between Funds	Fixed Assets and Investments	Net Current Assets	2022 Total	2021 Total
	£	£	£	£
Unrestricted funds	711,447	170,234	881,681	964,630
Restricted funds:				
Save the Victory Fund	3,424,040	112,555	3,536,595	4,081,557
Macpherson Collection Endowment Fund	<u>633,249</u>	<u>75,518</u>	<u>708,767</u>	<u>769,108</u>
	<u>4,768,736</u>	<u>358,307</u>	<u>5,127,043</u>	<u>5,815,295</u>

16 Councils' Liability

In the event of the company being wound up, the liability of each member is limited to £1. At 31 December 2022 there were 16 members.

17 Related party transactions

During the year, Helen Garvey, the membership secretary received fees of £13,200 (2021 - £13,200).

The key management personnel of the society are the Officers and the Council members. They were not remunerated in the year (2021: £nil).

Accounts



The Society for Nautical Research

(A Company Limited by Guarantee)

Company Number: 2848095

Charity Number: 1026357

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

The Society for Nautical Research

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The Society for Nautical Research

Legal and Administrative Information

President

Admiral Sir Kenneth Eaton

Chairman

Dr J D Davies

Hon. Secretary and Company Secretary

Mr A B Roach

Hon. Treasurer

Dr P V Nash

Editor

Dr M Bellamy

Vice Presidents

Cdr J M Bingeman

Professor R Harding (Senior Vice President)

Dr Cathryn Pearce

Lieut Cmdr F L Phillips

Dr S Rose

Dr Pieter van de Merwe

Membership Secretary

Mrs H Garvey

Auditor

Moore Kingston Smith LLP

Devonshire House

60 Goswell Road

London EC1M 7AD

Bankers

Barclays Bank plc

8/9 Hanover Square

London W1A 4ZW

Investment Managers

Adam & Company

25 St Andrew Square

Edinburgh EH2 1AF

Registered Office

Devonshire House

60 Goswell Road

London EC1M 7AD

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2021

Status and Administration

The Society is a charitable company limited by guarantee (registration number: 2848095) registered with the Charity Commission number 1026357. The Council sets the policies of the Society and these are administered by the Chairman, Honorary Secretary and Honorary Treasurer. The governing document of the charity is the memorandum and articles of association which were updated and approved at the 2021 Annual General Meeting. There are no restrictions imposed by the governing document except the objects of the charity as stated below.

Objects

The principal activity of the company includes the promotion of research into nautical antiquities and matters relating to the history of seafaring and ship building, languages and customs of the sea and to publish the results of such research and otherwise advance public education in such subjects. In particular this includes the publication of 'The Mariner's Mirror' quarterly. In addition there are two restricted funds, both of which are subsidiary charities, the Save the Victory Fund and the Macpherson Collection Endowment Fund. The Save the Victory Fund has been formed for the restoration and presentation to the public of Nelson's Flag Ship HMS Victory and the Macpherson Collection Endowment Fund acquires works of art for the National Maritime Museum.

Trustees

The Officers of the Society and the Council members are the Charity Trustees of the Society and are listed below:

Dr J D Davies (Chairman of the Society)
Dr P V Nash (Honorary Treasurer)
A Roach (Honorary Secretary)

Commander M Barton (elected 2021, review 2025)
P Bugden (elected 2019, review 2023)
C. Brandon (elected 2019, review 2023)
Dr A Coats (elected 2018, review 2022)

Dr J Davey (elected 2019, review 2023)
N Hewitt (elected 2019, review 2023)
Dr C Holt (elected 2019, review 2023)
K Jamieson (elected 2021, review 2025)
Capt P King (elected 2020 review 2024)
J Michell (elected 2021, review 2025)
Dr K Parker (elected 2021, review 2025)
Dr C Scheybeler (elected 2021, review 2025)

Trustee appointment, induction and training

The Articles of Association of the Society specify the election procedure for the Officers of the Society and the Council. In accordance with their obligations Council in each year nominates a list of willing candidates for election by the members of the Society at each properly constituted annual general meeting. These may be for the positions of Vice President or for Councillors as well as for the President and other Officers of the society. The Officers are obliged to submit themselves for re-election each year. The Councillors whose four year term of office has expired may stand for re-election. The final say as to which persons serve is made by the membership of the Society who are also asked to nominate candidates for election. All the Vice Presidents, Councillors and Officers are given a copy of the Memorandum of Understanding and the Articles of Association of the Society together with a copy of the Society's Guide to the Conduct of Business. This includes a reminder that Vice Presidents have a working role and that Councillors and Officers are both Directors and Trustees of the Society and this reminder is reinforced in Council meetings from time to time by the Officers. The Directors and Trustees of the Society are helped to discharge their responsibilities through guidance in Council by the Officers, by receiving necessary papers recording the advice of the Society's financial advisers and by receiving, at least once a year, a Risk Analysis Review. The Council's particular contribution is a rigorous annual scrutiny of budget proposals and a quarterly review of progress. In addition, the Finance and General Purposes Committee receive an oral and written briefing every six months by the Society's financial advisors. The frequency has increased during the difficult market conditions which have prevailed in recent years.

The Society for Nautical Research

Trustees' Report (Continued)

For the year ended 31 December 2021

Key Management Personnel

The key management personnel of the society are the Officers and the Council members. The Officers are re-elected every year by the Society at the AGM, and their efforts during the year speak for themselves. Council members have been elected on the basis of the wisdom and experience that they can bring to the Society. The vice presidents bring a wealth of experience across many fields to Council meetings, and are always available to give advice in their particular field of expertise if it is asked for. The Editor of the Mariner's Mirror, Dr Bellamy is remunerated at the rate of £2,000 per edition. The Editor of Topmasts, N Blanchford, is remunerated at the rate of £1,000 per edition.

The Aims of the Society

To promote research into nautical antiquities, into matters relating to sea-faring and shipbuilding in all ages and among all nations, into the language and customs of the sea and into other subjects of nautical interest, to publish the useful results of such research and otherwise advance public education in such subjects (Memo of Association, 1993).

Objectives, Strategies and Achievements

Objective	Strategy	Achievement
Publish The Mariner's Mirror four times per annum	Support the work of the Editor, the Hon. Reviews Editor and the Editorial Board. (Operations overseen by the Publications Committee)	This was achieved as usual with electronic copies of The Mariner's Mirror targeted at institutional users by Taylor & Francis and with hard copies for personal members.
Publish Topmasts, the Society's newsletter, four times a year.	Support the work of the Topmasts Editor.	Topmasts is available electronically through the SNR website.
Manage the website to reflect the Society and its achievements.	The website reflects the strengths and achievements of the Society and uses social media to reach new members.	Membership figures continue to increase, with members joining through activities relating to the Forum and Topmasts.
Advance public education in Maritime History.	Provide financial support for at least two conferences annually as well as other research proposals, the New Researchers Conference and the ICMH Seminar Series. To award the Anderson, Victory and Centenary Medals as appropriate.	Seven organisations and individuals were awarded grants to support research projects and/or conferences - including BCMH, Exeter University and Maritime History North. The Anderson Medal for best book in Maritime History (2020) was awarded to Richard Endsor for his book The Master Shipwright's Secrets. The Victory Medal was awarded to Andrew Baines for his dedication to the preservation and restoration of HMS Victory and other ships under the care of the National Museum of the Royal Navy.

The Society for Nautical Research Trustees' Report (Continued) For the year ended 31 December 2021

Overview

This year is the ninth to reflect the publishing arrangements between ourselves and Taylor & Francis for 'The Mariner's Mirror', an INT1 category international publication in the European List of Humanities with high visibility and influence among researchers in the various research domains in different countries, regularly cited all over the world. Whilst still retaining editorial control of 'The Mariner's Mirror' and meeting the costs of editing and typesetting, the Society is no longer responsible for the printing and distribution of the journal which continues to be undertaken by Taylor & Francis. Council believes this partnership will continue to secure the Society's standing in the electronic age. 'The Mariner's Mirror' is produced in electronic form and targeted by Taylor & Francis at institutional bodies who no longer want to receive publications in paper format. This has not only significantly increased 'The Mariner's Mirror's' exposure to the worldwide institutional market but it has also created online worldwide demand for full text downloads. 'The Mariner's Mirror' continues to be available in the traditional form to personal members of the Society.

This is seventh year in which the SNR website managed by Burlington Partnership has continued to provide a dynamic and interactive platform covering the activities of the society and its members available to both existing and potential new members worldwide. It has now become the predominant source for securing new members. In addition, our electronic newsletter TOPMASTS has become extremely popular for our membership and continues to expand and provide an invaluable if more informal source of information and articles covering a wide spectrum of maritime interests. The Society has also just begun a programme of podcasts through Dr Sam Willis which we believe will be both beneficial to anyone interested in maritime history as well as to the profile of the SNR.

Review of Activities and Financial Results

The Society has recorded a surplus for the year ended 31 December 2021 amounting to £567,346 taking into account £490,422 which represented net gains on investments (2020: net loss £76,384). Investments for both unrestricted and restricted funds increased in market value by nearly 10% from £4,904,715 to £5,392,015. As far as the balance sheet is concerned this increased the net assets by 10.8% from £5,247,949 to £5,815,295.

Overall, this year's activities have once again been constrained by the impact the COVID 19 pandemic on our ability to achieve all that we had hoped and budgeted for in supporting maritime history research. While it has therefore been relatively quiet in terms of activities and grants we have fortunately been able to remain very active in pursuing our publishing endeavours, both print and on the website. Both 'Mariner's Mirror' and TOPMAST have been very well received and our website has been particularly busy, enhanced by the accelerated podcast programme successfully organised for this first full year by Dr Willis which is also available on our website. Therefore, when comparing the annual income and costs derived from Publications activity this year it should be noted that some £80,000 of new money has been incorporated into our Statement of Financial Activities, representing a Lloyds grant negotiated by Dr Willis to support podcast activity which is channelled via the SNR exclusively to support the podcast programme.

Our operating income otherwise remains healthy augmented by the significant increase in investment income compared to the previous year. Moreover, subscriptions have increased again which is encouraging although those members resident overseas has dropped from 32% to 28%. Our contract with Taylor & Francis has enabled a further modest improvement in royalties in lieu of subscription income traditionally derived from our institutional membership subscriptions. Overall administration costs for the year have remained stable and within budget. On the grants funding side, in general those provided through the Anderson and Tomlin portfolios remained significantly down, almost exclusively caused by the impact of lockdowns.

The Society for Nautical Research

Trustees' Report (Continued)

For the year ended 31 December 2021

The following comments for each Fund provide some background behind the overall results.

The Society's Tomlin Fund provided £500 to support Maritime History North.

The Save the Victory Fund (STVF) was not approached for any new grants this year but £100,000 previously approved in 2020 remains available for drawdown as and when the grantee requires the funds.

The Macpherson Collection Endowment Fund granted to the National Maritime Museum the sum of £20,000 towards the purchase of the Tilly Kettle.

The Anderson Fund provided research grants to the following recipients both home and abroad, namely P Reid and J Razzell.

Risk Assessment

The Trustees have examined the financial and operational risks which the charity faces and confirm that systems controls and review procedures have been established to mitigate exposure to these risks.

In order to help manage these risks further, a Reserves Policy was adopted and first published in the Annual Report for 2001. This is reviewed annually and revised if necessary to reflect the financial circumstances in which the Society operates should these change significantly.

Although the Society has no fixed assets, nor places any reliance upon raising funds from new donors to meet commitments, it nevertheless considers the following types of risk to be the most important and the Society has therefore taken over time a number of appropriate steps designed to mitigate their impact.

Loss of reputation, whether through the website or The Mariner's Mirror, is a significant group of risks that would seriously affect the performance of the Society. Although there is a relatively low probability of this happening we nevertheless undertake certain continuing precautions including but not limited to vigilant management at all times, properly exercised moderation on the website as well as making sure we comply with all applicable regulations and legislation. Moreover, we continually monitor performance of Taylor & Francis as well as having in place a proper succession plan to ensure we maintain editorial continuity.

The other major area of risk is financial including significant loss of funds or reserves due to negligence or incompetence by our investment advisers or collapse of investment markets. Again such events would be very serious if they were to happen although their likelihood remains relatively low provided we continue to monitor their performance through regular meetings including agreeing appropriate risk guidelines and performance assessment criteria.

The third broad group of risks are operational including uncontrolled budgetary excesses as well as fraud, theft or dishonesty by staff or third parties. The precautions we have taken for the former include but are not limited to applying a rigorous budgetary procedure that must be approved by the Trustees, and regularly monitored by the Finance & General Purposes committee. For the latter we have instituted liability insurance cover where and when appropriate, we have dual control of payments and disbursements while our payment systems on the website are secured with a ring fenced bank account for transfers via PAYPAL/STRIPE.

The Society for Nautical Research

Trustees' Report (Continued)

For the year ended 31 December 2021

Reserves Policy

The Reserves Policy of the Society has been determined based on the Society's objectives and the current and expected future activities needed to fulfil these objectives. The trustees have set a policy after taking into account the foreseeable future income and expenditure patterns and associated risks. Its main features are:

Restricted Funds

- a) One of the Society's major activities is the long term preservation and restoration of HMS Victory, conducted through the Society's restricted Charitable fund called 'Save the Victory Fund' (STVF) whereby expenditure is budgeted annually against expected annual income derived from investments, in accordance with an overall rolling five-year plan. This year has seen a further considerable build-up in the amount of available funds to meet funding bids from HMS Victory but these have not been forthcoming while major infrastructural development continues apace on the hull itself. The Society remains ready to respond to further calls for supporting HMS Victory as part of the STVF mandate but recognises this may take some while to come to fruition.
- b) The Society's other Charitable restricted fund, called the Macpherson Collection Endowment Fund is available for purchasing from time to time, from available accumulated funds, works of art for the National Maritime Museum to add to the Macpherson Collection. Any purchases are funded only from surplus income not endowment capital.

Unrestricted Funds

The policy is designed to provide resources to fund the rest of the Society's activities into the foreseeable future, including promotion of research into nautical antiquities and matters relating to the history of seafaring and ship building, languages and customs of the sea and to publish the results of such research and otherwise advance public understanding and education in these subjects. This requires the Society:

- a) To achieve a margin of working capital sufficient to enable all aspects of the Society's work to be conducted in an orderly and efficient manner.
- b) To achieve a liquid reserve to provide cover for expected but unavoidable items of expenditure which cannot be funded from current income. This proved a particularly valuable strategy when we were able to apply contingency funds built up over the previous five years towards funding special one-off centenary publications which would not have been otherwise possible from current income alone. We continue to set aside each year an appropriate amount (currently £5,000) to help prepare us for future unforeseen or even planned exceptional costs which might arise from time to time.

However, the major challenge before us remains the need to ensure we have the resources available to invest in the necessary technology to enable the Society to meet the needs of a changing readership market by adopting a number of web-based strategies including the digitization of The Mariner's Mirror. As such the Farrar Fund continues to provide an assured source of potential funding for such development and has been structured from an investment point of view to provide both liquidity (for potentially sudden or urgent capital requirements) as well as longer term equity type support for the sort of transformation that is now well underway.

Our reserves are therefore derived from two sources. The first is by transferring every year whenever there is a surplus at year end, a sum of £5,000 to a contingency fund held by our investment managers. This currently amounts to £35,607 at the end of the year but remains available at any time to facilitate the Society's ability to meet an unbudgeted or emergency liability that might prove difficult to fund from available current income at the time. The second source derives from surpluses reached in any year where grants or donations are by nature erratic due to the nature of the underlying purpose or environment, such as the impact of COVID-19 these last two years or so.

The Society for Nautical Research

Trustees' Report (Continued)

For the year ended 31 December 2021

Future plans

The Trustees are mindful that they are responsible for the heritage of the society and also for its healthy future. The commissioning of the new website was the first step towards a more electronically aware future which is already bringing in new members. There are other new projects in hand. The Research and Programs Committee continues to invite our members to suggest areas for new development. Their responses will be analysed, but it is pleasing to note that many members have indicated their approval of the developments which have taken place.

Investment Powers, Policy and Performance

On 31st December 2021, the value of the portfolios overseen by the Society totalled £5.39 million, which represents an increase of just under 10% from the value a year ago. This figure includes the Farrar Fund (c.£163,500) which is managed with a lower risk mandate. The total value above excludes money accumulating in the income accounts of each portfolio. Adjusting for all withdrawals, and the size of the different portfolios, the weighted average performance net of fees over the year (including the Farrar Fund) was 12%. In aggregate all 6 portfolios produced income of £134,688 over the year versus £113,022 in 2020.

By way of comparison, the Societies bespoke benchmark that was agreed with the trustees for all the portfolios bar the Farrar Fund, consisting of 50% FTSE All Share TR/20% FTSE All World ex UK (£) TR/30% Government All Stocks TR, gained 11.19% (gross of fees) during the year. The Retail Price Index (RPI) rose by 6.3% during 2021.

Market Review

2021 was a year of rapid recovery. The success of the vaccine rollout provided developed market governments sufficient confidence to ease lockdown measures and allow a sense of normality to return to peoples' lives, albeit in a somewhat haphazard manner as further unknown challenges inevitably came to light along the way.

As global economic activity quickly took shape, consumers across the developed world started to spend some of the excess cash accumulated during the 2020 lockdown. With travel and hospitality spending still under severe restrictions for most of the year, spending was focused on goods with demand hitting unprecedented levels.

However, problems quickly surfaced as this high level of demand met a supply system which had not fully recovered from the pandemic. From the 2020 closure of manufacturing plants which reduced the number of items available, a weeklong blockage of the Suez Canal, worker shortages in key areas such as transportation and logistics - bottle necks were seen across the full supply chain. By the final quarter of 2021, this supply and demand imbalance created product shortages across all industries in all countries. Suppliers' delivery times lengthening, goods disappeared from shop shelves, and the price of goods ultimately increased. These problems were further compounded by a surge in fuel prices, caused by weak renewable generation during the summer months which placed greater reliance on gas held in storage to power the nation.

The increased price of goods, transportation and fuel combined to result in a spike in inflation, which was already at an elevated level due to its calculation methodology, to levels last seen in the 80s. Initially central bankers were relatively sanguine. They took the view that all these factors were transitional. Chinese manufacturing was already exceeding pre-pandemic levels, the cost of international freight started to decline in October, and government policies were being introduced to ease country level transportation issues - the supply demand imbalance would eventually correct. They took the position that an economic recovery, which would see people return to the workforce and come off government support, was far more important than a short-term spike in inflation. And indeed, after a weak 3rd Quarter economic growth soared in the 4th Quarter as supply chains regrouped.

This view however quickly reversed as inflation continued to rise at a faster rate than anticipated, and more concerning core inflation - a measure which excludes highly volatile components such as fuel and food - also starting to rise rapidly. By December, every major central bank viewed inactivity as a bigger risk than enacting policies to dampen demand and ultimately bring inflation down. The US Federal reserve announced a scale back of COVID market support along with a rate rise in March 2022. The European Central Bank announced an end of their pandemic support program by March 2022, with the indication that interest rates would rise by the end of 2022. Whilst the UK Bank of England announced an immediate increase in interest rates with more to follow in 2022.

The Society for Nautical Research

Trustees' Report (Continued)

For the year ended 31 December 2021

Market Review - Summary

Ultimately this is a tightrope walk. Raising rates and reducing market support will slow economic activity at a time when businesses are only just recovering from the pandemic. The clear risk is that Central Bankers overshoot and tighten too much resulting in a recession. Meanwhile the bond market, which struggled throughout 2021 will be further affected as fixed income provided by bonds will be below the rate of inflation. Interestingly, Foreign companies buying UK companies – particularly technology related – rocketed in 2021 to new levels which partly reflected the perceived under-valuation of the UK stock market but also the recognition that despite the pitfalls the UK was and remains recognised for producing niche technologies which will become increasingly vital for the future.

Investment Objectives

a) Restricted Funds

The investment objective of The Save the Victory Fund is to seek a balanced return from a combination of income and capital growth using a portfolio consisting of UK equities/funds, overseas equities/funds, fixed interest securities and cash. A 'medium' risk approach is adopted for the portfolio, with a strategic asset allocation split between equities and fixed interest/cash set at 70:30. The income generated from the portfolio during 2021 was £99,832.

The investment objective of the Macpherson Fund is to seek a balanced return from a combination of income and capital growth using a portfolio consisting of UK equities/funds, overseas equities/funds, fixed interest securities and cash. A 'medium' risk approach is adopted for the portfolio, with a strategic asset allocation split between equities and fixed interest/cash set at 70:30. The income generated from the portfolio during 2021 was £15,908.

B) Unrestricted Funds

The investment objectives for the SNR Fund, the Anderson Bequest Fund and the Tomlin Bequest Fund are to seek a balanced return from a combination of income and capital growth using a portfolio consisting of UK equities/funds, overseas funds, fixed interest securities and cash. A 'medium' risk approach is adopted for the portfolios, with a strategic asset allocation split between equities and fixed interest/cash set at 70:30. Respectively, the actual income delivered during 2021 was £7,185, £6,337, £1,688 respectively.

In respect to the Farrar Fund, the benchmark is the Adam Income & Capital Preservation benchmark, which consists of 45% FTSE All Stocks Gilt Index, 40% FTSE All Share Index, 10% FTSE All World excluding UK Index and 5% cash. The income produced from the Farrar Fund in 2021 was £3,738.

The Society for Nautical Research

Trustees' Report (Continued)

For the year ended 31 December 2021

Resources

The reserves are split between unrestricted and restricted funds that relate to the individual funds and unrestricted general funds available to the charity for day-to-day use. The Society's assets are sufficient to meet its obligations.

Grant Making Policy

Grants will be made within the established objectives of the Society to promote research into nautical antiquities, into matters relating to seafaring and ship building in all ages and among all nations, into the language and customs of the sea and into other subjects of nautical interest, to publish the useful results of such a research and otherwise advance education in such subjects.

The Society holds various Trust Funds and bequests, whose monies are kept, managed and accounted for separately from its own financial affairs, with purposes dedicated to fulfil particular objectives.

- *Anderson Bequest Fund*

This fund was established by a bequest from the estate of Dr R C Anderson, and its income is available for grant in aid of research on maritime historical affairs in the widest possible sense. The funding of the Anderson Medals is also allocated from this fund for publications of particular merit on maritime history.

- *The Tomlin Fund*

The Tomlin Fund was created by a legacy from Lt Cmdr R J Tomlin. The income from this fund is used to support research in accordance with the Society's objectives and education in maritime historical affairs.

- *Macpherson Trust*

This fund is the residue of funds raised by subscription to purchase the Macpherson Collection of Prints for the National Maritime Museum. The income is devoted to grants for the purchase of prints and pictures for the National Maritime Museum.

- *The Save the Victory Fund*

This fund is the residue of a sum raised by public subscription for the restoration of HMS Victory, and is still open to supplement by donation and a reserved share of profits of the Royal Naval Museum Trading Company. The income is reserved for grants devoted to the restoration of the ship to her 1805 state and to her presentation to the Public as such.

- *The Farrar Fund*

This fund was created by a legacy from the estate of Austin Farrar and its income and capital is available for projects designed to promote the awareness as well as the objectives of the Society.

The Society for Nautical Research

Trustees' Report (Continued)

For the year ended 31 December 2021

Statement of Council Members' Responsibilities

The trustees (who are also the directors of the Society for Nautical Research for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

Company law required trustees to prepare financial statements for each financial year which give a true and fair view of the state of the 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 these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 steps they ought to have taken to make themselves aware of any relevant information and to establish that the auditor is aware of that information.

Public benefit

We have referred to the guidance in the Charity Commission's general guidance on Public Benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Auditor

Moore Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditor for the ensuing year

Small company rules

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By Order of the Council


Dr John Davies
Chairman of the Society

Date: 8/4/2022

Devonshire House
London

Independent Auditor's Report to the Trustees of The Society For Nautical Research

Opinion

We have audited the financial statements of The Society For Nautical Research ('the company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet 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, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its 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;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 the 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 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.

Independent Auditors' Report to the Trustees of The Society For Nautical Reseach

Opinion 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 have 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 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 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 10, 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 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 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

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. 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Independent Auditors' Report to the Trustees of The Society For Nautical Research

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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.

Use of our 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. Our audit work has been undertaken so that we might state to the company's members 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

James Cross, Senior Statutory Auditor
for and on behalf of Moore Kingston Smith LLP
Statutory Auditor

Devonshire House
60 Goswell Road
London EC1M 7AD

Date: 3 May 2022

The Society for Nautical Research
Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For the year ended 31 December 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
INCOME FROM:					
Donations and legacies	2	1,103	-	1,103	77
Investments					
Investment income and interest received	3	18,948	115,740	134,688	113,022
Charitable activities					
Subscriptions	4	61,650	-	61,650	58,498
Publications, royalties and copyright sales		106,981	-	106,981	25,527
		<u>168,631</u>	<u>-</u>	<u>168,631</u>	<u>84,025</u>
Other		<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>1,141</u>
Total Income		<u>189,682</u>	<u>115,740</u>	<u>305,422</u>	<u>198,265</u>
EXPENDITURE ON:					
Raising funds					
Investment management costs		5,766	24,553	30,319	28,196
Charitable activities					
Grants and donations payable	5	9,066	22,984	32,050	12,592
Publications	6	143,847	-	143,847	60,567
Advancing interest in nautical research	8	22,282	-	22,282	17,923
		<u>175,195</u>	<u>22,984</u>	<u>198,179</u>	<u>91,082</u>
Total Expenditure		<u>180,961</u>	<u>47,537</u>	<u>228,498</u>	<u>119,278</u>
Net gains/(losses) on investments	11	<u>56,688</u>	<u>433,734</u>	<u>490,422</u>	<u>(76,384)</u>
Net Income before transfers	9	65,409	501,937	567,346	2,603
Transfers	14	-	-	-	-
Net Income for the year/Net movement in funds		65,409	501,937	567,346	2,603
Fund Balances Brought Forward		<u>899,221</u>	<u>4,348,728</u>	<u>5,247,949</u>	<u>5,245,346</u>
Fund Balances Carried Forward	14, 15	<u>964,630</u>	<u>4,850,665</u>	<u>5,815,295</u>	<u>5,247,949</u>

All amounts relate to continuing activities.

The notes on pages 16 to 23 form part of these financial statements.

The Society for Nautical Research
Balance Sheet
As at 31 December 2021

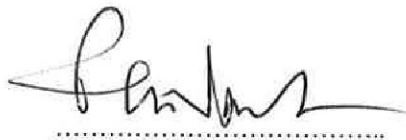
	Notes	2021 £	2021 £	2020 £	2020 £
Fixed Assets					
Tangible fixed assets	10		1		1
Investments	11		<u>5,392,015</u>		<u>4,904,714</u>
			5,392,016		4,904,715
Current Assets					
Debtors	12	11,915		5,057	
Cash at bank and in hand		<u>542,179</u>		<u>477,699</u>	
		554,094		482,756	
Creditors: Amounts falling due within one year	13	<u>(130,815)</u>		<u>(139,522)</u>	
Net Current Assets			<u>423,279</u>		<u>343,234</u>
Net Assets			<u><u>5,815,295</u></u>		<u><u>5,247,949</u></u>
 Unrestricted Funds	 14, 15	 	 964,630	 	 899,221
 Restricted Funds	 14, 15	 	 4,850,665	 	 4,348,728
			<u><u>5,815,295</u></u>		<u><u>5,247,949</u></u>

The notes on pages 16 to 23 form part of these financial statements.

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006, relating to small companies.

Approved by the Council Members, and authorised for issue, on 8/4/2022
and signed on their behalf by:


.....
Dr J D Davies - Chairman


.....
Peter Nash - Hon Treasurer

Companies House Number: 2848095

The Society for Nautical Research

Notes to the Financial Statements

For the year ended 31 December 2021

1 Accounting policies

Basis of Preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The company is a public benefit entity for the purposes of FRS 102 and a registered charity established as a company limited by guarantee in the United Kingdom and therefore has 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 and Charities Act 2011.

The charity has taken advantage of the provisions of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities. Figures are rounded to the nearest pound.

Going concern

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

A summary of the principal accounting policies adopted, judgements and key sources of estimation uncertainty, is set out below.

a) *Incoming resources*

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

b) *Subscription Income*

Subscriptions received in advance of next year are carried forward in the balance sheet and will be included in the Statement of Financial Activities for the following year.

c) *Other Income*

Other income, including publication sales, advertising, royalty income and conference income, is included in the accounts when receivable.

d) *Donations*

Donations are recognised as they are received except in the case where they relate to a specific future project, in which case they are deferred until the commencement of that project.

e) *Legacies*

Legacies include all unsolicited legacies. Legacies are taken into account when capable of financial measurement and receipt is virtually certain.

The Society for Nautical Research

Notes to the Financial Statements

For the year ended 31 December 2021

1 Accounting policies

f) *Investments and Gains and Losses on Investment Assets*

Investments are stated in the financial statements at market value in accordance with the Statement of Recommended Practice issued by the Charity Commission. Gains or losses on investments are disclosed in the statement of financial activities showing separately realised gains from investment sales in the year (sale proceeds less market value last year) and unrealised gains arising from the increase in value during the year of investments still held. Investment income including the associated income tax recoverable is credited to income on a receivable basis.

g) *Cash Flow Statement*

The trustees have taken advantage of the exemptions available in FRS 102 and have chosen not to prepare a cash flow statement.

h) *Resources Expended*

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. Expenditure is 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.

Wherever possible costs are directly attributed to headings that aggregate all costs related to the category. Costs common to more than one area are apportioned on the basis of time spent on each area or on a direct cost basis. The irrecoverable element of VAT is included with the expense item to which it relates.

Costs of generating funds are those costs of seeking potential funders and applying for funding.

Grants payable are accounted for on an accruals basis.

Support costs are those costs incurred in support of the charitable objectives. These have been allocated to the charitable activities on a basis that fairly reflects the true use of those resources within the organisation.

Governance costs are those incurred in the governance of the charity and are primarily associated with the constitutional and statutory requirements. The irrecoverable element of VAT is included with the expense item to which it relates.

i) *Critical accounting estimates and areas of judgement*

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. 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.

j) *Financial instruments*

The company 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 company 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 reduce the asset and settle the liability simultaneously.

With the exception of deferred income, all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 12 and 13 for details.

The Society for Nautical Research
Notes to the Financial Statements (Continued)
For the year ended 31 December 2021

Accounting policies (continued)

k) *Cash and cash equivalents*

Cash and cash equivalents include cash in hand and current and fixed term deposits with banks that are accessible within 3 months.

l) *Functional currency*

The functional and presentation currency of the company is the pound sterling.

m) *Tangible fixed assets*

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses. Depreciation is provided on tangible fixed assets to write off their cost over estimates of their useful lives at the following rates:

Computers - 33 1/3% straight line

n) *Fund Accounting*

Unrestricted: these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated: these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Restricted: these are funds that can only be used for particular restricted purposes within the objects of the charity. Capital funds with restrictions attached are included in this category. These funds consist of an original endowment and accumulated unspent restricted income.

o) *Taxation*

The company, as a charity, is exempt from taxation.

2 Voluntary Income

Unrestricted funds

Donations and legacies

2021
£

1,103

2020
£

77

3 Investment income and interest received

Unrestricted funds

Restricted funds

2021
£

18,948

115,740

134,688

2020
£

19,516

93,506

113,022

4 Subscriptions

Of the subscription income, £17,280 was received from overseas. This equates to 28% of total subscription income (2020: 32%).

Subscription income includes the associated recoverable gift aid.

5 Grants Payable

Unrestricted funds:

Tomlin Awards and Research Grant

Anderson Bequest - Other

Anderson Awards

Maritime History North

Support costs (Note 8)

2021
£

-

22

1,589

500

6,955

2020
£

380

-

2,926

-

5,396

Restricted funds:

National Maritime Museum

Support costs (Note 8)

Victory Medal

20,000

2,935

49

-

2,939

951

32,050

12,592

The Society for Nautical Research
Notes to the Financial Statements (Continued)
For the year ended 31 December 2021

6 Publication Costs	2021	2020
	£	£
<i>Unrestricted funds</i>		
General cost of publications	126,457	44,340
Support costs (Note 8)	17,390	16,227
	<u>143,847</u>	<u>60,567</u>

7 Governance Costs	2021	2020
	£	£
<i>Unrestricted funds</i>		
Support costs (Note 8)	12,326	10,073
Audit and accountancy	9,645	8,069
Other management costs	150	650
	<u>22,121</u>	<u>18,792</u>
<i>Restricted funds</i>		
Audit and accountancy	2,085	2,085
Other management costs	850	854
	<u>25,056</u>	<u>21,731</u>

8 Allocation of Other Membership and Support Costs	Grants Payable	Publications	Advancing Interest in Nautical Research	Governance Costs
Year to 31 December 2021	£	£	£	£
Membership secretary fees	-	-	13,200	-
Travel, postage and general expenses	1,538	1,538	-	3,076
Lecture and conferences	-	-	730	-
Professional	-	-	-	1,750
Publicity and Website	-	7,500	-	7,500
	<u>1,538</u>	<u>9,038</u>	<u>13,930</u>	<u>12,326</u>
Direct governance costs	-	-	-	12,730
	<u>1,538</u>	<u>9,038</u>	<u>13,930</u>	<u>25,056</u>
Allocation of governance support costs	8,352	8,352	8,352	(25,056)
	<u>9,890</u>	<u>17,390</u>	<u>22,282</u>	<u>-</u>

The Society for Nautical Research
Notes to the Financial Statements (Continued)
For the year ended 31 December 2021

8 Allocation of Other Membership and Support Costs Continued

Year to 31 December 2020	Grants Payable	Publications	Advancing Interest in Nautical Research	Governance Costs
	£	£	£	£
Membership secretary fees	-	-	10,380	-
Travel, postage and general expenses	1,091	1,091	-	2,181
Lecture and conferences	-	-	300	-
Publicity and Website	-	7,892	-	7,892
	<u>1,091</u>	<u>8,983</u>	<u>10,680</u>	<u>10,073</u>
Direct governance costs	-	-	-	11,658
	<u>1,091</u>	<u>8,983</u>	<u>10,680</u>	<u>21,731</u>
Allocation of governance support costs	7,244	7,244	7,243	(21,731)
	<u>8,335</u>	<u>16,227</u>	<u>17,923</u>	<u>-</u>

No staff were employed by the charity during 2021 (2020: None).

9 Net Incoming Resources

Are stated after charging:

	2021	2020
	£	£
Auditor's remuneration	7,450	6,770
Trustee expenses reimbursed to 2 trustees (2020: 1 trustee)	520	34

Trustee expenses related predominantly to travel costs. No trustee received remuneration in 2021 (2020: £Nil).

10 Tangible Fixed Assets

	Plant & Machinery
	£
Cost	
As at 1 January 2021 and 31 December 2021	<u>1,485</u>
Depreciation	
As at 1 January 2021 and 31 December 2021	<u>1,484</u>
Net Book Value	
As at 1 January 2021 and 31 December 2021	<u>1</u>

The Society for Nautical Research
Notes to the Financial Statements (Continued)
For the year ended 31 December 2021

11 Investments

Investments are listed on a recognised stock exchange or are held in units of common investment funds where their values are calculated by reference to investments quoted on a recognised stock exchange.

	2021		2020	
	Cost	Market	Cost	Market
	£	Value	£	Value
		£		£
Unrestricted Funds				
General Fund	185,514	280,061	182,612	260,008
Designated Funds:				
Anderson Bequest Fund	265,427	287,569	201,585	265,427
Tomlin Bequest Fund	49,815	69,821	49,910	64,658
Farrar Fund	132,941	163,423	136,893	152,073
	<u>633,697</u>	<u>800,874</u>	<u>571,000</u>	<u>742,166</u>
Restricted Funds	<u>2,770,798</u>	<u>4,591,141</u>	<u>2,906,263</u>	<u>4,162,548</u>
	<u>3,404,495</u>	<u>5,392,015</u>	<u>3,477,263</u>	<u>4,904,714</u>
	Unrestricted Funds	Restricted Funds	Unrestricted Funds	Restricted Funds
	£	£	£	£
Balance at beginning of year	735,300	4,096,429	761,529	4,061,110
Additions	52,264	320,865	73,109	129,807
Disposals at book value	(57,301)	(399,669)	(65,935)	(51,508)
Net gains/(losses) on investments	56,688	433,734	(33,404)	(42,980)
Add: Cash balances included in investments	13,923	139,782	6,866	66,119
	<u>800,874</u>	<u>4,591,141</u>	<u>742,165</u>	<u>4,162,548</u>
			Market Value	Market Value
			2021	2020
			£	£
UK equities			2,378,762	1,897,201
UK Fixed Interest			805,714	1,289,191
UK index linked			23,677	99,003
Overseas equities			1,495,293	222,480
Overseas Fixed Interest			534,864	1,323,845
Cash			153,705	72,984
			<u>5,392,015</u>	<u>4,904,704</u>

The Society for Nautical Research
Notes to the Financial Statements (Continued)
For the year ended 31 December 2021

12 Debtors	2021	2020
	£	£
Taxation and social security debtor	692	57
Royalty debtor	5,000	5,000
Podcast Debtor	5,336	-
Other debtors	887	-
	<u>11,915</u>	<u>5,057</u>

13 Creditors: Amounts falling due within one year	2021	2020
	£	£
Accruals and deferred income	30,815	39,522
Grant creditor	100,000	100,000
	<u>130,815</u>	<u>139,522</u>

Of the above, £8,346 relates to deferred income, all of which was deferred in the current year (2020: £7,868). Deferred income relates to subscription income received in advance.

14 Funds	Balance at 1 Jan 2021	Incoming Resources	Outgoing Resources	Transfers	Investment Gains	Balance at 31 Dec 2021
	£	£	£		£	£
Unrestricted Funds						
General Fund	409,930	177,919	(174,771)	-	20,299	433,377
Designated Funds:						
Anderson Bequest	277,973	6,337	(4,005)	-	22,142	302,447
Tomlin Bequest	65,546	1,688	(1,009)	-	5,163	71,388
Farrar Fund	145,772	3,738	(1,176)	-	9,084	157,418
	<u>899,221</u>	<u>189,682</u>	<u>(180,961)</u>	<u>-</u>	<u>56,688</u>	<u>964,630</u>
Restricted Funds						
Save the Victory	3,636,173	99,832	(22,814)	-	368,366	4,081,557
Macpherson Collection	712,555	15,908	(24,723)	-	65,368	769,108
	<u>5,247,949</u>	<u>305,422</u>	<u>(228,498)</u>	<u>-</u>	<u>490,422</u>	<u>5,815,295</u>

Designated Funds

The designated funds will be spent in line with the investment income that becomes available and will be spent in accordance with the designations as per the below:

The Anderson Bequest

This fund is used to fund grants for research work on maritime history in general. The transactions of the fund are separately recorded and were created from unrestricted legacies received.

The Tomlin Bequest Fund

This fund is designated by the Council to augment financial support for conferences and other Society activities.

The Farrar Fund

This fund was created by a legacy from the estate of Austin Farrar and its income and capital is available for projects designed to promote awareness as well as the objectives of the society.

Restricted Funds

The restricted funds comprise two endowment funds which are the Save the Victory Fund and the Macpherson Collection Endowment Fund. The Save the Victory Fund engages in activities that preserve and restore HMS Victory. The Macpherson Collection Endowment Fund purchases works of art for the National Maritime Museum.

The Society for Nautical Research
Notes to the Financial Statements (Continued)
For the year ended 31 December 2021

14 Funds continued
Transfers

Transfers in the year represent movements necessary to align fund opening balances to assets held by each fund.

15 Analysis of Net Assets between Funds	Fixed Assets and Investments	Net Current Assets	2021 Total	2020 Total
	£	£	£	£
Unrestricted funds	800,875	163,755	964,630	899,221
Restricted funds:				
Save the Victory Fund	3,886,419	195,138	4,081,557	3,636,173
Macpherson Collection Endowment Fund	704,722	64,386	769,108	712,555
	<u>5,392,016</u>	<u>423,279</u>	<u>5,815,295</u>	<u>5,247,949</u>

16 Councils' Liability

In the event of the company being wound up, the liability of each member is limited to £1. At 31 December 2021 there were 15 members.

17 Related party transactions

During the year, Helen Garvey, the membership secretary received fees of £13,200 (2020 - £10,380).

The key management personnel of the society are the Officers and the Council members. They were not remunerated in the year (2020: £nil).

Accounts

The Society for Nautical Research

(A Company Limited by Guarantee)

Company Number: 2848095

Charity Number: 1026357

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2020

The Society for Nautical Research

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The Society for Nautical Research

Legal and Administrative Information

President

Vacant

Chairman

Dr J D Davies

Hon. Secretary and Company Secretary

Mr A B Roach

Hon. Treasurer

Dr P V Nash

Editor

Dr M Bellamy

Vice Presidents

Mr F A Aberg

Cdr J M Bingeman

Mr J Coad (Senior Vice President)

Admiral Sir Kenneth Eaton

Professor E J Grove

Professor R Harding

Professor D G Law

Lieut Cmdr F L Phillips

Dr S Rose

Dr Pieter van de Merwe

Membership Secretary

Mrs H Garvey

Auditor

Moore Kingston Smith LLP

Devonshire House

60 Goswell Road

London EC1M 7AD

Bankers

Barclays Bank plc

8/9 Hanover Square

London W1A 4ZW

Investment Managers

Adam & Company

25 St Andrew Square

Edinburgh EH2 1AF

Registered Office

Devonshire House

60 Goswell Road

London EC1M 7AD

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2020

Status and Administration

The Society is a charitable company limited by guarantee (registration number: 2848095) registered with the Charity Commission number 1026357. The Council sets the policies of the Society and these are administered by the Chairman, Honorary Secretary and Honorary Treasurer. The governing document of the charity is the memorandum and articles of association. There are no restrictions imposed by the governing document except the objects of the charity as stated below.

Objects

The principal activity of the company includes the promotion of research into nautical antiquities and matters relating to the history of seafaring and ship building, languages and customs of the sea and to publish the results of such research and otherwise advance public education in such subjects. In particular this includes the publication of The Mariner's Mirror quarterly. In addition there are two restricted funds, both of which are subsidiary charities, the Save the Victory Fund and the Macpherson Collection Endowment Fund. The Save the Victory Fund has been formed for the restoration and presentation to the public of Nelson's Flag Ship HMS Victory and the Macpherson Collection Endowment Fund acquires works of art for the National Maritime Museum.

Trustees

The Officers of the Society and the Council members are the Charity Trustees of the Society and are listed below:

Dr J D Davies (Chairman of the Society)
Dr P V Nash (Honorary Treasurer)
A Roach (Honorary Secretary)

R Bateman (re-elected 2017, review 2021)
S Bligh (elected 2018, review 2022)
P Bugden (elected 2019, review 2023)

C. Brandon (elected 2019, review 2023)

Dr A Coats (elected 2018, review 2022)
Dr J Davey (elected 2019, review 2023)
N Hewitt (elected 2019, review 2023)
Dr C Holt (elected 2019, review 2023)
Dr CH McMurray (elected 2017, review 2021)
Dr K Parker (elected 2017, review 2021)

Capt P King (elected 2020 review 2024)
Dr C Pearce (elected 2018, review 2022)

Trustee appointment, induction and training

The Articles of Association of the Society specify the election procedure for the Officers of the Society and the Council. In accordance with their obligations Council in each year nominates a list of willing candidates for election by the members of the Society at each properly constituted annual general meeting. These may be for the positions of Vice President or for Councillors as well as for the President and other Officers of the society. The Officers are obliged to submit themselves for re-election each year. The Councillors whose four year term of office has expired may stand for re-election. The final say as to which persons serve is made by the membership of the Society who are also asked to nominate candidates for election. All the Vice Presidents, Councillors and Officers are given a copy of the Memorandum of Understanding and the Articles of Association of the Society together with a copy of the Society's Guide to the Conduct of Business. This includes a reminder that Vice Presidents have a working role and that Councillors and Officers are both Directors and Trustees of the Society and this reminder is reinforced in Council meetings from time to time by the Officers. The Directors and Trustees of the Society are helped to discharge their responsibilities through guidance in Council by the Officers, by receiving necessary papers recording the advice of the Society's financial advisers and by receiving, at least once a year, a Risk Analysis Review. The Council's particular contribution is a rigorous annual scrutiny of budget proposals and a quarterly review of progress. In addition, the Finance and General Purposes Committee receive an oral and written briefing every six months by the Society's financial advisors. The frequency has increased during the difficult market conditions which have prevailed in recent years.

The Society for Nautical Research

Trustees' Report (Continued)

For the year ended 31 December 2020

Key Management Personnel

The key management personnel of the society are the Officers and the Council members. The Officers are re-elected every year by the Society at the AGM, and their efforts during the year speak for themselves. Council members have been elected on the basis of the wisdom and experience that they can bring to the Society. The vice presidents bring a wealth of experience across many fields to Council meetings, and are always available to give advice in their particular field of expertise if it is asked for. The Editor of the Mariner's Mirror, Dr Bellamy is remunerated at the rate of £2,000 per edition. The Editor of Topmasts, N Blanchford, is remunerated at the rate of £1,000 per edition.

The Aims of the Society

To promote research into nautical antiquities, into matters relating to sea-faring and shipbuilding in all ages and among all nations, into the language and customs of the sea and into other subjects of nautical interest, to publish the useful results of such research and otherwise advance public education in such subjects (Memo of Association, 1993).

Objectives, Strategies and Achievements

Objective	Strategy	Achievement
Publish The Mariner's Mirror four times per annum	Support the work of the Editor, the Hon. Reviews Editor and the Editorial Board. (Operations overseen by the Publications Committee)	This was achieved as usual with electronic copies of The Mariner's Mirror targeted at institutional users by Taylor & Francis and with hard copies for personal members.
Publish Topmasts, the Society's newsletter, four times a year.	Support the work of the Topmasts Editor.	Topmasts is available electronically through the SNR website.
Manage the website to reflect the Society and its achievements.	The website reflects the strengths and achievements of the Society and uses social media to reach new members.	Membership figures continue to increase, with members joining through activities relating to the Forum, Topmasts and the new Mariner's Mirror Podcasts which was introduced in October 2020.
Advance public education in Maritime History.	Provide financial support for at least two conferences annually as well as other research proposals, the New Researchers Conference and the ICMH Seminar Series. To award the Anderson, Victory and Centenary Medals as appropriate.	Ten organisations and individuals were awarded grants to support research projects and/or conferences - including BCMH, Exeter University and Maritime History North. The Anderson Medal for best book in Maritime history (2019) was awarded to Evan Mawdsley for his book <i>The War for the Seas</i> . The Victory Medal was awarded to Mark Edwards for his dedication to the preservation and restoration of various craft particularly those relating to the Thames.

The Society for Nautical Research Trustees' Report (Continued) For the year ended 31 December 2020

Overview

This year is the eighth to reflect the publishing arrangements between ourselves and Taylor & Francis for The Mariner's Mirror, an INT1 category international publication in the European List of Humanities with high visibility and influence among researchers in the various research domains in different countries, regularly cited all over the world. Whilst still retaining editorial control of The Mariner's Mirror and meeting the costs of editing and typesetting, the Society is no longer responsible for the printing and distribution of the journal which continues to be undertaken by Taylor & Francis. Council believes this partnership will continue to secure the Society's standing in the electronic age. The Mariner's Mirror is produced in electronic form and targeted by Taylor & Francis at institutional bodies who no longer want to receive publications in paper format. This has not only significantly increased The Mariner's Mirror's exposure to the worldwide institutional market but it has also created online worldwide demand for full text downloads. The Mariner's Mirror continues to be available in the traditional form to personal members of the Society.

This is sixth year in which the SNR website managed by Burlington Partnership has continued to provide a dynamic and interactive platform covering the activities of the society and its members available to both existing and potential new members worldwide. It has now become the predominant source for securing new members. In addition, our new MARINER'S MIRROR PODCAST and also our electronic newsletter TOPMASTS has become extremely popular for our membership and continues to expand and provide an invaluable if more informal source of information and articles covering a wide spectrum of maritime interests.

Review of Activities and Financial Results

The Society has recorded a surplus for the year ended 31 December 2020 amounting to £2,603 taking into account £(76,384) which represented net losses on investments (2019: net gains £597,440). Investments for both unrestricted and restricted funds decreased in market value by 1.48% from £4,978,523 to £4,904,710. As far as the balance sheet is concerned this decreased the net assets by 0.05% from £5,245,345 to £5,242,952.

Overall, this year has been relatively unique given the impact the COVID 19 pandemic has had on our ability to achieve all that we had hoped and budgeted for in supporting maritime history research. While it has therefore been relatively quiet in terms of activities and grants we have fortunately been able to remain very active in pursuing our publishing endeavours, both print and on the website. Both Mariner's Mirror and TOPMAST have been very well received and our website has been particularly busy enhanced by the introduction towards the end of the year of a series of podcasts which programme will be accelerated as we move into 2021. Our income remains stable despite a modest decrease in investment income. However, subscriptions have increased significantly, including once again those members resident overseas which is most encouraging. Our contract with Taylor & Francis has enabled a further modest improvement in royalties in lieu of subscription income traditionally derived from our institutional membership subscriptions. Overall administration costs for the year have remained stable and within budget. On the grants funding side, in general those provided through the Anderson and Tomlin portfolios were significantly down on the previous year almost exclusively caused by the impact of lockdowns. Once more the Society has determined that a further £5,000 should be transferred to the contingency fund held with our investment advisers Adam & Co.

The Society for Nautical Research

Trustees' Report (Continued)

For the year ended 31 December 2020

The following comments for each Fund provide some background behind the overall results.

The Society's Tomlin Fund provided £300 to support Maritime History North.

Both the MacPherson Fund and The Save the Victory Fund (STVF) have had a dormant year in actual grant distribution

The Anderson Fund provided research grants to the following recipients both home and abroad, namely R Blackman-Roberts, Dr P Huddle, S Carballo, J Smith, T Moots and M Blair.

Risk Assessment

The Trustees have examined the financial and operational risks which the charity faces and confirm that systems controls and review procedures have been established to mitigate exposure to these risks.

In order to help manage these risks further, a Reserves Policy was adopted and first published in the Annual Report for 2001. This is reviewed annually and revised if necessary to reflect the financial circumstances in which the Society operates should these change significantly.

Although the Society has no fixed assets, nor places any reliance upon raising funds from new donors to meet commitments, it nevertheless considers the following types of risk to be the most important and the Society has therefore taken over time a number of appropriate steps designed to mitigate their impact.

Loss of reputation, whether through the website or The Mariner's Mirror, is a significant group of risks that would seriously affect the performance of the Society. Although there is a relatively low probability of this happening we nevertheless undertake certain continuing precautions including but not limited to vigilant management at all times, properly exercised moderation on the website as well as making sure we comply with all applicable regulations and legislation. Moreover, we continually monitor performance of Taylor & Francis as well as having in place a proper succession plan to ensure we maintain editorial continuity.

The other major area of risk is financial including significant loss of funds or reserves due to negligence or incompetence by our investment advisers or collapse of investment markets. Again such events would be very serious if they were to happen although their likelihood remains relatively low provided we continue to monitor their performance through regular meetings including agreeing appropriate risk guidelines and performance assessment criteria.

The third broad group of risks are operational including uncontrolled budgetary excesses as well as fraud, theft or dishonesty by staff or third parties. The precautions we have taken for the former include but are not limited to applying a rigorous budgetary procedure that must be approved by the Trustees, and regularly monitored by the Finance & General Purposes committee. For the latter we have instituted liability insurance cover where and when appropriate, we have dual control of payments and disbursements while our payment systems on the website are secured with a ring fenced bank account for transfers via PAYPAL/STRIPE.

The Society for Nautical Research

Trustees' Report (Continued)

For the year ended 31 December 2020

Reserves Policy

The Reserves Policy of the Society has been determined based on the Society's objectives and the current and expected future activities needed to fulfil these objectives. The trustees have set a policy after taking into account the foreseeable future income and expenditure patterns and associated risks. Its main features are:

Restricted Funds

- a) One of the Society's major activities is the long term preservation and restoration of HMS Victory, conducted through the Society's restricted Charitable fund called 'Save the Victory Fund' (STVF) whereby expenditure is budgeted annually against expected annual income derived from investments, in accordance with an overall rolling five-year plan. This year has seen a further considerable build-up in the amount of available funds to meet funding bids from HMS Victory but these have not been forthcoming while major infrastructural development continues apace on the hull itself. The Society remains ready to respond to further calls for supporting HMS Victory as part of the STVF mandate but recognises this may take some while to come to fruition.
- b) The Society's other Charitable restricted fund, called the Macpherson Collection Endowment Fund is available for purchasing from time to time, from available accumulated funds, works of art for the National Maritime Museum to add to the Macpherson Collection. Any purchases are funded only from surplus income not endowment capital.

Unrestricted Funds

The policy is designed to provide resources to fund the rest of the Society's activities into the foreseeable future, including promotion of research into nautical antiquities and matters relating to the history of seafaring and ship building, languages and customs of the sea and to publish the results of such research and otherwise advance public understanding and education in these subjects. This requires the Society:

- a) To achieve a margin of working capital sufficient to enable all aspects of the Society's work to be conducted in an orderly and efficient manner.
- b) To achieve a liquid reserve to provide cover for expected but unavoidable items of expenditure which cannot be funded from current income. This proved a particularly valuable strategy when we were able to apply contingency funds built up over the previous five years towards funding special one-off centenary publications which would not have been otherwise possible from current income alone. We continue to set aside each year an appropriate amount (currently £5,000) to help prepare us for future unforeseen or even planned exceptional costs which might arise from time to time.

However, the major challenge before us remains the need to ensure we have the resources available to invest in the necessary technology to enable the Society to meet the needs of a changing readership market by adopting a number of web-based strategies including the digitization of The Mariner's Mirror. As such the Farrar Fund continues to provide an assured source of potential funding for such development and has been structured from an investment point of view to provide both liquidity (for potentially sudden or urgent capital requirements) as well as longer term equity type support for the sort of transformation that is now well underway.

Our reserves are therefore derived from two sources. The first is by transferring every year whenever there is a surplus at year end, a sum of £5,000 to a contingency fund held by our investment managers. This currently amounts to £35,607 at the end of the year but remains available at any time to facilitate the Society's ability to meet an unbudgeted or emergency liability that might prove difficult to fund from available current income at the time. The second source derives from surpluses reached in any year where grants or donations are by nature erratic due to the nature of the underlying purpose. A case in point would be the STVF where there is a very significant surplus amounting to over £173,167 on the income and deposit accounts because the priority for dealing with structural repairs to the hull and deck is outside the remit of the STVF.

The Society for Nautical Research

Trustees' Report (Continued)

For the year ended 31 December 2020

Future plans

The Trustees are mindful that they are responsible for the heritage of the society and also for its healthy future. The commissioning of the new website was the first step towards a more electronically aware future which is already bringing in new members. There are other new projects in hand. The Research and Programs Committee continues to invite our members to suggest areas for new development. Their responses will be analysed, but it is pleasing to note that many members have indicated their approval of the developments which have taken place.

Investment Powers, Policy and Performance

On 31st December 2020, the value of the portfolios overseen by the Society totalled £4.90 million, which represents a decrease of just under 1.5% from the value a year ago. This figure includes the Farrar Fund (c.£152,000) which is managed with a lower risk mandate. The total value above excludes money accumulating in the income accounts of each portfolio. Adjusting for all withdrawals, and the size of the different portfolios, the weighted average performance net of fees over the year (including the Farrar Fund) was 0.28%. In aggregate all 6 portfolios produced income of £113,022 over the year.

By way of comparison, the Societies bespoke benchmark that was agreed with the trustees for all the portfolios bar the Farrar Fund, consisting of 50% FTSE All Share TR/20% FTSE All World ex UK (£) TR/30% Government All Stocks TR, gained 0.52% (gross of fees) during the year. The Retail Price Index (RPI) rose by 1.2% during 2020.

Market Review - Summary

In previous years, investor focus was very much on the manner and nature of the economic social and political policies undertaken by the United States administration and their impact upon world political and economic events. Behind all the rhetoric could be discerned generally positive global economic data with employment up, productivity increasing, moderate prevailing inflation enabling many economies to expand. This positive outlook in early 2020 was reinforced by expectations of a truce in the US China trade war as well as recovery in government spending and dovish central bankers.

All this positivity however rapidly deteriorated during the first quarter of 2020 as an outbreak of a new virus called COVID19, quickly developed into a deadly pandemic resulting in between a third and a half of the world's population being in some form of 'lockdown'. This became the most overriding destabilising influence across all stock markets for the rest of the year.

Market Review - Perspectives

Initial market concerns focussed on whether it was possible to achieve sustainable supplies to developed markets, particularly from China – hitherto the main driver of economic growth. But as all economies at the end of March became increasingly battered from the impact of the pandemic, governments struggled to contain the consequences and so market volatility soared to levels not seen since the financial crisis.

Other factors, including the inability of Saudi Arabia and Russia to agree on an appropriate response to cut oil production saw oil prices tumble; this together with other negative factors resulted in all stock markets crashing in spectacular fashion with investor pessimism spread across those sectors of the economies particularly most affected by lockdowns and disrupted commercial air and sea traffic.

Governments announced an array of measures and support packages, while Central Banks assisted by slashing interest rates and stepping into markets to buy both corporate and government debt. Meanwhile many corporates entered survival mode by cancelling dividends, share buybacks and capital expenditure.

The Society for Nautical Research

Trustees' Report (Continued)

For the year ended 31 December 2020

It was not until the end of the second quarter before there was sufficient economic data points to show how dire the situation had become. The UK economy lost a fifth of its GDP with the US economy falling an eyewatering 32%, making this the largest economic contraction ever recorded. Economists from a range of institutions forecast 2020 Global GDP to contract 6%, which if proved accurate would represent the largest fall in economic activity since the 1930s Great Depression.

In the event the third quarter saw one of the swiftest economic rebounds in history growing 6.6% in July alone albeit from a very low base while significant risks to the recovery nevertheless remained. The fourth quarter felt unremarkable until the combination of the outcome of the American elections combined with the announcement of several successful vaccines helped to propel markets to achieve higher positive territory.

Two themes can be ascertained from the behaviour of the stock markets during this year. The record declines in GDP, retail sales, business sentiment and employment were very quickly assimilated into investor analysis during March. Thereafter their focus was on monetary and fiscal policies designed to limit the damage caused by lockdowns. But what also became apparent was that equity markets became inversely correlated to the level of the outbreak – with investors responding positively to declining numbers of coronavirus cases, the gradual easing of lockdown measures and optimism over Covid-19 vaccine developments and vice versa.

Investment Objectives

a) Restricted funds

The investment objective of The Save the Victory Fund is to seek a balanced return from a combination of income and capital growth using a portfolio consisting of UK equities/funds, overseas equities/funds, fixed interest securities and cash. A 'medium' risk approach is adopted for the portfolio, with a strategic asset allocation split between equities and fixed interest/cash set at 70:30. The income generated from the portfolio during 2020 was £79,624.

The investment objective of the Macpherson Fund is to seek a balanced return from a combination of income and capital growth using a portfolio consisting of UK equities/funds, overseas equities/funds, fixed interest securities and cash. A 'medium' risk approach is adopted for the portfolio, with a strategic asset allocation split between equities and fixed interest/cash set at 70:30. The income generated from the portfolio during 2020 was £13,882.

B) Unrestricted Funds

The investment objectives for the SNR Fund, the Anderson Bequest Fund and the Tomlin Bequest Fund are to seek a balanced return from a combination of income and capital growth using a portfolio consisting of UK equities/funds, overseas funds, fixed interest securities and cash. A 'medium' risk approach is adopted for the portfolios, with a strategic asset allocation split between equities and fixed interest/cash set at 70:30. Respectively, the actual income delivered during 2020 was £6,785, £6,962 and £1,748 respectively.

In respect to the Farrar Fund, the benchmark is the Adam Income & Capital Preservation benchmark, which consists of 45% FTSE All Stocks Gilt Index, 40% FTSE All Share Index, 10% FTSE All World excluding UK Index and 5% cash. The income produced from the Farrar Fund in 2020 was £4,021.

The Society for Nautical Research

Trustees' Report (Continued)

For the year ended 31 December 2020

Resources

The reserves are split between unrestricted and restricted funds that relate to the individual funds and unrestricted general funds available to the charity for day-to-day use. The Society's assets are sufficient to meet its obligations.

Grant Making Policy

Grants will be made within the established objectives of the Society to promote research into nautical antiquities, into matters relating to seafaring and ship building in all ages and among all nations, into the language and customs of the sea and into other subjects of nautical interest, to publish the useful results of such a research and otherwise advance education in such subjects.

The Society holds various Trust Funds and bequests, whose monies are kept, managed and accounted for separately from its own financial affairs, with purposes dedicated to fulfil particular objectives.

- *Anderson Bequest Fund*

This fund was established by a bequest from the estate of Dr R C Anderson, and its income is available for grant in aid of research on maritime historical affairs in the widest possible sense. The funding of the Anderson Medals is also allocated from this fund for publications of particular merit on maritime history.

- *The Tomlin Fund*

The Tomlin Fund was created by a legacy from Lt Cmdr R J Tomlin. The income from this fund is used to support research in accordance with the Society's objectives and education in maritime historical affairs.

- *Macpherson Trust*

This fund is the residue of funds raised by subscription to purchase the Macpherson Collection of Prints for the National Maritime Museum. The income is devoted to grants for the purchase of prints and pictures for the National Maritime Museum.

- *The Save the Victory Fund*

This fund is the residue of a sum raised by public subscription for the restoration of HMS Victory, and is still open to supplement by donation and a reserved share of profits of the Royal Naval Museum Trading Company. The income is reserved for grants devoted to the restoration of the ship to her 1805 state and to her presentation to the Public as such.

- *The Farrar Fund*

This fund was created by a legacy from the estate of Austin Farrar and its income and capital is available for projects designed to promote the awareness as well as the objectives of the Society.

The Society for Nautical Research

Trustees' Report (Continued)

For the year ended 31 December 2020

Statement of Council Members' Responsibilities

The trustees (who are also the directors of the Society for Nautical Research for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

Company law required trustees to prepare financial statements for each financial year which give a true and fair view of the state of the 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 these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 steps they ought to have taken to make themselves aware of any relevant information and to establish that the auditor is aware of that information.

Public benefit

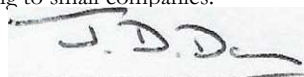
We have referred to the guidance in the Charity Commission's general guidance on Public Benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Auditors

Moore Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors for the ensuing year

Small company rules

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.



By Order of the Council

Dr J.D Davies

Chairman of the Society

Date: 9 April 2021

Devonshire House
London

Independent Auditor's Report to the Trustees of The Society For Nautical Research

Opinion

We have audited the financial statements of The Society For Nautical Research ('the company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet 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, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its 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;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 the 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 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.

Independent Auditors' Report to the Trustees of The Society For Nautical Research

Opinion 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 have 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 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 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 10, 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 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 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

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. 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Independent Auditors' Report to the Trustees of The Society For Nautical Research

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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.

Use of our 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. Our audit work has been undertaken so that we might state to the company's members 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Neil Finlayson, Senior Statutory Auditor
for and on behalf of Moore Kingston Smith LLP
Statutory Auditor

Devonshire House
60 Goswell Road
London EC1M 7AD

Date: 9 April 2021

The Society for Nautical Research
Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For the year ended 31 December 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
INCOME FROM:					
Donations and legacies	2	77	-	77	26,434
Investments					
Investment income and interest received	3	19,516	93,506	113,022	131,216
Charitable activities					
Subscriptions	4	58,498	-	58,498	51,433
Publications, royalties and copyright sales		25,527	-	25,527	26,102
		<u>84,025</u>	<u>-</u>	<u>84,025</u>	<u>77,535</u>
Other		<u>1,141</u>	<u>-</u>	<u>1,141</u>	<u>1,000</u>
Total Income		<u>104,759</u>	<u>93,506</u>	<u>198,265</u>	<u>236,185</u>
EXPENDITURE ON:					
Raising funds					
Investment management costs		5,421	22,775	28,196	27,550
Charitable activities					
Grants and donations payable	5	8,702	3,890	12,592	431,339
Publications	6	60,567	-	60,567	55,554
Advancing interest in nautical research	8	17,923	-	17,923	20,286
		<u>87,192</u>	<u>3,890</u>	<u>91,082</u>	<u>507,179</u>
Total Expenditure		<u>92,613</u>	<u>26,665</u>	<u>119,278</u>	<u>534,729</u>
Net gains/(losses) on investments	11	<u>(33,404)</u>	<u>(42,980)</u>	<u>(76,384)</u>	<u>597,440</u>
Net Income/(Expenditure) before transfers	9	(21,258)	23,861	2,603	298,896
Transfers	14	-	-	-	-
Net Income/(Expenditure) for the year/Net movement in funds		(21,258)	23,861	2,603	298,896
Fund Balances Brought Forward		<u>920,479</u>	<u>4,324,867</u>	<u>5,245,346</u>	<u>4,946,449</u>
Fund Balances Carried Forward	14, 15	<u>899,221</u>	<u>4,348,728</u>	<u>5,247,949</u>	<u>5,245,345</u>

All amounts relate to continuing activities.

The notes on pages 16 to 23 form part of these financial statements.

The Society for Nautical Research
Balance Sheet
As at 31 December 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed Assets					
Tangible fixed assets	10		1		1
Investments	11		<u>4,904,714</u>		<u>4,978,523</u>
			4,904,715		4,978,524
Current Assets					
Debtors	12	5,057		5,716	
Cash at bank and in hand		<u>477,699</u>		<u>697,454</u>	
		482,756		703,170	
Creditors: Amounts falling due within one year	13	<u>(139,522)</u>		<u>(436,349)</u>	
Net Current Assets			<u>343,234</u>		<u>266,821</u>
Net Assets			<u><u>5,247,949</u></u>		<u><u>5,245,345</u></u>
 Unrestricted Funds	 14, 15		 899,221		 920,479
 Restricted Funds	 14, 15		 4,348,728		 4,324,866
			<u><u>5,247,949</u></u>		<u><u>5,245,345</u></u>

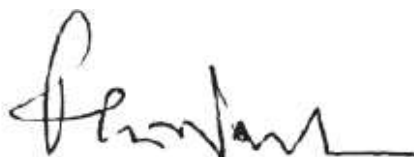
The notes on pages 16 to 23 form part of these financial statements.

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006, relating to small companies.

Approved by the Council Members, and authorised for issue, on 9 April 2021
and signed on their behalf by:



Dr J D Davies - Chairman



Peter Nash - Hon Treasurer

Companies House Number: 2848095

The Society for Nautical Research

Notes to the Financial Statements

For the year ended 31 December 2020

1 Accounting policies

Basis of Preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The company is a public benefit entity for the purposes of FRS 102 and a registered charity established as a company limited by guarantee in the United Kingdom and therefore has 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 and Charities Act 2011.

The charity has taken advantage of the provisions of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities. Figures are rounded to the nearest pound.

Going concern

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

A summary of the principal accounting policies adopted, judgements and key sources of estimation uncertainty, is set out below.

a) *Incoming resources*

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

b) *Subscription Income*

Subscriptions received in advance of next year are carried forward in the balance sheet and will be included in the Statement of Financial Activities for the following year.

c) *Other Income*

Other income, including publication sales, advertising, royalty income and conference income, is included in the accounts when receivable.

d) *Donations*

Donations are recognised as they are received except in the case where they relate to a specific future project, in which case they are deferred until the commencement of that project.

e) *Legacies*

Legacies include all unsolicited legacies. Legacies are taken into account when capable of financial measurement and receipt is virtually certain.

The Society for Nautical Research

Notes to the Financial Statements

For the year ended 31 December 2020

1 Accounting policies

f) *Investments and Gains and Losses on Investment Assets*

Investments are stated in the financial statements at market value in accordance with the Statement of Recommended Practice issued by the Charity Commission. Gains or losses on investments are disclosed in the statement of financial activities showing separately realised gains from investment sales in the year (sale proceeds less market value last year) and unrealised gains arising from the increase in value during the year of investments still held. Investment income including the associated income tax recoverable is credited to income on a receivable basis.

g) *Cash Flow Statement*

The trustees have taken advantage of the exemptions available in Financial Reporting Standard No.1 and have chosen not to prepare a cash flow statement.

h) *Resources Expended*

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. Expenditure is 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.

Wherever possible costs are directly attributed to headings that aggregate all costs related to the category. Costs common to more than one area are apportioned on the basis of time spent on each area or on a direct cost basis. The irrecoverable element of VAT is included with the expense item to which it relates.

Costs of generating funds are those costs of seeking potential funders and applying for funding.

Grants payable are accounted for on an accruals basis.

Support costs are those costs incurred in support of the charitable objectives. These have been allocated to the charitable activities on a basis that fairly reflects the true use of those resource within the organisation.

Governance costs are those incurred in the governance of the charity and are primarily associated with the constitutional and statutory requirements. The irrecoverable element of VAT is included with the expense item to which it relates.

i) *Critical accounting estimates and areas of judgement*

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. 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.

j) *Financial instruments*

The company 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 company 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 reduce the asset and settle the liability simultaneously.

With the exception of deferred income, all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 12 and 13 for details.

The Society for Nautical Research
Notes to the Financial Statements (Continued)
For the year ended 31 December 2020

Accounting policies (continued)

k) *Cash and cash equivalents*

Cash and cash equivalents include cash in hand and current and fixed term deposits with banks that are accessible within 3 months.

l) *Functional currency*

The functional and presentation currency of the company is the pound sterling.

m) *Tangible fixed assets*

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses. Depreciation is provided on tangible fixed assets to write off their cost over estimates of their useful lives at the following rates:

Computers - 33 1/3% straight line

n) *Fund Accounting*

Unrestricted: these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated: these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Restricted: these are funds that can only be used for particular restricted purposes within the objects of the charity. Capital funds with restrictions attached are included in this category. These funds consist of an original endowment and accumulated unspent restricted income.

o) *Taxation*

The company, as a charity, is exempt from taxation.

2 Voluntary Income

	2020	2019
	£	£
<i>Unrestricted funds</i>		
Donations and legacies	77	26,434

3 Investment income and interest received

	2020	2019
	£	£
<i>Unrestricted funds</i>	19,516	21,607
<i>Restricted funds</i>	93,506	109,609
	<u>113,022</u>	<u>131,216</u>

4 Subscriptions

Of the subscription income, £19,579 was received from overseas. This equates to 33.5% of total subscription income (2019: 32%)

Subscription income includes the associated recoverable gift aid.

5 Grants Payable

	2020	2019
	£	£
<i>Unrestricted funds:</i>		
Tomlin Conferences	-	750
Tomlin Awards and Research Grant	380	1,920
Anderson Bequest - Other	-	-
Anderson Awards	2,926	1,922
National Maritime Museum	-	17,000
Support costs (Note 8)	5,396	6,812
<i>Restricted funds:</i>		
National Museum of the Royal Navy	-	400,000
Support costs (Note 8)	2,939	2,935
Victory Medal	951	
	<u>12,592</u>	<u>431,339</u>

The Society for Nautical Research
Notes to the Financial Statements (Continued)
For the year ended 31 December 2020

6 Publication Costs	2020	2019
	£	£
<i>Unrestricted funds</i>		
General cost of publications	44,340	37,991
Support costs (Note 8)	16,227	17,563
	<u>60,567</u>	<u>55,554</u>

7 Governance Costs	2020	2019
	£	£
<i>Unrestricted funds</i>		
Support costs (Note 8)	10,073	11,804
Audit and accountancy	8,069	8,169
Other management costs	650	350
	<u>18,792</u>	<u>20,323</u>
<i>Restricted funds</i>		
Audit and accountancy	2,085	2,085
Other management costs	854	850
	<u>21,731</u>	<u>23,258</u>

8 Allocation of Other Membership and Support Costs	Grants		Advancing	
Year to 31 December 2020	Payable	Publications	Interest in	Governance
	£	£	Nautical Research	Costs
	£	£	£	£
Membership secretary fees	-	-	10,380	-
Travel, postage and general expenses	1,091	1,091	-	2,181
Lecture and conferences	-	-	300	-
Professional	-	-	-	-
Publicity and Website	-	7,892	-	7,892
	<u>1,091</u>	<u>8,983</u>	<u>10,680</u>	<u>10,073</u>
Direct governance costs	-	-	-	11,658
	<u>1,091</u>	<u>8,983</u>	<u>10,680</u>	<u>21,731</u>
Allocation of governance support costs	7,244	7,244	7,243	(21,731)
	<u>8,335</u>	<u>16,227</u>	<u>17,923</u>	<u>-</u>

The Society for Nautical Research
Notes to the Financial Statements (Continued)
For the year ended 31 December 2020

8 Allocation of Other Membership and Support Costs Continued

Year to 31 December 2019	Grants Payable	Publications	Advancing Interest in Nautical Research	Governance Costs
	£	£	£	£
Membership secretary fees	-	-	10,380	-
Travel, postage and general expenses	1,994	1,994	-	3,988
Lecture and conferences	-	-	2,045	-
Professional	-	-	109	-
Publicity and Website	-	7,816	-	7,816
	<u>1,994</u>	<u>9,810</u>	<u>12,534</u>	<u>11,804</u>
Direct governance costs	-	-	-	11,454
	<u>1,994</u>	<u>9,810</u>	<u>12,534</u>	<u>23,258</u>
Allocation of governance support costs	7,753	7,753	7,752	(23,258)
	<u>9,747</u>	<u>17,563</u>	<u>20,286</u>	<u>-</u>

No staff were employed by the charity during 2020 (2019: None).

9 Net Incoming Resources

Are stated after charging:	2020	2019
	£	£
Auditor's remuneration	6,770	6,670
Trustee expenses reimbursed	34	1,739

Trustee expenses related predominantly to travel costs. No trustee received remuneration in 2020 (2019: £Nil).

10 Tangible Fixed Assets

	Plant & Machinery
	£
Cost	
As at 1 January 2020 and 31 December 2020	<u>1,485</u>
Depreciation	
As at 1 January 2020 and 31 December 2020	<u>1,484</u>
Net Book Value	
As at 1 January 2020 and 31 December 2020	<u>1</u>

The Society for Nautical Research
Notes to the Financial Statements (Continued)
For the year ended 31 December 2020

11 Investments

Investments are listed on a recognised stock exchange or are held in units of common investment funds where their values are calculated by reference to investments quoted on a recognised stock exchange.

	2020		2019	
	Cost	Market Value	Cost	Market Value
	£	£	£	£
Unrestricted Funds				
General Fund	182,612	260,008	180,146	268,404
Designated Funds:				
Anderson Bequest Fund	201,585	265,427	189,833	279,051
Tomlin Bequest Fund	49,910	64,658	50,506	66,396
Farrar Fund	136,893	152,073	132,025	158,801
	<u>571,000</u>	<u>742,166</u>	<u>552,510</u>	<u>772,652</u>
Restricted Funds	<u>2,906,263</u>	<u>4,162,548</u>	<u>2,807,273</u>	<u>4,205,871</u>
	<u>3,477,263</u>	<u>4,904,714</u>	<u>3,359,783</u>	<u>4,978,523</u>
	Unrestricted Funds	Restricted Funds	Unrestricted Funds	Restricted Funds
	£	£	£	£
Balance at beginning of year	761,529	4,061,110	671,511	3,593,812
Additions	73,109	129,807	68,096	519,302
Disposals at book value	(65,935)	(51,508)	(76,932)	(550,595)
Net gains/(losses) on investments	(33,404)	(42,980)	98,853	498,587
Add: Cash balances included in investments	6,866	66,119	11,124	144,765
	<u>742,165</u>	<u>4,162,548</u>	<u>772,652</u>	<u>4,205,871</u>
			Market Value	Market Value
			2020	2019
			£	£
UK equities			1,897,211	2,175,202
UK Fixed Interest			1,289,191	1,225,341
UK index linked			99,003	107,462
Overseas equities			222,480	217,764
Overseas Fixed Interest			1,323,845	1,096,865
Cash			72,984	155,889
			<u>4,904,714</u>	<u>4,978,523</u>

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The Society for Nautical Research
Notes to the Financial Statements (Continued)
For the year ended 31 December 2020

12 Debtors	2020	2019
	£	£
Taxation and social security debtor	57	716
Royalty debtor	5,000	5,000
Other debtors	-	-
	<u>5,057</u>	<u>5,716</u>

13 Creditors: Amounts falling due within one year	2020	2019
	£	£
Accruals and deferred income	39,522	36,349
Grant creditor	100,000	400,000
	<u>139,522</u>	<u>436,349</u>

Of the above, £7,868 relates to deferred income, all of which was deferred in the current year (2019: £7,092). Deferred income relates to subscription income received in advance.

14 Funds	Balance at 1 Jan 2020	Incoming Resources	Outgoing Resources	Transfers	Investment (Losses)	Balance at 31 Dec 2020
	£	£	£		£	£
Unrestricted Funds						
General Fund	405,444	92,028	(79,142)	-	(8,397)	409,933
Designated Funds:						
Anderson Bequest	290,145	6,962	(5,519)	-	(13,615)	277,973
Tomlin Bequest	66,393	1,748	(856)	-	(1,739)	65,546
Farrar Fund	158,500	4,021	(7,096)	-	(9,653)	145,772
	<u>920,479</u>	<u>104,759</u>	<u>(92,613)</u>	<u>-</u>	<u>(33,404)</u>	<u>899,221</u>
Restricted Funds						
Save the Victory	3,618,865	79,624	(22,272)	-	(40,044)	3,636,173
Macpherson Collection	706,002	13,882	(4,393)	-	(2,936)	712,555
	<u>5,245,345</u>	<u>198,265</u>	<u>(119,278)</u>	<u>-</u>	<u>(76,384)</u>	<u>5,247,949</u>

Designated Funds

The designated funds will be spent in line with the investment income that becomes available and will be spent in accordance with the designations as per the below:

The Anderson Bequest

This fund is used to fund grants for research work on maritime history in general. The transactions of the fund are separately recorded and were created from unrestricted legacies received.

The Tomlin Bequest Fund

This fund is designated by the Council to augment financial support for conferences and other Society activities.

The Farrar Fund

This fund was created by a legacy from the estate of Austin Farrar and its income and capital is available for projects designed to promote awareness as well as the objectives of the society.

Restricted Funds

The restricted funds comprise two endowment funds which are the Save the Victory Fund and the Macpherson Collection Endowment Fund. The Save the Victory Fund engages in activities that preserve and restore HMS Victory. The Macpherson Collection Endowment Fund purchases works of art for the National Maritime Museum.

The Society for Nautical Research
Notes to the Financial Statements (Continued)
For the year ended 31 December 2020

14 Funds continued
Transfers

Transfers in the year represent movements necessary to align fund opening balances to assets held by each fund.

15 Analysis of Net Assets between Funds	Fixed Assets and Investments	Net Current Assets	2020 Total	2019 Total
	£	£	£	£
Unrestricted funds	751,339	147,882	899,221	920,479
Restricted funds:				
Save the Victory Fund	3,513,617	122,556	3,636,173	3,618,864
Macpherson Collection Endowment Fund	639,759	72,796	712,555	706,002
	<u>4,904,715</u>	<u>343,234</u>	<u>5,247,949</u>	<u>5,245,345</u>

16 Councils' Liability

In the event of the company being wound up, the liability of each member is limited to £1. At 31 December 2020 there were 15 members.

17 Related party transactions

During the year, Helen Garvey, the membership secretary received fees of £10,380 (2019 - £10,380).

During the year, The British Commission for Maritime History, of which share J Davey and C Pearce as trustees, received fees of £0 (2019 - £1,250)

The key management personnel of the society are the Officers and the Council members. They were not remunerated in the year (2019: £nil).