

**Association of Marine Electronic &
Radio Colleges Limited
(a registered charity and a company
limited by guarantee)**

Report and
Financial Statements
For the year ended 31 December 2020

ASSOCIATION OF MARINE ELECTRONIC & RADIO COLLEGES LIMITED
(A company limited by guarantee)

Reports and financial statements
for the year ended 31 December 2020

Contents	Page:
Company information	1
Directors' report	2 - 4
Independent examiner's report	5
Statement of financial activities	6
Balance sheet	7
Notes to the financial statements	8 - 12

The following pages do not form part of the statutory financial statements

Details of income and expenditure	13 - 14
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ASSOCIATION OF MARINE ELECTRONIC & RADIO COLLEGES LIMITED
(A company limited by guarantee)

Reference and administrative information for the year ended 31 December 2020

DIRECTORS and TRUSTEES

P Martin
S Howard
M Shakespeare
J Cartwright (Trustee only)
J West
B Dunsdon
T Slack

SECRETARY

P Langfield

REGISTERED OFFICE

Bridge Mills
Stramongate
Kendal
Cumbria
LA9 4UB

BUSINESS ADDRESS

Bridge Mills
Stramongate
Kendal
Cumbria
LA9 4UB

ACCOUNTANTS

MHA Moore and Smalley
Kendal House
Murley Moss Business Village
Oxenholme Road
Kendal
Cumbria
LA9 7RL

CHARITY NO. 1071872

COMPANY NO. 03439305

ASSOCIATION OF MARINE ELECTRONIC & RADIO COLLEGES LIMITED
(A company limited by guarantee)

Directors' report

The Trustees present their report of the charity for the year ended 31 December 2020 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019 and in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

DIRECTORS and TRUSTEES

The directors in the year were as follows:-

P Martin

S Howard

M Shakespeare

J West

B Dunsdon

T Slack

J Cartwright (Trustee only)

As set out in the articles of association and the revised rules of the association (2009) at each annual general meeting one third of the directors retire by rotation.

OBJECTIVES AND ACTIVITIES

The company is a charity, the objects of which are the advancement of public education and training in the fields of marine radio, electronics, telecommunications, radar, and electronic navigational systems and to hold and conduct such examinations as should be necessary to test or determine the skill and efficiency of persons presenting themselves for such examinations.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning our future activities.

ACHIEVEMENTS AND PERFORMANCE

Full Members total 23 (2019: 24) and Associate Members 13 (2019: 14). Fees for Members and Associate Members remain at Full £270, Associate £150.

Income from the Global Maritime Distress and Safety System (GMDSS) examinations decreased by 43.4% over the year as a result of restrictions in place relating to COVID-19.

Direct charitable expenditure accounted for 88.2% of incoming resources (88.4% in 2019). Overall expenditure represented 100.89% of income resources (98% in 2019). Administrative expenses were lower in 2020 than 2019 primarily due to COVID-19 restrictions. The 2020 AGM was cancelled and all meetings were held via Zoom.

Directors' report (*continued*)

ACHIEVEMENTS AND PERFORMANCE (*continued*)

The Executive Committee met in March, May, September and December 2020 via Zoom. An AGM did not take place due to COVID-19. All Executive Committee meetings dealt with items relating to the operation of the company.

The Maritime Consultation Group (MCG) which sits as an Open Session of the Executive Committee is still working well. The Executive Open Session receives reports from the Chief Examiner and has overall responsibility for the examination QA system. The revised course and examination audit system is running well.

FINANCIAL REVIEW - RESERVES POLICY

1. The Association requires financial reserves for three purposes:
 - i. to be able to fund the start-up or operational costs for any project that could not be supported out of annual income;
 - ii. to allow the Association to continue its charitable activities by providing a level of investment income that will partly compensate for the anticipated decrease in future income expected from its GMDSS examination services;
 - iii. to provide a contingency fund that will enable the Association to carry out any exceptional cost-bearing actions associated with its examination service quality assurance responsibilities.
2. The level of reserves required for the Association to meet its obligations under paragraph 1. above is circa £300k. Circa £250k will be held on long-term deposit or invested to produce an investment income (see 1.ii. above). Circa £50k will be held on short-term deposit to allow any annual expenditure required for activities under 1.i. and 1.iii. Free reserves at the year end were £316,423 (2019: £317,656).
3. The Association will prudently control its revenue expenditure in order to ensure an annual operating surplus can be maintained if possible. This will be achieved by setting a phased income and expenditure budget before the beginning of the financial year and monitoring the revenue budget and predicted surplus at quarterly meetings of the Board of Directors.
4. In the event of no other major income generating activity being forthcoming, which is currently being provided through its examination services, the Association intends using its investment income to supplement other minor forms of income, such as supplementary subscriptions, in order to continue with its charitable activities.
5. This policy will be reviewed annually and any proposals for change discussed and approved at the annual general meeting.

Following Government advice relating to COVID-19 all activities stopped towards the end of March 2020. This resulted in no income for April and May. AMERC Limited has always tried to keep costs as low as possible which has resulted in sufficient financial reserves. The 2020 AGM was cancelled this year due to travel restrictions and social distancing rules, this together with further cost cutting, such as only holding zoom meetings has further reduced our costs. With courses beginning to take place in the summer of 2020 and continuing to keep our costs low we are confident we will remain a going concern in 2021. It has been decided that the majority of meetings will continue to be held via Zoom in 2021 and beyond which will help to keep our costs low.

Directors' report *(continued)*

STRUCTURE GOVERNANCE AND MANAGEMENT

Status of the company

The company is a registered charity, number 1071872, and is limited by guarantee, and governed by its memorandum and articles of association.

Recruitment and appointment of new directors

The Trustees are appointed by the Board of Trustees and serve until they resign or retire. The Trustees ensure that new Trustees have the necessary skills to contribute to the Charity's management and development.

Risk assessment

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems are in place to mitigate the company's exposure to the major risks.

DIRECTORS' RESPONSIBILITIES

The directors (who are also trustees of Association of Marine Electronic & Radio Colleges Limited for the purposes of charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

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

By order of the board:



P Langfield
Secretary

Date: 29/03/2021

ASSOCIATION OF MARINE ELECTRONIC & RADIO COLLEGES LIMITED
(A company limited by guarantee)

Independent Examiner's Report to the Directors of Association of Marine Electronic & Radio Colleges Limited

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 December 2020 which are set out on pages 6 to 12.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I'm a member of the Association of Chartered Certified Accountants (ACCA) which is one of the listed bodies.

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

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

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



I Clark FCCA
MHA Moore and Smalley

Date: 31/03/2021

Kendal House
Murley Moss Business Village
Oxenholme Road
Kendal
Cumbria
LA9 7RL

ASSOCIATION OF MARINE ELECTRONIC & RADIO COLLEGES LIMITED
(A company limited by guarantee)

Statement of financial activities (including income and expenditure account) for the year ended 31 December 2020

	Note	Unrestricted funds	
		2020 £	2019 £
Income and endowments from:			
Charitable Activities:			
Direct Subscriptions		8,160	8,445
Examination Fees		163,348	287,290
Investments	2	3,191	2,975
		<hr/>	<hr/>
Total income and endowments		174,699	298,710
		<hr/>	<hr/>
Expenditure on:			
Charitable activities:			
Direct examination expenditure		131,473	235,424
Volunteer services		18,519	17,841
Travel and accommodation		3,849	10,888
Administrative expenses		22,091	28,983
		<hr/>	<hr/>
Total Expenditure	3	175,932	293,136
		<hr/>	<hr/>
Net movement in funds		(1,233)	5,574
 Reconciliation of Funds:			
Unrestricted funds balance brought forward		317,656	312,082
		<hr/>	<hr/>
Unrestricted funds balance carried forward		316,423	317,656
		<hr/>	<hr/>

All amounts relate to continuing activities.

There were no recognised gains or losses other than those included in the statement of financial activities. The statement of financial activities forms the income and expenditure account of the company.

The notes on pages 8 to 12 form part of these financial statements.

ASSOCIATION OF MARINE ELECTRONIC & RADIO COLLEGES LIMITED
(A company limited by guarantee)

Balance sheet as at 31 December 2020

	Note	2020		2019	
		£	£	£	£
Current assets					
Debtors	6	6,656		7,550	
Cash at bank and in hand		319,428		320,171	
		<u>326,084</u>		<u>327,721</u>	
Creditors					
Amounts falling due within one year	7	(9,661)		(10,065)	
		<u></u>		<u></u>	
Net current assets			316,423		317,656
			<u></u>		<u></u>
Total assets less current liabilities			316,423		317,656
			<u></u>		<u></u>
Funds of the charity:					
			<u></u>		<u></u>
Reserves - Unrestricted funds			316,423		317,656
			<u></u>		<u></u>

For the year ending 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board of Directors on 31/03/2021and signed on their behalf by:

P Martin
Director

Company Registration Number: 03439305

The notes on pages 8 to 12 form part of these financial statements.

ASSOCIATION OF MARINE ELECTRONIC & RADIO COLLEGES LIMITED
(A company limited by guarantee)

Notes forming part of the financial statements for the year ended 31 December 2020

1 ACCOUNTING POLICIES

Company information

Association of Marine Electronic & Radio Colleges Limited is a company limited by guarantee incorporated in England and Wales. The registered office is Bridge Mills, Stramongate, Kendal, Cumbria, LA9 4UB.

Basis of Accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)(issued October 2019)-(Charities SORP (FRS102)), and the Companies Act 2006.

Association of Marine Electronic & Radio Colleges Limited meets the definition of a public entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of general objectives of the charity.

Income

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income, it is probable it will be received and the amount can be measured reliably.

The following specific policies are applied to particular categories of income:

- (a) Income represents gross examination fees, direct subscriptions due for the year and income from other charitable activities. All subscriptions received for the year ended 31 December 2020 have been deferred to that accounting period.
- (b) Investment income is included when receivable.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Charitable expenses include:

- all expenses incurred in carrying out examinations - administration and issuing of certificates, maintaining quality control and disseminating appropriate information;
- all expenses incurred in contributing to the development of national education programmes for the telecommunications industry, encouraging new entrants into the industry and disseminating appropriate information.

ASSOCIATION OF MARINE ELECTRONIC & RADIO COLLEGES LIMITED
(A company limited by guarantee)

Notes forming part of the financial statements for the year ended 31 December 2020 *(Continued)*

1 ACCOUNTING POLICIES (continued)
Expenditure (continued)

All expenditure is accounted for on an accruals basis.

Administrative expenses are the costs of general running of the company not directly attributable to the above.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of the resources.

Investment income

Investment income represents the interest earned on the investment of temporary surplus funds placed on deposit, and is included in the accounts when receivable.

Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

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.

Financial Instruments

The charity only 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 their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Going concern

The rapid escalation in the Covid - 19 pandemic has created significant economic uncertainty, and with it an uncertainty over the future performance of the company. Information to inform expectations, together with the actions of Government, are changing daily. We are aware of the support that Government has pledged to do everything they believe necessary. Where we are able, we will take advantage of the support available as and when required, ensuring that we continue to operate within our available cash reserves and bank facilities through this period of uncertainty in order to enable us to pay our debts as they fall due. In view of this, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for a period of at least 12 months from the date the accounts are approved. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

2 INVESTMENT INCOME

	2020	2019
	£	£
Bank and Building Society Interest	3,191	2,975

ASSOCIATION OF MARINE ELECTRONIC & RADIO COLLEGES LIMITED
(A company limited by guarantee)

Notes forming part of the financial statements for the year ended 31 December 2020 *(Continued)*

3 RESOURCES EXPENDED

	Office Holder Costs £	Other Costs £	Total 2020 £	Total 2019 £
Direct examination expenditure	-	131,473	131,473	235,424
Volunteer services - non-directors	-	18,519	18,519	17,841
Travel and accommodation	-	3,849	3,849	10,888
Administrative expenses	11,031	11,060	22,091	28,983
	<u>11,031</u>	<u>164,901</u>	<u>175,932</u>	<u>293,136</u>

4 INFORMATION ON DIRECTORS AND TRUSTEES

None of the directors received any payments for volunteer services during the year (2019: £nil).

5 STAFF NUMBERS AND COSTS

The total wages and salaries costs were as follows:

	2020 £	2019 £
Wages and salaries	10,710	10,200
Pension contributions	321	281
	<u>11,031</u>	<u>10,481</u>

The company had 1 employee in 2020 (2019:1). This employee was primarily involved in management and administration of the charity. No employee was paid more than £60,000 in the year (2019: nil).

6 DEBTORS: Due within one year

	2020 £	2019 £
Trade debtors	1,380	2,640
Exam income due	320	-
Less bad debt provision	-	-
Prepayments and other debtors	4,956	4,910
	<u>6,656</u>	<u>7,550</u>

ASSOCIATION OF MARINE ELECTRONIC & RADIO COLLEGES LIMITED
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Notes forming part of the financial statements for the year ended 31 December 2020 *(Continued)*

7	CREDITORS: Amounts falling due within one year	2020	2019
		£	£
	Other creditors	1,476	1,485
	Deferred income: 20210 Membership Fees (note 8)	8,160	8,580
	PAYE and NI	25	-
		<hr/>	<hr/>
		9,661	10,065
		<hr/>	<hr/>

8 DEFERRED INCOME

Deferred income comprises of advance membership fees.

	2020	2019
	£	£
Balance at 1 January	8,560	8,610
Amount released to income earned from charitable activities	(8,560)	(8,610)
Balance at 31 December	8,160	8,580
	<hr/>	<hr/>
	8,160	8,580
	<hr/>	<hr/>

9 RELATED PARTY DISCLOSURES

Transactions

Travel and accommodation expenses relating to 7 directors and trustees for 2020 (2019: 7) amounted to £1,299 Directors plus £0 Trustee (2019: £4,563 Directors plus £519 Trustee).

10 LIABILITY OF MEMBERS

Every member of the company undertakes to contribute such amount as may be required (not exceeding £10) to the company's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member, for payment of the company's debts and liabilities contracted before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributions among themselves.

11 TAXATION

As a charity, the Association of Marine Electronic and Radio Colleges Limited is exempt from tax on income and gains falling within sections 472-474 of the Corporation Tax Act 2010, sections 478 - 489 of the Corporation Tax Act 2010, or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

12 CONTROL

There is no single controlling party of the charity for the current or previous year.

ASSOCIATION OF MARINE ELECTRONIC & RADIO COLLEGES LIMITED
(A company limited by guarantee)

Administrative expenses for the year ended 31 December 2020

	2020	2019
	£	£
ADMINISTRATIVE EXPENSES		
Volunteer services	10,710	10,750
Pension	321	280
Support services	4,410	4,200
Printing and Stationery	-	2
Telephone and Post	144	3
Travelling expenses	233	8,109
Legal and professional fees	13	13
Independent Examination fees	1,522	1,682
Bank charges	458	507
Insurance	2,952	2,810
Computer Support	183	507
Web Site	1,173	120
Exchange Fluctuations	(28)	-
Donations	-	-
Special Projects	-	-
	<hr/>	<hr/>
	22,091	28,983
	<hr/>	<hr/>