

**THE HONOURABLE COMPANY OF MASTER MARINERS
AND HOWARD LEOPOLD DAVIS CHARITY
(CHARITABLE INCORPORATED ORGANISATION)**

**TRUSTEES' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022**

Registered No: 1172234

The Honourable Company of Master Mariners And Howard Leopold Davis Charity

Trustees' Report for the Year Ended 31st December 2022

Reference and Administration Details

Trustees	Captain H J Conybeare (Chairman) Mr M Burrow (Ex-officio) Captain D Chadburn Commander L Chapman Captain J K Mooney (Ex-officio) Captain N Rodrigues (Almoner) Commander P Aylott Captain R Barnes Captain RFA Batt (Ex-officio to 1 May 2023) Captain C Brewer (Appointed 1 May 2023) Captain G English (Ex-officio from 1 May 2022) Captain P McArthur (Ex-officio from 1 May 2023)
Registered Charity Number	1172234
Administrator	Honourable Company of Master Mariners No. 1 The Rubicon 51 Norman Road London SE10 9QB
Principal Office Address	Honourable Company of Master Mariners No. 1 The Rubicon 51 Norman Road London SE10 9QB
Auditors	Knox Cropper LLP 65 Leadenhall Street London EC3A 2AD
Bankers	C Hoare & Co. 37 Fleet Street London EC4P 4DQ CAF Bank Ltd 25 Kings Hill Avenue West Malling Kent ME19 4JQ
Investment Managers	Evelyn Partners 45 Gresham Street London EC2V 7BG

The Honourable Company of Master Mariners And Howard Leopold Davis Charity

Trustees' Report for the Year Ended 31st December 2022

The Trustees present their report and the financial statements of the Charity for the year ended 31st December 2022. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 and comply with the Charity's Constitution, the Charities Act 2011, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued by the Charity Commission.

Structure, Governance and Management

Governing Document

The Honourable Company of Master Mariners and Howard Leopold Davis Charity is a Charitable Incorporated Organisation established under a constitution dated 24th March 2017. On 31st March 2017, the predecessor unincorporated charity (Charity no. 1127213) transferred its assets and liabilities to the CIO.

The Charity represents the present form of the amalgamation of four historic charities, being the Benevolent Fund (Charity No 207094), Education Fund (Charity No 313382), The Howard Leopold Davis Fund (Charity No 207095) and London Maritime Institution (Charity No 207087) which were merged in 2010.

Trustees

In accordance with the Charity's Constitution, the following office holders of the Honourable Company of Master Mariners for the time being are ex-officio trustees of the Charity: Master, Senior Warden, Chairman of the Education and Training Committee, and Chairman of the Finance and Risk Committee. The appointment of new Trustees is vested in the Court of the Honourable Company of Master Mariners (HCMM). The Trustees receive no remuneration and no claims for reimbursement of expenses were made during the year.

Risk Management

The Trustees have considered the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Trustees' Responsibilities

Charity law requires the Trustees to prepare financial statements for each financial period, which give a true and fair view of the Trust's financial activities during the year and of its income and expenditure for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and
- 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. 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.

The Honourable Company of Master Mariners And Howard Leopold Davis Charity

Trustees' Report for the Year Ended 31st December 2022

Organisation

The Charity has no premises or employees. The administration and record keeping of the Charity is carried out by the HCMM for which services an annual agreed charge is made to cover their costs.

Objectives and Activities

The Benevolent purposes are to relieve:

- a. Master Mariners and maritime Navigating Officers of the Merchant Navy, and,
- b. their families and dependants,

who are in need through financial hardship, sickness, disability or the effects of old age.

The Educational purposes are to educate and train:

- a. persons serving or intending to serve in the Merchant Navy, and,
- b. persons with an interest in seamanship or sailing.

Achievements and Performance Including How The Charity Has Delivered Public Benefit

The Charity awarded £220,067 (2021: £166,161) in benevolent and educational grants in the year to qualified individuals and to organisations during the year. The Charity's educational grants including its continuing sponsorship of cadets completing courses with Chiltern Maritime as well as supporting education and outreach work carried out by the Honourable Company of Master Mariners. The Trustees have had regard for the Charity Commission's guidance on public benefit.

Financial Review

The Trustees have reviewed the investment policy and consider the investments to be prudently managed with reasonable diversification, so as to provide a suitable balance between income and capital appreciation.

The period resulted in net expenditure of £(1,084,361), including losses on investments of £(861,373) resulting in funds of the Charity decreasing to £4,476,480 of which £1,326,332 is restricted for educational purposes. The funds are represented by investments of £4,234,429 and net current assets of £242,051.

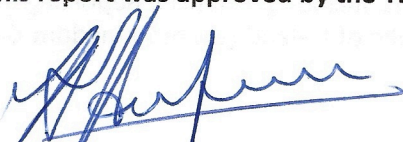
Reserves Policy

It is the policy of the Trustees to maintain unrestricted funds (predominantly in investments), which are the free reserves of the charity, at a level considered appropriate to generate an annual income for grants etc. It also provides sufficient funds to cover management and administration and support costs and to respond to emergency applications for grants which arise from time to time. Reserves at the year end amounted to £3,150,148.

The Honourable Company of Master Mariners And Howard Leopold Davis Charity

Trustees' Report for the Year Ended 31st December 2022

This report was approved by the Trustees on ^{24th} October 2023 and signed on its behalf by:

A handwritten signature in blue ink, appearing to read 'H J Conybeare', written over a horizontal line.

Captain H J Conybeare
Trustee

Independent Auditors' Report to the Trustees of

The Honourable Company Of Master Mariners And Howard Leopold Davis Charity

Opinion

We have audited the financial statements of The Honourable Company of Master Mariners and Howard Leopold Davis Charity (the 'charity') for the year ended 31st December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st December 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and 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

Independent Auditors' Report to the Trustees of

The Honourable Company Of Master Mariners And Howard Leopold Davis Charity

inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 2, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- We gained an understanding of how the charity complied with its legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures, and controls.

Independent Auditors' Report to the Trustees of

The Honourable Company Of Master Mariners And Howard Leopold Davis Charity

- The audit team, which is experienced in the audit of charities, considered the charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions.

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

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

Use of our report

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

Knox Cropper LLP

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

24th October 2023

Knox Cropper LLP is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

The Honourable Company Of Master Mariners And Howard Leopold Davis Charity

Statement of Financial Activities

For The Year Ended 31st December 2022

	Notes	2022			2021		
		Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total
		£	£	£	£	£	£
Income From							
Donations and Legacies		1,138	-	1,138	22,183	-	22,183
Investments	2	46,957	25,284	72,241	58,846	31,686	90,532
Total Income		<u>48,095</u>	<u>25,284</u>	<u>73,379</u>	<u>81,029</u>	<u>31,686</u>	<u>112,715</u>
Expenditure On							
Raising Funds: Investment Management Fees		13,504	7,272	20,776	15,219	8,195	23,414
Charitable Activities	3	104,520	171,071	275,591	67,407	130,769	198,176
Total Expenditure		<u>118,024</u>	<u>178,343</u>	<u>296,367</u>	<u>82,626</u>	<u>138,964</u>	<u>221,590</u>
Net Gains/(Losses) on Investments	4	<u>(559,893)</u>	<u>(301,480)</u>	<u>(861,373)</u>	<u>426,280</u>	<u>229,535</u>	<u>655,815</u>
Net Income/(Expenditure) and Net Movement in Funds		(629,822)	(454,539)	(1,084,361)	424,683	122,257	546,940
Reconciliation Of Funds							
Total Funds Brought Forward		<u>3,779,970</u>	<u>1,780,871</u>	<u>5,560,841</u>	<u>3,355,287</u>	<u>1,658,614</u>	<u>5,013,901</u>
Total Funds Carried Forward		<u>£3,150,148</u>	<u>£1,326,332</u>	<u>£4,476,480</u>	<u>£3,779,970</u>	<u>£1,780,871</u>	<u>£5,560,841</u>

All the activities reported above relate to continuing operations.

The notes on pages 11 to 16 form an integral part of these financial statements.

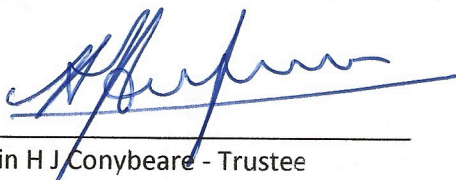
The Honourable Company Of Master Mariners And Howard Leopold Davis Charity

Balance Sheet

As At 31st December 2022

	Notes	2022		2021	
		£	£	£	£
Fixed Assets					
Investments	4		4,234,429		5,412,779
Current Assets					
Debtors	5	12,396		3,087	
Cash at Bank and In Hand		<u>261,877</u>		<u>172,929</u>	
		274,273		176,016	
Creditors: Amounts Falling Due Within One Year	6	<u>(32,222)</u>		<u>(27,954)</u>	
Net Current Assets/(Liabilities)			<u>242,051</u>		<u>148,062</u>
Total Assets Less Current Liabilities			4,476,480		5,560,841
Net Assets			<u><u>£4,471,877</u></u>		<u><u>£5,560,841</u></u>
Unrestricted Funds			3,150,148		3,779,970
Restricted Fund	7		1,326,332		1,780,871
Total Funds			<u><u>£4,476,480</u></u>		<u><u>£5,560,841</u></u>

The financial statements were approved by the Trustees on 24/10 Oct 2023, and signed on their behalf by:



Captain H J Conybeare - Trustee

The notes on pages 11 to 16 form an integral part of these financial statements.

The Honourable Company Of Master Mariners And Howard Leopold Davis Charity

Statement Of Cash Flows

For The Year Ended 31st December 2022

	Notes	2022 £	2021 £
Cash Flows from Operating Activities			
Net Cash provided by (used in) Operating Activities	A	(275,646)	(191,384)
Cash Flows from Investing Activities			
Dividends and Interest		64,593	85,110
Proceeds from Sale of Investments		944,844	1,014,703
Purchase of Investments		(441,137)	(682,429)
Investment Management Fees		(21,910)	(22,812)
Movement in Cash at Investment Managers		(181,796)	(66,925)
Net Cash provided by (used in) Investing Activities		<u>364,594</u>	<u>327,647</u>
 Change in Cash and Cash Equivalents in the Reporting Period		88,948	136,263
 Cash and Cash Equivalent at the beginning of the Reporting Period		172,929	36,666
 Cash and Cash Equivalent at end of the Reporting Period		<u>£261,877</u>	<u>£172,929</u>

A. Reconciliation of Net Income/(Expenditure) to net cash flow from Operating Activities

Net Income/(Expenditure) for the Reporting Period	(1,084,361)	546,940
(Gains)/Losses on Investments	861,373	(655,815)
Decrease/(Increase) in Debtors	(6,595)	(2,207)
(Decrease)/Increase in Creditors	5,402	(13,184)
Dividends and Interest	(72,241)	(90,532)
Investment Management Fees	20,776	23,414
 Net Cash provided by (Used in) Operating Activities	<u>£(275,646)</u>	<u>£(191,384)</u>

B. Analysis of changes in net funds

	At 01/01/2022 £	Cash flows £	At 31/12/2022 £
Cash at bank and in hand	<u>172,929</u>	<u>88,948</u>	<u>261,877</u>

The Honourable Company Of Master Mariners And Howard Leopold Davis Charity

Notes To The Financial Statements

For The Year Ended 31st December 2022

1. Accounting Policies

(a) Structure

The Charity is a Charitable Incorporated Organisation, registered with the Charity Commission (registration number 1172234). The principal office address is Honourable Company of Master Mariners, No. 1 The Rubicon, 51 Norman Road, London SE10 9QB. A description of the charity's operations and principal activities can be found in the Report of the Trustees.

(b) Basis of Preparation and assessment of going concern.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. They have been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) Second Edition issued in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102 March 2018) and the Charities Act 2011. The presentation currency of the financial statements is the Pound Sterling (£). The Charity constitutes a public benefit entity as defined by FRS 102.

The accounts have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) Second Edition issued in October 2019 rather than the Accounting and Reporting by Charities Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Trustees consider that there are no uncertainties about the Charity's ability to continue as a going concern.

(c) Funds Structure

Unrestricted Funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. There is a single restricted fund, the Education Fund, restricted to provide grants for Educational Purposes.

(d) Income Recognition

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

Income from investments is recognised on the date on which the dividend is payable, or the interest accrues.

Income from donations is normally recognised on receipt, unless terms or conditions limit recognition until a later date.

Notes To The Financial Statements

For The Year Ended 31st December 2022

(e) Expenditure Recognition

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 settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

- **Costs of Raising Funds**

The costs of raising funds comprises investment management costs.

- **Charitable Expenditure**

Cost of Charitable Activities includes grants paid, and support costs including Governance costs.

Grants payable are payments to individuals in the furtherance of the charitable objects of the charity. The Charity, in some instances, provides an unsecured loan to a beneficiary in furtherance of its educational objects. These are recognised as expenditure in the year that they are awarded.

- **Governance Costs**

Governance costs comprise all costs involved with compliance with regulation and good practice.

(f) VAT

The Charity is not registered for Value Added Tax. Expenditure shown in the financial statements is inclusive of VAT.

(g) Investments

The Charity's investments consist only of quoted securities. Initially they are 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 the revaluations and disposals throughout the year.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

Investments are allocated to Restricted and Unrestricted Funds at a set percentage.

(h) Debtors and Creditors

Debtors and creditors are recognised where, at the balance sheet date, an entitlement to receive or an obligation to transfer economic benefit exists and receipt or settlement is probable and can be measured reliably.

Debtors are measured at the expected recoverable amount and creditors at the expected settlement amount, discounted for the time value of money if material.

The Honourable Company Of Master Mariners And Howard Leopold Davis Charity

Notes To The Financial Statements

For The Year Ended 31st December 2022

2. Investment Income

	2022	2021
	Total	Total
	£	£
Dividends	72,114	90,358
Bank Interest	127	174
	<u>£72,241</u>	<u>£90,532</u>

3. Analysis of Charitable Activities

	2022		
	Unrestricted Funds	Restricted Funds	Total
	£	£	£
Direct Costs			
Grants and Awards			
Grants to Individuals	34,900	35,614	70,514
Grants to Organisations (Note 10)	52,700	88,215	140,915
HCMM Journal	-	8,638	8,638
	<u>87,600</u>	<u>132,467</u>	<u>220,067</u>
Library Works	-	38,604	38,604
Support Costs (Note 3.a)	<u>16,920</u>	<u>-</u>	<u>16,920</u>
	<u>£104,520</u>	<u>£171,071</u>	<u>£275,591</u>
	2021		
	Unrestricted Funds	Restricted Funds	Total
	£	£	£
Direct Costs			
Grants and Awards			
Grants to Individuals	49,092	26,016	75,108
Grants to Organisations (Note 10)	1,980	77,728	79,708
HCMM Journal	-	11,345	11,345
	<u>51,072</u>	<u>115,089</u>	<u>166,161</u>
Library Works	-	15,680	15,680
Support Costs (Note 3.a)	<u>16,335</u>	<u>-</u>	<u>16,335</u>
	<u>£67,407</u>	<u>£130,769</u>	<u>£198,176</u>

3.a Support Costs

	2022	2021
	£	£
Management Fees - HCMM	12,000	12,000
Other	280	563
Governance Costs	4,640	3,772
	<u>£16,920</u>	<u>£16,335</u>

Governance Costs – Includes External Audit Fees amounting to £4,640 (2021: £3,816) inclusive of VAT.

The Honourable Company Of Master Mariners And Howard Leopold Davis Charity

Notes To The Financial Statements

For The Year Ended 31st December 2022

4. Fixed Asset Investments

	2022	2021
Market Value	£	£
At 1st January	5,340,849	5,012,599
Acquisitions and accumulated income	446,071	687,138
Disposals	(1,105,806)	(981,718)
Gains/(Losses) on investments	(700,411)	622,830
At 31st December	<u>£3,980,703</u>	<u>£5,340,849</u>
Investments at Market Value	3,980,703	5,340,849
Cash with Investment Managers	<u>253,726</u>	<u>71,930</u>
	<u>£4,234,429</u>	<u>£5,412,779</u>
Historic cost of investments	<u>£3,218,423</u>	<u>£3,618,148</u>

All investments are listed securities or open-ended investment companies. Included within Fixed Asset Investments is £3,980,703 (2021: £5,340,849) measured at fair value through income and expenditure.

During the year, the Charity sold investments with a net book value of £1,105,806 for net proceeds of £944,844, generating realised losses on sale of £160,962.

5. Debtors

	2022	2021
	£	£
Due from HCMM	8,802	2,207
Sundry Debtors	3,594	880
	<u>£12,396</u>	<u>£3,087</u>

6. Creditors: Amounts Falling Due Within One Year

	2022	2021
	£	£
Grants Payable	17,430	16,667
Other Creditors	1,272	1,272
Accruals and Deferred Income	13,520	10,015
	<u>£32,222</u>	<u>£27,954</u>

The Charity is managed by the Honourable Company of Master Mariners who incur certain costs on behalf of the Charity which are reimbursed to the Honourable Company.

The Honourable Company Of Master Mariners And Howard Leopold Davis Charity

Notes To The Financial Statements

For The Year Ended 31st December 2022

7. Restricted Funds

	2022	2021
	£	£
Balance at 1st January	1,780,871	1,658,614
Income	25,284	31,686
Expenditure	(178,343)	(138,964)
Gains on Investment Assets	(301,480)	229,535
Balance at 31st December	<u>£1,326,332</u>	<u>£1,780,871</u>

Restricted funds represent funds specified for educational purposes. These funds are represented by investment and other assets. The funds are not represented by specific investments, and investment income, management fees and realised and unrealised movements are allocated on an agreed percentage.

8. Related Party Transactions

Under the Charity's constitution, certain office holders of HCMM are ex-officio trustees of the Charity and power to nominate trustees to the Charity is vested in HCMM. The administration of the Charity is performed by HCMM which charges a management fee to the Charity. During the period the charge, inclusive of VAT, was £12,000 (2021: £12,000). The Charity provided grants of £8,638 (2021: £11,345) during the year towards the cost of the journal produced by HCMM and £60,000 (2021: £60,000) in support of the education and outreach work carried out by HCMM. The balance due from HCMM at 31st December 2022 was £8,802 (2021: £2,207).

No trustee received any remuneration for their role as a trustee or any reimbursement of expenses during the year.

9. Net Assets By Fund

	Unrestricted Fund	Restricted Fund	2022 Total
	£	£	£
Investments	2,752,379	1,482,050	4,234,429
Net Current Assets/(Liabilities)	<u>397,769</u>	<u>(155,718)</u>	<u>242,051</u>
	<u>£3,150,148</u>	<u>£1,326,332</u>	<u>£4,476,480</u>
	Unrestricted Fund	Restricted Fund	2021 Total
	£	£	£
Investments	3,518,306	1,894,473	5,412,779
Net Current Assets/(Liabilities)	<u>261,664</u>	<u>(113,602)</u>	<u>148,062</u>
	<u>£3,779,970</u>	<u>£1,780,871</u>	<u>£5,560,841</u>

The Honourable Company Of Master Mariners And Howard Leopold Davis Charity

Notes To The Financial Statements

For The Year Ended 31st December 2022

10. Grants To Organisations

	2022	2021
	£	£
Honourable Company of Master Mariners	60,000	60,000
London Nautical School	10,200	-
Royal Alfred Seafarers' Society	50,000	-
Ocean Youth Sailing Trust	6,000	7,000
Portsmouth Harbour Marine	-	4,000
Maritime Futures	7,500	-
Royal Liverpool Seaman's Orphan Institution	2,700	1,980
Sea Cadets Aberdeen	1,000	1,000
Sea Cadets Hull	1,000	1,000
Sea Cadets Newport	1,000	1,000
Sea Cadets Sefton	1,000	1,000
Sea Cadets Whitley Bay	1,000	-
Sea Cadets York	-	2,000
Thames Traditional Rowing Association	(485)	728
	<u>£140,915</u>	<u>£79,708</u>

11. Unrecognised Funding Commitments

The Charity has agreed to provide grants to cover the costs of cadet attending maritime college over three-year periods. These commitments are subject to regular review of the cadets' progress and are to be funded from income generated by the investment portfolio.