



The Society for Nautical Research

(A Company Limited by Guarantee)

Company Number: 2848095

Charity Number: 1026357

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2023

The Society for Nautical Research

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The Society for Nautical Research

Legal and Administrative Information

President

Jonathan Coad

Chairman

Dr J D Davies

Hon. Secretary and Company Secretary

Cdr M A Barton

Hon. Treasurer

Dr P V Nash

Editor

Dr M Bellamy

Vice Presidents

Cdr J M Bingeman Dr A Coats

Dr C Holt

Dr Cathryn Pearce

Lt Cdr F L Phillips

Mr A M Roach

Dr S Rose

Membership Secretary

Mrs H Garvey

Independent Examiner

Moore Kingston Smith LLP

9 Appold Street

London

EC2A 2AP

Bankers

Barclays Bank plc

8/9 Hanover Square

London W1A 4ZW

Investment Managers

Adam & Company

88 Wood Street

London EC2V 7QR

Registered Office

9 Appold Street

London

EC2A 2AP

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2023

Status and Administration

The Society is a charitable company limited by guarantee (registration number: 2848095) registered with the Charity Commission number 1026357. The Council sets the policies of the Society and these are administered by the Chairman, Honorary Secretary and Honorary Treasurer. The governing document of the charity is the memorandum and articles of association which were updated and approved at the 2021 Annual General Meeting. There are no restrictions imposed by the governing document except the objects of the charity as stated below.

Objects

The principal activity of the company includes the promotion of research into nautical antiquities and matters relating to the history of seafaring and ship building, languages and customs of the sea and to publish the results of such research and otherwise advance public education in such subjects. In particular this includes the publication of *The Mariner's Mirror* quarterly. In addition there are two restricted funds, both of which are subsidiary charities, the Save the Victory Fund and the Macpherson Collection Endowment Fund. The Save the Victory Fund has been formed for the restoration and presentation to the public of Nelson's Flag Ship HMS Victory and the Macpherson Collection Endowment Fund acquires works of art for the National Maritime Museum.

Trustees

The Officers of the Society and the Council members are the Charity Trustees of the Society and are listed below:

Dr J D Davies (Chairman of the Society)	Mr S Fisher (elected 2023, review 2027)
Dr P V Nash (Honorary Treasurer)	Dr M Heaslip (elected 2023, review 2027)
Cdr M A Barton (Honorary Secretary, resigned as Trustee 10 June 2023)	Prof. C Jowitt (elected 2023, review 2027)
N Ball (elected 2023, review 2027)	K Jamieson (elected 2021, review 2025)
C. Brandon (elected 2019, ends 2023)	Capt P King (elected 2020 review 2024)
H Cunliffe (elected 2023, review 2027)	J Michell (elected 2021, review 2025)
D. Nudd (elected 2022, review 2026)	Dr K Parker (elected 2021, review 2025)
Lt Cdr A Telfer (elected 2022, review 2026)	Dr C Scheybeler (elected 2021, review 2025)
A Roach (resigned 10 June 2023)	P M Bugden (resigned 10 June 2023)
Dr J Davey (resigned 10 June 2023)	N Hewitt (resigned 10 June 2023)
Dr C P Holt (resigned 10 June 2023)	

Trustee appointment, induction and training

The Articles of Association of the Society specify the election procedure for the Officers of the Society and the Council. In accordance with their obligations Council in each year nominates a list of willing candidates for election by the members of the Society at each properly constituted annual general meeting. These may be for the positions of Vice President or for Councillors as well as for the President and other Officers of the society. The Officers are obliged to submit themselves for re-election each year. The Councillors whose four year term of office has expired may stand for re-election. The final say as to which persons serve is made by the membership of the Society who are also asked to nominate candidates for election. All the Vice Presidents, Councillors and Officers are given a copy of the Memorandum of Understanding and the Articles of Association of the Society together with a copy of the Society's Guide to the Conduct of Business. This includes a reminder that Vice Presidents have a working role and that Councillors and Officers are both Directors and Trustees of the Society and this reminder is reinforced in Council meetings from time to time by the Officers. The Directors and Trustees of the Society are helped to discharge their responsibilities through guidance in Council by the Officers, by receiving necessary papers recording the advice of the Society's financial advisers and by receiving, at least once a year, a Risk Analysis Review. The Council's particular contribution is a rigorous annual scrutiny of budget proposals and a quarterly review of progress. In addition, the Finance and General Purposes Committee receive an oral and written briefing every six months by the Society's financial advisors. The frequency has increased during the difficult market conditions which have prevailed in recent years.

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2023

Key Management Personnel

The key management personnel of the society are the Officers and the Council members. The Officers are re-elected every year by the Society at the AGM, and their efforts during the year speak for themselves. Council members have been elected on the basis of the wisdom and experience that they can bring to the Society. The vice presidents bring a wealth of experience across many fields to Council meetings, and are always available to give advice in their particular field of expertise if it is asked for. The Editor of the Mariner's Mirror, Dr Bellamy is remunerated at the rate of £2,000 per edition. The Editor of Topmasts, N Blanchford, is remunerated at the rate of £1,000 per edition.

The Aims of the Society

To promote research into nautical antiquities, into matters relating to sea-faring and shipbuilding in all ages and among all nations, into the language and customs of the sea and into other subjects of nautical interest, to publish the useful results of such research and otherwise advance public education in such subjects (Memo of Association, updated 2021).

Objectives, Strategies and Achievements

Objective	Strategy	Achievement
Publish The Mariner's Mirror four times per annum.	Support the work of the Editor, the Hon. Reviews Editor and the Editorial Board. (Operations overseen by the Publications Committee).	This was achieved as usual with electronic copies of The Mariner's Mirror targeted at institutional users by Taylor & Francis and with hard copies for personal members.
Publish Topmasts, the Society's newsletter, four times a year.	Support the work of the Topmasts Editor.	Topmasts is available electronically through the SNR website.
Manage the website to reflect the Society and its achievements.	The website reflects the strengths and achievements of the Society and uses social media to reach new members.	Membership figures continue to increase, with members joining through activities relating to the Forum and Topmasts.
Advance public education in Maritime History.	Provide financial support from the budget set from the Tomlin Fund for research conferences and programmes of work. To award the Anderson, Victory and Centenary Medals as appropriate.	Six research grants (totalling £3,000) were made to individuals and five grants were made to support conferences and seminars around the UK (totalling £2,500) The Anderson Medal for best book in Maritime History (2022) was awarded to Roger Knight for his book Convoys. The Victory Medal was awarded to Henry Cleary OBE for his dedication to the preservation and restoration of VIC 56.

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2023

Overview

This year is the eleventh to reflect the publishing arrangements between ourselves and Taylor & Francis for The Mariner's Mirror, an INT1 category international publication in the European List of Humanities with high visibility and influence among researchers in the various research domains in different countries, regularly cited all over the world. Whilst still retaining editorial control of The Mariner's Mirror and meeting the costs of editing and typesetting, the Society is no longer responsible for the printing and distribution of the journal which continues to be undertaken by Taylor & Francis. Council believes this partnership will continue to secure the Society's standing in the electronic age. The Mariner's Mirror is produced in electronic form and targeted by Taylor & Francis at institutional bodies who no longer want to receive publications in paper format. This has not only significantly increased The Mariner's Mirror's exposure to the worldwide institutional market but it has also created online worldwide demand for full text downloads. The Mariner's Mirror continues to be available in the traditional form to personal members of the Society.

This is the ninth year in which the SNR website managed by Burlington Partnership has continued to provide a dynamic and interactive platform covering the activities of the society and its members available to both existing and potential new members worldwide. It has now become the predominant source for securing new members. In addition, our electronic newsletter TOPMAST'S remains extremely popular with our membership and continues to expand and provide an invaluable - if more informal - source of information and articles covering a wide spectrum of maritime interests. The Society has also continued the very successful programme of podcasts through Dr Sam Willis which we believe is both beneficial to anyone interested in maritime history as well as to the profile and reputation of the SNR.

Review of Activities and Financial Results

The Society has recorded a surplus for the year ended 31 December 2023 amounting to £449,644 taking into account £347,326 which represented net gains on investments (2022: net loss £612,993). Investments for both unrestricted and restricted funds increased in market value by just over 11.99% from £4,768,736 to £5,340,730. As far as the balance sheet is concerned this increased the net assets by nearly 8.77% from £5,127,043 to £5,576,687.

Overall, this year's operational activities however have been encouraging as we have returned to normal business post the hiatus of the COVID 19. We have remained active in pursuing our publishing endeavours, both print and on the website. Both Mariner's Mirror and TOPMAST continue to be very well received and our website has been particularly busy, enhanced by the podcast programme along with several YouTube videos. Podcast episodes have now been downloaded over 500,000 times. The podcast was supported by Lloyd's Register Foundation, although their funding has changed such that it will reduce to fortnightly in 2024.

Our operating income and expenditure otherwise remain in harmony helped by significantly improved investment income, podcast income and donations. Moreover, subscriptions have increased again which is most encouraging, as is the fact that members resident overseas have also increased to 33% from 28% of total subscriptions. Our contract with Taylor & Francis has enabled a further modest improvement in royalties in lieu of subscription income traditionally derived from our institutional membership subscriptions. Overall administration costs for the year have remained stable and within budget.

The Society has determined that given the uncertainty of the markets and general economic outlook which might affect the level of surplus year-end this was not the time to transfer £5,000 to the contingency fund held with our investment advisers Adam & Co. We try to achieve this each year but only if the surplus warrants it.

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2023

The following comments for each fund provide some background behind the overall results.

The Society's Tomlin Fund provided £500 to the Naval Dockyards conference in Portsmouth, as well as £500 for the annual New Researchers conference. A further £500 was given to support Maritime History North as well as £250 to the BCMH for the Kings College maritime seminars.

The Save the Victory Fund (STVF) was not called upon for funds this year, so it has continued to strengthen its balance sheet and continue to build up a very healthy liquid reserve for future demands.

The Macpherson Collection Endowment Fund was again not called upon to provide funds to the National Maritime Museum this year.

The Anderson Fund provided research grants amounting to just over £3,000 to the following recipients: P Huddie, E Smith, P D Harvey, G Kerr, L Wojahn, C O'Connell, J Boyd. It also continued to support the annual Anderson conference at Greenwich.

Risk Assessment

The Trustees have examined the financial and operational risks which the charity faces and confirm that systems controls and review procedures have been established to mitigate exposure to these risks.

In order to help manage these risks further, a Reserves Policy was adopted and first published in the Annual Report for 2001. This is reviewed annually and revised if necessary to reflect the financial circumstances in which the Society operates should these change significantly.

Although the Society has no fixed assets, nor places any reliance upon raising funds from new donors to meet commitments, it nevertheless considers the following types of risk to be the most important and the Society has therefore taken over time a number of appropriate steps designed to mitigate their impact.

Loss of reputation, whether through the website, our podcasts or The Mariner's Mirror, is a significant group of risks that would seriously affect the performance of the Society. Although there is a relatively low probability of this happening we nevertheless undertake certain continuing precautions including but not limited to vigilant management at all times, properly exercised moderation on the website as well as making sure we comply with all applicable regulations and legislation. Moreover, we continually monitor performance of Taylor & Francis as well as having in place a proper succession plan to ensure we maintain editorial continuity. We are also considering a more formalised approach to succession planning overall to ensure the Society has the necessary human resources in place to provide management continuity going forward.

The other major area of risk is financial including significant loss of funds or reserves due to negligence or incompetence by our investment advisers or collapse of investment markets. Again such events would be very serious if they were to happen although their likelihood remains relatively low provided we continue to monitor their performance through regular meetings including agreeing appropriate risk guidelines and performance assessment criteria.

The third broad group of risks are operational including uncontrolled budgetary excesses as well as fraud, theft or dishonesty by staff or third parties. The precautions we have taken for the former include but are not limited to applying a rigorous budgetary procedure that must be approved by the Trustees, and regularly monitored by the Finance & General Purposes committee. For the latter we have instituted liability insurance cover where and when appropriate, we have dual control of payments and disbursements while our payment systems on the website are secured with a ring-fenced bank account for transfers via PAYPAL/STRIPE. Finally, we recognize that as a charity we must ensure a continuous and seamless operation of the Society's affairs by ensuring we have established successor planning and potential for recruitment, particularly for volunteers which can be challenging for this sector.

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2023

Reserves Policy

The Reserves Policy of the Society has been determined based on the Society's objectives and the current and expected future activities needed to fulfil these objectives. The trustees have set a policy after taking into account the foreseeable future income and expenditure patterns and associated risks. Its main features are:

Restricted Funds

- a) One of the Society's major activities is the long term preservation and restoration of HMS Victory, conducted through the Society's restricted Charitable fund called 'Save the Victory Fund' (STVF) whereby expenditure is budgeted annually against expected annual income derived from investments, in accordance with an overall rolling five-year plan. This year has seen a further considerable build-up in the amount of available funds to meet funding bids from HMS Victory but these have not been forthcoming while major infrastructural development continues apace on the hull itself. The Society remains ready to respond to further calls for supporting HMS Victory as part of the STVF mandate.
- b) The Society's other Charitable restricted fund, called the Macpherson Collection Endowment Fund is available for purchasing from time to time, from available accumulated funds, works of art for the National Maritime Museum to add to the Macpherson Collection. Any purchases are funded only from surplus income not endowment capital.

Unrestricted Funds

The policy is designed to provide resources to fund the rest of the Society's activities into the foreseeable future, including promotion of research into nautical antiquities and matters relating to the history of seafaring and ship building, languages and customs of the sea and to publish the results of such research and otherwise advance public understanding and education in these subjects. This requires the Society:

- a) To achieve a margin of working capital sufficient to enable all aspects of the Society's work to be conducted in an orderly and efficient manner.
- b) To achieve a liquid reserve to provide cover for expected but unavoidable items of expenditure which cannot be funded from current income. This proved a particularly valuable strategy when we were able to apply contingency funds built up over the previous five years towards funding special one-off centenary publications which would not have been otherwise possible from current income alone. We continue to set aside each year an appropriate amount to help prepare us for future unforeseen or even planned exceptional costs which might arise from time to time.

However, the major challenge before us remains the need to ensure we have the resources available to invest in the necessary technology to enable the Society to meet the needs of a changing readership market by adopting a number of web-based strategies including the digitization of *The Mariner's Mirror*. As such the Farrar Fund continues to provide an assured source of potential funding for such development and has been structured from an investment point of view to provide both liquidity (for potentially sudden or urgent capital requirements) as well as longer term equity type support for the sort of transformation that is now well underway.

Our reserves are therefore derived from two sources. The first is by transferring every year whenever there is a sufficient surplus at year end, a sum of £5,000 to a contingency fund held by our investment managers intended to facilitate the Society's ability to meet an unbudgeted or emergency liability that might prove difficult to fund from available current income at the time. The second source derives from surpluses reached in any year on our unrestricted funds where grants or donations are by nature erratic due to the nature of the purpose or economic environment.

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2023

Future plans

The Trustees are mindful that they are responsible for the heritage of the society and also for its healthy future. The commissioning of the new website was the first step towards a more electronically aware future which is already bringing in new members. A new five-year business strategy has now been put in place with each committee have clearer delegated tasks. From this several proposed developments are now under discussion, although further ideas from members remain welcome.

Investment Powers, Policy and Performance

On 31st December 2023, the value of the portfolios overseen by the Society totalled £5.34 million, representing an increase of 11.99% over 2022. This includes the Farrar Fund (c.£151k) which is managed with a lower risk mandate but excludes money accumulating in the income accounts of each portfolio. Adjusting for all withdrawals, and the size of the different portfolios, the weighted average performance net of fees over the year (including the Farrar Fund) was 7.2%. In aggregate all 6 portfolios produced income of £138,526 over the year.

By way of comparison, the Societies bespoke benchmark that was agreed with the trustees for all the portfolios bar the Farrar Fund, consisting of 50% FTSE All Share TR/20% FTSE All World ex UK (£) TR/30% Government All Stocks TR, rose 8.24% (gross of fees) during the year. The Retail Price Index (RPI) rose by 5.2% during 2023.

Market Review - Summary

The beginning of 2023 still saw economies worldwide grappling with soaring prices which Central banks attempted to tame through interest hikes and other tightening monetary policy measures. However, the ripple effects of these monetary policies were far-reaching, with turmoil being experienced within the US regional banking sector leading to US bank failures, elevated market uncertainty over the future path of interest rates.

Against the backdrop of economic turbulence, a select group of stocks emerged as the undisputed champions within investor portfolios. Dubbed the "Magnificent Seven," this small group of shares, comprising Apple, Alphabet, Amazon, Meta, Microsoft, Nvidia, and Tesla, rose precipitously. For the first three quarters, these tech titans accounted for the bulk of stock market returns, responsible for an extraordinary 90% of the S&P500 returns and two-thirds of global market returns.

As the end of 2023 approached, geopolitical tensions in Ukraine, the Middle East and between China and Taiwan exacerbated anxieties over inflation and whether central banks' attempts to engineer a "soft landing" would succeed. As the year progressed, the prospect of interest rate cuts on the horizon permeated financial circles, and market sentiment recovered with UK 10-year treasury bonds falling from 4.60% to 3.65%. The FTSE 250, a measure of UK-focused medium-sized companies, climbed by 13.2% and the S&P 500 index of the largest companies in the US rose by 8.1%, exactly matching the return on US government bonds.

Investment Objectives

a) Restricted funds

The investment objective of The Save the Victory Fund is to seek a balanced return from a combination of income and capital growth using a portfolio consisting of UK equities/funds, overseas equities/funds, fixed interest securities and cash. A 'medium' risk approach is adopted for the portfolio, with a strategic asset allocation split between equities and fixed interest/cash set at 70:30. The income generated from the portfolio during 2023 was £97,849.

The investment objective of the Macpherson Fund is to seek a balanced return from a combination of income and capital growth using a portfolio consisting of UK equities/funds, overseas equities/funds, fixed interest securities and cash. A 'medium' risk approach is adopted for the portfolio, with a strategic asset allocation split between equities and fixed interest/cash set at 70:30. The income generated from the portfolio during 2023 was £18,128.

Given the lack of any drawdown this year there has been a buildup of accumulated net income for both funds, which by year end had accrued about £250,000.

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2023

Investment Objectives (continued)

b) Unrestricted Funds

The investment objectives for the SNR Fund, the Anderson Bequest Fund and the Tomlin Bequest Fund are to seek a balanced return from a combination of income and capital growth using a portfolio consisting of UK equities/funds, overseas funds, fixed interest securities and cash. A 'medium' risk approach is adopted for the portfolios, with a strategic asset allocation split between equities and fixed interest/cash set at 70:30.

The actual income delivered during 2023 was £8,985, £7,326 and £1,458 respectively.

In respect to the Farrar Fund, the benchmark is the Adam Income & Capital Preservation benchmark, which consists of 45% FTSE All Stocks Gilt Index, 40% FTSE All Share Index, 10% FTSE All World excluding UK Index and 5% cash. The income produced from the Farrar Fund in 2023 was £4,780.

Resources

The reserves are split between unrestricted and restricted funds that relate to the individual funds and unrestricted general funds available to the charity for day-to-day use. The Society's assets are sufficient to meet its obligations.

Grant Making Policy

Grants will be made within the established objectives of the Society to promote research into nautical antiquities, into matters relating to seafaring and ship building in all ages and among all nations, into the language and customs of the sea and into other subjects of nautical interest, to publish the useful results of such a research and otherwise advance education in such subjects.

The Society holds various Trust Funds and bequests, whose monies are kept, managed and accounted for separately from its own financial affairs, with purposes dedicated to fulfil particular objectives.

- *Anderson Bequest Fund*

This fund was established by a bequest from the estate of Dr R C Anderson, and its income is available for grant in aid of research on maritime historical affairs in the widest possible sense. The funding of the Anderson Medals is also allocated from this fund for publications of particular merit on maritime history.

- *The Tomlin Fund*

The Tomlin Fund was created by a legacy from Lt Cmdr R J Tomlin. The income from this fund is used to support research in accordance with the Society's objectives and education in maritime historical affairs.

- *Macpherson Trust*

This fund is the residue of funds raised by subscription to purchase the Macpherson Collection of Prints for the National Maritime Museum. The income is devoted to grants for the purchase of prints and pictures for the National Maritime Museum.

- *The Save the Victory Fund*

This fund is the residue of a sum raised by public subscription for the restoration of HMS Victory, and is still open to supplement by donation. The income is reserved for grants devoted to the restoration of the ship to her 1805 state and to her presentation to the Public as such.

- *The Farrar Fund*

This fund was created by a legacy from the estate of Austin Farrar and its income and capital is available for projects designed to promote the awareness as well as the objectives of the Society.

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2023

Statement of Council Members' Responsibilities

The trustees (who are also the directors of the Society for Nautical Research for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

Company law required trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Public benefit

We have referred to the guidance in the Charity Commission's general guidance on Public Benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Small company rules

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By Order of the Council

Dr David Davies

Chairman of the Society

Date:

6 Appold Street
London

Independent Examiner's Report to the Trustees of The Society For Nautical Research

I report to the charity trustees on my examination of the accounts of The Society for Nautical Research for the year ended 31 December 2023.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the 2011 Act ("the 2011 Act"). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent Examiner's Statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- 1) accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
- 2) the accounts do not accord with those records; or
- 3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- 4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Adam Fullerton, FCA, DChA
For and on behalf of Moore Kingston Smith LLP
Chartered Accountants

9 Appold Street
London
EC2A 2AP

Date:

The Society For Nautical Research
Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For the year ended 31 December 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
INCOME FROM:					
Donations and legacies	2	11,096	-	11,096	7
Investments					
Investment income and interest received	3	22,549	115,977	138,526	125,223
Charitable activities					
Subscriptions	4	59,137	-	59,137	64,501
Podcast income		1,699	-	1,699	-
Publications, royalties and copyright sales		26,672	-	26,672	27,183
		<u>87,508</u>	<u>-</u>	<u>87,508</u>	<u>91,684</u>
Other		<u>1,000</u>		<u>1,000</u>	<u>1,948</u>
Total Income		<u>122,153</u>	<u>115,977</u>	<u>238,130</u>	<u>218,862</u>
EXPENDITURE ON:					
Raising funds					
Investment management costs		5,463	23,756	29,219	30,366
Charitable activities					
Grants and donations payable	5	12,382	2,962	15,344	171,631
Publications	6	67,740	-	67,740	66,957
Advancing interest in nautical research	8	23,509	-	23,509	25,167
		<u>103,631</u>	<u>2,962</u>	<u>106,593</u>	<u>263,755</u>
Total Expenditure		<u>109,094</u>	<u>26,718</u>	<u>135,812</u>	<u>294,121</u>
Net gains/(losses) on investments	11	<u>49,115</u>	<u>298,211</u>	<u>347,326</u>	<u>(612,993)</u>
Net Income before transfers		62,174	387,470	449,644	(688,252)
Transfers	14	-	-	-	-
Net Income/(Expenditure) for the year/Net movement in funds		62,174	387,470	449,644	(688,252)
Fund Balances Brought Forward		<u>881,681</u>	<u>4,245,362</u>	<u>5,127,043</u>	<u>5,815,295</u>
Fund Balances Carried Forward	14	<u>943,855</u>	<u>4,632,832</u>	<u>5,576,687</u>	<u>5,127,043</u>

All amounts relate to continuing activities.

The notes on pages 13 to 20 form part of these financial statements.

The Society For Nautical Research
Balance Sheet
As at 31 December 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed Assets					
Tangible fixed assets	10		1		1
Investments	11		<u>5,340,730</u>		<u>4,768,736</u>
			5,340,731		4,768,737
Current Assets					
Debtors	12	6,395		6,619	
Cash at bank and in hand		<u>257,008</u>		<u>531,424</u>	
		263,403		538,043	
Creditors: Amounts falling due within one year	13		<u>(27,447)</u>		<u>(179,737)</u>
Net Current Assets			<u>235,956</u>		<u>358,306</u>
Net Assets			<u><u>5,576,687</u></u>		<u><u>5,127,043</u></u>
Unrestricted Funds	14, 15		943,855		881,681
Restricted Funds	14, 15		4,632,832		4,245,362
			<u><u>5,576,687</u></u>		<u><u>5,127,043</u></u>

The notes on pages 13 to 20 form part of these financial statements.

The directors state:

(a) For the year ended 31st December 2023 the charitable company was entitled to exemption under Section 477 of the Companies Act 2006.

(b) No notice from Trustees requiring an audit has been deposited under Section 476 of the Companies Act 2006.

(c) The directors acknowledge their responsibilities for:

(i) ensuring that the charitable company keeps accounting records which comply with Section 386 of the Companies Act 2006, and

(ii) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year, and of its income and expenditure for the financial year, in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the charitable company.

(d) The accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and in accordance with the provisions of the Financial Reporting Standard 102.

Approved by the Council Members, and authorised for issue, on
and signed on their behalf by:

.....
Dr J D Davies - Chairman

.....
Peter Nash - Hon Treasurer

Companies House Number: 2848095

The Society For Nautical Research

Notes to the Financial Statements

For the year ended 31 December 2023

1 Accounting policies

Basis of Preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The company is a public benefit entity for the purposes of FRS 102 and a registered charity established as a company limited by guarantee in the United Kingdom and therefore has also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006 and Charities Act 2011.

The charity has taken advantage of the provisions of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities. Figures are rounded to the nearest pound.

Going concern

The trustees have assessed whether the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the trustees have considered the charitable company's forecasts and projections and have taken account of pressures on subscription and publication income. After making enquiries, the trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

A summary of the principal accounting policies adopted, judgements and key sources of estimation uncertainty, is set out below.

a) *Incoming resources*

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

b) *Subscription Income*

Subscriptions received in advance of next year are carried forward in the balance sheet and will be included in the Statement of Financial Activities for the following year.

c) *Other Income*

Other income, including publication sales, advertising, royalty income and conference income, is included in the accounts when receivable.

d) *Donations*

Donations are recognised as they are received except in the case where they relate to a specific future project, in which case they are deferred until the commencement of that project.

e) *Legacies*

Legacies include all unsolicited legacies. Legacies are taken into account when capable of financial measurement and receipt is virtually certain.

The Society For Nautical Research

Notes to the Financial Statements

For the year ended 31 December 2023

1 Accounting policies

f) *Investments and Gains and Losses on Investment Assets*

Investments are stated in the financial statements at market value in accordance with the Statement of Recommended Practice issued by the Charity Commission. Gains or losses on investments are disclosed in the statement of financial activities showing separately realised gains from investment sales in the year (sale proceeds less market value last year) and unrealised gains arising from the increase in value during the year of investments still held. Investment income including the associated income tax recoverable is credited to income on a receivable basis.

g) *Cash Flow Statement*

The trustees have taken advantage of the exemptions available in FRS 102 and have chosen not to prepare a cash flow statement.

h) *Resources Expended*

Expenditure is included in the Statement of Financial Activities on a accruals basis, inclusive of any VAT which cannot be recovered. Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Wherever possible costs are directly attributed to headings that aggregate all costs related to the category. Costs common to more than one area are apportioned on the basis of time spent on each area or on a direct cost basis. The irrecoverable element of VAT is included with the expense item to which it relates.

Costs of generating funds are those costs of seeking potential funders and applying for funding.

Grants payable are accounted for on an accruals basis.

Support costs are those costs incurred in support of the charitable objectives. These have been allocated to the charitable activities on a basis that fairly reflects the true use of those resource within the organisation.

Governance costs are those incurred in the governance of the charity and are primarily associated with the constitutional and statutory requirements. The irrecoverable element of VAT is included with the expense item to which it relates.

i) *Critical accounting estimates and areas of judgement*

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

j) *Financial instruments*

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to reduce the asset and settle the liability simultaneously.

With the exception of deferred income, all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 12 and 13 for details.

The Society For Nautical Research
Notes to the Financial Statements
For the year ended 31 December 2023

1 Accounting policies (continued)

k) *Cash and cash equivalents*

Cash and cash equivalents include cash in hand and current and fixed term deposits with banks that are accessible within 3 months.

l) *Functional currency*

The functional and presentation currency of the company is the pound sterling.

m) *Tangible fixed assets*

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses. Depreciation is provided on tangible fixed assets to write off their cost over estimates of their useful lives at the following

Computers - 33 1/3% straight line

n) *Fund Accounting*

Unrestricted: these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated: these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Restricted: these are funds that can only be used for particular restricted purposes within the objects of the charity. Capital funds with restrictions attached are included in this category. These funds consist of an original endowment and accumulated unspent restricted income.

o) *Taxation*

The company, as a charity, is exempt from taxation.

2 Voluntary Income

	2023	2022
	£	£
<i>Unrestricted funds</i>		
Donations and legacies	5,035	7
Gift Aid - HMRC	6,061	-
	11,096	7

3 Investment income and interest received

	2023	2022
	£	£
<i>Unrestricted funds</i>	22,549	19,505
<i>Restricted funds</i>	115,977	105,718
	138,526	125,223

4 Subscriptions

Of the subscription income, £XXX was received from overseas (2022: £21,488). This equates to XX% of total subscription income (2022: 33%).

Subscription income includes the associated recoverable gift aid.

5 Grants Payable

	2023	2022
	£	£
<i>Unrestricted funds:</i>		
Anderson Medal	27	-
Anderson Conference	960	-
Scottish Maritime History Conference	-	500
Anderson Bequest - Other	-	1,611
Anderson Awards	3,029	3,045
Maritime History North	500	500
New Researchers Grant	500	500
Naval Dockyards Conference	500	2,800
Support costs (Note 8)	6,866	9,350
<i>Restricted funds:</i>		
National Maritime Museum	-	-
Support costs (Note 8)	2,935	2,935
National Museum of the Royal Navy	-	150,000
Victory Medal	27	390
	15,344	171,631

The Society For Nautical Research
Notes to the Financial Statements
For the year ended 31 December 2023

6 Publication Costs	2023	2022
	£	£
<i>Unrestricted funds</i>		
General cost of publications	48,982	47,172
Support costs (Note 8)	18,758	19,785
	<u>67,740</u>	<u>66,957</u>

7 Governance Costs	2023	2022
	£	£
<i>Unrestricted funds</i>		
Support costs (Note 8)	12,187	13,749
Audit and accountancy	9,285	11,695
Other management costs	150	150
	<u>21,622</u>	<u>25,594</u>
<i>Restricted funds</i>		
Audit and accountancy	2,085	2,085
Other management costs	850	850
	<u>24,557</u>	<u>28,529</u>

8 Allocation of Other Membership and Support Costs

Year to 31 December 2023	Grants Payable	Publications	Advancing Interest in Nautical Research	Governance Costs
	£	£	£	£
Membership secretary fees	-	-	13,200	-
Travel, postage and general expenses	1,615	1,615	-	3,230
Lecture and conferences	-	-	750	-
Warrior dinner (net)	-	-	1,373	-
Professional	-	-	-	-
Publicity and Website	-	8,957	-	8,957
	<u>1,615</u>	<u>10,572</u>	<u>15,323</u>	<u>12,187</u>
Direct governance costs				12,370
	<u>1,615</u>	<u>10,572</u>	<u>15,323</u>	<u>24,557</u>
Allocation of governance support costs	<u>8,186</u>	<u>8,186</u>	<u>8,186</u>	<u>(24,557)</u>
	<u>9,801</u>	<u>18,758</u>	<u>23,509</u>	<u>-</u>

The Society For Nautical Research

Notes to the Financial Statements

For the year ended 31 December 2023

8 Allocation of Other Membership and Support Costs Continued

Year to 31 December 2022	Grants Payable £	Publications £	Advancing Interest in Nautical Research £	Governance Costs £
Membership secretary fees	-	-	13,200	-
Travel, postage and general expenses	2,775	2,775	-	5,549
Lecture and conferences	-	-	250	-
Victory events	-	-	2,208	-
Professional	-	-	-	700
Publicity and Website	-	7,500	-	7,500
	<u>2,775</u>	<u>10,275</u>	<u>15,658</u>	<u>13,749</u>
Direct governance costs	-	-	-	14,780
	<u>2,775</u>	<u>-</u>	<u>10,275</u>	<u>-</u>
	<u>15,658</u>	<u>-</u>	<u>28,529</u>	<u>-</u>
Allocation of governance support costs	9,510	9,510	9,510	(28,529)
	<u>12,285</u>	<u>19,785</u>	<u>25,168</u>	<u>-</u>

No staff were employed by the charity during 2023 (2022: None).

9 Net Incoming Resources

Are stated after charging:	2023 £	2022 £
Independent examiner's remuneration	11,370	9,750
Trustee expenses reimbursed to 5 trustees (2022: 2 trustees)	600	465
	<u>11,970</u>	<u>10,215</u>

Trustee expenses related predominantly to travel costs. No trustee received remuneration in 2023 (2022: £Nil).

10 Tangible Fixed Assets

	Plant & Machinery £
Cost	
As at 1 January 2023 and 31 December 2023	<u>1,485</u>
Depreciation	
As at 1 January 2023 and 31 December 2023	<u>1,484</u>
Net Book Value	
As at 1 January 2023 and 31 December 2023	<u>1</u>

The Society For Nautical Research

Notes to the Financial Statements

For the year ended 31 December 2023

11 Investments

Investments are listed on a recognised stock exchange or are held in units of common investment funds where their values are calculated by reference to investments quoted on a recognised stock exchange.

	2023		2022	
	Cost £	Market Value £	Cost £	Market Value £
Unrestricted Funds				
General Fund	187,075	268,349	188,260	249,015
Designated Funds:				
Anderson Bequest Fund	221,520	296,218	198,207	260,438
Tomlin Bequest Fund	64,000	67,514	48,867	62,233
Farrar Fund	135,605	150,809	131,168	139,761
	<u>608,200</u>	<u>782,890</u>	<u>566,502</u>	<u>711,447</u>
Restricted Funds	<u>3,106,265</u>	<u>4,557,840</u>	<u>2,902,186</u>	<u>4,057,289</u>
	<u>3,714,465</u>	<u>5,340,730</u>	<u>3,468,688</u>	<u>4,768,736</u>
	Unrestricted Funds £	Restricted Funds £	Unrestricted Funds £	Restricted Funds £
Balance at beginning of year	701,192	3,998,109	786,951	4,451,335
Additions	125,827	490,884	16,005	179,663
Disposals at book value	(101,535)	(248,574)	(22,740)	(98,817)
Net gains/(losses) on investments	49,013	296,171	(78,993)	(534,000)
Add: Cash balances included in investments	8,393	21,250	10,224	59,108
	<u>782,890</u>	<u>4,557,840</u>	<u>711,447</u>	<u>4,057,289</u>
			Market Value 2023 £	Market Value 2022 £
UK equities			2,103,743	955,729
UK Fixed Interest			1,223,366	20,404
UK index linked			20,194	2,030,515
Overseas equities			1,633,326	1,477,529
Overseas Fixed Interest			330,457	215,123
Cash			<u>29,644</u>	<u>69,436</u>
			<u>5,340,730</u>	<u>4,768,736</u>

The Society For Nautical Research
Notes to the Financial Statements
For the year ended 31 December 2023

12 Debtors	2023	2022
	£	£
Taxation and social security debtor	859	1,290
Royalty debtor	5,000	5,000
Podcast debtor	536	329
	<u>6,395</u>	<u>6,619</u>

13 Creditors: Amounts falling due within one year	2023	2022
	£	£
Accruals and deferred income	27,447	29,737
Grant creditor	-	150,000
	<u>27,447</u>	<u>179,737</u>

Of the above, £7,499 relates to deferred income, all of which was deferred in the current year (2022: £7,872).
Deferred income relates to subscription income received in advance.

14 Funds	Balance at					Balance at
	1 Jan	Incoming	Outgoing	Transfers	Investment	31 Dec
	2023	Resources	Resources		Gains	2023
Unrestricted Funds	£	£	£		£	£
General Fund	398,714	108,589	(99,720)	-	20,081	427,664
Designated Funds:						
Anderson Bequest	275,240	7,326	(6,354)	-	16,653	292,865
Tomlin Bequest	61,873	1,458	(1,945)	-	5,282	66,668
Farrar Fund	145,854	4,780	(1,074)	-	7,098	156,658
	<u>881,681</u>	<u>122,153</u>	<u>(109,093)</u>	<u>-</u>	<u>49,114</u>	<u>943,855</u>
Restricted Funds						
Save the Victory	3,536,595	97,849	(22,060)	-	244,108	3,856,492
Macpherson Collection	708,767	18,128	(4,658)	-	54,103	776,340
	<u>5,127,043</u>	<u>238,130</u>	<u>(135,811)</u>	<u>-</u>	<u>347,325</u>	<u>5,576,687</u>

Designated Funds

The designated funds will be spent in line with the investment income that becomes available and will be spent in accordance with the designations as per the below:

The Anderson Bequest

This fund is used to fund grants for research work on maritime history in general. The transactions of the fund are separately recorded and were created from unrestricted legacies received.

The Tomlin Bequest Fund

This fund is designated by the Council to augment financial support for conferences and other Society activities.

The Farrar Fund

This fund was created by a legacy from the estate of Austin Farrar and its income and capital is available for projects designed to promote awareness as well as the objectives of the society.

Restricted Funds

The restricted funds comprise two endowment funds which are the Save the Victory Fund and the Macpherson Collection Endowment Fund. The Save the Victory Fund engages in activities that preserve and restore HMS Victory. The Macpherson Collection Endowment Fund purchases works of art for the National Maritime Museum.

The Society For Nautical Research
Notes to the Financial Statements
For the year ended 31 December 2023

14 Funds	Balance at 1 Jan 2022	Incoming Resources	Outgoing Resources	Transfers	Investment Gains	Balance at 31 Dec 2022
	£	£	£		£	£
Unrestricted Funds						
General Fund	433,377	98,882	(103,143)	-	(30,402)	398,714
Designated Funds:						
Anderson Bequest	302,446	7,111	(7,045)	-	(27,272)	275,240
Tomlin Bequest	71,388	1,882	(4,805)	-	(6,592)	61,873
Farrar Fund	157,419	4,321	(1,159)	-	(14,727)	145,854
	<u>964,630</u>	<u>112,196</u>	<u>(116,152)</u>	<u>-</u>	<u>(78,993)</u>	<u>881,681</u>
Restricted Funds						
Save the Victory	4,081,557	90,792	(173,228)	-	(462,526)	3,536,595
Macpherson Collection	769,108	15,874	(4,741)	-	(71,474)	708,767
	<u>5,815,295</u>	<u>218,862</u>	<u>(294,121)</u>	<u>-</u>	<u>(612,993)</u>	<u>5,127,043</u>

15 Analysis of Net Assets between Funds	Fixed Assets and Investments	Net Current Assets	2023 Total	2022 Total
	£	£	£	£
Unrestricted funds	782,890	160,967	943,857	881,681
Restricted funds:				
Save the Victory Fund	3,832,235	24,254	3,856,489	3,536,595
Macpherson Collection Endowment Fund	725,606	50,735	776,341	708,767
	<u>5,340,731</u>	<u>235,956</u>	<u>5,576,687</u>	<u>5,127,043</u>

16 Councils' Liability

In the event of the company being wound up, the liability of each member is limited to £1. At 31 December 2023, there were 16 members.

17 Related party transactions

During the year, Helen Garvey, the membership secretary received fees of £13,200 (2022: £13,200).

The key management personnel of the society are the Officers and the Council members. They were not remunerated in the year (2022: £nil).