

REGISTERED COMPANY NUMBER: 05343257 (England and Wales)
REGISTERED CHARITY NUMBER: 1109066

Report of the Trustees and
Financial Statements for the Year Ended 31 March 2022
for
THE WELLINGTON TRUST

Knox Cropper LLP
Chartered Accountants and Statutory Auditors
65 Leadenhall Street
London
EC3A 2AD

THE WELLINGTON TRUST

**Contents of the Financial Statements
for the Year Ended 31 March 2022**

	Page
Report of the Trustees	1 to 9
Report of the Independent Auditors	10 to 13
Statement of Financial Activities	14
Balance Sheet	15
Notes to the Financial Statements	16 to 28
Detailed Statement of Financial Activities	29 to 31

THE WELLINGTON TRUST

Report of the Trustees for the Year Ended 31 March 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: 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 (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Wellington Trust was incorporated in 2005, as a company limited by guarantee. It is a registered charity whose objects are:

- the restoration, maintenance and preservation for the public benefit of the sloop HMS Wellington as part of the nation's heritage;
- the education of the public in the history and traditions of the British Merchant Navy.

Significant activities

The WELLINGTON Trust continually raises funds through grants and donations to preserve and maintain the WELLINGTON for the future, and to raise the public awareness of the importance of the British Merchant Navy and seaborne trade to our island nation, and its protection. Since this fundraising started, the Trust has raised over £1.271m from the City, Livery Companies, individuals and other Trusts. On top of this The Honourable Company of Master Mariners, who have their Livery Hall onboard the ship, have gifted over £785,000 since the formation of the Trust.

The Trust soon realised that the mainstay for fundraising is education of young people and set up a project to develop this on a curriculum-based learning programme. The initial programme was based on Westminster City schools but has expanded to take in inner and outer London schools, with a focus on children living in disadvantaged areas. The Learning Programme for Primary and Secondary is now well established. This has expanded into a Sixth Form programme, using the ship as a classroom for aspects of Science, Technology, Engineering and Maths (STEM). This has been well received. In addition to over 50,000 visitors to the ship taking advantage of the Merchant Navy artefacts onboard, the Trust now plans to continue to hold specific Merchant Navy focussed exhibitions and events, presented with a broad appeal, for mariners and for the public at large, including families and children.

Regrettably the schools programme during this year has been severely hampered owing to the COVID-19 pandemic, with the restrictive effects of lockdown, mandatory NHS Covid 'ping' testing, ship closure and an understandable reluctance of schools to venture out to external educational locations, seriously impacting our onboard activities and our finances.

Independent research has shown that in Central London total visitor spending at public attractions fell by some 80 percent over the Covid years. Even during 2022, these spending levels remained substantially below pre-Covid levels. Our experience onboard HMS WELLINGTON has fully reflected this. We had planned to open our Summer Exhibition, South Asian Seafarers, in April 2021, but owing to the pandemic's ongoing effects, we postponed this opening until July 2021. The level of online bookings, and also of generally lucrative ship visits from members of the public, remained very low, with frequent booking cancellations. Trustees therefore took the view to postpone the 2021 Exhibition for a year, not least since the financial implications of hosting the Summer Exhibition until planned closure in September 2021, a period of only two months, would risk low public attendance and guarantee financial loss. Our valued volunteers for the Exhibition, having been fully trained for the task, and also in health and safety matters and first aid, were stood down.

THE WELLINGTON TRUST

**Report of the Trustees
for the Year Ended 31 March 2022**

OBJECTIVES AND ACTIVITIES

Public benefit

The trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The trustees have referred to this guidance when reviewing the charity's aims and objectives and in planning future activities of the charity.

THE WELLINGTON TRUST

Report of the Trustees for the Year Ended 31 March 2022

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Charitable Objects - Preservation of HQS WELLINGTON

The regular ship maintenance programme has continued, under the Resident Engineer, assisted by his son, throughout the year. They are contracted and employed, respectively, by the Honourable Company of Master Mariners. Maintenance of the Ship continues to be the physical and financial responsibility of the Honourable Company of Master Mariners who are Licensees and occupiers of the HQS WELLINGTON by virtue of a Management Agreement entered into between the Wellington Trust and the Honourable Company in January 2021. In addition, a considerable amount of work has been undertaken on the moorings, in conjunction with the Honourable Company. This work has comprised relocating mooring points away from the two dolphins onto new steel piles, embedded in the river ahead and astern of the ship, and structural modifications to the ship to improve the securing arrangements. These works were completed in Summer 2021. The Wellington Trust is grateful to the sponsor who has provided funding to allow this work to proceed.

Preservation of the Ship's hull remains an essential element of this Charitable Object. Longevity of the hull is a fundamental precursor to any application for capital works grant aid. Therefore, in Summer 2021, a detailed survey of the WELLINGTON's wet hull (that part beneath the waterline) was planned and commissioned by the Trust. This was to be funded by generous financial legacies from the Estates of two late supporters of the Ship. An independent Marine Surveyor, a Captain of the Royal Corps of Naval Constructors with decades of experience of ship preservation, repair and damage rectification, in peace and war, was instructed by the Trust to plan and supervise this survey, utilising the hull's steel plate thickness calibration readings and physical inspection of the exterior of the hull by divers. The Surveyor's detailed Report was published in March 2022 and, in summary, predicts a period of up to 25 years, with appropriate maintenance works, before a dry docking of the Ship would be required.

Charitable Objects - Education and Heritage

The onboard school education programme has inevitably suffered with few school bookings during the financial year, as a consequence of the Covid pandemic. There was just one primary session in November 2021 and two STEM Physics sessions in March 2022.

The Trust is constantly assessing the future needs of the programme to fit with the changing educational environment. The STEM Maths syllabus has been developed into an online course which schools or individuals can undertake at home and the Trust's Education Development Officer has now extended the STEM provision into the area of Physics.

The Trust participated in a two-day Careers and Jobs Fair onboard WELLINGTON as part of International Shipping Week between 13th-17th September 2021. This had been organised by Maritime UK, as a result of which a close and potentially fruitful relationship with that body has been formed in respect of mutual development of future maritime enterprises. The Careers Fair was also attended by Solent University and others who supported the initiative described below.

THE WELLINGTON TRUST

Report of the Trustees for the Year Ended 31 March 2022

This year, and with financial support through a single generous charitable donation from The Royal Commission for the Exhibition of 1851, the Trust has been able to plan and develop, under the leadership of our Education Development Officer and through our Education Committee, a new project to support young people into thinking about careers in maritime engineering. Future Maritime Engineers (FME) is an innovative project designed to broaden career horizons for students from the deprived boroughs of East and Southeast London. This is initially being run as a one-off summer school pilot project, with a view to seeking annual funding to be able to run this every year. The scheme has commenced this year with a day's introductory sessions for some twenty students and their careers leaders onboard WELLINGTON, with the support of leading organisations in the modern maritime sector, in advance of a short residential Summer School that is due to take place through the aegis of Solent University, British Aerospace, the Royal Navy and other supporters of this unique project. This is a major step forward for the Trust, and early feedback from those participating has been encouraging.

The Trust has continued preparing annual exhibitions onboard which have now been running for many years. Subjects range from Operation CYCLE 1940 which, shortly after Dunkirk, involved the evacuation from Saint-Valery-en-Caux of some members of the 51st Highland Division, in which HMS WELLINGTON took part, through to Convoy - the Battle of the Atlantic, Hospital and Troop Ships and Abandon Ship. The latest exhibition, now delayed until Easter 2022 owing to Covid-19, is entitled South Asian Seafarers - in Peace and War. The story of Lascars and their descendants from 1700 to the present day is rarely told in a way that brings so many important elements together.

Our Wellington Trust Heritage Lectures, held online monthly, have been hugely popular, gathering sizeable audiences from across the globe and bringing to the public, free of charge, distinguished lecturers in maritime heritage subjects. There has been generous financial support through donations from the twelve lectures hosted during this year. Recordings of the Heritage Lectures remain available to all on our website, as an important educational and research resource.

During the year, the Trust also, with generous assistance from the National Heritage Lottery Fund, installed an Augmented Reality feature in the Ship's historic wheelhouse. Entitled Full Steam Ahead, this facility replicates, with impressive reality, the experience for children and others of helming a warship through a Second World War merchant shipping convoy, giving scenario experiences that recreate, with considerable visual reality, both 'conning' (steering) of the vessel through the convoy and also operation of its anti-submarine weaponry. The new facility was bench-tested one weekend to great acclaim by family groups of adults and children. The second stage of Augmented Reality is now under preparation, comprising a full-scale visual reproduction onto a pull-down gauze screen of the ship's former propulsion system (engines and turbines) within the present Courtroom, where the engine and boiler rooms had been situated. This facility is due to be completed and launched later this year.

Support and development

During this year the Trust has, with the help of a National Lottery Heritage Grant and a considerable amount of experienced volunteer time, hired a full time Trust Manager, continued expanding the skills of Board of Trustees to ensure the appropriate areas needed for the future are represented, restructured the IT services, produced new updated Governance policies, revamped the accounting system to provide the financial information that is needed, and developed further the new website and built new features into the database.

The Trust's website has generated further support and donations from members of the public and the marketing and awareness programme, including social media, has increased visitors to the website five-fold and will also reflect positively on future activities on the ship.

The organisation of Friends of the WELLINGTON was formed in 2009 and currently there are 128 Friends who have contributed significantly to the Trust's activities. Development plans are in place to increase this vital audience during the forthcoming year.

THE WELLINGTON TRUST

Report of the Trustees for the Year Ended 31 March 2022

FINANCIAL REVIEW

Financial position

The Trust achieved total income of £139,864, against expenditure of £256,309 and gains on investments of £1,471, resulting in net expenditure for the year of £(114,974). Total funds of the Trust decreased by £114,974 to £814,006 which comprises restricted funds of £36,230 and unrestricted funds of £777,776. However, it should be noted that total funds largely reflects the Trust's principal asset, the ship, which is its principal raison d'être to preserve. Excluding fixed assets held for the Trust's own use and funds designated by the Trustees, unrestricted reserves amount to £153,618.

The operating deficit coupled with the subdued investment markets have depleted the Trust's resources, but it is hoped that this will reverse in the coming year.

The Trustees entered into an agreement to outsource the management and maintenance of the ship to the HCMM. This initiative took effect in June 2020 and was undertaken to reduce the financial risk to the Trust. Therefore, since June 2020 the income and expenditure categories have changed considerably with the Trust no longer receiving rental income from the HCMM and other occupiers, but not making payments for the upkeep of the ship. As a result, the Trust no longer has responsibility for staff costs, save for the Trust Manager.

The Trust will need to obtain further funding to continue its work, particularly in education and preservation of the ship. Development of new income streams to fund the fulfilment of the Trust's aims is now a key priority. The Trust's regular expenditure has now reduced substantially, with only one employee, and day to day maintenance work outsourced. This has significantly reduced the financial risks to the charity although funding is still required for future projects.

Investment policy and objectives

The investment policy is to invest for the long term at moderate risk level and mainly in quoted equities, so as to provide a suitable balance between dividend income and capital appreciation. However, the trustees are mindful that it may be necessary to realise some of the investments in order to carry out or contribute to necessary works. The trustees have reviewed the investment policy and consider the investments to be prudently managed and with reasonable diversification.

Reserves policy

The free reserves of the charitable company are to be utilised to finance conservation and improvement of the ship and to meet operational expenses. The Trust has an obligation for the ultimate removal of the ship from the Thames when it is no longer physically or economically possible to maintain the vessel. This cost is difficult to quantify but the Trustees have provided a designated reserve of £50,000 against this eventual expense. The Trustees believe that the Trust has adequate reserves available for its ongoing operations.

Fixed Assets

The fixed assets of the Trust include the HQS Wellington and the moorings, ownership of which were transferred from the HCMM to the Trust by virtue of a Deed of Gift dated 11th September 2006.

THE WELLINGTON TRUST

Report of the Trustees for the Year Ended 31 March 2022

FUTURE PLANS

The Trust's focus must be on continuing to achieve its two Charitable Objects.

The ship will open to the public from April 17th, 2022. A group of more than twenty volunteers will be continuously trained and retrained. Many of those recruited speak other languages to assist our tourist visitors.

The Art Fund's ticket booking system, supported by the National Lottery Heritage Fund for heritage attractions, will be used to book tickets to visit HQS Wellington in response to our substantial marketing of HQS Wellington as a unique place to visit.

Volunteers will be demonstrating the Augmented Reality attractions for the benefit of schoolchildren and visitors, with the Engine Room AR completed in time for re-opening. The AR in the Wellington's original Wheelhouse will educate and entertain as well as giving a glimpse of life onboard a convoy escort ship in action in World War Two. These immersive group attractions will be used during the education programme for primary and STEM subjects in the education sessions, with an auto-guided but shorter version suitable for visitors of all ages. The development of the AR has been generously supported by the National Lottery Heritage Fund and the Portal Trust.

Guided tours of the latest exhibition, South Asian Seafarers in Peace and War, will be carried out by experienced personnel, including descendants of Lascar families. Display cabinets of treasures of Lascar life at sea have been generously loaned for this exhibition. Education activities for children, related to the exhibition and to other displays onboard will be available. A ten-minute film about Lascars and their descendants discovering their history will run continuously throughout the exhibition which may travel at the end of the season.

A range of merchandise has been developed, including specific educational items for children and a collection of maritime books for enthusiasts, will be available to visitors when the ship opens.

The Future Maritime Engineers (FME) pilot programme, supported in full by the Royal Commission for the Exhibition of 1851, will take place in June and July 2022, with the residential course hosted by Solent University. A film has been commissioned to follow the students' progress throughout the experience. The generous support of those in the maritime industry with whom this subject resonates is much appreciated.

The heritage lecture programme will deliver monthly lectures online free of charge to the ever-increasing public audience and may occasionally be brought back live on board once again (Covid permitting).

Covid protection measures are in place throughout the ship with the generous support of the National Lottery Heritage Fund.

Mentoring staff and volunteers and keeping Trustees and Ambassadors current on charity and business matters will be continuous, and governance policies reviewed by the board regularly.

Fundraising activities will be increased to cover the development of further programmes to enable the Trust to bring HQS WELLINGTON to the attention of a larger audience, and more schoolchildren into education sessions, and detailed marketing plans will put this into effect, both in the local community, including disadvantaged areas in London, and to the maritime audience at large. Such fundraising will also include options to support the preservation and maintenance of the ship.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, the Memorandum and Articles of Association, and constitutes a company limited by guarantee, as defined by the Companies Act 2006.

THE WELLINGTON TRUST

Report of the Trustees for the Year Ended 31 March 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Trust is managed by the Board of Trustees which meets quarterly. The Board has instituted a trustee skills audit that has been used for existing Trustees and is used when new Trustees are recruited.

The Board appointed a Management Committee of five Trustees which meets fortnightly to deal with day-to-day matters.

The Trust is managed on a day to basis by a full time Trust Manager who is the only employee. Remuneration arrangements for the Manager are recommended by the Management Committee and approved by the Trustees.

The Board now includes lead Trustees for finance, education, marketing, and development including fundraising, media and filmography, museums and exhibitions, Merchant Navy heritage, and legal and commercial activities. The leaders of these groups involve other people, including expertise from outside the Trustees as required, and report quarterly to the Board.

Induction and training of new trustees

New trustees are provided with information concerning the finances, fund raising and expenditure policies of the Charity. Those who are not familiar with the legal obligations and responsibilities of a director are provided with information published by organisations such as the Charity Commission. The Trust will continue to review training requirements for existing and any new Trustees.

Risk management

Trustees have been considering the major strategic, business, and operational risks which the charity faces, which includes the foreseen risks to both the Charity and the vessel. A Risk Register is now maintained and reviewed regularly by Trustees.

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
05343257 (England and Wales)

Registered Charity number
1109066

Registered office
HQS Wellington
Temple Stairs
Victoria Embankment
London
WC2R 2PN

THE WELLINGTON TRUST

Report of the Trustees for the Year Ended 31 March 2022

Trustees

M Ali
A D Barrett (resigned 30.6.21)
A Chapman
N Dickinson (resigned 31.12.22)
N D Dowden (appointed 31.5.22)
D Hogben
M Lincoln (resigned 19.1.22)
J M Moseley
A W Mullee (appointed 28.4.21)
M Reed (resigned 15.11.22)
M A Roberts (resigned 21.5.21)
S Robertson
S P Summers (resigned 18.1.22)
A V Todd

Company Secretary

N Dickinson

Auditors

Knox Cropper LLP
Chartered Accountants and Statutory Auditors
65 Leadenhall Street
London
EC3A 2AD

Bankers

Barclays Bank Plc
114 Fenchurch Street
London EC3P 3HY

Investment Managers

Smith and Williamson Investment Management
25 Moorgate
London EC2R 6AY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Wellington Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

THE WELLINGTON TRUST

Report of the Trustees for the Year Ended 31 March 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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

AUDITORS

The auditors, Knox Cropper LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 18./1./2023..... and signed on its behalf by:



Trustee

ALASTAIR BALFOUR CHAPMAN

Opinion

We have audited the financial statements of The Wellington Trust (the 'charitable company') for the year ended 31 March 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- 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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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 take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our 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 a Report of the Independent Auditors 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Companies Act 2006 and the Charities Act 2011.
- The charitable company is required to comply with charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- We understood how the charitable company is complying with those frameworks via communication with those charged with governance, together with the review of the charity's documented policies and procedures.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. These included risks associated with Revenue Recognition, Management Override of Controls, and the increased incentive and pressure to commit fraud due to the Covid-19 environment, which were discussed and agreed by the audit team.
- Our approach included agreeing the charitable company's recognition of income to the terms of the underlying grant agreements, legacy documentation and associated correspondence, the review of journal entries processed in the accounting records and the investigation of significant and unusual transactions identified from our review of the accounting records.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the charitable company.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Members of
The Wellington Trust**

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 charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Greg Stevenson FCA (Senior Statutory Auditor)
for and on behalf of Knox Cropper LLP
Chartered Accountants and Statutory Auditors
65 Leadenhall Street
London
EC3A 2AD

Date: 19th January 2023

THE WELLINGTON TRUST

Statement of Financial Activities (Incorporating an Income and Expenditure Account) for the Year Ended 31 March 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	57,683	56,544	114,227	496,672
Charitable activities	6				
Maintenance of the Wellington Education		20,920 336	- -	20,920 336	- 45
Other trading activities	4	242	-	242	56,193
Investment income	5	4,139	-	4,139	4,854
Total		<u>83,320</u>	<u>56,544</u>	<u>139,864</u>	<u>557,764</u>
EXPENDITURE ON					
Raising funds	7	9,632	-	9,632	6,804
Charitable activities	8				
Maintenance of the Wellington Education		166,878 34,443	18,041 27,315	184,919 61,758	277,017 90,077
Total		<u>210,953</u>	<u>45,356</u>	<u>256,309</u>	<u>373,898</u>
Net gains on investments		<u>1,471</u>	<u>-</u>	<u>1,471</u>	<u>61,742</u>
NET INCOME/(EXPENDITURE)		(126,162)	11,188	(114,974)	245,608
RECONCILIATION OF FUNDS					
Total funds brought forward		903,938	25,042	928,980	683,372
TOTAL FUNDS CARRIED FORWARD		<u>777,776</u>	<u>36,230</u>	<u>814,006</u>	<u>928,980</u>

The notes form part of these financial statements

THE WELLINGTON TRUST


Balance Sheet 31 March 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	15	574,158	575,575
Investments	16	<u>227,760</u>	<u>271,160</u>
		801,918	846,735
CURRENT ASSETS			
Stocks	17	4,246	-
Debtors	18	97,133	163,523
Cash at bank		<u>23,789</u>	<u>9,742</u>
		125,168	173,265
CREDITORS			
Amounts falling due within one year	19	(113,080)	(91,020)
NET CURRENT ASSETS		<u>12,088</u>	<u>82,245</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		814,006	928,980
NET ASSETS		<u>814,006</u>	<u>928,980</u>
FUNDS	21		
Unrestricted funds		777,776	903,938
Restricted funds		<u>36,230</u>	<u>25,042</u>
TOTAL FUNDS		<u>814,006</u>	<u>928,980</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 18/1/2023 and were signed on its behalf by:

Trustee


ALASTAIR BALFOUR CHAPMAN.

The notes form part of these financial statements

THE WELLINGTON TRUST

Notes to the Financial Statements for the Year Ended 31 March 2022

1. STATUS OF THE WELLINGTON TRUST

The Wellington Trust is a private charitable company limited by guarantee incorporated in England & Wales, register number 05343257. It is also a registered charity, registered with the Charity Commission with number 1109066. The registered office is as disclosed on page 3.

A description of the nature of the charitable company's operations and principal activities are disclosed in the Report of the Trustees.

The functional currency of the charitable company and the presentation currency used in the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: 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 (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The Trustees consider that there are no material uncertainties around the Trust's ability to continue as a going concern.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donations are recognised when received. Gift Aid recoverable on donations is recognised when received.

Charitable Activities income is recognised according to the degree of completion of the agreement.

Other Trading Income is accounted for on an accruals basis.

Investment Income is recognised on the date on which the dividend is payable or the interest accrues.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

THE WELLINGTON TRUST

Notes to the Financial Statements - continued for the Year Ended 31 March 2022

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

The HQS Wellington was transferred by the Honourable Company of Master Mariners (HCMM) to the Wellington Trust at its net book value on 1st July 2005. The costs and improvements have been capitalised and are being written off over their estimated useful lives.

Previously, the estimated useful life of the ship is considered to be 50 years. Improvements and fixtures and fittings, depending on their nature, were considered to have useful lives of between 5 and 50 years. During the year, the Trustees obtained a survey of the ship's hull. This estimated, that with appropriate maintenance, the ship would not to dry dock for maintenance for a period of 25 years. As a result, the Trustees have revised the estimated useful lives to be 25 years (or shorter if applicable).

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

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

Financial instruments

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial Instruments are recognised in the Trust's balance sheet when the Trust 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 intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

2. ACCOUNTING POLICIES - continued

Financial instruments

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Basic financial liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective rate method.

Critical judgement and key sources of estimation uncertainty

The following are the critical judgements and key sources of estimation uncertainty that the board has made in the process of applying the charitable company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Depreciation:

The depreciation of fixed assets is based on the Board's estimate of their useful lives and residual value, which is kept under review.

3. DONATIONS AND LEGACIES

	2022 £	2021 £
Gifts	-	186,591
Donations	27,499	28,241
Gift aid	6,603	17,665
Legacies	10,000	20,011
Grants	70,125	244,164
	<u>114,227</u>	<u>496,672</u>

THE WELLINGTON TRUST

Notes to the Financial Statements - continued for the Year Ended 31 March 2022

3. DONATIONS AND LEGACIES - continued

Grants received, included in the above, are as follows:

	2022 £	2021 £
Coronavirus Job Retention Scheme	-	14,569
National Lottery Heritage Fund	41,084	219,595
The Portal Trust	-	10,000
1851 Commission	15,460	-
Westminster Council	13,581	-
	<u>70,125</u>	<u>244,164</u>

4. OTHER TRADING ACTIVITIES

	2022 £	2021 £
Rents receivable	-	53,879
Sundry rental and other income	-	2,326
Functions	-	(12)
Merchandise	<u>242</u>	-
	<u>242</u>	<u>56,193</u>

5. INVESTMENT INCOME

	2022 £	2021 £
Dividends	4,127	4,837
Deposit account interest	<u>12</u>	<u>17</u>
	<u>4,139</u>	<u>4,854</u>

THE WELLINGTON TRUST

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

6. INCOME FROM CHARITABLE ACTIVITIES

		2022	2021
	Activity	£	£
Ship tours	Maintenance of the Wellington	125	-
Costs reimbursed	Maintenance of the Wellington	20,795	-
Heritage Evenings	Education	336	45
		<u>21,256</u>	<u>45</u>

7. RAISING FUNDS

Raising donations and legacies

	2022	2021
	£	£
Fundraiser	3,607	1,700
Friends' expenses	639	475
Promotional design, printing and postage	4,173	-
	<u>8,419</u>	<u>2,175</u>

Other trading activities

	2022	2021
	£	£
Purchases	5,295	-
Closing stock	(4,246)	-
Bad debts	-	4,557
	<u>1,049</u>	<u>4,557</u>

Investment management costs

	2022	2021
	£	£
Portfolio management	164	72
	<u>164</u>	<u>72</u>
Aggregate amounts	<u>9,632</u>	<u>6,804</u>

THE WELLINGTON TRUST

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9) £	Grant funding of activities £	Support costs (see note 10) £	Totals £
Maintenance of the Wellington Education	93,142 <u>61,758</u>	301 <u>-</u>	91,476 <u>-</u>	184,919 <u>61,758</u>
	<u>154,900</u>	<u>301</u>	<u>91,476</u>	<u>246,677</u>

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2022 £	2021 £
Staff costs	-	27,019
Repairs and maintenance	35,359	87,200
Mooring fees	-	5,068
Rates	9,682	2,419
Insurance	14,991	12,125
Website	7,511	8,220
Utilities	1,542	9,831
Exhibitions	14,144	11,360
Augmented reality project	28,037	75,200
Education expenses	16,827	3,517
Heritage Evenings	2,750	-
Admissions	134	-
Depreciation	23,923	13,544
Loss on sale of assets	-	20,694
	<u>154,900</u>	<u>276,197</u>

10. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Maintenance of the Wellington	<u>85,476</u>	<u>6,000</u>	<u>91,476</u>

THE WELLINGTON TRUST

Notes to the Financial Statements - continued for the Year Ended 31 March 2022

10. SUPPORT COSTS - continued

Support costs, included in the above, are as follows:

	2022 Maintenance of the Wellington £	2021 Total activities £
Wages	35,000	9,050
Social security	-	1,003
Pensions	940	-
Consultant manager	500	26,894
Accounting	5,431	3,444
Database	7,901	14,198
Marketing	23,640	10,023
Bank and payment charges	605	1,192
Sundry expenses	7,498	3,004
IT and software costs	2,971	3,148
Legal fees	990	2,180
Professional fees	-	11,361
Auditors' remuneration	6,000	5,400
	<u>91,476</u>	<u>90,897</u>

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022 £	2021 £
Auditors' remuneration	6,000	5,400
Depreciation - owned assets	23,923	13,544
Deficit on disposal of fixed assets	-	20,694

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2022 nor for the year ended 31 March 2021.

One trustee was reimbursed travel expenses amounting to £149 (2021: no expenses reimbursed to trustees).

In addition, trustees were reimbursed for Trust expenditure incurred on behalf of the Trust using personal cards.

THE WELLINGTON TRUST

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

13. STAFF COSTS

	2022 £	2021 £
Wages and salaries	35,000	33,640
Social security costs	-	3,288
Other pension costs	940	144
	<u>35,940</u>	<u>37,072</u>

The average monthly number of employees during the year was as follows:

	2022	2021
Shipkeepers and maintenance	-	1
Administration	1	2
	<u>1</u>	<u>3</u>

No employees received emoluments in excess of £60,000.

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	267,077	229,595	496,672
Charitable activities			
Education	45	-	45
Other trading activities	56,193	-	56,193
Investment income	4,854	-	4,854
Total	<u>328,169</u>	<u>229,595</u>	<u>557,764</u>
EXPENDITURE ON			
Raising funds	6,804	-	6,804
Charitable activities			
Maintenance of the Wellington	149,551	127,466	277,017
Education	-	90,077	90,077
Total	<u>156,355</u>	<u>217,543</u>	<u>373,898</u>
Net gains on investments	61,742	-	61,742
NET INCOME	233,556	12,052	245,608
Transfers between funds	8,450	(8,450)	-

THE WELLINGTON TRUST

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
Net movement in funds	242,006	3,602	245,608
RECONCILIATION OF FUNDS			
Total funds brought forward	661,932	21,440	683,372
TOTAL FUNDS CARRIED FORWARD	<u>903,938</u>	<u>25,042</u>	<u>928,980</u>

15. TANGIBLE FIXED ASSETS

	Improvements to HQS Wellington £	HQS Wellington £	Totals £
COST			
At 1 April 2021	244,652	604,694	849,346
Additions	<u>22,506</u>	<u>-</u>	<u>22,506</u>
At 31 March 2022	<u>267,158</u>	<u>604,694</u>	<u>871,852</u>
DEPRECIATION			
At 1 April 2021	54,987	218,784	273,771
Charge for year	<u>8,487</u>	<u>15,436</u>	<u>23,923</u>
At 31 March 2022	<u>63,474</u>	<u>234,220</u>	<u>297,694</u>
NET BOOK VALUE			
At 31 March 2022	<u>203,684</u>	<u>370,474</u>	<u>574,158</u>
At 31 March 2021	<u>189,665</u>	<u>385,910</u>	<u>575,575</u>

THE WELLINGTON TRUST

Notes to the Financial Statements - continued for the Year Ended 31 March 2022

16. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 April 2021	271,160
Additions	27,645
Disposals	(74,816)
Unrealised gains/(losses)	3,277
Movement in cash	494
At 31 March 2022	<u>227,760</u>
NET BOOK VALUE	
At 31 March 2022	<u>227,760</u>
At 31 March 2021	<u>271,160</u>

Included within Listed Investments is financial assets measured at fair value through income and expenditure of £224,261 (2021: £268,154) and cash of £3,499 (2021: £3,006).

17. STOCKS

	2022 £	2021 £
Finished goods	<u>4,246</u>	<u>-</u>

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	66,262	2,674
Other debtors	257	38,881
VAT	15,956	47,042
Prepayments and accrued income	<u>14,658</u>	<u>74,926</u>
	<u>97,133</u>	<u>163,523</u>

THE WELLINGTON TRUST

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	99,154	84,500
Social security and other taxes	628	-
Other creditors	346	173
Accruals and deferred income	3,858	-
Accrued expenses	9,094	6,347
	<u>113,080</u>	<u>91,020</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Fixed assets	574,158	-	574,158	575,575
Investments	227,760	-	227,760	271,160
Current assets	88,938	36,230	125,168	173,265
Current liabilities	(113,080)	-	(113,080)	(91,020)
	<u>777,776</u>	<u>36,230</u>	<u>814,006</u>	<u>928,980</u>

21. MOVEMENT IN FUNDS

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	853,938	(126,162)	727,776
Ship Removal Fund	50,000	-	50,000
	903,938	(126,162)	777,776
Restricted funds			
National Lottery Heritage Fund	5,569	14,795	20,364
Portal Trust	9,473	(8,776)	697
Portal Trust 2020/21	10,000	(10,000)	-
1851 Commission	-	15,169	15,169
	25,042	11,188	36,230
TOTAL FUNDS	<u>928,980</u>	<u>(114,974)</u>	<u>814,006</u>

THE WELLINGTON TRUST

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

21. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	83,320	(210,953)	1,471	(126,162)
Restricted funds				
National Lottery Heritage Fund	41,084	(26,289)	-	14,795
Portal Trust	-	(8,776)	-	(8,776)
Portal Trust 2020/21	-	(10,000)	-	(10,000)
1851 Commission	15,460	(291)	-	15,169
	<u>56,544</u>	<u>(45,356)</u>	<u>-</u>	<u>11,188</u>
TOTAL FUNDS	<u>139,864</u>	<u>(256,309)</u>	<u>1,471</u>	<u>(114,974)</u>

Comparatives for movement in funds

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General fund	661,932	233,556	(41,550)	853,938
Ship Removal Fund	-	-	50,000	50,000
	661,932	233,556	8,450	903,938
Restricted funds				
National Lottery Heritage Fund	-	5,569	-	5,569
Portal Trust	12,990	(3,517)	-	9,473
Replacement Moorings Project	8,450	-	(8,450)	-
Portal Trust 2020/21	-	10,000	-	10,000
	<u>21,440</u>	<u>12,052</u>	<u>(8,450)</u>	<u>25,042</u>
TOTAL FUNDS	<u>683,372</u>	<u>245,608</u>	<u>-</u>	<u>928,980</u>

THE WELLINGTON TRUST

Notes to the Financial Statements - continued for the Year Ended 31 March 2022

21. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	328,169	(156,355)	61,742	233,556
Restricted funds				
National Lottery Heritage Fund	219,595	(214,026)	-	5,569
Portal Trust	-	(3,517)	-	(3,517)
Portal Trust 2020/21	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
	<u>229,595</u>	<u>(217,543)</u>	<u>-</u>	<u>12,052</u>
TOTAL FUNDS	<u>557,764</u>	<u>(373,898)</u>	<u>61,742</u>	<u>245,608</u>

Portal Trust

This fund represents grants received from The Portal Trust to support the cost of education activities carried out aboard HQS Wellington.

National Lottery Heritage Fund

This fund represents grants received from the NLHF during 2020/21 to support the cost of maintaining the ship during the Covid pandemic as well as developing the ship into a visitor attraction and the creation of augmented reality installations.

1851 Commission

This fund represents a grant received from 1851 Commission to support the cost of the Future Maritime Engineers summer school project trial.

22. RELATED PARTY DISCLOSURES

The Trust purchased video production services for £1,400 from Moringa Entertainment Limited, a company controlled by a trustee of the Trust, Munsur Ali.