

**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**

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for the Year Ended 31st August 2023**

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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**

		Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
	Notes				
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	5				
Grants to Foundationers		<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

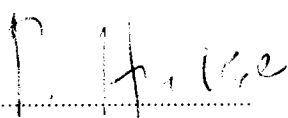
**Royal Merchant Navy Education
Foundation**

**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	4,200,000	-	4,200,000	4,200,000
		20,897,723	-	20,897,723	21,031,690
CURRENT ASSETS					
Debtors	14	716	-	716	1,396
Cash at bank and in hand		(5,381)	17,461	12,080	49,358
		(4,665)	17,461	12,796	50,754
CREDITORS					
Amounts falling due within one year	15	(407,031)	-	(407,031)	(377,387)
NET CURRENT ASSETS		(411,696)	17,461	(394,235)	(326,633)
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	(335,234)	-	(335,234)	(525,085)
NET ASSETS		20,150,793	17,461	20,168,254	20,179,972
FUNDS	18				
Unrestricted funds				20,150,793	20,162,511
Restricted funds				17,461	17,461
TOTAL FUNDS				20,168,254	20,179,972

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 costs £	Totals £
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>

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)
	<hr/>	<hr/>	<hr/>	<hr/>
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>