

Charity number: 1152898

The Mary Rose Permanent Endowment Fund

Trustees' report and financial statements

for the year ended 31 March 2024

Compass Accountants Limited

Venture House

The Tanneries

East Street

Titchfield

Hampshire

PO14 4AR

The Mary Rose Permanent Endowment Fund

Contents

	Page
Trustees' report	1 - 2
Reference and administrative details	3
Statement of Trustees' responsibilities	4
Auditors' report to the Trustees	5 - 7
Statement of financial activities	8
Balance sheet	9
Cash flow statement	10
Notes to the financial statements	11 - 15

The Mary Rose Permanent Endowment Fund

Report of the Trustees for year ended 31 March 2024

The Trustees present their report and the financial statements for the period ended 31 March 2024.

Objectives and Activities

The objects of the Charity are to support The Mary Rose Trust of College Road, HM Naval Base, Portsmouth PO1 3LX (registered charity number 277503) for the public benefit, firstly, by making grants out of income for the purpose of meeting any shortfall in the income requirements of The Mary Rose Trust; secondly, by making grants out of income supporting development projects proposed by the Trustees of The Mary Rose Trust; and thirdly, by making loans or the provision of security for borrowing by The Mary Rose Trust out of capital, providing emergency funding to The Mary Rose Trust (in response to any request by the Trustees of the Mary Rose Trust) for capital projects or towards general expenditure.

The Charity's support to The Mary Rose Trust potentially benefits all those associated with The Mary Rose Trust itself, including paying visitors to Portsmouth Historic Dockyard, school and other groups which visit the Dockyard and all who benefit from the substantial outreach programme. Visits are made over a wide geographical area, not restricted to the immediate area around Portsmouth.

There are many areas in which The Mary Rose Trust provides public benefit of which the principal ones are:

- Making available to everyone a heritage attraction of national and international significance
- Advancing learning, through the programme of outreach and involvement with the local community and schools across the UK
- Being the leading museum in the UK for maritime archaeology and a resource for research

The Trustees have taken account of the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

Achievements and Performance

The Charity was registered on 16th July 2013. The first £1m raised was match funded by the Heritage Lottery Catalyst Fund. This resulted in a £2m donation balance for The Mary Rose Permanent Endowment Fund to invest.

The Mary Rose Permanent Endowment has placed £1.5m for investment with two independent fund management firms. The total value of these investments as at 31 March 2024 was £2,381,263 (2022/23 £2,121,126). In the year to 31 March 2024 these investments generated a net unrealised gain before management fees of £260,737 (2022/23 unrealised loss of £44,665).

The remaining funds are held in cash accounts.

Financial Review

Income in 2023/24 was £28,097 (2022/23 £15,537), made up of investment income of £16,597 (2022/23 £13,582), donation £10,079 (2022/23 £1,000) and bank interest of £1,421 (£2022/23 £955). Expenditure for 2023/24 was £1,620 (2022/23 £1,320) for investment management and audit fees.

During the year, the Fund made grants of £279,198 (2022/23 £80,000) to the Mary Rose Trust. These grants were split £199,198 drawn down in June 2023 from the underwriting of the Mary Rose Trust's award winning Dive 4D Experience plus a revenue grant made in March 2024 for £80,000.

The Charity's need for reserves is minimal and would only be used to cover governance and support costs. Any balance beyond this is invested to be used to meet the Charity's objectives now and in the future.

The Mary Rose Permanent Endowment Fund

Structure, Governance and Management

The charity is governed by its Trust Deed, which provides for the appointment and re-appointment of Trustees. The governing body comprises five Trustees, two of whom The Mary Rose Trust has the power to appoint and remove and three of whom are appointed by resolution of all the Trustees. The Trustees normally serve for a term of four years at which point they may be re-appointed for a further term of four years but would not normally be re-appointed for a third term.

The Trustees hold at least two meetings a year with a quorum being three Trustees; meetings may be held in person or by suitable electronic means. The meetings are also generally attended by the Mary Rose Trust's Chief Executive Officer and Finance Director who acts as Treasurer.

The Trustees govern the administration of the Charity including the management and application of the income, property and funds, including the bank accounts; they also assess the major risks to the Charity and review the steps taken to mitigate those risks.

The Mary Rose Permanent Endowment Fund

Reference and administrative details

Charity Number 1152898

Registered office 1/10 College Road
HM Naval Base
Portsmouth
PO1 3LX

Trustees: Mr Charles Julian Cazalet (Chairman)
Mr Richard Gubbins
Mr Andrew Joy
Mr Nigel Keith Purse
Mr Hugh Anthony Charles Tidbury

Senior Statutory Auditor Kerry Lawrance FCA

Auditors Compass Accountants Limited
The Tanneries
East Street
Titchfield
Hampshire
PO14 4AR

Bankers Lloyds Bank
SME Client Relationship Team, South Central
3 Town Quay
Southampton
Hampshire, SO14 2AQ

Solicitors Blake Morgan
New Kings Court
Tollgate
Chandlers Ford
Eastleigh, SO53 3LG

The Mary Rose Permanent Endowment Fund

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales 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 Charity and of the incoming resources and application of resources of the charity 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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

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.

This report was approved by the Trustees and signed on its behalf by



Charles Julian Cazalet
Chairman

Date:

28th June 2024

The Mary Rose Permanent Endowment Fund

Independent auditors' report to the Trustee of the Mary Rose Permanent Endowment Fund

Opinion

We have audited the financial statements of the Mary Rose Permanent Endowment Fund (the 'Charity') for the year ended 31st March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 Charity's affairs as at 31st March 2024, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity 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 charity'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 Trustees' annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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.

The Mary Rose Permanent Endowment Fund

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 4, the Trustees are responsible for the preparation of financial statements which 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 the 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:

- We gained an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates through discussions with management, sector research, and the application of relevant audit knowledge and experience
- We made enquiries of management around actual and potential litigation and claims

The Mary Rose Permanent Endowment Fund

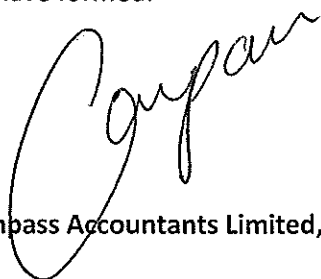
- We made enquiries of management and relevant staff, and designed our audit procedures, including reviewing financial statement disclosures and testing of supporting documentation, to assess compliance with applicable laws and regulations. We focussed on laws and regulations which could give rise to material misstatement in the financial statements including, but not limited to, the Charities Act 2011, the Charities SORP, and the Financial Reporting Standard 102.
- We identified the risk of material misstatement of the financial statements due to fraud and designed audit procedures to respond to the risk. We performed audit procedures designed to address the risk of fraud arising from management override of controls, including, but not limited to, testing of journal entries and other adjustments, reviewing accounting estimates for evidence of bias, and evaluating the business rationale of significant transactions outside the normal course of business

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the accounts or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the accounts, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 auditor's report.

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Compass Accountants Limited, Statutory Auditor

Venture House, The Tanneries
East Street, Titchfield
Hampshire, PO14 4AR

Date: 2ND JULY 2024

Compass Accountants Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

The Mary Rose Permanent Endowment Fund

Statement of financial activities

For the year ended 31 March 2024

	Notes	Endowment funds £	2024 Total £	Endowment funds £	2023 Total £
Income from:					
Donations		10,079	10,079	1,000	1,000
Investments	2	18,018	18,018	14,537	14,537
Total income		<u>28,097</u>	<u>28,097</u>	<u>15,537</u>	<u>15,537</u>
Expenditure on:					
Costs of generating funds:					
Investment management costs	3	600	600	300	300
Governance and support costs	4	1,020	1,020	1,020	1,020
Grant to the Mary Rose Trust		279,198	279,198	80,000	80,000
Total expenditure		<u>280,818</u>	<u>280,818</u>	<u>81,320</u>	<u>81,320</u>
Net (losses)/gains on investments		<u>260,737</u>	<u>260,737</u>	<u>(44,665)</u>	<u>(44,665)</u>
Net income/(expenditure)		<u>8,016</u>	<u>8,016</u>	<u>(110,448)</u>	<u>(110,448)</u>
Net movement in funds		8,016	8,016	(110,448)	(110,448)
Reconciliation of funds:					
Total funds brought forward		<u>2,446,791</u>	<u>2,446,791</u>	<u>2,557,239</u>	<u>2,557,239</u>
Total funds carried forward		<u>2,454,807</u>	<u>2,454,807</u>	<u>2,446,791</u>	<u>2,446,791</u>

The notes on pages 11 to 15 form an integral part of these financial statements.

The Mary Rose Permanent Endowment Fund

Balance sheet

as at 31 March 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Investments	6		2,381,263		2,121,126
Current assets					
Debtors	7	-		3,372	
Cash at bank and in hand		74,504		323,253	
		<u>74,504</u>		<u>326,625</u>	
Creditors: amounts falling due within one year	8	<u>(960)</u>		<u>(960)</u>	
Net current assets			73,544		325,665
Net assets			<u>2,454,807</u>		<u>2,446,791</u>
Funds	9				
Endowment funds			2,454,807		2,446,791
Total funds			<u>2,454,807</u>		<u>2,446,791</u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by



Charles Julian Cazalet
Chairman

Date: 28th June 2024

The notes on pages 11 to 15 form an integral part of these financial statements

The Mary Rose Permanent Endowment Fund

Cash flow statement

for the year ended 31st March 2024

	Notes	2024 £	2023 £
Cashflows from operating activities:			
Net cash inflow from operating activities	12	(266,767)	(80,677)
Cash flows from investing activities:			
Dividends and interest from investments	2	18,018	14,537
Net cash provided by/(used in) investing activities		<u>18,018</u>	<u>14,537</u>
Change in cash and cash equivalents in the reporting period		(248,749)	(66,140)
Cash and cash equivalents at 1 April 2023		<u>323,253</u>	<u>389,393</u>
Total cash and cash equivalents at 31 March 2024		<u><u>74,504</u></u>	<u><u>323,253</u></u>

The Mary Rose Permanent Endowment Fund

Notes to financial statements for the year ended 31 March 2024

1. Accounting policies

The Mary Rose Permanent Endowment Fund is a registered Charity. The business address is 1/10 College Road, HM Naval Base, Portsmouth, Hampshire, PO1 3LX.

The Mary Rose Permanent Endowment Fund meets the definition of a public benefit entity under section 34 of FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value, unless otherwise stated in the relevant accounting policy.

The principal objectives of the Charity are detailed in the Trustees report.

1.1. Basis of accounting

The financial statements have been prepared in accordance with 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 October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) the Charities Act 2011, and UK Generally Accepted Accounting Practice.

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding period.

1.2. Fund accounting

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of overheads and support costs.

1.3. Endowment funds

Endowment funds are funds which the donor has stated are to be held as capital and expendable over the long term. It is the intention that the capital value of the donations will be maintained.

1.4. Incoming resources

All incoming resources are included in the statement of financial activities when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Donations, legacies and voluntary income are accounted for when receivable. Pledged income receivable is included in the year in which it fulfils the criteria for income recognition, in accordance with the SORP.

- Gifts in kind are accounted for at the Trustees' estimate of the value to the Charity as follows:

- Gifts of fixed assets for Charity use are accounted for (as restricted funds) immediately on receipt at the value of the consideration that would have otherwise been payable.

- Intangible income is valued and included in income to the extent that it represents goods or services which would otherwise be purchased. An equivalent amount is charged as expenditure.

- Voluntary help is not included as income.

Grants receivable are included when the conditions for payment have been met and the amount receivable can be assessed with reasonable certainty.

Income from investments is included in the year in which it is receivable.

The Mary Rose Permanent Endowment Fund

Notes to the financial statements for the year ended 31st March 2024

1.5. Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the costs associated with attracting voluntary income.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include project management.

1.6. Investments held as fixed assets

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the statement of financial activities.

2. Investment income

	Endowment funds £	2024 Total £	Endowment funds £	2023 Total £
Bank interest receivable	1,421	1,421	955	955
Investment income	16,597	16,597	13,582	13,582
	<u>18,018</u>	<u>18,018</u>	<u>14,537</u>	<u>14,537</u>

3. Investment management costs

	Endowment funds £	2024 Total £	Endowment funds £	2023 Total £
Investment management fees	600	600	300	300
	<u>600</u>	<u>600</u>	<u>300</u>	<u>300</u>

4. Governance costs

	Endowment funds £	2024 Total £	Endowment funds £	2023 Total £
Accountancy fees	450	450	450	450
Auditor remuneration	510	510	510	510
Bank charges	60	60	60	60
	<u>1,020</u>	<u>1,020</u>	<u>1,020</u>	<u>1,020</u>

The Mary Rose Permanent Endowment Fund

Notes to the financial statements for the year ended 31st March 2024

5. Trustees' emoluments

There were no employees during the year.

No trustee received remuneration during the year. No trustees were reimbursed for travel expenses.

6. Fixed asset investments

	2024 Total £	2023 Total £
Valuation		
At 1 April 2023	2,121,126	2,166,091
Revaluations:		
Gains and losses before management fees	260,737	(44,665)
Management fees deducted	(600)	(300)
Net increase/(decrease) in market value	260,137	(44,965)
At 31 March 2024	<u>2,381,263</u>	<u>2,121,126</u>
Historic cost as at 31 March 2024	<u>1,500,000</u>	<u>1,500,000</u>

All fixed asset investments are held within the United Kingdom.

7. Debtors

	2024 £	2023 £
Accrued income	<u>-</u>	<u>3,372</u>

8. Creditors: amounts falling due within one year

	2024 £	2023 £
Accruals	<u>960</u>	<u>960</u>

9. Contingent liabilities

There are no contingent liabilities for the year ended 31 March 2024. In 2023 the Board committed to underwriting the cost of creating the Dive 4D Experience within the Mary Rose Museum, up to a maximum liability of £199,198.

The Mary Rose Permanent Endowment Fund

Notes to the financial statements for the year ended 31st March 2024

10. Analysis of net assets between funds

	Endowment funds £	Total funds £
Fund balances at 31 March 2024 as represented by:		
Investment assets	2,381,263	2,381,263
Current assets	74,504	74,504
Current liabilities	(960)	(960)
	<u>2,454,807</u>	<u>2,454,807</u>
	Endowment funds £	Total funds £
Fund balances at 31 March 2023 as represented by:		
Investment assets	2,121,126	2,121,126
Current assets	326,625	326,625
Current liabilities	(960)	(960)
	<u>2,446,791</u>	<u>2,446,791</u>

11. Endowment funds

	At 1 April 2023 £	Income £	Expenditure £	Gains and losses £	At 31 March 2024 £
Mary Rose Permanent Endowment Fund	<u>2,446,791</u>	<u>28,097</u>	<u>(280,818)</u>	<u>260,737</u>	<u>2,454,807</u>
	At 1 April 2022 £	Income £	Expenditure £	Gains and losses £	At 31 March 2023 £
Mary Rose Permanent Endowment Fund	<u>2,557,239</u>	<u>15,537</u>	<u>(81,320)</u>	<u>(44,665)</u>	<u>2,446,791</u>

The Mary Rose Permanent Endowment Fund

Notes to the financial statements for the year ended 31st March 2024

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

	Notes	2024 £	2023 £
Net income/(expenditure) for the year		8,016	(110,448)
Adjustments for:			
Income from investments	2	(18,018)	(14,537)
(Gains)/Losses on investments	6	(260,737)	44,665
Adjustment for non-cash fees from gains/losses	6	600	300
Decrease/(Increase) in debtors		3,372	(675)
Increase/(Decrease) in creditors		-	18
Net cash (used in)/provided by operating activities		<u>(266,767)</u>	<u>(80,677)</u>

13. Analysis of changes in net funds

	Opening balance £	Cash flows £	Closing balance £
Cash at bank and in hand	323,253	(248,749)	74,504
Net funds	<u>323,253</u>	<u>(248,749)</u>	<u>74,504</u>

14. Related party transactions

During the year to 31 March 2024 the charity paid grants totalling £279,198 (2023: £80,000) to the Mary Rose Trust (Charity number 277503), a related party of the Mary Rose Permanent Endowment Fund.

