

**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 2020**

**The Greenwich Foundation for the Old Royal Naval College  
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**Date of Incorporation** 20th March 1997  
**Charity Commission Registration** 22nd May 1997  
**President** HRH Duke of Gloucester KG GCVO

**Trustees** Tony Hales CBE Chair  
 Vice Admiral Sir Adrian Johns KCB CBE DL Deputy Chair  
 Dr Rupert Evenett FCA Treasurer  
 John Barnes  
 William Bax  
 Nicola Briggs  
 Andrew Clark  
 Jamaría Kong  
 Rosemarie MacQueen MBE  
 Desmond Shawe-Taylor  
 Diane Laura Whyte

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** Angela McConville (to 11 October 2019)  
 Matthew Mees FCCA (from 11 October 2019; Interim to 30 March 2020)

**Management team** Xanthe Arvanitakis Interim Director of Marketing and Commercial Enterprises (to 13 February 2020)  
 Matthew Mees FCCA Director of Finance & IT  
 Will Palin Conservation Director (to 18 October 2019)

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

**Solicitors** Farrer & Co  
 66 Lincoln's Inn Fields  
 London  
 C2A 3LH

**Auditor** Crowe U.K. LLP  
 55 Ludgate Hill  
 London  
 EC4M 7JW

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

**Surveyors** Huntley Cartwright Gerald Eve  
 Victoria House 7 Vere Street  
 Harestone Valley Road London  
 Caterham CR3 6HY W1G 0JB

**Surveyor of the Fabric** Martin Ashley Dipl. Arch, RIBA

**Honorary Conservation Adviser** Will Palin (from 19 October 2019)

## **The Trustees' Annual Report**

The Trustees present their report and financial statements for the year ended 31 March 2020. This report looks at the achievements of the previous 12 months and considers the impact we have made as a charity to preserve this historic site for the nation and to educate and inspire the public in heritage and creativity in accordance with our charitable objects.

### **1. Introduction from the Chair and the Chief Executive**

#### **Introduction from the Chair, Tony Hales**

This has been the most extraordinary year. It was a fabulous first 50 weeks for the Greenwich Foundation for the Old Royal Naval College. The Painted Hall and our wonderful conservators and staff were recognised with many awards for not only the meticulous and skilful work of conservation, but also for the interpretation, guided tours, educational benefit and the warm welcome provided by our guides.

The Painted Hall saw visitors from near and far with the year punctuated with celebratory moments, including the highlight of our Royal Gala in the presence of HRH Vice Admiral The Princess Royal. We welcomed a strong Royal Navy presence including the Royal Marine Band and Corps of Drums and with our own young Greenwich, Deptford and Rotherhithe Sea Cadets providing a guard of honour, which underlined our 300-year association with the Royal Navy.

The rest of the site including the Chapel, Visitor Centre, and Skittle Alley also played host to over a million visitors making the site, its stunning buildings and landscape one of the top tourist attractions in the country and indeed winning the Gold Award for Large Visitor Attraction of the Year category at the VisitEngland Awards for Excellence 2020.

We are also very important to the local economy and life of The Royal Borough of Greenwich welcoming visitors from across Greenwich and our neighbouring south-east London boroughs.

Of course, the final two weeks of the year saw an abrupt change as the country was locked down due to the Covid-19 global pandemic. Our team have shown incredible resilience in both the good times and through the most recent challenges.

We have had to make many changes but the site once more welcomes visitors in a safe and prudent way. We remain ambitious to tell the incredible stories of Greenwich from the days of Henry VIII to more modern history celebrating the lives of all those who have made this place not just an architectural and artistic jewel but a place built for everyone, who had served, to be welcomed and cared for no matter what their race or creed. We stand by those principles today and our interpretation and stories will always be inclusive.

We have many excellent partners with whom we work closely, and our thanks go to them all. Finally, may I thank, on behalf of a very committed Trustee Board, Matthew Mees and all our team including our volunteers who demonstrate so admirably the affection and care we have for the Old Royal Naval College and our delight in welcoming visitors here. We look forward with confidence.

#### **Introduction from the Chief Executive, Matthew Mees**

A look back on the last financial year for The Greenwich Foundation shows a remarkable year in many ways. It was a year which began as we celebrated our major transformation project of the magnificent Painted Hall as we reopened the space to the public in March 2019 with a

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new visitor offer and the excitement to welcome visitors to experience our new tours and interpretations. Our focus was very much on getting the new visitor experience right and being able to put the Painted Hall back into all we have to offer on site.

Whilst we could not have envisaged the triumphs and challenges that lay in the year ahead, it was a year in which we welcomed over a million people to the magnificent grounds and buildings of the Old Royal Naval College with a host of an extraordinary range of events and activities for our visitors and those in our local community. It was, however, a year that ended in with the country in the grip of a pandemic and a nationwide lockdown in place. In March 2020, just two weeks before our year-end we first closed our buildings to visitors and then shortly after, the grounds to the public.

The impact of our new visitor offer has been incredible and exceeded our expectations. It certainly goes some way to safeguarding our future, improving our road to independence and establishing a sustainable business that ensures we can engage with the public and conserve the Old Royal Naval College for generations to come.

Over the year we continued to invest in our long-term strategy to become an extraordinary cultural destination. With a year punctuated with awards and accolades especially in the field of conservation, glowing visitor reviews and positive feedback we are on the path to achieving our goals.

Our biggest triumph came with the news that the Old Royal Naval College had won Gold in the Large Visitor Attraction of the Year category at the VisitEngland Awards for Excellence 2020.

This award is a massive acknowledgement of the amazing work that our staff and volunteers contributed across the year to making the Old Royal Naval College the wonderful place it is and making us a successful visitor attraction; from keeping our grounds and buildings safe, clean and accessible, to researching and sharing our stories, delivering exceptional events, working with our many partners in welcoming our visitors, and providing the best possible experiences for everyone.

We are living through uncertain times; however, and we continue to work our way through the effects of the pandemic which has disproportionately affected the visitor economy and hospitality industry, which are key parts of what sustains our organisation.

Looking to the year ahead we know more of the uncertainty that is to come but we are certainly better equipped to deal with this now as we have learnt from the events of Spring 2020.

As always, I am grateful to the steadfast support of our sponsoring government department, the Department for Digital, Culture, Media and Sport and also the National Lottery Heritage Fund who have both provided much-appreciated support both in helping us invest in this outstanding site and also in supporting us in uncertain times.

I am particularly thankful for, and acknowledge here, the unyielding commitment and hard work of my colleagues at The Foundation whose passion for the Old Royal Naval College is always inspiring and certainly makes this an exceptional place to visit and to work in.

We know we always have more to do and always welcome new supporters to help us to continue to succeed in our charitable objectives.

## **2. Our history**

The Greenwich Foundation for the Old Royal Naval College was established in 1997 as a charity. Our charitable aims are to preserve and educate. We conserve and protect the magnificent Baroque buildings and grounds of the Old Royal Naval College, Greenwich, for present and future generations and provide opportunities for many and diverse audiences to enjoy and learn from its significance.

We are constitutionally independent of government but financially dependent for part of our core income on grant-in-aid from the Department for Digital, Culture, Media and Sport (DCMS). Since the Ministry of Defence vacated the site in the mid-1990s our site has been transformed from a heavily barricaded naval establishment with virtually no public access into a wonderful open space and cultural attraction for visitors.

Buildings have been restored with only some necessary roofing works remaining from the needed restorations that we inherited, grounds returned to their formal design and previously hidden heritage assets have been opened to the public.

## **3. Vision**

At the Old Royal Naval College in Greenwich, we are embarking on our most ambitious transformation to become an extraordinary cultural destination.

.....inspiring local pride and world-wide acclaim...

.....a place which creates rich and memorable cultural experiences...

We will secure our future through four pillars: exploration | spectacle | stewardship | independence.

### **Exploration**

Engage visitors via an exceptional site-wide historic, architectural and spiritual experience

### **Spectacle**

Inspire the public via a spectacular, cultural programme

### **Stewardship**

Conserve the fabric of our breath-taking buildings, grounds and archaeology

### **Independence**

Nurture our people and grow a cultural business which secures our future

The Old Royal Naval College is a national asset: 17 acres of public space attracting over a million visitors every year.

We are an architectural masterpiece. The Royal Hospital, home to naval heroes since 1694, is Sir Christopher Wren's riverside Baroque masterpiece and home to Britain's greatest painted interior. Our site, buildings and grounds are of historical, architectural and artistic importance and are recognised as such through their World Heritage Site and Scheduled Ancient Monument designation.

We are the start of Greenwich's royal story. Greenwich has long held an important significance for the monarchy. Beneath the site of the Old Royal Naval College are the foundations of one

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of the largest and most important Tudor palaces in England. A vast palace complex, Greenwich Palace was arguably the main royal palace throughout the Tudor period. Henry VIII, Elizabeth I and Mary I were all born here; Henry enjoyed jousting here and his wife, Anne Boleyn, was famously arrested here; even Shakespeare performed here as an actor to Elizabeth I.

We are also the place where some of the greatest creative geniuses of their day, Sir Christopher Wren, Sir James Thornhill and even Canaletto came to display their extraordinary talent; today it attracts some of the world's greatest film makers including Sir Kenneth Branagh and Gerry Bruckheimer.

The Old Royal Naval College today is a diverse, cultural space at the heart of Royal Greenwich. We are a heritage attraction, a place of worship, learning space, retailer, concert venue, film set, picnic venue, entertainment space, conference host, wedding venue and performance space. We host hugely popular cultural events like Greenwich Music Time and the Greenwich+Docklands International Festival.

We are a space for local people and tourists from the UK and worldwide. Our offer covers the daytime and night-time economy. Our engagement programme ensures that visitors enjoy and have memorable experiences here and includes tours, talks, 'Late' events, recitals, concerts, family activities and trails, debates, festivals and markets. Our maritime campus welcomes more than 10,000 students from our principal site partners, University of Greenwich and Trinity Laban (the UK's first conservatoire of music and dance).

## **Values**

The Old Royal Naval College we put our values at the heart of what we do.

- **Bold** - proud and confident, adventurous and build rich partnerships for everyone's benefit
- **Embracing** - warm and approachable, welcoming diverse people and ideas, and creating a positive, nurturing environment
- **Imaginative** - flexible, resilient and responsive to new opportunities
- **Resourceful** - inspired to create new ways of working to deepen our impact, making inventive use of resources and relationships as we build a cultural destination.

## **4. Our work**

The Greenwich Foundation has two charitable purposes, conservation and public engagement, which inform everything that we do. Flowing from these core charitable purposes, our work is organised within four strategic pillars – Exploration, Spectacle, Stewardship and Independence.

### **EXPLORATION - engage visitors via a site-wide historic, architectural and spiritual experience**

*We aspire to be an award-winning visitor attraction inspiring local pride and world-wide acclaim. We will ensure our estate remains a must-visit London attraction. We will deepen the quality of our offer to deliver an experience our visitors talk about long after their visit.*

We will:

- reveal the richness of our stories to create a world class visitor and learning experience
- inspire dialogue, debate and thought leadership in the areas of art, architecture, culture, history and design

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- champion learning and cultural inclusion: innovating ways for diverse audiences to access our stories

**Our impact (Year in numbers)**

- Over 1 million visitors to the site this year
- 70,000 visitors to the Painted Hall since reopening in March 2019 to beginning of lockdown in March 2020
- 210,000 people took part in special events
- 1,415 days equivalent of volunteer hours committed
- 94 staff and volunteers took part in access awareness training
- 4,000 school children participated in facilitated sessions
- 3,800 people attended the Chapel for services and concerts in December
- 1,285 people took part in tours or drop-in visits on Open House weekend
- 281 ESOL students took part in Christmas workshops

**Our visitor experience**

The re-opening of the Painted Hall in March 2019 was an opportunity to launch a new ticketed visitor offer that includes a '500 years of history' tour, new handling objects and interpretation; as well as an exceptional multi-media guide and access to the Skittle Alley, which had previously been closed to the public.

The introduction of the new offer has grown our visitors from a primarily local and domestic, art loving audience to over 10% international visitors in our first season. Out of a total 70,000 ticketed visitors to the Painted Hall in the first year, 25% were from South-East and East London postcodes. Of the international audience, the majority originated in the US, Canada, Australia and near-Europe (France, Germany, Italy), with growing Chinese, Japanese and Eastern European visitation. Our new ticketed offer has also enabled us to start building a robust travel trade and groups business which will provide long term income for the organisation. In the first year of the offer, Travel Trade and groups were responsible for 8% of total ticket revenue, largely spurred by inclusion in the London Pass from July 2019 onwards.

Actively telling our 500-year story we have also attracted visitors who are not just interested in art but also passionate about the Tudors, Royal Navy and histories of all the people who have lived in our grounds.

Integral to the visitor experience has been the restoration of the King William Undercroft as a new visitor centre area, with a new café, shop and interpretation gallery. The permanent displays in the new gallery feature information, exhibits and tactile objects, as well as the only publicly displayed physical remains of the Tudor Palace anywhere in the Greenwich. The shop and café also generate additional revenue for the organisation, capitalising on the footfall to the Painted Hall and ability to open alongside events outside of hours.

A new Film and TV tour was also introduced on the last weekend of every month, this has proved extremely popular with visitors covering the multitude of films that have been filmed on our site.

In order to deliver the new visitor experience, we created a new Visitor Experience Team, which incorporated the previous Retail, Ticketing and Ambassador teams. As part of this process, we provided extra hours of training and support, and a new management structure within the department. Ahead of the reopening, we also delivered a comprehensive programme of training to help orientate staff and volunteers and give them the tools and confidence to effectively deliver the new visitor offer.

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In May 2019, we recruited a new Volunteer Manager to steer our volunteer team and lead the Volunteering Strategy for the organisation. The creation of that strategy will guide the direction of our volunteer programme over the next three years, with immediate results already being observed. The number of active volunteers has grown to 104, with volunteer engagement (measured by hours committed) and experience (measured by feedback and survey results) both increasing considerably from the previous year. Once again this year, our volunteers were involved in large scale events including; Greenwich Music Time, Valentine's Lates, Greenwich + Docklands International Festival, and Luna Cinema, as well as being involved in almost every team across the organisation on either an ongoing or project basis.

We have seen considerable success with our new Visitor Offer – in our annual Visit England Accreditation, we were awarded a final score of 90%, our highest ever, and we have increased our visitor satisfaction scores across TripAdvisor and our own visitor survey. This is reflected in our relatively high repeat visitation, with around 3-5% of visits each week coming from existing annual pass holders. Finally, in March 2020, we were awarded the 'Visitor Attraction of the Year' at the London Tourism Awards, recognising a "truly memorable visitor experience and excellence across every aspect of the business".

This was soon to be followed up after lockdown in July with the news the Old Royal Naval College was awarded Large Visitor Attraction of the Year at the VisitEngland Awards for Excellence 2020.

In order to support the new Visitor Experience, we developed a new marketing strategy, focused on delivering footfall to the site and ticket sales, we developed new signage in the grounds and buildings to help visitors better navigate the site and create a less confusing and more pleasant visitor experience. This signage also launched our new brand identity, a new explorer map for the grounds, and new retail product and our new website launched in January. We have seen immediate success in greater traffic and conversion from the new website, and it has provided a much more intuitive experience to help visitors book and plan their visits more quickly and easily, as well as a better platform for interpretation and event content.

### **Revealing our stories**

The *Lives of the Pensioners* research project, which ran from March 2019 to January 2020, engaged volunteers in studying archive material relating to the everyday lives of the Greenwich Pensioners. Studying documents held by the National Maritime Museum, National Archives and the Royal Greenwich Heritage Trust, volunteers sourced new material and built up a database of information which has already fed into the development of a new Pensioners tour and new interpretation panels in the Skittle Alley. This project was recently awarded 'Highly Commended' at the 2020 Marsh Volunteer Awards.

Stewardship of collections in the care of the Old Royal Naval College has continued, with work to improve documentation, an audit of collections management standards, improvements to our environmental monitoring systems and the introduction of policies and procedures to safeguard the collections.

The interpretation of the Painted Hall, as part of the National Lottery Heritage Fund (NLHF) funded project, continued with a new audio-described tour for blind and partially-sighted visitors, the addition of British Sign Language (BSL) interpretation to our multi-media devices and the development of the online Painted Hall virtual tour (with a virtual reality option for smartphone users). The virtual tour was launched in April 2020 to great acclaim and was short-listed as a finalist in the *Time Out Time In* awards for best digital art experience during the COVID-19 pandemic lockdown.



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Our Access Panel met throughout the year, advising on the BSL interpretation functions on both the multimedia guide and virtual tour, feeding into plans around accessibility for the proposed Nelson Room Renovation Project and providing feedback on the new, site-wide wayfinding scheme.

From August to March the Old Royal Naval College ran a range of BSL events and activities, including BSL tours of the Painted Hall, a BSL-Interpreted tour of the Old Royal Naval College with Honorary Conservation Adviser, Will Palin, and the creation of a new, audio-described Painted Hall tour.

### **Championing learning**

The schools team recorded over 4,000 participations in our facilitated sessions. Over two thirds of visiting schools came from Greenwich, the remainder travelling from other parts of London - primarily Lewisham and Bexley. The 'Myths and Masks' workshop, based around Classical mythology, and the 'Pattern and Shape' geometry workshop proved our most popular sessions, with the newly-developed 'Curator for a Day' workshop also gaining popularity with both primary and secondary schools.

Teacher feedback from September to March shows that 98% of teachers rated our workshops as either 'excellent' (74%) or 'very good' (24%).

In March 2020, a new programme was piloted in partnership with the literacy charity *First Story*, the University of Greenwich and secondary school English students. Pupils aged 12-18 years old from schools across London worked with our Learning team and Dr Emily Critchley (Senior Lecturer in English and Creative Writing at Greenwich University) to compose a piece of creative writing, inspired by our spaces. Following enthusiastic feedback from all sides, we hope to make this an annual project.

Our SEND programme (aimed at schools for children with Special Educational Needs and Disabilities) was launched in October with workshops in the Painted Hall. 35 school children took part in sessions based around the theme of 'Kings and Queens'. The children had great fun dressing up and making their own 'treasure boxes' to take home with them. Teacher feedback included:

*'They absolutely loved the trip to the Royal Naval College, and we appreciate your support! They loved the call and response and the lovely use of Makaton throughout the day'.*

In recognition of the autism awareness training offered to staff and volunteers, the autism-focussed school and family activities offered, and the educational resources provided for autistic visitors, the National Autistic Society have recently renewed the Old Royal Naval College their Autism Friendly Award.

In the Spring and Summer of 2019, multi-sensory storytelling sessions were piloted in the Painted Hall as well as family 'make and take' sessions in the Clore Education Centre. This programme was well-received with 19 families (36 children and 20 adults) taking part.

The Hospital Outreach Programme at Queen Elizabeth Hospital, Woolwich has gone from strength to strength. Four bespoke sessions were delivered with more planned for when COVID-19 restrictions are lifted.

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A member of staff at the Hospital feedback:

*'The activities are really engaging, and cross age groups, abilities and genders. Parents, siblings and staff get involved, which is great...Many thanks - we hope to work with you long into the future!'*

Parents also commented:

*'Thanks to the College – it's brilliant that they do this kind of thing, coming out here to the kids in hospital. She's been doing the Tudors at school and she loved it.'*

*'They get so bored, it's fantastic that they (the College) make the effort to come out to the hospital and get them learning in a fun way.'*

### **Community Engagement**

Coinciding with the re-opening of the Painted Hall, the community team worked with Trinity Laban students and secondary pupils from Langton School in Kent to produce a performance of 'Boundless Skies'. The music composed and performed for this event was then recorded and used in the Tonesight machine - a motion-sensing 'instrument' provoked by movement, which uses music and audio description to interpret the Painted Hall for blind and partially-sighted people.

On 5 July the ORNC welcomed 12 Year 9 students from Trinity School, Lewisham for a Careers in Heritage Construction Day. The pupils were given a tour of the site, including a visit to the Painted Hall, with special focus on materials, architecture and craftsmanship. They visited our on-site stone masonry workshop and were given some practical experience.

281 ESOL students took part in our Christmas 2019 pomander making workshops. Staff and volunteers supported ESOL learners in mastering a simple craft, enabling them to practice their English in a relaxed and friendly environment.

In November, the ORNC hosted a Citizenship Ceremony for new British citizens living in Greenwich. 55 new citizens and their families received their citizenship in a moving ceremony in the Chapel, officiated by the Royal Borough of Greenwich's Deputy Superintendent Registrar. All new citizens were offered a free tour of the Painted Hall and given free annual passes.

The Chapel of St Peter and St Paul is the spiritual heart for the Old Royal Naval College bringing together our local and on-site community. Communion, morning prayer and concerts are among the services performed regularly for the congregation and our local and international visitors.

A live broadcast of Choral Evensong on Radio Three and a recording of Sunday Worship for Radio Four which was broadcast in November for the special remembrance of those who have died allowed us to reach out further to new audiences.

April saw the Chapel celebrate the 250th birthday of Admiral Sir Thomas Hardy, Governor of the Naval Hospital, with a special Evensong and wreath laying supported by the 1805 Club with the Greenwich, Deptford and Rotherhithe Sea Cadets in attendance. Remembrance for D-Day 75 was this year marked by a short service at the Water Gates.

The annual remembrance of the Battle of Trafalgar took place in October with a service of Choral Mattins. Remembrance Sunday on 10 November saw 220 people attend the Chapel service. December remains our busiest month of the year with extra concerts and services in

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the Chapel. 150 people attended the service on Christmas morning and 3,800 people attended the Chapel for services and concerts throughout the month.

### **Growing our audiences**

In September 2019, Open House weekend saw 1,285 visitors take part in tours or drop-in visits to parts of the site not normally open to the public. The opportunity to see the Jacobean Undercroft under the Queen Anne building proved especially popular.

On 14 February 2020, a Valentine-themed 'late' event in the Painted Hall of a dance class and volunteer-led tours was attended by 74 people. The evening attracted a far more diverse audience than our usual Painted Hall visitor. 68% of respondents to our survey were under 35 years of age (compared with 22% of our March to September 2019 Painted Hall audience) and 32% of people were of non-white ethnicities (compared with 8% of our March to September 2019 Painted Hall audience).

Towards the end of February 2020 two Audience Development Staff and Volunteer Consultation workshops took place that looked into existing visitor data around current audiences and to explore how the organisation can develop visiting audiences to be broader and more inclusive over the next 5 years. Specific visitor groups were identified as needing a more targeted offer and this work will continue into the 2020 to inform our Audience Development plan.

## **SPECTACLE - : Inspire the public via a stimulating artistic programme**

### **Inspire the public via a spectacular, artistic programme**

*Our magnificent buildings are a vibrant space full of things to do and experience. We want to be known for spectacular artistic events that draw in audiences seeking culture and creativity in their lives. We want to connect our site to its surrounding communities and curate fantastic, accessible cultural experiences.*

#### **We will:**

- Curate a thought-provoking, culturally inclusive public programme that is founded on our heritage and environment.
- Showcase the best of contemporary culture and talent to attract new and diverse audiences and occupiers.
- Create new spaces for creative work, practice and performance; build a creative network which reaches into our surrounding communities.

#### **Our impact:**

- 20,000 concert goers took their seats for our Greenwich Music Time Festival
- 37,827 visitors attended Greenwich & Docklands International Festival on our site
- 2,300 young adults and families picnicked in our grounds and watched the films as part of Luna Cinemas
- 125 people saw the sell-out The Soldier play performed in the Painted Hall

### **Review of the year**

A highlight of the year was the presentation of 'Elizabeth I: Construction of an Icon in April 2019 - a procession from the Queens House, through the Old Royal Naval College from the Royal Gates and down to the Water Gates and the river, accompanied by an audience of 200 and the Amies Freedom Choir.

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This spectacle was organised by Royal Museums Greenwich and is a wonderful example of one of the significant and enduring collaborations which allow us to work in partnership with many prestigious organisations. These programmed events allow us to animate and bring to life our buildings and grounds all year round and welcome large diverse audiences to this majestic riverside setting.

Our grounds and buildings are brought to life in the summer months enlivened with spectacular events that attract crowds from near and far. The Greenwich Book Festival's fifth year at the Old Royal Naval College with us was very popular attracting 3,500 people to two days of talks, walks and workshops with appearances by Michael Palin, Tracey Thorn and Billy Bragg. Friday was "Children's Day" and headlining authors and events included Cressida Cowell; tea parties with the Tiger Who Came to Tea and Harry Potter.

Greenwich & Docklands International Festival in June started off with bucolic bliss on Lower Grand Square as visitors could take a seat on a life-sized frame, complete with livestock participants in *Pasture with Cows* by the Captain Boomer Collective. Juggling, acrobatics, walkabout shows, games, songs and much more in this exciting programme entertained kids and adults alike.

Greenwich Music Time (GMT) is an established part of the Greenwich calendar. It attracted over 20,000 concert goers over the July week. GMT provided us with free use of the main stage which enabled a community celebration of the Painted Hall in music, dance and visuals, presented by Richard Navarro and introducing musicians and dancers from Trinity Laban Conservatoire of Music and Dance, Trinity Lewisham School and Simon Langton Grammar School for Boys. The event was attended by over 350 people.

Amber Markets food and craft market stalls continue to be a massive draw for local people and visitors alike; bringing a range of international culinary experiences to the site over the course of summer weekends.

Working in collaboration with local artists and makers was a key component of our participation in London Design Festival in September. It showcased contemporary interpretations of the architectural and decorative elements of the Old Royal Naval College that enticed a younger audience and architecture and design lovers to discover the spectacular buildings and grounds. A 'Trail of Works' with themes linked to the buildings and spaces, provided visitors with a memorable experience curated through the works of art, talks with a free drop-in exhibition in the Visitor Centre Gallery and further exhibits in the Skittle Alley and Painted Hall.

Performances in the Painted Hall are not only important revenue stream but also a vital way to grow our audiences. In partnership with Greenwich Performs and Opera Prelude, we hosted an opera event 'Music and Monarchy' in the Painted Hall. Artists from Opera Prelude presented a concert of baroque arias by Purcell, Lully and Handel, accompanied by musicians from London's music conservatoires, including musicians from Trinity Laban.

MESH Theatre Co stages historic war dramas in locations relevant to their origins. The play, *The Soldier* by Rachel Wagstaff, is inspired by Rupert Brooke's poem and features three sailors of the Royal Naval Division in WW1. The company performed a sell-out production to 125 people in the Upper Painted Hall.

## **STEWARDSHIP - conserve the fabric of our buildings, grounds and archaeology**

### **Conserve the fabric of our breathtaking buildings, grounds and archeology**

*The centerpiece of the Maritime Greenwich, World Heritage Site, our historic site is protected for the public's enjoyment. The magnificence of this unique feeds inspiration and understanding about the arts, culture, architecture and heritage. We will safeguard a future as rich and intense as our legacy.*

#### **We will:**

- maintain and enrich our unique estate to the highest standard for the benefit of future generations
- unlock hidden spaces and heritage assets and bring them to life for the public's enjoyment
- be a valued estate owner and landlord for our on-site partners

#### **Our impact**

- 8 conservation awards won
- King William and Queen Mary colonnades cleaned and redecorated
- Railings from Cutty Sark Gate to Water Gate cleaned and repainted – approximately 350 metres of railings in total
- Repair and redecoration of the river wall railings at Water Gate
- Cyclical redecoration of King William building completed – approximately 220 windows in total

#### **Review of the year**

We were delighted with the recognition we received for the conservation and architectural work undertaken in the previous year for the Painted Hall and King William Undercroft. We started the year with the Museums and Heritage Awards 2019 'Conservation Project of the Year', followed by awards from RIBA - a RIBA London Award and a RIBA London Conservation Award. In the July the project was also awarded a RIBA National Award.

In October the Painted Hall won Best Restoration of a Public Building in the 2019 Georgian Group Awards. In March 2020 we won three Civic Trust Awards – the only project in the UK to be successful in all three categories.

The site-wide conservation programme allowed us to complete significant works including the decoration of the colonnade ceilings as well as the latest phase of cyclical conservation and redecoration works to railings and the external joinery. These works are managed by the consultant surveyor allowing us to better plan for works and respond to current financial conditions.

Our Planned Preventative Conservation & Maintenance (PPCM) programme's 10-year plan was refreshed and recast throughout the year to better reflect priorities and show specific projects separated from reactive and cyclical maintenance budgets. A new project tracking document showed progress of projects against time and budgets.

#### **Specific works:**

Conservation masonry and cleaning works on the SE corner of the King William south range were completed followed by cyclical redecoration works to the King William building joinery. Approximately 220 windows were redecorated in this phase of works, out of around 1,250 windows in the four principal courts. The work represented the first determined extensive

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re-decoration programme of the four principal courts since 2012 and was the first in a phased re-decoration cycle detailed in the 10-year plan.

Redecoration of the King William and Queen Mary colonnades was also carried out along with the overhaul of pigeon protection in the Queen Mary colonnade. The colonnade ceilings had been in poor decorative condition prior to these works, and a subtle colour change was introduced to improve the appearance of these important spaces.

Work was completed to many of the lightwells across the site, the masonry elements of the lightwells to the King William colonnade in Upper Grand Square were carried out before the metalwork and joinery of each of these lightwells was repaired and re-decorated. This completed maintenance works to these 17 lightwells to the King William colonnade which had been in poor condition.

We also made good progress on the re-decoration of the site's railing of which there are many. Railings between West Gate and Water Gate (approximately 350 metres) were completed in the year, this represents one-quarter of the Old Royal Naval College railings and the first significant railing re-decoration programme since 2012. Additionally, repairs and re-decoration of the river wall railings at Water Gate was undertaken where the presence of steps and the subsequent action of river water had heavily corroded these railings.

Conservation, repair and re-decoration was also completed of East Gate which is the major thoroughfare on the eastern side of College Way.

Specialist survey work was undertaken to the George II statue in Lower Grand Square and a report issued on potential future conservation.

Survey work was also carried out to the Sea Cadet unit in advance of removing impervious cement plasters internally. Initial removal of modern internal plasters was undertaken, along with the external repairs to the King William colonnade lightwells, to address the water ingress issues, before a scheme of cement removal and plaster reinstatement is actioned in 2020-21.

We also carried out a successful trial cleaning of the floor in the King William undercroft with some remedial re-pointing in the interpretation gallery area and the re-painting of the entrance to the King William courtyard.

The 8 lanterns to Lower Grand Square were taken down, cleaned, conserved, re-decorated and re-gilded to improve their appearance and condition, a longstanding aim to improve the appearance of the site.

In addition to these specific projects extensive reactive maintenance works were completed by our maintenance contractor and Old Royal Naval College mason, in various areas of the site, including window repairs and re-decoration along with masonry conservation and cleaning.

As part of its ongoing partnership with the Building Crafts College (BCC), Stratford, the Old Royal Naval College hosted a NOCN-accredited two-day course on Understanding Repair & Maintenance of Traditional (Pre 1919) Buildings delivered by the BCC. The Old Royal Naval College received two free places on the course for members of staff.

## **INDEPENDENCE - grow a cultural business which secures our sustainable future**

### **Grow a cultural business which secures our sustainable future**

*We are committed to becoming self-sustaining. Our public grant remains vital but to grow we will enhance that funding through commercial activities, grants and fundraising. We have implemented a new business model incorporating a new ticketed admission for the Painted Hall which will enable us to do more, reach wider audiences and increase our impact.*

We will:

- integrate commercial opportunities into all aspects of our work
- cultivate new and existing valued partnerships which feed our sustainability
- build an organisation with the capability and capacity to deliver our ambition

### **Review of the year**

In its first year with a visitor ticketed offer the Foundation continued to progress all its commercial income streams, not just to offset the falling grant-in-aid, but to reduce reliance on the grant in general. Compared to the prior year the DCMS grant fell by £63k (or 7%) to £838k and now represents just 12.6% of total income and 14.2% of total unrestricted income.

While our grant-in-aid from the Department of Digital, Culture, Media and Sport (DCMS) remains essential to support the Old Royal Naval College's core objectives, the organisation also increasingly needs to raise funds from wider enterprise and philanthropy to continually invest in conservation and enhance our visitor offer.

The new visitor season 2019-20 saw our new ticketed visitor offer become embedded as an approach. We contracted with ticketing partners to sell the new admission ticket to ensure our offer was available to local, domestic and international visitors.

Our weddings and corporate hire business partner marketed the newly re-opened the Painted Hall and we worked closely with CH&Co to ensure this income is complementary to the wider Painted Hall offer. Together we hosted 143 events - a mix of corporate, site partner and internal events.

Some of the highlight events included The Greenwich Foundation's Royal Gala, New London Architecture annual charity dinner, the Naval Attaché Association Annual Dinner and Royal College of Defence Studies, Cartier's new season product launch, University of Greenwich Graduations & The APS Pharmaceutical Conference & Gala.

As the other major income streams such as commercial events, venue and film location hire and retail improved during the year, the results for the year show a more diversified portfolio of income which would be beneficial for the Foundation as it strives toward financial independence. Had the pandemic not caused significant economic disruption to the organisation as it has to the wider economy it would have been expected that the pace of growth in commercial income would have continued.

### **Ticket and retail sales highlights and income**

The reopening of the Painted Hall also marked the launch of a new shop in the King William Undercroft space. This shop features a higher-end range of products than the Visitor Centre shop, with a focus on representing the artistic and architectural wonder of the Painted Hall and Chapel and highlighting our Naval and Tudor connections. The Painted Hall Shop was named as a finalist in the Museum and Heritage Awards 2020, in the Shop of The Year (Turnover under £500k) category.

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Both shops onsite have seen significant improvements in average transaction values and average visitor spend this year, reflecting the greater appeal of our product ranges, and better understanding of our audiences to drive sales.

We have also seen success with our ticket sales, with 68% more tickets sold in the first 9 months of the new visitor offer than in the same period of the previous year with the Ceiling Tours. Our offer now has broader appeal, is more accessible, and our marketing campaigns have worked to effectively drive ticket sales and footfall to the site.

### **Income from filming**

The Old Royal Naval College regularly features in major film and TV productions and filming on our site remains an important part of our income stream. It also makes us famous! Reputationally, it provides us with other ways to tell our story. We introduced a Film and TV tours last weekend of every month, that has proved extremely popular with visitors. The behind-the-scenes tour of *'the most popular filming location in the world'* (Empire magazine) allows people to see the settings for Buckingham Palace in *The Crown* to 19th century revolutionary Paris in *Les Misérables* and across 60 years of filming both on our iconic riverside grounds and inside the magnificent Painted Hall.

This year's highlights have included *'Enola Holmes'*; our biggest film set on site for several years that filmed along the length of College Way and on Upper Grand Square. It included cows, sheep, dogs, geese as well as 30 horses and numerous carriages and two hundred extras.

Others have included filming for Disney's *'Cruella'*; *'The Crown'*, BBC documentaries about Queen Anne and Elizabeth and the Armada and *'Operation Mincemeat'*.

### **Philanthropy**

The most important achievement of the year was our successful campaign to raise the £325,000 required to install a lift providing step free access to the Chapel. We were delighted to reach our target thanks to the continued generosity of long-term donors such as the Foyle Foundation and the Kirby Laing Trust and thankful to those, like Morden College and the Rose Foundation, who have now joined our family of supporters. Crucial to our success however was a grant from the Old Royal Naval College Chapel Fund and the incredible legacy left to this project by former Patron and loyal member of the Chapel congregation, Commander George Greaves.

The year was also bookended by two spectacular fundraising events. In May we welcomed HRH the Princess Royal to the Old Royal Naval College for a magnificent Gala Dinner. Princess Anne was joined by many of our most generous benefactors for an evening whose proceeds supported the conservation of the magnificent Painted Hall in which dinner was served. Outside, the Royal Marines band and Corps of Drums, CTCRM, Lympstone beat the retreat whilst the Fleet Commander, Vice Admiral Jeremy Kyd CBE gave Her Royal Highness the salute.

In January the Painted Hall was transformed into a stage for some of the UK's most celebrated acting talent. *'A Play for Five Voices and a Painted Hall'* was written exclusively for the evening by renowned West End playwright and 18th-century specialist Ian Kelly. The script was performed by an all-star cast including Hugh Bonneville, Lisa McGrillis, Jane Asher, Anthony Ofoegbu and Robert Bathurst who retold the stories of the men and women who gaze down on us from Thornhill's ceiling. A copy of the script was auctioned at the end of an evening that



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provided much needed revenue for the Old Royal Naval College and a trove of memories for all who attended.

## **5. Governance**

### **Objects**

The two equal charitable objects for which the Old Royal Naval College was established, as set out in its founding constitutional documents, are:

- to preserve for the benefit of the nation the Old Royal Naval College site, buildings and monuments as being of historical, architectural and artistic importance; and
- to educate the public thereon.

In pursuance of these objects the Greenwich Foundation for the Old Royal Naval College 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.

### **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.

### **Our structure**

The Greenwich Foundation for the Old Royal Naval College is a charity (charity registration number 1062519) and a company limited by guarantee (company registration number 3340541), 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 Old Royal Naval College. There must be between three and eleven Trustees. The full Board meets quarterly as does the Board's Audit & Finance Committee. The People & Remuneration Committee meets half-yearly. 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 within a set of delegated authorities for the operation of the Old Royal Naval College.

Audit & Finance Committee is chaired by Rupert Evenett with Tony Hales, Jamaria Kong and William Bax as members. People & Remuneration Committee is chaired by Diane Laura Whyte with Tony Hales, Rupert Evenett and Jamaria Kong as members.

The Board conducts an annual review of its own performance and the Deputy Chair leads an annual review of the Chair.

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 Greenwich Foundation for the Old Royal Naval College.

The Old Royal Naval College operates with a staff of **53** full time equivalent employees (2019: 51 employees) and **110** (2019: 137) volunteers.

## **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 Old Royal Naval College seeks to appoint Trustees who can advance the objects of the charity through their professional expertise, knowledge or experience. The 'Nominations Committee' of the Board is convened to 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 Greenwich Foundation for the Old Royal Naval College advertise all Trustee vacancies in accordance with the Trustees aim to have a diverse range of skills, background and experience on the Board. A diversity register is maintained, and all vacancies are advertised openly to encourage the most diverse range of relevant candidates.

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

## **Remuneration**

The Old Royal Naval College's principle on remuneration is to ensure the reward package is competitive with other equivalent organisations so it is able to attract and retain staff. Remuneration is reviewed on an on-going basis by Directors, for roles within their teams, and is also reviewed when any vacancies occur and is adjusted according to movements in market rates for particular roles.

The Trustees, on the advice of the People & Remuneration Committee, set the salary for Chief Executive and approve the salaries of their direct reports, as well as the overall reward structure and policy.

Trustees receive no remuneration but are entitled to claim necessary expenses in carrying out their duties, see note 5 in the financial statements.

## **Investment Powers of Trustees**

Trustees may use the resources of the Old Royal Naval College 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 Old Royal Naval College. 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 of St Peter and St Paul and Painted Hall.

## **Fundraising**

We have a number of active programmes to encourage individuals and organisations to support the work of the Old Royal Naval College, and the Trustees gratefully acknowledge the financial support given to the Charity by so many generous donors.

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We always aim to achieve best practice in the way we communicate with and support our donors. We do not undertake any direct mailing campaigns and take great care with our communications over e-mail and other forms to ensure that undue pressure is not placed on individuals or any vulnerable people for financial support. We apply best practice to protect our supporters' data; we never swap or sell data and ensure that communication preferences can be changed at any time.

We manage all of our own fundraising activities, occasionally taking advice from external professional fundraisers. We work with an independent American charity, *American Friends of the Old Royal Naval College*, which is incorporated as a 501(c)3 in the United States, to fundraise on our behalf, and we closely monitor and advise on their activities to make sure that they adhere to our standards.

We take seriously the need to achieve the highest standards in our approach to fundraising and we are not aware of any failure by the Charity or firms which support us to comply with fundraising standards.

The Charity sets high standards about how we communicate with current and potential donors. In 2019/20 the Charity did not receive any complaints.

### **Sustainability**

While our grant-in-aid from the Department of Digital, Culture, Media and Sport (DCMS) remains essential to support the Old Royal Naval College's core objectives, the organisation also needs increasingly to raise funds from wider enterprise and philanthropy to continually invest and enhance our offering.

The Old Royal Naval College 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 Young's and John Smith's Bookshop, administrative offices for Cutty Sark, and satellite offices for the Royal Borough of Greenwich.

The Old Royal Naval College also holds an investment in the Newton Real Return Fund (see note 9 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 fell by 4.7% during the year.

The Old Royal Naval College also has a further investment with Newton Investment Managers. This is invested in the Newton Growth and Income Fund for Charities, the total value of the fund fell by 9.4% during the year.

The Old Royal Naval College has an investment with M&G Investments invested in their Charifund. The investment fell by 23.7% in the financial year.

It should be noted that these are long term investments and by 30 September 2020 both of the Newton funds were higher than on 1 April 2019. Newton Real Return Fund was up by 9.1% over the 18-month period and Newton Growth & Income Fund was up by 3.8%. At the same point M&G's Charifund had regained some of its lost value but was still 15% below the start of the financial year.

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

## **6. Summary of results for the year**

The Greenwich Foundation for the Old Royal Naval College has reported a consolidated deficit for the year with a net movement in funds of £757,868 (2019: surplus of £417,601). Of this, a deficit relating to unrestricted funds amounted to £629,313, the deficit relating to endowment funds was £314,240 and a surplus on restricted funds of £185,685.

The operating profit from our commercial activities through the trading subsidiary amounted to £728,399 (2019: £369,104).

Our resource Grant in Aid income fell by £63,000 and further reductions over the next year represent a significant risk to the financial health of the Old Royal Naval College. The Old Royal Naval College is therefore planning an expansion in revenue generating opportunities as part of the Painted Hall Project, including charging for a site-wide experience, a new café and retail areas. Investment returns from the Catalyst Endowment Fund in future years will help to further diversify revenue streams and ensure the long-term financial stability of the Old Royal Naval College.

There were investment losses of £501,618 during the year. The losses were primarily incurred in March 2020 due to economic uncertainty at the start of the coronavirus pandemic. The Newton Real Return Fund, representing the funds invested from the lease premium associated with the King Charles building (see note 9 to the accounts), had an investment loss of £187,378. There was an investment loss of £118,625 on the Newton Growth & Income for Charities Fund, reflecting a decrease in the value of the fund in which the Foundation has invested the proceeds of the endowment fund. There was also a loss of £195,615 on the M&G Charifund.

## **7. Going Concern**

The trustees have considered the ability of the Foundation to continue as a going concern for the foreseeable future.

The Foundation has to meet the significant costs required to maintain the Old Royal Naval College site through commercial income which is subject to normal economic and competitive pressures as well as through a grant from the Department for Digital, Culture, Media and Sport which has been significantly reduced in recent years. The current forecast for 2020/21 has been prepared showing a deficit which can be met by current reserves. Additionally, there are significant amounts of on-going discretionary expenditure which could be reduced if income is significantly reduced. Longer term planning allows for a smaller deficit in 2021/22 followed by recovery from the financial impact of the COVID-19 pandemic and a return to forecast surpluses by 2022/23.

As a result, the trustees do not consider there to be a material uncertainty in relation to the Foundation's ability to continue as a going concern for the foreseeable future.

## **8. Statement on Risk**

The Old Royal Naval College keeps a comprehensive register of all significant risks listing the mitigation actions taken to minimise these risks. The register is reviewed and updated bi-annually. The Audit and Finance Committee review this register on a bi-annual basis, and the full Board, annually.

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

- Catastrophic damage to the fabric of the site

The Trustees have appointed an independent surveyor to the fabric, Martin Ashley, who regularly inspects and monitors the buildings alongside the Old Royal Naval College's conservation team to ensure that the risks to the fabric of the building are addressed through a programme of maintenance and repair. The Old Royal Naval College's conservation team also monitor all activities on the site to ensure that risks to the fabric from operational activities are minimised.

- Failure to achieve the mission critical funding and revenue generation targets necessary to deliver the charitable objects of the Old Royal Naval College

Revenue generation targets are regularly reviewed by the management team and reviewed quarterly by Trustees to ensure that the Old Royal Naval College is able to meet its charitable objectives and targets. Teams responsible for both philanthropic / charitable income, and commercial income are in place and performing well.

- A continual reduction in grant in aid from the Department of Culture, Media and Sport

Plans for increasing self-generated income to replace the decline in grant in aid, both through commercial activity and through philanthropic giving are regularly reviewed by Trustees and management. In particular, opportunities to increase self-generated income through the Painted Hall project and unlocking site assets for commercial benefit have been included as key objectives for our future business model.

- Impact caused by the covid-19 pandemic

The Old Royal Naval College was accredited by VisitBritain in July 2020 to re-open as a visitor attraction with its 'Good to Go' mark after the first lockdown. The covid-19 safety control measures put in place continue to be in force across the site for visitor and employee spaces.

The financial impact of less visitors and events on site is continually under review by management and this is reviewed by the board at its regular meetings.

## **9. Reserves Policy**

The Trustees' policy on reserves was reviewed and revised during the prior year to take into account the current and future known commitments of the Old Royal Naval College, 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.

The Old Royal Naval College held total funds of £11,531,950 (2019: £12,289,818) which comprised endowment funds of £1,872,022 (2019: £2,186,262), restricted income funds of £185,685 (2019: £nil) and unrestricted funds of £9,474,243 (2019: £10,103,556) of which £7,750,031 (2019: £9,441,685) are designated. See note 17 to the accounts for further details.

The **Restricted Painted Hall Restoration Fund** comprised of income and expenditure in relation to the Development and Delivery Phases of the Painted Hall Project. **Other Restricted Funds** were created by donations and grants received for Chapel Access and Lantern Conservation works.

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The **DCMS/HLF Catalyst Endowment Fund** comprises donations and match funding received for the purposes of an Endowment. In June 2012 the DCMS/HLF awarded the Foundation a Catalyst Endowment grant payable up to a maximum of £1,000,000: this was paid over the years 2012-2016 to match donations raised by the Foundation towards an Endowment for the future maintenance costs of the Chapel of St Peter and St Paul and the Painted Hall.

The **Designated Lease Premium: Head Lease** represents the consideration of £2,000,000 paid to the landlord, The Secretary of State for Defence (Greenwich Hospital), for the lease of the site of the Old Royal Naval College for 150 years from 1st January 1998 to 31st December 2147. This payment is being recognised on a straight-line basis over the 150-year lease period.

The **Designated Lease Premium: Site Leases** represents recognised income from current tenants where a lease premium has been paid. Lease premiums for Trinity Laban (King Charles building), the Cutty Sark offices in the Mews, and the Old Brewery are included in this fund along with any investment gains or losses associated with the investment of the lease premiums. Income from each of the lease premiums is recognised on a straight-line basis over the duration of each lease.

The **Designated Painted Hall Restoration Fund** had been designated by the Trustees to cover the Foundation's budgeted contribution to phase 2 of the Painted Hall Project. The balance of designated funds has now been transferred to the General Operating Fund as all committed costs for the remainder of the project will be paid from the Painted Hall Restricted Fund.

The **Designated DCMS/HLF Catalyst Fund** represents unrestricted income generated from investments held within the Endowment Fund.

The **Designated Intangible, Tangible & Heritage Assets Fund** represents the net book value of the Foundation's intangible, tangible and heritage assets and has been designated as they do not represent free reserves. The fund totals £5,191,931 (2019: £6,279,431).

The **General Operating Fund** includes the trading activities of the Greenwich Trading Company Limited: its operating profit for the financial year amounted to £728,399 (2019: £369,104), and a cumulative reserve of £719,592 at 31 March 2020 (2019: £356,230). Greenwich Trading Company is unlikely to have significant long-term 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. This fund is used for day-to-day expenditure in pursuit of the Foundation's objectives and to protect the continuity of the charity's work as described in the Trustees report.

The policy on reserves seeks to hold a level of unrestricted funds, after taking into account funds designated towards the Painted Hall project, of £500,000. The level of unrestricted reserves available for general purposes represents the balances of the General Operating Fund and the Designated Lease Premium: Site Leases which stand at £2,354,891 (2019: £1,397,533).

## **10. Auditor**

A resolution to re-appoint Crowe UK LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

### **Statement of disclosure to auditor**

In so far as each of the Trustees of the charity, at the date of approval of this report, is aware there is no relevant audit information of which the charity's auditor is unaware. Each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

## **11. 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.

The Trustees' Report incorporating a Strategic Report was approved on 22 January 2021 and signed on their behalf by:



Tony Hales CBE  
Chair

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

**Opinion**

We have audited the financial statements of the Greenwich Foundation for the Old Royal Naval College for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2020 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 group 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 group's or the charitable 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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



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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.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- the parent company has not kept adequate accounting records; or
- the parent company 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.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, 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 group's or 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 the aggregate, they could reasonably

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be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**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 charitable 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 anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tim Redwood  
Senior Statutory Auditor  
For and on behalf of  
**Crowe U.K. LLP**  
Statutory Auditor  
**London**

26 January 2021

**Consolidated Statement of Financial Activities**  
**For the year ended 31 March 2020**

	Note	Unrestricted Funds £	Endowment Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
<b>Income and endowments from:</b>						
<b>Donations and legacies</b>						
Grant in Aid		837,996	-	-	<b>837,996</b>	901,000
Heritage Lottery Fund grant award		-	-	513,448	<b>513,448</b>	921,284
Donations		153,273	-	227,785	<b>381,058</b>	1,263,294
<b>Charitable activities</b>						
Rent receivable		1,626,342	-	-	<b>1,626,342</b>	1,637,460
Lease Premium		82,395	-	-	<b>82,395</b>	82,395
Service Charges		617,554	-	-	<b>617,554</b>	560,243
Visitor access including Ceiling Tours		901,657	-	-	<b>901,657</b>	513,727
Education / learning		775	-	-	<b>775</b>	2,159
<b>Other trading activities</b>						
Trading operations		1,413,028	-	-	<b>1,413,028</b>	668,116
<b>Investments</b>						
Deposit interest		4,236	-	-	<b>4,236</b>	2,308
Investments		178,147	-	-	<b>178,147</b>	164,296
<b>Other income</b>		<b>82,308</b>	-	-	<b>82,308</b>	10,556
<b>Total</b>		<b>5,897,711</b>	-	<b>741,233</b>	<b>6,638,944</b>	6,726,838
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Raising donations and legacies	4	360,191	-	-	<b>360,191</b>	387,044
Other trading activities		890,843	-	-	<b>890,843</b>	688,390
<b>Charitable activities</b>						
Site maintenance and running costs	4	3,165,551	-	113,535	<b>3,279,086</b>	3,567,574
Provision of visitor access	4	1,962,756	-	301,342	<b>2,264,098</b>	1,769,864
Provision of learning activities	4	100,976	-	-	<b>100,976</b>	162,272
<b>Total</b>		<b>6,480,317</b>	-	<b>414,877</b>	<b>6,895,194</b>	6,575,144
<b>Operating (deficit) / surplus</b>		<b>(582,606)</b>	-	<b>326,356</b>	<b>(256,250)</b>	151,694
Net gains / (losses) on investments	9.2	(187,378)	(314,240)	-	<b>(501,618)</b>	265,907
<b>Net (expenditure) / income</b>		<b>(769,984)</b>	<b>(314,240)</b>	<b>326,356</b>	<b>(757,868)</b>	417,601
<b>Transfers between funds</b>	17	140,671	-	(140,671)	-	-
<b>Net movement in funds</b>		<b>(629,313)</b>	<b>(314,240)</b>	<b>185,685</b>	<b>(757,868)</b>	417,601
<b>Reconciliation of funds:</b>						
Total funds brought forward		10,103,556	2,186,262	-	<b>12,289,818</b>	11,872,217
<b>Total funds carried forward</b>		<b>9,474,243</b>	<b>1,872,022</b>	<b>185,685</b>	<b>11,531,950</b>	<b>12,289,818</b>

With the exception of Endowment Funds, the information presented within the Statement of Financial Activities for the two years ended 31st March 2020 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. The consolidated income of the charity for the year is £6,638,944 (2019: £6,726,838) and net (expenditure) / income for the year was (£443,628) (2019: £320,675).

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

**Consolidated Balance Sheet**  
**as at 31 March 2020**

	Note	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
<b>Fixed assets:</b>					
Intangible assets	6	192,771	192,771	209,066	209,066
Tangible assets	8	4,973,558	4,973,558	6,044,763	6,044,763
Heritage assets	8	25,603	25,603	25,603	25,603
Investments	9.2	5,405,496	5,405,498	6,033,874	6,033,876
Endowment asset investments	9.2	1,872,022	1,872,022	2,186,262	2,186,262
		<u>12,469,450</u>	<u>12,469,452</u>	<u>14,499,568</u>	<u>14,499,570</u>
<b>Current assets:</b>					
Stock		131,446	-	60,549	-
Debtors: Amounts falling due after more than one year	10	1,690,002	1,690,002	1,703,335	1,703,335
Debtors: Amounts falling due within one year	10	988,492	1,248,980	739,032	724,071
Cash at bank and in hand	11	1,380,285	418,863	1,295,876	847,768
		<u>4,190,225</u>	<u>3,357,845</u>	<u>3,798,792</u>	<u>3,275,174</u>
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	13	(961,163)	(858,377)	(1,447,166)	(1,289,780)
		<u>3,229,062</u>	<u>2,499,468</u>	<u>2,351,626</u>	<u>1,985,394</u>
<b>Net current assets</b>					
		<u>15,698,512</u>	<u>14,968,920</u>	<u>16,851,194</u>	<u>16,484,964</u>
<b>Total assets less current liabilities</b>					
Creditors: Amounts falling due after more than one year	13	(3,939,816)	(3,929,816)	(4,022,211)	(4,012,211)
<b>Provisions for liabilities</b>	14	<u>(226,746)</u>	<u>(226,746)</u>	<u>(539,165)</u>	<u>(539,165)</u>
<b>Total net assets</b>		<u>11,531,950</u>	<u>10,812,358</u>	<u>12,289,818</u>	<u>11,933,588</u>
<b>The funds of the charity</b>					
Endowment funds	17	1,872,022	1,872,022	2,186,262	2,186,262
Restricted income funds	17	185,685	185,685	-	-
Unrestricted funds	17	9,474,243	8,754,651	10,103,556	9,747,326
		<u>11,531,950</u>	<u>10,812,358</u>	<u>12,289,818</u>	<u>11,933,588</u>
<b>Total charity funds</b>					

The amount of the net (outgoing) / incoming resources for the year dealt with in the financial statements of the parent charity is (£757,868) (2019: £417,601).

Approved and authorised for issue by the Board of Trustees on 22 January 2021 and signed on their behalf by:



Tony Hales CBE  
Chair

The notes on pages 29 to 41 form part of these financial statements.

**Consolidated Statement of Cash Flows**  
**For the year ended 31 March 2020**

	Note	2020 £	2020 £	2019 £	2019 £
<b>Cash flows from operating activities</b>					
<b>Net cash provided by (used in) operating activities</b>	(a)		(381,161)		1,069,076
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		3,286		2,308	
Purchase of tangible fixed assets		(157,813)		(1,830,989)	
Purchase of intangible fixed assets		-		(21,960)	
Purchase of endowment fund investment		-		(100,000)	
Cash receipts from long-term cash deposits		620,097		1,687,456	
<b>Net cash provided by (used in) investing activities</b>			465,570		(263,185)
<b>Change in cash and cash equivalents in the year</b>	(b), (c)		<u>84,409</u>		<u>805,891</u>

**Notes to the Consolidated cash flow statement**

	2020 £	2019 £
<b>(a) Reconciliation of net income to net cash flow from operating activities</b>		
<b>Net income for the year</b>	(757,868)	417,601
<b>Adjustments for:</b>		
Depreciation charges	1,245,313	518,106
Endowment fund receipts	-	-
Deposit interest	(4,236)	(2,308)
Investment income	(178,147)	(164,296)
(Decrease) / Increase in provisions	(312,419)	92,788
(Increase) / Decrease in stocks	(70,897)	15,988
(Increase) / Decrease in debtors	(236,127)	120,759
(Decrease) / Increase in creditors	(568,398)	336,345
Net losses / (gains) on investments	501,618	(265,907)
<b>Net cash (used in) / provided by operating activities</b>	<u>(381,161)</u>	<u>1,069,076</u>
<b>(b) Reconciliation of changes in cash balances during the year</b>		
Cash balances at 1 April	1,295,876	489,985
Increase in cash for the year	84,409	805,891
Cash balances at 31 March	<u>1,380,285</u>	<u>1,295,876</u>
<b>(c) Analysis of cash and cash equivalents</b>		
Cash at bank and in hand	<u>1,380,285</u>	<u>1,295,876</u>

**The Greenwich Foundation for the Old Royal Naval College**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2020**

**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 incorporated in the UK, limited by guarantee and has no share capital. The company is registered in England and Wales, company number 3340541, registered office address: 2 Cutty Sark Gardens, Greenwich, London SE10 9LW.

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 11 members at 31 March 2020. The Greenwich Foundation is a Public Benefit Entity.

**2 Accounting Policies**

**Basis of preparation**

The accounts (financial statements) have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006 and UK Generally Accepted Practice. The accounts comply with applicable charity and company law in England and Wales.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

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.

**Going concern**

The trustees have considered the ability of the Foundation to continue as a going concern for the foreseeable future. The Foundation has to meet the significant costs required to maintain the Old Royal Naval College site through commercial income which is subject to normal economic and competitive pressures as well as through a grant from the Department for Digital, Culture, Media and Sport which has been significantly reduced in recent years. The current forecast for 2020/21 has been prepared showing a deficit which can be met by current reserves. Additionally, there are significant amounts of on-going discretionary expenditure which could be reduced if income is significantly reduced. Longer term planning allows for a smaller deficit in 2021/22 followed by recovery from the financial impact of the COVID-19 pandemic and a return to forecast surpluses by 2022/23. As a result, the trustees do not consider there to be a material uncertainty in relation to the Foundation's ability to continue as a going concern for the foreseeable future.

**Group Accounts**

The Foundation owns the whole of the share capital of Greenwich Trading Company Limited (company number: 3568453). These accounts are consolidated on a line by line basis.

**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.

**Financial Instruments**

The Greenwich Foundation has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand, together with trade, accrued income and other debtors. Financial liabilities held at amortised cost comprise trade, accruals and other creditors.

Investments, including held as part of an investment portfolio are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

**Tangible Fixed Assets and depreciation**

Assets costing in excess of £ 1,000 are capitalised. 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	Leasehold improvements	10% straight line
Fixtures and fittings	33% straight line		

**The Greenwich Foundation for the Old Royal Naval College**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2020**

**2 Accounting Policies (continued)**

**Income**

Grants other than performance related grants are recognised when receivable. Donations are recognised when received. Rent and service charges are recognised in the period to which the premises are made available to a third party. Any lease premiums received are recognised on a straight line basis over the term of the lease. Income from sale of goods and catering is recognised in the year when the sale occurred. Income from events is recognised in the year the event occurs. Interest and investment income is recognised in the year earned by the charity. Donated services have been recognised when received in the year and are included in the accounts at the value of the gift to the charity.

**Expenditure**

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, the basis of allocation being as detailed in note 4 to the accounts. Governance costs are those costs attributable to compliance with constitutional and statutory requirements. Donated services are recognised as an expense under the appropriate heading at the value of the gift to the charity.

**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.

**Heritage Assets**

Heritage assets acquired since 2010 are recognised at cost and are not depreciated. Further information on the treatment of Heritage Assets in the accounts is available in notes 7 and 8.

**Intangible Assets**

Intangible assets includes capitalised costs incurred in entering into operating leases as a lessor and are amortised over the term of the lease.

**Stock**

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

**Recognition of liabilities**

Liabilities are recognised as incurred.

**Debtors**

Tenants and other trade debtors and accrued income are recognised at the amount due less any provision for irrecoverable amounts. Prepayments are valued at the amount prepaid net of any trade discounts due.

Included in debtors is the remaining value for the Head Lease Premium which has been paid by the Foundation, and is being amortised over the 150 year period of the lease.

**Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount after allowing for any trade discounts due.

**Deferred Income**

Income is deferred as a liability where rent is received for future reporting periods, deposits are received for events in future reports periods, or conditions restrict the use of a grant to a future reporting period.

**Provisions**

Amounts provided for conservation and maintenance relates to costs (including irrecoverable VAT) that the Foundation considers it has a legal or constructive obligation to meet at the end of the year under the Head Lease with Greenwich Hospital. This includes the remaining value of building works that were ongoing at the balance sheet date and that were not complete and also additional works planned for the following financial year that the Foundation considered to be overdue. Provisions for service charges represent the excess of service charges received over relevant costs incurred.

**The Greenwich Foundation for the Old Royal Naval College**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2020**

**3 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, which are described in note 2, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

The key sources of judgements and assumptions that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Greenwich Foundation participates in a number of leasing arrangements both as lessor and lessee. The Foundation must consider for each lease whether or not substantially all the risks and rewards incidental to ownership have been transferred to the lessee and so whether the lease represents a finance or operating lease. The Foundation has concluded that all leases entered into to date either as lessee or lessor represent operating leases and so amounts receivable under these leases are recognised on a straight line basis over the term of the lease. In relation to leases granted, the Foundations considers that it is acting as principal in relation to service charge arrangements and so income and expenditure is recognised gross in the financial statements.

**4 Analysis of Expenditure**

	Activities undertaken directly	Support costs	Total 2020	Total 2019
	£	£	£	£
<b>Raising funds</b>				
Raising donations and legacies	303,334	56,857	360,191	387,044
Other trading activities	746,738	144,105	890,843	688,390
<b>Charitable activities</b>				
Site maintenance and running costs	3,082,103	196,983	3,279,086	3,567,574
Provision of visitor access	1,813,750	450,348	2,264,098	1,769,864
Provision of learning activities	78,555	22,421	100,976	162,272
	<b>6,024,480</b>	<b>870,714</b>	<b>6,895,194</b>	<b>6,575,144</b>

	Raising donations and legacies	Other trading activities	Site maintenance and running costs	Provision of visitor access	Provision of learning activities	Total
<b>Support costs</b>						
Governance	1,088	2,678	11,055	6,506	282	21,609
Staff costs	24,190	58,057	112,243	243,839	11,612	449,941
Office running costs	31,579	83,370	73,685	200,003	10,527	399,164
	<b>56,857</b>	<b>144,105</b>	<b>196,983</b>	<b>450,348</b>	<b>22,421</b>	<b>870,714</b>

Expenditure includes auditor's remuneration (excluding VAT) of £18,900 (2019 - £18,350) for auditing services, £4,600 (2019 - £12,800) for tax return and advisory services.

Governance costs have been apportioned to activities based on the cost of activities undertaken directly. Staffing costs have been apportioned in line with the number of full time equivalent staff engaged in each activity. Office running costs have been apportioned by the desk space occupied by the staff engaged in each activity.



**The Greenwich Foundation for the Old Royal Naval College**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2020**

**5 Staffing costs, volunteers and trustees**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Staff Costs</b>		
Wages and salaries	1,833,691	1,800,954
Social security costs	154,480	155,808
Pension costs	139,562	164,923
Other benefits	16,732	14,585
Training & recruitment	54,839	62,469
	<u>2,199,304</u>	<u>2,198,739</u>

Payments to defined contribution pension schemes in the year totalled £150,870 (2019: £170,290).

Termination payments during the year totalled £71,029 (2019: £20,670).

**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>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
£80,000 - £90,000	1	-
£120,000 - £130,000	-	1
£140,000 - £150,000	<u>1</u>	<u>-</u>

Total payments including employer's national insurance and pension contributions for the key management personnel, being the Chief Executive and Management team as listed on page 1, totalled £334,727 (2019: £398,566).

**Staff numbers**

The average number of employees during the year was 88 (2019: 89). The average number of full time equivalent staff during the year, analysed by activity was as follows:

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
Trading operations	6.0	6.0
Fundraising	2.5	3.6
Learning	1.2	2.4
Site maintenance and running costs	11.6	12.1
Provision of visitor access	25.2	20.0
Support	5.9	6.1
	<u>52.4</u>	<u>50.2</u>
WHS co-ordinator	0.6	0.6
	<u>53.0</u>	<u>50.8</u>

**Volunteers**

Volunteers play a vital role in assisting visitors with the interpretation and the history of the ORNC and acting as guides for the Painted Hall Ceiling Tours. There are also other established volunteer roles in learning, visitor services, development, marketing and exhibitions. The total number of volunteers at the year end totalled 110 (2019: 137).

**Payments to Trustees**

No trustee has been paid any remuneration or received any other benefit from the charity or a related entity.

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
The following were paid to Trustees during the year:		
Expenses - travel reimbursement for 1 trustee (2019: 2 trustees)	<u>186</u>	<u>658</u>

**Charitable donations received from Trustees**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Charitable donations (including Gift Aid reclaimed) received from Trustees during the year:	<u>48,260</u>	<u>69,923</u>

**The Greenwich Foundation for the Old Royal Naval College**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2020**

**6 Intangible assets**

	<b>Lease Costs</b>	<b>Software</b>	<b>Total Charity</b>	<b>Total Subsidiary</b>	<b>Total Group</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2019	213,958	71,838	285,796	-	285,796
Additions	-	-	-	-	-
At 31 March 2020	<u>213,958</u>	<u>71,838</u>	<u>285,796</u>	<u>-</u>	<u>285,796</u>
<b>Depreciation/Impairment</b>					
At 1 April 2019	26,659	50,071	76,730	-	76,730
Charge for the year	8,558	7,737	16,295	-	16,295
At 31 March 2020	<u>35,217</u>	<u>57,808</u>	<u>93,025</u>	<u>-</u>	<u>93,025</u>
<b>Net book value</b>					
At 1 April 2019	<u>187,299</u>	<u>21,767</u>	<u>209,066</u>	<u>-</u>	<u>209,066</u>
<b>At 31 March 2020</b>	<u><b>178,741</b></u>	<u><b>14,030</b></u>	<u><b>192,771</b></u>	<u><b>-</b></u>	<u><b>192,771</b></u>

Intangible fixed assets representing professional fees associated with the sale of the lease of the Old Brewery are amortised over a 25 year period, which represents the duration of the lease and the period over which the lease premium income is also recognised.

**7 Heritage Assets - Grounds and Buildings**

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 grounds and buildings of the Old Royal Naval College are defined as heritage assets for the purposes of these accounts. The Foundation has a 150 year lease on the site commencing 1st January 1998, and under the terms of the lease with the landlord, Greenwich Hospital, the Foundation is unable to dispose, alienate or encumber any heritage assets under its responsibility.

The Trustees are of the opinion that, because of restrictions contained in the leases and the obligations of maintaining the historic buildings, a meaningful or conventional valuation of the grounds and buildings in the accounts would not be meaningful and would lack relevance. Whilst the buildings are valued for insurance purposes, the valuation is not seen as relevant in the context of the irreplaceable nature of such buildings of historic importance. The value of the buildings for insurance purposes is £406,710,000.

Costs relating to the maintenance and conservation of the fabric of the building in the last five years are summarised below and have been analysed between major works (being larger discrete maintenance projects) and on-going maintenance works (being smaller repairs and conservation works undertaken on a cyclical basis).

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Major Works	48,067	762,371	692,577	935,146	7,845
Maintenance Works	350,429	501,323	324,765	702,798	1,279,650
	<u><b>398,496</b></u>	<u><b>1,263,694</b></u>	<u><b>1,017,342</b></u>	<u><b>1,637,944</b></u>	<u><b>1,287,495</b></u>

In addition, £140,671 (2019: £1,559,256) has been spent as part of the Painted Hall project and capitalised in short term leasehold improvements and fixtures & fittings (see Note 8).

The Greenwich Foundation for the Old Royal Naval College  
Notes to the Financial Statements  
For the year ended 31 March 2020

8 Tangible & heritage assets

	Short term leasehold improvements	Fixtures, fittings and equipment	Heritage assets artefacts	Total Charity
Cost	£	£	£	£
At 1 April 2019	10,137,712	1,477,979	25,603	11,641,294
Additions	137,693	20,120	-	157,813
Disposals	-	(8,891)	-	(8,891)
At 31 March 2020	<u>10,275,405</u>	<u>1,489,208</u>	<u>25,603</u>	<u>11,790,216</u>
<b>Depreciation</b>				
At 1 April 2019	4,871,352	699,576	-	5,570,928
Charge for the year	942,020	286,998	-	1,229,018
Disposals	-	(8,891)	-	(8,891)
At 31 March 2020	<u>5,813,372</u>	<u>977,683</u>	<u>-</u>	<u>6,791,055</u>
<b>Net book value</b>				
At 1 April 2019	<u>5,266,360</u>	<u>778,403</u>	<u>25,603</u>	<u>6,070,366</u>
<b>At 31 March 2020</b>	<u><b>4,462,033</b></u>	<u><b>511,525</b></u>	<u><b>25,603</b></u>	<u><b>4,999,161</b></u>

	Total Charity	Subsidiary fixtures and fittings	Total Group
Cost	£	£	£
At 1 April 2019	11,641,294	187,562	11,828,856
Additions	157,813	-	157,813
Disposals	(8,891)	(4,206)	(13,097)
At 31 March 2020	<u>11,790,216</u>	<u>183,356</u>	<u>11,973,572</u>
<b>Depreciation</b>			
At 1 April 2019	5,570,928	187,562	5,758,490
Charge for the year	1,229,018	-	1,229,018
Disposals	(8,891)	(4,206)	(13,097)
At 31 March 2020	<u>6,791,055</u>	<u>183,356</u>	<u>6,974,411</u>
<b>Net book value</b>			
At 1 April 2019	<u>6,070,366</u>	<u>-</u>	<u>6,070,366</u>
<b>At 31 March 2020</b>	<u><b>4,999,161</b></u>	<u><b>-</b></u>	<u><b>4,999,161</b></u>

**Heritage assets**

The Foundation 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 FRS102. 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.

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.

**The Greenwich Foundation for the Old Royal Naval College**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2020**

**9 Investments**

**9.1 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 (3568453). The registered office of the Company is the same as that of the parent on page 1. The Company's taxable profits are payable under Gift Aid to the Foundation. The Company's results are given below.

**Greenwich Trading Company Ltd**

**Profit & Loss Account for the year ended 31 March 2020**

	<b>2020</b>	<b>2019</b>
	£	£
Turnover excluding Visitor Access Income	1,413,028	668,116
Visitor Access Income	265,409	226,843
<b>Total Turnover</b>	<u>1,678,437</u>	<u>894,959</u>
Cost of sales excluding Visitor Access costs	(524,153)	(260,970)
Visitor Access costs	(414,079)	(258,744)
<b>Total Cost of sales</b>	<u>(938,232)</u>	<u>(519,714)</u>
<b>Gross profit</b>	<b>740,205</b>	<b>375,245</b>
Interest receivable	2,022	808
Administrative expenses	(13,828)	(6,949)
<b>Operating Profit &amp; Retained profit for the year</b>	<u>728,399</u>	<u>369,104</u>
Gift Aid donation to The Greenwich Foundation for the Old Royal Naval College	(365,037)	(354,199)
Retained profit brought forward	356,230	341,325
<b>Retained profit carried forward</b>	<u><u>719,592</u></u>	<u><u>356,230</u></u>

**Balance Sheet at 31 March 2020**

	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	£	£	£	£
<b>Fixed assets</b>				
Tangible assets		-		-
<b>Current assets</b>				
Stock	131,446		60,549	
Debtors	151,582		81,803	
Cash at bank and in hand	961,422		448,108	
	<u>1,244,450</u>		<u>590,460</u>	
<b>Creditors: amounts falling due within one year</b>	<u>(514,856)</u>		<u>(224,228)</u>	
<b>Net current assets</b>		729,594		366,232
<b>Creditors: amounts falling due after more than one year</b>		<u>(10,000)</u>		<u>(10,000)</u>
<b>Net assets</b>		<u><u>719,594</u></u>		<u><u>356,232</u></u>
<b>Share Capital</b>		2		2
<b>Reserves</b>		<u>719,592</u>		<u>356,230</u>
<b>Shareholders' funds</b>		<u><u>719,594</u></u>		<u><u>356,232</u></u>

The charity had no related parties in the period other than transactions with its subsidiary company, as detailed above. The inter-company balance at the yearend is disclosed in note 10.

**9.2 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 of 25 years and above with investment manager Newtons, BNY Mellon. The lease premium holdings are invested in the Newton Real Return Fund Exempt SC2.

**The Greenwich Foundation for the Old Royal Naval College**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2020**

**9.2 Listed Investments (continued)**

<b><u>Newton Real Return Fund</u></b>			
Market value	31/03/2019		3,998,129
Additions (Dividend accumulation)			95,202
Disposals			-
Net investment loss			(187,378)
Market value	31/03/2020		<u>3,905,953</u>
Historical cost		<u>3,250,000</u>	
<b><u>Newton Growth &amp; Income Fund</u></b>			
Market value	31/03/2019		1,262,439
Additions (Purchases)			-
Additions (Dividend accumulation)			37,135
Disposals			-
Net investment loss			(118,625)
Market value	31/03/2020		<u>1,180,949</u>
<b><u>M&amp;G Charifund</u></b>			
Market value	31/03/2019		826,963
Additions (Purchases)			-
Additions (Dividend accumulation)			45,810
Disposals			-
Net investment loss			(195,615)
Market value	31/03/2020		<u>677,158</u>
<b><u>Cash - Long-term deposits</u></b>			
DCMS/HLF Catalyst Endowment cash deposits			238,001
Other long-term cash deposits			1,275,457
			<u>1,513,458</u>
			<u><b>7,277,518</b></u>

<b>10 Debtors: amounts falling due</b>	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>After more than one year</b>				
Unamortised head lease premium	<u>1,690,002</u>	<u>1,690,002</u>	<u>1,703,335</u>	<u>1,703,335</u>
<b>Within one year</b>				
Tenants and other trade debtors	204,005	52,762	148,568	74,089
Amount owed by subsidiary undertaking	-	412,070	-	66,842
Prepayments, accrued income and other debtors	771,154	770,815	577,131	569,807
Unamortised head lease premium	13,333	13,333	13,333	13,333
	<u><b>988,492</b></u>	<u><b>1,248,980</b></u>	<u><b>739,032</b></u>	<u><b>724,071</b></u>
<b>11 Cash at bank and in hand</b>	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
General accounts	<u><b>1,380,285</b></u>	<u><b>418,863</b></u>	<u><b>1,295,876</b></u>	<u><b>847,768</b></u>
<b>12 Contractual expenditure commitments</b>			<b>2020</b>	<b>2019</b>
			<b>£</b>	<b>£</b>
			<u><b>0</b></u>	<u><b>100,875</b></u>

Contractual expenditure commitments represent the remaining value on contracts entered into as part of the Painted Hall Project.

**The Greenwich Foundation for the Old Royal Naval College**  
**Notes to the Financial Statements**  
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**13 Creditors: amounts falling due**

	<b>Group 2020</b>	<b>Charity 2020</b>	<b>Group 2019</b>	<b>Charity 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Within one year</b>				
Trade creditors	480,839	453,611	796,171	753,067
Social security and other taxes	143,340	104,606	85,194	43,602
Deferred income	112,402	90,285	139,214	87,673
Accruals	108,526	94,967	310,681	298,532
Other creditors	116,056	114,908	115,906	106,906
	<b><u>961,163</u></b>	<b><u>858,377</u></b>	<b><u>1,447,166</u></b>	<b><u>1,289,780</u></b>
<b>After more than one year</b>				
Deferred income	<u>3,939,816</u>	<u>3,929,816</u>	<u>4,022,211</u>	<u>4,012,211</u>

**Deferred income**

Deferred income largely relates to lease premiums received in advance and amortised on a straight-line basis over the lease term. Other deferred income is recognised where income is received in advance of a service being provided.

	<b>Group 2020</b>	<b>Charity 2020</b>	<b>Group 2019</b>	<b>Charity 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At beginning of the year	4,161,425	4,099,884	4,361,373	4,183,423
Amounts released from previous year	(138,394)	(86,853)	(245,947)	(87,997)
Income deferred in the current period	29,187	7,070	45,999	4,458
At end of the year	<b><u>4,052,218</u></b>	<b><u>4,020,101</u></b>	<b><u>4,161,425</u></b>	<b><u>4,099,884</u></b>

**14 Provisions**

Amounts provided for conservation and maintenance relate to costs (including irrecoverable VAT) that the Foundation considers it had a legal or constructive obligation to meet at the end of the year under the Head Lease with Greenwich Hospital. This includes the remaining value of building works that were ongoing at the balance sheet date and that were not complete and also additional works planned for the following financial year that the Foundation considered to be overdue. The majority of costs provided are expected to be settled prior to the end of the next financial year.

The provision for "Service charge contributions received in excess of expenses incurred" represents the total value of service charges received from site tenants that is in excess of the totals due. Service charges are adjusted annually to reduce any excess service charges received.

**Reconciliation of movements in provisions**

	<b>Conservation and maintenance</b>	<b>Service charges</b>	<b>Group and Charity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At beginning of the year	475,243	63,922	539,165
Amounts released from previous year	(475,243)	(22,332)	(497,575)
Additional liabilities incurred in period	173,921	11,235	185,156
At end of the year	<b><u>173,921</u></b>	<b><u>52,825</u></b>	<b><u>226,746</u></b>

**15 Operating leases**

The Greenwich Foundation's tenants have commitments to making the following minimum aggregate payments under operating leases, which expire:

	<b>Group and Charity</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
In less than one year	1,470,973	1,481,252
Between one and five years	5,856,925	5,866,352
In more than five years	161,723,318	163,184,865

The Greenwich Foundation has a number of operating leases with tenants with a range of models. Operating leases can involve a single payment of a lease premium with no subsequent payments, annual lease payments with periodic rent reviews, or lease payments linked to turnover or a combination of these different models. The Foundation has granted leases with terms of up to 145 years.

**The Greenwich Foundation for the Old Royal Naval College**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2020**

**16 Analysis of Group net assets between Funds**

	Unrestricted General Funds		Restricted Funds		Total £
	Operating £	Designated £	Other £	Endowment £	
Intangible assets	-	192,771	-	-	192,771
Tangible assets	-	4,973,558	-	-	4,973,558
Heritage assets	-	25,603	-	-	25,603
Other investments	2,847,396	2,558,100	-	-	5,405,496
DCMS/HLF Catalyst Endowment Fund	-	-	-	1,872,022	1,872,022
Cash at bank and in hand	1,447,052	-	(66,767)	-	1,380,285
Other current assets	2,491,820	-	318,120	-	2,809,940
Current liabilities	(895,495)	-	(65,668)	-	(961,163)
Long term liabilities	(3,939,816)	-	-	-	(3,939,816)
Provisions	(226,746)	-	-	-	(226,746)
	<u>1,724,211</u>	<u>7,750,032</u>	<u>185,685</u>	<u>1,872,022</u>	<u>11,531,950</u>

**17 Fund balances**

	Funds at 1 Apr 2019 £	Income & investment gains £	Transfers between funds £	Expenditure & investment losses £	Funds at 31 Mar 2020 £
<b>Restricted Funds</b>					
Painted Hall Restoration	-	649,619	(140,671)	(352,859)	156,089
Other Restricted Funds	-	91,614	-	(62,018)	29,596
	-	<u>741,233</u>	<u>(140,671)</u>	<u>(414,877)</u>	<u>185,685</u>
<b>Endowment Funds</b>					
DCMS/HLF Catalyst Endowment Fund	2,186,262	-	-	(314,240)	1,872,022
	<u>2,186,262</u>	-	-	<u>(314,240)</u>	<u>1,872,022</u>
<b>Unrestricted Funds</b>					
Designated Lease Premium: Head Lease	1,716,668	-	-	(13,333)	1,703,335
Designated Lease Premium: Site Leases	735,662	82,395	-	(187,378)	630,679
Designated Painted Hall Restoration	568,783	-	(568,783)	-	0
Designated DCMS/HLF Catalyst Fund	141,141	82,945	-	-	224,086
Designated Intangible, Tangible & Heritage Assets	6,279,431	-	157,813	(1,245,313)	5,191,931
General Operating Fund	661,871	5,732,371	551,641	(5,221,671)	1,724,212
	<u>10,103,556</u>	<u>5,897,711</u>	<u>140,671</u>	<u>(6,667,695)</u>	<u>9,474,243</u>
	<u>12,289,818</u>	<u>6,638,944</u>	<u>-</u>	<u>(7,396,812)</u>	<u>11,531,950</u>

The **Restricted Painted Hall Restoration Fund** was created by donations and grants received in relation to the Development and Delivery Phases of the Painted Hall Project. Transfers out of this fund represent the capital element of works to the Painted Hall. Funds at 31 March 2020 are held to meet future maintenance commitments.

**Other Restricted Funds** were created by donations and grants received for Chapel Access and Lantern Conservation works.

The **DCMS/HLF Catalyst Endowment Fund** comprises donations and match funding received for the purposes of an Expendable Endowment. In June 2012 the DCMS/HLF awarded the Foundation a Catalyst Endowment grant payable up to a maximum of £1,000,000: This was 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. Income generated from investments held within the Endowment Fund is held in a separate **Designated Fund**.

The **Designated Lease Premium: Head Lease** represents the consideration of £2,000,000 paid to the landlord, The Secretary of State for Defence (Greenwich Hospital), for the lease of the site of the Old Royal Naval College for 150 years from 1st January 1998 to 31st December 2147. This payment is being recognised on a straight line basis over the 150 year lease period. The fund has been designated as the monies have already been paid over and so do not represent free reserves.

The **Designated Lease Premium: Site Leases** represents recognised income from current tenants where a lease premium has been paid. Lease premiums for Trinity Laban (King Charles building), the Cutty Sark offices in the Mews, and the Old Brewery are included in this fund along with any investment gains or losses associated with the investment of the lease premiums. Income from each of the lease premiums is recognised on a straight line basis over the duration of each lease.

The **Designated Painted Hall Restoration Fund** was designated by the Trustees to cover the Foundation's budgeted contribution to phase 2 of the Painted Hall Project. The remaining funds were released to the General Operating Fund at the end of the project.

The **Unrestricted Designated Intangible, Tangible & Heritage Assets Fund** represents the net book value of the Foundation's intangible, tangible and heritage assets and has been designated by the Trustees as they do not represent free reserves. The transfers into these funds represent additions during the year.

**The Greenwich Foundation for the Old Royal Naval College**  
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**18 Church of England Funded Pension Scheme (CEFPS)**

Greenwich Foundation for the Old Royal Naval College participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2019/20: £9,615, 2018/19: £9,425), plus the figures highlighted in the table below as being recognised in the SoFA, giving a total charge of (£3,385) for 2019/20 (2018/19: £4,425).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumption

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA\_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% pa.

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends	January 2018 to December 2020	January 2021 to December 2022
Deficit repair contributions	11.9%	7.1%

As at 31 December 2017 and 31 December 2018 the deficit recovery contributions under the recovery plan in force at that time were 11.9% of pensionable stipends until December 2025.

As at 31 December 2019 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2017 and over 2018 is set out in the table below.

	2019	2018
Balance sheet liability at 1 January	19,000	24,000
Deficit contribution paid	-3,000	-3,000
Interest cost (recognised in SoFA)	0	0
Remaining change to the balance sheet liability* (recognised in SoFA)	-10,000	-2,000
Balance sheet liability at 31 December	6,000	19,000

\* Comprises change in agreed deficit recovery plan, and change in discount rate and assumptions between year-ends.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	Dec-19	Dec-18	Dec-17
Discount rate	1.1% pa	2.1% pa	1.4% pa
Price inflation	2.8% pa	3.1% pa	3.0% pa
Increase to total pensionable payroll	1.3% pa	1.6% pa	1.5% pa

The legal structure of the scheme is such that if another Responsible Body fails, the Greenwich Foundation for the Old Royal Naval College could become responsible for paying a share of that Responsible Body's pension liabilities.



**The Greenwich Foundation for the Old Royal Naval College**  
**Notes to the Financial Statements**  
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**19 Comparative Consolidated Statement of Financial Activities**

For the year ended 31 March 2019

	Unrestricted Funds £	Endowment Funds £	Restricted Funds £	Total 2019 £
<b>Income and endowments from:</b>				
<b>Donations and legacies</b>				
Grant in Aid	901,000	-	-	<b>901,000</b>
Heritage Lottery Fund grant award	-	-	921,284	<b>921,284</b>
Heritage Lottery Fund matched funding	-	-	-	-
Donations	-	-	1,263,294	<b>1,263,294</b>
<b>Charitable activities</b>				
Rent receivable	1,637,460	-	-	<b>1,637,460</b>
Lease Premium	82,395	-	-	<b>82,395</b>
Service Charges	560,243	-	-	<b>560,243</b>
Visitor access including Ceiling Tours	513,727	-	-	<b>513,727</b>
Education / learning	2,159	-	-	<b>2,159</b>
<b>Other trading activities</b>				
Trading operations	668,116	-	-	<b>668,116</b>
<b>Investments</b>				
Deposit interest	2,308	-	-	<b>2,308</b>
Investments	164,296	-	-	<b>164,296</b>
<b>Other income</b>	<b>10,556</b>	<b>-</b>	<b>-</b>	<b>10,556</b>
<b>Total</b>	<b>4,542,260</b>	<b>-</b>	<b>2,184,578</b>	<b>6,726,838</b>
<b>Expenditure on:</b>				
<b>Raising funds</b>				
Raising donations and legacies	387,044	-	-	<b>387,044</b>
Other trading activities	688,390	-	-	<b>688,390</b>
<b>Charitable activities</b>				
Site maintenance and running costs	2,805,203	-	762,371	<b>3,567,574</b>
Provision of visitor access	1,616,001	-	153,863	<b>1,769,864</b>
Provision of learning activities	162,272	-	-	<b>162,272</b>
<b>Total</b>	<b>5,658,910</b>	<b>-</b>	<b>916,234</b>	<b>6,575,144</b>
<b>Operating (deficit) / surplus</b>	<b>(1,116,650)</b>	<b>-</b>	<b>1,268,344</b>	<b>151,694</b>
Net (losses) / gains on investments	168,981	96,926	-	<b>265,907</b>
<b>Net income</b>	<b>(947,669)</b>	<b>96,926</b>	<b>1,268,344</b>	<b>417,601</b>
<b>Transfers between funds</b>	<b>1,268,344</b>	<b>-</b>	<b>(1,268,344)</b>	<b>-</b>
<b>Net movement in funds</b>	<b>320,675</b>	<b>96,926</b>	<b>-</b>	<b>417,601</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward	9,782,881	2,089,336	-	<b>11,872,217</b>
<b>Total funds carried forward</b>	<b>10,103,556</b>	<b>2,186,262</b>	<b>-</b>	<b>12,289,818</b>

The Greenwich Foundation for the Old Royal Naval College  
Notes to the Financial Statements  
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**20 Comparative Analysis of Group net assets between Funds**

as at 31 March 2019

	Unrestricted General Funds		Restricted Funds		Total £
	Operating £	Designated £	Other £	Endowment £	
Intangible assets	-	209,066	-	-	209,066
Tangible assets	-	6,044,763	-	-	6,044,763
Heritage assets	-	25,603	-	-	25,603
Other investments	2,816,813	3,217,061	-	-	6,033,874
DCMS/HLF Catalyst Endowment Fund	-	-	-	2,186,262	2,186,262
Cash at bank and in hand	1,295,876	(54,807)	54,807	-	1,295,876
Other current assets	2,382,800	-	120,116	-	2,502,916
Current liabilities	(1,272,243)	-	(174,923)	-	(1,447,166)
Long term liabilities	(4,022,211)	-	-	-	(4,022,211)
Provisions	(539,165)	-	-	-	(539,165)
	<u>661,870</u>	<u>9,441,686</u>	<u>-</u>	<u>2,186,262</u>	<u>12,289,818</u>

**21 Comparative Fund balances**

as at 31 March 2019

	Funds at 1 Apr 2018 £	Income & investment gains £	Transfers between funds	Expenditure & investment losses £	Funds at 31 Mar 2019 £
<b>Restricted Funds</b>					
Painted Hall Restoration	-	2,184,578	(1,268,344)	(916,234)	0
	-	<b>2,184,578</b>	<b>(1,268,344)</b>	<b>(916,234)</b>	<b>0</b>
<b>Endowment Funds</b>					
DCMS/HLF Catalyst Endowment Fund	2,089,336	96,926	-	-	2,186,262
	<b>2,089,336</b>	<b>96,926</b>	-	-	<b>2,186,262</b>
<b>Unrestricted Funds</b>					
Designated Lease Premium: Head Lease	1,730,001	-	-	(13,333)	1,716,668
Designated Lease Premium: Site Leases	484,286	251,376	-	-	735,662
Designated Painted Hall Restoration	859,695	-	(290,912)	-	568,783
Designated DCMS/HLF Catalyst Fund	66,149	74,992	-	-	141,141
Designated Intangible, Tangible & Heritage Assets	4,944,588	-	1,852,949	(518,106)	6,279,431
General Operating Fund	1,698,162	4,384,873	(293,693)	(5,127,471)	661,871
	<u>9,782,881</u>	<u>4,711,241</u>	<u>1,268,344</u>	<u>(5,658,910)</u>	<u>10,103,556</u>
	<u>11,872,217</u>	<u>6,992,745</u>	<u>-</u>	<u>(6,575,144)</u>	<u>12,289,818</u>

Fund descriptions are in Note 17.