

# MERCANTILE MARINE MEMORIAL TRUST

England & Wales · Charity number 1179537

## Details

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**Status** Registered

**Legal form** CIO

**Registered** 2018-08-14

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

## Contact

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**Address** c/o COMPASS ACCOUNTANTS  
Venture House  
The Tanneries  
East Street  
Titchfield  
Hampshire  
PO14 4AR

**Phone** 07405 107 287

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## Activities

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**Objects:** THE OBJECTS OF THE CIO ARE TO RECEIVE AND MAINTAIN THE BRITISH MERCANTILE MARINE COLLECTION OF PAINTINGS AND OTHER ARTISTIC WORKS DEPICTING THE LIFE AND HISTORY OF THE BRITISH MERCANTILE MARINE AND TO CURATE AND DISPLAY SUCH PAINTINGS AND OTHER ARTISTIC WORKS IN MUSEUMS AND OTHER PUBLIC EVENT SPACE IN ORDER TO ADVANCE THE EDUCATION OF THE PUBLIC IN THE LIFE AND HISTORY OF THE BRITISH MERCANTILE MARINE.

**Activities:** To receive and maintain the British Mercantile Marine Memorial collection of paintings and other artistic works depicting the life and history of the British Mercantile Marine and to curate and display such paintings and other artistic works in museums and other public event space in order to advance the education of the public in the life and history of the British Mercantile Marine.

## Classification

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- **How:** Provides Advocacy/advice/information
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** The General Public/mankind

## Geography

- Throughout England And Wales

## Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31		£0	£153,048	-
2023-12-31		£0	£7,559	-
2022-12-31		£0	£6,383	-
2021-12-31		£0	£4,152	-
2020-10-01		£0	£7,900	-

## Trustees

Name	Role	Appointed
<b>COMMODORE PHILLIP WATERHOUSE</b>	Chair	2021-10-22
Captain Lee Darren Nicholas Clarke AFRIN BSc		2026-03-13
Dr Emma Roberts		2023-07-29
Emma Collins		2023-11-21
Helen Louise McWatt		2024-06-26
Michael Paul Paterson		2025-11-20
Paul Swindlehurst		2024-01-14
Steven Mark Jones MNM		2026-03-23
Trudy Michelle Grey		2023-04-11

**MERCANTILE MARINE MEMORIAL TRUST**

England & Wales - Charity number 1179537

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# Accounts

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**Charity number: 1179537**

**Mercantile Marine Memorial Trust**  
**Trustees' report and financial statements**  
**for the year ended 31 December 2024**

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**Contents**

Legal and administrative information..... 3  
Foreword..... 4  
Performance Report..... 5  
Statement of Trustees’ responsibilities..... 7  
Statement of Financial Activities..... 8  
Charity Balance Sheet..... 9  
Cash flow statement..... 10  
Notes to the Financial Statements..... 11

## Legal and administrative information

**Charity number** 1179537

**Registered office** HM Naval Base PP66  
Portsmouth  
Hampshire PO1 3NH

**Trustees** Commodore Phillip Waterhouse  
Professor Dominic Tweddle

Mrs Trudy Grey – appointed 11<sup>th</sup> April 2023  
Mr David McGinley – resigned 11 June 2024  
Dr Emma Roberts – appointed 29 July 2023  
Mr Leon Calverley – appointed 18 August 2023  
Ms Emma Collins – appointed 21 November 2023  
Mr Paul Swindlehurst – appointed 14 January 2024  
Ms Helen McWatt – appointed 26 June 2024  
Mr Luke Helmsley – appointed 28 November 2024  
Mr Simon Bird – appointed 25<sup>th</sup> January 2025

**Accountants** Compass Accountants Limited  
Venture House  
The Tanneries  
East Street  
Titchfield  
Hampshire  
PO14 4AR

## **Trustees' annual report**

The Trustees present their report and the financial statements of the charity for the year ended 31<sup>st</sup> December 2024. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

## **Foreword**

The charitable objects of the Mercantile Marine Memorial Trust (the Trust) are:

- 1) To receive and maintain the British Mercantile Marine collection of paintings and other artistic works depicting the life and history of the British Mercantile Marine; and
- 2) To curate and display such paintings and other artistic works in museums and other public event space in order to advance the education of the public in the life and history of the British Mercantile Marine.

## **The Board of Trustees**

The Board is responsible for ensuring leadership through effective oversight and review. It shapes the strategic thinking and sets the tone. A full formal induction process is in place for new Trustees and committee members, which combines all the necessary background reading material, including items such as: the Articles of Association; minutes of recent meetings; the Charity Commission publication "The Essential Trustee: what you need to know."

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## **Performance Report**

### **Overview**

The Mercantile Marine Memorial Trust (MMMT) was registered as a Charitable Incorporated Organisation on the 14 August 2018 (charity number 1179537).

The Mercantile Marine artworks, a collection of approximately 1,300 portraits of British steam shipping in locations across the world, were purchased on behalf of the Trust by the National Museum of the Royal Navy ("the National Museum") (charity number 1126283) on the 27<sup>th</sup> November 2017. The purchase of the artworks was supported through a LIBOR grant agreement between the National Museum and HM Treasury dated the 12<sup>th</sup> June 2017. The total grant, to be held in trust by the National Museum, totalled £1,233,000.

The purchase price of the artworks was £600,000 and the remaining funds are currently held by the National Museum to catalogue and research the collection, to establish exhibition and storage facilities and to create a loan programme until the charity are confident to take over its ownership. The collection is currently stored in a secure location and are accessible by the MMMT trustees and National Museum authorised personnel.

During the year, MMMT appointed new trustees and confirmed that they were in a position to take over the ownership of the artwork and to accept the remaining balance of the grant. The artworks were transferred to MMMT, under a Deed Transfer, on the 17 December 2024.

The Trustees have due regard to guidance issued by the Charity Commission on public benefit and in its charitable objects, the charity seeks to receive and maintain the British Mercantile Marine Collection of paintings and other artistic works depicting the life and history of the British Mercantile Marine and to curate and display such paintings and other artistic works in museums and other public events space in order to advance the education of the public in the life and history of the British Mercantile Marine.

During the year, MMMT engaged a consultant to create an initial Vision, Mission, and Strategy statement. The consultant also supported the Trust in creating a governance structure to enable the Trustees to effectively work towards their charitable objects.

Over the course of the year, the Trust has also completed a full audit of the collection, created catalogue entries for each work, and carried out a digitisation project with imagery now available for each painting in the collection.

### **Financial Review**

#### ***Statement of Financial Activities for the year ended 31 December 2024***

Total incoming resources for the Mercantile Marine Memorial Trust in 2024 amounted to £Nil (2023: £Nil).

Total resources expended for 2024 amounted to £153,048 (2023: £7,559) relating to curatorial, storage, management and governance costs.

#### ***Balance sheet***

The net assets as at 31<sup>st</sup> December 2024 amounted to £982,869 (2023: £1,135,917).

### ***Reserves***

The Trustees regularly monitor the levels of the Trust's reserves. The Trust retains a 'free reserve' which is defined as the amounts shown as Net Current Assets in the accounts and which are attributable to Unrestricted Funds. The policy is that there is no requirement to accumulate free reserves and that any reserves held will be appropriately used, as approved by the Board, for the furtherance of the Trust's charitable objects.

As at 31<sup>st</sup> December 2024, the Trust's free reserves (defined as net current assets attributable to unrestricted reserves) stood at £382,869 (2023: £535,917). The purpose of the Trust is solely to hold the heritage assets and reserves of the Mercantile Marine Memorial Trust, which it will grant to the National Museum as and when required until they are expended, or a nominal sum remains. The ongoing operating costs are undertaken under the agreement with the National Museum; therefore, the Trustees are content that the going concern basis continues to apply and that the free reserves are at an appropriate level.

### ***Plans for future periods***

The Trustees have determined that the most cost-effective and efficient way to manage the charity is to ask the National Museum to continue to provide management services. A revised service agreement was agreed between the two organisations to facilitate effective working, on the 5<sup>th</sup> December 2024. The National Museum will continue to hold the charity's resources as agreed within the service agreement.

MMMT are looking to develop volunteering opportunities to continue to research the collection and enhance individual catalogue records. The Trustees have also started to engage with other museums and heritage institutions and presented research about the collection at the UK Maritime Heritage Forum. To support this, MMMT are continuing to develop a website where more information about the collection and digital imagery can be shared with the wider public and are working to upload images and metadata about the collection to Art UK to ensure this is as accessible as possible.

In April 2025, the Trust will open its first collaborative exhibition of the collection at Hartlepool Art Gallery, entitled "Charting the Course: Hartlepool's Maritime Heritage". This exhibition will run between April and June 2025 and will enable a selection of the collection with local significance to be shared with the wider public. MMMT is also working towards other exhibition opportunities.

Future expenditure will be limited to cataloguing, governance and support costs. As such, the Trustees are content that the going concern basis continues to apply.

*Phil Waterhouse*

**Phil Waterhouse**  
**On Behalf of the Board of Trustees**

**Date: 17/04/2025**

**Statement of Trustees' responsibilities**  
**for the year ended 31 December 2024**

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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

*Phil Waterhouse*

**Phil Waterhouse**  
**On Behalf of the Board of Trustees**

**Date: 17/04/2025**

## Statement of financial activities

For the year ended 31 December 2024

	Notes	Unrestricted funds £	2024 Total £	Unrestricted funds £	2023 Total £
<b>Income from:</b>					
Donations and legacies		-	-	-	-
<b>Total income</b>		-	-	-	-
<b>Expenditure on:</b>					
Charitable activities					
Collections and asset management	2	153,048	153,048	7,559	7,559
<b>Total expenditure</b>		153,048	153,048	7,559	7,559
<b>Net income/(expenditure)</b>		(153,048)	(153,048)	(7,559)	(7,559)
<b>Transfers between funds</b>		-	-	-	-
<b>Net movement in funds</b>		(153,048)	(153,048)	(7,559)	(7,559)
<b>Reconciliation of funds:</b>					
Funds brought forward		1,135,917	1,135,917	1,143,476	1,143,476
<b>Total funds carried forward</b>		982,869	982,869	1,135,917	1,135,917

All recognised gains and losses are included in the statement of financial activities

The notes on pages 11 to 13 form an integral part of these financial statements.

**Balance Sheet**  
**as at 31 December 2024**

	Notes	2024 £	2023 £
<b>Fixed assets</b>			
Heritage assets	5	600,000	600,000
		<u>600,000</u>	<u>600,000</u>
<b>Current assets</b>			
Debtors	6	421,645	535,917
		<u>421,645</u>	<u>535,917</u>
<b>Creditors: amounts falling due within one year</b>	7	(38,776)	-
		<u>382,869</u>	<u>535,917</u>
<b>Net current assets</b>			
		<u>982,869</u>	<u>1,135,917</u>
<b>Net assets</b>		<u>982,869</u>	<u>1,135,917</u>
<b>Funds</b>			
Unrestricted funds		982,869	1,135,917
		<u>982,869</u>	<u>1,135,917</u>
<b>Total funds</b>		<u>982,869</u>	<u>1,135,917</u>

The financial statements were approved by the board and signed on its behalf by

Phil Waterhouse

**Phil Waterhouse**  
**On Behalf of the Board of Trustees**

**Date: 17/04/2025**

**Cash flow statement**

**for the year ended 31 December 2024**

**2024**                      **2023**

**Cash flows from operating activities:**

**Net cash provided by/(used in) operating activities**

-                              -

**Cash flows from investing activities:**

Purchase of heritage assets

-                              -  
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**Cash and cash equivalents at 1 January 2024**

-                              -  
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**Cash and cash equivalents at 31 December 2024**

-                              -  
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Net (expenditure)/income for the reporting period

(153,048)                      (7,559)

Decrease/(increase) in debtors

114,272                      9,329

(Decrease)/increase in creditors

38,776                      (1,770)

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**Net cash provided by/(used in) operating activities**

-                              -  
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## Notes to the financial statements for the period ended 31 December 2024

### 1. Accounting policies

#### 1.1. Charity information

The Mercantile Marine Memorial Trust is a registered charity, number 1179537.

The Mercantile Marine Memorial Trust meets the definition of a public benefit entity under section 34 of FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value, unless otherwise stated in the relevant accounting policy. The principal objectives of the charity are detailed in the Trustees report.

#### 1.2. Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Accounting Practice.

The role of the Trust is solely to hold the heritage assets and reserves of the Mercantile Marine Memorial Collection. The Trustees are content that the going concern basis continues to apply.

The financial statements are presented in sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

#### 1.3. Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

#### 1.4. Grants receivable

Revenue grants are credited to incoming resources on the earlier date of when they are received or when they are receivable. If a grant of donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the charity's control, and it is probable those conditions will be met in the accounting period.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation on the fixed assets purchased with such grants is charged against the restricted fund.

#### 1.5. Expenditure

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

#### 1.6. Basis of allocation

Governance costs include those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

#### 1.7. Restricted funds

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

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

#### 1.8. Tangible fixed assets

Tangible fixed assets with a cost or value greater than £2,500 and a useful life exceeding one year are capitalised at historic cost.

## Notes to the financial statements for the period ended 31 December 2024

### 1.9. Heritage assets

The heritage assets held by the trust are capitalised in the accounts on the basis of cost of purchase. The assets are not depreciated due to their infinite useful economic lives. An annual review for impairment is carried out in accordance with the Charities SORP, with any impairment recognised in the Statement of Financial Activities.

#### The Collection

The collection consists of artefacts, physical, written and oral reflecting the history of the British Mercantile Marine.

### 1.10. Basic financial instruments

The Museum's financial assets and liabilities consist of cash and cash equivalents, short term investments, trade debtors, trade creditors and accrued expenses. The fair value of these items approximates their carrying value due to their short-term value. Unless otherwise noted, the Museum is not exposed to significant interest, foreign exchange or credit risks arising from these instruments.

Term deposits of less than one year are classified as investments within current assets.

## 2. Collections and asset management

	Collections and asset management	2024	2023
	£	£	£
Storage costs	13,985	13,985	5,056
Digitisation costs	12,048	12,048	-
Curatorial costs	84,466	84,466	-
Insurance	1,725	1,725	-
Travel and subsistence	3,683	3,683	-
Sundry expenditure	182	182	-
Governance costs	36,959	36,959	2,503
	<u>153,048</u>	<u>153,048</u>	<u>7,559</u>

## 3. Governance costs

	Collections and asset management	2024	2023
	£	£	£
Accountancy fees	1,500	1,500	1,500
Legal and professional fees	29,437	29,437	-
Trustees' meeting expenses	5,285	5,285	1,003
Trustees' insurance	737	737	-
	<u>36,959</u>	<u>36,959</u>	<u>2,503</u>

## 4. Employee costs

There were no employees directly employed by the charity in the period.

During the year no Trustees received remuneration, and six Trustees were reimbursed for travel expenses totalling £3,759 (2023: Two Trustees £332).

**Notes to the financial statements  
for the period ended 31 December 2024**

**5. Heritage assets**

	<b>At cost</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
At 31 December 2023 and 31 December 2024	600,000	600,000
	<u>600,000</u>	<u>600,000</u>
<b>Net book values</b>		
At 31 December 2023 and 31 December 2024	600,000	600,000
	<u>600,000</u>	<u>600,000</u>

On 27th November 2017 a collection of artworks was purchased from Mr Michael Charles for £600,000, consisting mainly paintings of ships. The collection consists of approximately 1300 artworks but at this stage there is no complete list. Further work is required to ensure the Trust has a complete inventory of the collection.

The collection has been included within heritage asset additions at the purchase price of £600,000.

<b>Five-year summary</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<u>Additions</u>					
Purchases	-	-	-	-	-
Donations	-	-	-	-	-
<u>Disposals</u>	-	-	-	-	-

**6. Debtors**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Other debtors	421,645	535,917
	<u>421,645</u>	<u>535,917</u>

**7. Creditors: amounts falling due within one year**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Accruals	38,776	-
	<u>38,776</u>	<u>-</u>

**Notes to the financial statements  
for the period ended 31 December 2024**

**8. Analysis of net assets between funds**

	<b>Tangible Fixed Assets</b>	<b>Net Current Assets</b>	<b>2024 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted funds	600,000	382,869	982,869
	<u>600,000</u>	<u>382,869</u>	<u>982,869</u>
	<u><u>600,000</u></u>	<u><u>382,869</u></u>	<u><u>982,869</u></u>
	<b>Tangible Fixed Assets</b>	<b>Net Current Assets</b>	<b>2023 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted funds	600,000	535,917	1,135,917
	<u>600,000</u>	<u>535,917</u>	<u>1,135,917</u>
	<u><u>600,000</u></u>	<u><u>535,917</u></u>	<u><u>1,135,917</u></u>

**9. Related party transactions**

The charity was a related party of the National Museum of the Royal Navy (the National Museum) during the year due to the presence of the National Museum's Director General on the Board of Trustees. The charity received income of £Nil (2023: £Nil) from, and paid expenses of £114,272 (2023: £9,329) to, the National Museum. At the end of the period an amount of £421,645 (2023: £535,917) was held on trust on behalf of the charity by the National Museum. In addition, £38,776 was owing to the National Museum at the end of the period for costs incurred under the Service Level Agreement dated 5<sup>th</sup> December 2024.

**MERCANTILE MARINE MEMORIAL TRUST**

England & Wales - Charity number 1179537

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# Accounts

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**Charity number: 1179537**

**Mercantile Marine Memorial Trust**  
**Trustees' report and financial statements**  
**for the year ended 31 December 2023**

---

**Contents**

Legal and administrative information ..... 3  
Foreword ..... 4  
Performance Report ..... 5  
Statement of Trustees’ responsibilities..... 7  
Statement of Financial Activities ..... 8  
Charity Balance Sheet..... 9  
Cash flow statement..... 10  
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### Legal and administrative information

**Charity number** 1179537

**Registered office** HM Naval Base PP66  
Portsmouth  
Hampshire PO1 3NH

**Trustees** Commodore Phillip Waterhouse  
Mr Leon Calverley – appointed 25<sup>th</sup> July 2023  
Ms Emma Collins – appointed 31 October 2023  
Mrs Trudy Grey – appointed 11<sup>th</sup> April 2023  
Mr David McGinley – appointed 12<sup>th</sup> April 2023  
Dr Emma Roberts - appointed 25<sup>th</sup> July 2023  
Mr Tim Schadla-Hall – resigned 9<sup>th</sup> January 2023  
Mr Paul Swindlehurst – appointed 9<sup>th</sup> January 2024  
Professor Dominic Tweddle

**Accountants** Compass Accountants Limited  
Venture House  
The Tanneries  
East Street  
Titchfield  
Hampshire  
PO14 4AR

## **Trustees' annual report**

The Trustees present their report and the financial statements of the charity for the year ended 31<sup>st</sup> December 2023. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

### **Foreword**

The charitable objects of the Mercantile Marine Memorial Trust (the Trust) are:

- 1) To receive and maintain the British Mercantile Marine collection of paintings and other artistic works depicting the life and history of the British Mercantile Marine; and
- 2) To curate and display such paintings and other artistic works in museums and other public event space in order to advance the education of the public in the life and history of the British Mercantile Marine.

### **The Board of Trustees**

The Board is responsible for ensuring leadership through effective oversight and review. It shapes the strategic thinking and sets the tone. A full formal induction process is in place for new Trustees and committee members, which combines all the necessary background reading material, including items such as: the Articles of Association; minutes of recent meetings; the Charity Commission publication "The Essential Trustee: what you need to know."

## **Performance Report**

### **Overview**

The Mercantile Marine Memorial Trust (MMMT) was registered as a Charitable Incorporated Organisation on the 14 August 2018 (charity number 1179537).

The Mercantile Marine artworks, a collection of approximately 1,300 portraits of British steam shipping in locations across the world, were purchased on behalf of the Trust by the National Museum of the Royal Navy ("the National Museum") (charity number 1126283) on the 27<sup>th</sup> November 2017. The purchase of the artworks was supported through a LIBOR grant agreement between the National Museum and HM Treasury dated the 12<sup>th</sup> June 2017. The total grant, to be held in trust by the National Museum, totalled £1,233,000.

The purchase price of the artworks was £600,000 and the remaining funds are to be held by the National Museum to catalogue and research the collection, to establish exhibition and storage facilities and to create a loan programme. The collection is currently stored in a secure location and are accessible by the MMT trustees and National Museum authorised personnel.

The Trustees have due regard to guidance issued by the Charity Commission on public benefit and in its charitable objects, the charity seeks to receive and maintain the British Mercantile Marine Collection of paintings and other artistic works depicting the life and history of the British Mercantile Marine and to curate and display such paintings and other artistic works in museums and other public events space in order to advance the education of the public in the life and history of the British Mercantile Marine.

A future strategy is currently under review by the Trustees and an external consultant has been appointed to support this work. The strategy development process will consider the continued care and conservation of the collection, and how the artworks can be shared, both through digital resources and exhibitions, to ensure that they are publicly accessible to a wide audience, and to deliver the charity's public benefit.

### **Financial Review**

#### ***Statement of Financial Activities for the year ended 31 December 2023***

Total incoming resources for the Mercantile Marine Memorial Trust in 2022-23 amounted to £Nil (2022: £Nil).

Total resources expended for 2022-23 amounted to £7,559 (2022: £6,383) relating to storage, management and governance costs.

#### ***Balance sheet***

The net assets as at 31<sup>st</sup> December 2023 amounted to £1,135,917 (2022: £1,143,476).

#### ***Reserves***

The Trustees regularly monitor the levels of the Trust's reserves. The Trust retains a 'free reserve' which is defined as the amounts shown as Net Current Assets in the accounts and which are attributable to Unrestricted Funds. The policy is that there is no requirement to accumulate free reserves and that any reserves held will be appropriately used, as approved by the Board, for the furtherance of the Trust's charitable objects.

As at 31<sup>st</sup> December 2023, the Trust's free reserves (defined as net current assets attributable to unrestricted reserves) stood at £535,917 (2022: £543,476). The purpose of the Trust is solely to hold the heritage assets and reserves of the Mercantile Marine Memorial Trust, which it will grant to the National Museum as and when

required until they are expended or a nominal sum remains. The ongoing operating costs are undertaken under the agreement with the National Museum, therefore the Trustees are content that the going concern basis continues to apply and that the free reserves are at an appropriate level.

***Plans for future periods***

The Trustees have determined that the most cost-effective and efficient way to manage the charity is to ask the National Museum of the Royal Navy to continue to provide management services. A revised Service Provider agreement is being drawn up between the two organisations to facilitate effective working. The National Museum will continue to hold the charity's resources and operate the LIBOR grant agreement on its behalf.

The Trustees have recently recruited four new trustees to the trust through an open recruitment process but have also determined that they should recruit additional Trustees to widen the base of skills and experience available to the charity. A skills survey has been undertaken to understand potential skills gaps and to support any future recruitment. Once the skills gaps are known, the current trustees will approach potential candidates and recommend them for appointment. If their skills and knowledge meet the criteria, the Board will vote on their appointment.

The Trustees have decided to catalogue the collection and make the catalogue and images available online. Work started in 2022-23, but will continue into the following financial year. A curator has been appointed to undertake this task and has been researching the artworks in order to get the collection into a position for exhibition. The curator has also been supporting the digitisation of the collection and the creation of digital resources. The curator is employed through NMRN Operations and charged to the charity. Trustees continue to explore the best location to permanently base the collection.

Future expenditure will be limited to cataloguing in preparedness for exhibition, governance and support costs. As such, the Trustees are content that the going concern basis continues to apply.



**Phil Waterhouse**  
**On Behalf of the Board of Trustees**

Date: 17/4/24


**Statement of Trustees' responsibilities  
for the year ended 31 December 2023**

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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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



**Phil Waterhouse**  
**On Behalf of the Board of Trustees**

Date: 17/4/24

**Statement of financial activities**

**For the year ended 31 December 2023**

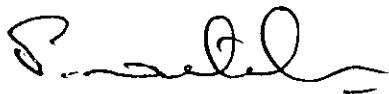
	Notes	Unrestricted funds £	2023 Total £	Unrestricted funds £	2022 Total £
<b>Income from:</b>					
Donations and legacies		-	-	-	-
<b>Total income</b>		-	-	-	-
<b>Expenditure on:</b>					
Charitable activities					
Collections and asset management	2	7,559	7,559	6,383	6,383
<b>Total expenditure</b>		7,559	7,559	6,383	6,383
<b>Net income/(expenditure)</b>		(7,559)	(7,559)	(6,383)	(6,383)
<b>Transfers between funds</b>		-	-	-	-
<b>Net movement in funds</b>		(7,559)	(7,559)	(6,383)	(6,383)
<b>Reconciliation of funds:</b>					
Funds brought forward		1,143,476	1,143,476	1,149,859	1,149,859
<b>Total funds carried forward</b>		1,135,917	1,135,917	1,149,859	1,149,859

All recognised gains and losses are included in the statement of financial activities

**Balance Sheet**  
**as at 31 December 2023**

	Notes	2023 £	2022 £
<b>Fixed assets</b>			
Heritage assets	5	600,000	600,000
		<u>600,000</u>	<u>600,000</u>
<b>Current assets</b>			
Debtors	6	535,917	545,246
		<u>535,917</u>	<u>545,246</u>
<b>Creditors: amounts falling due within one year</b>	7	-	(1,770)
		<u>-</u>	<u>(1,770)</u>
<b>Net current assets</b>		<u>535,917</u>	<u>543,476</u>
		<u>535,917</u>	<u>543,476</u>
<b>Net assets</b>		<u>1,135,917</u>	<u>1,143,476</u>
		<u>1,135,917</u>	<u>1,143,476</u>
<b>Funds</b>			
Unrestricted funds		1,135,917	1,143,476
		<u>1,135,917</u>	<u>1,143,476</u>
<b>Total funds</b>		<u>1,135,917</u>	<u>1,143,476</u>
		<u>1,135,917</u>	<u>1,143,476</u>

The financial statements were approved by the board and signed on its behalf by



**Phil Waterhouse**  
**On Behalf of the Board of Trustees**

Date: 17/4/24

**Cash flow statement**

**for the year ended 31 December 2023**

	2023	2022
<b>Cash flows from operating activities:</b>		
<b>Net cash provided by/(used in) operating activities</b>	-	-
<b>Cash flows from investing activities:</b>		
Purchase of heritage assets	-	-
<b>Cash and cash equivalents at 1 January 2023</b>	-	-
<b>Cash and cash equivalents at 31 December 2023</b>	-	-
Net (expenditure)/income for the reporting period	(7,559)	(6,383)
Decrease/(increase) in debtors	9,329	8,243
(Decrease)/increase in creditors	(1,770)	(1,860)
<b>Net cash provided by/(used in) operating activities</b>	-	-

## Notes to the financial statements for the period ended 31 December 2023

### 1. Accounting policies

#### 1.1. Charity information

The Mercantile Marine Memorial Trust is a registered charity, number 1179537.

The Mercantile Marine Memorial Trust meets the definition of a public benefit entity under section 34 of FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value, unless otherwise stated in the relevant accounting policy. The principal objectives of the charity are detailed in the Trustees report.

#### 1.2. Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Accounting Practice.

The role of the Trust is solely to hold the heritage assets and reserves of the Mercantile Marine Memorial Collection. The Trustees are content that the going concern basis continues to apply.

The financial statements are presented in sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

#### 1.3. Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

#### 1.4. Grants receivable

Revenue grants are credited to incoming resources on the earlier date of when they are received or when they are receivable. If a grant of donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the charity's control and it is probable those conditions will be met in the accounting period.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation on the fixed assets purchased with such grants is charged against the restricted fund.

#### 1.5. Expenditure

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

#### 1.6. Basis of allocation

Governance costs include those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

#### 1.7. Restricted funds

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

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

#### 1.8. Tangible fixed assets

Tangible fixed assets with a cost or value greater than £2,500 and a useful life exceeding one year are capitalised at historic cost.

**Notes to the financial statements  
for the period ended 31 December 2023**

**1.9. Heritage assets**

The heritage assets held by the trust are capitalised in the accounts on the basis of cost of purchase. The assets are not depreciated due to their infinite useful economic lives. An annual review for impairment is carried out in accordance with the Charities SORP, with any impairment recognised in the Statement of Financial Activities.

**The Collection**

The collection consists of artefacts, physical, written and oral reflecting the history of the British Mercantile Marine.

**1.10. Basic financial instruments**

The Museum's financial assets and liabilities consist of cash and cash equivalents, short term investments, trade debtors, trade creditors and accrued expenses. The fair value of these items approximates their carrying value due to their short term value. Unless otherwise noted, the Museum is not exposed to significant interest, foreign exchange or credit risks arising from these instruments.

Term deposits of less than one year are classified as investments within current assets.

**2. Collections and asset management**

	Collections and asset management	2023	2022
	£	£	£
Storage costs	5,056	5,303	5,303
Governance costs	2,503	2,503	1,080
	<u>7,559</u>	<u>7,559</u>	<u>6,383</u>

**3. Governance costs**

	Collections and asset management	2023	2022
	£	£	£
Accountancy fees	1,500	1,500	1,080
Trustees travel expenses	1,003	1,003	-
	<u>2,503</u>	<u>2,503</u>	<u>3,053</u>

**4. Employee costs**

There were no employees directly employed by the charity in the period.

During the year no Trustees received remuneration and two Trustees were reimbursed for travel expenses totalling £332 (2022: Nil).

**5. Heritage assets**

	At cost	Total
	£	£
<b>Cost</b>		
At 31 December 2022 and 31 December 2023	<u>600,000</u>	<u>600,000</u>
<b>Net book values</b>		
At 31 December 2022 and 31 December 2023	<u>600,000</u>	<u>600,000</u>

**Notes to the financial statements  
for the period ended 31 December 2023**

On 27th November 2017 a collection of artworks was purchased from Mr Michael Charles for £600,000, consisting mainly paintings of ships. The collection consists of approximately 1300 artworks but at this stage there is no complete list. Further work is required to ensure the Trust has a complete inventory of the collection.

The collection has been included within heritage asset additions at the purchase price of £600,000.

<b>Five-year summary</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<u>Additions</u>					
Purchases	-	-	-	-	600,000
Donations	-	-	-	-	-
<u>Disposals</u>	-	-	-	-	-

**6. Debtors**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Other debtors	535,917	545,246

**7. Creditors: amounts falling due within one year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Accruals	-	1,770

**8. Analysis of net assets between funds**

	<b>Tangible Fixed Assets</b>	<b>Net Current Assets</b>	<b>2023 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted funds	600,000	535,917	1,135,917
	<u>600,000</u>	<u>535,917</u>	<u>1,135,917</u>

	<b>Tangible Fixed Assets</b>	<b>Net Current Assets</b>	<b>2022 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted funds	600,000	543,476	1,143,476
	<u>600,000</u>	<u>543,476</u>	<u>1,143,476</u>

**9. Related party transactions**

The charity was a related party of the National Museum of the Royal Navy (the National Museum) during the year due to the presence of the National Museum's Director General on the Board of Trustees. The charity received income of £Nil (2022: £Nil) from, and paid expenses of £9,329 (2022: £8,243) to, the National Museum. At the end of the period an amount of £535,917 (2022: £545,246) was held on trust on behalf of the charity by the National Museum.

**MERCANTILE MARINE MEMORIAL TRUST**

England & Wales - Charity number 1179537

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# Accounts

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**Charity number: 1179537**

**Mercantile Marine Memorial Trust**  
**Trustees' report and financial statements**  
**for the year ended 31 December 2022**

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**Contents**

Legal and administrative information.....3  
Foreword.....4  
Performance Report.....5  
Statement of Trustees’ responsibilities .....7  
Statement of Financial Activities.....8  
Charity Balance Sheet .....9  
Cash flow statement .....10  
Notes to the Financial Statements.....11

**Legal and administrative information**

**Charity number** 1179537

**Registered office** HM Naval Base PP66  
Portsmouth  
Hampshire PO1 3NH

**Trustees** Commodore Phillip Waterhouse  
Captain Josh Garner – resigned 21<sup>st</sup> September 2022  
Professor Dominic Tweddle  
Mr Tim Schadla-Hall – resigned 9<sup>th</sup> January 2023  
Mrs Trudy Grey – appointed 11<sup>th</sup> April 2023  
Mr David McGinley – appointed 12<sup>th</sup> April 2023

**Accountants** Compass Accountants Limited  
Venture House  
The Tanneries  
East Street  
Titchfield  
Hampshire  
PO14 4AR

## **Trustees' annual report**

The Trustees present their report and the financial statements of the charity for the year ended 31<sup>st</sup> December 2022. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

### **Foreword**

The charitable objects of the Mercantile Marine Memorial Trust (the Trust) are:

- 1) To receive and maintain the British Mercantile Marine collection of paintings and other artistic works depicting the life and history of the British Mercantile Marine; and
- 2) To curate and display such paintings and other artistic works in museums and other public event space in order to advance the education of the public in the life and history of the British Mercantile Marine.

### **The Board of Trustees**

The Board is responsible for ensuring leadership through effective oversight and review. It shapes the strategic thinking and sets the tone. A full formal induction process is in place for new Trustees and committee members, which combines all the necessary background reading material, including items such as: the Articles of Association; minutes of recent meetings; the Charity Commission publication "The Essential Trustee: what you need to know."

## **Performance Report**

### **Overview**

The Mercantile Marine Memorial Trust (MMMT) was registered as a Charitable Incorporated Organisation on the 14 August 2018 (charity number 1179537).

The Mercantile Marine artworks, a collection of approximately 1,300 portraits of British steam shipping in locations across the world, were purchased on behalf of the Trust by the National Museum of the Royal Navy ("the National Museum") (charity number 1126283) on the 27<sup>th</sup> November 2017. The purchase of the artworks was supported through a LIBOR grant agreement between the National Museum and HM Treasury dated the 12<sup>th</sup> June 2017. The total grant, to be held in trust by the National Museum, totalled £1,233,000.

The purchase price of the artworks was £600,000 and the remaining funds are to be held by the National Museum to catalogue and research the collection, to establish exhibition and storage facilities and to create a loan programme. The collection is currently stored in a secure location and are accessible by the MMMT trustees and National Museum authorised personnel.

A future strategy is currently under review by the Trustees and was planned to be implemented during 2021-23. Unfortunately, this was not completed and the revised timescale has been pushed back to 2023-24. This will look at digitalisation of the artwork and how it can be displayed and shared to allow ease of access by a wide audience and to deliver the charity's public benefit.

### **Covid-19 Pandemic**

The Covid-19 pandemic significantly impacted the activities of the Trust during the reporting period in terms of its ability to develop its programme to further the delivery of its charitable objects. Activity has also been slow to move forward with the planned digitisation of the collection due to the retirement of trustees and also the sad passing of the Trust's Chair. The Trust, however, continues to develop its plans to catalogue and research its collection of artworks for public display.

### **Financial Review**

#### ***Statement of Financial Activities for the year ended 31 December 2022***

Total incoming resources for the Mercantile Marine Memorial Trust in 2021-22 amounted to £Nil (2021: £Nil).

Total resources expended for 2021-22 amounted to £6,383 (2021: £4,152) relating to storage, management and governance costs.

#### ***Balance sheet***

The net assets as at 31<sup>st</sup> December 2022 amounted to £1,143,476 (2021: £1,149,859).

#### ***Reserves***

The Trustees regularly monitor the levels of the Trust's reserves. The Trust retains a 'free reserve' which is defined as the amounts shown as Net Current Assets in the accounts and which are attributable to Unrestricted Funds. The policy is that there is no requirement to accumulate free reserves and that any reserves held will be appropriately used, as approved by the Board, for the furtherance of the Trust's charitable objects.

**Mercantile Marine Memorial Trust**  
**Charity number: 1179537**

As at 31<sup>st</sup> December 2022, the Trust's free reserves (defined as net current assets attributable to unrestricted reserves) stood at £543,476 (2021: £549,859). The purpose of the Trust is solely to hold the heritage assets and reserves of the Mercantile Marine Memorial Trust, which it will grant to the National Museum as and when required until they are expended or a nominal sum remains. The ongoing operating costs are undertaken under the agreement with the National Museum, therefore the Trustees are content that the going concern basis continues to apply and that the free reserves are at an appropriate level.

***Plans for future periods***

The Trustees have determined that the most cost-effective and efficient way to manage the charity is to ask the National Museum of the Royal Navy to continue to provide management services. A revised operator agreement is being drawn up between the two organisations to facilitate effective working. The National Museum will continue to hold the charity's resources and operate the LIBOR grant agreement on its behalf. The Trustees have also determined that they should recruit additional Trustees to widen the base of skills and experience available to the charity.

The Trustees have decided to catalogue the collection and make the catalogue and images available on-line. Work started in 2022-23 but would continue into the following financial year. The effects of COVID in reducing the available workforce have meant that Trustees have not found a suitable and appropriately-qualified curator to employ directly, but efforts in this direction continue. The alternative, which is to place a contract with an existing museum continues to be evaluated. Trustees are also exploring the offer from the National Museum of a permanent base for the collection in Hartlepool, a major ship building town. Progressing the plans had unfortunately stalled due to the resignation of trustees and also the sad passing of the Chair during 2022-23.

Future expenditure will be limited to cataloguing, governance and support costs. As such, the Trustees are content that the going concern basis continues to apply.

The Trustees have due regard to guidance issued by the Charity Commission on public benefit and in its charitable objects, the charity seeks to receive and maintain the British Mercantile Marine Collection of paintings and other artistic works depicting the life and history of the British Mercantile Marine and to curate and display such paintings and other artistic works in museums and other public events space in order to advance the education of the public in the life and history of the British Mercantile Marine.



**Dominic Tweddle**  
**On Behalf of the Board of Trustees**

**Date: 11<sup>th</sup> April 2023**

**Statement of Trustees' responsibilities**  
**for the year ended 31 December 2022**

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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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



**Dominic Tweddle**  
**On Behalf of the Board of Trustees**

**Date: 11<sup>th</sup> April 2023**

## Statement of financial activities

For the year ended 31 December 2022

	Notes	Unrestricted funds £	2022 Total £	Unrestricted funds £	2021 Total £
<b>Income from:</b>					
Donations and legacies		-	-	-	-
<b>Total income</b>		-	-	-	-
<b>Expenditure on:</b>					
Charitable activities					
Collections and asset management	2	6,383	6,383	4,152	4,152
<b>Total expenditure</b>		6,383	6,383	4,152	4,152
<b>Net income/(expenditure)</b>		(6,383)	(6,383)	(4,152)	(4,152)
<b>Transfers between funds</b>		-	-	-	-
<b>Net movement in funds</b>		(6,383)	(6,383)	(4,152)	(4,152)
<b>Reconciliation of funds:</b>					
Funds brought forward		1,149,859	1,149,859	1,154,011	1,154,011
<b>Total funds carried forward</b>		1,143,476	1,143,476	1,149,859	1,149,859

All recognised gains and losses are included in the statement of financial activities

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

**Balance Sheet**  
**as at 31 December 2022**

	Notes	2022 £	2021 £
<b>Fixed assets</b>			
Heritage assets	5	600,000	600,000
		<u>600,000</u>	<u>600,000</u>
<b>Current assets</b>			
Debtors	6	545,246	553,489
		<u>545,246</u>	<u>553,489</u>
<b>Creditors: amounts falling due within one year</b>	7	(1,770)	(3,630)
		<u>(1,770)</u>	<u>(3,630)</u>
<b>Net current assets</b>		543,476	549,859
		<u>543,476</u>	<u>549,859</u>
<b>Net assets</b>		<u>1,143,476</u>	<u>1,149,859</u>
		<u>1,143,476</u>	<u>1,149,859</u>
<b>Funds</b>			
Unrestricted funds		1,143,476	1,149,859
		<u>1,143,476</u>	<u>1,149,859</u>
<b>Total funds</b>		<u>1,143,476</u>	<u>1,149,859</u>

The financial statements were approved by the board and signed on its behalf by



**Dominic Tweddle**  
**On Behalf of the Board of Trustees**

**Date: 11<sup>th</sup> April 2023**

The notes on pages 10 to 15 form an integral part of these financial statements.

**Cash flow statement**

**for the year ended 31 December 2022**

**2022**                      **2021**

**Cash flows from operating activities:**

**Net cash provided by/(used in) operating activities**

-                              -

**Cash flows from investing activities:**

Purchase of heritage assets

-                              -

**Cash and cash equivalents at 1 January 2022**

-                              -

**Cash and cash equivalents at 31 December 2022**

-                              -  
-                              -

Net (expenditure)/income for the reporting period

(6,383)                      (4,152)

Decrease/(increase) in debtors

8,243                        7,722

(Decrease)/increase in creditors

(1,860)                      (3,570)

**Net cash provided by/(used in) operating activities**

-                              -  
-                              -

## Notes to the financial statements for the period ended 31 December 2022

### 1. Accounting policies

#### 1.1. Charity information

The Mercantile Marine Memorial Trust is a registered charity, number 1179537.

The Mercantile Marine Memorial Trust meets the definition of a public benefit entity under section 34 of FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value, unless otherwise stated in the relevant accounting policy. The principal objectives of the charity are detailed in the Trustees report.

#### 1.2. Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Accounting Practice.

The role of the Trust is solely to hold the heritage assets and reserves of the Mercantile Marine Memorial Collection. The Trustees are content that the going concern basis continues to apply.

The financial statements are presented in sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

#### 1.3. Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

#### 1.4. Grants receivable

Revenue grants are credited to incoming resources on the earlier date of when they are received or when they are receivable. If a grant of donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the charity's control and it is probable those conditions will be met in the accounting period.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation on the fixed assets purchased with such grants is charged against the restricted fund.

#### 1.5. Expenditure

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

#### 1.6. Basis of allocation

Governance costs include those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

#### 1.7. Restricted funds

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

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

## Notes to the financial statements for the period ended 31 December 2022

### 1.8. Tangible fixed assets

Tangible fixed assets with a cost or value greater than £2,500 and a useful life exceeding one year are capitalised at historic cost.

### 1.9. Heritage assets

The heritage assets held by the trust are capitalised in the accounts on the basis of cost of purchase. The assets are not depreciated due to their infinite useful economic lives. An annual review for impairment is carried out in accordance with the Charities SORP, with any impairment recognised in the Statement of Financial Activities.

### The Collection

The collection consists of artefacts, physical, written and oral reflecting the history of the British Mercantile Marine.

### 1.10. Basic financial instruments

The Museum's financial assets and liabilities consist of cash and cash equivalents, short term investments, trade debtors, trade creditors and accrued expenses. The fair value of these items approximates their carrying value due to their short term value. Unless otherwise noted, the Museum is not exposed to significant interest, foreign exchange or credit risks arising from these instruments.

Term deposits of less than one year are classified as investments within current assets.

**Notes to the financial statements  
for the period ended 31 December 2022**

**2. Collections and asset management**

	<b>Collections and asset management</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Storage costs	5,303	5,303	883
Website	-	-	216
Governance and support costs	1,080	1,080	3,053
	<u>6,383</u>	<u>6,383</u>	<u>4,152</u>

**3. Governance and support costs**

	<b>Collections and asset management</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Accountancy fees	1,080	1,080	1,080
Legal and professional fees	-	-	1,893
Other costs	-	-	80
	<u>1,080</u>	<u>1,080</u>	<u>3,053</u>

**4. Employee costs**

There were no employees directly employed by the charity in the period.

During the year no Trustees received remuneration and no Trustees were reimbursed for travel expenses (2021: One trustee was reimbursed for travel expenses totalling £80).

**Notes to the financial statements  
for the period ended 31 December 2022**

**5. Heritage assets**

	<b>At cost</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
At 31 December 2021 and 31 December 2022	<u>600,000</u>	<u>600,000</u>
<b>Net book values</b>		
At 31 December 2021 and 31 December 2022	<u><u>600,000</u></u>	<u><u>600,000</u></u>

On 27th November 2017 a collection of artworks was purchased from Mr Michael Charles for £600,000, consisting mainly paintings of ships. The collection consists of approximately 1300 artworks but at this stage there is no complete list. Further work is required to ensure the Trust has a complete inventory of the collection.

The collection has been included within heritage asset additions at the purchase price of £600,000.

<b>Five-year summary</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<u>Additions</u>				
Purchases	-	-	-	600,000
Donations	-	-	-	-
<u>Disposals</u>	-	-	-	-

**6. Debtors**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Other debtors	545,246	553,489
	<u>545,246</u>	<u>553,489</u>
	<u><u>545,246</u></u>	<u><u>553,489</u></u>

**7. Creditors: amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Accruals	1,770	3,630
	<u>1,770</u>	<u>3,630</u>
	<u><u>1,770</u></u>	<u><u>3,630</u></u>

**Notes to the financial statements  
 for the period ended 31 December 2022**

**8. Analysis of net assets between funds**

	<b>Tangible Fixed Assets</b>	<b>Net Current Assets</b>	<b>2022 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted funds	600,000	543,476	1,143,476
	<u>600,000</u>	<u>543,476</u>	<u>1,143,476</u>
	<u><u>600,000</u></u>	<u><u>543,476</u></u>	<u><u>1,143,476</u></u>
	<b>Tangible Fixed Assets</b>	<b>Net Current Assets</b>	<b>2021 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted funds	600,000	549,859	1,149,859
	<u>600,000</u>	<u>549,859</u>	<u>1,149,859</u>
	<u><u>600,000</u></u>	<u><u>549,859</u></u>	<u><u>1,149,859</u></u>

**9. Related party transactions**

The charity is a related party of the National Museum of the Royal Navy (the National Museum). During the year the charity received income of £Nil (2021: £Nil) from, and paid expenses of £8,243 (2021: £7,722) to, the National Museum. At the end of the period an amount of £545,246 (2021: £553,489) was held on trust on behalf of the charity by the National Museum.

**MERCANTILE MARINE MEMORIAL TRUST**

England & Wales - Charity number 1179537

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# Accounts

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**Charity number: 1179537**

**Mercantile Marine Memorial Trust**  
**Trustees' report and financial statements**  
**for the year ended 31 December 2021**

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**Contents**

Legal and administrative information.....3  
Foreword.....4  
Performance Report.....5  
Statement of Trustees’ responsibilities .....7  
Statement of Financial Activities.....8  
Charity Balance Sheet .....9  
Cash flow statement .....10  
Notes to the Financial Statements.....11

**Legal and administrative information**

**Charity number** 1179537

**Registered office** HM Naval Base PP66  
Portsmouth  
Hampshire PO1 3NH

**Trustees** Captain Josh Garner  
Professor Dominic Tweddle  
Mr Tim Schadla-Hall  
Mr Alastair Chapman – resigned 2<sup>nd</sup> July 2021  
Commodore Phillip Waterhouse – appointed 22<sup>nd</sup> October 2021

**Accountants** Compass Accountants Limited  
Venture House  
The Tanneries  
East Street  
Titchfield  
Hampshire  
PO14 4AR

## **Trustees' annual report**

The Trustees present their report and the financial statements of the charity for the year ended 31<sup>st</sup> December 2021. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

### **Foreword**

The charitable objects of the Mercantile Marine Memorial Trust (the Trust) are:

- 1) To receive and maintain the British Mercantile Marine collection of paintings and other artistic works depicting the life and history of the British Mercantile Marine; and
- 2) To curate and display such paintings and other artistic works in museums and other public event space in order to advance the education of the public in the life and history of the British Mercantile Marine.

### **The Board of Trustees**

The Board is responsible for ensuring leadership through effective oversight and review. It shapes the strategic thinking and sets the tone. A full formal induction process is in place for new Trustees and committee members, which combines all the necessary background reading material, including items such as: the Articles of Association; minutes of recent meetings; the Charity Commission publication "The Essential Trustee: what you need to know."

## **Performance Report**

### **Overview**

The Mercantile Marine Memorial Trust (MMMT) was registered as a Charitable Incorporated Organisation on the 14 August 2018 (charity number 1179537).

The Mercantile Marine artworks, a collection of approximately 1,300 portraits of British steam shipping in locations across the world, were purchased on behalf of the Trust by the National Museum of the Royal Navy ("the National Museum") (charity number 1126283) on the 27<sup>th</sup> November 2017. The purchase of the artworks was supported through a LIBOR grant agreement between the National Museum and HM Treasury dated the 12<sup>th</sup> June 2017. The total grant, to be held in trust by the National Museum, totalled £1,233,000.

The purchase price of the artworks was £600,000 and the remaining funds to be held by the National Museum to catalogue and research the collection, to establish exhibition and storage facilities and to create a loan programme. The collection is currently stored in a secure location and are accessible by the MMMT trustees and National Museum authorised personnel.

A future strategy is currently under review by the Trustees and will be implemented during 2022-23. This will look at digitalisation of the artwork and how it can be displayed and shared to allow ease of access by a wide audience and to deliver the charity's public benefit.

### **Covid-19 Pandemic**

The Covid-19 pandemic has significantly impacted the activities of Trust during the reporting period in terms of its ability to develop its programme to further the delivery of its charitable objects. This will be remedied in 2022 and future years as the Trust develops its plans to catalogue and research its collection of artworks and to curate and display it in museums and other public event spaces.

### **Financial Review**

#### ***Statement of Financial Activities for the year ended 31 December 2021***

Total incoming resources for the Mercantile Marine Memorial Trust in 2020-21 amounted to £Nil (2020: £Nil).

Total resources expended for 2020-21 amounted to £4,152 (2020: £7,900) relating to storage, management and governance costs.

#### ***Balance sheet***

The net assets as at 31<sup>st</sup> December 2021 amounted to £1,149,859 (2020: £1,154,011).

#### ***Reserves***

The Trustees regularly monitor the levels of the Trust's reserves. The Trust retains a 'free reserve' which is defined as the amounts shown as Net Current Assets in the accounts and which are attributable to Unrestricted Funds. The policy is that there is no requirement to accumulate free reserves and that any reserves held will be appropriately used, as approved by the Board, for the furtherance of the Trust's charitable objects.

**Mercantile Marine Memorial Trust**  
**Charity number: 1179537**

As at 31<sup>st</sup> December 2021, the Trust's free reserves (defined as net current assets attributable to unrestricted reserves) stood at £549,859 (2020: £554,011). The purpose of the Trust is solely to hold the heritage assets and reserves of the Mercantile Marine Memorial Trust, which it will grant to the National Museum as and when required until they are expended or a nominal sum remains. The ongoing operating costs are undertaken under the agreement with the National Museum, therefore the Trustees are content that the going concern basis continues to apply and that the free reserves are at an appropriate level.

***Plans for future periods***

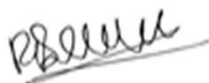
The Trustees have determined that the most cost-effective and efficient way to manage the charity is to ask the National Museum of the Royal Navy to continue to provide management services. A revised operator agreement is being drawn up between the two organisations to facilitate effective working. The National Museum will continue to hold the charity's resources and operate the LIBOR grant agreement on its behalf. The Trustees have also determined that they should recruit additional Trustees to widen the base of skills and experience available to the charity.

The Trustees have decided to catalogue the collection and make the catalogue and images available on-line. Work will begin in 2022-23 but may continue into the following financial year. The effects of COVID in reducing the available workforce have meant that Trustees have not found a suitable and appropriately-qualified curator to employ directly, but efforts in this direction continue. The alternative, which is to place a contract with an existing museum is also being evaluated. Trustees are exploring the offer from the National Museum of a permanent base for the collection in Hartlepool, a major ship building town.

Future expenditure will be limited to cataloguing, governance and support costs. As such, the Trustees are content that the going concern basis continues to apply and the impact of the COVID-19 pandemic does not create a material uncertainty around going concern to the charity.

The Trustees have due regard to guidance issued by the Charity Commission on public benefit and in its charitable objects, the charity seeks to receive and maintain the British Mercantile Marine Collection of paintings and other artistic works depicting the life and history of the British Mercantile Marine and to curate and display such paintings and other artistic works in museums and other public events space in order to advance the education of the public in the life and history of the British Mercantile Marine.

On behalf of the board



**Tim Schadla-Hall**  
**Chair on Behalf of the Board of Trustees**

**Date: 9<sup>th</sup> May 2022**

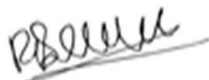
**Statement of Trustees' responsibilities**  
**for the year ended 31 December 2021**

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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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



**Tim Schadla-Hall**  
**Chair on Behalf of the Board of Trustees**

**Date: 9<sup>th</sup> May 2022**

Statement of financial activities

For the year ended 31 December 2021

	Notes	Unrestricted funds £	2021 Total £	Unrestricted funds £	2020 Total £
<b>Income from:</b>					
Donations and legacies		-	-	-	-
<b>Total income</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditure on:</b>					
Charitable activities					
Collections and asset management	2	4,152	4,152	7,900	7,900
<b>Total expenditure</b>		<u>4,152</u>	<u>4,152</u>	<u>7,900</u>	<u>7,900</u>
<b>Net income/(expenditure)</b>		(4,152)	(4,152)	(7,900)	(7,900)
<b>Transfers between funds</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		(4,152)	(4,152)	(7,900)	(7,900)
<b>Reconciliation of funds:</b>					
Funds brought forward		1,154,011	1,154,011	1,161,911	1,161,911
<b>Total funds carried forward</b>		<u>1,149,859</u>	<u>1,149,859</u>	<u>1,154,011</u>	<u>1,154,011</u>

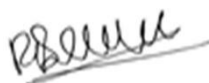
All recognised gains and losses are included in the statement of financial activities

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

**Balance Sheet**  
**as at 31 December 2021**

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Heritage assets	5	600,000	600,000
		<u>600,000</u>	<u>600,000</u>
<b>Current assets</b>			
Debtors	6	553,489	561,211
		<u>553,489</u>	<u>561,211</u>
<b>Creditors: amounts falling due within one year</b>	7	(3,630)	(7,200)
		<u>549,859</u>	<u>554,011</u>
<b>Net current assets</b>			
		<u>549,859</u>	<u>554,011</u>
<b>Net assets</b>		<u>1,149,859</u>	<u>1,154,011</u>
<b>Funds</b>			
Unrestricted funds		1,149,859	1,154,011
<b>Total funds</b>		<u>1,149,859</u>	<u>1,154,011</u>

The financial statements were approved by the board and signed on its behalf by



**Tim Schadla-Hall**  
Chair on Behalf of the Board of Trustees

**Date: 9<sup>th</sup> May 2022**

The notes on pages 10 to 15 form an integral part of these financial statements.

**Cash flow statement**

**for the year ended 31 December 2021**

	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities:</b>		
<b>Net cash provided by/(used in) operating activities</b>	-	-
<b>Cash flows from investing activities:</b>		
Purchase of heritage assets	-	-
	<u>-</u>	<u>-</u>
<b>Cash and cash equivalents at 1 January 2021</b>	-	-
	<u>-</u>	<u>-</u>
<b>Cash and cash equivalents at 31 December 2021</b>	-	-
	<u>-</u>	<u>-</u>
Net (expenditure)/income for the reporting period	(4,152)	(7,900)
Decrease/(increase) in debtors	7,722	4,300
(Decrease)/increase in creditors	(3,570)	3,600
	<u>-</u>	<u>-</u>
<b>Net cash provided by/(used in) operating activities</b>	-	-
	<u>-</u>	<u>-</u>

## Notes to the financial statements for the period ended 31 December 2021

### 1. Accounting policies

#### 1.1. Charity information

The Mercantile Marine Memorial Trust is a registered charity, number 1179537.

The Mercantile Marine Memorial Trust meets the definition of a public benefit entity under section 34 of FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value, unless otherwise stated in the relevant accounting policy. The principal objectives of the charity are detailed in the Trustees report.

#### 1.2. Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Accounting Practice.

The role of the Trust is solely to hold the heritage assets and reserves of the Mercantile Marine Memorial Collection. The Trustees are content that the going concern basis continues to apply.

The financial statements are presented in sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

#### 1.3. Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

#### 1.4. Grants receivable

Revenue grants are credited to incoming resources on the earlier date of when they are received or when they are receivable. If a grant of donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the charity's control and it is probable those conditions will be met in the accounting period.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation on the fixed assets purchased with such grants is charged against the restricted fund.

#### 1.5. Expenditure

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

#### 1.6. Basis of allocation

Governance costs include those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

#### 1.7. Restricted funds

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

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

## Notes to the financial statements for the period ended 31 December 2021

### 1.8. Tangible fixed assets

Tangible fixed assets with a cost or value greater than £2,500 and a useful life exceeding one year are capitalised at historic cost.

### 1.9. Heritage assets

The heritage assets held by the trust are capitalised in the accounts on the basis of cost of purchase. The assets are not depreciated due to their infinite useful economic lives. An annual review for impairment is carried out in accordance with the Charities SORP, with any impairment recognised in the Statement of Financial Activities.

### The Collection

The collection consists of artefacts, physical, written and oral reflecting the history of the British Mercantile Marine.

### 1.10. Basic financial instruments

The Museum's financial assets and liabilities consist of cash and cash equivalents, short term investments, trade debtors, trade creditors and accrued expenses. The fair value of these items approximates their carrying value due to their short term value. Unless otherwise noted, the Museum is not exposed to significant interest, foreign exchange or credit risks arising from these instruments.

Term deposits of less than one year are classified as investments within current assets.

**Notes to the financial statements  
for the period ended 31 December 2021**

**2. Collections and asset management**

	<b>Collections and asset management</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Storage costs	883	883	3,908
Website	216	216	-
Governance and support costs	3,053	3,053	3,992
	<u>4,152</u>	<u>4,152</u>	<u>7,900</u>

**3. Governance and support costs**

	<b>Collections and asset management</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Accountancy fees	1,080	1,080	900
Auditor's remuneration	-	-	2,700
Legal and professional fees	1,893	1,893	392
Other costs	80	80	-
	<u>3,053</u>	<u>3,053</u>	<u>3,992</u>

**4. Employee costs**

There were no employees directly employed by the charity in the period.

During the year no Trustees received remuneration and one Trustee was reimbursed for travel expenses totalling £80 (2020: No trustees were reimbursed for travel expenses).

**Notes to the financial statements  
for the period ended 31 December 2021**

**5. Heritage assets**

	<b>At cost</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
At 31 December 2020 and 31 December 2021	<u>600,000</u>	<u>600,000</u>
<b>Net book values</b>		
At 31 December 2020 and 31 December 2021	<u><u>600,000</u></u>	<u><u>600,000</u></u>

On 27th November 2017 a collection of artworks was purchased from Mr Michael Charles for £600,000, consisting mainly paintings of ships. The collection consists of approximately 1300 artworks but at this stage there is no complete list. Further work is required to ensure the Trust has a complete inventory of the collection.

The collection has been included within heritage asset additions at the purchase price of £600,000.

<b>Five-year summary</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<u>Additions</u>			
Purchases	-	-	600,000
Donations	-	-	-
<u>Disposals</u>	-	-	-

**6. Debtors**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Other debtors	<u>553,489</u>	<u>561,211</u>
	<u><u>553,489</u></u>	<u><u>561,211</u></u>

**7. Creditors: amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Accruals	<u>3,630</u>	<u>7,200</u>
	<u><u>3,630</u></u>	<u><u>7,200</u></u>

**Notes to the financial statements  
 for the period ended 31 December 2021**

**8. Analysis of net assets between funds**

	<b>Tangible Fixed Assets</b>	<b>Net Current Assets</b>	<b>2021 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted funds	600,000	549,859	1,149,859
	<u>600,000</u>	<u>549,859</u>	<u>1,149,859</u>
	<u><u>600,000</u></u>	<u><u>549,859</u></u>	<u><u>1,149,859</u></u>
	<b>Tangible Fixed Assets</b>	<b>Net Current Assets</b>	<b>2020 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted funds	600,000	554,011	1,154,011
	<u>600,000</u>	<u>554,011</u>	<u>1,154,011</u>
	<u><u>600,000</u></u>	<u><u>554,011</u></u>	<u><u>1,154,011</u></u>

**9. Related party transactions**

The charity is a related party of the National Museum of the Royal Navy (the National Museum). During the year the charity received income of £Nil (2020: £Nil) from, and paid expenses of £7,722 (2020: £4,300) to, the National Museum. At the end of the period an amount of £553,489 (2020: £561,211) was held on trust on behalf of the charity by the National Museum.

**MERCANTILE MARINE MEMORIAL TRUST**

England & Wales - Charity number 1179537

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# Accounts

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**Charity number: 1179537**

**Mercantile Marine Memorial Trust**  
**Trustees' report and financial statements**  
**for the year ended 31 December 2020**

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**Contents**

Legal and administrative information ..... 3

Foreword ..... 4

Performance Report ..... 5

Statement of Trustees' responsibilities ..... 7

Independent auditors' report to the Trustees of the Mercantile Marine Memorial Trust ..... 8

Statement of Financial Activities ..... 11

Charity Balance Sheet ..... 12

Cash flow statement ..... 13

Notes to the Financial Statements ..... 14

**Legal and administrative information**

<b>Charity number</b>	1179537
<b>Registered office</b>	HM Naval Base PP66 Portsmouth Hampshire PO1 3NH
<b>Trustees</b>	Captain Josh Garner Professor Dominic Tweddle Tim Schadla-Hall Alastair Chapman - resigned 2 <sup>nd</sup> July 2021
<b>Accountants &amp; auditors</b>	Compass Accountants Limited Venture House The Tanneries East Street Titchfield Hampshire PO14 4AR

## **Trustees' annual report**

The Trustees present their report and the audited financial statements of the charity for the year ended 31<sup>st</sup> December 2020. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

### **Foreword**

The charitable objects of the Mercantile Marine Memorial Trust (the Trust) are:

- 1) To receive and maintain the British Mercantile Marine collection of paintings and other artistic works depicting the life and history of the British Mercantile Marine; and
- 2) To curate and display such paintings and other artistic works in museums and other public event space in order to advance the education of the public in the life and history of the British Mercantile Marine.

## **Performance Report**

### **Overview**

The Mercantile Marine Memorial Trust was registered as a Charitable Incorporated Organisation on the 14 August 2018 (charity number 1179537).

The Mercantile Marine artworks, a collection of approximately 1,300 portraits of British steam shipping in locations across the world, were purchased on behalf of the Trust by the National Museum of the Royal Navy ("the National Museum") (charity number 1126283) on the 27<sup>th</sup> November 2017. The purchase of the artworks was supported through a LIBOR grant agreement between the National Museum and HM Treasury dated the 12<sup>th</sup> June 2017. The total grant, to be held in trust by the National Museum, totalled £1,233,000. The purchase price of the artworks was £600,000 and the remaining funds to be held by the National Museum to catalogue and research the collection, to establish exhibition and storage facilities and to create a loan programme.

### **Covid-19 Pandemic**

The Covid-19 pandemic has significantly impacted the activities of Trust during the reporting period in terms of its ability to develop its programme to further the delivery of its charitable objects. This will be remedied in 2021 and future years as the Trust develops its plans to catalogue and research its collection of artworks and to curate and display it in museums and other public event spaces.

### **Financial Review**

#### ***Statement of Financial Activities for the year ended 31 December 2020***

Total incoming resources for the Mercantile Marine Memorial Trust in 2019-20 amounted to £Nil (2019: £1,233,000).

Total resources expended for 2019-20 amounted to £7,900 (2019: £22,184) relating to storage, management and governance costs.

#### ***Balance sheet***

The net assets as at 31<sup>st</sup> December 2020 amounted to £1,154,011 (2019: £1,161,911).

#### ***Reserves***

The Trustees regularly monitor the levels of the Trust's reserves. The Trust retains a 'free reserve' in accordance with Group policy and defined as the amounts shown as Net Current Assets in the accounts and which are attributable to Unrestricted Funds. The Group policy is that there is no requirement to accumulate free reserves within the subsidiary charities and trusts and that any reserves held will be appropriately used, as approved by the Board, for the furtherance of the Trust's charitable objects.

As at 31<sup>st</sup> December 2020, the Trust's free reserves (defined as net current assets attributable to unrestricted reserves) stood at £554,011 (2019: £561,911). The purpose of the Trust is solely to hold the heritage assets and reserves of the Mercantile Marine Memorial Trust, which it will grant to the National Museum as and when required until they are expended or a nominal sum remains. The ongoing operating costs are undertaken under the agreement with NMRN, therefore the Trustees are content that the going concern basis continues to apply and that the free reserves are at an appropriate level.

**Mercantile Marine Memorial Trust**  
**Charity number: 1179537**

***Plans for future periods***

The Trustees are currently reviewing the collection and are looking to turn the Trust into useable objects so the public can learn the history around the mercantile marine history and the Trustees are seeking legal advice on the best approach to achieve this.

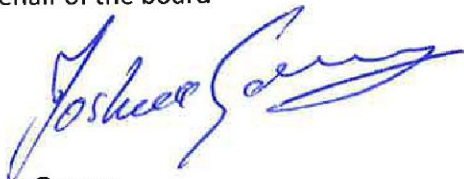
The National Museum will novate the LIBOR grant agreement and all the remaining grant held to the Trust as soon as it is practical and the Trust has the appropriate management arrangements in place.

Future expenditure will be limited to governance and support costs. As such, the Trustees are content that the going concern basis continues to apply and the impact of the COVID-19 pandemic does not create a material uncertainty around going concern to the charity.

**Auditors**

The accounts have been audited by Compass Accountants Ltd. So far as the Trustees are aware, there is no relevant audit information of which the charity's auditors are unaware. Trustees have taken all the steps necessary to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

On behalf of the board



**Joshua Garner**  
**Chair on Behalf of the Board of Trustees**

**Date:** 25/10/21

**Statement of Trustees' responsibilities**  
**for the year ended 31 December 2020**

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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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



**Joshua Garner**  
**Chair on Behalf of the Board of Trustees**

**Date:** 25/10/21

## **Independent auditors' report to the Trustee of the Mercantile Marine Memorial Trust**

### **Opinion**

We have audited the financial statements of the Mercantile Marine Memorial Trust (the 'charity') for the year ended 31<sup>st</sup> December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31<sup>st</sup> December 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 7, 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 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

- Enquiry of management around actual and potential litigation and claims;
- Enquiry of management to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

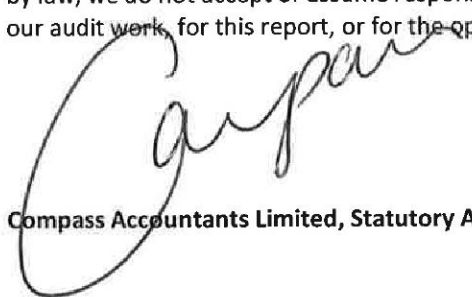
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed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

**Mercantile Marine Memorial Trust**  
**Charity number: 1179537**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

**Use of our report**

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



**Compass Accountants Limited, Statutory Auditor**

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

**Date: 31 OCTOBER 2021**

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

## Statement of financial activities

For the year ended 31 December 2020

	Notes	Unrestricted funds £	2020 Total £	Unrestricted funds £	2019 Total £
<b>Income from:</b>					
Donations and legacies					
Balance of LIBOR income from the National Museum of the Royal Navy		-	-	1,184,095	1,184,095
<b>Total income</b>		-	-	1,184,095	1,184,095
<b>Expenditure on:</b>					
Charitable activities					
Collections and asset management	2	7,900	7,900	22,184	22,184
<b>Total expenditure</b>		7,900	7,900	22,184	22,184
<b>Net income/(expenditure)</b>		(7,900)	(7,900)	1,161,911	1,161,911
<b>Transfers between funds</b>		-	-	-	-
<b>Net movement in funds</b>		(7,900)	(7,900)	1,161,911	1,161,911
<b>Reconciliation of funds:</b>					
Funds brought forward		1,161,911	1,161,911	-	-
<b>Total funds carried forward</b>		1,154,011	1,154,011	1,161,911	1,161,911

All recognised gains and losses are included in the statement of financial activities

The notes on pages 14 to 18 form an integral part of these financial statements.

**Balance Sheet**  
**as at 31 December 2020**

	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Heritage assets	5	600,000	600,000
		<u>600,000</u>	<u>600,000</u>
<b>Current assets</b>			
Debtors	6	561,211	565,511
		<u>561,211</u>	<u>565,511</u>
<b>Creditors: amounts falling due within one year</b>	7	(7,200)	(3,600)
		<u>(7,200)</u>	<u>(3,600)</u>
<b>Net current assets</b>		554,011	561,911
		<u>554,011</u>	<u>561,911</u>
<b>Net assets</b>		<u>1,154,011</u>	<u>1,161,911</u>
		<u>1,154,011</u>	<u>1,161,911</u>
<b>Funds</b>			
Unrestricted funds		1,154,011	1,161,911
		<u>1,154,011</u>	<u>1,161,911</u>
<b>Total funds</b>		<u>1,154,011</u>	<u>1,161,911</u>

The financial statements were approved by the board and signed on its behalf by

**Joshua Garner**  
**Chair on Behalf of the Board of Trustees**

**Date:**

The notes on pages 14 to 18 form an integral part of these financial statements.

**Cash flow statement**

**for the year ended 31 December 2020**

	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities:</b>		
<b>Net cash provided by/(used in) operating activities</b>	-	600,000
<b>Cash flows from investing activities:</b>		
Purchase of heritage assets	-	(600,000)
	<u>-</u>	<u>(600,000)</u>
<b>Cash and cash equivalents at 1 January 2020</b>	-	-
	<u>-</u>	<u>-</u>
<b>Cash and cash equivalents at 31 December 2020</b>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Net income/(expenditure) for the reporting period	(7,900)	1,161,911
(Increase)/decrease in debtors	4,300	(565,511)
Increase/(decrease) in creditors	3,600	3,600
	<u>-</u>	<u>-</u>
<b>Net cash provided by/(used in) operating activities</b>	<u>-</u>	<u>600,000</u>

## **Notes to the financial statements** **for the period ended 31 December 2020**

### **1. Accounting policies**

#### **1.1. Charity information**

The Mercantile Marine Memorial Trust is a registered charity, number 1179537.

The Mercantile Marine Memorial Trust meets the definition of a public benefit entity under section 34 of FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value, unless otherwise stated in the relevant accounting policy. The principal objectives of the charity are detailed in the Trustees report.

#### **1.2. Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Accounting Practice.

The role of the Trust is solely to hold the heritage assets and reserves of the Mercantile Marine Memorial Collection. The Trustees are content that the going concern basis continues to apply and the impact of the COVID-19 pandemic does not create a material uncertainty around going concern in the Trust.

The financial statements are presented in sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

#### **1.3. Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

#### **1.4. Grants receivable**

Revenue grants are credited to incoming resources on the earlier date of when they are received or when they are receivable. If a grant of donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the charity's control and it is probable those conditions will be met in the accounting period.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation on the fixed assets purchased with such grants is charged against the restricted fund.

#### **1.5. Expenditure**

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

#### **1.6. Basis of allocation**

Governance costs include those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

#### **1.7. Restricted funds**

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

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

**Notes to the financial statements**  
**for the period ended 31 December 2020**

**1.8. Tangible fixed assets**

Tangible fixed assets with a cost or value greater than £2,500 and a useful life exceeding one year are capitalised at historic cost.

**1.9. Heritage assets**

The heritage assets held by the trust are capitalised in the accounts on the basis of cost of purchase. The assets are not depreciated due to their infinite useful economic lives. An annual review for impairment is carried out in accordance with the Charities SORP, with any impairment recognised in the Statement of Financial Activities.

**The Collection**

The collection consists of artefacts, physical, written and oral reflecting the history of the British Mercantile Marine.

**1.10. Basic financial instruments**

The Museum's financial assets and liabilities consist of cash and cash equivalents, short term investments, trade debtors, trade creditors and accrued expenses. The fair value of these items approximates their carrying value due to their short term value. Unless otherwise noted, the Museum is not exposed to significant interest, foreign exchange or credit risks arising from these instruments.

Term deposits of less than one year are classified as investments within current assets.

**Notes to the financial statements  
for the period ended 31 December 2020**

**2. Collections and asset management**

	<b>Collections and asset management</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Storage costs	3,908	3,908	9,102
Governance and support costs	3,992	3,992	13,082
	<u>7,900</u>	<u>7,900</u>	<u>22,184</u>

**3. Governance and support costs**

	<b>Collections and asset management</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Accountancy fees	900	900	900
Auditor's remuneration	2,700	2,700	2,700
Legal and professional fees	392	392	8,951
Other costs	-	-	531
	<u>3,992</u>	<u>3,992</u>	<u>13,082</u>

**4. Employee costs**

There were no employees directly employed by the charity in the period.

No Trustees received remuneration or were reimbursed for travel expenses during the year.

**Notes to the financial statements  
for the period ended 31 December 2020**

**5. Heritage assets**

	At cost £	Total £
<b>Cost or valuation</b>		
At 31 December 2019 and 31 December 2020	<u>600,000</u>	<u>600,000</u>
<b>Net book values</b>		
At 31 December 2019 and 31 December 2020	<u><u>600,000</u></u>	<u><u>600,000</u></u>

On 27th November 2017 a collection of artworks was purchased from Mr Michael Charles for £600,000, consisting mainly paintings of ships. The collection consists of approximately 1300 artworks but at this stage there is no complete list. Further work is required to ensure the Trust has a complete inventory of the collection.

The collection has been included within heritage asset additions at the purchase price of £600,000.

<b>Five-year summary</b>	2020 £	2019 £
<u>Additions</u>		
Purchases	-	600,000
Donations	-	-
<u>Disposals</u>	-	-

**6. Debtors**

	2020 £	2019 £
Other debtors	<u>561,211</u>	<u>565,511</u>
	<u><u>561,211</u></u>	<u><u>565,511</u></u>

**7. Creditors: amounts falling due within one year**

	2020 £	2019 £
Accruals	<u>7,200</u>	<u>3,600</u>
	<u><u>7,200</u></u>	<u><u>3,600</u></u>

**Notes to the financial statements  
for the period ended 31 December 2020**

**8. Analysis of net assets between funds**

	Tangible Fixed Assets	Net Current Assets	2020 Total
	£	£	£
Unrestricted funds	600,000	554,011	1,154,011
	<u>600,000</u>	<u>554,011</u>	<u>1,154,011</u>
	<u><u>600,000</u></u>	<u><u>554,011</u></u>	<u><u>1,154,011</u></u>

	Tangible Fixed Assets	Net Current Assets	2019 Total
	£	£	£
Unrestricted funds	600,000	561,911	1,161,911
	<u>600,000</u>	<u>561,911</u>	<u>1,161,911</u>
	<u><u>600,000</u></u>	<u><u>561,911</u></u>	<u><u>1,161,911</u></u>

**9. Related party transactions**

The charity is a related party of the National Museum of the Royal Navy (the National Museum). During the year the charity received income of £Nil (2019: £1,184,095) from, and paid expenses of £4,300 (2019: £18,584) to, the National Museum. At the end of the period an amount of £561,211 (2019: £565,511) was held on trust on behalf of the charity by the National Museum.