

**THE GREENWICH FOUNDATION  
FOR THE OLD ROYAL NAVAL COLLEGE**

**(A company limited by guarantee)  
Company Number: 3340541  
Registered Charity Number: 1062519**

**Trustees' Report & Financial Statements  
For the year ended 31 March 2015**

**The Greenwich Foundation for the Old Royal Naval College  
Trustees' Report & Financial Statements for the year ended 31 March 2015**

**Date of Incorporation** 20th March 1997  
**Charity Commission Registration** 22nd May 1997

**President** HRH Duke of Gloucester KG GCVO

<b>Trustees</b>	Sir Robert Crawford CBE	Chairman	Retired	30.09.2014
	Tony Hales CBE	Chairman	Appointed	30.09.2014
			Appointed	05.06.2014
	Ken Greatbatch FCA	Treasurer	Retired	19.05.2014
	Dr Rupert Evenett FCA	Treasurer	Appointed	30.09.2014
	Jillian McCalla MA		Retired	05.06.2014
	John Barnes		Appointed	05.06.2014
	Michael Morrison BA BArch RIBA IHBC		Retired	19.03.2015
	Sophie Andreae DSG FSA		Retired	19.03.2015
	Peter Shanks		Appointed	27.11.2014
	Councillor Peter Brooks			
	Rear-Admiral Brian Perowne CB			
	Susan Wilkinson			

The Trustees also act as directors of the company for the purpose of the Companies Act 2006. All Trustees served throughout the year, except where noted.

**Chief Executive** Brendan McCarthy

<b>Management team</b>	Elspeth Holmes FCA	Finance & Commercial Director, Company Secretary (to 30.09.2014)
	David Gateshill ACA	Interim Finance Director (to 22.03.2015)
	Ed Barnard ACMA	Finance & Commercial Director (from 23.03.2015)
	Will Palin	Conservation Director
	Mary Ellen Cetra	Development & Communications Director
	Sarah Duthie	Public Engagement Director

**Registered & principal office**  
2 Cutty Sark Gardens  
Greenwich  
London  
SE10 9LW

<b>Solicitors</b>	Farrer & Co	<b>Auditors</b> Kingston Smith LLP (External & Chartered Accountants Internal) Devonshire House 60 Goswell Road London EC1M 7AD
	66 Lincoln's Inn Fields London WC2A 3LH	

<b>Bankers</b>	The Royal Bank of Scotland plc	Bank of Scotland plc
	London Drummonds Branch 49 Charing Cross SW1A 2DX	33 Old Broad Street London BX2 1LB

<b>Surveyors</b>	E C Harris	Gerald Eve
	34 York Way London N1 9AB	7 Vere Street London W1G 0JB

<b>Surveyor of the Fabric</b>	Martin Ashley	Dipl. Arch, RIBA

**The Greenwich Foundation for the Old Royal Naval College  
Trustees' Report & Financial Statements for the year ended 31 March 2015**

**Patrons**

The Foundation established a patron's scheme in January 2011.  
The following patrons have subscribed to a 3-year calendar membership

Mr Andrew Allen-Tidy  
The Rt. Hon. Sir Timothy Sainsbury  
Sir Frank and Lady Berman  
The Hon. Francis Plowden  
Mr Francis Carnwarth CBE  
Sir Robert Crawford CBE  
Mrs Susan Wilkinson  
Sir Angus Stirling  
Sir Nicolas and Lady Bevan  
Mr Eric Shawyer CBE  
Mr Richard Upton  
Mr Adrian Attwood  
Mr David Jones  
Dr Tony Butler  
Anonymous  
MBNA Thames Clippers

**The Greenwich Foundation for the Old Royal Naval College  
Trustees' Report  
For the year ended 31 March 2015**

**The Trustees' Annual Report**

The Trustees present their report and financial statements for the year ended 31 March 2015.

**1. Background**

The Greenwich Foundation for the Old Royal Naval College (ORNC) is constitutionally independent of government but financially dependent on grant-in-aid to sustain its future. The Foundation has generated its income from fixed and turnover rentals, catering (banqueting and weddings), retail, Chapel hires for weddings and concerts, by being a major film location venue, holding festivals and fundraising during the year. The Foundation currently has nine tenants, of which the University of Greenwich and Trinity Laban Conservatoire of Music and Dance are the most significant.

The Foundation is now 17 years old, established in 1998 following the great debate on the future of the wonderful Wren buildings of Greenwich after the Ministry of Defence's decision in the mid-1990s to vacate the site.

Its primary purpose, set out in its charitable objectives, is to strive for the optimum balance between conservation of the buildings and grounds and the development of public benefit in all its forms, while ensuring financial sustainability. The Foundation wishes to take a long term view, ensuring we avoid compromising future generations while delighting and surprising those of the current.

Much has been achieved in a relatively short time. The site has been transformed from a heavily barricaded naval establishment with virtually no public access to a wonderful open space for visitors. Buildings have been restored, grounds returned to their formal design and car parking and inappropriate 20th century additions taken away or moved. It has been a success and the vision of those responsible for creating the Foundation has not only been met but in many ways exceeded.

The Trustees' financial aim to reduce the Charity's dependence on government funding continues. Efforts to achieve this have included a restructuring of the organisation in March 2014 into four new departments with a strong focus on fundraising, improving the visitor experience and income generation from commercial opportunities. A balanced consideration is given to close the Painted Hall for private hires, if this results in maintaining free public access during other times: The Painted Hall was closed for a total of 43 days during the year for conservation or private hires (2014: 43).

The Foundation operates with a staff of 43 (2014: 41) Full Time Equivalent and 89 (2014: 82) volunteers.

**2. Objects**

The objects for which The Foundation has been established are:

- to preserve, for the benefit of the nation, the Old Royal Naval College site with regard to its outstanding historical and architectural importance
- to allow the general public reasonable access to the site
- to educate the public as to the historical, architectural and artistic importance of its buildings and monuments.

In pursuance of these objects the Foundation secured, on 1 January 1998, a 150-year lease on the Old Royal Naval College from the Secretary of State for Defence in his capacity as Trustee for the Greenwich Hospital Naval Charity.

**3. Charity's Public Benefit**

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

The aims of the charity are for public benefit. These aims have been achieved during the year, as follows:

**The Greenwich Foundation for the Old Royal Naval College  
Trustees' Report (continued)  
For the year ended 31 March 2015**

- Using guidance from the Surveyor of the Fabric and professional building consultants EC Harris, a programme of regular and long-term maintenance has continued during the year, to maintain the buildings and the grounds for future generations to a standard appropriate to their architectural significance and historical importance.
- The general public continues to benefit from free access to the Discover Greenwich Visitor Centre, the grounds, Chapel and Painted Hall for 363 days during the year (closed on Christmas and Boxing Day) excluding 31 days during the year when the Painted Hall was closed for conservation or hire (2014: 43 days). Trained staff and volunteers are on hand to assist visitors with interpretation and the history of the site.
- The Foundation's educational aims have been achieved through the free Discover Greenwich permanent exhibition, temporary exhibitions, free facilitated school and family workshops, guided and self-guided tours and a teaching programme delivered in the Clore Duffield Centre.
- The Foundation works in partnership with other members of the World Heritage Site and is a founding member of the Greenwich Destination Management Company whose primary aim is to promote Greenwich to the visitor, student, resident and business.

#### **4. Powers**

To further its objects, the Foundation has powers to:

- Acquire and retain the Head Lease
- Maintain, restore and present the Old Royal Naval College site
- Allow the public reasonable access
- Promote and encourage the development and integration of the wider locations surrounding the site
- Undertake or support research and to educate the public
- Assign or sub-let part of the land assigned by the Head Lease.

#### **5. Organisation**

The Foundation is a registered charity and a company limited by guarantee, governed by its Memorandum and Articles of Association.

All the Trustees are members of the Board, which has responsibility for the overall management of the Foundation. There must be between three and eleven Trustees. The full Board meets quarterly as does the Board's Audit & Finance Committee. A Committee for Trustee nominations meets as required. All Committees are advisory only, to the main Board. The Chief Executive is responsible to the Board for the operation of the Foundation.

The Charity has a wholly-owned trading subsidiary, The Greenwich Trading Company Ltd, which undertakes the commercial aspects and visitor management of the organisation. It donates any profits that it makes to the Foundation.

#### **6. Appointment and Training of Trustees**

Trustees are appointed for an initial term of four years. They may offer themselves for re-appointment for a second term not normally exceeding four years. If appointed other than at a General Meeting, a Trustee shall hold office only until the next Annual General Meeting.

Trustee appointments are made by the Board of Trustees and do not require approval by any external authority; however the Secretary of State at the Department for Culture, Media and Sport (DCMS) is advised of prospective appointments and given the opportunity to comment.

The Foundation seeks to appoint Trustees who can advance the objects of the charity through their professional expertise, knowledge or experience. A Trustee Nominations Committee is established to

**The Greenwich Foundation for the Old Royal Naval College  
Trustees' Report (continued)  
For the year ended 31 March 2015**

interview prospective candidates for each appointment, assess their suitability for the role and to ensure that before any appointment is made candidates are fully aware of the Foundation's aims, objectives and future plans.

The Foundation's policy is to advertise Trustee vacancies in order to obtain a wide spectrum of candidates.

After appointment, new Trustees follow a prescribed induction designed to acquaint themselves with all aspects of the Charity and its operations. Further training is made available to Trustees when required.

## **7. Investment Powers of Trustees**

Trustees may use the resources of the Foundation in such ways as they regard most beneficial to the achievement of its objects. They have discretion to invest resources in the name of the Foundation. The Trustees established an endowment by signing a Trust deed. This endowment has been established to produce a regular investment return to fund maintenance costs for the Chapel and Painted Hall.

## **8. Government Funding**

The Department for Culture Media and Sport (DCMS) continues to reduce its Grant-in-Aid support to the Foundation. Resource Grant-in-Aid for the current year was reduced to £1.225m (2013/14: £1.274m). Resource Grant-in-aid has been further reduced to £1.118m for the 2015/16 financial year, which represents a reduction of 33.4% in real terms since 2009/10.

The Grant in Aid contributes towards the costs of opening to the public and the running costs of the buildings and estate, including the 60% contribution the Foundation is contractually required to make towards the building maintenance needs of its two major tenants.

## **9. Strategic Report - Review of Developments and Activities**

### **9.1 Programme of restoration and repair**

During the course of the year the Foundation continued to carry out repairs to the fabric of the buildings and grounds under its 10 year Pre-Planned Conservation and Maintenance Schedule (PPCM). The PPCM was introduced at the end of 2013 to replace the Forward Maintenance Register. Unlike its predecessor the PPCM incorporates all smaller project works.

The repairs to the fabric of the buildings and grounds were carried out under a Measured Term Contract by DBR (London) Limited, extended in April 2014 for one year. Smaller projects were carried out by GMT Restorations. Preparatory investigations for the Painted Hall Phase II conservation work were carried out by specialist wall painting conservators, Paine & Stewart (P+S).

Significant elements of the PPCM programme completed in 2014/15 included:

- Cleaning, stone repairs and related conservation work to KW south elevation DBR
- The ongoing conservation (repair, redecoration, re-gilding) of the estate lanterns. Including 3 large lanterns from the QM & KW colonnades. DBR
- Chapel roof structural repairs and strengthening work. DBR
- King William staircase structural repairs & asbestos removal. DBR
- Pepys building render repairs and re-presentation works. DBR
- Anson Globes and West Gate piers, cleaning and stone repairs. DBR
- Foundation House basement re-ordering and decoration. GMT
- South perimeter railings plinth repairs (DBR) DBR
- Painted Hall conservation - Phase II enabling works, consisting
  - Rainwater dispersal system improvements (including new sumps & overflows) DBR
  - Rainwater downpipe investigations P+S

## **10. Achievement of our aims**

As part of its Strategic Business Planning process each year, the Foundation establishes a series of objectives designed to further its main charitable purposes. The setting of these objectives requires retaining the right balance between our three overarching aims: Conserving our buildings and grounds, creating public benefit and ensuring financial sustainability.

To assist feedback and the communication of achievements, objectives and targets amongst all team members we continued to develop our monthly internal e-newsletter to staff and external e-newsletter to our business partners during the year.

The objectives for the year to March 2015 are shown in each case in italics (paras 10.3-10.4) with outcomes described below:

### **10.1 Conserving our buildings and grounds**

All planned regular maintenance items to March 2015 were completed. The Surveyor of the Fabric worked closely with the Conservation Director and Quantity Surveyors E C Harris to plan, budget and complete the 2014/15 PPCM programme. The Foundation considers its buildings and grounds to be in good condition with the exception of the south half of the KC west range roof and various un-renovated areas (upper floors Admiral's House, Queen Mary car park, lecture theatre in Pepys Mews).

Following an unsuccessful application submitted in December 2013, a revised first round Heritage Lottery Fund application for Phase II of the Painted Hall conservation project was submitted in September 2014, receiving a Round 1 pass from the HLF in December 2014. The total budget of £5,773,382 reflected the reduced scope of works – now focussing on the Lower Hall, Vestibule and KW Undercroft.

The procurement process for the professional team for the Development Stage of the project began in January 2015 and was ongoing in April 2015.

### **10.2 Creating Public Benefit**

Public attendance figures for the year were:	<b>2014/15</b>	<b>2013/14</b>
School pupils attending facilitated workshops	6,593	7,669
School pupils attending self-guided/volunteer-led workshops	2,127	1,622
Chapel visitors	308,291	300,266
Painted Hall visitors	398,373	409,914
Discover Greenwich Visitor Centre visitors	991,251	1,073,094
Public events attendance	3,252	4,055
Total	1,709,887	1,796,720

The Old Royal Naval College in Greenwich is of recognised significance locally, nationally and internationally due to the nature of its architecture, above and below ground, and its position within the Maritime Greenwich UNESCO World Heritage Site. The site is an intrinsic part of the townscape for local people and operates as a significant tourist destination. It is a site of European significance, breath-taking beauty, and is intimately bound up, historically and physically, with the surrounding historic landmarks and parkland of Greenwich. Buildings and landscape are an indivisible part of the whole.

According to the Association of Leading Visitor Attractions, the ORNC is the 13<sup>th</sup> most visited cultural venue in the UK. The site welcomes regional, national and international tourists, families, formal learners and groups from within the community.

**The Greenwich Foundation for the Old Royal Naval College  
Trustees' Report (continued)  
For the year ended 31 March 2015**

Opportunities for the public to participate in learning activities are available every day. During the financial year of 2014-15 regular guided tours occurred twice daily and our events and activities programme was published four times a year. Our activities included experiences from character actors to craft workshops, Halloween tours to historical talks. Significant activities that took place in 2014-15 include:

- A series of lectures regarding architecture on the Thames, co-created in partnership with Architectural Review Magazine;
- Weekly recitals in our Chapel that are free to the public, delivered by our Chapel Choir, courtesy of Trinity Laban Music & Dance Conservatoire, and by guest performers;
- During Open House Weekend in September we welcomed more visitors than ever before to parts of our site that are normally closed to the public. These included Admiral's House.

In addition to these events, we also worked in partnership with the Royal Borough of Greenwich and other providers to deliver the Tall Ships Festival and the Greenwich & Docklands International Festival which both welcomed large numbers of people to Greenwich.

A significant restructure process of the Visitor Experience Team commenced in January 2015 and was completed in April 2015 with the aim of enhancing our focus on our visitors and their expectations – we strive to continue to surprise and delight our visitors, from our local community, within the UK and worldwide.

Volunteers make up a significant part of the ORNC community; in August 2014 our volunteer numbers peaked at 100. We are proud to have welcomed volunteers to assist us with our work in a number of different departments; within the financial year of 2014-15 we introduced volunteer roles in our fundraising, marketing and security offices, and a volunteer also developed a brand new temporary exhibition. These roles complement those that are already established within the visitor experience and learning departments.

In December 2014 we worked alongside the Royal Borough of Greenwich and hosted our first Citizenship Ceremony in the Painted Hall. 20 new British Citizens were welcomed into the borough. The event was warmly received by all who took part – so much so that we arranged a further ceremony in May 2015 and more are planned for later in 2015.

Our Learning Team worked with a Special Education Needs school within our borough to develop activities and workshops for children with Autism. This was so successful we are now developing further workshops with SEN schools locally.

We achieved more with ESOL students (English for Speakers of Other Languages) during 2014-15, including working in partnership with the Buildings Craft College to deliver participatory activities. An example of an activity is when ESOL students took part in stone-masonry workshops, the objective of which was to encourage them to think about potential career paths in the skilled trades.

### **10.3 Learning and Interpretation**

*Our aim is to increase the depth of engagement with all visitors, via much improved interpretation around the site, and to develop a community engagement strategy.*

Our work to develop relationships within our community was started during Phase 1 of the Painted Hall Conservation Project. Our Community Engagement and Learning Officer continues to work in partnership to deliver events and activities. Examples of these partners include children's centres, Greenwich Community College and housing panels.

The appointment of our Learning and Family Officer in March 2014 highlighted our commitment to developing families as a target audience. During the year 1,743 individuals took part in free family workshop events and that number has continued to grow.

### **10.4 Visit Greenwich Destination Management Company / World Heritage Site (WHS) participation and management**

**The Greenwich Foundation for the Old Royal Naval College  
Trustees' Report (continued)  
For the year ended 31 March 2015**

*Participate fully in WHS management engaging in areas such as education and conservation, to implement the targets set in the WHS Management plan.*

The Foundation continues to employ the WHS co-ordinator, to accommodate him on site and to hold the partnership's funds. It shares the overall cost with the seven other WHS partner organisations. The Foundation sends representatives to the Learning, Marketing and Visitor Management WHS sub-groups. The Foundation continued for a final year to subscribe to a joint marketing budget for WHS attractions. From next year the contribution will be directed instead to the Greenwich Destination Management Company - Visit Greenwich on the Board of which the CEO of the Greenwich Foundation is a non-executive Director

At the end of the year the Foundation held funds on behalf of the WHS group of £ 62,534 (2013/14: £53,891) within its cash balance.

### **10.5 Ensuring financial stability**

The grant from the Department of Culture Media and Sport is expected to reduce year on year to become an increasingly smaller proportion of total turnover in the future: One of the challenges for the Foundation is to successfully create other income streams to replace the reliance on these funds.

During the year fundraising activities focused on our two major campaigns: the ORNC Future Fund, which aims to build a £2m endowment for the long-term conservation of our historic assets, and Phase 2 of the Painted Hall Conservation Project.

Fundraising has continued towards our Future Fund, supported by a £1m match-funding pledge from the Heritage Lottery Fund / Department for Culture Media & Sport Catalyst: Endowments Fund. We attracted new members to our Patrons and Angels schemes, increased our onsite visitor donations, and secured a number of significant individual gifts. At the year-end the Foundation had received individual donations of £511,147 (including the match funding from HLF) and the total fund stood at £810,040.

We received a round-one approval from the Heritage Lottery Fund for a £2.8m grant towards completing the conservation of the Painted Hall, and associated interpretation, visitor welcome, community participation and learning activities. Other grants received in support of this project included:

The Paul Mellon Centre for Studies in British Art	£17,000
The Ernest Cook Trust	£10,000
29th May 1961 Charitable Trust	£10,000

The Foundation enjoys a secure rental income from its site partners, most notably the University of Greenwich (145 year lease from 1999) and Trinity Laban Conservatoire of Music and Dance (140 year lease from 2000). Other site partners and tenants include The Meantime Brewery and John Smiths Bookshop, administrative offices for Cutty Sark, and satellite offices for Greenwich Borough Council.

Meantime Brewing Ltd has a 25-year lease from January 2010 to operate a cafe, bar and restaurant adjacent to the Discover Greenwich Visitor Centre. In 2014/15 a turnover rent of £194,188 (2013/14 £196,760) was received from Meantime.

The Foundation also holds an investment in the Newton Real Return Fund (see note 12 to the accounts) Our listed investment performance is evaluated on a total return basis each year with a benchmark of LIBOR + 4% gross of fees as a target for the investment manager. The total value of the fund grew by 6.3% during the year.

**The Greenwich Foundation for the Old Royal Naval College  
Trustees' Report (continued)  
For the year ended 31 March 2015**

The Foundation has kept its operating base small, with the majority of spend understandably on building maintenance and improvement. In recent years the major capital projects have been Discover Greenwich, Admiral's House, the Mews, King William and Queen Mary under-crofts and phase 1 of the Painted Hall conservation project.

The catering, retail, public events and filming activities which take place at the College are run by the The Greenwich Trading Company Ltd, a wholly owned subsidiary:

*Catering:*

Catering for corporate events and other private hire such as weddings, was provided by Ampersand. In the year the Foundation's trading company received venue hire fees and a percentage of turnover on catering income which amounted to a net £454,908 (2013/14 £472,130).

*Retail:*

The shop in the Discover Greenwich Visitor Centre achieved a turnover for the year of £243,177 (2013/14: £251,699) and a net contribution of £36,095 (2013/14: £64,216).

*Filming:*

Feature films including *Now You See Me: The Second Act* and *Bastille Day* were filmed onsite during the year. Filming revenues represent a significant contribution to the Foundation's finances along with advertising and photography shoots. In 2014/15 gross film fees amounted to £473,613 (2013/14 £303,577).

*Visitor Experience income:*

Visitor services generate income from third party festivals, lawn and Chapel hires, food and bar concessions, recharged Yeomen time to third party hires, group tours and ticket sales of the Foundation's own events. Significant regular annual events include the Trafalgar Night Dinner, Christmas Carol and Dinner and The Early Music Festival. Total income from visitor events generated for the current year amounted to £ 162,659 (2013/14: £118,794).

**11 Summary of results for the year**

The Foundation has reported a consolidated surplus for the year with a net movement in funds of £911,188 (2013/14: £790,370). Of this, surpluses relating to unrestricted funds amounted to £289,562 (2013/14: £513,172), with the rest of the consolidated surplus of £621,626 representing increases in endowment and restricted funds.

The operating profit from our commercial activities grew by 9.4% on the previous year. This was principally driven by a record year for profits on filming which grew 48.6% on the previous year. Profit from retailing activities fell from 2013/14, due to increased staffing costs and also reflecting a slight fall in income which was principally driven by lower on-site visitor numbers compared to 2013/14. Total contributions from each revenue stream were as follows:

<b>Net Contribution</b>	<b>2014/15</b>	<b>2013/14</b>
	<b>£</b>	<b>£</b>
Retail	36,095	64,216
Chapel Hires	22,581	29,432
Catering & Room Hires	454,908	472,129
Filming	401,024	269,878
<b>Total Contribution</b>	<b>914,608</b>	<b>835,655</b>

**The Greenwich Foundation for the Old Royal Naval College  
Trustees' Report (continued)  
For the year ended 31 March 2015**

Our Grant in Aid income fell by £49,000 on the previous year (see section 8.0 above), and further reductions expected in the years ahead represent one of the largest risks to the Foundation's financial health. The Foundation is therefore planning an expansion in revenue generating opportunities as part of the Painted Hall Project, including new café and retail areas. Fundraising towards the DCMS/HLF Catalyst Endowment Fund also continued during the year, with the fund growing by £511,147 to £810,040. Investment returns from the fund in future years will help to further diversify revenue streams and ensure the long-term financial stability of the Foundation.

Overall site maintenance and running costs including impaired capital works amounted to £3,404,671 in the year, an increase of 3.0% on the previous year, reflecting additional repairs to the fabric of the buildings and grounds under the Pre-Planned Conservation and Maintenance Schedule (PPCM).

There was an investment gain of £128,540 during the year, reflecting an increase in the value of the Newton Real Return fund in which the Foundation has invested the proceeds of the lease premium associated with the King Charles building (see note 12 to the accounts).

## **12. Statement on Risk**

The Foundation keeps a comprehensive register of all significant risks listing the mitigation actions taken to minimise these risks. The register is reviewed and updated quarterly. The Audit and Finance Committee review this register at their quarterly meetings, and the full Board, annually.

The Trustees are satisfied that appropriate safeguards are in place to minimise the impact of the principal risks and uncertainties for the Foundation as follows:

- Catastrophic damage to the fabric of the site
- Failure to achieve the mission critical funding and revenue generation targets necessary to deliver the charitable objects of the Foundation
- A continual reduction in grant in aid from the Department of Culture, Media and Sport

## **13. Reserves Policy**

A detailed description of the Foundation's Fund Balances is given in Note 11 to the financial statements.

The Trustees' policy on reserves was reviewed and revised during the year to take into account the current and future known commitments of the Foundation, and to factor in a consideration of operational risks and cash-flows particular to the charity for which designated reserves should be set aside in order to protect the continuity of the charities work.

### **13.1 Restricted Funds**

Lease Premium:

The Restricted Funds - Lease Premium comprises an initial premium from the granting of a long sub-lease to Trinity Laban. An initial premium payment of £3,239,149 was received in lieu of a rental stream for 140 years. Under the terms of the Foundation's lease of the Old Royal Naval College from the Secretary of State for Defence, acting as Trustee for the Greenwich Hospital, this premium is required to be retained and invested. The Trustees have therefore classified the proceeds as a Restricted Fund. Other lease premiums for the Cutty Sark Offices and Pier have further been committed to the Fund. The impairment of capitalised items is also charged to this fund with the cost covered by transfer from unrestricted operating free reserves. The funds are invested in listed investments held with Newtons (BNY Mellon) (see note 12.2) to generate a return for the Foundation in lieu of annual rent: Gains and losses on the market value of this investment are also applied to this fund. The reserve increased in market value during the year by £220,518 comprising investment returns rolled into the fund and market valuation gains (2013/14: increase £37,287).

The balance at the year-end stood at £3,620,784 (2013/14: £3,492,244).

**The Greenwich Foundation for the Old Royal Naval College  
Trustees' Report (continued)  
For the year ended 31 March 2015**

Painted Hall:

The Restricted Painted Hall Restoration Fund comprised £87,496 of grant and donations received specifically and £105,557 expended during the year in relation to the Painted Hall project.

### **13.2 DCMS/HLF Catalyst Endowment Fund**

The 'Future Fund' comprises donations received, donations allocated and matched funding received: In June 2012 the DCMS/HLF awarded the Foundation a Catalyst Endowment grant payable up to a maximum of £1,000,000: This is being paid over the years 2012-2016 to match donations raised by the Foundation towards an Endowment for the future preservation and maintenance costs of the Chapel and the Painted Hall and the future costs of educating the public about these specific buildings.

The Trustees will, in accordance with the terms of the trust deed underpinning the Endowment Fund, look to place the funds in an investment vehicle which provides both maintenance of capital and an income stream to be re-invested in the fund in the short term.

### **13.3 Unrestricted Funds**

Designated Painted Hall Restoration Fund:

The Unrestricted Painted Hall Restoration Fund at £2,355,409 at the year-end has been designated by the Trustees to cover the Foundation's budgeted contribution to phase 2 of the Painted Hall Conservation Programme (as submitted to the Heritage Lottery Fund).

It excludes the additional £500,000 element of fundraising income included in this budget and required to facilitate phase 2 of the project in accordance with the HLF application (see note 10.1 above).

Designated Maintenance Reserves:

The Unrestricted Maintenance Reserve forms part of the Operating Funds and provides a contribution to resources above the provision already made for known projects within the Pre Planned Conservation & Maintenance register (see note 8 in the accounts). The provision and reserve will need to be built up in future years to achieve the required level of funds to cover future obligations for restoration, repair and maintenance under the terms of the head-lease with Greenwich Hospital.

General Operating Fund:

This fund is used for day-to-day expenditure in pursuit of the Foundation's objectives. The Trustees' policy is to aim to balance future reductions in government funding with increasing commercial income. Prudent budgeting is core to the Foundation's strategic objectives.

The operating fund is held to ensure that a balance of reserves are designated to cover:

- working capital funding,
- continuity of the charity in the event of an unforeseen drop in income,
- to enable investment in small projects that will generate increased income streams in the future, and
- to ensure emergency funds are available for rare events, and/or delays in insurance remittances for remedial works and business interruption, after such a rare event.

The total operating funds held in reserve at the year-end stood at £1,136,559 which represents 23% of total annual costs, or 83 days of average costs.

**The Greenwich Foundation for the Old Royal Naval College  
Trustees' Report (continued)  
For the year ended 31 March 2015**

**14. Auditors**

Kingston Smith LLP have indicated their willingness to continue in office. In June 2010 the internal and external audit functions were tendered, and Kingston Smith were reappointed for a 5-year term.

**14.1 Statement of disclosure to auditor**

So far as the Trustees (directors of the company) are aware, there is no relevant audit information of which the company's auditors are unaware; and they have taken the necessary steps that they ought to have taken as Trustees (directors of the company) in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**15. Statement of Trustees' Responsibilities**

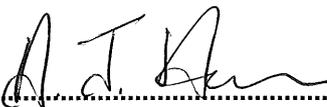
The Trustees (who are also directors of The Greenwich Foundation for the Old Royal Naval College for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing these financial statements, the trustees are required to:

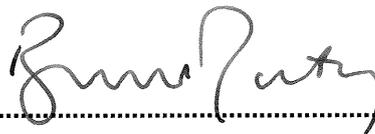
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Trustees on 2<sup>nd</sup> July 2015  
and signed on their behalf by:

  
.....

Tony Hales CBE  
Chairman

  
.....

Brendan McCarthy  
Chief Executive

## **Independent Auditors' Report to the Members of The Greenwich Foundation for the Old Royal Naval College**

We have audited the financial statements of The Greenwich Foundation for the year ended 31 March 2015 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 and in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditors' 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective Responsibilities of Trustees and Auditors**

As explained more fully in the Trustees' Responsibilities Statement (set out on page 8) 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.

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditor (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements, and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2015 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent Auditors' Report to the Members of The Greenwich Foundation for the Old Royal Naval College (continued)**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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

*Kingston Smith LLP*

**James Cross** (Senior Statutory Auditor)  
for and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House  
60 Goswell Road  
London EC1M 7AD

Date: *2 July 2015*

Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

The Greenwich Foundation for the Old Royal Naval College  
**Consolidated Statement of Financial Activities**  
**For the year ended 31 March 2015**

	Note	Unrestricted Funds £	Endowment Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
<b>Incoming Resources</b>						
<b>Incoming resources from generated funds</b>						
<b>Voluntary income</b>						
Grant in Aid		1,225,000	-	-	1,225,000	1,274,010
Heritage Lottery Fund grant award		-	-	53,925	53,925	330,478
Heritage Lottery Fund matched funding		-	269,644	-	269,644	95,220
Donations		59,800	241,503	33,571	334,874	218,845
<b>Activities for generating funds</b>						
Rent receivable		1,517,758	-	-	1,517,758	1,383,647
Service Charges	9	757,897	-	-	757,897	717,616
Trading operations		1,249,180	-	-	1,249,180	1,112,599
<b>Incoming resources from charitable activities</b>						
Visitor access		172,697	-	-	172,697	116,245
Education / learning		4,422	-	-	4,422	29,506
<b>Investment income</b>						
Deposit interest		50,464	-	-	50,464	120,705
Investments		91,977	-	-	91,977	100,381
Other incoming resources		30,277	-	-	30,277	2,423
<b>Total incoming resources</b>		<b>5,159,472</b>	<b>511,147</b>	<b>87,496</b>	<b>5,758,115</b>	<b>5,501,675</b>
<b>Resources expended</b>						
<b>Cost of generating funds:</b>						
Costs of generating voluntary income	3	246,034	-	-	246,034	115,740
Cost of trading operations		344,741	-	-	344,741	276,944
<b>Charitable activities</b>						
Site maintenance and running costs	3	3,299,114	-	105,557	3,404,671	3,304,913
Provision of visitor access	3	817,035	-	-	817,035	710,007
Provision of learning	3	118,276	-	-	118,276	124,589
Impairment provision on capital works	4	-	-	-	-	61,298
Charity governance		44,710	-	-	44,710	54,720
<b>Total resources expended</b>		<b>4,869,910</b>	<b>-</b>	<b>105,557</b>	<b>4,975,467</b>	<b>4,648,211</b>
<b>Net incoming resources before transfers</b>		<b>289,562</b>	<b>511,147</b>	<b>(18,061)</b>	<b>782,648</b>	<b>853,464</b>
Inter-fund transfers	11	-	-	-	-	-
<b>Net incoming/(outgoing) resources for the year</b>		<b>289,562</b>	<b>511,147</b>	<b>(18,061)</b>	<b>782,648</b>	<b>853,464</b>
<b>Other recognised gains/(losses)</b>						
Revaluation of listed investments	12.2	-	-	128,540	128,540	(63,094)
<b>Net movement in funds</b>		<b>289,562</b>	<b>511,147</b>	<b>110,479</b>	<b>911,188</b>	<b>790,370</b>
<b>Fund balances</b>						
Brought forward at 1 April 2014		3,696,503	298,893	3,602,910	7,598,306	6,807,936
<b>Carried forward at 31 March 2015</b>		<b>3,986,065</b>	<b>810,040</b>	<b>3,713,389</b>	<b>8,509,494</b>	<b>7,598,306</b>

With the exception of the receipt of Endowment Funds totalling £511,147 (2014: £298,893), the information presented within the Statement of Financial Activities for the two years ended 31st March 2015 is equivalent to that which would have to be disclosed in an Income and Expenditure Account and accordingly a separate Income and Expenditure Account has not been presented, as permitted by S.394 Companies Act 2006. No separate Statement of Financial Activities has been prepared for the parent charity as permitted by S.408 companies Act 2006 and paragraph 397 of the Statement of Recommended Practice. The amount of the net incoming resources for the year dealt with in the financial statements of the parent charity is £782,648 (2013/14 £853,464).

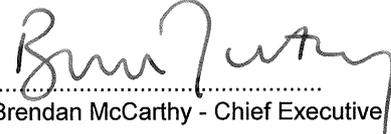
There are no recognised gains and losses in the year other than those shown above.

**Balance Sheet  
at 31 March 2015**

	Note	Group 2015 £	Charity 2015 £	Group 2014 £	Charity 2014 £
<b>Fixed assets</b>					
Endowment asset investments		650,456	650,456	298,893	298,893
Investments	12.2	7,613,547	7,613,549	7,356,795	7,356,797
Heritage assets	4	24,839	24,839	24,261	24,261
Other tangible assets	4	358,600	222,730	285,201	232,614
		<u>8,647,442</u>	<u>8,511,574</u>	<u>7,965,150</u>	<u>7,912,565</u>
<b>Current assets</b>					
Stock		56,170	-	58,655	-
Debtors	5	969,515	1,294,247	577,945	802,917
Cash at bank and in hand	6	1,296,890	985,198	2,090,137	1,769,543
		<u>2,322,575</u>	<u>2,279,445</u>	<u>2,726,737</u>	<u>2,572,460</u>
<b>Creditors:</b>					
Amounts falling due within one year	7	<u>(995,117)</u>	<u>(828,452)</u>	<u>(1,423,196)</u>	<u>(1,228,667)</u>
<b>Net current assets</b>		<u>1,327,458</u>	<u>1,450,993</u>	<u>1,303,541</u>	<u>1,343,793</u>
<b>Total assets less current liabilities</b>		<u>9,974,900</u>	<u>9,962,567</u>	<u>9,268,691</u>	<u>9,256,358</u>
<b>Provisions for liabilities and charges</b>	8	<u>(1,465,406)</u>	<u>(1,465,406)</u>	<u>(1,670,385)</u>	<u>(1,670,385)</u>
<b>Net assets</b>		<u>8,509,494</u>	<u>8,497,161</u>	<u>7,598,306</u>	<u>7,585,973</u>
<b>Fund balances</b>					
Unrestricted General Funds		3,986,065	3,973,732	3,696,503	3,684,170
Restricted Permanent Endowment Fund		810,040	810,040	298,893	298,893
Restricted Funds	11	3,713,389	3,713,389	3,602,910	3,602,910
		<u>8,509,494</u>	<u>8,497,161</u>	<u>7,598,306</u>	<u>7,585,973</u>

Approved and authorised for issue by the Board of Trustees on 2 July 2015 and signed on their behalf by:

  
.....  
Tony Hales OBE - Chairman

  
.....  
Brendan McCarthy - Chief Executive

The notes on pages 19 to 25 form part of these financial statements.

**Consolidated Cash Flow Statement  
For the year ended 31 March 2015**

	Note	2015 £	2015 £	2014 £	2014 £
<b>Net cash (outflow) from operating activities</b>	(a)		(1,789,601)		(828,264)
<b>Returns on investments and Servicing of finance</b>					
Investment income received		<u>142,441</u>	142,441	<u>221,086</u>	221,086
<b>Capital expenditure and Financial investment</b>					
Payments to renovate heritage assets		-		(61,298)	
Payments to acquire tangible fixed assets		(214,882)		(69,551)	
Endowment fund investment		(351,563)		(199,626)	
Long-term cash deposit / purchase of investments		<u>(128,211)</u>		<u>(200,412)</u>	
			<u>(694,656)</u>		<u>(530,887)</u>
<b>Net cash outflow before financing</b>			(2,341,816)		(1,138,065)
<b>Financing</b>					
Heritage Lottery Fund: Grant & Matched Funding		323,569		425,698	
Grant in Aid from DCMS		<u>1,225,000</u>		<u>1,274,010</u>	
			<u>1,548,569</u>		<u>1,699,708</u>
<b>(Decrease)/Increase in cash</b>	(b)		<u>(793,247)</u>		<u>561,643</u>

**Notes to the Consolidated cash flow statement**

(a) Reconciliation of Net incoming resources to Net cash outflow from operating activities	2015 £	2014 £
Net incoming resources for the year	782,648	853,464
Depreciation charges	140,904	90,466
Impairment provision	-	61,298
Deposit interest	(50,464)	(120,705)
Investment income	(91,977)	(100,381)
Increase in service charge provision	(204,979)	1,038,544
Decrease/(Increase) in stocks	2,485	(18,386)
(Increase) in debtors	(391,570)	(379,991)
(Decrease) in creditors	(428,079)	(552,865)
Grants and donations utilised for capital projects, and Grant in Aid	(1,548,569)	(1,699,708)
Net cash (outflow) from operating activities excluding Grant in Aid	<u>(1,789,601)</u>	<u>(828,264)</u>
(b) Reconciliation of changes in cash balances during the year	2015 £	2014 £
Cash balances at 1 April 2014	2,090,137	1,528,494
(Decrease)/Increase in cash for the year	(793,247)	561,643
Cash balances at 31 March 2015	<u>1,296,890</u>	<u>2,090,137</u>

## **1 Status**

The company is a registered charity and qualifies for exemption from corporation and capital gains taxes on its charitable activities. The company is limited by guarantee and has no share capital. The Memorandum of Association provides that all members are liable to contribute a sum not exceeding £1 in the event of the company being wound up while they are members or within one year of ceasing to be members. There were nine members at 31 March 2014.

## **2 Accounting Policies**

### **Accounting Convention**

The Financial Statements are prepared under the historical cost convention and in accordance with:

- the Charities Act 2011 and Companies Act 2006
- the revised Statement of Recommended Practice 2005, "Accounting and Reporting by Charities"
- the Accounts Direction given by the Secretary of State for Culture, Media and Sport (a copy of this may be obtained from the Foundation's registered office)
- the Foundation prepares Group Financial Statements and the Company has taken advantage of the exemption in paragraph 3(c) of Financial Reporting Standard 8 concerning transactions with wholly owned subsidiaries.

### **Group Accounts**

The Foundation owns the whole of the share capital of Greenwich Trading Company Limited. Consolidated accounts are prepared in accordance with the requirements of the Charities Act 2011. The whole of any profit of Greenwich Trading Company Limited, which would otherwise be subject to corporation tax, is donated each year to the Foundation.

### **Investments Accounting Policy**

Investments held as fixed assets are stated at market value at the balance sheet date. Gains or losses are reflected in the Statement of Financial Activities.

### **Heritage Assets**

The Foundation is responsible under the terms of a 150-year lease from The Greenwich Hospital, for the National Monument No 52, National Grid Ref TQ3877 26/G107E, being the grounds and buildings within the Old Royal Naval College site in Greenwich.

The Greenwich Palace was designated Scheduling status on 22 March 2013 under National Monument list entry number 1410710, National Grid Ref TQ 38564 77884.

The Foundation is unable to dispose, alienate or encumber any heritage assets under its responsibility.

The cost of the long leasehold heritage assets stated in the notes relates to the cost of the premium paid for the lease of the Old Royal Naval College, together with the cost of works undertaken to date. The Trustees are of the opinion that, because of restrictions contained in the leases and the obligations of maintaining the historic buildings, the assets are impaired such that no carrying cost or valuation should be attributed to the property. This policy is reviewed on an annual basis in consideration of future prospective net income to be derived from the property.

Costs attributable to the acquisition and renovation of long leasehold heritage assets are accounted for in accordance with Financial Reporting Standard 30, "Heritage Assets". These costs are capitalised and reviewed for impairment in accordance with FRS 11 "Impairment of Fixed Assets" on the basis described above. In addition to the long leasehold property, the Foundation has acquired a collection of artefacts and memorabilia associated with the site over a number of years. Items purchased since 2010 are capitalised at cost and reviewed for impairment in the event of physical deterioration or new doubts emerge as to their provenance or authenticity. No depreciation is provided. Items acquired by or donated to the Foundation prior to 2010 are not recognised in the financial statements as insufficient information is available. Further information concerning the nature and scale of heritage assets is provided in the notes to the financial statements.

### **Fixed Assets and depreciation**

Depreciation is provided on all tangible fixed assets at rates calculated to write off the assets to their residual values over their expected useful economic lives, as follows:

Office & IT equipment	33% straight line	Historical artefacts	Nil
Fixtures and fittings	33% straight line	Leasehold improvements	10% straight line

Assets costing in excess of £ 1,000 are capitalised.

### **Stock**

Stock is valued at the lower of cost and net realisable value.

## **2 Accounting Policies (continued)**

### **Recognition of liabilities**

Liabilities are recognised as incurred.

### **Provision Accounting Policy**

The Foundation has established a provision towards the cost of regular cyclical conservation and maintenance work that it is required to undertake in accordance with the terms of its headlease with the Greenwich Hospital. This is based on the trustees' estimate of the likely need for various works to be carried out over a period of time. The provision is being built up over a number of years and expenditure that falls within the relevant criteria will be charged against the provision to the extent that it has been provided for.

### **Fund Accounting Policy**

Restricted Funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes, and lease premiums which must be invested under the terms of our head lease.

General Funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objects of the charity.

Designated Funds are unrestricted funds which have been set aside by the trustees for particular purposes.

### **Incoming Resources**

Income is recognised in full at the time at which it is agreed in principle or the Foundation becomes entitled to it. Income is stated net of value added tax.

### **Resources Expended**

All expenses are accounted for on an accruals basis. Expenditure incurred in connection with the specific objects of the charity is included under the heading "Charitable activities" together with support costs, which are an apportionment of the general overheads of the charity. Governance costs are those costs attributable to the management & administration of the charity's assets, organisational administration and compliance with constitutional and statutory requirements.

### **Pension costs**

The company operates a defined contribution pension scheme provided by AVIVA which all employees may join. The pension contributions for the year are charged to the Statement of Financial Activities as incurred.

### 3 Charitable Activities

	Site maintenance & running costs £	Provision of Visitor Access £	Provision of Learning activities £	Costs of generating Voluntary income £	<b>Total 2015 £</b>	Total 2014 £
Staff costs	759,400	525,461	76,468	170,442	<b>1,531,771</b>	1,372,069
Repairs, maintenance & running costs	1,805,214	-	-	-	<b>1,805,214</b>	1,806,466
Professional fees	85,760	-	-	-	<b>85,760</b>	4,422
Insurance	215,660	-	-	-	<b>215,660</b>	58,478
Security	233,562	-	-	-	<b>233,562</b>	212,868
Activity costs	-	97,318	37,048	52,105	<b>186,471</b>	176,611
Advertising and promotion	-	190,560	4,760	-	<b>195,320</b>	112,356
Administration costs	98,255	2,180	-	23,487	<b>123,922</b>	87,575
Depreciation	101,264	1,517	-	-	<b>102,781</b>	90,153
	<u>3,299,114</u>	<u>817,035</u>	<u>118,276</u>	<u>246,034</u>	<u><b>4,480,461</b></u>	<u>3,920,998</u>

Resources expended include auditors' remuneration (excluding VAT) of £11,850 (2013/14 - £11,505) for the group.

	<b>2015 £</b>	<b>2014 £</b>
<b>Staff Costs</b>		
Wages and salaries	1,240,213	1,177,646
Social security costs	109,925	103,702
Pension costs	102,282	95,696
Other benefits	12,932	9,222
Training & recruitment	66,420	-
	<u>1,531,772</u>	<u>1,386,266</u>

#### Chaplain

The Foundation reimburses the Southwark Diocese for the salary costs of a Chaplain, who is not a member of staff. The Foundation provides accommodation for the Chaplain.

#### World Heritage Site Co-ordinator

The Charity is a member of the Greenwich World Heritage Site. On behalf of that group it has employed a Co-ordinator. The Charity receives contributions from the members of this group to cover this employment cost (the salary costs are not included in the totals above).

The number of employees whose emoluments were in excess of £ 60,000 during the year was as follows:

	<b>2015 No.</b>	<b>2014 No.</b>
£100,000 - £110,000	<u>1</u>	<u>1</u>

#### Staff numbers

The average number of employees during the year was 69 (2013: 63). The average number of full time equivalent staff during the year, analysed by activity was as follows:

	<b>2015 No.</b>	<b>2014 No.</b>
Trading operations	4.9	4.0
Fundraising	3.3	1.6
Learning	2.8	2.8
Site maintenance and running costs	16.3	16.6
Provision of visitor access	14.8	15.3
	<u>42.0</u>	<u>40.3</u>
WHS co-ordinator	0.6	0.6
	<u>42.6</u>	<u>40.9</u>

#### Payments to Trustees

	<b>2015 £</b>	<b>2014 £</b>
The following were paid to Trustees during the year:		
Expenses - travel reimbursement (1 trustee)	<u>1,361</u>	<u>499</u>

#### 4 Tangible fixed assets

	Long leasehold heritage assets	Short term leasehold improvements	Heritage assets artefacts	Fixtures, fittings and office equipment	Total Charity
Cost	£	£	£	£	£
At 1 April 2014	44,517,806	855,212	24,261	540,267	45,937,546
Additions	-	-	578	91,378	91,956
At 31 March 2015	<u>44,517,806</u>	<u>855,212</u>	<u>24,839</u>	<u>631,645</u>	<u>46,029,502</u>
<b>Depreciation/Impairment</b>					
At 1 April 2014	44,517,806	639,438	-	523,427	45,680,671
Charge for the year	-	85,380	-	15,883	101,263
Provision for impairment	-	-	-	-	-
At 31 March 2015	<u>44,517,806</u>	<u>724,818</u>	<u>-</u>	<u>539,310</u>	<u>45,781,934</u>
<b>Net book value</b>					
<b>At 31 March 2015</b>	<u>-</u>	<u>130,394</u>	<u>24,839</u>	<u>92,335</u>	<u>247,567</u>
At 31 March 2014	<u>-</u>	<u>215,774</u>	<u>24,261</u>	<u>16,840</u>	<u>256,875</u>

	Total Charity	Subsidiary fixtures and fittings	Total Group
Cost	£	£	£
At 1 April 2014	45,937,546	233,683	46,171,229
Additions	91,956	122,926	214,882
At 31 March 2015	<u>46,029,502</u>	<u>356,609</u>	<u>46,386,111</u>
<b>Depreciation/Impairment</b>			
At 1 April 2014	45,680,671	181,096	45,861,767
Charge for the year	101,263	39,642	140,904
Provision for impairment	-	-	-
At 31 March 2015	<u>45,781,934</u>	<u>220,738</u>	<u>46,002,671</u>
<b>Net book value</b>			
<b>At 31 March 2015</b>	<u>247,568</u>	<u>135,872</u>	<u>383,440</u>
At 31 March 2014	<u>256,875</u>	<u>52,587</u>	<u>309,462</u>

The Foundation has a 150 year lease over the site of the Old Royal Naval College which is leased from the Trustees of the Greenwich Hospital. This consists of a complex of four principal courtyard buildings designed by Sir Christopher Wren together with other ancillary buildings, all of which are of a historic nature and form part of the Greenwich World Heritage Site. The majority of the buildings are sublet to academic institutions as described in the Trustees Report. The site is open to the public free of charge, including access to the historic Painted Hall and Chapel except when these are in use for private hires. The Foundation is required to maintain the buildings to conservation grade standards.

The Foundation also possesses a collection of historic artefacts and memorabilia connected to the College, much of which is on display either in the Discover Greenwich exhibition or in other parts of the site. Items acquired recently comprise approximately 50 items ranging from paintings of former Admirals connected to the College to charts, books and engravings. These have been capitalised in accordance with FRS30. The Trustees have a policy of making judicious acquisitions of relevant artefacts when the opportunity arises and will not dispose of such items unless they are considered to be no longer of relevance to the College. These are also maintained to appropriate museum quality standards.

The Greenwich Foundation for the Old Royal Naval College  
Notes to the Financial Statements for the year ended 31 March 2015

**5 Debtors**

	Group 2015 £	Charity 2015 £	Group 2014 £	Charity 2014 £
Tenants and other trade debtors	379,597	254,550	403,332	350,334
Amount owed by subsidiary undertaking	-	479,988	-	277,970
Prepayments and other debtors	589,918	559,709	174,613	174,613
	<u>969,515</u>	<u>1,294,247</u>	<u>577,945</u>	<u>802,917</u>

**6 Cash at bank and in hand**

	Group 2015 £	Charity 2015 £	Group 2014 £	Charity 2014 £
General accounts	1,296,890	985,198	<u>2,090,137</u>	<u>1,769,543</u>

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

	Group 2015 £	Charity 2015 £	Group 2014 £	Charity 2014 £
Trade creditors	308,891	214,690	573,758	481,047
Social security and other taxes	3,439	(26,837)	77,579	57,604
Funds held on behalf of the Maritime Greenwich WHS group	62,534	62,534	53,891	53,891
Deferred income	27,058	17,820	7,244	7,244
Accruals and other creditors	231,837	198,887	133,102	51,259
Construction accruals	361,358	361,358	577,622	577,622
	<u>995,117</u>	<u>828,452</u>	<u>1,423,196</u>	<u>1,228,667</u>

**Funds held on behalf of the Maritime Greenwich WHS group**

The Maritime Greenwich World Heritage Site Group comprises eight organisations that operate within the site. The Group is not incorporated. On behalf of the Group the Foundation employs the WHS Co-ordinator, receiving contributions from all members to cover this cost. At year-end the funds held on behalf of the group represent excess contributions over the costs of this operation. The members are The Greenwich Hospital, The Greenwich Foundation, The Royal Borough of Greenwich, Royal Museums Greenwich, The University of Greenwich, The Cutty Sark Trust, Trinity Laban Conservatoire of Music and Dance and The Royal Parks.

**8 Provisions for liabilities and charges**

	Group and Charity	
	2015 £	2014 £
Provision for future conservation & maintenance works	1,097,000	1,092,604
Service charge contributions received in excess of expenses incurred:		
University of Greenwich	338,557	566,133
Trinity Laban	29,849	11,648
	<u>368,406</u>	<u>577,781</u>
	<u>1,465,406</u>	<u>1,670,385</u>

The Foundation has established a provision for future conservation & maintenance works towards the cost of regular cyclical conservation and maintenance work that it is required to undertake in accordance with the terms of its headlease with the Greenwich Hospital. This is based on the trustees' estimate of the likely need for various works to be carried out over a period of time. The provision is being built up over a number of years and is supported by resources held in designated reserves (see note 11). Expenditure that falls within the relevant criteria will be charged against the provision to the extent that it has been provided for.

**9 Service charges**

	Group and Charity	
	2015 £	2014 £
Service charges collected during the year	548,522	663,556
Net transfer of service charge from provisions for the year	209,375	54,060
	<u>757,897</u>	<u>717,616</u>

## 10 Analysis of Group net assets between Funds

	Unrestricted General Funds		Restricted Funds		Total
	Operating	Designated	Other	Endowment	
	£	£	£	£	£
Tangible fixed assets	383,439				383,439
Other investments	891,068	2,849,506	3,713,389		7,453,963
Future Fund' Permanent Endowment investment	-			810,040	810,040
Cash at bank and in hand	1,296,890				1,296,890
Other current assets	1,025,685				1,025,685
Current liabilities	(995,117)				(995,117)
Provisions	(1,465,406)				(1,465,406)
	<u>1,136,559</u>	<u>2,849,506</u>	<u>3,713,389</u>	<u>810,040</u>	<u>8,509,494</u>

## 11 Fund balances

	Funds at 1 Apr 2014	Income	Transfers btwn funds	Expenditure	Funds at 1 Apr 2015
	£	£		£	£
<b>Restricted Funds</b>					
Lease Premium	3,492,244	128,540			3,620,784
Painted Hall Restoration	110,666	87,496		(105,557)	92,605
	<u>3,602,910</u>	<u>216,036</u>	<u>-</u>	<u>(105,557)</u>	<u>3,713,389</u>
<b>'Future Fund' Permanent Endowment</b>	<b>298,893</b>	<b>511,147</b>			<b>810,040</b>
<b>Unrestricted General Funds</b>					
Designated Painted Hall Restoration	2,355,409				2,355,409
Designated Maintenance Reserves	494,097				494,097
General Operating Fund	846,997	5,159,472		(4,869,910)	1,136,559
	<u>3,696,503</u>	<u>5,159,472</u>	<u>-</u>	<u>(4,869,910)</u>	<u>3,986,065</u>
	<u>7,598,306</u>	<u>5,886,655</u>	<u>-</u>	<u>(4,975,467)</u>	<u>8,509,494</u>

The **Restricted Funds Lease Premium** comprises an initial premium from the granting of a long sub-lease to Trinity Laban. An initial premium payment of £3,239,149 was received in lieu of a rental stream for 140 years. Under the terms of the Foundation's lease of the Old Royal Naval College from the Secretary of State for Defence, acting as Trustee for the Greenwich Hospital, this premium is required to be retained and invested. The Trustees have therefore classified the proceeds as a Restricted Fund. Other lease premiums for the Cutty Sark Offices, School Room and Pier have further been committed to the Fund. The impairment of capitalised items is also charged to this fund with the cost covered by transfer from the unrestricted general operating fund. The funds are invested (see note 12.2) and gains and losses on the market value of this investment are also applied to this fund.

The **Restricted Painted Hall Restoration Fund** comprised £87,496 of grant and donations received for and 105,557 expended during the year in relation to the Painted Hall phase 2 project.

The **'Future Fund' Permanent Endowment Fund** comprises donations received, donations allocated and matched funding received for the 'Future Fund': In June 2012 the DCMS/HLF awarded the Foundation a Catalyst Endowment grant payable up to a maximum of £1,000,000: This is being paid over the years 2012-2016 to match donations raised by the Foundation towards an Endowment for the future maintenance costs of the Chapel and the Painted Hall.

The **Unrestricted Painted Hall Restoration Fund** has been designated by the Trustees to cover the Foundation's budgeted contribution to phase 2 of the Painted Hall Conservation Programme. It excludes the additional £500,000 element of fundraising income required to facilitate the project.

The **Unrestricted Maintenance Reserve** forms part of the General Fund and provides a contribution to resources above the provision already made for known projects within the Pre Planned Conservation & Maintenance register (see note 8). The provision and reserve will need to be built up in future years to achieve the required level of funds to cover future obligations for restoration, repair and maintenance under the terms of the headlease with Greenwich Hospital.

The **General Operating Fund** includes the trading activities of the Greenwich Trading Company Limited: Its profit for the financial year amounted to £0 (2013/14: £655), which results in a cumulative reserve of £12,333 at 31 March 2015 (2013/14: £12,333). Greenwich Trading Company will never have significant reserves because its taxable profits are paid in Gift Aid to the Foundation: The reserves temporarily held by the Company have been allocated to the General Operating Fund. In the year to 31 March 2015 the £1,225,000 (2014: £1,274,010) of Grant in Aid funding has been initially allocated to the Foundation's General Operating Fund to contribute towards repair and maintenance costs. This fund is used for day-to-day expenditure in pursuit of the Foundation's objectives, the total general operating funds designated by the Trustees to be held in reserve at the year-end at £1,136,559 represents the balance required to protect the continuity of the charity's work as described in the Trustees report.

## 12 Investments

### 12.1 Trading Subsidiary

The Foundation owns the whole of the issued share capital of the Greenwich Trading Company Limited, a company registered in England and Wales. The whole of the Company's taxable profits are payable under Gift Aid to the Foundation. The Company's results are given below. The Greenwich Trading Company Ltd runs the visitor services and learning activities at the College on behalf of the Foundation, which reimburses the net cost of these activities to the Trading Company.

#### Greenwich Trading Company Ltd

##### Profit & Loss Account for the year ended 31 March 2015

	2015	2014
	£	£
Turnover excluding Visitor Access Income	1,249,181	1,112,599
Visitor Access Income	172,697	116,245
<b>Total Turnover</b>	<u>1,421,878</u>	<u>1,228,844</u>
Cost of sales excluding Visitor Access costs	(339,953)	(275,209)
Visitor Access costs	(598,697)	(703,972)
<b>Total Cost of sales</b>	<u>(938,650)</u>	<u>(979,181)</u>
<b>Gross profit</b>	<b>483,228</b>	<b>249,663</b>
Administrative expenses	(3,240)	(1,734)
Reimbursement from The Greenwich Foundation for the Old Royal Naval College	434,620	587,726
<b>Operating Profit</b>	<u>914,608</u>	<u>835,655</u>
Gift Aid donations to The Greenwich Foundation for the Old Royal Naval College	(914,608)	(835,000)
<b>Retained profit for the year</b>	<u>-</u>	<u>655</u>
Retained profit brought forward	12,333	11,678
<b>Retained profit carried forward</b>	<u><u>12,333</u></u>	<u><u>12,333</u></u>

##### Balance Sheet at 31 March 2013

	2015	2015	2014	2014
	£	£	£	£
<b>Fixed assets</b>				
Tangible assets		135,872		52,587
<b>Current assets</b>				
Stock	56,170		58,655	
Debtors	155,257		52,998	
Cash at bank and in hand	311,691		320,594	
	<u>523,118</u>		<u>432,247</u>	
<b>Creditors: amounts falling due within one year</b>	<u>(646,653)</u>		<u>(472,499)</u>	
<b>Net current (liabilities) / assets</b>		<u>(123,535)</u>		<u>(40,252)</u>
<b>Net Assets</b>		<u><u>12,337</u></u>		<u><u>12,335</u></u>
<b>Share Capital</b>		2		2
<b>Reserves</b>		12,333		12,333
<b>Shareholders' funds</b>		<u><u>12,335</u></u>		<u><u>12,335</u></u>

### 12.2 Listed Investments

To fulfil the long-term aim of financial stability for the Charity and to comply with the Head lease from Greenwich Hospital, the Trustees adopted an Investment Policy, investing funds representing the lease premiums received from tenant's leases greater than 25 years with investment manager Newtons, BNY Mellon.

The entire holding is in the Newtons Real Return Fund Exempt SC2.

		£
Market value	31/03/2014	3,496,763
Additions		91,977
Disposals		-
Net investment gain		128,541
Market value	31/03/2015	<u>3,717,281</u>
Historical cost	02/06/2011	<u>3,250,000</u>
<b>Cash</b> - Long-term deposits held with Bank of Scotland		3,896,266
		<u><u>7,613,547</u></u>