

ROYAL MERCHANT NAVY EDUCATION FOUNDATION

England & Wales · Charity number 1153323

Details

Status Registered

Legal form CIO

Registered 2013-08-09

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

Contact

Address 1a Charnham Lane
Hungerford
Berkshire
RG17 0EY

Phone 01488567890

Email office@rmnef.org.uk

Website www.rmnef.org.uk

Activities

Objects: The objects of the Foundation are in order of priority: a) to afford charitable benefit and relief to Foundationers by providing for or towards their maintenance and education in accordance with the principles of Christian religion and morality and by assisting them in training for and taking up employment; and b) to support the charitable objects of organisations that operate predominantly in Great Britain and that have activities which could include contributing towards the maintenance training or education of Foundationers. Provided that: "Foundationers" means the children and young people who are in need and are the natural or adopted children or other legal dependants of a person who has served or is serving at sea in the Merchant Navy or Fishing Fleet or the Royal National Lifeboat Institution provided in either case that priority may be given to Foundationers who are British or have at least one British parent. A person "serving at sea in the Merchant Navy" means any seafarer working in any capacity aboard a merchant vessel which includes but is not limited to passenger liners, ferries, container ships, tankers, bulk carriers, break bulk and refrigerated cargo ships, Royal Fleet Auxiliaries (or their equivalent), coasters, specialist ships (e.g. RNLI lifeboats, deep sea tugs, salvage vessels, oil support vessels, lighthouse tenders etc), luxury or charter yachts. A person serving at sea in the "Fishing Fleet" means any seafarer working in any capacity aboard inshore or deep-sea fishing vessels. A person "serving at sea in the Royal National Lifeboat Institution" means any crew-member of a lifeboat operated by this Institution.

Activities: The Foundation's object is to contribute to the maintenance and education of its beneficiaries, called Foundationers, to enable them to take up suitable careers: in short, education for employment.

Classification

- **How:** Makes Grants To Individuals
- **What:** Education/training
- **Who:** Children/young People

Geography

- Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£551,375	£408,043	£21,583,006	3
2024-08-31	£563,395	£753,452	£21,559,385	3
2023-08-31	£560,877	£599,520	£20,168,254	3
2022-08-31	£480,940	£1,093,119	-	-
2021-08-31	£553,931	£758,078	£20,677,136	2

Trustees

Name	Role	Appointed
Lesley Ann Robinson LLB	Chair	2013-08-02
COMMODORE WILLIAM MICHAEL WALWORTH CBE		2024-04-25
Charles Prickett		2025-10-15
Commodore The Honourable Michael Charles Nicholas Cochrane		2018-06-14
Dr RODNEY OWEN-JONES		2016-10-21
Emma McKendrick		2021-02-04
Linda Cotton		2025-01-23
Simon Nicholas Cooper DL		2021-02-04

ROYAL MERCHANT NAVY EDUCATION FOUNDATION

England & Wales - Charity number 1153323

Accounts

REGISTERED CHARITY NUMBER: 1153323

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025
FOR
ROYAL MERCHANT NAVY EDUCATION FOUNDATION**

Lewis Brownlee (Chichester) Limited
Statutory Auditors
Appledram Barns
Birdham Road
Chichester
West Sussex
PO20 7EQ

ROYAL MERCHANT NAVY EDUCATION FOUNDATION

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

	Page
Report of the Trustees	1 to 7
Report of the Independent Auditors	8 to 9
Statement of Financial Activities	10
Balance Sheet	11
Cash Flow Statement	12
Notes to the Cash Flow Statement	13
Notes to the Financial Statements	14 to 22
Detailed Statement of Financial Activities	23 to 24

ROYAL MERCHANT NAVY EDUCATION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2025

The Trustees present their report with the financial statements of the charity for the year ended 31 August 2025. 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

Aims and objectives

The object of the Foundation is to afford charitable benefit and relief to its beneficiaries by providing for or towards their maintenance and education in accordance with the principles of Christian religion and morality and by assisting them in training for and taking up employment.

Provided that:

"Foundationers" means the children and young people who are in need and are the natural or adopted children or other legal dependents of a person who has served or is serving at sea in the Merchant Navy or Fishing Fleet or the Royal National Lifeboat Institution (RNLI) provided that priority may be given to Foundationers who are British or have at least one British parent.

A person **"serving at sea in the Merchant Navy"** means any seafarer working in any capacity aboard a merchant vessel which includes but is not limited to passenger liners, ferries, container ships, tankers, bulk carriers, break bulk and refrigerated cargo ships, Royal Fleet Auxiliaries (or their equivalent), coasters, specialist ships (e.g. RNLI lifeboats, deep sea rigs, salvage vessels, oil support vessels, lighthouse tenders etc.), luxury private charter yachts.

A person **"serving at sea in the Fishing Fleet"** means any seafarer working in any capacity onboard inshore or deep-sea fishing vessels.

A person **"serving at sea in the Royal National Lifeboat Institution"** means any crew member of a lifeboat operated by this Institution.'

Objectives, strategies and activities

The Foundation's property assets comprise the unencumbered freehold of some 262 acres of the Grade II* Bearwood Estate of which:

- c. 202 acres is leased until 2121 to Bearwood Lakes Golf Club; and
- c. 60 acres of woodland called Link Wood is leased to Reddam House (Berkshire) until 27th March 2031.

In addition, the Foundation retains a portfolio of quoted investments.

Public benefit

The following activities are undertaken to further public benefit:

- Providing support and funding to existing Foundationers to enable them to maximise and achieve their potential.
- Identifying new Foundationers who qualify for support and would benefit from access to the Foundation's funding during their formative years.
- Developing marketing activities to identify new Foundationers.

The Trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

ROYAL MERCHANT NAVY EDUCATION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2025

OBJECTIVES AND ACTIVITIES

Equality, Diversity and Inclusivity

1. Governance Approach

Blind to Individualities: The Foundation takes a neutral and unbiased approach toward its beneficiaries, treating each as an individual with unique needs and circumstances. **Diverse Board Composition:** The Board demonstrates diversity in professional backgrounds and expertise, including legal, financial, educational, maritime, healthcare, and judicial fields. This variety ensures a well-rounded perspective in decision-making.

2. Support for Beneficiaries

Focus on Need: The Foundation prioritises beneficiaries identified as in need, emphasizing their unique challenges and aspirations. **Education and Career Training:** It underscores education and training as tools for empowerment, enabling disadvantaged young individuals to access opportunities that can lead to fulfilling and productive lives.

3. Commitment to Inclusivity

The Foundation's practices align with inclusive principles, ensuring that both governance and beneficiary support reflect broad perspectives and equitable treatment. This approach supports the Foundation's mission of fostering opportunity and addressing inequality effectively.

ROYAL MERCHANT NAVY EDUCATION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2025

ACHIEVEMENTS AND PERFORMANCE

Charitable activities

Having agreed the widening of the beneficiary-class criteria, on 5th July 2022 the Charity Commission gave its formal consent under s.226(2)(a) of the Charities Act 2011 to amend the Foundation's objects to read:

The objects of the Foundation are in order of priority:

1. to afford charitable benefit and relief to Foundationers by providing for or towards their maintenance and education in accordance with the principles of Christian religion and morality and by assisting them in training for and taking up employment; and
2. to support the charitable objects of organisations that operate predominantly in Great Britain and that have activities which could include contributing towards the maintenance training or education of Foundationers. Provided that: "Foundationers" means the children and young people who are in need and are the natural or adopted children or other legal dependents of a person who has served or is serving at sea in the Merchant Navy or Fishing Fleet, or the Royal National Lifeboat Institution provided in either case that priority may be given to Foundationers who are British or have at least one British parent. A person "serving at sea in the Merchant Navy" means any seafarer working in any capacity aboard a merchant vessel which includes but is not limited to passenger liners, ferries, container ships, tankers, bulk carriers, break bulk and refrigerated cargo ships, Royal Fleet Auxiliaries (or their equivalent), coasters, specialist ships (e.g. RNLI lifeboats, deep sea tugs, salvage vessels, oil support vessels, lighthouse tenders etc), luxury or charter yachts. A person serving at sea in the "Fishing Fleet" means any seafarer working in any capacity aboard inshore or deep-sea fishing vessels. A person "serving at sea in the Royal National Lifeboat Institution" means any crewmember of a lifeboat operated by this Institution.

The Foundation's Trustees as Members approved this change at their meeting on 10th October 2022.

The Trustees had three purposes for this application to the Charity Commission:

- to enable the Foundation to make re-payment grants to other charities; and
- to enable the Foundation to make grants to charities; and
- to be able to deploy the Foundation's significant resources more widely.

During the year, the Trustees supported 78 beneficiaries (2024: 107). Although overall beneficiary numbers decreased, the Foundation has provided greater support per capita, reflecting the rising costs associated with education, training, and family needs.

The Foundation continued to offer monthly grants to undergraduates at the updated rates of £620 per month for those living away from home and £415 per month for those living at home during their studies. These grants continue to be paid monthly in arrears and remain conditional on beneficiaries self-certifying their ongoing attendance and submitting quarterly attendance documentation signed and stamped by their educational institution.

Grants of up to £200 per annum were again provided to assist with school uniform costs, alongside one-off payments of £500 where appropriate to support beneficiaries' essential needs. While no new grant types were introduced this year, the Trustees noted a significant increase in requests for support with extracurricular activities, including swimming lessons, dance classes, and similar developmental opportunities that strengthen beneficiaries' wellbeing and confidence.

Collaboration with the Sailors' Children's Society has continued to grow from strength to strength, enhancing the support available to families facing hardship. In addition, the Foundation has established closer working relationships with the Merchant Navy Welfare Board (MNWB), Seafarers UK, and the Fishermen's Mission, enabling more coordinated assistance, improved referral pathways, and a more holistic approach to meeting the needs of seafaring families.

The Trustees also celebrate the achievements of beneficiaries who have graduated from university and further education this year. As in previous years, not all beneficiaries follow a traditional academic route, and the Foundation has continued to support a diverse range of pathways including vocational training, apprenticeships, maritime career development, and creative or entrepreneurial endeavours. These outcomes reflect the Foundation's commitment to ensuring each young person can pursue the education or training best suited to their aspirations and circumstances.

Fundraising activities

As in previous years, no fundraising has been undertaken.

ROYAL MERCHANT NAVY EDUCATION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2025

FINANCIAL REVIEW

Policy on reserves

Funds shown on the Foundation's balance sheet totalled £21,583,006 (2024: £21,559,385) of which £3,101 (2024: £25,349) is restricted, because the capital or income is not available for the general purpose of the Foundation. The Foundation's tangible fixed assets are held for use by the Foundation. The stated value of the fixed assets, including investments, is £21,872,051 (2024: £22,156,597) Working capital is adequate in the short term to meet needs and the Foundation has neither overdraft facilities nor any charge on assets.

The Bearwood Estate

In 1919, the Foundation was given the freehold of the 493a Bearwood Estate by Sir Thomas Lane Devitt Bt and Sir Eric Yarow Bt. Between 2012 and 2015, the Trustees disposed of 231 acres of this Estate while retaining the freehold of the residual 262 acres.

With the disposal of the 231 acres of the Estate, the Foundation continues to have a high level of reserves as a safety net to cover the costs of educating beneficiaries.

Investment policy and objectives

The Trustees' investment policy takes account of the Trustees' desire to maintain and grow over time the real value of the capital and income and to reflect their ambitions to maximise the educational support available to beneficiaries.

FUTURE PLANS

The Trustees continue to develop long-term plans for the Foundation's future, ensuring that RMNEF remains responsive to the changing needs of seafaring families. No further portions of the Bearwood Estate were sold during the year, and the retained estate remains under lease. A rent review was accomplished, and the Trustees will continue to oversee this area with careful stewardship.

Looking ahead, the Trustees have identified several strategic priorities aimed at strengthening the Foundation's impact and sustainability. These include deepening partnerships with key maritime charities such as the Merchant Navy Welfare Board, Seafarers UK, the Fishermen's Mission, and the Sailors' Children's Society, with a view to improving coordination and widening access to support.

The Foundation will also continue to expand its outreach to seafaring families, improving visibility and ensuring that those who may benefit from assistance are better able to access it. Modernising internal systems remains a priority, with planned developments in digital application processes, data management, and grant administration to ensure faster, more efficient support for beneficiaries.

The Trustees intend to review the current grants structure, including evaluating the adequacy of existing rates in light of cost-of-living pressures. Alongside academic pathways, the Foundation will further strengthen its support for vocational and maritime routes such as UKSA, apprenticeships, and professional training.

During the coming year, the Trustees will undertake a series of governance, strategy, and investment reviews to ensure the Foundation is well-positioned for the future. This includes work on developing a refreshed long-term vision for RMNEF, exploring additional opportunities for collaboration, and strengthening the Charity's financial sustainability. The Trustees remain committed to evolving the Foundation's approach to supporting children and young people, ensuring that assistance remains relevant, effective, and aligned with the needs of modern seafaring families.

THE ROYAL MERCHANT NAVY SCHOOL FOUNDATION (309047)

The Royal Merchant Navy School Foundation, a registered charity (number 309047) is controlled solely by the Foundation's Trustees, continues to exist even though it received no income nor incurred any expenditure in the year under report.

The Charity Commission has authorised Trustees to use a total return approach to investments.

ACKNOWLEDGEMENTS

The Trustees acknowledge the generosity of all of the Foundation's many supporters and extend their thanks for the help towards the education and maintenance of children of seafarers. The Trustees also wish to record their appreciation of the hard work of all the Foundation's Staff.

ROYAL MERCHANT NAVY EDUCATION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Royal Merchant Navy Education Foundation:

- was originally traced back to 1827 when it was referred to as an asylum and has since then gone through several name changes.
- was registered as a Charitable Incorporated Organisation in 2013.
- is governed by:
 - its Constitution dated 24th July 2013 which was approved by the Charity Commissioners on 9th August 2013.
 - the Board of Trustees as listed below.

Recruitment and appointment of new trustees

Trustees are appointed at a meeting of the Board of Trustees on nominations received from serving Trustees or employees.

Organisational structure

The Board is legally responsible for the overall management and control of the Foundation and meets at least four times each year. The whole Board is directly involved in all matters of the Foundation. The day-to-day management of the Foundation is delegated to the CEO.

Induction and training of new trustees

The induction process includes the opportunity, prior to election, to meet executive staff and to access past Accounts and Minutes, and Trustees are directed to the advice on their duties and responsibilities available both on the Charity Commission website and others. Trustees are also invited to participate in seminars relevant to their duties.

Key management remuneration

Trustees are responsible for Staff remuneration the review of which forms part of the budgetary approval process in October each year.

Risk management

The Trustees are responsible for the management of risks faced by the Foundation. Throughout the year, new risks are identified and assessed, and controls established. A formal review of all identified risks is undertaken each year: in particular, a review of the Investment Manager's performance is carried out annually. Controls in place to manage the risks include maintaining:

- Clear terms of reference and agenda for Trustee Board and ad hoc Sub-Committees.
- Strategic planning, budgeting, management accounting and financial controls.
- A current Investment Management Agreement.
- Leases or similar legal agreements with all tenants of the Foundation's property devolving, where possible, liabilities to the tenants.
- Insurance where appropriate.

Serious Incidents

No serious incidents occurred in the year under report.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1153323

Principal address

1a Charnham Lane
Berkshire
RG17 0EY

ROYAL MERCHANT NAVY EDUCATION FOUNDATION

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2025**

Trustees

Ms Lesley Robinson (Chair)
Cdre William Walworth CBE
Mrs Emma McKendrick
Judge Simon Cooper DL
Cdre Michael Cochrane OBE
Dr Rodney Owen-Jones
Ms Linda Cotton (appointed 23.1.25)

Chief Executive Officer (CEO)

Ms Linda Cotton (resigned 31.12.2024)
Mrs Diana Pearson (appointed 01.01.2025)

Other Officers

Miss Rose Osborn (Part-time)
Miss Louise Docherty (Part-time)

Honorary Vice-Presidents

Lieutenant-Commander Jeremy D Devitt RN (Ret'd)
Mr John Adey MA (Oxon)

Patron

H M King Charles III

Auditors

Lewis Brownlee (Chichester) Limited
Statutory Auditors
Appledram Barns
Birdham Road
Chichester
West Sussex
PO20 7EQ

Bankers

Handelsbanken Newbury
St Anthony's House
Oxford Square
9-21 Oxford Street
Newbury
Berkshire

Solicitors

Bates Wells Braithwaite LLP
10 Queen Street Place
London
EC4R 1BE

Blake Morgan LLP
6 New Street Square
London
EC4A 3DJ

ROYAL MERCHANT NAVY EDUCATION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2025

REFERENCE AND ADMINISTRATIVE DETAILS

Investment Advisors

The firm, previously known as Veritas Investment Partners (UK) Limited, changed its name to Meridiem Investment Management Limited on 26 March 2024, and then again to Navera Investment Management Limited on 10 June 2025.

Navera Investment Management LLP
Riverside House
2a Southwark Bridge Road
London
SE1 9HA

Insurers

NFU Mutual
Dunn House
Charnham Lane
Hungerford
RG17 0EY

TRUSTEES' RESPONSIBILITY STATEMENT

The Trustees 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).

Charity law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity 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 Charities SORP;
- 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 business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011 and The Charity (Accounts and Reports) Regulations 2008. 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.

Approved by order of the Board of Trustees on 22nd January 2026 and signed on its behalf by:


Ms Lesley Robinson - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ROYAL MERCHANT NAVY EDUCATION FOUNDATION

Opinion

We have audited the financial statements of Royal Merchant Navy Education Foundation (the 'charity') for the year ended 31 August 2025 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 (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 31 August 2025 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 Auditors' 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 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.

Matters on which we are required to report by exception

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ROYAL MERCHANT NAVY EDUCATION FOUNDATION

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of the 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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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:

- enquiry of management, those charged with governance and the entity's solicitors around actual and potential litigation and claims;
- enquiry of entity's staff to identify any instances of non-compliance with laws and regulations;
- reviewing minutes of meetings of those charged with governance;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- auditing the risk of management override of controls including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

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.

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 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 charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Lewis Brownlee (Chichester) Ltd

Lewis Brownlee (Chichester) Limited
Statutory Auditors
Appledram Barns
Birdham Road
Chichester
West Sussex
PO20 7EQ

Date: *4 March 2026*

ROYAL MERCHANT NAVY EDUCATION FOUNDATION

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2025**

	Notes	Unrestricted fund £	Restricted funds £	2025 Total funds £	2024 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	26,230	-	26,230	23,294
Investment income	3	525,145	-	525,145	540,101
Total		551,375	-	551,375	563,395
EXPENDITURE ON					
Raising funds	4	171,496	183	171,679	181,682
Charitable activities	5				
Grants to Foundationers		228,476	7,888	236,364	571,770
Total		399,972	8,071	408,043	753,452
Net gains/(losses) on investments		(119,711)	-	(119,711)	1,581,188
NET INCOME/(EXPENDITURE)		31,692	(8,071)	23,621	1,391,131
Transfers between funds	17	14,177	(14,177)	-	-
Net movement in funds		45,869	(22,248)	23,621	1,391,131
RECONCILIATION OF FUNDS					
Total funds brought forward		21,534,036	25,349	21,559,385	20,168,254
TOTAL FUNDS CARRIED FORWARD		21,579,905	3,101	21,583,006	21,559,385

The notes form part of these financial statements

ROYAL MERCHANT NAVY EDUCATION FOUNDATION

**BALANCE SHEET
31 AUGUST 2025**

	Notes	Unrestricted fund £	Restricted funds £	2025 Total funds £	2024 Total funds £
FIXED ASSETS					
Tangible assets	10	2,381	-	2,381	1,964
Investments					
Investments	11	17,669,670	-	17,669,670	17,954,633
Investment property	12	4,200,000	-	4,200,000	4,200,000
		21,872,051	-	21,872,051	22,156,597
CURRENT ASSETS					
Debtors	13	601	-	601	850
Cash at bank and in hand		93,271	3,101	96,372	95,400
		93,872	3,101	96,973	96,250
CREDITORS					
Amounts falling due within one year	14	(227,304)	-	(227,304)	(377,947)
NET CURRENT ASSETS		(133,432)	3,101	(130,331)	(281,697)
TOTAL ASSETS LESS CURRENT LIABILITIES		21,738,619	3,101	21,741,720	21,874,900
CREDITORS					
Amounts falling due after more than one year	15	(158,714)	-	(158,714)	(315,515)
NET ASSETS		21,579,905	3,101	21,583,006	21,559,385
FUNDS	17				
Unrestricted funds				21,579,905	21,534,036
Restricted funds				3,101	25,349
TOTAL FUNDS				21,583,006	21,559,385

The financial statements were approved by the Board of Trustees and authorised for issue on 22 January 2026 and were signed on its behalf by:


Ms Lesley Robinson - Trustee

The notes form part of these financial statements

ROYAL MERCHANT NAVY EDUCATION FOUNDATION

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2025**

	Notes	2025 £	2024 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(687,862)</u>	<u>(767,795)</u>
Net cash used in operating activities		<u>(687,862)</u>	<u>(767,795)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,562)	(1,653)
Purchase of fixed asset investments		(9,586,235)	(8,376,953)
Sale of fixed asset investments		9,751,487	8,689,620
Dividends received		332,513	357,802
Rental income received		<u>192,631</u>	<u>182,299</u>
Net cash provided by investing activities		<u>688,834</u>	<u>851,115</u>
Change in cash and cash equivalents in the reporting period		<u>972</u>	<u>83,320</u>
Cash and cash equivalents at the beginning of the reporting period		<u>95,400</u>	<u>12,080</u>
Cash and cash equivalents at the end of the reporting period		<u><u>96,372</u></u>	<u><u>95,400</u></u>

The notes form part of these financial statements

ROYAL MERCHANT NAVY EDUCATION FOUNDATION

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2025**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025	2024
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	23,621	1,391,131
Adjustments for:		
Depreciation charges	1,145	7,532
Losses/(gain) on investments	119,711	(1,581,188)
Loss on disposal of fixed assets	-	3,768
Dividends received	(332,513)	(357,802)
Rental income received	(192,631)	(182,299)
Decrease/(increase) in debtors	249	(134)
Decrease in creditors	(307,444)	(48,803)
Net cash used in operations	<u>(687,862)</u>	<u>(767,795)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.24	Cash flow	At 31.8.25
	£	£	£
Net cash			
Cash at bank and in hand	<u>95,400</u>	<u>972</u>	<u>96,372</u>
	<u>95,400</u>	<u>972</u>	<u>96,372</u>
Total	<u>95,400</u>	<u>972</u>	<u>96,372</u>

The notes form part of these financial statements

ROYAL MERCHANT NAVY EDUCATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, 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 Charities Act 2011. 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 financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

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.

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.

Computer equipment - 33% on cost

Individual fixed assets costing more than £250 are capitalised and included at cost.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. The Charity has no advanced financial instruments.

Taxation

The charity is exempt from tax on its charitable activities.

Operating leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

ROYAL MERCHANT NAVY EDUCATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2025

1. ACCOUNTING POLICIES - continued

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

2. DONATIONS AND LEGACIES

	2025	2024
	£	£
Donations	4,101	23,294
Legacies	<u>22,129</u>	<u>-</u>
	<u>26,230</u>	<u>23,294</u>

3. INVESTMENT INCOME

	2025	2024
	£	£
Rents received	192,631	182,299
Interest and dividend income	<u>332,514</u>	<u>357,802</u>
	<u>525,145</u>	<u>540,101</u>

4. RAISING FUNDS

Investment management costs

	2025	2024
	£	£
Portfolio management	161,460	154,322
Maintenance charges	3,584	7,068
Rates	1,635	1,457
Legal & professional	862	14,491
Insurance	3,545	3,798
Custodian Trustee fees	<u>593</u>	<u>546</u>
	<u>171,679</u>	<u>181,682</u>

5. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 6)	Support costs (see note 7)	Totals
	£	£	£
Grants to Foundationers	<u>54,731</u>	<u>181,633</u>	<u>236,364</u>

6. GRANTS PAYABLE

	2025	2024
	£	£
Grants to Foundationers	<u>54,731</u>	<u>321,867</u>

ROYAL MERCHANT NAVY EDUCATION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2025**

7. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Grants to Foundationers	<u>173,559</u>	<u>574</u>	<u>7,500</u>	<u>181,633</u>

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

	2025 Grants to Foundationers £	2024 Total activities £
Wages	123,974	173,119
Social security	7,916	14,228
Pensions	4,932	3,630
Light, heat and water	2,629	2,075
Telephone	1,274	2,531
Postage and stationery	848	656
Sundries	4,393	3,506
Head Office Rent	16,800	16,800
Travel & subsistence	4,207	3,960
Staff training	187	-
Subscriptions	624	547
Computer costs	3,784	4,599
Website design	846	3,300
Depreciation of tangible and heritage assets	1,145	7,532
Bank charges	574	628
Loss on sale of tangible fixed assets	-	3,768
Auditors' remuneration	<u>7,500</u>	<u>9,024</u>
	<u>181,633</u>	<u>249,903</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no Trustees' remuneration or other benefits for the year ended 31 August 2025 nor for the year ended 31 August 2024.

Trustees' expenses

During the year, three (2024: two) Trustees were reimbursed for travel expenses totalling £593 (2024: £546).

9. STAFF COSTS

	2025 £	2024 £
Wages and salaries	123,974	173,119
Social security costs	7,916	14,228
Other pension costs	<u>4,932</u>	<u>3,630</u>
	<u>136,822</u>	<u>190,977</u>

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

	2025	2024
Management and administration	2	2
Fundraising and welfare	<u>1</u>	<u>1</u>
	<u>3</u>	<u>3</u>

ROYAL MERCHANT NAVY EDUCATION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2025**

9. STAFF COSTS - continued

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

The total employee benefits of the key management personnel of the charity were £84,222 (2024: £96,968).

10. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 September 2024	12,422
Additions	<u>1,562</u>
At 31 August 2025	<u>13,984</u>
DEPRECIATION	
At 1 September 2024	10,458
Charge for year	<u>1,145</u>
At 31 August 2025	<u>11,603</u>
NET BOOK VALUE	
At 31 August 2025	<u>2,381</u>
At 31 August 2024	<u>1,964</u>

11. FIXED ASSET INVESTMENTS

	Listed investments £	Cash and settlements pending £	Totals £
MARKET VALUE			
At 1 September 2024	17,468,822	485,811	17,954,633
Additions	4,574,135	5,012,100	9,586,235
Disposals	(4,884,649)	(5,075,131)	(9,959,780)
Revaluations	<u>88,582</u>	<u>-</u>	<u>88,582</u>
At 31 August 2025	<u>17,246,890</u>	<u>422,780</u>	<u>17,669,670</u>
NET BOOK VALUE			
At 31 August 2025	<u>17,246,890</u>	<u>422,780</u>	<u>17,669,670</u>
At 31 August 2024	<u>17,468,822</u>	<u>485,811</u>	<u>17,954,633</u>

Investments totalling £10,429,665 are based outside the UK (2024: £11,662,747).

Cost or valuation at 31 August 2025 is represented by:

	Listed investments £	Cash and settlements pending £	Totals £
Valuation in 2025	<u>17,246,890</u>	<u>422,780</u>	<u>17,669,670</u>

ROYAL MERCHANT NAVY EDUCATION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2025**

12. INVESTMENT PROPERTY

FAIR VALUE

At 1 September 2024
and 31 August 2025

£

4,200,000

NET BOOK VALUE

At 31 August 2025

4,200,000

At 31 August 2024

4,200,000

Bearwood Estate was valued in the year ended 31 August 2021 by Strutt and Parker, the fair value was estimated at £4,200,000.

Fair value at 31 August 2025 is represented by:

Valuation in 2021

£

4,200,000

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Prepayments and accrued income	<u>601</u>	<u>850</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Trade creditors	38	17
Social security and other taxes	1,917	4,388
Grants payable	170,709	323,341
Deposits received	900	900
Accruals and deferred income	<u>53,740</u>	<u>49,301</u>
	<u>227,304</u>	<u>377,947</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2025	2024
	£	£
Grants payable	<u>158,714</u>	<u>315,515</u>

ROYAL MERCHANT NAVY EDUCATION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2025**

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued

	2025	2024
	£	£
Brought forward	638,856	687,164
Net new grant commitments in the year	44,749	305,709
Paid in the year	(354,182)	(354,017)
Carried forward	329,423	638,856
Due:		
Year ended 31 August 2025	-	323,341
Year ended 31 August 2026	170,709	167,876
Year ended 31 August 2027	94,515	75,856
Year ended 31 August 2028	51,899	59,056
Year ended 31 August 2029	12,300	12,727
Year ended 31 August 2030	-	-
	329,423	638,856

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2025	2024
	£	£
Within one year	17,325	16,800
Between one and five years	69,600	2,100
In more than five years	2,175	-
	89,100	18,900

17. MOVEMENT IN FUNDS

	At 1.9.24	Net movement in funds	Transfers between funds	At
	£	£	£	31.8.25 £
Unrestricted funds				
General fund	21,534,036	31,692	14,177	21,579,905
Restricted funds				
Underhill	311	-	(311)	-
Watson	904	-	(904)	-
Capital Flats	12,962	-	(12,962)	-
Tree Fund	3,284	(183)	-	3,101
The Mission to Seafarers	7,888	(7,888)	-	-
	25,349	(8,071)	(14,177)	3,101
TOTAL FUNDS	21,559,385	23,621	-	21,583,006

ROYAL MERCHANT NAVY EDUCATION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2025**

17. 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	551,375	(399,972)	(119,711)	31,692
Restricted funds				
Tree Fund	-	(183)	-	(183)
The Mission to Seafarers	-	(7,888)	-	(7,888)
	-	(8,071)	-	(8,071)
TOTAL FUNDS	<u>551,375</u>	<u>(408,043)</u>	<u>(119,711)</u>	<u>23,621</u>

Comparatives for movement in funds

	At 1.9.23 £	Net movement in funds £	At 31.8.24 £
Unrestricted funds			
General fund	20,150,793	1,383,243	21,534,036
Restricted funds			
Underhill	311	-	311
Watson	904	-	904
Capital Flats	12,962	-	12,962
Tree Fund	3,284	-	3,284
The Mission to Seafarers	-	7,888	7,888
	17,461	7,888	25,349
TOTAL FUNDS	<u>20,168,254</u>	<u>1,391,131</u>	<u>21,559,385</u>

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	543,395	(741,340)	1,581,188	1,383,243
Restricted funds				
The Mission to Seafarers	20,000	(12,112)	-	7,888
TOTAL FUNDS	<u>563,395</u>	<u>(753,452)</u>	<u>1,581,188</u>	<u>1,391,131</u>

ROYAL MERCHANT NAVY EDUCATION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2025**

17. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.23 £	Net movement in funds £	Transfers between funds £	At 31.8.25 £
Unrestricted funds				
General fund	20,150,793	1,414,935	14,177	21,579,905
Restricted funds				
Underhill	311	-	(311)	-
Watson	904	-	(904)	-
Capital Flats	12,962	-	(12,962)	-
Tree Fund	<u>3,284</u>	<u>(183)</u>	<u>-</u>	<u>3,101</u>
	<u>17,461</u>	<u>(183)</u>	<u>(14,177)</u>	<u>3,101</u>
TOTAL FUNDS	<u>20,168,254</u>	<u>1,414,752</u>	<u>-</u>	<u>21,583,006</u>

A current year 12 months and prior year 12 months combined 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	1,094,770	(1,141,312)	1,461,477	1,414,935
Restricted funds				
Tree Fund	-	(183)	-	(183)
The Mission to Seafarers	<u>20,000</u>	<u>(20,000)</u>	<u>-</u>	<u>-</u>
	<u>20,000</u>	<u>(20,183)</u>	<u>-</u>	<u>(183)</u>
TOTAL FUNDS	<u>1,114,770</u>	<u>(1,161,495)</u>	<u>1,461,477</u>	<u>1,414,752</u>

The Underhill, Watson and Capital Flats funds represent funds which have been donated in memoriam for the maintenance of the Estate. The balances on these funds have been transferred to unrestricted funds as they have now all been spent.

The Tree Fund represents funds which have been specifically donated for trees to be planted in the Estate in memoriam.

The Mission to Seafarers fund represents a grant to be used for the education of two foundationer's, the Vass boys.

ROYAL MERCHANT NAVY EDUCATION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2025**

18. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2025.

ROYAL MERCHANT NAVY EDUCATION FOUNDATION

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2025**

	2025 £	2024 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	4,101	23,294
Legacies	<u>22,129</u>	<u>-</u>
	26,230	23,294
Investment income		
Rents received	192,631	182,299
Interest and dividend income	<u>332,514</u>	<u>357,802</u>
	525,145	540,101
Total incoming resources	551,375	563,395
EXPENDITURE		
Investment management costs		
Portfolio management	161,460	154,322
Maintenance charges	3,584	7,068
Rates	1,635	1,457
Legal & professional	862	14,491
Insurance	3,545	3,798
Custodian Trustee fees	<u>593</u>	<u>546</u>
	171,679	181,682
Charitable activities		
Grants to individuals	54,731	321,867
Support costs		
Management		
Wages	123,974	173,119
Social security	7,916	14,228
Pensions	4,932	3,630
Light, heat and water	2,629	2,075
Telephone	1,274	2,531
Postage and stationery	848	656
Sundries	4,393	3,506
Head Office Rent	16,800	16,800
Travel & subsistence	4,207	3,960
Staff training	187	-
Subscriptions	624	547
Computer costs	3,784	4,599
Website design	846	3,300
Depreciation of computer equipment	<u>1,145</u>	<u>7,532</u>
	173,559	236,483
Finance		
Bank charges	574	628
Carried forward	574	628

This page does not form part of the statutory financial statements

ROYAL MERCHANT NAVY EDUCATION FOUNDATION

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2025**

	2025 £	2024 £
Finance		
Brought forward	574	628
Loss on sale of tangible fixed assets	<u>-</u>	<u>3,768</u>
	574	4,396
Governance costs		
Auditors' remuneration	<u>7,500</u>	<u>9,024</u>
Total resources expended	<u>408,043</u>	<u>753,452</u>
Net income/(expenditure) before gains and losses	143,332	(190,057)
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	<u>(208,293)</u>	<u>(79,036)</u>
Net expenditure	<u>(64,961)</u>	<u>(269,093)</u>

This page does not form part of the statutory financial statements

ROYAL MERCHANT NAVY EDUCATION FOUNDATION

England & Wales - Charity number 1153323

Accounts

**Report of the Trustees and
Financial Statements for the Year Ended 31st August 2024
for
Royal Merchant Navy Education
Foundation**

Sheen Stickland
Chartered Accountants
Statutory Auditors
7 East Pallant
Chichester
West Sussex
PO19 1TR

**Royal Merchant Navy Education
Foundation**

**Contents of the Financial Statements
for the Year Ended 31st August 2024**

	Page
Report of the Trustees	1 to 7
Report of the Independent Auditors	8 to 9
Statement of Financial Activities	10
Balance Sheet	11
Cash Flow Statement	12
Notes to the Cash Flow Statement	13
Notes to the Financial Statements	14 to 22
Detailed Statement of Financial Activities	23 to 24

**Royal Merchant Navy Education
Foundation**

**Report of the Trustees
for the Year Ended 31st August 2024**

The trustees present their report with the financial statements of the charity for the year ended 31st August 2024. 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).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
1153323

Principal address
1a Charnham Lane
Hungerford
Berkshire
RG17 0EY

Trustees

Ms Linda Cotton (appointed 31.12.23) (resigned 31.1.24)
Mr Peter Hulse (resigned 18.7.24)
Dr Rodney Owen-Jones
Ms Lesley Robinson Chairman
Cdre Michael Cochrane OBE
Mrs Emma McKendrick BA
Judge Simon Cooper DL
Ms Claire Sneddon BA (resigned 12.10.23)
Cdre William Walworth CBE (appointed 25.4.24)

Chief Executive Officer (CEO)
Ms Linda Cotton

Other Officers
Mrs Diana Pearson (Part-time)
Miss Louise Docherty (Part-time)

Honorary Vice-Presidents
Lieutenant-Commander Jeremy D Devitt RN (Ret'd)
Mr John Adey MA (Oxon)

Auditors
Sheen Stickland
Chartered Accountants
Statutory Auditors
7 East Pallant
Chichester
West Sussex
PO19 1TR

Bankers
Handelsbanken Newbury
St Anthony's House
Oxford Square
9-21 Oxford Street
Newbury
Berkshire
RG14 1JQ

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Bates Wells Braithwaite LLP
10 Queen Street Place
London
EC4R 1BE

Blake Morgan LLP
6 New Street Square
London
EC4A 3DJ

Investment Advisors

Meridien Investment Management LLP
Riverside House
2a Southwark Bridge Road
London
SE1 9HA

Insurers

NFU Mutual
Dunn House
Charnham Lane
Hungerford
RG17 0EY

OBJECTIVES AND ACTIVITIES

Aims and objectives

The object of the Foundation is to afford charitable benefit and relief to Foundationers by providing for or towards their maintenance and education in accordance with the principles of Christian religion and morality and by assisting them in training for and taking up employment.

Provided that:

"Foundationers" means the children and young people who are in need and are the natural or adopted children or other legal dependents of a person who has served or is serving at sea in the Merchant Navy or Fishing Fleet or the Royal National Lifeboat Institution (RNLI) provided that priority may be given to Foundationers who are British or have at least one British parent.

A person "serving at sea in the Merchant Navy" means any seafarer working in any capacity aboard a merchant vessel which includes but is not limited to passenger liners, ferries, container ships, tankers, bulk carriers, break bulk and refrigerated cargo ships, Royal Fleet Auxiliaries (or their equivalent), coasters, specialist ships (e.g. RNLI lifeboats, deep sea rigs, salvage vessels, oil support vessels, lighthouse tenders etc.), luxury private charter yachts.

A person "serving at sea in the Fishing Fleet" means any seafarer working in any capacity onboard inshore or deep-sea fishing vessels.

A person "serving at sea in the Royal National Lifeboat Institution" means any crew member of a lifeboat operated by this Institution.'

OBJECTIVES AND ACTIVITIES

Objectives, strategies and activities

The Foundation's property assets comprise the unencumbered freehold of some 262 acres of the Grade II* Bearwood Estate of which:

- c. 202 acres is leased until 2121 to Bearwood Lakes Golf Club; and
- c. 60 acres of woodland called Link Wood is leased to Reddam House (Berkshire) until 27th March 2031.

In addition, the Foundation retains a portfolio of quoted investments.

Public benefit

The following activities are undertaken to further public benefit:

- Providing support and funding to existing Foundationers to enable them to maximise and achieve their potential.
- Identifying new Foundationers who qualify for support and would benefit from access to the Foundation's funding during their formative years.
- Developing marketing activities to identify new Foundationers.

The Trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Equality, Diversity and Inclusivity

1. Governance Approach

Blind to Individualities: The Foundation takes a neutral and unbiased approach toward its beneficiaries, treating each as an individual with unique needs and circumstances.

Diverse Board Composition: The Board demonstrates diversity in professional backgrounds and expertise, including legal, financial, educational, maritime, healthcare, and judicial fields. This variety ensures a well-rounded perspective in decision-making.

2. Support for Beneficiaries

Focus on Need: The Foundation prioritises beneficiaries identified as "needy," emphasizing their unique challenges and aspirations.

Education and Career Training: It underscores education and training as tools for empowerment, enabling disadvantaged young individuals to access opportunities that can lead to fulfilling and productive lives.

3. Commitment to Inclusivity

The Foundation's practices align with inclusive principles, ensuring that both governance and beneficiary support reflect broad perspectives and equitable treatment.

This approach supports the Foundation's mission of fostering opportunity and addressing inequality effectively.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Having agreed the widening of the beneficiary-class criteria, on 5th July 2022 the Charity Commission gave its formal consent under s.226(2)(a) of the Charities Act 2011 to amend the Foundation's objects to read:

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The objects of the Foundation are in order of priority:

1. to afford charitable benefit and relief to Foundationers by providing for or towards their maintenance and education in accordance with the principles of Christian religion and morality and by assisting them in training for and taking up employment; and
2. to support the charitable objects of organisations that operate predominantly in Great Britain and that have activities which could include contributing towards the maintenance training or education of Foundationers. Provided that: "Foundationers" means the children and young people who are in need and are the natural or adopted children or other legal dependents of a person who has served or is serving at sea in the Merchant Navy or Fishing Fleet, or the Royal National Lifeboat Institution provided in either case that priority may be given to Foundationers who are British or have at least one British parent. A person "serving at sea in the Merchant Navy" means any seafarer working in any capacity aboard a merchant vessel which includes but is not limited to passenger liners, ferries, container ships, tankers, bulk carriers, break bulk and refrigerated cargo ships, Royal Fleet Auxiliaries (or their equivalent), coasters, specialist ships (e.g. RNLI lifeboats, deep sea tugs, salvage vessels, oil support vessels, lighthouse tenders etc), luxury or charter yachts. A person serving at sea in the "Fishing Fleet" means any seafarer working in any capacity aboard inshore or deep-sea fishing vessels. A person "serving at sea in the Royal National Lifeboat Institution" means any crewmember of a lifeboat operated by this Institution.

The Foundation's Members approved this change at their meeting on 10th October 2022.

The Trustees had three purposes for this application to the Charity Commission:

- to enable the Foundation to make re-payment grants to other charities; and
- to enable the Foundation to make grants to charities; and
- to be able to deploy the Foundation's significant resources more widely.

In the year, the Trustees have:

- Seen a slight increase in the number of beneficiaries to 107 (2023: 103).
- Maintained the monthly grants to undergraduates @ £600 pm for those living away from home and £400 pm who remain at home their studies. These payments continue to be made monthly in arrears and are conditional upon each recipient self-certifying their continued attendance monthly at their place of education and providing an attendance form signed and stamped quarterly.
- Approved grants of up to £200 pa towards the costs of beneficiaries' school uniforms and £500 pa towards their costs of living.

All beneficiaries meet the Foundation's eligibility criteria.

Closer collaboration with the Sailors' Children's Society and the Royal Liverpool Seamen's Orphan Institution have bolstered support for educational advancements, particularly in Further Education, leading to an increase in beneficiaries.

We have supported the United Kingdom Sailing Academy (UKSA) reflecting a commitment to maritime education and career training, empowering young individuals to explore opportunities in the maritime industry. They inspire and support young people to broaden their horizons through education and training for careers at sea and their ambition is to work with young people who need our help most, to build positive futures and pathways into maritime employment.

We would like to take this opportunity to celebrate those who have graduated from universities across the UK with outstanding results, highlighting the Foundation's appreciation of academic dedication and effort. Not all of our students follow the same educational path. Vocational training, apprenticeships, creative endeavours, and entrepreneurship are supported, reflecting the Foundation's holistic and inclusive philosophy toward individual growth.

Collaboration with like-minded organisations has fostered meaningful partnerships, enhancing resource sharing and support mechanisms. This multifaceted approach emphasizes inclusivity, adaptability, and empowerment, celebrating and supporting the diverse and unique paths of all its beneficiaries.

Fundraising activities

As in previous years, no fundraising has been undertaken.

FINANCIAL REVIEW

Policy on reserves

Funds shown on the Charity's balance sheet totalled £21,559,385 (2023: £20,168,254) of which £25,349 (2023: £17,461) is restricted, because the capital or income is not available for the general purpose of the Charity. The Charity's tangible fixed assets are held for use by the Charity. The stated value of the fixed assets, including investments, is £22,156,597 (2023: £20,897,723) Working capital is adequate in the short term to meet needs and the Foundation has neither overdraft facilities nor any charge on assets.

The Bearwood Estate

In 1919, the Foundation was given the freehold of the 493a Bearwood Estate by Sir Thomas Lane Devitt Bt and Sir Eric Yarrow Bt. Between 2012 and 2015, the Trustees disposed of 231a of this Estate while retaining the freehold of the residual 262a.

With the disposal of the 231a of the Estate, the Foundation continues to have a high level of reserves as a safety net to cover the costs of educating beneficiaries.

Investment policy and objectives

The Trustees' investment policy takes account of the Trustees' desire to maintain and grow over time the real value of the capital and income and to reflect their ambitions to maximise the educational support available to beneficiaries.

FUTURE PLANS

The Trustees continue to evolve plans for the Foundation's future, but this development is being constrained by national and international uncertainty. Given that about 47% of the Bearwood Estate has been sold and the retained remainder leased, the Trustees continue to move the charity forward with due diligence.

ROYAL MERCHANT NAVY SCHOOL FOUNDATION (309047)

The Royal Merchant Navy School Foundation, a registered charity (number 309047) which is controlled solely by the Foundation's Trustees, continues even though it received no income nor incurred any expenditure in the year under report.

The Charity Commission has authorised Trustees to use a total return approach to investments.

ACKNOWLEDGEMENTS

The Trustees acknowledge the generosity of all our many supporters and extend our thanks for their help towards the disadvantaged children of seafarers. The Trustees also wish to record their appreciation of the hard work of all the Foundation's Staff.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Royal Merchant Navy Education Foundation:

- was founded in 1827.
- was registered as a Charitable Incorporated Organisation in 2013.
- is governed by:
 - its Constitution dated 24th July 2013 which was approved by the Charity Commissioners on 9th August 2013.
 - the Board of Trustees as listed above.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

Trustees are appointed at a meeting of the Main Board of Trustees on nominations received from serving Trustees or employees.

Organisational structure

The Board is legally responsible for the overall management and control of the Foundation and meets at least three times each year. The whole Board is directly involved in all matters of the Foundation. The day-to-day management of the Foundation is delegated to the CEO.

Induction and training of new trustees

The induction process includes the opportunity, prior to election, to meet executive staff and to access past Accounts and Minutes, and Trustees are directed to the advice on their duties and responsibilities available both on the Charity Commission website and others. Trustees are also invited to participate in seminars relevant to their duties.

Key management remuneration

Trustees are responsible for Staff remuneration the review of which forms part of the budgetary approval process in October each year.

Risk management

The Trustees are responsible for the management of risks faced by the Foundation. Throughout the year, new risks are identified and assessed, and controls established. A formal review of all identified risks is undertaken each year: in particular, a review of the Investment Manager's performance is carried out annually. Controls in place to manage the risks include maintaining:

- Clear terms of reference and agenda for Trustee Board and ad hoc Sub-Committees.
- Strategic planning, budgeting, management accounting and financial controls.
- A current Investment Management Agreement.
- Leases or similar legal agreements with all tenants of the Foundation's property devolving, where possible, liabilities to the tenants.
- Insurance where appropriate.

Serious Incidents

No serious incidents occurred in the year under report.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees 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).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity 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;
- 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 business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to 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.

Approved by order of the board of trustees on 23rd January 2025 and signed on its behalf by:


.....
Ms Lesley Robinson - Trustee

**Report of the Independent Auditors to the Trustees of
Royal Merchant Navy Education
Foundation**

Opinion

We have audited the financial statements of Royal Merchant Navy Education Foundation (the 'charity') for the year ended 31st August 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 (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 August 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 Auditors' 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 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.

Matters on which we are required to report by exception

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

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

**Report of the Independent Auditors to the Trustees of
Royal Merchant Navy Education
Foundation**

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the 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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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:

- enquiry of management, those charged with governance and the entity's solicitors around actual and potential litigation and claims;
- enquiry of entity's staff to identify any instances of non-compliance with laws and regulations;
- reviewing minutes of meetings of those charged with governance;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- auditing the risk of management override of controls including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

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.

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 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sheen Stickland

Sheen Stickland
Chartered Accountants
Statutory Auditors
7 East Pallant
Chichester
West Sussex
PO19 1TR

Date: *23 May 2015*

**Royal Merchant Navy Education
Foundation**

**Statement of Financial Activities
for the Year Ended 31st August 2024**

		Unrestricted fund £	Restricted funds £	2024 Total funds £	2023 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	3,294	20,000	23,294	10,073
Investment income	3	540,101	-	540,101	549,787
Other income		-	-	-	1,017
Total		<u>543,395</u>	<u>20,000</u>	<u>563,395</u>	<u>560,877</u>
 EXPENDITURE ON					
Raising funds	4	181,682	-	181,682	183,038
Charitable activities	5				
Grants to Foundationers		<u>559,658</u>	<u>12,112</u>	<u>571,770</u>	<u>416,482</u>
Total		<u>741,340</u>	<u>12,112</u>	<u>753,452</u>	<u>599,520</u>
 Net gains on investments		<u>1,581,188</u>	<u>-</u>	<u>1,581,188</u>	<u>26,925</u>
 NET INCOME/(EXPENDITURE)		1,383,243	7,888	1,391,131	(11,718)
 RECONCILIATION OF FUNDS					
Total funds brought forward		<u>20,150,793</u>	<u>17,461</u>	<u>20,168,254</u>	<u>20,179,972</u>
 TOTAL FUNDS CARRIED FORWARD		<u><u>21,534,036</u></u>	<u><u>25,349</u></u>	<u><u>21,559,385</u></u>	<u><u>20,168,254</u></u>

The notes form part of these financial statements

**Royal Merchant Navy Education
Foundation**

**Balance Sheet
31st August 2024**

	Notes	Unrestricted fund £	Restricted funds £	2024 Total funds £	2023 Total funds £
FIXED ASSETS					
Tangible assets	10	1,964	-	1,964	11,611
Investments					
Investments	11	17,954,633	-	17,954,633	16,686,112
Investment property	12	<u>4,200,000</u>	<u>-</u>	<u>4,200,000</u>	<u>4,200,000</u>
		22,156,597	-	22,156,597	20,897,723
CURRENT ASSETS					
Debtors	13	850	-	850	716
Cash at bank and in hand		<u>70,051</u>	<u>25,349</u>	<u>95,400</u>	<u>12,080</u>
		70,901	25,349	96,250	12,796
CREDITORS					
Amounts falling due within one year	14	(377,947)	-	(377,947)	(407,031)
NET CURRENT ASSETS		<u>(307,046)</u>	<u>25,349</u>	<u>(281,697)</u>	<u>(394,235)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		21,849,551	25,349	21,874,900	20,503,488
CREDITORS					
Amounts falling due after more than one year	15	(315,515)	-	(315,515)	(335,234)
NET ASSETS		<u>21,534,036</u>	<u>25,349</u>	<u>21,559,385</u>	<u>20,168,254</u>
FUNDS	17				
Unrestricted funds				21,534,036	20,150,793
Restricted funds				<u>25,349</u>	<u>17,461</u>
TOTAL FUNDS				<u>21,559,385</u>	<u>20,168,254</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 23rd January 2025 and were signed on its behalf by:


Ms Lesley Robinson - Trustee

The notes form part of these financial statements

**Royal Merchant Navy Education
Foundation**

**Cash Flow Statement
for the Year Ended 31st August 2024**

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(767,795)</u>	<u>(741,684)</u>
Net cash used in operating activities		<u>(767,795)</u>	<u>(741,684)</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(1,653)	(1,399)
Purchase of fixed asset investments		(8,376,953)	(4,976,500)
Sale of tangible fixed assets		-	11,500
Sale of fixed asset investments		8,689,620	5,121,018
Dividends received		357,802	367,488
Rental income received		<u>182,299</u>	<u>182,299</u>
Net cash provided by investing activities		<u>851,115</u>	<u>704,406</u>
 Change in cash and cash equivalents in the reporting period		 83,320	 (37,278)
Cash and cash equivalents at the beginning of the reporting period		<u>12,080</u>	<u>49,358</u>
 Cash and cash equivalents at the end of the reporting period		 <u>95,400</u>	 <u>12,080</u>

The notes form part of these financial statements

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	2023 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	1,391,131	(11,718)
Adjustments for:		
Depreciation charges	7,532	7,290
Gain on investments	(1,581,188)	(26,925)
Loss/(profit) on disposal of fixed assets	3,768	(1,017)
Dividends received	(357,802)	(367,488)
Rental income received	(182,299)	(182,299)
(Increase)/decrease in debtors	(134)	680
Decrease in creditors	(48,803)	(160,207)
Net cash used in operations	<u>(767,795)</u>	<u>(741,684)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.23 £	Cash flow £	At 31.8.24 £
Net cash			
Cash at bank and in hand	<u>12,080</u>	<u>83,320</u>	<u>95,400</u>
	<u>12,080</u>	<u>83,320</u>	<u>95,400</u>
Total	<u>12,080</u>	<u>83,320</u>	<u>95,400</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, 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 Charities Act 2011. 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.

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.

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.

Computer equipment - 33% on cost

Individual fixed assets costing more than £250 are capitalised and included at cost.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

Taxation

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

2. DONATIONS AND LEGACIES

	2024	2023
	£	£
Donations	<u>23,294</u>	<u>10,073</u>

3. INVESTMENT INCOME

	2024	2023
	£	£
Rents received	182,299	182,299
Interest and dividend income	<u>357,802</u>	<u>367,488</u>
	<u>540,101</u>	<u>549,787</u>

4. RAISING FUNDS

Investment management costs

	2024	2023
	£	£
Portfolio management	154,322	149,675
Maintenance charges	7,068	2,186
Rates	1,457	1,361
Legal & professional	14,491	23,519
Insurance	3,798	4,512
Custodian Trustee fees	<u>546</u>	<u>1,785</u>
	<u>181,682</u>	<u>183,038</u>

5. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 6)	Support costs (see note 7)	Totals
	£	£	£
Grants to Foundationers	<u>321,867</u>	<u>249,903</u>	<u>571,770</u>

6. GRANTS PAYABLE

	2024	2023
	£	£
Grants to Foundationers	<u>321,867</u>	<u>162,768</u>

7. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Grants to Foundationers	<u>236,483</u>	<u>4,396</u>	<u>9,024</u>	<u>249,903</u>

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

	2024 Grants to Foundationers £	2023 Total activities £
Wages	173,119	179,250
Social security	14,228	9,448
Pensions	3,630	195
Light, heat and water	2,075	2,172
Telephone	2,531	2,673
Postage and stationery	656	2,051
Sundries	3,506	3,944
Head Office Rent	16,800	16,800
Travel & subsistence	3,960	2,856
Subscriptions	547	1,671
Computer costs	4,599	12,195
Website design	3,300	-
Depreciation of tangible and heritage assets	7,532	7,290
Bank charges	628	593
Loss on sale of tangible fixed assets	3,768	-
Auditors' remuneration	<u>9,024</u>	<u>12,576</u>
	<u>249,903</u>	<u>253,714</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st August 2024 nor for the year ended 31st August 2023.

Trustees' expenses

During the year, two (2023: four) trustees were reimbursed for travel expenses totalling £546 (2023: £1,785).

9. STAFF COSTS

	2024 £	2023 £
Wages and salaries	173,119	179,250
Social security costs	14,228	9,448
Other pension costs	<u>3,630</u>	<u>195</u>
	<u>190,977</u>	<u>188,893</u>

9. STAFF COSTS - continued

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

	2024	2023
Management and administration	2	2
Fundraising and welfare	<u>1</u>	<u>1</u>
	<u>3</u>	<u>3</u>

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

The total employee benefits of the key management personnel of the charity were £96,968 (2023: £125,189).

10. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1st September 2023	30,149
Additions	1,653
Disposals	<u>(19,380)</u>
At 31st August 2024	<u>12,422</u>
DEPRECIATION	
At 1st September 2023	18,538
Charge for year	7,532
Eliminated on disposal	<u>(15,612)</u>
At 31st August 2024	<u>10,458</u>
NET BOOK VALUE	
At 31st August 2024	<u>1,964</u>
At 31st August 2023	<u>11,611</u>

11. FIXED ASSET INVESTMENTS

	Listed investments £	Cash and settlements pending £	Totals £
MARKET VALUE			
At 1st September 2023	16,291,469	394,643	16,686,112
Additions	3,800,211	4,576,742	8,376,953
Disposals	(4,283,082)	(4,485,574)	(8,768,656)
Revaluations	1,660,224	-	1,660,224
At 31st August 2024	<u>17,468,822</u>	<u>485,811</u>	<u>17,954,633</u>
NET BOOK VALUE			
At 31st August 2024	<u>17,468,822</u>	<u>485,811</u>	<u>17,954,633</u>
At 31st August 2023	<u>16,291,469</u>	<u>394,643</u>	<u>16,686,112</u>

Investments totalling £11,662,747 are based outside the UK (2023: £11,359,978).

Cost or valuation at 31st August 2024 is represented by:

	Listed investments £	Cash and settlements pending £	Totals £
Valuation in 2024	<u>17,468,822</u>	<u>485,811</u>	<u>17,954,633</u>

12. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1st September 2023 and 31st August 2024	<u>4,200,000</u>
NET BOOK VALUE	
At 31st August 2024	<u>4,200,000</u>
At 31st August 2023	<u>4,200,000</u>

Bearwood Estate was valued in the year ended 31 August 2021 by Strutt and Parker, the fair value was estimated at £4,200,000.

Fair value at 31st August 2024 is represented by:

	£
Valuation in 2024	<u>4,200,000</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Prepayments and accrued income	<u>850</u>	<u>716</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	17	2,585
Social security and other taxes	4,388	3,453
Grants payable	323,341	351,930
Deposits received	900	900
Accruals and deferred income	<u>49,301</u>	<u>48,163</u>
	<u>377,947</u>	<u>407,031</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024	2023
	£	£
Grants payable	<u>315,515</u>	<u>335,234</u>

	2024	2023
	£	£
Brought forward	687,164	853,378
Net new grant commitments in the year	305,709	178,366
Paid in the year	<u>(354,017)</u>	<u>(344,580)</u>

Carried forward	<u>638,856</u>	<u>687,164</u>
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Due:

Year ended 31 August 2024	-	351,930
Year ended 31 August 2025	323,341	240,943
Year ended 31 August 2026	167,876	77,291
Year ended 31 August 2027	75,856	11,600
Year ended 31 August 2028	59,056	5,400
Year ended 31 August 2029	<u>12,727</u>	<u>-</u>
	<u>638,856</u>	<u>687,164</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2024

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2024 £	2023 £
Within one year	16,800	16,800
Between one and five years	<u>2,100</u>	<u>18,900</u>
	<u>18,900</u>	<u>35,700</u>

17. MOVEMENT IN FUNDS

	At 1.9.23 £	Net movement in funds £	At 31.8.24 £
Unrestricted funds			
General fund	20,150,793	1,383,243	21,534,036
Restricted funds			
Underhill	311	-	311
Watson	904	-	904
Capital Flats	12,962	-	12,962
Tree Fund	3,284	-	3,284
The Mission to Seafarers	<u>-</u>	<u>7,888</u>	<u>7,888</u>
	<u>17,461</u>	<u>7,888</u>	<u>25,349</u>
TOTAL FUNDS	<u>20,168,254</u>	<u>1,391,131</u>	<u>21,559,385</u>

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	543,395	(741,340)	1,581,188	1,383,243
Restricted funds				
The Mission to Seafarers	20,000	(12,112)	-	7,888
	<u>563,395</u>	<u>(753,452)</u>	<u>1,581,188</u>	<u>1,391,131</u>
TOTAL FUNDS	<u>563,395</u>	<u>(753,452)</u>	<u>1,581,188</u>	<u>1,391,131</u>

17. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.22 £	Net movement in funds £	At 31.8.23 £
Unrestricted funds			
General fund	20,162,511	(11,718)	20,150,793
Restricted funds			
Underhill	311	-	311
Watson	904	-	904
Capital Flats	12,962	-	12,962
Tree Fund	3,284	-	3,284
	<u>17,461</u>	<u>-</u>	<u>17,461</u>
TOTAL FUNDS	<u>20,179,972</u>	<u>(11,718)</u>	<u>20,168,254</u>

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	560,877	(599,520)	26,925	(11,718)
	<u>560,877</u>	<u>(599,520)</u>	<u>26,925</u>	<u>(11,718)</u>
TOTAL FUNDS	<u>560,877</u>	<u>(599,520)</u>	<u>26,925</u>	<u>(11,718)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.22 £	Net movement in funds £	At 31.8.24 £
Unrestricted funds			
General fund	20,162,511	1,371,525	21,534,036
Restricted funds			
Underhill	311	-	311
Watson	904	-	904
Capital Flats	12,962	-	12,962
Tree Fund	3,284	-	3,284
The Mission to Seafarers	-	7,888	7,888
	<u>17,461</u>	<u>7,888</u>	<u>25,349</u>
TOTAL FUNDS	<u>20,179,972</u>	<u>1,379,413</u>	<u>21,559,385</u>

17. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined 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	1,104,272	(1,340,860)	1,608,113	1,371,525
Restricted funds				
The Mission to Seafarers	20,000	(12,112)	-	7,888
TOTAL FUNDS	<u>1,124,272</u>	<u>(1,352,972)</u>	<u>1,608,113</u>	<u>1,379,413</u>

The Underhill, Watson and Capital Flats funds represent funds which have been donated in memoriam for the maintenance of the Estate.

The Tree Fund represents funds which have been specifically donated for trees to be planted in the Estate in memoriam.

The Mission to Seafarers fund represents a grant to be used for the education of two named foundationer's.

18. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st August 2024.

**Royal Merchant Navy Education
Foundation**

**Detailed Statement of Financial Activities
for the Year Ended 31st August 2024**

	2024 £	2023 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	23,294	10,073
Investment income		
Rents received	182,299	182,299
Interest and dividend income	<u>357,802</u>	<u>367,488</u>
	540,101	549,787
Other income		
Gain on sale of tangible fixed assets	<u>-</u>	<u>1,017</u>
Total incoming resources	563,395	560,877
EXPENDITURE		
Investment management costs		
Portfolio management	154,322	149,675
Maintenance charges	7,068	2,186
Rates	1,457	1,361
Legal & professional	14,491	23,519
Insurance	3,798	4,512
Custodian Trustee fees	<u>546</u>	<u>1,785</u>
	181,682	183,038
Charitable activities		
Grants to individuals	321,867	162,768
Support costs		
Management		
Wages	173,119	179,250
Social security	14,228	9,448
Pensions	3,630	195
Light, heat and water	2,075	2,172
Telephone	2,531	2,673
Postage and stationery	656	2,051
Sundries	3,506	3,944
Head Office Rent	16,800	16,800
Travel & subsistence	3,960	2,856
Subscriptions	547	1,671
Computer costs	4,599	12,195
Website design	3,300	-
Depreciation of computer equipment	<u>7,532</u>	<u>7,290</u>
	236,483	240,545

This page does not form part of the statutory financial statements

**Royal Merchant Navy Education
Foundation**

**Detailed Statement of Financial Activities
for the Year Ended 31st August 2024**

	2024 £	2023 £
Management		
Finance		
Bank charges	628	593
Loss on sale of tangible fixed assets	<u>3,768</u>	<u>-</u>
	4,396	593
Governance costs		
Auditors' remuneration	<u>9,024</u>	<u>12,576</u>
Total resources expended	<u>753,452</u>	<u>599,520</u>
Net expenditure before gains and losses	(190,057)	(38,643)
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	<u>(79,036)</u>	<u>(279,521)</u>
Net expenditure	<u>(269,093)</u>	<u>(318,164)</u>

This page does not form part of the statutory financial statements

ROYAL MERCHANT NAVY EDUCATION FOUNDATION

England & Wales - Charity number 1153323

Accounts

**Report of the Trustees and
Financial Statements for the Year Ended 31st August 2023
for
Royal Merchant Navy Education
Foundation**

Sheen Stickland
Chartered Accountants
Statutory Auditors
7 East Pallant
Chichester
West Sussex
PO19 1TR

**Royal Merchant Navy Education
Foundation**

**Contents of the Financial Statements
for the Year Ended 31st August 2023**

	Page
Report of the Trustees	1 to 7
Report of the Independent Auditors	8 to 9
Statement of Financial Activities	10
Balance Sheet	11
Cash Flow Statement	12
Notes to the Cash Flow Statement	13
Notes to the Financial Statements	14 to 22
Detailed Statement of Financial Activities	23 to 24

The Trustees present their report with the financial statements of the charity for the year ended 31st August 2023. 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).

Charles Heron-Watson - In Memoriam

Commander Charles Heron-Watson MN was the CEO of the RMNEF for 16 years from January 2007 until June 2023, having worked for the charity before that as the Appeals & Welfare Secretary, during which time he was awarded the Merchant Navy medal. Charles devoted 25 years of his life to our charity and was involved in the search for his successor up until his untimely death in June 2023. We will be forever grateful to him for all that he achieved for our charity.

In his earlier career, Charles had served in the Royal Navy for 27 years, as a Hydrographic Survey Officer. During that time, he commanded three survey ships (HM Ships EGERIA, FOX and HYDRA) and served in many, as well as briefly with the South African Navy and later, in the Ministry of Defence in a range of appointments carrying increasing responsibility within his specialist branch. The Prince of Wales (as he then was) served with Charles at sea in HMS FOX, recording his time onboard as amongst his happiest in the Navy. After such excitements Charles retired from the RN in 1989.

During his time as our CEO, in a very different environment, Charles led the Trust's work to ensure it was financially secure, with increasingly substantial funds and wider charitable objectives. The prime focus of the RMNEF was always on ensuring the educational future of the sons and daughters of those British citizens who had served at sea in the Merchant and Fishing fleets. But in encouraging the Trust to widen its objectives, Charles was instrumental in seeking to increase the range and number of beneficiaries the charity could support. Such work was necessary as the number of potential beneficiaries reduced, due to the modernisation of the Merchant fleet and the fewer number of ships registered as British flag vessels. And in 2015 the Trust, with Charles's leadership, instigated The Bridge Report to ensure the needs of tens of thousands of dependents were not overlooked, and that awareness was raised of the challenges Merchant Navy families in particular faced. He showed great empathy in his dealings with those families who were assisted.

Charles was always conscious of the need to increase the profile of the charity within the wider Maritime Welfare Charity Sector, a complex and diverse range of charities (of which the main dozen are listed as links on this website). Through his contacts and collaboration with such charities Charles was able to raise the profile of the Trust in a developing environment.

Through a programme of modernisation, the Trust has sought in recent years to rationalise its assets. Charles became responsible for seeing through the Trust's reorganisation of its physical estate through the sale of its main asset Bearwood College, together with other buildings and land, the lease of land to the Bearwood Lakes Golf Course near Reading, and in 2013, the sale of 120 acres to Reading Football Club.

Charles's enthusiastic and cheerful "Hands on Tiller" approach will be sorely missed. He must take great credit for the fundamental, far-reaching changes he initiated that saw the RMNEF embark on its future endeavours with a clearer purpose and a sure financial foundation.

Charles, thank you, we will miss you.

By Trustee, Simon Cooper

**Royal Merchant Navy Education
Foundation**

**Report of the Trustees
for the Year Ended 31st August 2023**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1153323

Principal address

1a Charnham Lane
Hungerford
Berkshire
RG17 0EY

Trustees

Ms Linda Cotton (resigned 4.4.23)
Mr Peter Hulse
Dr Rodney Owen-Jones
Ms Lesley Robinson LLB (Hons) Chairman
Cdre Michael Cochrane OBE
Mrs Emma McKendrick BA
Judge Simon Cooper DL
Ms Claire Sneddon BA (resigned 12.10.23)

Chief Executive Officer (CEO)

Ms Linda Cotton (April 2023)
Commander Charles F Heron-Watson MNM RN (d) (June 2023)

Other Officers

Mrs Diana Pearson (Part-time)
Miss Louise Docherty (Part-time)

Honorary Vice-Presidents

Lieutenant-Commander Jeremy D Devitt RN (Ret'd)
Mr John Adey MA (Oxon)

Auditors

Sheen Stickland
Chartered Accountants
Statutory Auditors
7 East Pallant
Chichester
West Sussex
PO19 1TR

Bankers

Handelsbanken Newbury
St Anthony's House
Oxford Square
9-21 Oxford Street
Newbury
Berkshire
RG14 1JQ

Solicitors

Bates Wells Braithwaite LLP
10 Queen Street Place
London
EC4R 1BE

**Royal Merchant Navy Education
Foundation**

**Report of the Trustees
for the Year Ended 31st August 2023**

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Blake Morgan LLP
6 New Street Square
London
EC4A 3DJ

Investment Advisors

Veritas Investment Management LLP
Riverside House
2a Southwark Bridge Road
London
SE1 9HA

Insurers

NFU Mutual
Dunn House
Charnham Lane
Hungerford
RG17 0EY

Property Advisors

Comerford Real Estate Limited
1 Wilderness Road
Reading
RG6 7RF

OBJECTIVES AND ACTIVITIES

Objectives and aims

The object of the Foundation is to afford charitable benefit and relief to Foundationers by providing for or towards their maintenance and education in accordance with the principles of Christian religion and morality and by assisting them in training for and taking up employment.

Provided that:

"Foundationers" means the children and young people who are in need and are the natural or adopted children or other legal dependents of a person who has served or is serving at sea in the Merchant Navy or Fishing Fleet or the Royal National Lifeboat Institution (RNLI) provided that priority may be given to Foundationers who are British or have at least one British parent.

A person "**serving at sea in the Merchant Navy**" means any seafarer working in any capacity aboard a merchant vessel which includes but is not limited to passenger liners, ferries, container ships, tankers, bulk carriers, break bulk and refrigerated cargo ships, Royal Fleet Auxiliaries (or their equivalent), coasters, specialist ships (e.g. RNLI lifeboats, deep sea rigs, salvage vessels, oil support vessels, lighthouse tenders etc), luxury private charter yachts.

A person "**serving at sea in the Fishing Fleet**" means any seafarer working in any capacity onboard inshore or deep-sea fishing vessels.

A person "**serving at sea in the Royal National Lifeboat Institution**" means any crew-member of a lifeboat operated by this Institution.'

Objectives, strategies and activities

The Foundation's property assets comprise the unencumbered freehold of some 262 acres of the Grade II* Bearwood Estate of which:

- c202 acres is leased until 2121 to Bearwood Lakes Golf Club; and
- c60 acres of woodland called Link Wood is leased to Reddam House (Berkshire) until 27th March 2031.

In addition, the Foundation retains a portfolio of quoted investments.

OBJECTIVES AND ACTIVITIES

Public benefit

The following activities are undertaken to further public benefit:

- Providing support and funding to existing Foundationers to enable them to maximise and achieve their potential.
- Identifying new Foundationers who qualify for support and would benefit from access to the Foundation's funding during their formative years.
- Developing marketing activities to identify new Foundationers.

The Trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Equality, Diversity and Inclusivity

The Foundation is blind to the individualities of its beneficiaries with each being taken as found. Trustees are routinely conscious of the need and desirability of a multi-talented Board and, currently, the Board comprises a practicing solicitor, a former Asset fund-manager, a former CEO of a national maritime children's charity, a retired Royal Naval officer, a former GP, a current Head of a fee-paying girls' school, a maritime industry communications' specialist, and a retired Judge.

The Foundation's beneficiaries are, by definition, 'needy' and Trustees' focus on their education enables these disadvantaged young people the opportunity to obtain an education or career-training appropriate to their needs and thus, potentially, to lead to more productive working lives.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Having agreed the widening of the beneficiary-class criteria, on 5th July 2022 the Charity Commission gave its formal consent under s.226(2)(a) of the Charities Act 2011 to amend the Foundation's objects to read:

The objects of the Foundation are in order of priority:

1. to afford charitable benefit and relief to Foundationers by providing for or towards their maintenance and education in accordance with the principles of Christian religion and morality and by assisting them in training for and taking up employment; and
2. to support the charitable objects of organisations that operate predominantly in Great Britain and that have activities which could include contributing towards the maintenance training or education of Foundationers. Provided that: "Foundationers" means the children and young people who are in need and are the natural or adopted children or other legal dependents of a person who has served or is serving at sea in the Merchant Navy or Fishing Fleet, or the Royal National Lifeboat Institution provided in either case that priority may be given to Foundationers who are British or have at least one British parent. A person "serving at sea in the Merchant Navy" means any seafarer working in any capacity aboard a merchant vessel which includes but is not limited to passenger liners, ferries, container ships, tankers, bulk carriers, break bulk and refrigerated cargo ships, Royal Fleet Auxiliaries (or their equivalent), coasters, specialist ships (e.g. RNLI lifeboats, deep sea tugs, salvage vessels, oil support vessels, lighthouse tenders etc), luxury or charter yachts. A person serving at sea in the "Fishing Fleet" means any seafarer working in any capacity aboard inshore or deep-sea fishing vessels. A person "serving at sea in the Royal National Lifeboat Institution" means any crewmember of a lifeboat operated by this Institution.

The Foundation's Members approved this change at their meeting on 10th October 2022.

The Trustees had three purposes for this application to the Charity Commission:

- to enable the Foundation to make re-payment grants to other charities; and
- to enable the Foundation to make grants to charities; and
- to be able to deploy the Foundation's significant resources more widely.

ACHIEVEMENT AND PERFORMANCE

In the year, the Trustees have:

- Seen a reduction in the number of beneficiaries to 103 (2022: 125).
- Maintained the monthly grants to undergraduates at £600 pm for those living away from home and £400 pm for those who remain at home during their studies. These payments continue to be made monthly in arrears and are conditional upon each recipient self-certifying their continued attendance monthly at their place of education and providing an attendance form signed and stamped quarterly.
- Approved grants of up to £200 pa towards the costs of beneficiaries' school uniforms and £500 pa towards their costs of living.

All beneficiaries meet the Foundation's eligibility criteria.

We are delighted to report that although the overall number of our beneficiaries has seen a modest reduction, closer collaboration with a variety of maritime charities in particular the Sailors Children's Society has seen an increase in students wishing to engage in Further Education at university and colleges. We also note those who have previously been supported by the Royal Liverpool Seamen's Orphan Institution.

Due to regular contact and conversations, the Foundation came to appreciate the significant synergies between respective organisations and developed a mutual desire and intention to work more closely together.

We have supported the maritime youth charity UKSA.

A world-renowned training centre of excellence, who inspire and support young people to broaden their horizons through education and training for careers at sea. Their ambition is to work with young people who need our help most, to build positive futures and pathways into maritime employment.

We have also collaborated with Maritime London Officer Cadet Scholarship (MLOCS) who provide scholarships to enable young people with the opportunity to study for three to four years at leading nautical training colleges, both onshore and at sea to qualify as deck and engine room officers.

We would like to take this opportunity in celebrating those who have graduated from universities across the UK with outstanding results. Their hard work, dedication and late-night study sessions culminating in the brilliance of graduation day. Congratulations to you all.

Not all of our children follow the same educational trajectory. Some embark on diverse paths that align with their unique circumstances and aspirations. Whether it is vocational training, apprenticeships, creative pursuits or entrepreneurial ventures, each individual's journey is distinct and valuable, and we congratulate you all.

FINANCIAL REVIEW

Policy on reserves

Funds shown on the Charity's balance sheet totalled £20,168,254 (2022: £20,179,972) of which £17,461 (2022: £17,461) is restricted, because the capital or income is not available for the general purpose of the Charity. The Charity's tangible fixed assets are held for use by the Charity. The stated value of the fixed assets, including investments, is £20,897,723 (2022: £21,031,690). Working capital is adequate in the short term to meet needs and the Foundation has neither overdraft facilities nor any charge on assets.

The Bearwood Estate

In 1919, the Foundation was given the freehold of the 493a Bearwood Estate by Sir Thomas Lane Devitt Bt and Sir Eric Yarrow Bt. Between 2012 and 2015, the Trustees disposed of 231a of this Estate while retaining the freehold of the residual 262a.

With the disposal of the 231a of the Estate, the Foundation continues to have a high level of reserves as a safety net to cover the costs of educating beneficiaries.

FINANCIAL REVIEW

Investment policy and objectives

The Trustees' investment policy takes account of the Trustees' desire to maintain and grow over time the real value of the capital and income and to reflect their ambitions to maximise the educational support available to beneficiaries.

FUTURE PLANS

The Trustees continue to evolve plans for the Foundation's future, but this development is being constrained by national and international uncertainty. Given that about 47% of the Bearwood Estate has been sold and the retained remainder leased, the Trustees continue to move the charity forward with due diligence.

ROYAL MERCHANT NAVY SCHOOL FOUNDATION (309047)

The Royal Merchant Navy School Foundation, a registered charity (number 309047) which is controlled solely by the Foundation's Trustees, continues even though it received no income nor incurred any expenditure in the year under report.

The Charity Commission has authorised Trustees to use a total return approach to investments.

ACKNOWLEDGEMENTS

The Trustees acknowledge the generosity of all our many supporters and extend our thanks for their help towards the disadvantaged children of seafarers. The Trustees also wish to record their appreciation of the hard work of all the Foundation's Staff.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Royal Merchant Navy Education Foundation:

- was founded in 1827.
- was registered as a Charitable Incorporated Organisation in 2013.
- is governed by:
 - its Constitution dated 24th July 2013 which was approved by the Charity Commissioners on 9th August 2013.
 - the Board of Trustees as listed above.

Recruitment and appointment of new Trustees

Trustees are appointed at a meeting of the Main Board of Trustees on nominations received from serving Trustees or employees.

Organisational structure

The Board is legally responsible for the overall management and control of the Foundation and meets at least three times each year. The whole Board is directly involved in all matters of the Foundation. The day-to-day management of the Foundation is delegated to the CEO.

Induction and training of new Trustees

The induction process includes the opportunity, prior to election, to meet executive staff and to access past Accounts and Minutes, and Trustees are directed to the advice on their duties and responsibilities available both on the Charity Commission website and others. Trustees are also invited to participate in seminars relevant to their duties.

Key management remuneration

Trustees are responsible for Staff remuneration the review of which forms part of the budgetary approval process in October each year.

**Report of the Trustees
for the Year Ended 31st August 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Trustees are responsible for the management of risks faced by the Foundation. Throughout the year, new risks are identified and assessed, and controls established. A formal review of all identified risks is undertaken each year: in particular, a review of the Investment Manager's performance is carried out annually. Controls in place to manage the risks include maintaining:

- Clear terms of reference and agenda for Trustee Board and ad hoc Sub-Committees.
- Strategic planning, budgeting, management accounting and financial controls.
- A current Investment Management Agreement.
- Leases or similar legal agreements with all tenants of the Foundation's property devolving, where possible, liabilities to the tenants.
- Insurance where appropriate.

Serious Incidents

No serious incidents occurred in the year under report.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees 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).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity 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;
- 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 business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to 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.

Approved by order of the board of Trustees on 25th April 2024 and signed on its behalf by:


Ms Lesley Robinson LLB (Hons) - Trustee

**Report of the Independent Auditors to the Trustees of
Royal Merchant Navy Education
Foundation**

Opinion

We have audited the financial statements of Royal Merchant Navy Education Foundation (the 'charity') for the year ended 31st August 2023 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 (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 August 2023 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 Auditors' 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 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.

Matters on which we are required to report by exception

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

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

**Report of the Independent Auditors to the Trustees of
Royal Merchant Navy Education
Foundation**

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the 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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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:

- enquiry of management, those charged with governance and the entity's solicitors around actual and potential litigation and claims;
- enquiry of entity's staff to identify any instances of non-compliance with laws and regulations;
- reviewing minutes of meetings of those charged with governance;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- auditing the risk of management override of controls including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

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.

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 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 charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sheen Stickland

Sheen Stickland
Chartered Accountants
Statutory Auditors
7 East Pallant
Chichester
West Sussex
PO19 1TR

Date: 25/4/24

**Royal Merchant Navy Education
Foundation**

**Statement of Financial Activities
for the Year Ended 31st August 2023**

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	10,073	-	10,073	2,102
Investment income	3	549,787	-	549,787	478,838
Other income		<u>1,017</u>	<u>-</u>	<u>1,017</u>	<u>-</u>
Total		<u>560,877</u>	<u>-</u>	<u>560,877</u>	<u>480,940</u>
EXPENDITURE ON					
Raising funds	4	183,038	-	183,038	174,346
Charitable activities					
Grants to Foundationers	5	<u>416,482</u>	<u>-</u>	<u>416,482</u>	<u>918,773</u>
Total		<u>599,520</u>	<u>-</u>	<u>599,520</u>	<u>1,093,119</u>
Net gains on investments		<u>26,925</u>	<u>-</u>	<u>26,925</u>	<u>115,015</u>
NET INCOME/(EXPENDITURE)		(11,718)	-	(11,718)	(497,164)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>20,162,511</u>	<u>17,461</u>	<u>20,179,972</u>	<u>20,677,136</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>20,150,793</u></u>	<u><u>17,461</u></u>	<u><u>20,168,254</u></u>	<u><u>20,179,972</u></u>

The notes form part of these financial statements

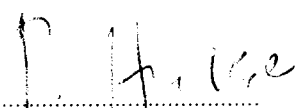
**Royal Merchant Navy Education
Foundation**

**Balance Sheet
31st August 2023**

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	11	11,611	-	11,611	27,985
Investments					
Investments	12	16,686,112	-	16,686,112	16,803,705
Investment property	13	<u>4,200,000</u>	<u>-</u>	<u>4,200,000</u>	<u>4,200,000</u>
		20,897,723	-	20,897,723	21,031,690
CURRENT ASSETS					
Debtors	14	716	-	716	1,396
Cash at bank and in hand		<u>(5,381)</u>	<u>17,461</u>	<u>12,080</u>	<u>49,358</u>
		(4,665)	17,461	12,796	50,754
CREDITORS					
Amounts falling due within one year	15	<u>(407,031)</u>	<u>-</u>	<u>(407,031)</u>	<u>(377,387)</u>
NET CURRENT ASSETS		<u>(411,696)</u>	<u>17,461</u>	<u>(394,235)</u>	<u>(326,633)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		20,486,027	17,461	20,503,488	20,705,057
CREDITORS					
Amounts falling due after more than one year	16	<u>(335,234)</u>	<u>-</u>	<u>(335,234)</u>	<u>(525,085)</u>
NET ASSETS		<u><u>20,150,793</u></u>	<u><u>17,461</u></u>	<u><u>20,168,254</u></u>	<u><u>20,179,972</u></u>
FUNDS	18				
Unrestricted funds				20,150,793	20,162,511
Restricted funds				<u>17,461</u>	<u>17,461</u>
TOTAL FUNDS				<u><u>20,168,254</u></u>	<u><u>20,179,972</u></u>

The financial statements were approved by the Board of Trustees and authorised for issue on 25th April 2024 and were signed on its behalf by:


Ms Lesley Robinson LLB (Hons) - Trustee


Mr Peter Hulse - Trustee

The notes form part of these financial statements

**Royal Merchant Navy Education
Foundation**

**Cash Flow Statement
for the Year Ended 31st August 2023**

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(741,684)</u>	<u>(655,504)</u>
Net cash used in operating activities		<u>(741,684)</u>	<u>(655,504)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,399)	(19,380)
Purchase of fixed asset investments		(4,976,500)	(5,247,904)
Sale of tangible fixed assets		11,500	-
Sale of fixed asset investments		5,121,018	5,294,248
Dividends received		367,488	301,122
Rental income received		<u>182,299</u>	<u>177,716</u>
Net cash provided by investing activities		<u>704,406</u>	<u>505,802</u>
Change in cash and cash equivalents in the reporting period		<u>(37,278)</u>	<u>(149,702)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>49,358</u>	<u>199,060</u>
Cash and cash equivalents at the end of the reporting period		<u><u>12,080</u></u>	<u><u>49,358</u></u>

The notes form part of these financial statements

**Royal Merchant Navy Education
Foundation**

**Notes to the Cash Flow Statement
for the Year Ended 31st August 2023**

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(11,718)	(497,164)
Adjustments for:		
Depreciation charges	7,290	6,154
Gain on investments	(26,925)	(115,015)
Profit on disposal of fixed assets	(1,017)	-
Dividends received	(367,488)	(301,122)
Rental income received	(182,299)	(177,716)
Decrease/(increase) in debtors	680	(417)
(Decrease)/increase in creditors	<u>(160,207)</u>	<u>429,776</u>
Net cash used in operations	<u><u>(741,684)</u></u>	<u><u>(655,504)</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.22 £	Cash flow £	At 31.8.23 £
Net cash			
Cash at bank and in hand	<u>49,358</u>	<u>(37,278)</u>	<u>12,080</u>
	<u>49,358</u>	<u>(37,278)</u>	<u>12,080</u>
Total	<u><u>49,358</u></u>	<u><u>(37,278)</u></u>	<u><u>12,080</u></u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, 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 Charities Act 2011. 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.

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.

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.

Motor vehicles	- 25% on cost
Computer equipment	- 33% on cost

Individual fixed assets costing more than £250 are capitalised and included at cost.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

Taxation

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

**Royal Merchant Navy Education
Foundation**

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2023**

2. DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations	<u>10,073</u>	<u>2,102</u>

3. INVESTMENT INCOME

	2023	2022
	£	£
Rents received	182,299	177,716
Interest and dividend income	<u>367,488</u>	<u>301,122</u>
	<u>549,787</u>	<u>478,838</u>

4. RAISING FUNDS

Investment management costs

	2023	2022
	£	£
Portfolio management	149,675	153,317
Maintenance charges	2,186	649
Rates	1,361	1,331
Legal & professional	23,519	12,922
Insurance	4,512	3,534
Custodian Trustee fees	<u>1,785</u>	<u>2,593</u>
	<u>183,038</u>	<u>174,346</u>

5. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 6)	Support costs (see note 7)	Totals
	£	£	£
Grants to Foundationers	<u>162,768</u>	<u>253,714</u>	<u>416,482</u>

6. GRANTS PAYABLE

	2023	2022
	£	£
Grants to Foundationers	<u>162,768</u>	<u>760,193</u>

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2023**

7. SUPPORT COSTS

	Management	Finance	Governance	Totals
	£	£	costs £	£
Grants to Foundationers	<u>240,545</u>	<u>593</u>	<u>12,576</u>	<u>253,714</u>

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

	2023 Grants to Foundationers £	2022 Total activities £
Wages	179,250	103,741
Social security	9,448	6,040
Pensions	195	195
Light, heat and water	2,172	2,047
Telephone	2,673	3,041
Postage and stationery	2,051	795
Advertising	-	4,000
Sundries	3,944	5,358
Head Office Rent	16,800	16,800
Travel & subsistence	2,856	96
Subscriptions	1,671	410
Computer costs	12,195	-
Depreciation of tangible and heritage assets	7,290	6,154
Bank charges	593	543
Auditors' remuneration	<u>12,576</u>	<u>9,360</u>
	<u>253,714</u>	<u>158,580</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no Trustees' remuneration or other benefits for the year ended 31st August 2023 nor for the year ended 31st August 2022.

Trustees' expenses

During the year, four (2022: one) Trustees were reimbursed for travel expenses totalling £1,785 (2022: £2,593).

9. STAFF COSTS

	2023 £	2022 £
Wages and salaries	179,250	103,741
Social security costs	9,448	6,040
Other pension costs	<u>195</u>	<u>195</u>
	<u>188,893</u>	<u>109,976</u>

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2023**

9. STAFF COSTS - continued

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

	2023	2022
Management and administration	2	2
Fundraising and welfare	<u>1</u>	<u>1</u>
	<u>3</u>	<u>3</u>

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

The total employee benefits of the key management personnel of the charity were £125,189 (2022: £60,691).

10. EX GRATIA PAYMENTS

During the year ended 31 August 2023 it was agreed to pay the retiring CEO, Charles Heron-Watson (deceased), an ex-gratia payment of £47,068. This consisted of seven months' salary to the end of December 2023 and payment in consideration of 17 days holiday pay.

11. TANGIBLE FIXED ASSETS

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1st September 2022	13,104	28,750	41,854
Additions	-	1,399	1,399
Disposals	<u>(13,104)</u>	<u>-</u>	<u>(13,104)</u>
At 31st August 2023	<u>-</u>	<u>30,149</u>	<u>30,149</u>
DEPRECIATION			
At 1st September 2022	2,621	11,248	13,869
Charge for year	-	7,290	7,290
Eliminated on disposal	<u>(2,621)</u>	<u>-</u>	<u>(2,621)</u>
At 31st August 2023	<u>-</u>	<u>18,538</u>	<u>18,538</u>
NET BOOK VALUE			
At 31st August 2023	<u>-</u>	<u>11,611</u>	<u>11,611</u>
At 31st August 2022	<u>10,483</u>	<u>17,502</u>	<u>27,985</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2023

12. FIXED ASSET INVESTMENTS

	Listed investments £	Cash and settlements pending £	Totals £
MARKET VALUE			
At 1st September 2022	15,643,270	1,160,435	16,803,705
Additions	2,615,143	2,361,357	4,976,500
Disposals	(2,273,390)	(3,127,149)	(5,400,539)
Revaluations	306,446	-	306,446
At 31st August 2023	<u>16,291,469</u>	<u>394,643</u>	<u>16,686,112</u>
NET BOOK VALUE			
At 31st August 2023	<u>16,291,469</u>	<u>394,643</u>	<u>16,686,112</u>
At 31st August 2022	<u>15,643,270</u>	<u>1,160,435</u>	<u>16,803,705</u>

Investments totalling £11,359,978 are based outside the UK (2022: £10,978,761).

Cost or valuation at 31st August 2023 is represented by:

	Listed investments £	Cash and settlements pending £	Totals £
Valuation in 2023	<u>16,291,469</u>	<u>394,643</u>	<u>16,686,112</u>

13. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1st September 2022 and 31st August 2023	<u>4,200,000</u>
NET BOOK VALUE	
At 31st August 2023	<u>4,200,000</u>
At 31st August 2022	<u>4,200,000</u>

Bearwood Estate was valued in the year ended 31 August 2021 by Strutt and Parker, the fair value was estimated at £4,200,000.

Fair value at 31st August 2023 is represented by:

	£
Valuation in 2023	<u>4,200,000</u>

**Royal Merchant Navy Education
Foundation**

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2023**

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Prepayments and accrued income	<u>716</u>	<u>1,396</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	2,585	974
Social security and other taxes	3,453	2,442
Grants payable	351,930	328,293
Deposits received	900	900
Accruals and deferred income	<u>48,163</u>	<u>44,778</u>
	<u>407,031</u>	<u>377,387</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Grants payable	<u>335,234</u>	<u>525,085</u>

	2023	2022
	£	£
Brought forward	853,378	426,095
Net new grant commitments in the year	178,366	771,572
Paid in the year	<u>(344,580)</u>	<u>(344,289)</u>

Carried forward	<u>687,164</u>	<u>853,378</u>
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Due:

Year ended 31 August 2023	-	328,293
Year ended 31 August 2024	351,930	211,368
Year ended 31 August 2025	240,943	139,301
Year ended 31 August 2026	77,291	60,616
Year ended 31 August 2027	11,600	57,400
Year ended 31 August 2028	<u>5,400</u>	<u>56,400</u>
	<u>687,164</u>	<u>853,378</u>

**Royal Merchant Navy Education
Foundation**

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2023**

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023 £	2022 £
Within one year	16,800	16,800
Between one and five years	<u>18,900</u>	<u>35,700</u>
	<u>35,700</u>	<u>52,500</u>

18. MOVEMENT IN FUNDS

	At 1.9.22 £	Net movement in funds £	At 31.8.23 £
Unrestricted funds			
General fund	20,162,511	(11,718)	20,150,793
Restricted funds			
Underhill	311	-	311
Watson	904	-	904
Capital Flats	12,962	-	12,962
Tree Fund	<u>3,284</u>	<u>-</u>	<u>3,284</u>
	<u>17,461</u>	<u>-</u>	<u>17,461</u>
TOTAL FUNDS	<u>20,179,972</u>	<u>(11,718)</u>	<u>20,168,254</u>

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	560,877	(599,520)	26,925	(11,718)
	<u>560,877</u>	<u>(599,520)</u>	<u>26,925</u>	<u>(11,718)</u>
TOTAL FUNDS	<u>560,877</u>	<u>(599,520)</u>	<u>26,925</u>	<u>(11,718)</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2023

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.21 £	Net movement in funds £	At 31.8.22 £
Unrestricted funds			
General fund	20,659,675	(497,164)	20,162,511
Restricted funds			
Underhill	311	-	311
Watson	904	-	904
Capital Flats	12,962	-	12,962
Tree Fund	3,284	-	3,284
	<u>17,461</u>	<u>-</u>	<u>17,461</u>
TOTAL FUNDS	<u>20,677,136</u>	<u>(497,164)</u>	<u>20,179,972</u>

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	480,940	(1,093,119)	115,015	(497,164)
	<u>480,940</u>	<u>(1,093,119)</u>	<u>115,015</u>	<u>(497,164)</u>
TOTAL FUNDS	<u>480,940</u>	<u>(1,093,119)</u>	<u>115,015</u>	<u>(497,164)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.21 £	Net movement in funds £	At 31.8.23 £
Unrestricted funds			
General fund	20,659,675	(508,882)	20,150,793
Restricted funds			
Underhill	311	-	311
Watson	904	-	904
Capital Flats	12,962	-	12,962
Tree Fund	3,284	-	3,284
	<u>17,461</u>	<u>-</u>	<u>17,461</u>
TOTAL FUNDS	<u>20,677,136</u>	<u>(508,882)</u>	<u>20,168,254</u>

**Royal Merchant Navy Education
Foundation**

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2023**

18. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined 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	1,041,817	(1,692,639)	141,940	(508,882)
TOTAL FUNDS	<u>1,041,817</u>	<u>(1,692,639)</u>	<u>141,940</u>	<u>(508,882)</u>

The Underhill, Watson and Capital Flats funds represent funds which have been donated in memoriam for the maintenance of the Estate.

The Tree Fund represents funds which have been specifically donated for trees to be planted in the Estate in memoriam.

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st August 2023.

**Royal Merchant Navy Education
Foundation**

**Detailed Statement of Financial Activities
for the Year Ended 31st August 2023**

	2023 £	2022 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	10,073	2,102
Investment income		
Rents received	182,299	177,716
Interest and dividend income	<u>367,488</u>	<u>301,122</u>
	549,787	478,838
Other income		
Gain on sale of tangible fixed assets	<u>1,017</u>	<u>-</u>
Total incoming resources	560,877	480,940
EXPENDITURE		
Investment management costs		
Portfolio management	149,675	153,317
Maintenance charges	2,186	649
Rates	1,361	1,331
Legal & professional	23,519	12,922
Insurance	4,512	3,534
Custodian Trustee fees	<u>1,785</u>	<u>2,593</u>
	183,038	174,346
Charitable activities		
Grants to individuals	162,768	760,193
Support costs		
Management		
Wages	179,250	103,741
Social security	9,448	6,040
Pensions	195	195
Light, heat and water	2,172	2,047
Telephone	2,673	3,041
Postage and stationery	2,051	795
Advertising	-	4,000
Sundries	3,944	5,358
Head Office Rent	16,800	16,800
Travel & subsistence	2,856	96
Subscriptions	1,671	410
Computer costs	12,195	-
Depreciation of computer equipment	<u>7,290</u>	<u>6,154</u>
	240,545	148,677

This page does not form part of the statutory financial statements

**Royal Merchant Navy Education
Foundation**

**Detailed Statement of Financial Activities
for the Year Ended 31st August 2023**

	2023 £	2022 £
Management		
Finance		
Bank charges	593	543
Governance costs		
Auditors' remuneration	<u>12,576</u>	<u>9,360</u>
Total resources expended	<u>599,520</u>	<u>1,093,119</u>
Net expenditure before gains and losses	(38,643)	(612,179)
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	<u>(279,521)</u>	<u>552,652</u>
Net expenditure	<u><u>(318,164)</u></u>	<u><u>(59,527)</u></u>

ROYAL MERCHANT NAVY EDUCATION FOUNDATION

England & Wales - Charity number 1153323

Accounts

**Report of the Trustees and
Financial Statements for the Year Ended 31st August 2022
for
The Royal Merchant Navy Education
Foundation**

Sheen Stickland
Chartered Accountants
Statutory Auditors
7 East Pallant
Chichester
West Sussex
PO19 1TR

The Royal Merchant Navy Education Foundation

**Contents of the Financial Statements
for the Year Ended 31st August 2022**

	Page
Report of the Trustees	1 to 7
Report of the Independent Auditors	8 to 9
Statement of Financial Activities	10
Balance Sheet	11
Cash Flow Statement	12
Notes to the Cash Flow Statement	13
Notes to the Financial Statements	14 to 22
Detailed Statement of Financial Activities	23 to 24

The Trustees present their report with the financial statements of the charity for the year ended 31st August 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).

DEATH OF HM THE QUEEN, OUR PATRON

Unique amongst charities in the maritime sector, the Foundation was greatly honoured that The Queen was our Patron and HRH The Duke of Edinburgh was our President. On the death of Her Majesty The Queen and before presenting their annual report together with the financial statements for the year ended 31st August 2022, the Trustees wish to record their profound gratitude to Her Late Majesty for her patronage over the past seven decades and for her unfailing support and encouragement during this time. The Queen and the Duke of Edinburgh visited the Foundation at Bearwood twice: on 26th July 1947 and just seventeen days after her engagement to Lieutenant Philip Mountbatten Royal Navy (later to become HRH The Duke of Edinburgh and the Foundation's President), the Princess Elizabeth visited the Foundation's school, The Royal Merchant Navy School, to present the prizes and inspect the boys and, in 1992, to open the then new school theatre.



The Trustees also wish to record not only their sincere and profound condolences to The King but also their hope for a long, happy and successful reign

The Royal Merchant Navy Education Foundation

**Report of the Trustees
for the Year Ended 31st August 2022**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1153323

Principal address

1a Charnham Lane
Hungerford
Berkshire
RG17 0EY

Trustees

Ms Linda Cotton
Mr Peter Hulse
Dr Rodney Owen-Jones
Ms Lesley Robinson LLB (Hons) Chairman
Cdre Michael Cochrane OBE
Mrs Emma McKendrick BA
Judge Simon Cooper DL
Ms Claire Sneddon BA

Chief Executive Officer (CEO)

Commander Charles F Heron-Watson MNM RN (Ret'd)

Other Officers

Mrs Diana Pearson
Miss Louise Docherty (Part-time)

Honorary Vice-Presidents

Lieutenant-Commander Jeremy D Devitt RN (Ret'd)
Mr John Adey MA (Oxon)

Auditors

Sheen Stickland
Chartered Accountants
Statutory Auditors
7 East Pallant
Chichester
West Sussex
PO19 1TR

Bankers

Handelsbanken Newbury
St Anthony's House
Oxford Square
9-21 Oxford Street
Newbury
Berkshire
RG14 1JQ

Solicitors

Bates Wells Braithwaite LLP
10 Queen Street Place
London
EC4R 1BE

The Royal Merchant Navy Education Foundation

Report of the Trustees for the Year Ended 31st August 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Blake Morgan LLP
6 New Street Square
London
EC4A 3DJ

Investment Advisors

Veritas Investment Management LLP
Riverside House
2a Southwark Bridge Road
London
SE1 9HA

Insurers

NFU Mutual
Dunn House
Charnham Lane
Hungerford
RG17 0EY

Property Advisors

Comerford Real Estate Limited
1 Wilderness Road
Reading
RG6 7RF

OBJECTIVES AND ACTIVITIES

Objectives and aims

The object of the Foundation is to afford charitable benefit and relief to Foundationers by providing for or towards their maintenance and education in accordance with the principles of Christian religion and morality and by assisting them in training for and taking up employment.

Provided that:

"Foundationers" means the children and young people who are in need and are the natural or adopted children or other legal dependents of a person who has served or is serving at sea in the Merchant Navy or Fishing Fleet or the Royal National Lifeboat Institution (RNLI) provided that priority may be given to Foundationers who are British or have at least one British parent.

A person "**serving at sea in the Merchant Navy**" means any seafarer working in any capacity aboard a merchant vessel which includes but is not limited to passenger liners, ferries, container ships, tankers, bulk carriers, break bulk and refrigerated cargo ships, Royal Fleet Auxiliaries (or their equivalent), coasters, specialist ships (e.g. RNLI lifeboats, deep sea rigs, salvage vessels, oil support vessels, lighthouse tenders etc.), luxury private charter yachts.

A person "**serving at sea in the Fishing Fleet**" means any seafarer working in any capacity onboard inshore or deep-sea fishing vessels.

A person "**serving at sea in the Royal National Lifeboat Institution**" means any crew member of a lifeboat operated by this Institution.'

Objectives, strategies and activities

The Foundation's property assets comprise the unencumbered freehold of some 262 acres of the Grade II* Bearwood Estate of which:

- c202 acres is leased until 2121 to Bearwood Lakes Golf Club; and
- c60 acres of woodland called Link Wood is leased to Reddam House (Berkshire) until 27th March 2031; and
- A Licence-to-Occupy was granted to 'Opera at Bearwood' in 2005 was successfully determined on 31st August 2022.

In addition, the Foundation retains a portfolio of quoted investments.

The Royal Merchant Navy Education Foundation

Report of the Trustees for the Year Ended 31st August 2022

OBJECTIVES AND ACTIVITIES

Public benefit

The following activities are undertaken to further public benefit:

- Providing support and funding to existing Foundationers to enable them to maximise and achieve their potential.
- Identifying new Foundationers who qualify for support and would benefit from access to the Foundation's funding during their formative years.
- Developing marketing activities to identify new Foundationers.

The Trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Equality, Diversity and Inclusivity

The Foundation is blind to the individualities of its beneficiaries with each being taken as found. Trustees are routinely conscious of the need and desirability of a multi-talented Board and, currently, the Board comprises a practicing solicitor, a former Asset fund-manager, a former CEO of a national maritime children's charity, a retired Royal Naval officer, a former GP, a current Head of a fee-paying girls' school, a maritime industry communications' specialist, and a retired Judge.

The Foundation's beneficiaries are, by definition, 'needy' and Trustees' focus on their education enables these disadvantaged young people the opportunity to obtain an education or career-training appropriate to their needs and thus, potentially, to lead to more productive working lives.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

This Report is written against a background of the possibility of a global recession, of a continuing war in Ukraine, of potentially huge increases in the costs of both energy and living, and of the continuing adverse economic impact of the COVID-19 pandemic: in short, a growing demand on charities' resources with a reduction in their assets and this is as true for the Royal Merchant Navy Education Foundation as it is for other charities.

Nonetheless and having agreed the aim of widening the beneficiary-class criteria, on 5th July 2022 the Charity Commission gave its formal consent under s.226(2)(a) of the Charities Act 2011 to amend the Foundation's objects to read (the new objects are underlined):

The objects of the Foundation are in order of priority:

1. to afford charitable benefit and relief to Foundationers by providing for or towards their maintenance and education in accordance with the principles of Christian religion and morality and by assisting them in training for and taking up employment; and
2. to support the charitable objects of organisations that operate predominantly in Great Britain and that have activities which could include contributing towards the maintenance training or education of Foundationers. Provided that: "Foundationers" means the children and young people who are in need and are the natural or adopted children or other legal dependents of a person who has served or is serving at sea in the Merchant Navy or Fishing Fleet or the Royal National Lifeboat Institution provided in either case that priority may be given to Foundationers who are British or have at least one British parent. A person "serving at sea in the Merchant Navy" means any seafarer working in any capacity aboard a merchant vessel which includes but is not limited to passenger liners, ferries, container ships, tankers, bulk carriers, break bulk and refrigerated cargo ships, Royal Fleet Auxiliaries (or their equivalent), coasters, specialist ships (eg RNLI lifeboats, deep sea tugs, salvage vessels, oil support vessels, lighthouse tenders etc), luxury or charter yachts. A person serving at sea in the "Fishing Fleet" means any seafarer working in any capacity aboard inshore or deep-sea fishing vessels. A person "serving at sea in the Royal National Lifeboat Institution" means any crewmember of a lifeboat operated by this Institution.

The Foundation's Members approved this change at their meeting on 10th October 2022.

The Trustees had three purposes for this application to the Charity Commission:

- to enable the Foundation to make re-payment grants to other charities; and
- to enable the Foundation to make grants to charities such as maritime London Officer Cadet Scheme; and
- to be able to deploy the Foundation's significant resources more widely.

The Royal Merchant Navy Education Foundation

Report of the Trustees for the Year Ended 31st August 2022

ACHIEVEMENT AND PERFORMANCE

In the year, the Trustees have:

- Recognised the increased needs of their beneficiaries for help with, for instance, buying school uniforms as well as with their maintenance which has resulted in a increase in the number of beneficiaries to 125 (2021: 118).
- Increased monthly grants to undergraduates to £600 for those living away from home and £400 pcm for those living at home with effect from 1st July 2022. These payments continue to be made monthly in arrears rather than, as previously, quarterly in arrears, and are conditional on each recipient self-certifying their continued attendance at their place of education.
- Approved grants of up to £200 pa towards the costs of beneficiaries' school uniforms and £500 pa towards their costs of living.

Foundationer numbers totalled 125 (2021: 118) for the year and Trustees can report a 32.9% increase in overall charitable disbursements amounting to an average cost of £2,754 per capita per annum (2021: £2,072). There has again been a modest reduction in the numbers of Foundationer Post-A-Level Student (PALS) some of whom had previously been supported by the Royal Liverpool Seamen's Orphans' Institution.

Membership of the Educational Trusts' Forum enables the Foundation to stay abreast of developments in the charitable children's education.

All beneficiaries meet the Foundation's eligibility criteria.

The 125 beneficiaries supported during the year were, in the main, in the Secondary educational stage and upward, at a range of schools and Universities. As always, it would be invidious to single out academic success since each beneficiary has wholly different abilities and therefore expectations. Consequently, Trustees look for effort within the beneficiaries' potential rather than pure achievement, and the progress of beneficiaries is monitored either by the receipt of school reports or by regular and informal contact with those at university or in career training. However, the Trustees are pleased to be able to report that the Foundation does not only help people in academic education but also those training for their careers. One such is, as an example, a talented musician who recently achieved a MA in Music Performance and who, out of about 800 applicants, won one of seven apprenticeships with the world-famous Hallé Orchestra.

The Trustees continue to explore how best to implement their wish to work more closely with other maritime children's charities and, just as the Trustees reacted quickly to the adverse effect of C-19 on the fishing community, so they have reacted to war in Ukraine by working closely with the Merchant Navy Welfare Board to help with the education of the needy children of Ukrainian seafarers.

The Trustees continue to explore how best to promote the message that education is part of an overall support package and not separate form or additional to it.

Fundraising activities

As in previous years, no fundraising has been undertaken.

FINANCIAL REVIEW

Policy on reserves

Funds shown on the Charity's balance sheet totalled £20,179,972 (2021: £20,677,136) of which £17,461 (2021: £17,461) is restricted, because the capital or income is not available for the general purpose of the Charity. The Charity's tangible fixed assets are held for use by the Charity. The stated value of the fixed assets, including investments, is £21,031,690 (2021: £20,949,793). Working capital is adequate in the short term to meet needs and the Foundation has neither overdraft facilities nor any charge on assets.

The Bearwood Estate

In 1919, the Foundation was given the freehold of the 493a Bearwood Estate by Sir Thomas Lane Devitt Bt and Sir Eric Yarrow Bt. Between 2012 and 2015, the Trustees disposed of 231a of this Estate while retaining the freehold of the residual 262a.

With the disposal of the 231a of the Estate, the Foundation continues to have a high level of reserves as a safety net to cover the costs of educating beneficiaries.

The Royal Merchant Navy Education Foundation

Report of the Trustees for the Year Ended 31st August 2022

FINANCIAL REVIEW

Investment policy and objectives

The Trustees' investment policy takes account of the Trustees' desire to maintain and grow over time the real value of the capital and income and to reflect their ambitions to maximise the educational support available to beneficiaries.

FUTURE PLANS

The Trustees continue to evolve plans for the Foundation's future, but this development is being constrained by national and international uncertainty. Given that about 47% of the Bearwood Estate has been sold and the retained remainder leased, the Trustees continue to move the charity forward with due diligence.

After about 25½ years' total service with the Foundation including some 16½ years as CEO, the current CEO will be retiring at the end of 2023 and so perhaps the key objective for 2023 is for the Trustees to appoint his replacement.

ROYAL MERCHANT NAVY SCHOOL FOUNDATION (309047)

The Royal Merchant Navy School Foundation, a registered charity (number 309047) which is controlled solely by the Foundation's Trustees, continues even though it received no income nor incurred any expenditure in the year under report.

The Charity Commission has authorised Trustees to use a total return approach to investments.

ACKNOWLEDGEMENTS

The Trustees acknowledge the generosity of all our many supporters and extend our thanks for their help towards the disadvantaged children of seafarers. The Trustees also wish to record their appreciation of the hard work of all the Foundation's Staff.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Royal Merchant Navy Education Foundation:

- was founded in 1827.
- was registered as a Charitable Incorporated Organisation in 2013.
- is governed by:
 - its Constitution dated 24th July 2013 which was approved by the Charity Commissioners on 9th August 2013.
 - the Board of Trustees as listed above.

Recruitment and appointment of new Trustees

Trustees are appointed at a meeting of the Main Board of Trustees on nominations received from serving Trustees or employees.

Organisational structure

The Board is legally responsible for the overall management and control of the Foundation and meets at least three times each year. The whole Board is directly involved in all matters of the Foundation. The day-to-day management of the Foundation is delegated to the CEO.

Induction and training of new Trustees

The induction process includes the opportunity, prior to election, to meet executive staff and to access past Accounts and Minutes, and Trustees are directed to the advice on their duties and responsibilities available both on the Charity Commission website and others. Trustees are also invited to participate in seminars relevant to their duties.

Key management remuneration

Trustees are responsible for Staff remuneration the review of which forms part of the budgetary approval process. In the year ending 31st August 2022, the Chief Executive Officer (formerly known as The Secretary) (CEO) was paid £60,691.

The Royal Merchant Navy Education Foundation

Report of the Trustees for the Year Ended 31st August 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Trustees are responsible for the management of risks faced by the Foundation. Throughout the year, new risks are identified and assessed, and controls established. A formal review of all identified risks is undertaken each year: in particular, a review of the Investment Manager's performance is carried out annually. Controls in place to manage the risks include maintaining:

- Clear terms of reference and agenda for Trustee Board and ad hoc Sub-Committees.
- Strategic planning, budgeting, management accounting and financial controls.
- A current Investment Management Agreement.
- Leases or similar legal agreements with all tenants of the Foundation's property devolving, where possible, liabilities to the tenants.
- Insurance where appropriate.

During the year, the Trustees conducted an informal 'stress test' on the Foundation's resources assuming unchanged overall costs set against a 66% reduction in capital investments coupled with zero income.

Serious Incidents

No serious incidents occurred in the year under report.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

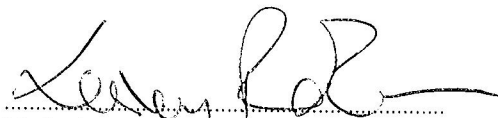
The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity 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;
- 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 business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to 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.

Approved by order of the board of Trustees on 15th June 2023 and signed on its behalf by:



Ms Lesley Robinson LLB (Hons) - Trustee

Report of the Independent Auditors to the Trustees of The Royal Merchant Navy Education Foundation

Opinion

We have audited the financial statements of The Royal Merchant Navy Education Foundation (the 'charity') for the year ended 31st August 2022 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 (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 August 2022 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 Auditors' 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 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.

Matters on which we are required to report by exception

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

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

**Report of the Independent Auditors to the Trustees of
The Royal Merchant Navy Education Foundation**

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the 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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

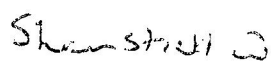
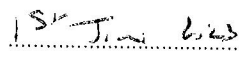
The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- enquiry of management, those charged with governance and the entity's solicitors around actual and potential litigation and claims;
- enquiry of entity's staff to identify any instances of non-compliance with laws and regulations;
- reviewing minutes of meetings of those charged with governance;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- auditing the risk of management override of controls including through testing journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business.

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.

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 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 charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.


Sheen Stickland
Chartered Accountants
Statutory Auditors
7 East Pallant
Chichester
West Sussex
PO19 1TR
Date: 

The Royal Merchant Navy Education Foundation

**Statement of Financial Activities
for the Year Ended 31st August 2022**

		Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	2,102	-	2,102	759
Investment income	3	<u>478,838</u>	<u>-</u>	<u>478,838</u>	<u>553,172</u>
Total		<u>480,940</u>	<u>-</u>	<u>480,940</u>	<u>553,931</u>
EXPENDITURE ON					
Raising funds	4	174,346	-	174,346	150,877
Charitable activities	5				
Grants to Foundationers		<u>918,773</u>	<u>-</u>	<u>918,773</u>	<u>607,201</u>
Total		<u>1,093,119</u>	<u>-</u>	<u>1,093,119</u>	<u>758,078</u>
Net gains on investments		<u>115,015</u>	<u>-</u>	<u>115,015</u>	<u>4,608,596</u>
NET INCOME/(EXPENDITURE)		(497,164)	-	(497,164)	4,404,449
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>20,659,675</u>	<u>17,461</u>	<u>20,677,136</u>	<u>16,272,687</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>20,162,511</u></u>	<u><u>17,461</u></u>	<u><u>20,179,972</u></u>	<u><u>20,677,136</u></u>

The notes form part of these financial statements

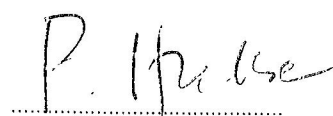
The Royal Merchant Navy Education Foundation

**Balance Sheet
31st August 2022**

	Notes	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	10	27,985	-	27,985	14,759
Investments					
Investments	11	16,803,705	-	16,803,705	16,735,034
Investment property	12	<u>4,200,000</u>	<u>-</u>	<u>4,200,000</u>	<u>4,200,000</u>
		21,031,690	-	21,031,690	20,949,793
CURRENT ASSETS					
Debtors	13	1,396	-	1,396	979
Cash at bank and in hand		<u>31,897</u>	<u>17,461</u>	<u>49,358</u>	<u>199,060</u>
		33,293	17,461	50,754	200,039
CREDITORS					
Amounts falling due within one year	14	<u>(377,387)</u>	<u>-</u>	<u>(377,387)</u>	<u>(266,184)</u>
NET CURRENT ASSETS		<u>(344,094)</u>	<u>17,461</u>	<u>(326,633)</u>	<u>(66,145)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		20,687,596	17,461	20,705,057	20,883,648
CREDITORS					
Amounts falling due after more than one year	15	<u>(525,085)</u>	<u>-</u>	<u>(525,085)</u>	<u>(206,512)</u>
NET ASSETS		<u>20,162,511</u>	<u>17,461</u>	<u>20,179,972</u>	<u>20,677,136</u>
FUNDS	17				
Unrestricted funds				20,162,511	20,659,675
Restricted funds				<u>17,461</u>	<u>17,461</u>
TOTAL FUNDS				<u>20,179,972</u>	<u>20,677,136</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 12th June 2023 and were signed on its behalf by:


Ms Lesley Robinson LLB (Hons) - Trustee


Mr Peter Hulse - Trustee

The notes form part of these financial statements

The Royal Merchant Navy Education Foundation

**Cash Flow Statement
for the Year Ended 31st August 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	I	<u>(655,504)</u>	<u>(534,530)</u>
Net cash used in operating activities		<u>(655,504)</u>	<u>(534,530)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(19,380)	(15,245)
Purchase of fixed asset investments		(5,247,904)	(7,351,029)
Sale of fixed asset investments		5,294,248	7,486,755
Interest received		-	168
Dividends received		301,122	375,705
Rental income received		<u>177,716</u>	<u>177,299</u>
Net cash provided by investing activities		<u>505,802</u>	<u>673,653</u>
Change in cash and cash equivalents in the reporting period		<u>(149,702)</u>	<u>139,123</u>
Cash and cash equivalents at the beginning of the reporting period		<u>199,060</u>	<u>59,937</u>
Cash and cash equivalents at the end of the reporting period		<u><u>49,358</u></u>	<u><u>199,060</u></u>

The notes form part of these financial statements

The Royal Merchant Navy Education Foundation

**Notes to the Cash Flow Statement
for the Year Ended 31st August 2022**

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(497,164)	4,404,449
Adjustments for:		
Depreciation charges	6,154	901
Gain on investments	(115,015)	(4,608,596)
Interest received	-	(168)
Dividends received	(301,122)	(375,705)
Rental income received	(177,716)	(177,299)
(Increase)/decrease in debtors	(417)	5,452
Increase in creditors	429,776	216,436
Net cash used in operations	<u>(655,504)</u>	<u>(534,530)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.21 £	Cash flow £	At 31.8.22 £
Net cash			
Cash at bank and in hand	<u>199,060</u>	<u>(149,702)</u>	<u>49,358</u>
	<u>199,060</u>	<u>(149,702)</u>	<u>49,358</u>
Total	<u>199,060</u>	<u>(149,702)</u>	<u>49,358</u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, 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 Charities Act 2011. 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.

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.

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.

Motor vehicles	- 25% on cost
Computer equipment	- 33% on cost

Individual fixed assets costing more than £250 are capitalised and included at cost.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

Taxation

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

The Royal Merchant Navy Education Foundation

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

2. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations	<u>2,102</u>	<u>759</u>

3. INVESTMENT INCOME

	2022	2021
	£	£
Rents received	177,716	177,299
Dividend income	301,122	375,705
Deposit account interest	-	168
	<u>478,838</u>	<u>553,172</u>

4. RAISING FUNDS

Investment management costs

	2022	2021
	£	£
Portfolio management	153,317	139,097
Maintenance charges	649	729
Rates	1,331	1,485
Legal & professional	12,922	6,508
Insurance	3,534	3,058
Custodian Trustee fees	<u>2,593</u>	-
	<u>174,346</u>	<u>150,877</u>

5. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 6)	Support costs (see note 7)	Totals
	£	£	£
Grants to Foundationers	<u>760,193</u>	<u>158,580</u>	<u>918,773</u>

6. GRANTS PAYABLE

	2022	2021
	£	£
Grants to Foundationers	<u>760,193</u>	<u>458,419</u>

The Royal Merchant Navy Education Foundation

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

7. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Grants to Foundationers	<u>148,677</u>	<u>543</u>	<u>9,360</u>	<u>158,580</u>

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

	2022 Grants to Foundationers £	2021 Total activities £
Wages	103,741	89,688
Social security	6,040	3,011
Pensions	195	195
Light, heat and water	2,047	1,592
Telephone	3,041	2,845
Postage and stationery	795	92
Advertising	4,000	675
Sundries	5,358	9,977
Head Office Rent	16,800	16,800
Travel & subsistence	96	-
Subscriptions	410	577
Bookkeeping	-	14,459
Depreciation of tangible and heritage assets	6,154	901
Bank charges	543	775
Bad debts	-	35
Auditors' remuneration	<u>9,360</u>	<u>7,160</u>
	<u>158,580</u>	<u>148,782</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no Trustees' remuneration or other benefits for the year ended 31st August 2022 nor for the year ended 31st August 2021.

Trustees' expenses

During the year, one (2021: none) Trustee was reimbursed for travel expenses totalling £2,593 (2021: nil).

9. STAFF COSTS

	2022 £	2021 £
Wages and salaries	103,741	89,688
Social security costs	6,040	3,011
Other pension costs	<u>195</u>	<u>195</u>
	<u>109,976</u>	<u>92,894</u>

9. STAFF COSTS - continued

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

	2022	2021
Management and administration	2	1
Fundraising and welfare	<u>1</u>	<u>1</u>
	<u>3</u>	<u>2</u>

One employee received emoluments in excess of £60,000.

The total employee benefits of the key management personnel of the charity were £60,691 (2021: £56,520).

10. TANGIBLE FIXED ASSETS

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1st September 2021	13,104	9,370	22,474
Additions	<u>-</u>	<u>19,380</u>	<u>19,380</u>
At 31st August 2022	<u>13,104</u>	<u>28,750</u>	<u>41,854</u>
DEPRECIATION			
At 1st September 2021	-	7,715	7,715
Charge for year	<u>2,621</u>	<u>3,533</u>	<u>6,154</u>
At 31st August 2022	<u>2,621</u>	<u>11,248</u>	<u>13,869</u>
NET BOOK VALUE			
At 31st August 2022	<u>10,483</u>	<u>17,502</u>	<u>27,985</u>
At 31st August 2021	<u>13,104</u>	<u>1,655</u>	<u>14,759</u>

11. FIXED ASSET INVESTMENTS

	Listed investments £	Cash and settlements pending £	Totals £
MARKET VALUE			
At 1st September 2021	15,618,157	1,116,877	16,735,034
Additions	2,526,259	2,721,645	5,247,904
Disposals	(2,063,509)	(2,678,087)	(4,741,596)
Revaluations	<u>(437,637)</u>	<u>-</u>	<u>(437,637)</u>
At 31st August 2022	<u>15,643,270</u>	<u>1,160,435</u>	<u>16,803,705</u>
NET BOOK VALUE			
At 31st August 2022	<u>15,643,270</u>	<u>1,160,435</u>	<u>16,803,705</u>
At 31st August 2021	<u>15,618,157</u>	<u>1,116,877</u>	<u>16,735,034</u>

The Royal Merchant Navy Education Foundation

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

11. FIXED ASSET INVESTMENTS - continued

There were no investment assets outside the UK.

Cost or valuation at 31st August 2022 is represented by:

	Listed investments £	Cash and settlements pending £	Totals £
Valuation in 2022	<u>15,643,270</u>	<u>1,160,435</u>	<u>16,803,705</u>

12. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1st September 2021 and 31st August 2022	<u>4,200,000</u>
NET BOOK VALUE	
At 31st August 2022	<u>4,200,000</u>
At 31st August 2021	<u>4,200,000</u>

Bearwood Estate was valued in the year ended 31 August 2021 by Strutt and Parker, the fair value was estimated at £4,200,000.

Fair value at 31st August 2022 is represented by:

	£
Valuation in 2022	<u>4,200,000</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Prepayments and accrued income	<u>1,396</u>	<u>979</u>

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

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	974	401
Social security and other taxes	2,442	2,010
Grants payable	328,293	219,583
Deposits received	900	900
Accruals and deferred income	<u>44,778</u>	<u>43,290</u>
	<u>377,387</u>	<u>266,184</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Grants payable	<u>525,085</u>	<u>206,512</u>
	2022	2021
	£	£
Brought forward	426,095	212,128
Net new grant commitments in the year	771,572	458,419
Paid in the year	<u>(344,289)</u>	<u>(244,452)</u>
Carried forward	<u>853,378</u>	<u>426,095</u>
Due:		
In less than one year	328,293	219,583
After more than one year	<u>525,085</u>	<u>206,512</u>
	<u>853,378</u>	<u>426,095</u>

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	16,800	16,800
Between one and five years	<u>35,700</u>	<u>52,500</u>
	<u>52,500</u>	<u>69,300</u>

The Royal Merchant Navy Education Foundation

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

17. MOVEMENT IN FUNDS

	At 1.9.21 £	Net movement in funds £	At 31.8.22 £
Unrestricted funds			
General fund	20,659,675	(497,164)	20,162,511
Restricted funds			
Underhill	311	-	311
Watson	904	-	904
Capital Flats	12,962	-	12,962
Tree Fund	<u>3,284</u>	<u>-</u>	<u>3,284</u>
	<u>17,461</u>	<u>-</u>	<u>17,461</u>
TOTAL FUNDS	<u><u>20,677,136</u></u>	<u><u>(497,164)</u></u>	<u><u>20,179,972</u></u>

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	480,940	(1,093,119)	115,015	(497,164)
	<u>480,940</u>	<u>(1,093,119)</u>	<u>115,015</u>	<u>(497,164)</u>
TOTAL FUNDS	<u><u>480,940</u></u>	<u><u>(1,093,119)</u></u>	<u><u>115,015</u></u>	<u><u>(497,164)</u></u>

Comparatives for movement in funds

	At 1.9.20 £	Net movement in funds £	At 31.8.21 £
Unrestricted funds			
General fund	16,255,226	4,404,449	20,659,675
Restricted funds			
Underhill	311	-	311
Watson	904	-	904
Capital Flats	12,962	-	12,962
Tree Fund	<u>3,284</u>	<u>-</u>	<u>3,284</u>
	<u>17,461</u>	<u>-</u>	<u>17,461</u>
TOTAL FUNDS	<u><u>16,272,687</u></u>	<u><u>4,404,449</u></u>	<u><u>20,677,136</u></u>

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

17. 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	553,931	(758,078)	4,608,596	4,404,449
TOTAL FUNDS	<u>553,931</u>	<u>(758,078)</u>	<u>4,608,596</u>	<u>4,404,449</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.20 £	Net movement in funds £	At 31.8.22 £
Unrestricted funds			
General fund	16,255,226	3,907,285	20,162,511
Restricted funds			
Underhill	311	-	311
Watson	904	-	904
Capital Flats	12,962	-	12,962
Tree Fund	<u>3,284</u>	<u>-</u>	<u>3,284</u>
	<u>17,461</u>	<u>-</u>	<u>17,461</u>
TOTAL FUNDS	<u>16,272,687</u>	<u>3,907,285</u>	<u>20,179,972</u>

A current year 12 months and prior year 12 months combined 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	1,034,871	(1,851,197)	4,723,611	3,907,285
TOTAL FUNDS	<u>1,034,871</u>	<u>(1,851,197)</u>	<u>4,723,611</u>	<u>3,907,285</u>

The Underhill, Watson and Capital Flats funds represent funds which have been donated in memoriam for the maintenance of the Estate.

The Tree Fund represents funds which have been specifically donated for trees to be planted in the Estate in memoriam.

18. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st August 2022.

The Royal Merchant Navy Education Foundation

**Detailed Statement of Financial Activities
for the Year Ended 31st August 2022**

	2022 £	2021 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	2,102	759
Investment income		
Rents received	177,716	177,299
Dividend income	301,122	375,705
Deposit account interest	-	168
	<u>478,838</u>	<u>553,172</u>
Total incoming resources	480,940	553,931
EXPENDITURE		
Investment management costs		
Portfolio management	153,317	139,097
Maintenance charges	649	729
Rates	1,331	1,485
Legal & professional	12,922	6,508
Insurance	3,534	3,058
Custodian Trustee fees	<u>2,593</u>	<u>-</u>
	174,346	150,877
Charitable activities		
Grants to individuals	760,193	458,419
Support costs		
Management		
Wages	103,741	89,688
Social security	6,040	3,011
Pensions	195	195
Light, heat and water	2,047	1,592
Telephone	3,041	2,845
Postage and stationery	795	92
Advertising	4,000	675
Sundries	5,358	9,977
Head Office Rent	16,800	16,800
Travel & subsistence	96	-
Subscriptions	410	577
Bookkeeping	-	14,459
Depreciation of computer equipment	<u>6,154</u>	<u>901</u>
	148,677	140,812

This page does not form part of the statutory financial statements

The Royal Merchant Navy Education Foundation

**Detailed Statement of Financial Activities
for the Year Ended 31st August 2022**

	2022 £	2021 £
Management Finance		
Bank charges	543	775
Other		
Bad debts	-	35
Governance costs		
Auditors' remuneration	<u>9,360</u>	<u>7,160</u>
Total resources expended	<u>1,093,119</u>	<u>758,078</u>
Net expenditure before gains and losses	(612,179)	(204,147)
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	<u>552,652</u>	<u>224,327</u>
Net (expenditure)/income	<u>(59,527)</u>	<u>20,180</u>

This page does not form part of the statutory financial statements

ROYAL MERCHANT NAVY EDUCATION FOUNDATION

England & Wales - Charity number 1153323

Accounts

**Report of the Trustees and
Financial Statements for the Year Ended 31st August 2021
for
The Royal Merchant Navy Education Foundation**

Sheen Stickland
Chartered Accountants
Statutory Auditors
7 East Pallant
Chichester
West Sussex
PO19 1TR

The Royal Merchant Navy Education Foundation

**Contents of the Financial Statements
for the Year Ended 31st August 2021**

	Page
Report of the Trustees	1 to 6
Report of the Independent Auditors	7 to 8
Statement of Financial Activities	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Cash Flow Statement	12
Notes to the Financial Statements	13 to 20
Detailed Statement of Financial Activities	21 to 22

The Royal Merchant Navy Education Foundation

Report of the Trustees for the Year Ended 31st August 2021

The trustees present their report with the financial statements of the charity for the year ended 31st August 2021. 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).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1153323

Principal address

1a Charnham Lane
Hungerford
Berkshire
RG17 0EY

Trustees

Ms Linda Cotton
Mr Peter Hulse
Dr Rodney Owen-Jones
Ms Lesley Robinson LLB (Hons) Chairman
Cdre Michael Cochrane OBE
Mrs Emma McKendrick (appointed 4.2.21)
Judge Simon Cooper DL (appointed 4.2.21)
Ms Claire Sneddon BA (Hons) (appointed 4.2.21)

Chief Executive Officer (CEO)

Commander Charles F Heron-Watson MNM RN (Ret'd)

Other Officers

Mrs Diana F Pearson
Miss Louise Docherty (Part-time)

Auditors

Sheen Stickland
Chartered Accountants
Statutory Auditors
7 East Pallant
Chichester
West Sussex
PO19 1TR

Bankers

Handelsbanken Newbury
St Anthony's House
Oxford Square
9-21 Oxford Street
Newbury
Berkshire
RG14 1JQ

Solicitors

Bates Wells Braithwaite LLP
10 Queen Street Place
London
EC4R 1BE

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Blake Morgan LLP
6 New Street Square
London
EC4A 3DJ

Investment Advisors

Veritas Investment Management LLP
Riverside House
2a Southwark Bridge Road
London
SE1 9HA

Insurers

NFU Mutual
Dunn House
Charnham Lane
Hungerford
RG17 0EY

Property Advisors

Comerford Real Estate Limited
1 Wilderness Road
Reading
RG6 7RF

OBJECTIVES AND ACTIVITIES

Objectives and aims

The object of the Foundation is to afford charitable benefit and relief to Foundationers by providing for or towards their maintenance and education in accordance with the principles of Christian religion and morality and by assisting them in training for and taking up employment.

Provided that:

"Foundationers" means the children and young people who are in need and are the natural or adopted children or other legal dependants of a person who has served or is serving at sea in the Merchant Navy or Fishing Fleet or the Royal National Lifeboat Institution (RNLI) provided that priority may be given to Foundationers who are British or have at least one British parent.

A person "**serving at sea in the Merchant Navy**" means any seafarer working in any capacity aboard a merchant vessel which includes but is not limited to passenger liners, ferries, container ships, tankers, bulk carriers, break bulk and refrigerated cargo ships, Royal Fleet Auxiliaries (or their equivalent), coasters, specialist ships (e.g. RNLI lifeboats, deep sea rigs, salvage vessels, oil support vessels, lighthouse tenders etc), luxury private charter yachts.

A person "**serving at sea in the Fishing Fleet**" means any seafarer working in any capacity onboard inshore or deep-sea fishing vessels.

A person "**serving at sea in the Royal National Lifeboat Institution**" means any crew-member of a lifeboat operated by this Institution.'

Objectives, strategies and activities

The Foundation's property assets comprise the unencumbered freehold of some 262 acres (c106 hectares) of the Grade II* Bearwood Estate of which:

- c202 acres (c82 hectares) is leased until 2121 to Bearwood Lakes Golf Club; and
- c60 acres (c24 hectares) of woodland called Link Wood is leased to Reddam House (Berkshire) until 27th March 2031; and
- A Licence-to-Occupy was granted to 'Opera at Bearwood' in 2005.

In addition, the Foundation retains a portfolio of quoted investments.

OBJECTIVES AND ACTIVITIES

Public benefit

The following activities are undertaken to further public benefit:

- Providing support and funding to existing Foundationers to enable them to maximise and achieve their potential.
- Identifying new Foundationers who qualify for support and would benefit from access to the Foundation's funding during their formative years.
- Developing marketing activities to identify new Foundationers.

The Trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Equality, Diversity and Inclusivity

The Foundation is blind to the individualities of its beneficiaries with each being taken as found. Trustees are routinely conscious of the need and desirability of a multi-talented Board and, currently, the Board comprises a practicing solicitor, a former Asset fund-manager, a former CEO of a national maritime children's charity, a retired Royal Naval officer, a former GP, a current Head of a fee-paying girls' school, a maritime industry communications' specialist, and a retired Judge.

The Foundation's beneficiaries are, by definition, 'needy' and Trustees' focus on their education enables these disadvantaged young people the opportunity to obtain education or career-training appropriate to their needs and thus, potentially, to lead to more productive working lives.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The adverse impact of the COVID-19 pandemic (C-19) continues to be felt across the United Kingdom, and this is equally true of the Royal Merchant Navy Education Foundation. The Trustees have approved expenditure on the maintenance, as opposed to their education, of needy Foundationers required as a result of C-19 and even so this has resulted in a reduction in the number of beneficiaries to 118 (2020: 266). As reported previously, grants to undergraduates were again increased with effect from 1st September 2020 to £412.50 pcm for those living away from home and £275 for those living at home. These payments continue to be made monthly in arrears rather than, as previously, quarterly in arrears, and are conditional on each recipient self-certifying their continued attendance at their place of education.

Grants paid to Foundationers amounted to £244,452 (2020: £307,579). This represents a 20.5% decrease in overall charitable disbursements. Foundationer numbers totalled 118 (2020: 266) which amounts to an average cost of £2,072 per annum (2020: £1,156).

Membership of the Educational Trusts' Forum enables the Foundation to stay abreast of developments in the charitable children's educational sector.

All beneficiaries meet the Foundation's eligibility criteria.

The 118 beneficiaries supported during the year were, in the main, in the Secondary educational stage and upward, at a range of schools and Universities. As always, it would be invidious to single out academic success since each beneficiary has wholly different abilities and therefore expectations. Consequently, Trustees look for effort and achievement within the beneficiaries' potential rather than pure achievement and the progress of beneficiaries is monitored either by the receipt of school reports or by regular and informal contact with those at university or in career training. However, the Trustees are pleased to be able to report that the Foundation does not only help people in education but also those training for their careers and a talented musician is currently being supported at the Guildhall School of Music and Drama.

The Trustees continue to explore how best to promote the message that education is part of an overall support package and not separate or additional to it.

Fundraising activities

As in previous years, no fundraising has been undertaken.

FINANCIAL REVIEW

Policy on reserves

Funds shown on the Charity's balance sheet totalled £20,677,136 (2020: £16,272,687) of which £17,461 (2020: £17,461) is restricted because the capital or income is not available for the general purpose of the Charity. The Charity's tangible fixed assets are held for use by the Charity. The stated value of the fixed assets, including investments, is £20,949,793 (2020: £16,462,579). Working capital is adequate in the short term to meet needs and the Foundation has neither overdraft facilities nor any charge on assets.

The Bearwood Estate

The Foundation was given the freehold of the 493a (c199.5ha) Bearwood Estate by Sir Thomas Lane Devitt Bt and Sir Eric Yarrow Bt in 1919.

Between 2012 and 2015, the Trustees disposed of 231a (c93.5ha) of this Estate while retaining the freehold of the residual 262a (c106ha). The proceeds from this disposal allows the Foundation to have a high level of reserves as a safety net to cover the costs of educating beneficiaries.

The Foundation's holding of the Bearwood Estate was revalued in November 2021 with a consequential almost doubling of its open market value.

Investment policy and objectives

The Trustees' investment policy takes account of the Trustees' desire to maintain and grow over time the real value of the capital and income and to reflect their ambitions to maximise the educational support available to beneficiaries.

FUTURE PLANS

The Trustees continue to evolve plans for the Foundation's future but this development has been hindered by the continued presence of C-19. Given that about 47% of the Bearwood Estate has been sold and the retained remainder leased, the Trustees continue to move the charity forward with due diligence. They have agreed the aim of widening the beneficiary-class criteria and are currently exploring how this can best be achieved noting their wish to work with other maritime children's charities to best effect. Just as the Trustees reacted quickly to the adverse effect of C-19 on the fishing community, so they are reacting to war in Ukraine by working closely with the Merchant Navy Welfare Board to help with the education of the needy children of Ukrainian seafarers.

ROYAL MERCHANT NAVY SCHOOL FOUNDATION (309047)

The Royal Merchant Navy School Foundation, a registered charity (number 309047) which is controlled solely by the Foundation's Trustees, continues even though it received no income nor incurred any expenditure in the year under report.

The Charity Commission has authorised Trustees to use a total return approach to investments.

ACKNOWLEDGEMENTS

The Trustees note with deep sadness the death of the Foundation's President, HRH The Duke of Edinburgh. His long association with the Foundation and his unfailing encouragement to everyone involved in its work was a source of great comfort.

The Trustees acknowledge the generosity of all our many supporters including, this year, the late Mr Frank Trew in whose memory the Foundation received a donation of £157.99 and we extend our thanks for their help towards the disadvantaged children of seafarers. The Trustees also wish to record their appreciation of the hard work of all the Foundation's Staff. Finally, the Trustees wish to record their gratitude to Her Majesty The Queen for her continuing support and patronage and also their congratulations on her achieving her Platinum Jubilee in 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Royal Merchant Navy Education Foundation was founded in 1827 and was registered as a Charitable Incorporated Organisation in 2013. The Foundation is governed by its Constitution dated 24th July 2013 which was approved by the Charity Commission on 9th August 2013. The Foundation is governed by the Board of Trustees listed on page 5.

Recruitment and appointment of new trustees

Trustees are appointed at a meeting of the Main Board of Trustees on nominations received from serving Trustees or employees.

Induction and training of new trustees

The induction process includes the opportunity, prior to election, to meet executive staff and to access past Accounts and Minutes, and Trustees are directed to the advice on their duties and responsibilities available both on the Charity Commission website and others. Trustees are also invited to participate in seminars relevant to their duties.

Key management remuneration

Trustees are responsible for Staff remuneration the review of which forms part of the budgetary approval process. In the year ending 31st August 2021, the Chief Executive Officer (formerly known as The Secretary) (CEO) was paid £56,520. The two members of staff work three days per week.

Risk management

The Trustees are responsible for the management of risks faced by the Foundation. Throughout the year, new risks are identified and assessed, and controls established. A formal review of all identified risks is undertaken each year: in particular, a review of the Investment Manager's performance is carried out annually. Controls in place to manage the risks include maintaining:

- Clear terms of reference and agenda for Trustee Board and ad hoc Sub-Committees.
- Strategic planning, budgeting, management accounting and financial controls.
- A current Investment Management Agreement.
- Leases or similar legal agreements with all tenants of the Foundation's property devolving, where possible, liabilities to the tenants.
- Insurance where appropriate.

In addition, Trustees need to incur legal expenses when handling risk. An example is that, in the year under report, Wokingham Borough Council proposed to nominate the Bearwood Estate as a 'Local Green Space'. Such a proposal should it be adopted, and it remains under consideration, could have an adverse effect on the value of the Foundation's assets. Consequently, Trustees took legal advice to make a robust objection to this proposal.

Serious Incidents

No serious incidents occurred in the year under report.

**Report of the Trustees
for the Year Ended 31st August 2021**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees 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).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity 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;
- 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 business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to 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.

Approved by order of the board of trustees on 9 June 2022 and signed on its behalf by:


.....
Ms Lesley Robinson LLB (Hons) - Trustee

Opinion

We have audited the financial statements of The Royal Merchant Navy Education Foundation (the 'charity') for the year ended 31st August 2021 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 (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 August 2021 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 Auditors' 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 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.

Matters on which we are required to report by exception

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

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

Report of the Independent Auditors to the Trustees of The Royal Merchant Navy Education Foundation

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the 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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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:

- enquiry of management, those charged with governance and the entity's solicitors around actual and potential litigation and claims; and
- enquiry of entity's staff to identify any instances of non-compliance with laws and regulations; and
- reviewing minutes of meetings of those charged with governance; and
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- auditing the risk of management override of controls including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

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.

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 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sheen Stickland

Sheen Stickland
Chartered Accountants
Statutory Auditors
7 East Pallant
Chichester
West Sussex
PO19 1TR

Date: *9 June 2022*

The Royal Merchant Navy Education Foundation

**Statement of Financial Activities
for the Year Ended 31st August 2021**

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	759	-	759	2,043
Investment income	3	<u>553,172</u>	<u>-</u>	<u>553,172</u>	<u>432,467</u>
Total		553,931	-	553,931	434,510
EXPENDITURE ON					
Raising funds	4	150,877	-	150,877	143,532
Charitable activities	5				
Grants to Foundationers		607,201	-	607,201	274,174
Total		<u>758,078</u>	<u>-</u>	<u>758,078</u>	<u>417,706</u>
Net gains on investments		<u>4,608,596</u>	<u>-</u>	<u>4,608,596</u>	<u>557,979</u>
NET INCOME		4,404,449	-	4,404,449	574,783
RECONCILIATION OF FUNDS					
Total funds brought forward		16,255,226	17,461	16,272,687	15,697,904
TOTAL FUNDS CARRIED FORWARD		<u><u>20,659,675</u></u>	<u><u>17,461</u></u>	<u><u>20,677,136</u></u>	<u><u>16,272,687</u></u>

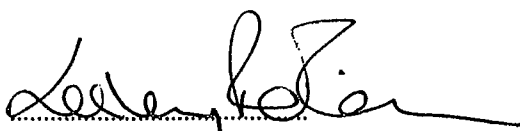
The notes form part of these financial statements

The Royal Merchant Navy Education Foundation

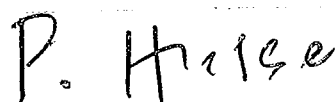
**Balance Sheet
31st August 2021**

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	10	14,759	-	14,759	415
Investments					
Investments	11	16,735,034	-	16,735,034	14,462,164
Investment property	12	<u>4,200,000</u>	<u>-</u>	<u>4,200,000</u>	<u>2,000,000</u>
		20,949,793	-	20,949,793	16,462,579
CURRENT ASSETS					
Debtors	13	979	-	979	6,431
Cash at bank and in hand		<u>181,599</u>	<u>17,461</u>	<u>199,060</u>	<u>59,937</u>
		182,578	17,461	200,039	66,368
CREDITORS					
Amounts falling due within one year	14	(266,184)	-	(266,184)	(183,640)
NET CURRENT ASSETS		<u>(83,606)</u>	<u>17,461</u>	<u>(66,145)</u>	<u>(117,272)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		20,866,187	17,461	20,883,648	16,345,307
CREDITORS					
Amounts falling due after more than one year	15	(206,512)	-	(206,512)	(72,620)
NET ASSETS		<u>20,659,675</u>	<u>17,461</u>	<u>20,677,136</u>	<u>16,272,687</u>
FUNDS	17				
Unrestricted funds				20,659,675	16,255,226
Restricted funds				<u>17,461</u>	<u>17,461</u>
TOTAL FUNDS				<u>20,677,136</u>	<u>16,272,687</u>

The financial statements were approved by the Board of Trustees and authorised for issue on
 9 June 2022 and were signed on its behalf by:



Ms Lesley Robinson LLB (Hons) - Trustee



Mr Peter Hulse - Trustee

The notes form part of these financial statements

The Royal Merchant Navy Education Foundation

**Cash Flow Statement
for the Year Ended 31st August 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(534,530)</u>	<u>(611,346)</u>
Net cash provided by operating activities		<u>(534,530)</u>	<u>(611,346)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(15,245)	-
Purchase of fixed asset investments		(7,351,029)	(4,345,752)
Sale of fixed asset investments		7,486,755	4,409,012
Interest received		168	157
Dividends received		375,705	271,045
Rental income received		<u>177,299</u>	<u>161,265</u>
Net cash provided by investing activities		<u>673,653</u>	<u>573,341</u>
Change in cash and cash equivalents in the reporting period		139,123	(38,005)
Cash and cash equivalents at the beginning of the reporting period		<u>59,937</u>	<u>97,942</u>
Cash and cash equivalents at the end of the reporting period		<u><u>199,060</u></u>	<u><u>59,937</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31st August 2021

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income for the reporting period (as per the Statement of Financial Activities)	4,404,449	574,783
Adjustments for:		
Depreciation charges	901	646
Gain on investments	(4,608,596)	(557,979)
Interest received	(168)	(157)
Dividends received	(375,705)	(271,045)
Rental income received	(177,299)	(161,265)
Decrease/(increase) in debtors	5,452	(6,431)
Increase in creditors	<u>216,436</u>	<u>256,260</u>
Net cash provided by operations	<u>(534,530)</u>	<u>(611,346)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.20 £	Cash flow £	At 31.8.21 £
Net cash			
Cash at bank and in hand	<u>59,937</u>	<u>139,123</u>	<u>199,060</u>
	<u>59,937</u>	<u>139,123</u>	<u>199,060</u>
Total	<u>59,937</u>	<u>139,123</u>	<u>199,060</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, 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 Charities Act 2011. 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.

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.

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.

Motor vehicles	- 25% on cost
Computer equipment	- 33% on cost

Individual fixed assets costing more than £250 are capitalised and included at cost.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

Taxation

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

The Royal Merchant Navy Education Foundation

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2021**

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	<u>759</u>	<u>2,043</u>

3. INVESTMENT INCOME

	2021	2020
	£	£
Rents received	177,299	161,265
Dividend income	375,705	271,045
Deposit account interest	<u>168</u>	<u>157</u>
	<u>553,172</u>	<u>432,467</u>

4. RAISING FUNDS

Investment management costs

	2021	2020
	£	£
Portfolio management	139,097	134,356
Maintenance charges	729	243
Rates	1,485	1,163
Legal & professional	6,508	3,742
Insurance	3,058	3,004
Custodian Trustee fees	<u>-</u>	<u>1,024</u>
	<u>150,877</u>	<u>143,532</u>

5. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 6)	Support costs (see note 7)	Totals
	£	£	£
Grants to Foundationers	<u>458,419</u>	<u>148,782</u>	<u>607,201</u>

6. GRANTS PAYABLE

	2021	2020
	£	£
Grants to Foundationers	<u>458,419</u>	<u>126,592</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2021

7. SUPPORT COSTS

	Management £	Finance £	Other £	Governance costs £	Totals £
Grants to Foundationers	<u>140,812</u>	<u>775</u>	<u>35</u>	<u>7,160</u>	<u>148,782</u>

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

	2021 Grants to Foundationers £	2020 Total activities £
Wages	89,688	64,158
Social security	3,011	4,851
Pensions	195	1,240
Light, heat and water	1,592	1,775
Telephone	2,845	2,395
Postage and stationery	92	370
Advertising	675	19,140
Sundries	9,977	3,093
Head Office Rent	16,800	16,800
Travel & subsistence	-	847
Subscriptions	577	1,558
Bookkeeping	14,459	21,548
Depreciation of tangible and heritage assets	901	646
Bank charges	775	911
Bad debts	35	-
Auditors' remuneration	<u>7,160</u>	<u>8,250</u>
	<u>148,782</u>	<u>147,582</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st August 2021 nor for the year ended 31st August 2020.

Trustees' expenses

During the year, no (2020: four) trustees were reimbursed for travel expenses (2020: £965).

9. STAFF COSTS

	2021 £	2020 £
Wages and salaries	89,688	64,158
Social security costs	3,011	4,851
Other pension costs	<u>195</u>	<u>1,240</u>
	<u>92,894</u>	<u>70,249</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2021

9. STAFF COSTS - continued

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

	2021	2020
Management and administration	1	1
Fundraising and welfare	<u>1</u>	<u>1</u>
	<u>2</u>	<u>2</u>

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

The total employee benefits of the key management personnel of the charity were £56,520 (2020: £48,067).

10. TANGIBLE FIXED ASSETS

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1st September 2020	-	7,229	7,229
Additions	<u>13,104</u>	<u>2,141</u>	<u>15,245</u>
At 31st August 2021	<u>13,104</u>	<u>9,370</u>	<u>22,474</u>
DEPRECIATION			
At 1st September 2020	-	6,814	6,814
Charge for year	<u>-</u>	<u>901</u>	<u>901</u>
At 31st August 2021	<u>-</u>	<u>7,715</u>	<u>7,715</u>
NET BOOK VALUE			
At 31st August 2021	<u>13,104</u>	<u>1,655</u>	<u>14,759</u>
At 31st August 2020	<u>-</u>	<u>415</u>	<u>415</u>

11. FIXED ASSET INVESTMENTS

	Listed investments £	Cash and settlements pending £	Totals £
MARKET VALUE			
At 1st September 2020	14,130,705	331,459	14,462,164
Additions	3,026,683	4,324,346	7,351,029
Disposals	(3,723,500)	(3,538,928)	(7,262,428)
Revaluations	<u>2,184,269</u>	<u>-</u>	<u>2,184,269</u>
At 31st August 2021	<u>15,618,157</u>	<u>1,116,877</u>	<u>16,735,034</u>
NET BOOK VALUE			
At 31st August 2021	<u>15,618,157</u>	<u>1,116,877</u>	<u>16,735,034</u>
At 31st August 2020	<u>14,130,705</u>	<u>331,459</u>	<u>14,462,164</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2021

11. FIXED ASSET INVESTMENTS - continued

There were no investment assets outside the UK.

Cost or valuation at 31st August 2021 is represented by:

	Listed investments £	Cash and settlements pending £	Totals £
Valuation in 2021	<u>15,618,157</u>	<u>1,116,877</u>	<u>16,735,034</u>

12. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1st September 2020	2,000,000
Revaluation	<u>2,200,000</u>
At 31st August 2021	<u>4,200,000</u>
NET BOOK VALUE	
At 31st August 2021	<u>4,200,000</u>
At 31st August 2020	<u>2,000,000</u>

Bearwood Estate was revalued by Strutt and Parker Chartered Surveyors on 20th October 2021 on a fair value basis at £4,200,000.

Fair value at 31st August 2021 is represented by:

	£
Valuation in 2021	<u>4,200,000</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Rents receivable	-	35
Prepayments and accrued income	<u>979</u>	<u>6,396</u>
	<u>979</u>	<u>6,431</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	401	1,110
Social security and other taxes	2,010	1,281
Grants payable	219,583	139,508
Deposits received	900	900
Accruals and deferred income	<u>43,290</u>	<u>40,841</u>
	<u>266,184</u>	<u>183,640</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2021

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Grants payable	<u>206,512</u>	<u>72,620</u>
GRANTS PAYABLE	2021	2020
	£	£
Brought forward	212,128	393,115
Net new grant commitments in the year	458,419	126,592
Paid in the year	<u>(244,452)</u>	<u>(307,579)</u>
Carried forward	<u>426,095</u>	<u>212,128</u>
Due:		
In less than one year	219,583	139,508
After more than one year	<u>206,512</u>	<u>72,620</u>
	<u>426,095</u>	<u>212,128</u>

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	16,800	16,800
Between one and five years	<u>52,500</u>	<u>69,300</u>
	<u>69,300</u>	<u>86,100</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2021

17. MOVEMENT IN FUNDS

	At 1.9.20 £	Net movement in funds £	At 31.8.21 £
Unrestricted funds			
General fund	16,255,226	4,404,449	20,659,675
Restricted funds			
Underhill	311	-	311
Watson	904	-	904
Capital Flats	12,962	-	12,962
Tree Fund	3,284	-	3,284
	<u>17,461</u>	<u>-</u>	<u>17,461</u>
TOTAL FUNDS	<u>16,272,687</u>	<u>4,404,449</u>	<u>20,677,136</u>

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	553,931	(758,078)	4,608,596	4,404,449
	<u>553,931</u>	<u>(758,078)</u>	<u>4,608,596</u>	<u>4,404,449</u>
TOTAL FUNDS	<u>553,931</u>	<u>(758,078)</u>	<u>4,608,596</u>	<u>4,404,449</u>

Comparatives for movement in funds

	At 1.9.19 £	Net movement in funds £	At 31.8.20 £
Unrestricted funds			
General fund	15,680,443	574,783	16,255,226
Restricted funds			
Underhill	311	-	311
Watson	904	-	904
Capital Flats	12,962	-	12,962
Tree Fund	3,284	-	3,284
	<u>17,461</u>	<u>-</u>	<u>17,461</u>
TOTAL FUNDS	<u>15,697,904</u>	<u>574,783</u>	<u>16,272,687</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2021

17. 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	434,510	(417,706)	557,979	574,783
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>434,510</u>	<u>(417,706)</u>	<u>557,979</u>	<u>574,783</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.19 £	Net movement in funds £	At 31.8.21 £
Unrestricted funds			
General fund	15,680,443	4,979,232	20,659,675
Restricted funds			
Underhill	311	-	311
Watson	904	-	904
Capital Flats	12,962	-	12,962
Tree Fund	<u>3,284</u>	<u>-</u>	<u>3,284</u>
	<u>17,461</u>	<u>-</u>	<u>17,461</u>
TOTAL FUNDS	<u>15,697,904</u>	<u>4,979,232</u>	<u>20,677,136</u>

A current year 12 months and prior year 12 months combined 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	988,441	(1,175,784)	5,166,575	4,979,232
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>988,441</u>	<u>(1,175,784)</u>	<u>5,166,575</u>	<u>4,979,232</u>

The Underhill, Watson and Capital Flats funds represent funds which have been donated in memoriam for the maintenance of the Estate.

The Tree Fund represents funds which have been specifically donated for trees to be planted in the Estate in memoriam.

18. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st August 2021.

The Royal Merchant Navy Education Foundation

**Detailed Statement of Financial Activities
for the Year Ended 31st August 2021**

	2021 £	2020 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	759	2,043
Investment income		
Rents received	177,299	161,265
Dividend income	375,705	271,045
Deposit account interest	<u>168</u>	<u>157</u>
	<u>553,172</u>	<u>432,467</u>
Total incoming resources	553,931	434,510
EXPENDITURE		
Investment management costs		
Portfolio management	139,097	134,356
Maintenance charges	729	243
Rates	1,485	1,163
Legal & professional	6,508	3,742
Insurance	3,058	3,004
Custodian Trustee fees	<u>-</u>	<u>1,024</u>
	150,877	143,532
Charitable activities		
Grants to individuals	458,419	126,592
Support costs		
Management		
Wages	89,688	64,158
Social security	3,011	4,851
Pensions	195	1,240
Light, heat and water	1,592	1,775
Telephone	2,845	2,395
Postage and stationery	92	370
Advertising	675	19,140
Sundries	9,977	3,093
Head Office Rent	16,800	16,800
Travel & subsistence	-	847
Subscriptions	577	1,558
Bookkeeping	14,459	21,548
Depreciation of computer equipment	<u>901</u>	<u>646</u>
	140,812	138,421

This page does not form part of the statutory financial statements

The Royal Merchant Navy Education Foundation

**Detailed Statement of Financial Activities
for the Year Ended 31st August 2021**

	2021 £	2020 £
Management Finance		
Bank charges	775	911
Other		
Bad debts	35	-
Governance costs		
Auditors' remuneration	<u>7,160</u>	<u>8,250</u>
Total resources expended	<u>758,078</u>	<u>417,706</u>
Net (expenditure)/income before gains and losses	(204,147)	16,804
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	<u>224,327</u>	<u>(77,614)</u>
Net income/(expenditure)	<u><u>20,180</u></u>	<u><u>(60,810)</u></u>