

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

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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 | | <u>(345,012)</u> | <u>150,489</u> |
| 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

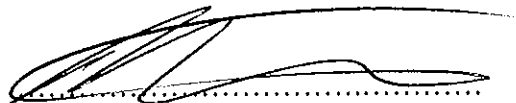
Registered Company Number 4251334
AS AT 31 DECEMBER 2022

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

