



(A Company Limited by Guarantee)

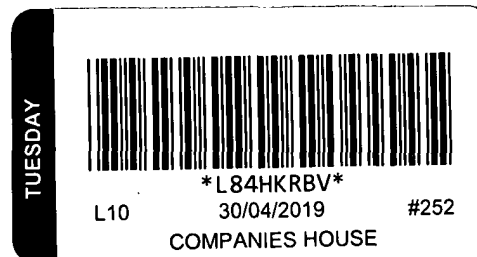
Company Number: 2848095

Charity Number: 1026357

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2018



The Society for Nautical Research

Contents Page

	Page
<i>Legal and Administrative information</i>	1
Report of the Council	2 - 10
Report of the Auditor	11 - 13
Statement of Financial Activities	14
Balance Sheet	15
Notes to the Financial Statements	16 - 23

The Society for Nautical Research

Legal and Administrative Information

President

H R H The Duke of York

Chairman

Admiral Sir Kenneth Eaton

Hon. Secretary

Mr A B Roach (as from June 2018)

Dr A B McLeod (until June 2018)

Hon. Treasurer

Dr P V Nash

Hon. Editor

Dr M Bellamy (until Oct. 2018)

Vice Presidents

Mr F A Aberg

Cdr J M Bingeman

Mr J Coad (Senior Vice President)

Dr J D Davies

Professor E J Grove

Professor R Harding

Professor D G Law

Lieut Cmdr F L Phillips

Dr S Rose

Dr Pieter van de Merwe

Membership and Company Secretary

Mrs H Garvey

Auditor

Kingston Smith LLP

Devonshire House

60 Goswell Road

London EC1M 7AD

Bankers

Barclays Bank plc

8/9 Hanover Square

London W1A 4ZW

Investment Managers

Adam & Company

25 St Andrew Square

Edinburgh EH2 1AF

Registered Office

Devonshire House

60 Goswell Road

London EC1M 7AD

The Society for Nautical Research

Trustees' Report

For the year ended 31 December 2018

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. 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:

Admiral Sir Kenneth Eaton (Chairman of the Society)

Dr P V Nash (Honorary Treasurer)

A Roach (Honorary Secretary - from June 2018)

Dr M Bellamy (Honorary Editor until Oct. 2018)

R Bateman (re-elected 2017, review 2021)

S Bligh (elected 2018, review 2022)

P Bugden (elected 2015, review 2019)

L Campbell (elected 2017, review 2021)

Dr A Coats (elected 2018, review 2022)

Dr J Davey (elected 2015, review 2019)

N Hewitt (elected 2015, review 2019)

Dr C Holt (elected 2015, review 2019)

Dr CH McMurray (elected 2017, review 2021)

Dr K Parker (elected 2016, review 2020)

Rear-Admiral D Pulvertaft (elected 2016, review 2020)

Dr C Pearce (elected 2018, review 2022)

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 (Continued)

For the year ended 31 December 2018

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. Given the increase in work involved as Editor of the Mariner's Mirror, Dr Bellamy is now remunerated at the rate of £2,000 per edition, with effect from October this year.

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, 1993).

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 now 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 for at least two conferences annually as well as other research proposals, the New Researchers Conference and the ICMH Seminar Series. To award the Anderson, Victory and Centenary Medals as appropriate.	Fifteen organisations and individuals were awarded grants to support conferences and/or research projects. The Anderson Medal for best book in Maritime History (2017) was awarded to Dr David Davies for his book 'Kings of the Sea'. The Victory Medal was awarded to Capt. George Hogg for his committed and personal dedication to the world of historic ships, particularly smaller craft. The Centenary Medal was awarded to Dr Susan Rose for more than fifty years exceptional service to the Society.

**The Society for Nautical Research
Trustees' Report (Continued)
For the year ended 31 December 2018**

Overview

This year is the sixth 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 is now undertaken by Taylor & Francis. Council believe 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 fourth 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 TOPMASTS has become extremely popular for 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.

Review of Activities and Financial Results

The Society has recorded a deficit for the year ended 31 December 2018 amounting to £193,304 taking into account £277,373 which represented net losses on investments (2017: £350,785 gain). Investments for both unrestricted and restricted funds decreased in market value by 5.9% from £4,677,435 to £4,399,889. As far as the balance sheet is concerned this diminished the net assets by 3.8% from £5,140,353 to £4,946,449.

Overall, this year has continued to be an active and successful one, illustrated by a continuing healthy income stream that has held up quite well despite the slight decrease in investment income. The publication of The Mariner's Mirror and TOPMAST as well as the important function of providing research grants and conference support remains as strong as ever, whether from the Society itself or from its various Funds. Our operational Total Expenditure to Total Income ratio remains more or less the same as 2017 and the Society has determined that a further £5,000 should be transferred to the contingency fund held with our investment advisers Adam & Co. Our contract with Taylor & Francis has produced a further modest improvement in royalties in lieu of subscription income traditionally derived from our institutional membership subscriptions. Moreover private subscriptions have held up well for the year, albeit recording a very small decline year on year. Although we now pay a per capita fee to Taylor & Francis for publishing and distributing to our members four copies of the Journal throughout the year, we also receive in return an agreed sum annually to help cover our own editorial and typesetting costs. The Society's overall expenditure for the year is slightly lower than 2017 but this is primarily due to lower investment management costs resulting from a reduction in asset values. Overall administration costs for the year have remained stable but publications costs have grown modestly, reflecting the growing yet essential need to meet contractual and out of pocket travel expenses of our officers, primarily due to the relatively higher prevailing costs of transportation, the widespread location of our officers throughout the UK and the decline of available financial subsidy from employers.

The Society for Nautical Research Trustees' Report For the year ended 31 December 2018

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

For the Society itself, we have been pleased once again to support the BCMH series of seminars at King's College London with our traditional contribution from the Tomlin Fund of £250. The Society has also provided the sum of £500 to support this year's New Researchers' conference held in Bristol. Additionally The Tomlin Fund provided a number of grants this year to various worthy applicants namely K. Roscoe, C. Griffiths, J. Dyble, Maritime History North, P. Reid, S. Hill, G. P. Dreijer, L. Wade and C. Fury.

The Save the Victory Fund (STVF) has had a dormant year while work continues on the hull and decking of HMS Victory.

The Anderson Fund provided further important financial support for our annual Anderson medal ceremony that was again successfully held this year at the National Maritime Museum. The sum of £300 was given to Maritime History North. Further research grants to recipients both home and abroad were made to J. Bolt and K. Power and J. Kuhn.

The Austin Farrar Legacy has continued to accumulate its earnings as no call was made upon the fund this year.

This year the MacPherson Fund took the opportunity to replenish its stock by retained earnings with no grants undertaken during the year so that the balance can grow back to a useful level in supporting the National Maritime Museum in the future.

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 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.

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.

The Society for Nautical Research Trustees' Report (Continued) For the year ended 31 December 2018

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 but recognises this may take some while to come to fruition.
- 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 (currently £5,000) 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 surplus at year end, a sum of £5,000 to a contingency fund held by our investment managers. This currently amounts to £25,467 at the end of the year but remains available at any time 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 where grants or donations are by nature erratic due to the nature of the underlying purpose. A case in point would be the STVF where there is a very significant surplus amounting to over £388,000 on the income and deposit account because the priority for dealing with structural repairs to the hull and deck is outside the remit of the STVF.

The Society for Nautical Research

Trustees' Report (Continued)

For the year ended 31 December 2018

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. There are other new projects in hand. The Research and Programs Committee continues to invite our members to suggest areas for new development. Their responses will be analysed, but it is pleasing to note that many members have indicated their approval of the developments which have taken place.

Investment Powers, Policy and Performance

On 31st December 2018, the value of the portfolios overseen by the Society totalled £4.40 million, which represents a fall of 5.9% from the value a year ago. This figure includes the Farrar Fund (£154k) which is managed with a lower risk mandate. The total value above 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 (excluding the Farrar Fund) was -4.0%. In aggregate all 6 portfolios produced income of £121,503 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 (J) TR/30% Government All Stocks TR, fell 5.2% (gross of fees) during the year. The Retail Price Index (RPI) rose by 2.7% in December 2018.

Market Review - Summary

Throughout 2018 global equity markets were highly volatile as concerns ebbed and flowed over what impact the political actions of 2018 would have on 2019 and beyond. There were three key areas of concern namely rising US interest rates that might affect US economic growth, the imposition of tariffs by the US on Chinese imports leading to a "tariff war" and finally the discord and delay on the UK's plans to exit the EU all of which impacted on business and consumer sentiment. As a result, there were negative returns across most markets, with notably the MSCI All World Ex UK (GBP) falling 3.3%, and the more local MSCI UK All Cap falling 9.8%.

Amongst this uncertainty, government bonds provided a relatively safe haven with the FTSE Gilts All Stock index returning +0.8% in 2018. This was predominantly driven by the final quarter of 2018 as sovereign bond markets benefited from their safe haven status as investors sought the security of government bonds - due to the uncertainty of US Federal Reserve's monetary policy, Brexit and Italian politics.

Market Review - Perspectives

As global interest rates remain extremely low in nominal terms, and government bonds paying negative returns after inflation in the UK, Europe and elsewhere there is limited opportunity in terms of potential returns to investors. As such, Government bonds are working best at the moment as a cushion to the bumps in other markets such as equities and we would expect this to continue, barring an unforeseen jump in inflation which could push government bond prices down.

Internationally, much of market sentiment and impact on stock prices was driven by the potential risk of the US-China trade dispute as growth rates declined and export markets between them were constricted.

Within Europe the economic recovery slowed in 2018, due to concerns over exports to the US & Asia. This was particularly evident within the auto sector, which is a large component of many leading European countries GDP. Regional concerns were exacerbated by the weakness of the Italian economy and banking system combined with a populist coalition government renewing fears about the tensions within the EU project.

The Society for Nautical Research

Trustees' Report (Continued)

For the year ended 31 December 2018

Within the UK, whilst equity returns were negative for the year, there was a huge variance in individual stock returns with only 28 of the UK's blue-chip stocks achieving positive returns for the year. This is the first year since 2011 that the UK equity market has lost a notable amount of value in a calendar year and follows two years of strong returns. This added to the UK's home-grown political concerns and a poorly performing high street, meaning international investors continued to reduce their investments in the UK market.

Stock selection

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 2018 was £85,694.

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 2018 was £15,378.

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. Respectively, the actual income delivered during 2018 was £7,063, £7,430 and £1,681 respectively.

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 over 2018 was £4,257.

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 Society for Nautical Research
Trustees' Report (Continued)
For the year ended 31 December 2018

- *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 and a reserved share of profits of the Royal Naval Museum Trading Company. 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 (Continued)

For the year ended 31 December 2018

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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps they ought to have taken to make themselves aware of any relevant information and to establish that the auditor is aware of that information.

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.

Auditors

Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors for the ensuing year.

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

Admiral Sir Kenneth Eaton
Chairman of the Society

Date:

5 APR 2019.



Devonshire House
London

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

Opinion

We have audited the financial statements of The Society For Nautical Research ('the company') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet 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 FRS 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 charitable company's affairs as at 31 December 2018 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;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ng - J. S. C.

Neil Finlayson, Senior Statutory Auditor
for and on behalf of Kingston Smith LLP
Statutory Auditor

Devonshire House
60 Goswell Road
London EC1M 7AD

Date: *5/4/2019*

The Society for Nautical Research
Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For the year ended 31 December 2018

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
INCOME FROM:					
Donations and legacies	2	230	-	230	125
Investments					
Investment income and interest received	3	20,431	101,072	121,503	124,441
<i>Charitable activities</i>					
Subscriptions	4	48,388	-	48,388	48,728
Publications, royalties and copyright sales		25,888	-	25,888	25,245
		<u>74,276</u>	<u>-</u>	<u>74,276</u>	<u>73,973</u>
Other		<u>1,397</u>	<u>-</u>	<u>1,397</u>	<u>1,012</u>
Total Income		<u>96,334</u>	<u>101,072</u>	<u>197,406</u>	<u>199,551</u>
EXPENDITURE ON:					
<i>Raising funds</i>					
Investment management costs		5,897	23,465	29,362	33,510
<i>Charitable activities</i>					
Grants and donations payable	5	16,475	2,215	18,690	17,635
Publications	6	46,097	-	46,097	44,847
Advancing interest in nautical research	8	19,788	-	19,788	20,377
		<u>82,360</u>	<u>2,215</u>	<u>84,575</u>	<u>82,859</u>
Total Expenditure		<u>88,257</u>	<u>25,680</u>	<u>113,937</u>	<u>116,369</u>
Net (losses)/gains on investments	11	<u>(60,464)</u>	<u>(216,909)</u>	<u>(277,373)</u>	<u>350,785</u>
Net (Expenditure)/Income before transfers	9	<u>(52,387)</u>	<u>(141,517)</u>	<u>(193,904)</u>	<u>433,967</u>
Transfers	14	-	-	-	-
Net (Expenditure)/Income for the year/Net movement in funds		<u>(52,387)</u>	<u>(141,517)</u>	<u>(193,904)</u>	<u>433,967</u>
Fund Balances Brought Forward		<u>856,393</u>	<u>4,283,960</u>	<u>5,140,353</u>	<u>4,706,386</u>
Fund Balances Carried Forward	14, 15	<u>804,006</u>	<u>4,142,443</u>	<u>4,946,449</u>	<u>5,140,353</u>

All amounts relate to continuing activities.

The notes on pages 16 to 23 form part of these financial statements.

The Society for Nautical Research
Balance Sheet
As at 31 December 2018

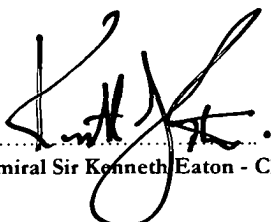
	Notes	2018 £	2018 £	2017 £	2017 £
Fixed Assets					
Tangible fixed assets	10		1		1
Investments	11		<u>4,399,889</u>		<u>4,677,435</u>
			4,399,890		4,677,436
Current Assets					
Debtors	12	5,877		6,126	
Cash at bank and in hand		<u>577,182</u>		<u>475,942</u>	
		583,059		482,068	
Creditors: Amounts falling due within one year	13	<u>(36,500)</u>		<u>(19,151)</u>	
Net Current Assets			<u>546,559</u>		<u>462,917</u>
Net Assets			<u><u>4,946,449</u></u>		<u><u>5,140,353</u></u>
 Unrestricted Funds	 14, 15		 804,006		 856,393
 Restricted Funds	 14, 15		 4,142,443		 4,283,960
			<u><u>4,946,449</u></u>		<u><u>5,140,353</u></u>

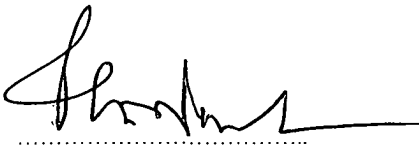
The notes on pages 16 to 23 form part of these financial statements.

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

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

5/4/19


Admiral Sir Kenneth Eaton - 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 2018

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 fee 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 2018

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 Financial Reporting Standard No.1 and have chosen not to prepare a cash flow statement.

h) *Resources Expended*

Expenditure is included in the Statement of Financial Activities on an 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 (Continued)
For the year ended 31 December 2018

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 rates:

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

	2018 £	2017 £
<i>Unrestricted funds</i>		
Donations and legacies	230	125

3 Investment income and interest received

	2018 £	2017 £
<i>Unrestricted funds</i>	20,431	21,776
<i>Restricted funds</i>	101,072	102,665
	<u>121,503</u>	<u>124,441</u>

4 Subscriptions

Of the subscription income, £15,520 was received from overseas. This equates to 32% of total subscription income (2017: 32%).

Subscription income includes the associated recoverable gift aid.

5 Grants Payable

	2018 £	2017 £
<i>Unrestricted funds:</i>		
Tomlin Conferences	1,250	1,612
Tomlin Awards and Research Grant	4,520	1,480
Anderson Bequest - Other	1,065	2,060
Anderson Awards	1,863	1,461
Support costs (Note 8)	7,777	8,056
<i>Restricted funds:</i>		
Victory Medal	-	31
Support costs (Note 8)	2,215	2,935
	<u>18,690</u>	<u>17,635</u>

The Society for Nautical Research
Notes to the Financial Statements (Continued)
For the year ended 31 December 2018

6 Publication Costs	2018	2017
	£	£
<i>Unrestricted funds</i>		
General cost of publications	28,117	25,739
Support costs (Note 8)	17,980	19,108
	<u>46,097</u>	<u>44,847</u>

7 Governance Costs	2018	2017
	£	£
<i>Unrestricted funds</i>		
Support costs (Note 8)	12,677	14,191
Audit and accountancy	7,569	7,619
Other management costs	150	150
	<u>20,396</u>	<u>21,960</u>
<i>Restricted funds</i>		
Audit and accountancy	2,085	2,085
Other management costs	850	850
	<u>23,331</u>	<u>24,895</u>

8 Allocation of Other Membership and Support Costs	Grants		Advancing	Governance
Year to 31 December 2018	Payable	Publications	Interest in	Costs
	£	£	Nautical Research	£
Membership secretary fees	-	-	10,380	-
Travel, postage and general expenses	2,215	2,215	-	4,431
Lecture and conferences	-	-	1,631	-
Professional	-	-	-	258
Publicity and Website	-	7,988	-	7,988
	<u>2,215</u>	<u>10,203</u>	<u>12,011</u>	<u>12,677</u>
Direct governance costs	-	-	-	10,654
	<u>2,215</u>	<u>10,203</u>	<u>12,011</u>	<u>23,331</u>
Allocation of governance support costs	<u>7,777</u>	<u>7,777</u>	<u>7,777</u>	<u>(23,331)</u>
	<u>9,992</u>	<u>17,980</u>	<u>19,788</u>	<u>-</u>

The Society for Nautical Research
Notes to the Financial Statements (Continued)
For the year ended 31 December 2018

8. Allocation of Other Membership and Support Costs Continued:				
Year to 31 December 2017	Grants	Publications	Advancing	Governance
	Payable		Interest in	Costs
	£	£	Nautical Research	£
Membership secretary fees	-	-	10,380	-
Travel, postage and general expenses	2,693	2,693	-	5,386
Lecture and conferences	-	-	1,600	-
Victory Events	-	-	98	-
Professional	-	-	-	688
Publicity and Website	-	8,117	-	8,117
	<u>2,693</u>	<u>10,810</u>	<u>12,078</u>	<u>14,191</u>
Direct governance costs:	-	-	-	10,704
	<u>2,693</u>	<u>10,810</u>	<u>12,078</u>	<u>24,895</u>
Allocation of governance support costs	8,298	8,298	8,299	(24,895)
	<u>10,991</u>	<u>19,108</u>	<u>20,377</u>	<u>-</u>

No staff were employed by the charity during 2018 (2017: None).

9 Net Incoming Resources			
Are stated after charging:		2018	2017
		£	£
Auditor's remuneration		6,270	6,270
Trustee expenses reimbursed		2,333	3,146

Trustee expenses related predominantly to travel costs. No trustee received remuneration in 2018 (2017: £Nil).

10 Tangible Fixed Assets		Plant & Machinery
		£
Cost		
As at 1 January 2017 and 31 December 2018		<u>1,485</u>
Depreciation		
As at 1 January 2017 and 31 December 2018		<u>1,484</u>
Net Book Value		
As at 1 January 2017 and 31 December 2018		<u><u>1</u></u>

The Society for Nautical Research
Notes to the Financial Statements (Continued)
For the year ended 31 December 2018

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.

	2018		2017	
	Cost	Market Value	Cost	Market Value
	£	£	£	£
Unrestricted Funds				
General Fund	177,390	232,817	165,513	255,019
Designated Funds:				
Anderson Bequest Fund	185,757	243,847	152,088	267,733
Tomlin Bequest Fund	47,892	59,558	45,240	65,959
Farrar Fund	139,268	154,399	141,598	162,463
	<u>550,307</u>	<u>690,621</u>	<u>504,439</u>	<u>751,174</u>
Restricted Funds	<u>2,692,179</u>	<u>3,709,268</u>	<u>2,666,416</u>	<u>3,926,261</u>
	<u>3,242,486</u>	<u>4,399,889</u>	<u>3,170,855</u>	<u>4,677,435</u>
	Unrestricted Funds	Restricted Funds	Unrestricted Funds	Restricted Funds
	£	£	£	£
Balance at beginning of year	741,389	3,838,656	682,492	3,571,383
Additions	98,688	376,871	81,269	555,079
Disposals at book value	(108,092)	(404,907)	(71,049)	(589,914)
Net gains/(losses) on investments	(60,464)	(216,909)	48,677	302,108
Add: Cash balances included in investments	19,100	115,557	9,785	87,605
Balance at end of year	<u>690,621</u>	<u>3,709,268</u>	<u>751,174</u>	<u>3,926,261</u>
			Market Value	Market Value
			2018	2017
			£	£
UK equities			1,896,908	2,176,330
UK Fixed Interest			1,177,553	1,143,354
UK index linked			98,859	105,350
Overseas equities			180,675	205,509
Overseas Fixed Interest			911,328	949,502
Cash			134,566	97,390
			<u>4,399,889</u>	<u>4,677,435</u>

The Society for Nautical Research
Notes to the Financial Statements (Continued)
For the year ended 31 December 2018

12 Debtors	2018	2017
	£	£
Taxation and social security debtor	357	884
Royalty debtor	5,000	5,000
Other debtors	520	242
	<u>5,877</u>	<u>6,126</u>

13 Creditors: Amounts falling due within one year	2018	2017
	£	£
Accruals and deferred income	36,500	19,151
	<u>36,500</u>	<u>19,151</u>

Of the above, £5,845 relates to deferred income, all of which was deferred in the current year (2017: £4,216). Deferred income relates to subscription income received in advance.

14 Funds	Balance at 1 Jan 2018	Incoming Resources	Outgoing Resources	Transfers	Investment Gains	Balance at 31 Dec 2018
	£	£	£		£	£
Unrestricted Funds						
General Fund	351,245	82,570	(72,626)	(547)	(21,647)	338,995
Designated Funds:						
Anderson Bequest	272,670	7,430	(7,000)	797	(21,772)	252,125
Tomlin Bequest	69,390	1,681	(6,287)	(250)	(5,026)	59,508
Farrar Fund	163,088	4,257	(1,228)	-	(12,019)	154,098
	<u>856,393</u>	<u>95,938</u>	<u>(87,141)</u>	<u>-</u>	<u>(60,464)</u>	<u>804,726</u>
Restricted Funds						
Save the Victory	3,635,099	85,694	(21,928)	-	(182,092)	3,516,773
Macpherson Collection Endowment	648,861	15,378	(4,472)	-	(34,817)	624,950
	<u>5,140,353</u>	<u>197,010</u>	<u>(113,541)</u>	<u>-</u>	<u>(277,373)</u>	<u>4,946,449</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 (Continued)
For the year ended 31 December 2018

14 Funds continued
Transfers

Transfers in the year represent movements necessary to align fund opening balances to assets held by each fund.

15 Analysis of Net Assets between Funds	Fixed Assets and Investments	Net Current Assets	2018 Total	2017 Total
	£	£	£	£
Unrestricted funds	690,621	114,105	804,726	856,394
Restricted funds:				
Save the Victory Fund	3,135,067	381,706	3,516,773	3,635,099
Macpherson Collection Endowment Fund	574,202	50,748	624,950	648,860
	<u>4,399,890</u>	<u>546,559</u>	<u>4,946,449</u>	<u>5,140,353</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 2017 there were 17 members.

17 Related party transactions

During the year, Helen Garvey, the membership and company secretary received fees of £10,380 (2017 - £10,380).

The key management personnel of the society are the Officers and the Council members. They were not remunerated in the year (2017: £nil).