
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 **26 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.

McBrides Accountants LLP

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

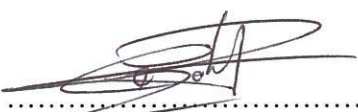
BALANCE SHEET

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	<u>(1,168,970)</u>	<u>(2,275,728)</u>
Net cash flow from operating activities	(38,664)	(1,482,072)
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	2,407,199	1,806,222

3 INVESTMENT INCOME

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

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
	<hr/>	<hr/>
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
	<hr/>	<hr/>
	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
	<hr/>	<hr/>
	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.