

THE MARITIME EDUCATIONAL FOUNDATION

England & Wales - Charity number 1100125

Details

Other names	MEF
Status	Registered
Legal form	Charitable company
Company number	04251334
Registered	2003-10-17
Register	View on the Charity Commission register

Contact

Address	The Maritime Educational Foundation 30 Park Street London SE1 9EQ
Phone	02074172800
Email	susan.bell@meftraining.org
Website	www.meftraining.org

Activities

Objects: I) THE ADVANCEMENT OF EDUCATION AND TRAINING IN MARITIME SKILLS FOR THE BENEFIT OF THE GENERAL PUBLIC.II) THE PROMOTION OF THE MERCANTILE MARINE FOR THE BENEFIT OF THE PUBLIC ON PARTICULAR BY THE EDUCATION AND TRAINING OF SEAFARERS AND PERSONS SEEKING TO BECOME SEAFARERS IN MARITIME SKILLS.III) THE RELIEF OF UNEMPLOYMENT FOR THE BENEFIT OF THE PUBLIC IN PARTICULAR BY THE PROVISION OF TRAINING AND EDUCATION TO UNEMPLOYED SEAFARERS.

Activities: A range of activities to support rating and officer training and development, including provision of rating apprenticeship places, officer training places, rating to officer conversion, updating certification and supporting relevant industry activities and projects.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Acts As An Umbrella Or Resource Body
- **What:** Education/training
- **Who:** Children/young People, Other Defined Groups, The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£5,856,209	£2,029,944	£13,871,437	0
2023-12-31	£5,978,781	£1,095,687	£10,024,291	0
2022-12-31	£3,837,287	£815,514	£4,999,272	0
2021-12-31	£2,468,257	£1,004,893	£2,322,511	0
2020-12-31	£1,881,634	£1,722,620	£708,658	0

Trustees

Name	Role	Appointed
CLIFF ROBERTS		2011-06-23
Darren Procter		2018-11-06
David Appleton		2017-11-30
Kristy Marie Dawson		2023-06-15
Martyn Edward James Gray		2023-06-03
Thomas Weise		2023-06-15

THE MARITIME EDUCATIONAL FOUNDATION

England & Wales - Charity number 1100125

Accounts

THE MARITIME EDUCATIONAL FOUNDATION

Registered Charity Number 1100125

Registered Company Number 4251334

YEAR ENDED 31 DECEMBER 2024

THE MARITIME EDUCATIONAL FOUNDATION
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2024

CONTENTS

LEGAL AND ADMINISTRATIVE INFORMATION	1
REPORT OF THE TRUSTEES	2
STATEMENT OF TRUSTEES' RESPONSIBILITIES	7
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS	8
STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT	12
BALANCE SHEET	13
STATEMENT OF CASH FLOWS	14
NOTES TO THE ACCOUNTS	15

THE MARITIME EDUCATIONAL FOUNDATION
LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2024

CONSTITUTION

The Maritime Educational Foundation ('the Foundation') was incorporated on 12 July 2001, and its memorandum and articles were amended by special resolution on 18 September 2003. It is limited by guarantee. The Foundation was registered as a charity on 17 October 2003.

TRUSTEES

The Directors, who are the Charity's Trustees that served during the year and up to the date of signing this report, were:

D Appleton
M Carden
K Dawson
M Gray
S Konstanz (Resigned 13 September 2024)
D Procter
C Roberts
T Weise

REGISTERED COMPANY NUMBER	4251334
REGISTERED CHARITY NUMBER	1100125
REGISTERED OFFICE	The Maritime Educational Foundation 30 Park Street London SE1 9EQ

PROFESSIONAL ADVISERS:

Auditor	DJH Audit Limited Nexus House 2 Cray Road Sidcup Kent DA14 5DA
Bankers	National Westminster Bank PLC Bishopsgate London EC2P 2AP
Investment Managers	Julius Baer 1 St Martin's Le Grand London EC1A 4AS

THE MARITIME EDUCATIONAL FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees, who are directors for the purpose of company law, are pleased to present their annual report together with the financial statements of the charity for the year ended 31 December 2024 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the requirements of the charity's trust deed, 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 (FRS 102), second edition published October 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Maritime Educational Foundation (the Foundation), is a charitable company limited by guarantee, controlled by the same board of Trustees as The Maritime Training Trust (MTT). MTT's purpose is to collect money remitted to it by shipping companies registered under the tonnage tax regime which have not met their core training commitment and pay these to the Foundation. These funds are then used to promote education and training in maritime skills for the British Shipping industry. The Foundation received its first contribution of £150,000 from the MTT in December 2003. The Foundation continues to receive contributions from the MTT.

There are normally eight Trustees, four nominated by the Chamber of Shipping, two nominated by Nautilus International and two by RMT, although casual vacancies occur from time to time. The Trustees are by their profession associated with the key aims of the Foundation and are therefore able to make informed judgements on the appropriateness of grant or other awards in line with the charitable aims of the Foundation.

Trustees are appointed by the full Board to ensure the Board is balanced and equipped to support the organisation. Each new trustee is given relevant induction as required and all trustees are given the opportunity of additional training where necessary.

The Foundation does not have any employees. However, the Chamber of Shipping Limited provides administrative support services to the Foundation and delegated responsibilities where considered appropriate.

AIMS AND OBJECTIVES

The Foundation's charitable objects are:

- The advancement of education and training in maritime skills and in pursuance of such object but not further or otherwise to facilitate and promote the education and training of seafarers in maritime skills for the benefit of the general public; and
- The advancement of education and training generally concerning maritime industries and industries related to maritime activities.

For the purpose of the above, 'seafarers' means persons employed or engaged, in maritime industries or who otherwise earn their living at sea or in industries related to maritime activities or who are undergoing a course of approved training for service in such industries or in industries related to maritime activities (and which is a course approved by the MNTB).

The Foundation meets these aims and objectives as explained in the following narrative.

THE MARITIME EDUCATIONAL FOUNDATION
REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

ACHIEVEMENTS AND PERFORMANCE

2024 has been another busy and successful year for the Maritime Educational Foundation (MEF). The Trustees have maintained their unwavering focus on recruiting, educating, and retaining the next generation of maritime professionals. Funding continued to be provided through sponsorships for the training of MEF cadets across the deck, engineering, and electro-technical disciplines. This support ensures cadets are equipped with the necessary skills and opportunities to embark on successful maritime careers. Further details regarding cadets and financial allocations are available in the accompanying financial report.

In addition to cadet training, the Trustees approved the continuation of funding initiatives designed to assist unemployed seafarers in enhancing their skill sets. By financing targeted training courses, MEF aims to improve the employability of these individuals. Furthermore, the bursary offered to shipowners to encourage the training of ratings was increased. This measure is intended to alleviate the financial burden associated with training UK ratings to full qualification, while also encouraging shipowners to either commence or expand their rating training programs. This year, the Trustees placed increased emphasis on promoting diversity within the maritime industry and broadening access to maritime careers. In a unique collaboration with the Women's International Shipping and Trading Association (WISTA), the Trustees are hoping if possible to fund the training of some WISTA cadets, showcasing the range of opportunities available to women in the sector.

The Trustees also approved a grant to support the National Awareness Campaign, an initiative designed to raise public awareness of the maritime industry's vital importance to the United Kingdom. Since the campaign's launch in October 2024, there has been a remarkable 1,650% increase in traffic to the Careers at Sea webpage and over 19 million views of the campaign's social media advertisements. The Trustees are optimistic that these efforts will translate into a significant increase in cadet intake by September 2025.

Further investment was made to enhance promotional materials for maritime careers, including funding a 40-minute documentary produced in collaboration with Solent Creatives, a student-led company aimed at providing students with commercial industry experience. The documentary is scheduled for launch on 18 May 2025.

The Foundation also continues its financial support of the JW Slater Fund, which provides grants to Merchant Navy Ratings, Electro-Technical Officers, and Yacht Crew seeking to progress to officer-level qualifications. Each year, the Trustees undertake a comprehensive review of the strategic plan to ensure MEF's resources are managed efficiently and that funds are allocated appropriately. This approach ensures maximum positive impact on cadet training and education, while remaining firmly aligned with the Foundation's charitable objectives.

PUBLIC BENEFIT

The Trustees confirm that they have taken due regard of the Charity Commission's general guidance on public benefit.

RISK MANAGEMENT

The Trustees consider the major risks facing the Foundation on an ongoing basis and takes steps to mitigate these risks as they arise. The main financial risk identified was potential future income volatility reflecting either any future changes to the current UK Tonnage Tax regime which supplies the entirety of the Charity's income or the amount of training undertaken themselves by the shipping companies enrolled in that scheme. Other than environmental scanning and monitoring there is limited mitigation possible. Other risks were financial ones arising as a result of volatility in the market value and income from fixed asset investments. Mitigation for these risks has included retaining substantial cash balances, a balanced and diversified portfolio asset allocation, the

THE MARITIME EDUCATIONAL FOUNDATION
REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

appointment of professional investment managers and the regular reporting and monitoring of investment performance. The Trustees engaged a consultancy to work with them on updating their investment strategy. However this work has stalled due to restructure in the organisation to which this consultancy is linked. The Trustees are in the process of considering alternative arrangements.

FINANCIAL REVIEW

A summary of the results for the Foundation for the year is given on page 12 of the financial statements.

A grant of £5.55 million was awarded by the Maritime Training Trust (MTT) to the Foundation for the year to 31 December 2024 (2023: £5.83 million). Part of this grant was paid over during 2024, while the balance is included within debtors at 31 December 2024 (see note 8).

In 2024 there is a net charge of £924k in respect of Clyde specific contracts. The Foundation initially awarded 20 new cadet places to Clyde in 2024, however only 16 individuals could be recruited by year end. The commitment to Clyde carried at 31 December 2024 for active contracts was £877k. In 2024 there is a net charge of £20k in respect of active contracts with Ship Safe Training Group (SSTG). The Foundation awarded 10 new cadet places to SSTG for 2024, however only 1 individual could be recruited by year end. The commitment to SSTG carried at 31 December 2024 was £196k. In 2024 there is a net charge of £28k in respect of contracts with Anglo Eastern Shipping (Anglo). No new cadet places were awarded to Anglo for 2024. The commitment to Anglo carried at 31 December 2024 was £81k. Outstanding transactions with VShips UK Limited were settled during the year with no further awards being made. Outward Bound activities for cadets incurred expenditure of £68k.

The Foundation donated £400k to the JW Slater Memorial Fund in 2024 (2023: £400k). The Trustees were notified that this Fund is to be administered by Marine Society and Sea Cadets going forward as explained further in Note 12.

Other grants awarded in 2024 totalled £515k. This included £300k for the National Awareness Campaign which the Trustees agreed to commit to following the consideration of information surrounding UK Chamber of Shipping's and MNTB's involvement in promoting this project and the presentation from Open Agency regards their proposed work on the project which MEF's funding will contribute to. £72k was expended on Bridge Watchkeeping courses at Blackpool and Fylde College and Solent University. A number of rating bursaries were awarded totalling £135k of which £72k is carried forward at year end as a commitment for the respective individual's completion stage. £24k of grants awarded in prior years was written back due to the failure of an organisation to claim within the agreed contractual time period.

The Foundation held cash balances of £4.8 million at 31 December 2024 (2023: £3.4 million). MEF received £860k in advance of the 2024 grant awarded by Maritime Training Trust. The Trustees made a decision in 2024 to invest £2 million in 2 fixed interest Treasury Reserve accounts (in the balance sheet as Current Asset Investments) with NatWest. These investments (including the interest accruing) were reinvested on maturity during the year. During 2024 the Trustees continued to invest substantial funds with Julius Baer in line with the investment policy noted below. The market value of investments held with Julius Baer was £3.64 million at 31 December 2024 (2023: £3.53 million). Total grant and award commitments being carried at 31 December 2024 were £1.39 million (2023: £1.06 million), of which £841k is due to be paid by 31 December 2025 and £549k thereafter, the main commitment therein being in respect of Clyde training contracts.

THE MARITIME EDUCATIONAL FOUNDATION

REPORT OF THE TRUSTEES (Continued) FOR THE YEAR ENDED 31 DECEMBER 2024

GOING CONCERN

The financial statements are prepared on a going concern basis. The Trustees have considered the continued appropriateness of the going concern basis for these financial statements. The charity has an improved net assets position and a strong net current assets position and therefore has no need to draw down any funds from the investment portfolio. During 2024, net assets have grown due to the sizeable cash balances which have been generated, some of which has continued to be put into Treasury Deposits to earn interest.

When awarding grants and new training commitments the Trustees are provided with the latest cash position as well as latest management accounts to enable them to ensure that commitments are not entered into that exceed the charity's ability to fund. Regarding funding commitments entered into at the balance sheet date, the full future amount of all future commitments is included in the financial statements so there are no additional debts that require settling before the award of any new commitments in 2025. Finally, the level of administrative costs and fixed overheads outside the funding of charitable commitments is low, representing less than 4% of total expenditure and representing 1.2% of income in 2024 so servicing these costs when they fall due is not material to the wider going concern considerations. Accordingly, the Trustees believe that a material uncertainty does not exist and hence the going concern basis remains appropriate.

RESERVES POLICY

In light of the main financial risks set out in the 'Risk management' section of this report and the importance of the UK ensuring continuity of sufficient maritime training under any reasonably foreseeable set of circumstances (both in terms of new candidates and the financing of unforeseen funding variations for existing candidates), The Trustees agreed that the level of financial reserves is appropriate.

At 31 December 2024, after allowing for the balance of total commitments of £1.4 million, the Foundation had £13.9 million of unrestricted funds as reserves.

The grant funding receivable from The Maritime Training Trust for the year to 31 December 2024 was £5.55 million (2023: £5.83 million). The Trustees continue to consider its pool of potential beneficiaries in order to utilise its free reserves effectively. The Trustees are currently working on a revised strategy in conjunction with their investment strategy plans (which were temporarily halted due to circumstances beyond their control as noted above) and will make further awards accordingly.

INVESTMENT POLICY

During 2024, Julius Baer maintained the portfolio as agreed by Trustees, within stated asset allocation guidelines for Fixed Income Bonds, Equities and Cash. Quarterly reports are received, and as at 31 December 2024, the investment portfolio had an open market value of £3.64 million (2023: £3.53 million). The Trustees reinvested the Treasury Deposits when they matured in the year as noted above. After year end, further substantial sums have been invested in similar short-term deposit arrangements at NatWest pending consideration of what steps to take next given the Consulting firm appointed to develop the new investment strategy has been unable to progress their review as noted above.

GRANT MAKING POLICY

The Maritime Educational Foundation only awards grants to other organisations for proposed projects that are consistent with its objectives and principle aims. Grant applications are reviewed by the Trustees as an agenda item on their board meetings. As the approval process is not delegated to management the trustees have not felt the need to establish a formal policy as there are no awards approved on their behalf.

THE MARITIME EDUCATIONAL FOUNDATION
REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

PLANS FOR FUTURE PERIODS

The Trustees will continue to review and monitor the range of funding offered and projects supported throughout the year. With the further improvement in reserves and the need to increase the required number of cadets trained annually, the MEF will continue to utilise more of its financial resources to raise the awareness of careers at sea and to support and influence the recruitment and retention of new talent into the Maritime industry.

FUNDRAISING

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. As set out earlier in this report and in note 2 to these financial statements, the only source of donations for the Foundation is a grant from the Maritime Training Trust. Accordingly the Foundation does not utilise any other professional fundraisers, commercial participators or third parties. The Foundation does not consider it necessary to comply with any voluntary code of practice, has received no complaints in relation to fundraising activities, nor does it consider it necessary to design specific procedures to monitor such activities.

AUDITOR

The auditor, DJH Audit Limited have indicated their willingness to continue in office and a resolution proposing their reappointment will be proposed at the AGM.


The Trustees (who are also the Directors) who held office at the date of approval of the Trustees' Report confirm that, so far as they are aware, there is no relevant audit information of which the Foundation's auditor is unaware; and each Trustee has taken all the steps that he or she ought to have taken as a Trustee and Director to make himself or herself aware of any relevant audit information and to establish that the Foundation's auditor is aware of that information.

The Trustees' Report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

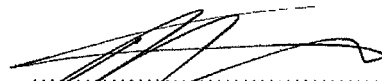
Approved and authorised for issue by the Trustees on behalf by

15 May

2025 and signed on their



Clifford Roberts, Trustee



David Appleton, Trustee

THE MARITIME EDUCATIONAL FOUNDATION
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2024

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the trustees annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that year.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting 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 charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE MARITIME EDUCATIONAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2024**

Opinion on the financial statements

We have audited the financial statements of The Maritime Educational Foundation (the 'charitable company') for the year ended 31 December 2024 which comprise the statement of financial activities including income and expenditure account, the balance sheet, the 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 charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE MARITIME EDUCATIONAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)**

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in 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:

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

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 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE MARITIME EDUCATIONAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions were held with, and enquiries made of, management and those charged with governance with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law and Tax legislation.
- it is considered that there are no laws and regulations for which non-compliance may be fundamental to the operating aspects of the business.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE MARITIME EDUCATIONAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)**

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.



Andrew Warren (Senior Statutory Auditor)

For and on behalf of DJH Audit Limited, Statutory Auditor
Nexus House
Cray Road
Sidcup
Kent
DA14 5DA

Date20/5/25.....

THE MARITIME EDUCATIONAL FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2024

	<u>Note</u>	<u>2024</u> £	<u>2023</u> £
INCOME			
Donations receivable	2	5,554,088	5,827,041
Interest receivable		185,683	67,880
Investment income	3	116,438	83,860
		<u>5,856,209</u>	<u>5,978,781</u>
EXPENDITURE			
Cost of raising funds			
Investment management costs		(22,914)	(21,571)
Charitable expenditure			
Donations payable in furtherance of the charity's objects	4	(400,000)	(400,000)
Other activities in furtherance of the charity's objects	4	(1,607,030)	(674,116)
TOTAL RESOURCES EXPENDED		<u>(2,029,944)</u>	<u>(1,095,687)</u>
NET INCOME FOR THE YEAR			
		3,826,265	4,883,094
Net gains on investments		20,881	141,925
NET MOVEMENT IN FUNDS		3,847,146	5,025,019
UNRESTRICTED FUNDS BROUGHT FORWARD AT 1 JANUARY 2024		<u>10,024,291</u>	<u>4,999,272</u>
UNRESTRICTED FUNDS BROUGHT FORWARD AT 31 DECEMBER 2024		<u>13,871,437</u>	<u>10,024,291</u>

All amounts relate to continuing operations.

The charity has no gains or losses not included in the Statement of Financial Activities.

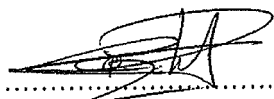
The notes on pages 15 to 19 form part of these financial statements

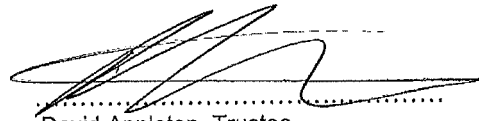
THE MARITIME EDUCATIONAL FOUNDATION
BALANCE SHEET
Registered Company Number 4251334
AS AT 31 DECEMBER 2024

	<u>Note</u>	<u>2024</u> £	<u>2023</u> £
FIXED ASSETS			
Investments	7	3,641,606	3,527,201
CURRENT ASSETS			
Current asset investments-Treasury Deposits		2,101,607	2,000,000
Cash at bank and in hand		4,836,075	3,427,878
Debtors	8	4,693,965	2,142,734
TOTAL CURRENT ASSETS		<u>11,631,647</u>	<u>7,570,612</u>
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	9	<u>(852,531)</u>	<u>(639,474)</u>
NET CURRENT ASSETS		10,779,116	6,931,138
TOTAL ASSETS LESS CURRENT ASSETS		14,420,722	10,458,339
Creditors: Amounts falling due after one year	9	<u>(549,285)</u>	<u>(434,048)</u>
NET ASSETS		<u>13,871,437</u>	<u>10,024,291</u>
THE FUNDS OF THE CHARITY			
Unrestricted funds		<u>13,871,437</u>	<u>10,024,291</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved and authorised for issue by the Trustees on *15 May* 2025 and signed on behalf of the board by:


.....
Clifford Roberts, Trustee


.....
David Appleton, Trustee

The notes on pages 15 to 19 form part of these financial statements

THE MARITIME EDUCATIONAL FOUNDATION
STATEMENT OF CASH FLOWS
Registered Company Number 4251334
FOR THE YEAR ENDED 31 DECEMBER 2024

	<u>2024</u>	<u>2023</u>
	£	£
NET MOVEMENT IN FUNDS	3,847,146	5,025,019
Increase in current asset investments-Treasury Deposits	(101,607)	(2,000,000)
(Increase)/Decrease in debtors	(2,551,231)	660,513
Decrease/(Increase) in creditors	328,294	(419,651)
Income from fixed asset investments	(116,438)	(83,860)
Gains on fixed asset investment	(20,881)	(141,925)
Investment fees paid	22,914	21,571
NET CASH USED IN OPERATING ACTIVITIES	<u>1,408,197</u>	<u>3,061,667</u>
NET MOVEMENT IN CASH DURING THE YEAR	<u>1,408,197</u>	<u>3,061,667</u>
CASH AT HAND AND IN BANK BROUGHT FORWARD	3,427,878	366,211
CASH AT HAND AND IN BANK CARRIED FORWARD	<u>4,836,075</u>	<u>3,427,878</u>

No reconciliation of net funds has been prepared as the Foundation holds only cash and cash equivalents

The notes on pages 15 to 19 form part of these financial statements

THE MARITIME EDUCATIONAL FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1 ACCOUNTING POLICIES

The following accounting policies have been used in the preparation of the financial statements of the Maritime Educational Foundation:

(a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost of transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) Second Edition, applicable accounting standards and the Companies Act 2006.

The Foundation constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared on a going concern basis. The Trustees have considered the continued appropriateness of the going concern basis for these financial statements. The charity has an improved net assets position and a strong net current assets position and therefore has no need to draw down any funds from the investment portfolio. During 2024, net assets have grown due to the sizeable cash balances which have been generated, some of which have continued to be put into Treasury Deposits to earn interest.

When awarding grants and new training commitments the Trustees are provided with the latest cash position as well as latest management accounts to enable them to ensure that commitments are not entered into that exceed the charity's ability to fund. Regarding funding commitments entered into at the balance sheet date, the full future amount of all future commitments is included in the financial statements so there are no additional debts that require settling before the award of any new commitments in 2025. Finally, the level of administrative costs and fixed overheads outside the funding of charitable commitments is low, representing less than 4% of total expenditure and representing 1.2% of income in 2024 so servicing these costs when they fall due is not material to the wider going concern considerations. Accordingly, the Trustees believe that a material uncertainty does not exist and hence the going concern basis remains appropriate.

(b) Income recognition

Donations are recognised when the Foundation has been notified in writing of a commitment to make the donation.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

(c) Expenditure recognition

Resources expended are recognised in the year in which they are incurred and include attributable VAT which cannot be recovered. Expenditure on training contracts is recognised when the Foundation has entered into a legal or constructive obligation with a training provider as these are unconditional awards with no required interim reporting requirements. The Foundation only commits expenditures against donations notified

THE MARITIME EDUCATIONAL FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)

1 ACCOUNTING POLICIES (continued)

(d) Fund accounting

Unrestricted funds are those that are freely available for use in pursuance of the general objects of the charity. All Maritime Educational Fund funds are unrestricted.

(e) Fixed asset investments

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Foundation does not acquire or use put options, derivatives or other complex financial instruments.

(f) Realised gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

(g) The Maritime Educational Foundation

The Maritime Educational Foundation is a private company, limited by guarantee, domiciled in England and Wales, Company Registration Number 4251334, Registered Company Number 1100125. The registered office address is 30 Park Street, London, SE1 9EQ.

2 DONATIONS AND GRANTS RECEIVABLE

	<u>2024</u>	<u>2023</u>
	£	£
Grant awarded by The Maritime Training Trust	5,554,088	5,827,041

3 INVESTMENT INCOME

	<u>2024</u>	<u>2023</u>
	£	£
Investment income on funds invested in line with the charity's investment policy	116,438	83,860

THE MARITIME EDUCATIONAL FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)

4 CHARITABLE EXPENDITURE IN FURTHERANCE OF THE CHARITY'S OBJECTIVES

	<u>2024</u>	<u>2023</u>
	£	£
Education and training of cadets		
Donations		
J W Slater Memorial Fund: Supporting Rating to Officer conversion - see Note 12	400,000	400,000
	<u>400,000</u>	<u>400,000</u>
Training contracts and other educational activities		
Training contract supporting undergraduates on approved Maritime Degree Courses	976,277	460,130
MNTB - Careers and Training Manager services	-	74,342
Other educational grants and activities	491,678	(46,618)
Outward bound event	67,898	64,633
Allocated governance & support costs (note 5)	71,177	121,629
	<u>1,607,030</u>	<u>674,116</u>

5 GOVERNANCE & SUPPORT COST COSTS

	<u>2024</u>	<u>2023</u>
	£	£
Administration Expenses (gross of irrecoverable VAT)	63,781	114,371
Auditors' Remuneration (gross of irrecoverable VAT)	7,440	7,100
Auditors' Remuneration (gross of irrecoverable VAT) - prior year	(44)	158
	<u>71,177</u>	<u>121,629</u>

6 STAFF COSTS

There were no employees during the year. None of the Trustees received any emoluments or expenses in respect of services to the charity.

THE MARITIME EDUCATIONAL FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)

7 FIXED ASSET INVESTMENTS

	<u>2024</u>	<u>2023</u>
	£	£
Movement in Fixed Asset Investments		
Market Value at 1 January 2024	3,309,749	3,045,522
Add: Additions to investments at cost	702,723	917,119
Less: Disposals at carrying value	(688,309)	(828,351)
Add: Net (losses)/gains on revaluation	51,432	174,126
Add: Change in accrued interest on fixed interest securities	246	1,333
Market Value at 31 December 2024	<u>3,375,841</u>	<u>3,309,749</u>
Investment at fair value		
Equities and pooled equity funds	1,391,370	1,352,798
Fixed Interest Securities	1,984,471	1,956,951
Fair value of listed securities & equities	<u>3,375,841</u>	<u>3,309,749</u>
Cash held within the investment portfolio	265,765	217,452
Total Fixed Asset Investments	<u>3,641,606</u>	<u>3,527,201</u>

8 DEBTORS

	<u>2024</u>	<u>2023</u>
	£	£
Amounts falling due within one year:		
Accrued income - interest on Treasury Deposits	29,919	37,446
Other debtors	4,670	-
Grant receivable from Maritime Training Trust	4,659,376	2,105,288
	<u>4,693,965</u>	<u>2,142,734</u>

9 CREDITORS

	<u>2024</u>	<u>2023</u>
	£	£
Amounts falling due within one year:		
Training contracts and career related activities	776,935	585,117
Other creditors - payable to MNTB	51,474	42,012
Accruals	12,061	12,345
	<u>840,470</u>	<u>639,474</u>
Amounts falling due after one year:		
Training contracts and career related activities	549,285	398,208
Other creditors - payable to MNTB	-	35,840
	<u>549,285</u>	<u>434,048</u>

THE MARITIME EDUCATIONAL FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)

10 FUTURE COMMITMENTS

There are no other future commitments other than those shown in note 9.

11 ANALYSIS OF NET DEBT

	As at 1 January 2024 £	Cash flows £	As at 31 December 2024 £
Cash	3,427,878	1,408,197	4,836,075

12 RELATED PARTY TRANSACTIONS

Maritime Training Trust

The board of Trustees of the Maritime Educational Foundation currently has the same membership as that of the Maritime Training Trust. The Foundation's purpose is to provide education and training in maritime skills for the British Shipping Industry which are financed by PILOT payments which are collected and then transferred to The Maritime Educational Foundation by the Maritime Training Trust.

In 2024 the Maritime Training Trust unconditionally agreed to award a grant of £5,554,088 (2023: £5,827,041) to the Maritime Educational Foundation to promote the charity in its primary charitable objectives.

The Chamber of Shipping Limited

The Chamber of Shipping Limited is responsible for nominating 50% of the Maritime Educational Foundation's Trustees.

The Chamber of Shipping Limited supplies project management and administration services to the Charity. Fees charged in respect of these services in the year totalled £46,200, inclusive of irrecoverable VAT (2023 fees: £44,400). In addition, the MEF agreed £61,000 in 2021 payable to the Merchant Navy Training Board (MNTB), an arm of the Chamber of Shipping Limited for the services of a Careers and Training Manager over a 2 year period. The arrangement which was due to conclude on 5 December 2023 was extended to 31 December 2025 at an expected cost of £74,342 including irrecoverable VAT.

J W Slater Memorial Fund

The J W Slater Memorial Fund ('the Fund') administration has been transferred over to the Marine Society & Sea Cadets (MSSC). A Memorandum of Agreement has been put in place which provided the Trustees of the Fund and Nautilus International with assurance that MSSC will continue with the original objects of the charity. A Management Committee has been set up with 3 Nautilus/Fund Trustees in place to meet bi-annually.

The Maritime Educational Foundation made donations to the Fund in the year totalling £400,000 (2023: £400,000). D Appleton, a Trustee of the Maritime Educational Foundation, is the Secretary of Fund.



THE MARITIME EDUCATIONAL FOUNDATION

England & Wales - Charity number 1100125

Accounts

THE MARITIME EDUCATIONAL FOUNDATION

Registered Charity Number 1100125

Registered Company Number 4251334

YEAR ENDED 31 DECEMBER 2023

THE MARITIME EDUCATIONAL FOUNDATION
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

CONTENTS

LEGAL AND ADMINISTRATIVE INFORMATION	1
REPORT OF THE TRUSTEES	2
STATEMENT OF TRUSTEES' RESPONSIBILITIES	7
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS	8
STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT	12
BALANCE SHEET	13
STATEMENT OF CASH FLOWS	14
NOTES TO THE ACCOUNTS	15

THE MARITIME EDUCATIONAL FOUNDATION
LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2023

CONSTITUTION

The Maritime Educational Foundation ('the Foundation') was incorporated on 12 July 2001, and its memorandum and articles were amended by special resolution on 18 September 2003. It is limited by guarantee. The Foundation was registered as a charity on 17 October 2003.

TRUSTEES

The Directors, who are the Charity's Trustees that served during the year and up to the date of signing this report, were:

D Appleton
M Carden
K Dawson (appointed 15 June 2023)
A M Dickinson (resigned 25 May 2023)
M Gray (appointed 3 June 2023)
S Konstanz
D Procter
C Roberts
T Weise (appointed 15 June 2023)

REGISTERED COMPANY NUMBER	4251334
REGISTERED CHARITY NUMBER	1100125
REGISTERED OFFICE	The Maritime Educational Foundation 30 Park Street London SE1 9EQ

PROFESSIONAL ADVISERS:

Auditor	McBrides Accountants LLP Nexus House 2 Cray Road Sidcup Kent DA14 5DA
Bankers	National Westminster Bank PLC Bishopsgate London EC2P 2AP
Investment Managers	Julius Baer 1 St Martin's Le Grand London EC1A 4AS

THE MARITIME EDUCATIONAL FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees, who are directors for the purpose of company law, are pleased to present their annual report together with the financial statements of the charity for the year ended 31 December 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the requirements of the charity's trust deed, 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 (FRS 102), second edition published October 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Maritime Educational Foundation (the Foundation), is a charitable company limited by guarantee, controlled by the same board of Trustees as The Maritime Training Trust (MTT). MTT's purpose is to collect money remitted to it by shipping companies registered under the tonnage tax regime which have not met their core training commitment and pay these to the Foundation. These funds are then used to promote education and training in maritime skills for the British Shipping industry. The Foundation received its first contribution of £150,000 from the MTT in December 2003. The Foundation continues to receive contributions from the MTT.

There are normally eight Trustees, four nominated by the Chamber of Shipping, two nominated by Nautilus International and two by RMT, although casual vacancies occur from time to time. The Trustees are by their profession associated with the key aims of the Foundation and are therefore able to make informed judgements on the appropriateness of grant or other awards in line with the charitable aims of the Foundation.

Trustees are appointed by the full Board to ensure the Board is balanced and equipped to support the organisation. Each new trustee is given relevant induction as required and all trustees are given the opportunity of additional training where necessary.

The Foundation does not have any employees. However, the Chamber of Shipping Limited provides administrative support services to the Foundation and delegated responsibilities where considered appropriate.

AIMS AND OBJECTIVES

The Foundation's charitable objects are:

- The advancement of education and training in maritime skills and in pursuance of such object but not further or otherwise to facilitate and promote the education and training of seafarers in maritime skills for the benefit of the general public; and
- The advancement of education and training generally concerning maritime industries and industries related to maritime activities.

For the purpose of the above, 'seafarers' means persons employed or engaged, in maritime industries or who otherwise earn their living at sea or in industries related to maritime activities or who are undergoing a course of approved training for service in such industries or in industries related to maritime activities (and which is a course approved by the MNTB).

The Foundation meets these aims and objectives as explained in the following narrative.

THE MARITIME EDUCATIONAL FOUNDATION

REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

ACHIEVEMENTS AND PERFORMANCE

The Maritime Educational Foundation's main focus continues to be the provision of quality training and education for all MEF sponsored cadets. Alongside cadet training, the MEF offers financial support by way of a bursary to shipping companies to encourage them to take on rating apprentices through the apprenticeship route. Ratings bursaries continue to be offered to companies taking on an apprentice. Traditionally ratings bursaries were only available to companies training apprentices through an MNTB approved route, but due to the aging UK ratings workforce and the need to encourage companies to train ratings, the Trustees agreed to widen the scope of the funding to include other maritime industry apprenticeships. The bursary available to companies remains at £4,000 per student and is paid at the start and completion of their training. Traditionally the MEF provided funding to unemployed seafarers to update their qualifications and enable them to secure employment. This funding support was paused temporarily but has now been reinstated to give those unemployed seafarers the opportunity to secure employment should they need to renew certain elements of their training.

Traditionally the MEF sponsors an agreed number of cadets each year (agreed annually). The cadets sponsored in 2023 are covered below in the Finance Review. Since year end the Trustees agreed to fund the sponsorship of further cadets from September 24. A tender process was implemented to select the training management companies (TMC) who would be recruiting and managing the cadets on behalf of the MEF. Only two training management companies met the criteria for selection: Clyde Marine Training and SSTG. The MEF Training and Careers Manager continues to be funded by the MEF and the UK Chamber of Shipping to oversee the effectiveness of the management companies and their compliance with the MEF Good Practice Guidelines. Regular updates to the MEF Good Practice Guidelines, (guidance for TMC's managing MEF cadets) are implemented as and when required. Following last year's full review and overhaul of MEF cadet management and the invoicing process, cadet contracts are being managed more effectively, with tighter controls in place and most if not all TMC's are adhering to the guidance criteria, making for a smoother operation and back-office function.

The Foundation continues to financially support the JW Slater Fund which offers funding for Rating to Officer conversion training awarding grants to Merchant Navy Ratings, electro-technical Officers or Yacht crew considering career progression.

Each year the Trustees review the strategic plan to ensure MEF resources are managed effectively and funds are distributed appropriately to maximise the positive impact on cadet training and education and to ensure any expenditure meets the Foundations Charitable objectives.

PUBLIC BENEFIT

The Trustees confirm that they have taken due regard of the Charity Commission's general guidance on public benefit.

RISK MANAGEMENT

The Trustees consider the major risks facing the Foundation on an ongoing basis and takes steps to mitigate these risks as they arise. The main financial risk identified was potential future income volatility reflecting either any future changes to the current UK Tonnage Tax regime which supplies the entirety of the Charity's income or the amount of training undertaken themselves by the shipping companies enrolled in that scheme. Other than environmental scanning and monitoring there is limited mitigation possible. Other risks were financial ones arising as a result of volatility in the market value and income from fixed asset investments. Mitigation for these risks has included retaining substantial cash balances, a balanced and diversified portfolio asset allocation, the

THE MARITIME EDUCATIONAL FOUNDATION
REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

appointment of professional investment managers and the regular reporting and monitoring of investment performance. In addition since year end, the Trustees have engaged a consultancy to work with them on updating their investment strategy as noted below.

FINANCIAL REVIEW

A summary of the results for the Foundation for the year is given on page 12 of the financial statements.

A grant of £5.83 million was awarded by the Maritime Training Trust (MTT) to the Foundation for the year to 31 December 2023 (2022: £3.77 million). Part of this grant was paid over during 2023, while the balance is included within debtors at 31 December 2023 (see note 8).

The Trustees took a decision to cease contracting with Chiltern Maritime Limited (Chiltern) and as such all but one of their remaining 8 cadet trainees were transferred to Clyde Maritime Training (Clyde) to complete their respective training which is relatively close to completion. There was a significant reduction overall in the number of contracted cadets in 2023 by Chiltern for a variety of reasons e.g resignations, inability to recruit (in common with other providers) etc. Therefore, there is a net credit of £407k in respect of Chiltern related contracts (including those transferred to Clyde). In 2023 there is a net charge of £554k in respect of Clyde specific contracts. The Foundation awarded 25 new cadet places to Clyde, however only 14 individuals could be recruited by year end. The commitment to Clyde carried at 31 December 2023 was £446k. In 2023 there is a net charge of £256k in respect of contracts with Ship Safe Training Group (SSTG). The Foundation awarded 10 new cadet places to SSTG, however only 8 individuals could be recruited by year end. The commitment to SSTG carried at 31 December was £374k. In 2023 there is a net charge of £122k in respect of contracts with Anglo Eastern Shipping (Anglo). The Foundation awarded 5 new cadet places to Anglo, however only 4 could be recruited by year end. The commitment to Anglo carried at 31 December 2023 was £144k. Existing contracts with VShips UK Limited were very close to completion at year end, with no new contracts having been awarded during 2023. At 31 December 2023, VShips owed the Foundation £40k including SMarT funding payable. It was possible in the year to reintroduce Outward Bound activity for cadets with expenditure of £64.6k. The Foundation donated £400k to the JW Slater Memorial Fund in 2023 (2022: £400k). The Foundation awarded a grant of £74k to MNTB in 2023 (2022: £Nil for the Careers and Training Manager support for 2 years). Other grants awarded in 2023 totalled £18.7k including £18k towards promotional materials and collateral for a Careers at Sea project. All such awards were for the education and training of seafarers in maritime skills, or the promotion of the same, in accordance with the agreed charitable aims and objectives. A total amount of £75.4k of grants awarded in prior years were written back mainly due to the failure of the respective 3 organisations to claim within the agreed contractual time periods. Due to a resignation, the P&O bursary commitment was reduced by £2k and no further cohort is expected to be recruited at this point.

The Foundation held cash balances of £3.4 million at 31 December 2023 (2022: £0.37 million). MEF received significant sums in advance of the 2023 grant awarded by Maritime Training Trust in order that MEF could generate interest for its charitable activities. Given the substantial cash balances accruing during the year, the Trustees made a decision in August to invest in 2 fixed interest Treasury Reserve accounts (in the balance sheet as Current Asset Investments) with NatWest, investing £1.5 million for 1 year at a rate of 5.25% and £0.5million for 6 months at a rate of 4.65%. During 2023 the Trustees continued to invest substantial funds with Julius Baer in line with the investment policy noted below. The market value of investments held with Julius Baer was £3.53 million at 31 December 2023 (2022: £3.32 million). Total grant and award commitments being carried at 31 December 2023 were £1.06 million (2022: £1.48 million), of which £0.63 million is due to be paid by 31 December 2024 and £0.43 million thereafter. This decrease is as a result of a number of the earlier year agreed training contracts having completed but also due to other movements noted above.

THE MARITIME EDUCATIONAL FOUNDATION
REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

GOING CONCERN

The financial statements are prepared on a going concern basis. The Trustees have considered the continued appropriateness of the going concern basis for these financial statements. The charity has an improved net assets position and a strong net current assets position and therefore has no need to draw down any funds from the investment portfolio. During 2023, net assets have grown due to the sizeable cash balances which have been generated, some of which has been put into Treasury Deposits to earn interest.

When awarding grants and new training commitments the Trustees are provided with the latest cash position as well as latest management accounts to enable them to ensure that commitments are not entered into that exceed the charity's ability to fund. Regarding funding commitments entered into at the balance sheet date, the full future amount of all future commitments is included in the financial statements so there are no additional debts that require settling before the award of any new commitments in 2024. Finally, the level of administrative costs and fixed overheads outside the funding of charitable commitments is low, representing less than 12% of total expenditure and representing 2% of income in 2023 so servicing these costs when they fall due is not material to the wider going concern considerations. Accordingly, the Trustees believe that a material uncertainty does not exist and hence the going concern basis remains appropriate.

RESERVES POLICY

In light of the main financial risks set out in the 'Risk management' section of this report and the importance of the UK ensuring continuity of sufficient maritime training under any reasonably foreseeable set of circumstances (both in terms of new candidates and the financing of unforeseen funding variations for existing candidates), The Trustees agreed that the level of financial reserves is appropriate.

At 31 December 2023, after allowing for the balance of total commitments of £1.07 million, the Foundation had £10.02 million of unrestricted funds as reserves.

The grant funding receivable from The Maritime Training Trust for the year to 31 December 2023 was £5.83 million (2022: £3.77million). The Trustees continue to consider its pool of potential beneficiaries in order to utilise its free reserves effectively. The Trustees in March 2024 have awarded new contracts to 2 training providers for up to 32 new cadets to commence training in September 2024. The Trustees are currently working on a revised strategy in conjunction with their investment strategy review and will make further awards accordingly.

INVESTMENT POLICY

During 2023, Julius Baer maintained the portfolio as agreed by Trustees, within stated asset allocation guidelines for Fixed Income Bonds, Equities and Cash. Quarterly reports are received, and as at 31 December 2023, the investment portfolio had an open market value of £3.53 million (2022: £3.32 million). In addition, as the cash balances increased significantly during the year, the Trustees invested £2 million in Treasury Deposits as noted above. Subsequent to year end, the Trustees have appointed Epoch Consulting to assist them in developing a new investment strategy in particular given the sizeable funds presently being held by the Foundation.

GRANT MAKING POLICY

The Maritime Educational Foundation only awards grants to other organisations for proposed projects that are consistent with its objectives and principle aims. Grant applications are reviewed by the Trustees as an agenda item on their board meetings. As the approval process is not delegated to management the trustees have not felt the need to establish a formal policy as there are no awards approved on their behalf.

THE MARITIME EDUCATIONAL FOUNDATION

REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

PLANS FOR FUTURE PERIODS

The Trustees will continue to review and monitor the range of funding offered and projects supported throughout the year. With the improvement in reserves and the need to increase the required number of cadets trained annually, the MEF will be utilising more of its financial resources to raise the awareness of careers at sea and to support and influence the recruitment and retention of new talent into the Maritime industry.

FUNDRAISING

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. As set out earlier in this report and in note 2 to these financial statements, the only source of donations for the Foundation is a grant from the Maritime Training Trust. Accordingly the Foundation does not utilise any other professional fundraisers, commercial participators or third parties. The Foundation does not consider it necessary to comply with any voluntary code of practice, has received no complaints in relation to fundraising activities, nor does it consider it necessary to design specific procedures to monitor such activities.

AUDITOR

The auditor, McBrides Accountants LLP have indicated their willingness to continue in office and a resolution proposing their reappointment will be proposed at the AGM.


The Trustees (who are also the Directors) who held office at the date of approval of the Trustees' Report confirm that, so far as they are aware, there is no relevant audit information of which the Foundation's auditor is unaware; and each Trustee has taken all the steps that he or she ought to have taken as a Trustee and Director to make himself or herself aware of any relevant audit information and to establish that the Foundation's auditor is aware of that information.

The Trustees' Report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

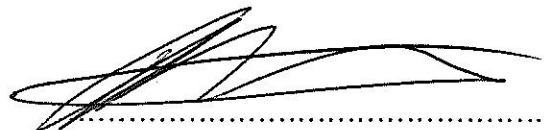
Approved and authorised for issue by the Trustees on
behalf by

9 May

2024 and signed on their



.....
Clifford Roberts, Trustee



.....
David Appleton, Trustee

THE MARITIME EDUCATIONAL FOUNDATION
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2023

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the trustees annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that year.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting 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 charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE MARITIME EDUCATIONAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2023**

Opinion on the financial statements

We have audited the financial statements of The Maritime Educational Foundation (the 'charitable company') for the year ended 31 December 2023 which comprise the statement of financial activities including income and expenditure account, the balance sheet, the 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 charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE MARITIME EDUCATIONAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)**

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in 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:

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

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 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE MARITIME EDUCATIONAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions were held with, and enquiries made of, management and those charged with governance with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law and Tax legislation.
- it is considered that there are no laws and regulations for which non-compliance may be fundamental to the operating aspects of the business.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE MARITIME EDUCATIONAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)**

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.



Andrew Warren (Senior Statutory Auditor)

For and on behalf of McBrides Accountants LLP, Statutory Auditor
Nexus House
Cray Road
Sidcup
Kent
DA14 5DA

Date 24.1.24.....

THE MARITIME EDUCATIONAL FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>Note</u>	<u>2023</u>	<u>2022</u>
		£	£
INCOME			
Donations receivable	2	5,827,041	3,770,587
Interest receivable		67,880	1,382
Investment income	3	83,860	65,318
		<u>5,978,781</u>	<u>3,837,287</u>
EXPENDITURE			
Cost of raising funds			
Investment management costs		(21,571)	(21,743)
Charitable expenditure			
Donations payable in furtherance of the charity's objects	4	(400,000)	(400,000)
Other activities in furtherance of the charity's objects	4	(674,116)	(393,771)
TOTAL RESOURCES EXPENDED		<u>(1,095,687)</u>	<u>(815,514)</u>
NET INCOME FOR THE YEAR			
		4,883,094	3,021,773
Net gains/(losses) on investments		141,925	(345,012)
NET MOVEMENT IN FUNDS		5,025,019	2,676,761
UNRESTRICTED FUNDS BROUGHT FORWARD AT 1 JANUARY 2023		<u>4,999,272</u>	<u>2,322,511</u>
UNRESTRICTED FUNDS BROUGHT FORWARD AT 31 DECEMBER 2023		<u>10,024,291</u>	<u>4,999,272</u>

All amounts relate to continuing operations.

The charity has no gains or losses not included in the Statement of Financial Activities.

The notes on pages 15 to 19 form part of these financial statements

THE MARITIME EDUCATIONAL FOUNDATION
BALANCE SHEET
Registered Company Number 4251334
AS AT 31 DECEMBER 2023

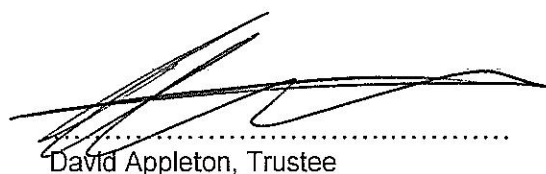
	<u>Note</u>	<u>2023</u>	<u>2022</u>
		£	£
FIXED ASSETS			
Investments	7	3,527,201	3,322,987
CURRENT ASSETS			
Current asset investments-Treasury Deposits		2,000,000	-
Cash at bank and in hand		3,427,878	366,211
Debtors	8	2,142,734	2,803,247
TOTAL CURRENT ASSETS		<u>7,570,612</u>	<u>3,169,458</u>
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	9	<u>(639,474)</u>	<u>(1,311,302)</u>
NET CURRENT ASSETS		6,931,138	1,858,156
TOTAL ASSETS LESS CURRENT ASSETS		10,458,339	5,181,143
Creditors: Amounts falling due after one year	9	<u>(434,048)</u>	<u>(181,871)</u>
NET ASSETS		<u>10,024,291</u>	<u>4,999,272</u>
THE FUNDS OF THE CHARITY			
Unrestricted funds		<u>10,024,291</u>	<u>4,999,272</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved and authorised for issue by the Trustees on *9 May* 2024 and signed on behalf of the board by:



.....
Clifford Roberts, Trustee



.....
David Appleton, Trustee

The notes on pages 15 to 19 form part of these financial statements

THE MARITIME EDUCATIONAL FOUNDATION
STATEMENT OF CASH FLOWS
Registered Company Number 4251334
FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>2023</u>	<u>2022</u>
	£	£
NET MOVEMENT IN FUNDS	5,025,019	2,676,761
Increase in current asset investments-Treasury Deposits	(2,000,000)	-
Decrease/(Increase) in debtors	660,513	(1,870,587)
Decrease in creditors	(419,651)	(1,369,847)
Income from fixed asset investments	(83,860)	(65,318)
Losses/(gains) on fixed asset investment	(141,925)	345,012
Investment fees paid	21,571	21,743
NET CASH USED IN OPERATING ACTIVITIES	<u>3,061,667</u>	<u>(262,236)</u>
NET MOVEMENT IN CASH DURING THE YEAR	<u>3,061,667</u>	<u>(262,236)</u>
CASH AT HAND AND IN BANK BROUGHT FORWARD	366,211	628,447
CASH AT HAND AND IN BANK CARRIED FORWARD	<u>3,427,878</u>	<u>366,211</u>

No reconciliation of net funds has been prepared as the Foundation holds only cash and cash equivalents

The notes on pages 15 to 19 form part of these financial statements

THE MARITIME EDUCATIONAL FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1 ACCOUNTING POLICIES

The following accounting policies have been used in the preparation of the financial statements of the Maritime Educational Foundation:

(a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost of transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) Second Edition, applicable accounting standards and the Companies Act 2006.

The Foundation constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared on a going concern basis. The Trustees have considered the continued appropriateness of the going concern basis for these financial statements. The charity has an improved net assets position and a strong net current assets position and therefore has no need to draw down any funds from the investment portfolio. During 2023, net assets have grown due to the sizeable cash balances which have been generated, some of which has been put into Treasury Deposits to earn interest.

When awarding grants and new training commitments the Trustees are provided with the latest cash position as well as latest management accounts to enable them to ensure that commitments are not entered into that exceed the charity's ability to fund. Regarding funding commitments entered into at the balance sheet date, the full future amount of all future commitments is included in the financial statements so there are no additional debts that require settling before the award of any new commitments in 2024. Finally, the level of administrative costs and fixed overheads outside the funding of charitable commitments is low, representing less than 12% of total expenditure and representing 2% of income in 2023 so servicing these costs when they fall due is not material to the wider going concern considerations. Accordingly, the Trustees believe that a material uncertainty does not exist and hence the going concern basis remains appropriate.

(b) Income recognition

Donations are recognised when the Foundation has been notified in writing of a commitment to make the donation.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

(c) Expenditure recognition

Resources expended are recognised in the year in which they are incurred and include attributable VAT which cannot be recovered. Expenditure on training contracts is recognised when the Foundation has entered into a legal or constructive obligation with a training provide as these are unconditional awards with no required interim reporting requirements. The Foundation only commits expenditures against donations notified

THE MARITIME EDUCATIONAL FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)

1 ACCOUNTING POLICIES (continued)

(d) Fund accounting

Unrestricted funds are those that are freely available for use in pursuance of the general objects of the charity. All Maritime Educational Fund funds are unrestricted.

(e) Fixed asset investments

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Foundation does not acquire or use put options, derivatives or other complex financial instruments.

(f) Realised gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

(g) The Maritime Educational Foundation

The Maritime Educational Foundation is a private company, limited by guarantee, domiciled in England and Wales, Company Registration Number 4251334, Registered Company Number 1100125. The registered office address is 30 Park Street, London, SE1 9EQ.

2 DONATIONS AND GRANTS RECEIVABLE

	<u>2023</u>	<u>2022</u>
	£	£
Grant awarded by The Maritime Training Trust	5,827,041	3,770,587

3 INVESTMENT INCOME

	<u>2023</u>	<u>2022</u>
	£	£
Investment income on funds invested in line with the charity's investment policy	83,860	65,318

THE MARITIME EDUCATIONAL FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)

4 CHARITABLE EXPENDITURE IN FURTHERANCE OF THE CHARITY'S OBJECTIVES

	<u>2023</u>	<u>2022</u>
	£	£
Education and training of cadets		
Donations		
J W Slater Memorial Fund: Supporting Rating to Officer conversion	400,000	400,000
	400,000	400,000
Training contracts and other educational activities		
Training contract supporting undergraduates on approved Maritime Degree Courses	460,130	276,315
MNTB - Careers and Training Manager services	74,342	-
Other educational grants and activities	(46,618)	56,341
Outward bound event	64,633	-
Allocated governance & support costs (note 5)	121,629	61,115
	674,116	393,771

5 GOVERNANCE & SUPPORT COST COSTS

	<u>2023</u>	<u>2022</u>
	£	£
Administration Expenses (gross of irrecoverable VAT)	114,371	54,437
Auditors' Remuneration (gross of irrecoverable VAT)	7,100	6,500
Auditors' Remuneration (gross of irrecoverable VAT) - prior year	158	178
	121,629	61,115

6 STAFF COSTS

There were no employees during the year. None of the Trustees received any emoluments or expenses in respect of services to the charity.

THE MARITIME EDUCATIONAL FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)

7 FIXED ASSET INVESTMENTS

	<u>2023</u>	<u>2022</u>
	£	£
Movement in Fixed Asset Investments		
Market Value at 1 January 2023	3,045,522	3,347,349
Add: Additions to investments at cost	917,119	613,552
Less: Disposals at carrying value	(828,351)	(490,134)
Add: Net (losses)/gains on revaluation	174,126	(425,306)
Add: Change in accrued interest on fixed interest securities	1,333	61
Market Value at 31 December 2023	3,309,749	3,045,522
 Investment at fair value		
Equities and pooled equity funds	1,352,798	1,350,788
Fixed Interest Securities	1,956,951	1,694,734
Fair value of listed securities & equities	3,309,749	3,045,522
Cash held within the investment portfolio	217,452	277,465
Total Fixed Asset Investments	3,527,201	3,322,987

8 DEBTORS

	<u>2023</u>	<u>2022</u>
	£	£
Accrued Income - interest on Treasury Deposits	37,446	-
Grant receivable from Maritime Training Trust	2,105,288	2,803,247
	2,142,734	2,803,247

9 CREDITORS

	<u>2023</u>	<u>2022</u>
	£	£
Amounts falling due within one year:		
Training contracts and career related activities	585,117	1,262,888
Other creditors - payable to MNTB	42,012	36,572
Accruals	12,345	11,842
	639,474	1,311,302
 Amounts falling due after one year:		
Training contracts and career related activities	398,208	181,871
Other creditors - payable to MNTB	35,840	-
	434,048	181,871

THE MARITIME EDUCATIONAL FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)

10 FUTURE COMMITMENTS

There are no other future commitments other than those shown in note 9.

11 ANALYSIS OF NET DEBT

	As at 1 January 2023 £	Cash flows £	As at 31 December 2023 £
Cash	<u>366,211</u>	<u>3,061,667</u>	<u>3,427,878</u>

12 RELATED PARTY TRANSACTIONS

Maritime Training Trust

The board of Trustees of the Maritime Educational Foundation currently has the same membership as that of the Maritime Training Trust. The Foundation's purpose is to provide education and training in maritime skills for the British Shipping Industry which are financed by PILOT payments which are collected and then transferred to The Maritime Educational Foundation by the Maritime Training Trust.

In 2023 the Maritime Training Trust unconditionally agreed to award a grant of £5,827,041 (2022: £3,770,587) to the Maritime Educational Foundation to promote the charity in its primary charitable objectives.

The Chamber of Shipping Limited

The Chamber of Shipping Limited is responsible for nominating 50% of the Maritime Educational Foundation's Trustees.

The Chamber of Shipping Limited supplies project management and administration services to the Charity. Fees charged in respect of these services in the year totalled £44,400, inclusive of irrecoverable VAT (2022 fees: £42,000). In addition, the MEF agreed £61,000 in 2021 payable to the Merchant Navy Training Board (MNTB), an arm of the Chamber of Shipping Limited for the services of a Careers and Training Manager over a 2 year period. The arrangement which was due to conclude on 5 December 2023 has been extended for until 31 December 2025 at an expected cost of £74,342 including irrecoverable VAT.

J W Slater Memorial Fund

The Maritime Educational Foundation made donations to the J W Slater Memorial Fund in the year totalling £400,000 (2022: £400,000). A M Dickinson, who was a Trustee of the Maritime Educational Foundation until 25 May 2023, also acted as a Trustee for the JW Slater Memorial Fund. D Appleton, a Trustee of the Maritime Educational Foundation, is the Secretary of the JW Slater Memorial Fund.

THE MARITIME EDUCATIONAL FOUNDATION

England & Wales - Charity number 1100125

Accounts

THE MARITIME EDUCATIONAL FOUNDATION

Registered Charity Number 1100125

Registered Company Number 4251334

YEAR ENDED 31 DECEMBER 2022

THE MARITIME EDUCATIONAL FOUNDATION
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

CONTENTS

LEGAL AND ADMINISTRATIVE INFORMATION	1
REPORT OF THE TRUSTEES	2
STATEMENT OF TRUSTEES' RESPONSIBILITIES	7
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS	8
STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT	12
BALANCE SHEET	13
STATEMENT OF CASH FLOWS	14
NOTES TO THE ACCOUNTS	15

THE MARITIME EDUCATIONAL FOUNDATION
LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022

CONSTITUTION

The Maritime Educational Foundation ('the Foundation') was incorporated on 12 July 2001, and its memorandum and articles were amended by special resolution on 18 September 2003. It is limited by guarantee. The Foundation was registered as a charity on 17 October 2003.

TRUSTEES

The Directors, who are the Charity's Trustees that served during the year and up to the date of signing this report, were:

D Appleton
M Carden
A M Dickinson
S Konstanz
D Procter
C Roberts
M Willis (Resigned 21 July 2022)

REGISTERED COMPANY NUMBER	4251334
REGISTERED CHARITY NUMBER	1100125
REGISTERED OFFICE	The Maritime Educational Foundation 30 Park Street London SE1 9EQ

PROFESSIONAL ADVISERS:

Auditor	McBrides Accountants LLP Nexus House 2 Cray Road Sidcup Kent DA14 5DA
Bankers	National Westminster Bank PLC Bishopsgate London EC2P 2AP
Investment Managers	Julius Baer 1 St Martin's Le Grand London EC1A 4AS

THE MARITIME EDUCATIONAL FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees, who are directors for the purpose of company law, are pleased to present their annual report together with the financial statements of the charity for the year ended 31 December 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the requirements of the charity's trust deed, 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 (FRS 102), second edition published October 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Maritime Educational Foundation (the Foundation), is a charitable company limited by guarantee, controlled by the same board of Trustees as The Maritime Training Trust (MTT). MTT's purpose is to collect money remitted to it by shipping companies registered under the tonnage tax regime which have not met their core training commitment and pay these to the Foundation. These funds are then used to promote education and training in maritime skills for the British Shipping industry. The Foundation received its first contribution of £150,000 from the MTT in December 2003. The Foundation continues to receive contributions from the MTT.

There are normally eight Trustees, four nominated by the Chamber of Shipping, two nominated by Nautilus International and two by RMT, although casual vacancies occur from time to time. The Trustees are by their profession associated with the key aims of the Foundation and are therefore able to make informed judgements on the appropriateness of grant or other awards in line with the charitable aims of the Foundation.

Trustees are appointed by the full Board to ensure the Board is balanced and equipped to support the organisation. Each new trustee is given relevant induction as required and all trustees are given the opportunity of additional training where necessary.

The Foundation does not have any employees. However, the Chamber of Shipping Limited provides administrative support services to the Foundation and delegated responsibilities where considered appropriate.

AIMS AND OBJECTIVES

The Foundation's charitable objects are:

- The advancement of education and training in maritime skills and in pursuance of such object but not further or otherwise to facilitate and promote the education and training of seafarers in maritime skills for the benefit of the general public; and
- The advancement of education and training generally concerning maritime industries and industries related to maritime activities.

For the purpose of the above, 'seafarers' means persons employed or engaged, in maritime industries or who otherwise earn their living at sea or in industries related to maritime activities or who are undergoing a course of approved training for service in such industries or in industries related to maritime activities (and which is a course approved by the MNTB).

The Foundation meets these aims and objectives as explained in the following narrative.

THE MARITIME EDUCATIONAL FOUNDATION
REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

ACHIEVEMENTS AND PERFORMANCE

The Maritime Educational Foundation's main focus continues to be the provision of quality training and education for all MEF sponsored cadets. Along side cadet training, the MEF offers financial support by way of a bursary to shipping companies to encourage them to take on rating apprentices through the apprenticeship route. The bursary available to companies remains at £4,000 per student and is paid at the start and completion of their training. Although we have seen a decline in the apprenticeship starts due to a number of issues affecting industry reputation (COVID, P&O Ferry crisis) we are seeing a positive rise in numbers.

Traditionally the MEF provided funding to unemployed seafarers to update their qualifications and enable them to secure employment. This funding support has been paused for the last 2 years to enable more funding to support a much needed increase to the number of cadets coming into the industry.

During COVID, Trustees made a conscious decision to scale down the number of MEF cadets in training due to the impact of training on sea time berth availability. As we now see a return to normality the Trustees agreed to sponsor 40 cadets for the September 2023 cohort, managed by 3 management companies. (Clyde Marine Training, SSTG and Anglo Eastern).

The MEF Training and Careers Manager continues to be funded by the MEF and the UK Chamber of Shipping to oversee the effectiveness of the management companies and their compliance with the MEF Good Practice Guidelines. A full review of the contracts and their funding was carried out to gain a better understanding of the charges levied against the MEF as part of the cadet sponsorship contracts. A series of issues with a number of training providers were uncovered during the review and as a result of the negative financial impact on the MEF the decision to remove all the MEF sponsored cadets from one of MEF's main training provider companies was agreed by Trustees. The MEF has sought legal support to manage the transfer of the cadets to another management company.

The Foundation continues to financially support the JW Slater Fund which offers funding for Rating to Officer conversion training awarding grants to Merchant Navy Ratings, electro-technical Officers or Yacht crew considering career progression.

Each year the Trustees review the strategic plan to ensure MEF resources are managed effectively and funds are distributed appropriately to maximise the positive impact on cadet training and education and to ensure any expenditure meets the Foundations Charitable objectives.

PUBLIC BENEFIT

The Trustees confirm that they have taken due regard of the Charity Commission's general guidance on public benefit.

THE MARITIME EDUCATIONAL FOUNDATION
REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

RISK MANAGEMENT

The Trustees consider the major risks facing the Foundation on an ongoing basis and takes steps to mitigate these risks as they arise.

The main financial risk identified was potential future income volatility reflecting either any future changes to the current UK Tonnage Tax regime which supplies the entirety of the Charity's income or the amount of training undertaken themselves by the shipping companies enrolled in that scheme. Other than environmental scanning and monitoring there is limited mitigation possible. Other risks were financial ones arising as a result of volatility in the market value and income from fixed asset investments. Mitigation for these risks includes retaining substantial cash balances, a balanced and diversified portfolio asset allocation, the appointment of professional investment managers and the regular reporting and monitoring of investment performance.

FINANCIAL REVIEW

A summary of the results for the Foundation for the year is given on page 11 of the financial statements.

A grant of £3.77 million was awarded by the Maritime Training Trust (MTT) to the Foundation for the year to 31 December 2022 (2021: £2.4 million). Part of this grant was paid over during 2022, while the balance is included within debtors at 31 December 2022 (see note 8).

In 2021, the Foundation made a decision to pair back awards to ensure sufficient reserves are available to meet future commitments in addressing potential risks facing the Foundation as explained above. No new commitments therefore were made for officer training in 2022. In the prior year awards were made of £427,409 to Chiltern Maritime Limited; £131,295 to Clyde Marine Training; £102,480 to Anglo Eastern; £206,284 to Ship Safe Training Group (SSTG) and £nil to V.Ships UK Limited (who were unable to identify suitable candidates for 2021 intake). Variations on these contracts and previous contracts with these suppliers which were agreed in previous years totalled a charge of £274,960 during 2022. The Foundation donated £400k to the JW Slater Memorial Fund in 2022 (2021: £400k). The Foundation did not award any new grants to MNTB in 2022 (2021: £61,000 for the Careers and Training Manager support). Other new grants and smaller contributions totalled £84,341. All such awards were for the education and training of seafarers in maritime skills, or the promotion of the same, in accordance with the agreed charitable aims and objectives. Due to resignations, the P&O bursary commitment was reduced by £28,000 and no new cohort was recruited for 2022.

The Foundation held cash balances of £0.37 million at 31 December 2022 (2021: £0.63 million). In addition, during 2022 the Trustees continued to invest substantial funds with Julius Baer in line with the investment policy noted below. The market value of investments held with Julius Baer was £3.32 million at 31 December 2022 (2021: £3.62 million). Total grant and award commitments as at 31 December 2022 were £1.48 million (2021: £2.8 million), of which £1.3 million is due to be paid by 31 December 2023 and £0.18 million thereafter. This reduction is as a result of the conscious decision to limit activities in 2022 as noted above.

GOING CONCERN

The financial statements are prepared on a going concern basis. The Trustees have considered the continued appropriateness of the going concern basis for these financial statements. The charity has net assets at the balance sheet date and for the first time in several years also has net current assets and therefore has no need to draw down any funds from the investment portfolio. The trustees have reviewed the assets held by the investment portfolio and note that the investments are all held in liquid assets that are traded daily on the relevant stock exchanges so do not foresee problems with the liquidity of the holding should a circumstance arise (considered unlikely at present) which would require a draw down.

THE MARITIME EDUCATIONAL FOUNDATION
REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

GOING CONCERN (continued)

While investment markets have been volatile in 2022 and 2023 due previously to the impact of the COVID-19 pandemic and more recently the Ukraine position, the valuation has never fallen to a level where MTT does not have sufficient liquid funds to cover all its debts. When awarding grants and new training commitments the Trustees are provided with the latest cash position as well as latest management accounts to enable them to ensure that commitments are not entered into that exceed the charity's ability to fund. Regarding funding commitments entered into at the balance sheet date, the full future amount of all future commitments is included in the financial statements so there are no additional debts that require settling before the award of any new commitments in 2023. Finally, the level of administrative costs and fixed overheads outside the funding of charitable commitments is low, representing less than 8% of total expenditure and less than 2% of income in 2022 so servicing these costs when they fall due is not material to the wider going concern considerations. Accordingly, the Trustees believe that a material uncertainty does not exist and hence the going concern basis remains appropriate.

RESERVES POLICY

In light of the main financial risks set out in the 'Risk management' section of this report and the importance of the UK ensuring continuity of sufficient maritime training under any reasonably foreseeable set of circumstances (both in terms of new candidates and the financing of unforeseen funding variations for existing candidates), The Trustees agreed that the level of financial reserves is appropriate.

At 31 December 2022, after allowing for the balance of commitments of £1.49 million, the Foundation had just under £5 million of unrestricted funds as reserves.

The grant funding receivable from The Maritime Training Trust for the year to 31 December 2022 was £3.77 million (2021: £2.4 million). The Trustees continue to consider its pool of potential beneficiaries in order to utilise its free reserves effectively. The Trustees in 2023 have made new awards to fund 40 new cadets across 3 training providers.

INVESTMENT POLICY

The Trustees developed an investment strategy for the Foundation. During 2022, Julius Baer maintained the portfolio as agreed by Trustees, within stated asset allocation guidelines for Fixed Income Bonds, Equities and Cash. Quarterly reports are received, and as at 31 December 2022, the investment portfolio had an open market value of £3.32 million (2021: £3.62 million).

GRANT MAKING POLICY

The Maritime Educational Foundation only awards grants to other organisations for proposed projects that are consistent with its objectives and principle aims. Grant applications are reviewed by the Trustees as an agenda item on their board meetings. As the approval process is not delegated to management the trustees have not felt the need to establish a formal policy as there are no awards approved on their behalf.

PLANS FOR FUTURE PERIODS

The Trustees will continue to review and monitor the range of funding offered and projects supported throughout the year. With the improvement in reserves and the need to increase the required number of cadets trained annually, the MEF will be utilising more of its financial resources to raise the awareness of careers at sea and to support and influence the recruitment and retention of new talent into the Maritime industry.

THE MARITIME EDUCATIONAL FOUNDATION
REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

FUNDRAISING

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. As set out earlier in this report and in note 2 to these financial statements, the only source of donations for the Foundation is a grant from the Maritime Training Trust. Accordingly the Foundation does not utilise any other professional fundraisers, commercial participators or third parties. The Foundation does not consider it necessary to comply with any voluntary code of practice, has received no complaints in relation to fundraising activities, nor does it consider it necessary to design specific procedures to monitor such activities.

AUDITOR

The auditor, McBrides Accountants LLP have indicated their willingness to continue in office and a resolution proposing their reappointment will be proposed at the AGM.

The Trustees (who are also the Directors) who held office at the date of approval of the Trustees' Report confirm that, so far as they are aware, there is no relevant audit information of which the Foundation's auditor is unaware; and each Trustee has taken all the steps that he or she ought to have taken as a Trustee and Director to make himself or herself aware of any relevant audit information and to establish that the Foundation's auditor is aware of that information.

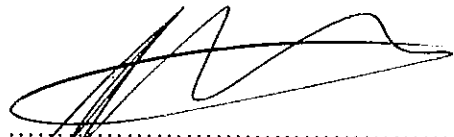
The Trustees' Report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised for issue by the Trustees on **25 MAY** 2023 and signed on their behalf by



.....

Clifford Roberts, Trustee



.....

David Appleton, Trustee

THE MARITIME EDUCATIONAL FOUNDATION
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the trustees annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that year.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting 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 charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE MARITIME EDUCATIONAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2022**

Opinion on the financial statements

We have audited the financial statements of The Maritime Educational Foundation (the 'charitable company') for the year ended 31 December 2022 which comprise the statement of financial activities including income and expenditure account, the balance sheet, the 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 charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE MARITIME EDUCATIONAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2022 (Continued)**

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in 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:

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

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 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE MARITIME EDUCATIONAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2022 (Continued)**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions were held with, and enquiries made of, management and those charged with governance with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law and Tax legislation.
- it is considered that there are no laws and regulations for which non-compliance may be fundamental to the operating aspects of the business.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE MARITIME EDUCATIONAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2022 (Continued)**

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.


Andrew Warren (Senior Statutory Auditor)

For and on behalf of McBrides Accountants LLP, Statutory Auditor
Nexus House
Cray Road
Sidcup
Kent
DA14 5DA

Date 5/6/23.....

THE MARITIME EDUCATIONAL FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022

	<u>Note</u>	<u>2022</u> £	<u>2021</u> £
INCOME			
Donations receivable	2	3,770,587	2,407,199
Interest receivable		1,382	39
Investment income	3	65,318	61,019
		<u>3,837,287</u>	<u>2,468,257</u>
EXPENDITURE			
Cost of raising funds			
Investment management costs		(21,743)	(22,308)
Charitable expenditure			
Donations payable in furtherance of the charity's objects	4	(400,000)	(400,000)
Other activities in furtherance of the charity's objects	4	(393,771)	(582,585)
TOTAL RESOURCES EXPENDED		<u>(815,514)</u>	<u>(1,004,893)</u>
NET INCOME FOR THE YEAR			
		3,021,773	1,463,364
Net (losses)/gains on investments		(345,012)	150,489
NET MOVEMENT IN FUNDS		2,676,761	1,613,853
UNRESTRICTED FUNDS BROUGHT FORWARD AT 1 JANUARY 2022		<u>2,322,511</u>	<u>708,658</u>
UNRESTRICTED FUNDS BROUGHT FORWARD AT 31 DECEMBER 2022		<u>4,999,272</u>	<u>2,322,511</u>

All amounts relate to continuing operations.

The charity has no gains or losses not included in the Statement of Financial Activities.

The notes on pages 15 to 19 form part of these financial statements

THE MARITIME EDUCATIONAL FOUNDATION


BALANCE SHEET

Registered Company Number 4251334
AS AT 31 DECEMBER 2022

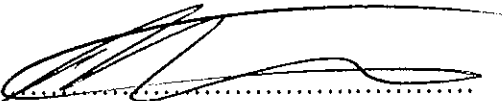
	<u>Note</u>	<u>2022</u> £	<u>2021</u> £
FIXED ASSETS			
Investments	7	3,322,987	3,624,424
CURRENT ASSETS			
Cash at bank and in hand		366,211	628,447
Debtors	8	2,803,247	932,660
TOTAL CURRENT ASSETS		3,169,458	1,561,107
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	9	(1,311,302)	(2,252,265)
NET CURRENT ASSETS/(LIABILITIES)		1,858,156	(691,158)
TOTAL ASSETS LESS CURRENT ASSETS/ (LIABILITIES)		5,181,143	2,933,266
Creditors: Amounts falling due after one year	9	(181,871)	(610,755)
NET ASSETS		4,999,272	2,322,511
THE FUNDS OF THE CHARITY			
Unrestricted funds		4,999,272	2,322,511

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved and authorised for issue by the Trustees on **25 MAY** 2023 and signed on behalf of the board by:



 Clifford Roberts, Trustee



 David Appleton, Trustee

The notes on pages 15 to 19 form part of these financial statements

THE MARITIME EDUCATIONAL FOUNDATION
STATEMENT OF CASH FLOWS
Registered Company Number 4251334
FOR THE YEAR ENDED 31 DECEMBER 2022

	<u>2022</u>	<u>2021</u>
	£	£
NET MOVEMENT IN FUNDS	2,676,761	1,613,853
Increase in debtors	(1,870,587)	(294,347)
Decrease in creditors	(1,369,847)	(1,168,970)
Income from fixed asset investments	(65,318)	(61,019)
Losses/(gains) on fixed asset investment	345,012	(150,489)
Investment fees paid	21,743	22,308
NET CASH USED IN OPERATING ACTIVITIES	<u>(262,236)</u>	<u>(38,664)</u>
NET MOVEMENT IN CASH DURING THE YEAR	<u>(262,236)</u>	<u>(38,664)</u>
CASH AT HAND AND IN BANK BROUGHT FORWARD	628,447	667,111
CASH AT HAND AND IN BANK CARRIED FORWARD	<u>366,211</u>	<u>628,447</u>

No reconciliation of net funds has been prepared as the Foundation holds only cash and cash equivalents

The notes on pages 15 to 19 form part of these financial statements

THE MARITIME EDUCATIONAL FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1 ACCOUNTING POLICIES

The following accounting policies have been used in the preparation of the financial statements of the Maritime Educational Foundation:

(a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost of transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Charities SORP (FRS 102) Second Edition, applicable accounting standards and the Companies Act 2006.

The Foundation constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared on a going concern basis. The Trustees have considered the continued appropriateness of the going concern basis for these financial statements. The charity has net assets at the balance sheet date and for the first time in a number of years also has net current assets and therefore has no need to draw down any funds from the investment portfolio. The trustees have reviewed the assets held by the investment portfolio and note that the investments are all held in liquid assets that are traded daily on the relevant stock exchanges so do not foresee problems with the liquidity of the holding should a circumstance arise (considered unlikely at present) which would require a draw down. While investment markets have been volatile in 2022 and 2023 due previously to the impact of the COVID-19 pandemic and more recently the Ukraine position, the valuation has never fallen to a level when MTT does not have sufficient liquid funds to cover all its debts. When awarding grants and new training commitments the Trustees are provided with the latest cash position as well as latest management accounts to enable them to ensure that commitments are not entered into that exceed the charity's ability to fund. Regarding funding commitments entered into at the balance sheet date, the full future amount of all future commitments is included in the financial statements so there are no additional debts that require settling before the award of any new commitments in 2023. Finally, the level of administrative costs and fixed overheads outside the funding of charitable commitments is low, representing less than 8% of total expenditure and less than 2% of income in 2022 so servicing these costs when they fall due is not material to the wider going concern considerations. Accordingly, the Trustees believe that a material uncertainty does not exist and hence the going concern basis remains appropriate.

(b) Income recognition

Donations are recognised when the Foundation has been notified in writing of a commitment to make the donation.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

(c) Expenditure recognition

Resources expended are recognised in the year in which they are incurred and include attributable VAT which cannot be recovered. Expenditure on training contracts is recognised when the Foundation has entered into a legal or constructive obligation with a training provider as these are unconditional awards with no required interim reporting requirements. The Foundation only commits expenditures against donations notified

THE MARITIME EDUCATIONAL FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (Continued)

1 ACCOUNTING POLICIES (continued)

(d) Fund accounting

Unrestricted funds are those that are freely available for use in pursuance of the general objects of the charity. All Maritime Educational Fund funds are unrestricted.

(e) Fixed asset investments

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Foundation does not acquire or use put options, derivatives or other complex financial instruments.

(f) Realised gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

(g) The Maritime Educational Foundation

The Maritime Educational Foundation is a private company, limited by guarantee, domiciled in England and Wales, Company Registration Number 4251334, Registered Company Number 1100125. The registered office address is 30 Park Street, London, SE1 9EQ.

2 DONATIONS AND GRANTS RECEIVABLE

	<u>2022</u>	<u>2021</u>
	£	£
Grant awarded by The Maritime Training Trust	3,770,587	2,407,199

3 INVESTMENT INCOME

	<u>2022</u>	<u>2021</u>
	£	£
Investment income on funds invested in line with the charity's investment policy	65,318	61,019

THE MARITIME EDUCATIONAL FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (Continued)

4 CHARITABLE EXPENDITURE IN FURTHERANCE OF THE CHARITY'S OBJECTIVES

	<u>2022</u>	<u>2021</u>
	£	£
Education and training of cadets		
Donations		
J W Slater Memorial Fund: Supporting Rating to Officer conversion	400,000	400,000
	400,000	400,000
Training contracts and other educational activities		
Training contract supporting undergraduates on approved Maritime Degree Courses	276,315	315,860
MNTB grants and sponsorship	-	45,898
Other educational grants and activities	56,341	136,254
Outward bound event	-	26,133
Allocated governance & support costs (note 5)	61,115	58,440
	393,771	582,585

5 GOVERNANCE & SUPPORT COST COSTS

	<u>2022</u>	<u>2021</u>
	£	£
Administration Expenses (gross of irrecoverable VAT)	54,437	52,440
Auditors' Remuneration (gross of irrecoverable VAT)	6,500	-
Auditors' Remuneration (gross of irrecoverable VAT) - prior year	178	6,000
	61,115	58,440

6 STAFF COSTS

There were no employees during the year. None of the Trustees received any emoluments or expenses in respect of services to the charity.

THE MARITIME EDUCATIONAL FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (Continued)

7 FIXED ASSET INVESTMENTS

	<u>2022</u>	<u>2021</u>
	£	£
Movement in Fixed Asset Investments		
Market Value at 1 January 2022	3,347,349	3,235,872
Add: Additions to investments at cost	613,552	641,062
Less: Disposals at carrying value	(490,134)	(686,121)
Add: Net (losses)/gains on revaluation	(425,306)	157,265
Add: Change in accrued interest on fixed interest securities	61	(729)
Market Value at 31 December 2022	<u>3,045,522</u>	<u>3,347,349</u>
 Investment at fair value		
Equities and pooled equity funds	1,350,788	1,528,694
Fixed Interest Securities	1,694,734	1,818,655
Fair value of listed securities & equities	<u>3,045,522</u>	<u>3,347,349</u>
Cash held within the investment portfolio	277,465	277,075
Total Fixed Asset Investments	<u>3,322,987</u>	<u>3,624,424</u>

8 DEBTORS

	<u>2022</u>	<u>2021</u>
	£	£
Grant receivable from Maritime Training Trust	2,803,247	932,660
	<u>2,803,247</u>	<u>932,660</u>

9 CREDITORS

	<u>2022</u>	<u>2021</u>
	£	£
Amounts falling due within one year:		
Training contracts and career related activities	1,262,888	2,160,860
Other creditors - grants payable to MNTB	36,572	32,590
Accruals	11,842	58,815
	<u>1,311,302</u>	<u>2,252,265</u>
 Amounts falling due after one year:		
Training contracts and career related activities	181,871	582,345
Other creditors - grants payable to MNTB	-	28,410
	<u>181,871</u>	<u>610,755</u>

THE MARITIME EDUCATIONAL FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (Continued)

10 FUTURE COMMITMENTS

There are no other future commitments other than those shown in note 9.

11 ANALYSIS OF NET DEBT

	As at 1 January 2022 £	Cash flows £	As at 31 December 2022 £
Cash	<u>628,447</u>	<u>(262,236)</u>	<u>366,211</u>

12 RELATED PARTY TRANSACTIONS

Maritime Training Trust

The board of Trustees of the Maritime Educational Foundation currently has the same membership as that of the Maritime Training Trust. The Foundation's purpose is to provide education and training in maritime skills for the British Shipping Industry which are financed by PILOT payments which are collected and then transferred to The Maritime Educational Foundation by the Maritime Training Trust.

In 2022 the Maritime Training Trust unconditionally agreed to award a grant of £3,770,587 (2021: £2,407,199) to the Maritime Educational Foundation to promote the charity in its primary charitable objectives.

The Chamber of Shipping Limited

The Chamber of Shipping Limited is responsible for nominating 50% of the Maritime Educational Foundation's Trustees.

The Chamber of Shipping Limited supplies project management and administration services to the Charity. Fees charged in respect of these services in the year totalled £42,000, inclusive of irrecoverable VAT (2021 fees: £42,900). In addition, the MEF agreed £61,000 in 2021 payable to the Merchant Navy Training Board (MNTB), an arm of the Chamber of Shipping Limited for the services of a Careers and Training Manager over a 2 year period.

J W Slater Memorial Fund

The Maritime Educational Foundation made donations to the J W Slater Memorial Fund in the year totalling £400,000 (2021: £400,000). A M Dickinson, a Trustee of the Maritime Educational Foundation, also acts as a Trustee for the JW Slater Memorial Fund. D Appleton, a Trustee of the Maritime Educational Foundation, is the Secretary of the JW Slater Memorial Fund.

THE MARITIME EDUCATIONAL FOUNDATION

England & Wales - Charity number 1100125

Accounts

THE MARITIME EDUCATIONAL FOUNDATION

Registered Charity Number 1100125

Registered Company Number 4251334

YEAR ENDED 31 DECEMBER 2021

THE MARITIME EDUCATIONAL FOUNDATION
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

CONTENTS

LEGAL AND ADMINISTRATIVE INFORMATION	1
REPORT OF THE TRUSTEES	2
STATEMENT OF TRUSTEES' RESPONSIBILITIES	7
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS	8
STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT	12
BALANCE SHEET	13
STATEMENT OF CASH FLOWS	14
NOTES TO THE ACCOUNTS	15

THE MARITIME EDUCATIONAL FOUNDATION
LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

CONSTITUTION

The Maritime Educational Foundation ('the Foundation') was incorporated on 12 July 2001, and its memorandum and articles were amended by special resolution on 18 September 2003. It is limited by guarantee. The Foundation was registered as a charity on 17 October 2003.

TRUSTEES

The Directors, who are the Charity's Trustees that served during the year and up to the date of signing this report, were:

D Appleton
M Carden
A M Dickinson
S Konstanz
D Procter
C Roberts
H R Sanguinetti (resigned 17 September 2021)
M Willis

REGISTERED COMPANY NUMBER	4251334
REGISTERED CHARITY NUMBER	1100125
REGISTERED OFFICE	The Maritime Educational Foundation 30 Park Street London SE1 9EQ

PROFESSIONAL ADVISERS:

Auditor	McBrides Accountants LLP Nexus House 2 Cray Road Sidcup Kent DA14 5DA
Bankers	National Westminster Bank PLC Bishopsgate London EC2P 2AP
Investment Managers	Julius Baer 1 St Martin's Le Grand London EC1A 4AS

THE MARITIME EDUCATIONAL FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees, who are directors for the purpose of company law, are pleased to present their annual report together with the financial statements of the charity for the year ended 31 December 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the requirements of the charity's trust deed, 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 (FRS 102), second edition published October 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Maritime Educational Foundation (the Foundation), is a charitable company limited by guarantee, controlled by the same board of Trustees as The Maritime Training Trust (MTT). MTT's purpose is to collect money remitted to it by shipping companies registered under the tonnage tax regime which have not met their core training commitment and pay these to the Foundation. These funds are then used to promote education and training in maritime skills for the British Shipping industry. The Foundation received its first contribution of £150,000 from the MTT in December 2003. The Foundation continues to receive contributions from the MTT.

There are normally eight Trustees, four nominated by the Chamber of Shipping, two nominated by Nautilus International and two by RMT, although casual vacancies occur from time to time. The Trustees are by their profession associated with the key aims of the Foundation and are therefore able to make informed judgements on the appropriateness of grant or other awards in line with the charitable aims of the Foundation.

Trustees are appointed by the full Board to ensure the Board is balanced and equipped to support the organisation. Each new trustee is given relevant induction as required and all trustees are given the opportunity of additional training where necessary.

The Foundation does not have any employees. However, the Chamber of Shipping Limited provides administrative support services to the Foundation and delegated responsibilities where considered appropriate.

AIMS AND OBJECTIVES

The Foundation's charitable objects are:

- The advancement of education and training in maritime skills and in pursuance of such object but not further or otherwise to facilitate and promote the education and training of seafarers in maritime skills for the benefit of the general public; and
- The advancement of education and training generally concerning maritime industries and industries related to maritime activities.

For the purpose of the above, 'seafarers' means persons employed or engaged, in maritime industries or who otherwise earn their living at sea or in industries related to maritime activities or who are undergoing a course of approved training for service in such industries or in industries related to maritime activities (and which is a course approved by the MNTB).

The Foundation meets these aims and objectives as explained in the following narrative.

THE MARITIME EDUCATIONAL FOUNDATION
REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

ACHIEVEMENTS AND PERFORMANCE

The MEF continues to focus on the provision of quality seafarer training and education for all MEF sponsored cadets. The MEF provides 'gold standard' new entrant seafarer training in the form of officer cadet sponsorships as well as apprenticeship bursaries to encourage companies to develop new opportunities for ratings. Raising the profile of maritime careers is an important area of work for the MEF and by offering financial support to unemployed seafarers looking to either upskill or update existing training, unemployed seafarers are more likely to secure new employment opportunities within the industry.

In previous years, the MEF has provided funding for special activities and projects to organisations that have been identified as providing seafarer training and education. Last year the Trustees made the decision to scale back on certain funding activities due to the impact of COVID on MEF investments. Cadet training has been significantly impacted by the COVID restrictions and many cadets have had to extend their training by 12 months just to ensure they have secured the required amount of sea time. The MEF is committed to ensuring that all MEF sponsored cadets impacted by COVID complete their training and are supported financially to completion. The MEF continues to focus on support for new ratings by way of a bursary paid at the beginning and end of their training alongside financial support for unemployed seafarers wishing to update their training to secure work in the industry. The management and implementation of all funding streams has required additional processes to be implemented to mitigate any risk of MEF funds being misused and to ensure any allocated funding is utilised in line with the MEF's set criteria and a regular review of the MEF Good Practise Guidelines ensures that the processes in place are effective and relevant.

Each year, the Board of Trustees make the decision on how many officer trainees will be sponsored annually. This year the Trustees made the decision not to take on a new cohort in September due to the issues the current MEF cadets are experiencing with their sea time but also due to being made aware that there is a possibility of a change in the Tonnage Tax regime which may impact on funds receivable from The Maritime Training Trust going forward. The ratings bursary allocation last year was capped at £70k and support for unemployed seafarers is capped at £30k. There has been no change here.

The Trustees this year agreed to discontinue the funding of the MNTB Support Officer as workload requirements changed and they felt that the money would be better spent on supporting the training of cadets and ratings through to completion. The Trustees agreed that the cost of the Training and Careers Manager post would be shared with the UK Chamber of Shipping as the CoS agreed that greater focus was needed to attract more people into the industry as cadet numbers since the start of COVID have declined dramatically. The Training and Careers Manager continues to work on the promotion of Careers at Sea and Careers at Sea and Beyond with work progressing on the development and promotion of the Careers at Sea Ambassador programme. Numbers of Ambassadors volunteering continues to increase despite COVID restrictions impacting the ability of the Ambassadors to visit schools and careers events, promotional work continues with virtual careers fairs and the sponsorship of National Careers Week successfully highlighting the vast array of viable career options in maritime. However, we are seeing a gradual return to face to face events at schools and colleges.

The Foundation continues to support the JW Slater Fund which offers support for rating to officer conversion training and awards grants to Merchant Navy ratings, electro-technical officers or yacht crew considering career progression.

As part of the Trustees responsibilities, the Strategic Plan is reviewed on an annual basis to ensure that MEF resources are managed effectively and distributed to meet the Foundation's charitable objectives.

PUBLIC BENEFIT

The Trustees confirm that they have taken due regard of the Charity Commission's general guidance on public benefit.

THE MARITIME EDUCATIONAL FOUNDATION
REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

RISK MANAGEMENT

The Trustees consider the major risks facing the Foundation on an ongoing basis and takes steps to mitigate these risks as they arise.

The main financial risk identified was potential future income volatility reflecting either any future changes to the current UK Tonnage Tax regime which supplies the entirety of the Charity's income or the amount of training undertaken themselves by the shipping companies enrolled in that scheme. Other than environmental scanning and monitoring there is limited mitigation possible. Other risks were financial ones arising as a result of volatility in the market value and income from fixed asset investments. Mitigation for these risks includes retaining substantial cash balances, a balanced and diversified portfolio asset allocation, the appointment of professional investment managers and the regular reporting and monitoring of investment performance.

FINANCIAL REVIEW

A summary of the results for the Foundation for the year is given on page 12 of the financial statements.

A grant of £2.4 million was awarded by the Maritime Training Trust (MTT) to the Foundation for the year to 31 December 2021 (2020: £1.81 million). Part of this grant was paid over during 2021, while the balance is included within debtors at 31 December 2021 (see note 8).

In 2021, the Foundation made a number of new commitments in officer training; £427,409 (2020: £427,409) to Chiltern Maritime Limited; £131,295 (2020: £131,295) to Clyde Marine Training; £102,480 to Anglo Eastern (2020: £140,094); £206,284 (2020: £134,887) to Ship Safe Training Group (SSTG) and £nil (2020: £89,939) to V.Ships UK Limited (who were unable to identify suitable candidates for 2021 intake). Variations on these contracts and previous contracts with these suppliers which were agreed in previous years totalled a credit of £551,608 during 2021 (2020: £160,637 charge). The Foundation donated £400k to the JW Slater Memorial Fund in 2021 (2020: £400k). The Foundation made variations to existing grants to MNTB totalling a debit of £45,898 in 2021 (2020: credit of £659), including any new grants made in the year. Other new grants and smaller contributions totalled £136,254 (2020: £110,451). All such awards were for the education and training of seafarers in maritime skills, or the promotion of the same, in accordance with the agreed charitable aims and objectives.

The Foundation held cash balances of £0.63 million at 31 December 2021 (2020: £0.67 million). In addition, during 2021 the Trustees continued to invest substantial funds with Julius Baer in line with the investment policy noted below. The market value of investments held with Julius Baer was £3.62 million at 31 December 2021 (2020: £3.44 million). Total grant and award commitments as at 31 December 2021 were £2.8 million (2020: £4.03 million), of which £2.19 million is due to be paid by 31 December 2022 and £0.61 million thereafter. This reduction reflects the Trustees conscious decision to pare back awards to ensure sufficient reserves are available to meet future commitments in addressing potential risks facing the Foundation as explained above.

GOING CONCERN

The Trustees have considered the continued appropriateness of the going concern basis for these financial statements. The charity has net assets as the balance sheet date but net current liabilities and therefore in order to pay its debts as they fall due either MTT settles the year end debtor position and makes additional payments or a draw down from the investment portfolio would be required. The trustees have reviewed the assets held by the investment portfolio and note that the investments are all held in liquid assets that are traded daily on the relevant stock exchanges so do not foresee problems with the liquidity of the holding. While, investment markets have being volatile in 2021 and 2022 due to the impact of the COVID-19 pandemic and the Ukraine situation the valuation has never fallen to a level when MTT does not have sufficient liquid funds to cover all its debts. When awarding grants and new training commitments the Trustees are provided with the latest cash position as well as latest management accounts to enable them to ensure that commitments are not entered into

THE MARITIME EDUCATIONAL FOUNDATION

REPORT OF THE TRUSTEES (Continued) FOR THE YEAR ENDED 31 DECEMBER 2021

GOING CONCERN (continued)

that exceed the charity's ability to fund. Regarding funding commitments entered into at the balance sheet date, the full amount of all future commitments is included in the financial statements so there are no additional debts that require settling before the award of any new commitments in 2022. Finally, the level of administrative costs and fixed overheads outside the funding of charitable commitments is low, representing less than 6% of total expenditure and 3% of income in 2021 so servicing these costs when they fall due is not material to the wider going concern considerations. Accordingly, the Trustees believe that a material uncertainty does not exist and hence the going concern basis remains appropriate.

RESERVES POLICY

In light of the main financial risks set out in the 'Risk management' section of this report and the importance of the UK ensuring continuity of sufficient maritime training under any reasonably foreseeable set of circumstances (both in terms of new candidates and the financing of unforeseen funding variations for existing candidates), the Trustees agreed that the level of financial reserves is appropriate.

At 31 December 2021, after allowing for the balance of commitments of £2.86 million, the Foundation had £2.3million of unrestricted funds as reserves.

The grant funding receivable from The Maritime Training Trust for the year to 31 December 2021 was £2.4 million (2020: £1.81 million). The Trustees continue to consider its pool of potential beneficiaries in order to utilise its free reserves effectively. The Trustees agreed to put new awards for 2022 temporarily on hold until there is clarity on any proposed changes in the Tonnage Tax regime as noted above.

INVESTMENT POLICY

The Trustees developed an investment strategy for the Foundation. During 2021, Julius Baer maintained the portfolio as agreed by Trustees, within stated asset allocation guidelines for Fixed Income Bonds, Equities and Cash. Quarterly reports are received, and as at 31 December 2021, the investment portfolio had an open market value of £3.62 million (2020: £3.44 million).

GRANT MAKING POLICY

The Maritime Educational Foundation only awards grants to other organisations for proposed projects that are consistent with its objectives and principle aims. Grant applications are reviewed by the Trustees as an agenda item on their board meetings. As the approval process is not delegated to management the trustees have not felt the need to establish a formal policy as there are no awards approved on their behalf.

THE MARITIME EDUCATIONAL FOUNDATION
REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

PLANS FOR FUTURE PERIODS

The Trustees will continue to review and monitor the range of funding offered and projects supported throughout the year. With the numbers of cadet coming into the industry declining, the MEF will be utilising more of our financial resources to raise the awareness of careers at sea and to support and influence the recruitment and retention of new talent into the Maritime industry by way of a UK careers roadshow.

FUNDRAISING

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. As set out earlier in this report and in note 2 to these financial statements, the only source of donations for the Foundation is a grant from the Maritime Training Trust. Accordingly the Foundation does not utilise any other professional fundraisers, commercial participators or third parties. The Foundation does not consider it necessary to comply with any voluntary code of practice, has received no complaints in relation to fundraising activities, nor does it consider it necessary to design specific procedures to monitor such activities.

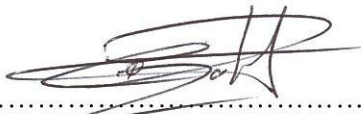
AUDITOR

The auditor, BDO LLP resigned in 2022 and have accordingly confirmed as required under Section 519 of the Companies Act that there are no matters connected with them ceasing to hold office that needs to be brought to the attention of the members or creditors of The Maritime Educational Foundation. McBrides Accountants LLP were appointed as the new auditor 24th March 2022

The Trustees (who are also the Directors) who held office at the date of approval of the Trustees' Report confirm that, so far as they are aware, there is no relevant audit information of which the Foundation's auditor is unaware; and each Trustee has taken all the steps that he or she ought to have taken as a Trustee and Director to make himself or herself aware of any relevant audit information and to establish that the Foundation's auditor is aware of that information.

The Trustees' Report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised for issue by the Trustees on **20 MAY** 2022 and signed on their behalf by



Trustee
CLIFF ROBERTS



Trustee
DAVID APPLETON

THE MARITIME EDUCATIONAL FOUNDATION
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the trustees annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that year.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting 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 charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE MARITIME EDUCATIONAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2021**

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE MARITIME EDUCATIONAL FOUNDATION

Opinion on the financial statements

We have audited the financial statements of The Maritime Educational Foundation (the 'charitable company') for the year ended 31 December 2021 which comprise the statement of financial activities including income and expenditure account, the balance sheet, the 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 charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Key audit matters

The financial statements for the prior period were audited by another auditor who expressed an unqualified opinion.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE MARITIME EDUCATIONAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2021 (Continued)**

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in 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:

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

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 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE MARITIME EDUCATIONAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2021 (Continued)**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions were held with, and enquiries made of, management and those charged with governance with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law and Tax legislation.
- it is considered that there are no laws and regulations for which non-compliance may be fundamental to the operating aspects of the business.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE MARITIME EDUCATIONAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2021 (Continued)**

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.

M. B. Warren

Andrew Warren (Senior Statutory Auditor)

For and on behalf of McBrides Accountants LLP, Statutory Auditor
Nexus House
Cray Road
Sidcup
Kent
DA14 5DA

Date *30/1/22*

THE MARITIME EDUCATIONAL FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

	<u>Note</u>	<u>2021</u>	<u>2020</u>
		£	£
INCOME			
Donations receivable	2	2,407,199	1,806,222
Interest receivable		39	315
Investment income	3	61,019	75,097
		<u>2,468,257</u>	<u>1,881,634</u>
EXPENDITURE			
Cost of raising funds			
Investment management costs		(22,308)	(28,813)
Charitable expenditure			
Donations payable in furtherance of the charity's objects	4	(400,000)	(400,000)
Other activities in furtherance of the charity's objects	4	(582,585)	(1,293,807)
TOTAL RESOURCES EXPENDED		<u>(1,004,893)</u>	<u>(1,722,620)</u>
NET INCOME/ (EXPENDITURE) FOR THE YEAR			
		1,463,364	159,014
Net gains/(losses) on investments		<u>150,489</u>	<u>(39,033)</u>
NET MOVEMENT IN FUNDS		1,613,853	119,981
UNRESTRICTED FUNDS BROUGHT FORWARD AT 1 JANUARY 2021		<u>708,658</u>	<u>588,677</u>
UNRESTRICTED FUNDS BROUGHT FORWARD AT 31 DECEMBER 2021		<u>2,322,511</u>	<u>708,658</u>

All amounts relate to continuing operations.

The charity has no gains or losses not included in the Statement of Financial Activities.


The notes on pages 15 to 19 form part of these financial statements

THE MARITIME EDUCATIONAL FOUNDATION
BALANCE SHEET
Registered Company Number 4251334
AS AT 31 DECEMBER 2021

	<u>Note</u>	<u>2021</u> £	<u>2020</u> £
FIXED ASSETS			
Investments	7	3,624,424	3,435,224
CURRENT ASSETS			
Cash at bank and in hand		628,447	667,111
Debtors and prepayments	8	932,660	638,313
TOTAL CURRENT ASSETS		1,561,107	1,305,424
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	9	(2,252,265)	(2,937,183)
NET CURRENT LIABILITIES		(691,158)	(1,631,759)
TOTAL ASSETS LESS CURRENT LIABILITIES		2,933,266	1,803,465
Creditors: Amounts falling due after one year	9	(610,755)	(1,094,807)
NET ASSETS		2,322,511	708,658
THE FUNDS OF THE CHARITY			
Unrestricted funds		2,322,511	708,658

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved and authorised for issue by the Trustees on **26 MAY** 2022 and signed on behalf of the board by:


.....
Trustee
CLIFF ROBERTS


.....
Trustee
DAVID APPLETON

The notes on pages 15 to 19 form part of these financial statements

THE MARITIME EDUCATIONAL FOUNDATION
STATEMENT OF CASH FLOWS
Registered Company Number 4251334
FOR THE YEAR ENDED 31 DECEMBER 2021

	<u>2021</u>	2020
	£	£
CASH FLOW FROM OPERATING ACTIVITIES		
Net Movement in funds	1,613,853	119,981
Adjustments to cash flows for non-cash items		
Losses/(Gains) on fixed asset investment	(150,489)	39,033
Finance income	(61,019)	(75,097)
Finance costs	22,308	28,813
	<u>1,424,653</u>	<u>112,730</u>
Working capital adjustments		
(Increase)/decrease in debtors	(294,347)	680,926
Increase/(decrease) in creditors	(1,168,970)	(2,275,728)
Net cash flow from operating activities	<u>(38,664)</u>	<u>(1,482,072)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption of fixed asset investments	-	2,000,000
Net cash flows from investing activities	<u>-</u>	<u>2,000,000</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(38,664)	517,928
CASH AT HAND AND IN BANK BROUGHT FORWARD	667,111	149,183
CASH AT HAND AND IN BANK CARRIED FORWARD	<u>628,447</u>	<u>667,111</u>

No reconciliation of net funds has been prepared as the Foundation holds only cash and cash equivalents

The notes on pages 15 to 19 form part of these financial statements

THE MARITIME EDUCATIONAL FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES

The following accounting policies have been used in the preparation of the financial statements of the Maritime Educational Foundation:

(a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost of transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Charities SORP (FRS 102) Second Edition, applicable accounting standards and the Companies Act 2006.

The Foundation constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared on a going concern basis. The Trustees have considered, in light of the Covid-19 and Ukraine situations, the continued appropriateness of the going concern basis for these financial statements. The charity has net assets as the balance sheet date but net current liabilities and therefore in order to pay its debts as they fall due either MTT settles the year end debtor position and makes additional payments or a draw down from the investment portfolio would be required. The trustees have reviewed the assets held by the investment portfolio and note that the investments are all held in liquid assets that are traded daily on the relevant stock exchanges so do not foresee problems with the liquidity of the holding. While investment markets have being volatile in 2021 and 2022 due to the impact of the COVID-19 pandemic and more recently the Ukraine position, the valuation has never fallen to a level when MTT does not have sufficient liquid funds to cover all its debts. When awarding grants and new training commitments the Trustees are provided with the latest cash position as well as latest management accounts to enable them to ensure that commitments are not entered into that exceed the charity's ability to fund. Regarding funding commitments entered into at the balance sheet date, the full future amount of all future commitments is included in the financial statements so there are no additional debts that require settling before the award of any new commitments in 2022. Finally, the level of administrative costs and fixed overheads outside the funding of charitable commitments is low, representing less than 6% of total expenditure and 3% of income in 2021 so servicing these costs when they fall due is not material to the wider going concern considerations. Accordingly, the Trustees believe that a material uncertainty does not exist and hence the going concern basis remains appropriate.

(b) Income recognition

Donations are recognised when the Foundation has been notified in writing of a commitment to make the donation.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

(c) Expenditure recognition

Resources expended are recognised in the year in which they are incurred and include attributable VAT which cannot be recovered. Expenditure on training contracts is recognised when the Foundation has entered into a legal or constructive obligation with a training provide as these are unconditional awards with no required interim reporting requirements. The Foundation only commits expenditures against donations notified.

THE MARITIME EDUCATIONAL FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (Continued)

1 ACCOUNTING POLICIES (continued)

(d) Fund accounting

Unrestricted funds are those that are freely available for use in pursuance of the general objects of the charity. All Maritime Educational Fund funds are unrestricted.

(e) Fixed asset investments

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Foundation does not acquire or use put options, derivatives or other complex financial instruments.

(f) Realised gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

(g) The Maritime Educational Foundation

The Maritime Educational Foundation is a private company, limited by guarantee, domiciled in England and Wales, Company Registration Number 4251334, Registered Company Number 1100125. The registered office address is 30 Park Street, London, SE1 9EQ.

2 DONATIONS AND GRANTS RECEIVABLE

	<u>2021</u>	<u>2020</u>
	£	£
Grant awarded by The Maritime Training Trust	<u>2,407,199</u>	<u>1,806,222</u>

3 INVESTMENT INCOME

	<u>2021</u>	<u>2020</u>
	£	£
Investment income on funds invested in line with the charity's investment policy	<u>61,019</u>	<u>75,097</u>

THE MARITIME EDUCATIONAL FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (Continued)

4 CHARITABLE EXPENDITURE IN FURTHERANCE OF THE CHARITY'S OBJECTIVES

	<u>2021</u>	<u>2020</u>
	£	£
Education and training of cadets		
Donations		
J W Slater Memorial Fund: Supporting Rating to Officer conversion	400,000	400,000
	400,000	400,000
Training contracts and other educational activities		
Training contract supporting undergraduates on approved		
Maritime Degree Courses	315,860	1,084,261
MNTB grants and sponsorship	45,898	(659)
Other educational grants and activities	136,254	110,451
Outward bound event	26,133	41,382
Allocated governance & support costs (note 5)	58,440	58,372
	582,585	1,293,807

5 GOVERNANCE & SUPPORT COST COSTS

Administration Expenses (gross of irrecoverable VAT)	52,440	51,616
Auditors' Remuneration (gross of irrecoverable VAT)	6,000	6,756
	58,440	58,372

6 STAFF COSTS

There were no employees during the year. None of the Trustees received any emoluments or expenses in respect of services to the charity.

THE MARITIME EDUCATIONAL FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (Continued)

7 FIXED ASSET INVESTMENTS

	<u>2021</u>	<u>2020</u>
	£	£
Movement in Fixed Asset Investments		
Market Value at 1 January 2021	3,235,872	5,013,700
Add: Additions to investments at cost	641,062	2,020,446
Less: Disposals at carrying value	(686,121)	(3,705,185)
Add: Net gains/(losses) on revaluation	157,265	(90,474)
Add: Decrease in accrued interest on fixed interest securities	(729)	(2,615)
Market Value at 31 December 2021	<u>3,347,349</u>	<u>3,235,872</u>
Investment at fair value		
Equities and pooled equity funds	1,528,694	1,399,554
Fixed Interest Securities	1,818,655	1,836,318
Fair value of listed securities & equities	<u>3,347,349</u>	<u>3,235,872</u>
Cash held within the investment portfolio	277,075	199,352
Total Fixed Asset Investments	<u>3,624,424</u>	<u>3,435,224</u>

8 DEBTORS

	<u>2021</u>	<u>2020</u>
	£	£
Grant receivable from Maritime Training Trust	932,660	625,461
Prepayments	-	12,852
	<u>932,660</u>	<u>638,313</u>

9 CREDITORS

	<u>2021</u>	<u>2020</u>
	£	£
Amounts falling due within one year:		
Training contracts and career related activities	2,160,860	2,832,805
Other creditors - grants payable to MNTB	32,590	97,622
Accruals	58,815	6,756
	<u>2,252,265</u>	<u>2,937,183</u>
Amounts falling due after one year:		
Training contracts and career related activities	582,345	1,072,572
Other creditors - grants payable to MNTB	28,410	22,235
	<u>610,755</u>	<u>1,094,807</u>

THE MARITIME EDUCATIONAL FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (Continued)

10 FUTURE COMMITMENTS

There are no other future commitments other than those shown in note 9.

11 ANALYSIS OF NET DEBT

	At 1 January 2021	Cash flows	At 31 December 2021
	£	£	£
Cash	<u>667,111</u>	<u>(38,664)</u>	<u>628,447</u>
	<u>667,111</u>	<u>(38,664)</u>	<u>628,447</u>

12 RELATED PARTY TRANSACTIONS

Maritime Training Trust

The board of Trustees of the Maritime Educational Foundation currently has the same membership as that of the Maritime Training Trust. The Foundation's purpose is to provide education and training in maritime skills for the British Shipping Industry which are financed by PILOT payments which are collected and then transferred to The Maritime Educational Foundation by the Maritime Training Trust.

In 2021 the Maritime Training Trust unconditionally agreed to award a grant of £2,407,199 (2020: £1,806,222) to the Maritime Educational Foundation to promote the charity in its primary charitable objectives.

The Chamber of Shipping Limited

The Chamber of Shipping Limited is responsible for nominating 50% of the Maritime Educational Foundation's Trustees.

The Chamber of Shipping Limited supplies project management and administration services to the Charity. Fees charged in respect of these services in the year totalled £42,900, inclusive of irrecoverable VAT (2020: fees: £51,600). In addition the MEF has agreed a number of grants to the Merchant Navy Training Board (MNTB), an arm of the Chamber of Shipping Limited. Variations to these existing grants in the year to MNTB totalled a debit of £45,898 in 2021 (2020: credit of £659), including any new grants made in the year.

One Maritime Educational Foundation Trustee (H R Sanguinetti) who resigned as a Trustee during the financial year was employed by the Chamber of Shipping Limited for part of the financial year.

J W Slater Memorial Fund

The Maritime Educational Foundation made donations to the J W Slater Memorial Fund in the year totalling £400,000 (2020: £400,000). A M Dickinson, a Trustee of the Maritime Educational Foundation, also acts as a Trustee for the JW Slater Memorial Fund. D Appleton, a Trustee of the Maritime Educational Foundation, is the Secretary of the JW Slater Memorial Fund.

THE MARITIME EDUCATIONAL FOUNDATION

England & Wales - Charity number 1100125

Accounts

THE MARITIME EDUCATIONAL FOUNDATION

Registered Charity Number 1100125

Registered Company Number 4251334

YEAR ENDED 31 DECEMBER 2020

THE MARITIME EDUCATIONAL FOUNDATION
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

CONTENTS

LEGAL AND ADMINISTRATIVE INFORMATION	1
REPORT OF THE TRUSTEES	2
STATEMENT OF TRUSTEES' RESPONSIBILITIES	7
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS	8
STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT	12
BALANCE SHEET	13
STATEMENT OF CASH FLOWS	14
NOTES TO THE ACCOUNTS	15

THE MARITIME EDUCATIONAL FOUNDATION
LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020

CONSTITUTION

The Maritime Educational Foundation ('the Foundation') was incorporated on 12 July 2001, and its memorandum and articles were amended by special resolution on 18 September 2003. It is limited by guarantee. The Foundation was registered as a charity on 17 October 2003.

TRUSTEES

The Directors, who are the Charity's Trustees that served during the year and up to the date of signing this report, were:

D Appleton
M Carden
A M Dickinson
S Konstanz
D Procter
C Roberts
H R Sanguinetti (resigned 17 September 2021)
M Willis

REGISTERED COMPANY NUMBER	4251334
REGISTERED CHARITY NUMBER	1100125
REGISTERED OFFICE	The Maritime Educational Foundation 30 Park Street London SE1 9EQ

PROFESSIONAL ADVISERS:

Auditor	BDO LLP 55 Baker Street London W1U 7EU
Bankers	National Westminster Bank PLC Bishopsgate London EC2P 2AP
Investment Managers	Julius Baer 1 St Martin's Le Grand London EC1A 4AS

THE MARITIME EDUCATIONAL FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees, who are directors for the purpose of company law, are pleased to present their annual report together with the financial statements 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 financial statements comply with the Charities Act 2011, the Companies Act 2006, the requirements of the charity's trust deed, 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 (FRS 102), second edition published October 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Maritime Educational Foundation (the Foundation), is a charitable company limited by guarantee, controlled by the same board of Trustees as The Maritime Training Trust (MTT). MTT's purpose is to collect money remitted to it by shipping companies registered under the tonnage tax regime which have not met their core training commitment and pay these to the Foundation. These funds are then used to promote education and training in maritime skills for the British Shipping industry. The Foundation received its first contribution of £150,000 from the MTT in December 2003. The Foundation continues to receive contributions from the MTT.

There are normally eight Trustees, four nominated by the Chamber of Shipping, two nominated by Nautilus International and two by RMT, although casual vacancies occur from time to time. The Trustees are by their profession associated with the key aims of the Foundation and are therefore able to make informed judgements on the appropriateness of grant or other awards in line with the charitable aims of the Foundation.

Trustees are appointed by the full Board to ensure the Board is balanced and equipped to support the organisation. Each new trustee is given relevant induction as required and all trustees are given the opportunity of additional training where necessary.

The Foundation does not have any employees. However, the Chamber of Shipping Limited provides administrative support services to the Foundation and delegated responsibilities where considered appropriate.

AIMS AND OBJECTIVES

The Foundation's charitable objects are:

- The advancement of education and training in maritime skills and in pursuance of such object but not further or otherwise to facilitate and promote the education and training of seafarers in maritime skills for the benefit of the general public; and
- The advancement of education and training generally concerning maritime industries and industries related to maritime activities.

For the purpose of the above, 'seafarers' means persons employed or engaged, in maritime industries or who otherwise earn their living at sea or in industries related to maritime activities or who are undergoing a course of approved training for service in such industries or in industries related to maritime activities (and which is a course approved by the MNTB).

The Foundation meets these aims and objectives as explained in the following narrative.

THE MARITIME EDUCATIONAL FOUNDATION
REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENTS AND PERFORMANCE

The MEF continues to focus on the provision of quality seafarer training and education for all MEF sponsored cadets. The MEF provides 'gold standard' new entrant seafarer training in the form of officer cadet sponsorships as well as apprenticeship bursaries to encourage companies to develop new opportunities for ratings. Raising the profile of maritime careers is an important area of work for the MEF and by offering financial support to unemployed seafarers looking to either upskill or update existing training, unemployed seafarers are more likely to secure new employment opportunities within the industry.

In previous years, the MEF has provided funding for special activities and projects to organisations that have been identified as providing seafarer training and education, however, due to the impact of COVID on MEF investments and the urgent need to rebuild our reserves, the Trustees agreed to place a temporary freeze on a number of their funding support activities. Despite this, cadet sponsorship, ratings bursaries and financial support in the way of updating training funding for unemployed seafarers has remained a key focus for the MEF. The management and implementation of this funding has required additional processes to be implemented to mitigate any risk of MEF funds being misused and to ensure any allocated funding is utilised in line with the MEF's set criteria.

Each year, the Board of Trustees make the decision on how many officer trainees will be sponsored annually. These trainees are recruited and managed by training management companies following a rigorous selection process. The cadet intake for 2020/21 currently stands at 20. The ratings bursary allocation this year is capped at £70k and support for unemployed seafarers is capped at £30k.

The MEF has continued to provide funding to the MNTB to support the salary costs of a full-time Training and Careers Manager post and the MEF Support Officer. The MEF Support Officer continues to progress the work of the Apprenticeship Committee and offers guidance and support to companies employing apprentices. The Training and Careers Manager continues to work on the promotion of Careers at Sea and Careers at Sea and Beyond with work progressing on the development and promotion of the Careers at Sea Ambassador programme. Numbers of Ambassadors volunteering has increased to 274 and despite COVID restrictions impacting the ability of the Ambassadors to visit schools and careers events, promotional work continues with virtual careers fairs and the sponsorship of National Careers Week successfully highlighting the vast array of viable career options in maritime.

The Foundation continues to support the JW Slater Fund which offers support for rating to officer conversion training and awards grants to Merchant Navy ratings, electro-technical officers or yacht crew considering career progression.

As part of the Trustees responsibilities, the Strategic Plan is reviewed on an annual basis to ensure that MEF resources are managed effectively and distributed to meet the Foundation's charitable objectives.

PUBLIC BENEFIT

The Trustees confirm that they have taken due regard of the Charity Commission's general guidance on public benefit.

THE MARITIME EDUCATIONAL FOUNDATION
REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

RISK MANAGEMENT

The Trustees consider the major risks facing the Foundation on an ongoing basis and takes steps to mitigate these risks as they arise.

The main financial risk identified was potential future income volatility reflecting either any future changes to the current UK Tonnage Tax regime which supplies the entirety of the Charity's income or the amount of training undertaken themselves by the shipping companies enrolled in that scheme. Other than environmental scanning and monitoring there is limited mitigation possible. Other risks were financial ones arising as a result of volatility in the market value and income from fixed asset investments. Mitigation for these risks includes retaining substantial cash balances, a balanced and diversified portfolio asset allocation, the appointment of professional investment managers and the regular reporting and monitoring of investment performance.

FINANCIAL REVIEW

A summary of the results for the Foundation for the year is given on page 11 of the financial statements.

A grant of £1.81 million was awarded by the Maritime Training Trust (MTT) to the Foundation for the year to 31 December 2020 (2019: £2.07 million). Part of this grant was paid over during 2020, while the balance is included within debtors at 31 December 2020 (see note 8).

In 2020, the Foundation made a number of new commitments in officer training; £427,409 (2019: £1,754,112) to Chiltern Maritime Limited; £131,295 (2019: £477,178) to Clyde Marine Training; £140,094 to Anglo Eastern (2019: £nil); £134,887 (2019: £nil) to Ship Safe Training Group (SSTG) and £89,939 (2019: £843,513) to V.Offshore (Isle of Man) Limited. Variations on these contracts and previous contracts with these suppliers which were agreed in previous years totalled a charge of £160,637 during 2020 (2019: £591,461 credit). The Foundation donated £400k to the JW Slater Memorial Fund in 2020 (2019: £900k). The Foundation made variations to existing grants to MNTB totalling a credit of £659 in 2020 (2019: charge of £179,866), including any new grants made in the year. Other new grants and smaller contributions totalled £110,451 (2019: £168,695). All such awards were for the education and training of seafarers in maritime skills, or the promotion of the same, in accordance with the agreed charitable aims and objectives.

The Foundation held cash balances of £0.67 million at 31 December 2020 (2019: £0.15 million). In addition, during 2020 the Trustees continued to invest substantial funds with Julius Baer in line with the investment policy noted below. The market value of investments held with Julius Baer was £3.44 million at 31 December 2020 (2019: £5.43 million). Total grant and award commitments as at 31 December 2020 were £4.03 million (2019: £6.30 million), of which £2.93 million is due to be paid by 31 December 2021, £0.94 million in the year to 31 December 2022, with the remainder of £0.16 million payable after 2022.

GOING CONCERN

The Trustees have considered, in light of the Covid-19 situation, the continued appropriateness of the going concern basis for these financial statements. The charity has net assets as the balance sheet date but net current liabilities and therefore in order to pay its debts as they fall due either MTT settles the year end debtor position and makes additional payments in 2020 or a drawn down from the investment portfolio would be required. The trustees have reviewed the assets held by the investment portfolio and note that the investments are all held in liquid assets that are traded daily on the relevant stock exchanges so do not foresee problems with the liquidity of the holding. While, investment markets have being volatile in 2020 and 2021 due to the impact of the COVID-19 pandemic the valuation has never fallen to a level when MTT does not have sufficient liquid funds to cover all its debts. When awarding grants and new training commitments the Trustees are provided with the latest cash position as well as latest management accounts to enable them to ensure that commitments are not entered into

THE MARITIME EDUCATIONAL FOUNDATION
REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

GOING CONCERN (continued)

that exceed the charity's ability to fund. Regarding funding commitments entered into at the balance sheet date, the full future amount of all future commitment is included in the financial statements so there are no additional debts that require settling other than included in the financial statements before the award of any new commitments in 2020. Finally, the level of administrative costs and fixed overheads outside the funding of charitable commitments is low, representing less than 3.4% of total expenditure and 3% of income in 2020 so servicing these costs when they fall due is not material to the wider going concern considerations. Accordingly, the Trustees believe that a material uncertainty does not exist and hence the going concern basis remains appropriate.

RESERVES POLICY

In light of the main financial risks set out in the 'Risk management' section of this report and the importance of the UK ensuring continuity of sufficient maritime training under any reasonably foreseeable set of circumstances (both in terms of new candidates and the financing of unforeseen funding variations for existing candidates), The Trustees agreed that the level of financial reserves is appropriate.

At 31 December 2020, after allowing for the balance of commitments of £4.03 million, the Foundation had £0.71 million of unrestricted funds as reserves.

The grant funding receivable from The Maritime Training Trust for the year to 31 December 2020 was £1.81 million (2019: £2.07 million). The positive performance of the MEF's investment portfolio partially offset the reduction in free reserves caused by the value of awards in the year exceeding income. The launch of the Strategic Plan continues to help widen its pool of potential beneficiaries in order to utilise substantial free reserves over a planned timescale. The Trustees agreed at the AGM in July 2020 to review the current portfolio. Two new fund managers were asked to present their thoughts on potential fund management solutions to the Trustees. No decision will be made on the new fund manager until the Covid-19 crisis is under control and there is less volatility in investment markets.

INVESTMENT POLICY

The Trustees developed an investment strategy for the Foundation. During 2020, Julius Baer maintained the portfolio as agreed by Trustees, within stated asset allocation guidelines for Fixed Income Bonds, Equities and Cash. Quarterly reports are received, and as at 31 December 2020, the investment portfolio had an open market value of £3.44 million (2019: £5.43 million).

GRANT MAKING POLICY

The Maritime Educational Foundational only awards grants to other organisations for proposed projects that are consistent with its objectives and principle aims. Grant applications are reviewed by the Trustees as an agenda item on their board meetings. As the approval process is not delegated to management the trustees have not felt the need to establish a formal policy as there are no awards approved on their behalf.

THE MARITIME EDUCATIONAL FOUNDATION

REPORT OF THE TRUSTEES (Continued) FOR THE YEAR ENDED 31 DECEMBER 2020

PLANS FOR FUTURE PERIODS

The Trustees will continue to review and monitor the range of funding offered and projects supported throughout the year. With the implementation of SMarT Plus and the subsequent need to increase the required number of cadets trained annually, the MEF will be utilising more of our financial resources to raise the awareness of careers at sea and to support and influence the recruitment and retention of new talent into the Maritime industry.

FUNDRAISING

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. As set out earlier in this report and in note 2 to these financial statements, the only source of donations for the Foundation is a grant from the Maritime Training Trust. Accordingly the Foundation does not utilise any other professional fundraisers, commercial participators or third parties. The Foundation does not consider it necessary to comply with any voluntary code of practice, has received no complaints in relation to fundraising activities, nor does it consider it necessary to design specific procedures to monitor such activities.

AUDITOR

The auditors BDO LLP has indicated their willingness to continue in office and a resolution proposing their reappointment will be proposed at the AGM.

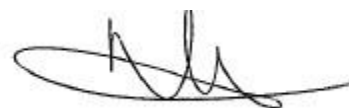
The Trustees (who are also the Directors) who held office at the date of approval of the Trustees' Report confirm that, so far as they are aware, there is no relevant audit information of which the Foundation's auditor is unaware; and each Trustee has taken all the steps that he or she ought to have taken as a Trustee and Director to make himself or herself aware of any relevant audit information and to establish that the Foundation's auditor is aware of that information.

The Trustees' Report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised for issue by the Trustees on 24 September 2021 and signed on their behalf by



.....
David Appleton, Director



.....
Michael Willis, Director

THE MARITIME EDUCATIONAL FOUNDATION
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the trustees annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that year.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting 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 charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE MARITIME EDUCATIONAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2020**

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE MARITIME EDUCATIONAL FOUNDATION

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 December 2020 and of its incoming resources and application of resources 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.

We have audited the financial statements of The Maritime Educational Foundation ("the Charitable Company") for the year ended 31 December 2020 which comprise the statement of financial activities including income and expenditure account, the balance sheet, the 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charitable Company in accordance with the ethical requirements 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.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE MARITIME EDUCATIONAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2020 (Continued)**

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. The other information comprises: The Trustees' Report. 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.

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' 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 Directors' Report, which are included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Trustee's 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;

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE MARITIME EDUCATIONAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2020 (Continued)**

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 determines 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 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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Charity and the industry in which it operates, we identified that the principal laws and regulations that directly affect the financial statements to be Charities Acts, Companies Act 2006, UK GAAP, Charities SORP, and tax legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

In addition the Association is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence if any.

Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading minutes of meeting of those charged with governance;
- Reviewing on a sample basis income transactions recognised in the year to confirm existence and accuracy of the underlying transaction, in addition we have for all material income streams performed specific cut-off procedures to ensure income has been recognised in the correct period;
- Challenging assumptions made by management in their significant accounting estimates in particular in relation to the assumptions related to going concern and the payment profile of liabilities; and

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE MARITIME EDUCATIONAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2020 (Continued)**


- In addressing the risk of fraud through management override of controls; testing the appropriateness of journal entries and other adjustments, in particular any journals posted to cash and material journal adjustments.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:
<https://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.

DocuSigned by:

C9A7C7386A35456...

Laurence Elliott (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK
Date 02 December 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

THE MARITIME EDUCATIONAL FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020

	<u>Note</u>	<u>2020</u> £	<u>2019</u> £
INCOME			
Donations receivable	2	1,806,222	2,069,239
Interest receivable		315	535
Investment income	3	75,097	141,976
		<u>1,881,634</u>	<u>2,211,750</u>
EXPENDITURE			
Cost of raising funds			
Investment management costs		(28,813)	(39,611)
Charitable expenditure			
Donations payable in furtherance of the charity's objects	4	(400,000)	(900,000)
Other activities in furtherance of the charity's objects	4	(1,293,807)	(2,979,488)
		<u>(1,722,620)</u>	<u>(3,919,099)</u>
TOTAL RESOURCES EXPENDED			
NET INCOME/ (EXPENDITURE) FOR THE YEAR			
		159,014	(1,707,349)
Net (losses)/gains on investments		<u>(39,033)</u>	<u>451,013</u>
NET MOVEMENT IN FUNDS			
		119,981	(1,256,336)
UNRESTRICTED FUNDS BROUGHT FORWARD AT 1 JANUARY 2020			
		<u>588,677</u>	<u>1,845,013</u>
UNRESTRICTED FUNDS BROUGHT FORWARD AT 31 DECEMBER 2020			
		<u>708,658</u>	<u>588,677</u>

All amounts relate to continuing operations.

The charity has no gains or losses not included in the Statement of Financial Activities.

The notes on pages 15 to 19 form part of these financial statements

THE MARITIME EDUCATIONAL FOUNDATION
BALANCE SHEET
Registered Company Number 4251334
AS AT 31 DECEMBER 2020

	<u>Note</u>	<u>2020</u> £	<u>2019</u> £
FIXED ASSETS			
Investments	7	3,435,224	5,427,973
CURRENT ASSETS			
Cash at bank and in hand		667,111	149,183
Debtors and prepayments	8	638,313	1,319,239
TOTAL CURRENT ASSETS		<u>1,305,424</u>	<u>1,468,422</u>
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	9	<u>(2,937,183)</u>	<u>(3,657,068)</u>
NET CURRENT LIABILITIES		<u>(1,631,759)</u>	<u>(2,188,646)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,803,465	3,239,327
Creditors: Amounts falling due after one year	9	<u>(1,094,807)</u>	<u>(2,650,650)</u>
NET ASSETS		<u>708,658</u>	<u>588,677</u>
THE FUNDS OF THE CHARITY			
Unrestricted funds		<u>708,658</u>	<u>588,677</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved and authorised for issue by the Trustees on 24 September 2021 and signed on behalf of the board by:

.....
David Appleton, Director

.....
Michael Willis, Director

The notes on pages 15 to 19 form part of these financial statements

THE MARITIME EDUCATIONAL FOUNDATION
STATEMENT OF CASH FLOWS
Registered Company Number 4251334
FOR THE YEAR ENDED 31 DECEMBER 2020

	<u>2020</u>	<u>2019</u>
	£	£
NET MOVEMENT IN FUNDS	119,981	(1,256,336)
Decrease/(increase) in debtors	680,926	(604,077)
(Decrease)/increase in creditors	(2,275,728)	369,519
Income from fixed asset investments	(75,097)	(141,976)
Losses/(gains) on fixed asset investment	39,033	(451,013)
Investment fees paid	28,813	39,611
NET CASH USED IN OPERATING ACTIVITIES	<u>(1,482,072)</u>	<u>(2,044,272)</u>
Redemption of fixed asset investments	2,000,000	2,000,000
NET MOVEMENT IN CASH DURING THE YEAR	<u>517,928</u>	<u>(44,272)</u>
CASH AT HAND AND IN BANK BROUGHT FORWARD	149,183	193,455
CASH AT HAND AND IN BANK CARRIED FORWARD	<u><u>667,111</u></u>	<u><u>149,183</u></u>

No reconciliation of net funds has been prepared as the Foundation holds only cash and cash equivalents

The notes on pages 15 to 19 form part of these financial statements

THE MARITIME EDUCATIONAL FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1 ACCOUNTING POLICIES

The following accounting policies have been used in the preparation of the financial statements of the Maritime Educational Foundation:

(a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost of transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Charities SORP (FRS 102) Second Edition, applicable accounting standards and the Companies Act 2006.

The Foundation constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared on a going concern basis. The Trustees have considered, in light of the Covid-19 situation, the continued appropriateness of the going concern basis for these financial statements. The charity has net assets as the balance sheet date but net current liabilities and therefore in order to pay its debts as they fall due either MTT settles the year end debtor position and makes additional payments in 2021 or a drawn down from the investment portfolio would be required. The trustees have reviewed the assets held by the investment portfolio and note that the investments are all held in liquid assets that are traded daily on the relevant stock exchanges so do not foresee problems with the liquidity of the holding. While investment markets have been volatile in 2020 and 2021 due to the impact of the COVID-19 pandemic the valuation has never fallen to a level when MTT does not have sufficient liquid funds to cover all its debts. When awarding grants and new training commitments the Trustees are provided with the latest cash position as well as latest management accounts to enable them to ensure that commitments are not entered into that exceed the charity's ability to fund. Regarding funding commitments entered into at the balance sheet date, the full future amount of all future commitment is included in the financial statements so there are no additional debts that require settling other than included in the financial statements before the award of any new commitments in 2021. Finally, the level of administrative costs and fixed overheads outside the funding of charitable commitments is low, representing less than 3.4% of total expenditure and 3.1% of income in 2020 so servicing these costs when they fall due is not material to the wider going concern considerations. Accordingly, the Trustees believe that a material uncertainty does not exist and hence the going concern basis remains appropriate.

(b) Income recognition

Donations are recognised when the Foundation has been notified in writing of a commitment to make the donation.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

(c) Expenditure recognition

Resources expended are recognised in the year in which they are incurred and include attributable VAT which cannot be recovered. Expenditure on training contracts is recognised when the Foundation has entered into a legal or constructive obligation with a training provider as these are unconditional awards with no required interim reporting requirements. The Foundation only commits expenditures against donations notified

THE MARITIME EDUCATIONAL FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (Continued)

1 ACCOUNTING POLICIES (continued)

(d) Fund accounting

Unrestricted funds are those that are freely available for use in pursuance of the general objects of the charity. All Maritime Educational Fund funds are unrestricted.

(e) Fixed asset investments

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Foundation does not acquire or use put options, derivatives or other complex financial instruments.

(f) Realised gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

(g) The Maritime Educational Foundation

The Maritime Educational Foundation is a private company, limited by guarantee, domiciled in England and Wales, Company Registration Number 4251334, Registered Company Number 1100125. The registered office address is 30 Park Street, London, SE1 9EQ.

2 DONATIONS AND GRANTS RECEIVABLE

	<u>2020</u>	<u>2019</u>
	£	£
Grant awarded by The Maritime Training Trust	1,806,222	2,069,239

3 INVESTMENT INCOME

	<u>2020</u>	<u>2019</u>
	£	£
Investment income on funds invested in line with the charity's investment policy	75,097	141,976

THE MARITIME EDUCATIONAL FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (Continued)

4 CHARITABLE EXPENDITURE IN FURTHERANCE OF THE CHARITY'S OBJECTIVES

	<u>2020</u>	<u>2019</u>
	£	£
Education and training of cadets		
Donations		
J W Slater Memorial Fund: Supporting Rating to Officer conversion	400,000	900,000
	<u>400,000</u>	<u>900,000</u>
Training contracts and other educational activities		
Training contract supporting undergraduates on approved Maritime Degree Courses	1,084,261	2,483,342
MNTB grants and sponsorship	(659)	179,866
Other educational grants and activities	110,451	168,695
Outward bound event	41,382	90,651
Allocated governance & support costs (note 5)	58,372	56,934
	<u>1,293,807</u>	<u>2,979,488</u>

5 GOVERNANCE & SUPPORT COST COSTS

	<u>2020</u>	<u>2019</u>
	£	£
Administration Expenses (gross of irrecoverable VAT)	51,616	50,898
Auditors' Remuneration (gross of irrecoverable VAT)	6,756	6,036
	<u>58,372</u>	<u>56,934</u>

6 STAFF COSTS

There were no employees during the year. None of the Trustees received any emoluments or expenses in respect of services to the charity.

THE MARITIME EDUCATIONAL FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (Continued)

7 FIXED ASSET INVESTMENTS

	<u>2020</u>	<u>2019</u>
	£	£
Movement in Fixed Asset Investments		
Market Value at 1 January 2020	5,013,700	6,236,528
Add: Additions to investments at cost	2,020,446	1,552,903
Less: Disposals at carrying value	(3,705,185)	(3,151,130)
Add: Net gains/(losses) on revaluation	(90,474)	380,236
Add: Decrease in accrued interest on fixed interest securities	(2,615)	(4,837)
Market Value at 31 December 2020	<u>3,235,872</u>	<u>5,013,700</u>
Investment at fair value		
Equities and pooled equity funds	1,399,554	2,196,832
Fixed Interest Securities	<u>1,836,318</u>	<u>2,816,868</u>
Fair value of listed securities & equities	3,235,872	5,013,700
Cash held within the investment portfolio	<u>199,352</u>	<u>414,273</u>
Total Fixed Asset Investments	<u>3,435,224</u>	<u>5,427,973</u>

8 DEBTORS

	<u>2020</u>	<u>2019</u>
	£	£
Grant receivable from Maritime Training Trust	625,461	1,319,239
Prepayments	<u>12,852</u>	<u>-</u>
	<u>638,313</u>	<u>1,319,239</u>

9 CREDITORS

	<u>2020</u>	<u>2019</u>
	£	£
Amounts falling due within one year:		
Training contracts and career related activities	2,832,805	3,540,045
Other creditors - grants payable to MNTB	97,622	107,884
Accruals	<u>6,756</u>	<u>9,139</u>
	<u>2,937,183</u>	<u>3,657,068</u>
Amounts falling due after one year:		
Training contracts and career related activities	1,072,572	2,571,799
Other creditors - grants payable to MNTB	<u>22,235</u>	<u>78,851</u>
	<u>1,094,807</u>	<u>2,650,650</u>

THE MARITIME EDUCATIONAL FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (Continued)

10 FUTURE COMMITMENTS

There are no other future commitments other than those shown in note 9.

11 RELATED PARTY TRANSACTIONS

Maritime Training Trust

The board of Trustees of the Maritime Educational Foundation currently has the same membership as that of the Maritime Training Trust. The Foundation's purpose is to provide education and training in maritime skills for the British Shipping Industry which are financed by PILOT payments which are collected and then transferred to The Maritime Educational Foundation by the Maritime Training Trust.

In 2020 the Maritime Training Trust unconditionally agreed to award a grant of £1,806,222 (2019: £2,069,239) to the Maritime Educational Foundation to promote the charity in its primary charitable objectives.

The Chamber of Shipping Limited

The Chamber of Shipping Limited is responsible for maintain 50% of the Maritime Educational Foundation's Trustees.

The Chamber of Shipping Limited supplies project management and administration services to the Charity. Fees charged in respect of these services in the year totalled £51,600, inclusive of irrecoverable VAT (2019 fees: £50,838). In addition the MEF has agreed a number of grants to the Merchant Navy Training Board (MNTB), an arm of the Chamber of Shipping Limited. Variations to these existing grants in the year to MNTB totalled a credit of £659 in 2020 (2019: charge of £179,866), including any new grants made in the year.

One Maritime Educational Foundation Trustee (H R Sanguinetti) is employed by the Chamber of Shipping Limited.

J W Slater Memorial Fund

The Maritime Educational Foundation made donations to the J W Slater Memorial Fund in the year totalling £400,000 (2019: £900,000). A M Dickinson, a Trustee of the Maritime Educational Foundation, also acts as a Trustee for the JW Slater Memorial Fund. D Appleton, a Trustee of the Maritime Educational Foundation, is the Secretary of the JW Slater Memorial Fund.