

Charity number: 1179537

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

Contents

Legal and administrative information3

Foreword4

Performance Report.....5

Statement of Trustees’ responsibilities7

Statement of Financial Activities.....8

Charity Balance Sheet9

Cash flow statement10

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 st September 2022 Professor Dominic Tweddle Mr Tim Schadla-Hall – resigned 9 th January 2023 Mrs Trudy Grey – appointed 11 th April 2023 Mr David McGinley – appointed 12 th 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 31st 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.”

As at 31st 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: 11th 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: 11th April 2023

Statement of financial activities

For the year ended 31 December 2022

	Notes	Unrestricted funds £	2022 Total £	Unrestricted funds £	2021 Total £
Income from:					
Donations and legacies		-	-	-	-
Total income		-	-	-	-
Expenditure on:					
Charitable activities					
Collections and asset management	2	6,383	6,383	4,152	4,152
Total expenditure		6,383	6,383	4,152	4,152
Net income/(expenditure)		(6,383)	(6,383)	(4,152)	(4,152)
Transfers between funds		-	-	-	-
Net movement in funds		(6,383)	(6,383)	(4,152)	(4,152)
Reconciliation of funds:					
Funds brought forward		1,149,859	1,149,859	1,154,011	1,154,011
Total funds carried forward		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 £
Fixed assets			
Heritage assets	5	600,000	600,000
		<u>600,000</u>	<u>600,000</u>
Current assets			
Debtors	6	545,246	553,489
		<u>545,246</u>	<u>553,489</u>
Creditors: amounts falling due within one year	7	(1,770)	(3,630)
		<u>(1,770)</u>	<u>(3,630)</u>
Net current assets		543,476	549,859
		<u>543,476</u>	<u>549,859</u>
Net assets		<u>1,143,476</u>	<u>1,149,859</u>
Funds			
Unrestricted funds		1,143,476	1,149,859
		<u>1,143,476</u>	<u>1,149,859</u>
Total funds		<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: 11th 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	-	-
	<hr/>	<hr/>
Cash and cash equivalents at 1 January 2022	-	-
	<hr/>	<hr/>
Cash and cash equivalents at 31 December 2022	-	-
	<hr/> <hr/>	<hr/> <hr/>
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)
	<hr/>	<hr/>
Net cash provided by/(used in) operating activities	-	-
	<hr/> <hr/>	<hr/> <hr/>

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

	Collections and asset management	2022	2021
	£	£	£
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>

4152

3. Governance and support costs

	Collections and asset management	2022	2021
	£	£	£
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

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

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.

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

6. Debtors

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

7. Creditors: amounts falling due within one year

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

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

8. Analysis of net assets between funds

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