



BLUE MARINE FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)

Report and consolidated financial statements

YEAR ENDED 31 MARCH 2021
Company number: 07176743



**BLUE MARINE
FOUNDATION**

Charity reference and administrative details

Charity registration number	1137209
Company registration number	07176743
Directors and Trustees	G L Duffield C M J Gorell Barnes T P S Appleby A K O Brady Lord J S Deben Prof C M Roberts D C Davies A S Blount C Herweijer L A A Lake M R Rose (resigned Nov 2020) Lord R H R Benyon (appointed Jul 2020, resigned May 2021)
Executive Director	C R H Clover
Chief Executive Officer	C Brook
Finance Director	L Smith FCCA
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Solicitors	Latham & Watkins LLP 99 Bishopsgate London EC2M 3XF

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TRUSTEES' ANNUAL REPORT

(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

Year ended 31 March 2021

The Trustees present their report and the audited Consolidated Financial Statements of Blue Marine Foundation ("BLUE" "the charitable company") for the year ended 31 March 2021. The consolidated Financial Statements have been prepared in accordance with the accounting policies set out on pages 52 to 54 and with the provisions of the Statement of Recommended Practice (SORP): Accounting and Reporting by Charities (FRS 102).

Blue Marine Foundation is a charitable company limited by guarantee and became a registered charity on 30 July 2010.

BLUE's mission

Blue Marine Foundation (BLUE) aims to restore the ocean to health by addressing widescale destruction of life and habitats in the ocean. BLUE is dedicated to creating marine reserves, tackling overfishing, restoring vital habitats and developing models of sustainable fishing. BLUE's mission is to see 30 per cent of the world's ocean under effective protection by 2030 and the other 70 per cent managed in a responsible way.

The ocean has undergone devastating change over the last century. Marine life is under threat from climate change, deoxygenation, acidification and many types of pollution, including noise and invasive species. But arguably the greatest threat is from overfishing. Industrial scale, destructive fishing practices have laid waste to marine life and habitats, altered coastlines and threatened the livelihoods and food supply of the billions of people who rely on fish as their main source of protein.

The ocean produces more than half of the world's oxygen, has stored around a third of our carbon dioxide and has absorbed more than 90 per cent of excess heat within the climate system, thanks to life within it. Overfishing is systematically undermining the ocean's capacity to play this crucial role through habitat destruction, disturbance of the seabed and through the removal of marine animals.

We have to act now to protect and restore our ocean to health if we are to stave off the worst effects of climate change and a global food crisis.

BLUE's strategy

Our ocean is being harmed in many ways. We recognise that as a medium-sized yet ambitious charity, we must focus on the most serious threats and make the most impactful interventions.

BLUE focuses on five key strategic interventions to improve the health of the ocean:



SECURING MARINE
PROTECTED AREAS

Securing marine protected areas: Pressing for the meaningful protection of at least 30 per cent of the ocean by 2030.



TACKLING
UNSUSTAINABLE
PRACTICES

Tackling unsustainable fishing and other activities such as deep-sea mining which destroys life in the ocean.



RESTORING MARINE
HABITATS

Restoring marine habitats to revive and protect vulnerable and threatened species to restore biodiversity and help sequester carbon.



DEVELOPING MODELS
OF SUSTAINABLE
FISHING

Developing models of sustainable fishing: Proving that low-impact fishing benefits marine life, local fishers and communities.



CONNECTING PEOPLE
WITH SEA

Connecting people with the sea: creating innovative education materials and enhancing ocean understanding across generations.





April 2020

With BLUE's office closed from 5 March 2020, BLUE went digital, conducting all business online and launching initiatives such as: #LocalFishForDinner in project areas Lyme Bay, North Devon, Jersey and Berwickshire, to connect customers directly to fishermen whose markets were badly affected by lockdown restrictions.

June 2020

BLUE held a virtual Rewilding the Sea conference where delegates shared latest thinking on restoration and rewilding challenges and opportunities with thousands of online participants. [Solent](#)



August 2020

99.5 per cent Ascension's waters (440,000 km²) became officially protected from all types of fishing through the designation of the Ascension MPA, one of the largest no-take zones in the world. [Ascension](#)

November 2020

Tristan da Cunha: BLUE was part of a coalition led by the RSPB and National Geographic to establish an endowment fund enabling the creation of the fourth largest fully protected MPA on the planet. [Tristan Da Cunha](#)

Lyme Bay: The Road to Recovery premiered telling the success story of fishermen-led conservation in the Lyme Bay Reserve. [Lyme Bay](#)



February 2021

The UK government proposed a ban on bottom trawling in four marine protected areas including Dogger Bank following a legal threat by BLUE. [Offshore MPAs](#)

2021



May 2020

Ocean Awards 2020 winners were announced at a virtual event which celebrated the people and organisations who work tirelessly to help address the crisis in our oceans.



July 2020

BLUE launched #Fish-ForTomorrow in the Maldives to familiarise people with vulnerable reef fish. The campaign secured public support for the protection of giant grouper and all species of parrotfish. [Maldives](#)

October 2020

Sturgeon Database with over 5,000 records of European sturgeon in the UK coastal and river systems was completed. [Sturgeon](#)



January 2021

BLUE published a ground-breaking study in conjunction with renewable energy company, Ørsted, that assessed the suitability of an offshore site for restoring native oyster beds. [Windfarms](#)



March 2021

Byelaw agreed in major step made to remove mobile fishing along the Sussex coast to save kelp forests. [Kelp](#)

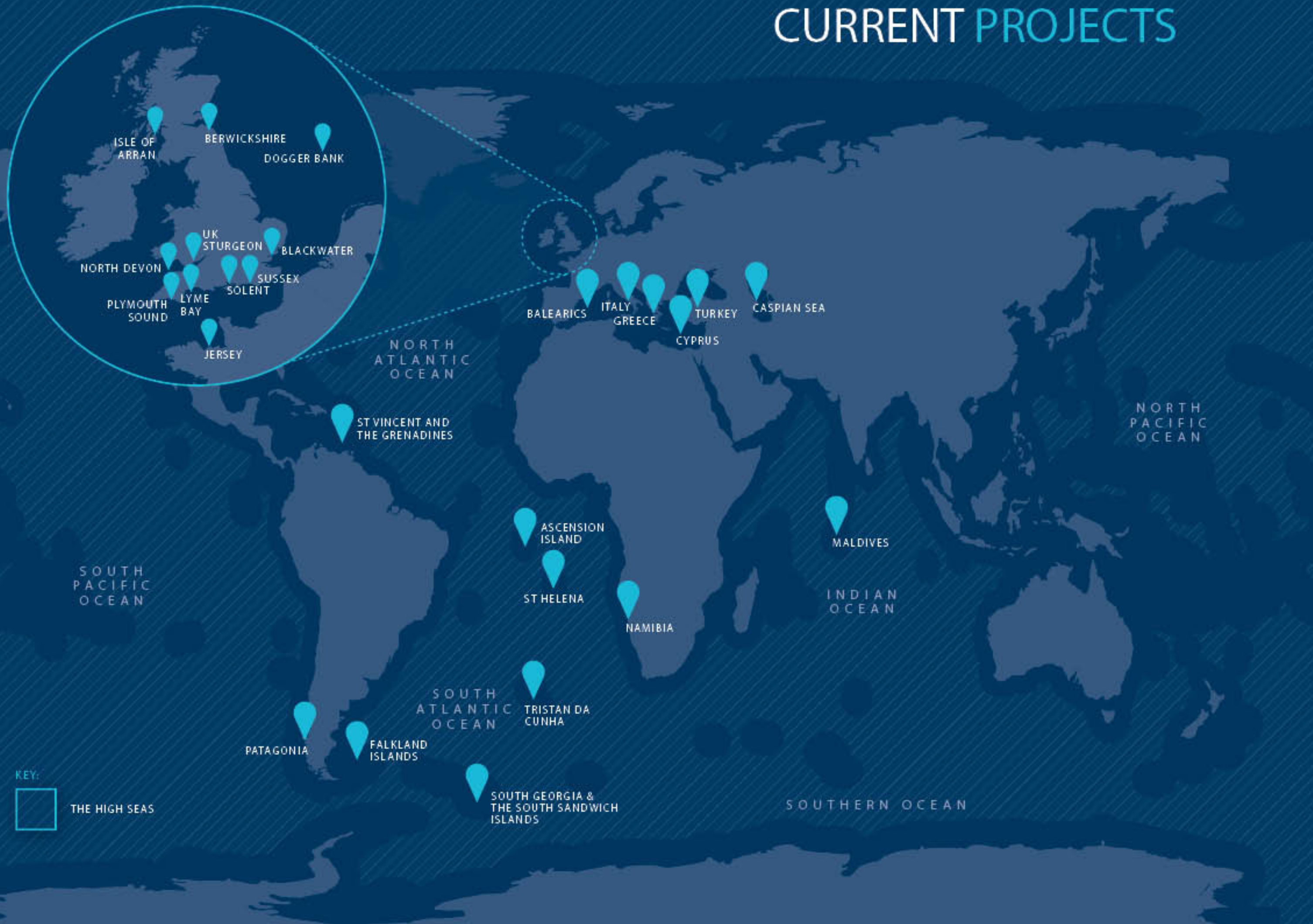
BLUE opens its oyster restoration hatchery, the first in the UK, with the potential to produce 48 million larvae per year. [Solent](#)



AIMPACT (Ascension Island Marine Protected Area Community Trust) fund was established, and the first tranche invested to provide income in perpetuity for the island of Ascension in support of its MPA. [Ascension](#)

KEY ACHIEVEMENTS OVER THE YEAR

CURRENT PROJECTS



PROJECT HIGHLIGHTS

IN THE YEAR ENDING 31 MARCH 2021

The UK overseas territories

The hugely ambitious Blue Belt initiative has exceeded its target of establishing over 4 million square kilometres of protected ocean around the UK Overseas Territories. BLUE, individually and as part of the Great British Oceans Coalition has worked to encourage the British Government to maintain the ambition of its Blue Belt commitment and ensure that the policy brings benefits to the territories themselves.

The UK Overseas Territories where BLUE has focused its efforts are Ascension, St Helena and Tristan da Cunha.



Ascension

After the designation of 443,000 square kilometres of no-take zone, BLUE was keen to ensure that the Ascension Island community were rewarded for their vision and commitment to protecting the world’s ocean. To this end, BLUE established the Ascension Island MPA Community Trust fund (AIMPACT), a £2 million endowment fund donated by long-term supporter Peter Lürssen, for the benefit of on-island projects that support community, education, environment and heritage.



£2m

Secured to establish Ascension Island MPA Community Trust fund (AIMPACT).

Ascension Island Marine Management Plan finalised and published in March 2021.

800

community members will benefit from community projects.

Expenditure in year*
£344,327

Expenditure over life of project**
£929,166

*See note 18a - 'Ascension'
**to 31 March 2021



Tristan Da Cunha

BLUE is delighted to work with the Becht Family Charitable Trust to provide key long-term support for the community of Tristan da Cunha. This innovative approach, led by RSPB and National Geographic Society, will support this extremely remote community that does not have the opportunity to create the revenue streams that would usually be derived from hosting a marine protected area, such as tourism. The Tristan da Cunha community have now committed to fully protecting an incredible 687,000 square kilometres of their territorial waters.

Expenditure in year*
£17,902

Expenditure over life of project**
£57,902

*See note 18a - 'Self-Funded projects'



St Helena

Throughout 2020, BLUE has been working with the Saint Helena Commercial Fishermen’s Association (SHCFA) and the Saint Helena Government to ensure that regulations and policies supporting the MPA are up to date and effective, and that the highest standards of sustainability will apply to all fishing within Saint Helena’s waters. Ocean education remains a priority with engagement activities for the local community being put on throughout the year. Through these measures BLUE will help ensure that the MPA maintains the support of the local community and fishermen, while also protecting Saint Helena’s marine environment and particularly the whale sharks which live and breed there.



Expenditure in year*
£181,177

Expenditure over life of project**
£562,042

*See note 18a - 'St Helena'

15

million people reached with Whale Shark footage from Saint Helena.

Marine conservation education app developed, specifically focused on Saint Helena's unique marine life.

The High Seas

Through scoping reports BLUE has played a key role in the High Seas Alliance selection of priority sites which now include The Walvis Ridge and the Lost City. Covid caused international negotiations to be suspended, so little progress could be made by BLUE's coalition partners in the High Seas Alliance. Instead, BLUE focused its efforts on a moratorium on deep sea mining, tackling overfishing of tuna in the Indian Ocean and uncovering human rights abuses at sea.

Human rights at sea

Alongside WWF, Bloom Association and Sharkproject, BLUE called for a full and independent investigation into the deaths and human rights abuses in the convention area of the Western and Central Pacific Fisheries Commission (WCPFC). BLUE will continue to push for transparency in the investigation and reporting of these shocking cases of human rights violations and observer deaths at sea.

Yellowfin tuna overfishing

A report published by BLUE in October 2020 exposed the failure of the Indian Ocean Tuna Commission (IOTC) to effectively manage the yellowfin tuna stock which could collapse as soon as 2026. BLUE's report instigated an emergency IOTC session which ended with the adoption of an updated resolution on an interim rebuilding plan for the Indian Ocean yellowfin tuna stock. A new resolution is expected to be negotiated in 2022 using the updated information and scientific advice provided by the yellowfin tuna stock assessment which took place in June 2021.

25 IOTC parties adopted improved management measures for yellowfin tuna in 2021.

Deep-sea mining

BLUE Investigations undertook an in-depth study into the UK's sponsorship of UK Seabed Resources Ltd, a wholly owned subsidiary of US corporate giant Lockheed Martin, and its role in pushing for deep-sea mining to begin. In December 2020, BLUE published a report featuring the work of several experts in the field, which questioned the need for deep-sea mining, highlighted its dangers, and posed questions to the UK Government and the International Seabed Authority regarding its controls.

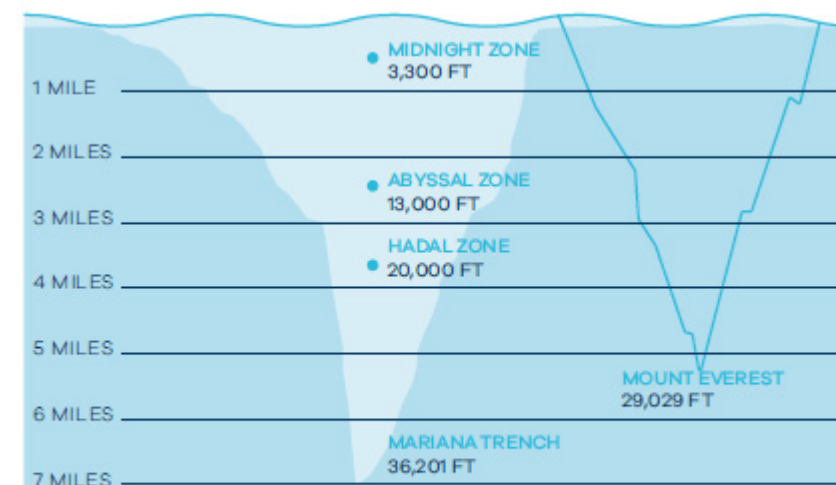
Expenditure in year*

£217,904

Expenditure over life of project**

£426,329

*See note 18a - 'BLUE Investigation Unit' + 'High Seas' + 'RFMOs'



THE DEEPEST PART OF THE OCEAN IS MORE DEEP THAN
MOUNT EVEREST IS TALL.

"There is more at stake here than national pride or corporate profits. That is why this report calls for deep-sea mining to be paused"

Professor Callum Roberts,
University of Exeter

The British Isles

In contrast to the impressive progress made over the past five years in protecting the UK Overseas Territories, UK domestic waters are mostly protected in name only, with dredging, bottom trawling and other destructive fishing methods allowed in most so-called marine protected areas (MPAs). BLUE is pressing for actual protection of these areas, demonstrating the advantages of sustainable fishing, working on restoration projects and connecting more British people with the sea through a programme of national marine parks.

Pressing for actual protection in marine protected areas



The Isle of Arran

4x higher density of king scallops than in 2013

4x more abundance of lobsters than in surrounding areas

Expenditure in year*
£13,490

Expenditure over life of project**
£72,635

*See note 18a - 'West Scotland'

Lamlash Bay, on the East coast of the Isle of Arran, is one of only four, small segments of fully "no-take" areas in the UK. Lamlash is a fine example of the potential that no-take zones have to rewild our seas. Research shows that king scallop density is four times higher than in 2013 and that lobsters are now over four times more abundant than in adjacent areas. This evidence strengthens BLUE's call for an effective network of no-take zones around the UK.

The Dogger Bank

14,030km² of UK waters to be protected from destructive fishing.

BLUE published a landmark report with Client Earth, Marine Conservation Society and WWF reiterating the urgent need for harmful fishing activities on the Dogger Bank to be halted immediately. In February 2021, the government announced that bottom trawling and dredging will be banned from 14,030 square kilometres of UK waters. The banning of destructive fishing in this area will not only halt the devastating damage from dredges and bottom trawling, but also unlock the potential to ignite a plethora of megafauna recovery. Combined campaigns from Greenpeace dropping rocks along the Dogger Bank bed and BLUE threatening legal action against the government helped push for this critical step towards preserving offshore marine protected areas.

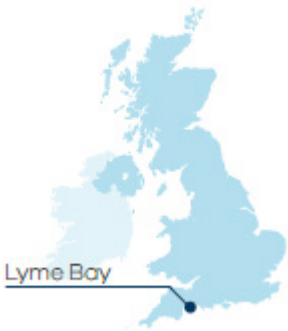


Expenditure in year*
£54,455

Expenditure over life of project**
£54,455

*See note 18a - 'Offshore Marine Reserves'

Supporting sustainable fisheries



Lyme Bay: Road to Recovery

After 10 years’ work in Lyme Bay, a new documentary film by Rupert Murray was released by BLUE “Lyme Bay: The Road to Recovery”. The documentary showcased the miraculous recovery of marine life in the Lyme Bay Fisheries and Conservation Reserve in Dorset, following the creation of a marine protected area that banned bottom trawling and dredging. The film highlighted the benefits of the community-led, collaborative model of sustainable fishing.

Expenditure in year*
£177,242
Expenditure over life of project**
£1,850,069
*See note 18a - 'Lyme Bay'

7,500	1,760	126
views of "Lyme Bay: The Road to Recovery" on YouTube.	boxes of sustainable and traceable seafood from the Lyme Bay Reserve delivered to market in financial year ended March 2021.	square miles of the Lyme Bay Reserve fished responsibly.

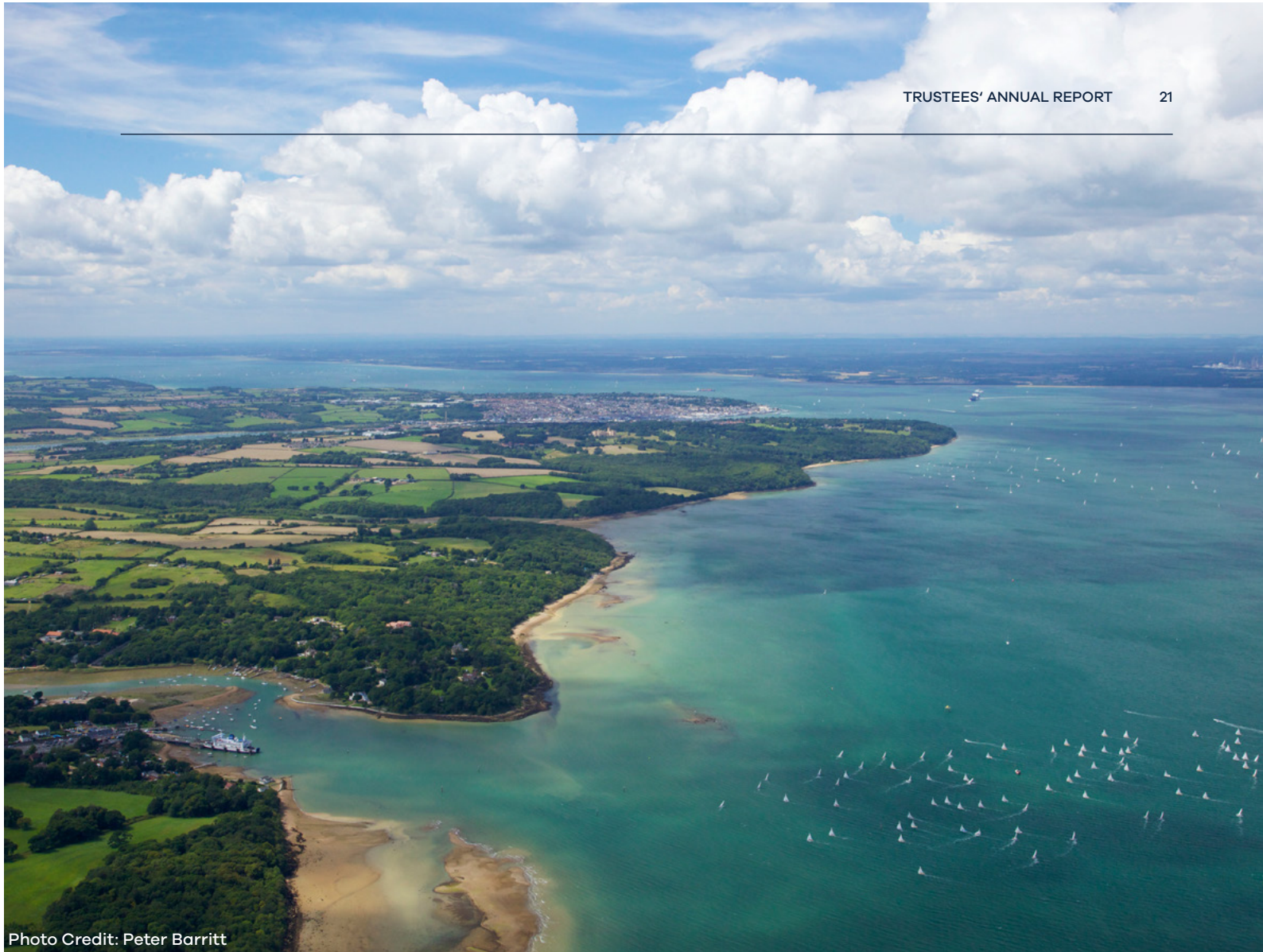


Berwickshire

<5%	of Scotland's inshore seabed is protected from bottom trawls and scallop dredges.
50	video transects and baited remote underwater video drops undertaken in baseline survey.

BLUE’s focus on establishing an ecological baseline for the Marine Protected Areas has led to the completion of a full survey of Berwickshire’s inshore waters. Vast underwater coral gardens and rocky reefs have been discovered, which will not only contribute to the baseline but act as evidence to support greater protection of these important species and habitats. Following continued pressure by BLUE and cooperation in the illegal squid trawling case, there were no reports or sightings of illegal squid trawling in 2020, for the first time in 14 years.

Expenditure in year*
£69,400
Expenditure over life of project**
£256,491
*See note 18a - 'Berwickshire'



Restoration



Integrated Ecosystem Restoration

Expenditure in year*
£31,112
Expenditure over life of project**
£31,112
*See note 18a - 'Integrated Ecosystem Restoration'

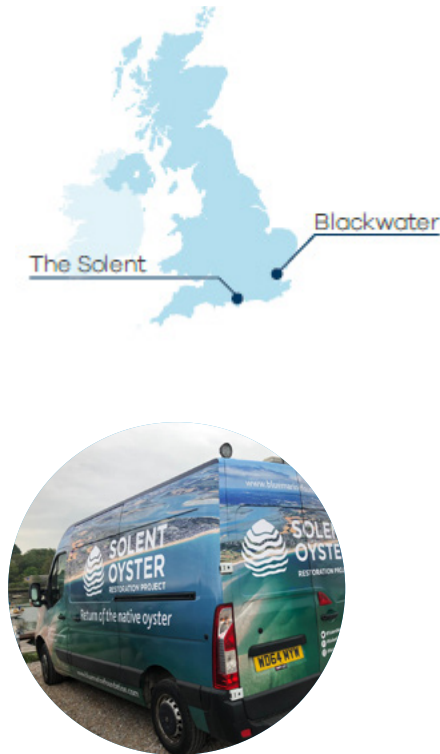
BLUE is paving the way in integrated ecosystem restoration which encourages multi habitat connections. BLUE hosted an integrated restoration workshop which brought together local stakeholders and restoration practitioners to facilitate knowledge sharing and begin the process of mapping areas of potential multi-habitat restoration projects. BLUE has already successfully restored thousands of oysters in the UK which engineer the ecosystem through water filtration, laying the foundation for restoring other species.

Solent

BLUE has installed cages full of adult oysters to release billions of larvae, act as artificial reefs and provide a home for a host of marine creatures. Over a hundred different species have been identified living among and around the oysters in their cages. In March 2021, BLUE completed construction of the UK's first restoration-focused hatchery, overcoming a key barrier to restoration which is a reliable supply of baby oysters.

Expenditure in year*
£213,308
Expenditure over life of project**
£937,345
<small>*See note 18a - 'Solent'</small>

124
species found living in the Solent oyster nurseries, including critically endangered European eel.



Wild Oysters

An expansion of BLUE's successful work in the Solent this work is a collaboration between BLUE, the Zoological Society of London and British Marine. BLUE has helped to restore over 4,000 native oysters with coverage of the work in the Firth of Clyde, Conwy Bay and Tyne and Wear as part of a major community restoration effort.

Expenditure in year*
£41,294
Expenditure over life of project**
£41,294
<small>*See note 18a - 'Wild Oysters'</small>

Blackwater



BLUE is working with the Essex Native Oyster Restoration Initiative (ENORI) to restore vital native oyster populations and the habitat they provide. Throughout 2020, BLUE and its partners have undertaken monitoring of 2019 pilot studies, begun pioneering cleaning trials which remove excess sediment from the seabed to increase oyster settlement, and seen huge success in our innovative use of spat collectors to monitor juvenile oysters. We have procured hundreds of metric tons of 'cultch', hard material such as shells and grit on which an oyster bed is formed, to deploy next year and we plan to significantly scale up restoration and outreach efforts.

Expenditure in year*
£45,365
Expenditure over life of project**
£115,915
<small>*See note 18a - 'Blackwater'</small>



Species at risk

Flapper Skate

A campaign, supported by BLUE, to protect the critically endangered flapper skate egg site near the Isle of Skye averted catastrophic bottom trawling and led to the Scottish government announcing an emergency marine protected area. The six square kilometre designation will become Scotland’s largest no-take zone.



18 months

The time it takes for flapper skate eggs to hatch.

European Sturgeon



Expenditure in year*
£51,626

Expenditure over life of project**
£51,694

*See note 18a - 'Sturgeon'

BLUE is investigating the restoration of the European sturgeon to UK rivers, a species which according to the IUCN, is the most critically endangered group of species on the planet. The UK Sturgeon Alliance was formed between BLUE, the Zoological Society of London (ZSL), the Institute of Fisheries Management (IFM), Nature at Work and the Severn Rivers Trust. BLUE hopes to raise awareness of this prehistoric fish.

According to the IUCN, Sturgeon are the most critically endangered group of species on the planet.



Sussex's kelp forests

Since 1987, over 96 per cent of Sussex Kelp has disappeared. Determined to reverse this decline, BLUE joined the Marine Conservation Society, Big Wave Media and Sussex Wildlife Trust to form the Help Our Kelp campaign. In March 2020, a byelaw was approved to protect 300 square kilometres of seabed from bottom trawling.

300km²

seabed
protected
from mobile
fishing gear

Expenditure in year*

£37,262

Expenditure over life of project**

£37,262

*See note 18a - 'Kelp'

National Marine Parks



Plymouth Sound

400km²
The size of the Plymouth Sound National Marine Park

£9.5m
of funding secured by Plymouth City Council to develop the UK's first National Marine Park.

BLUE continues to work with Plymouth City Council and other local stakeholders, who collectively declared Plymouth Sound the first national marine park in 2019. Over the past year, BLUE has explored the considerable appetite for national marine parks around the British Isles in a report which proposes 10 national marine parks over the next ten years.

Expenditure in year*
£111,177

Expenditure over life of project**
£166,090

*See note 18a - 'National Marine Parks'



SAFEGEAR

Expenditure in year*
£75,372

Expenditure over life of project**
£251,688

*See note 18a - 'SAFE Initiatives'

BLUE is continuing to develop its SAFEGEAR programme, to help stop the loss of fishermen's static gear. Our SAFEGEAR report, published in February 2021, outlines the successful trial of this technology and the next steps in supporting fishermen to access this gear.



Jersey

A report commissioned by BLUE emphasises the potential of Jersey's sea habitats for a Marine Park. Many of the habitats found here are important blue carbon stores and are capable of buffering the effects of climate change and sequestering carbon. BLUE submitted a response to the government calling for the Marine Park to be designated, which led Jersey's Deputy Chief Minister to table an amendment in favour of this response. BLUE has initiated research which will underpin fisheries management within the proposed park. A "Jersey Hand Dived" label has been developed and finalised with local scallop divers signing up.



900km² of Jersey's waters proposed as a National Marine Park.

Expenditure in year*
£84,122

Expenditure over life of project**
£118,905

*See note 18a - 'Jersey'



Overseas Projects

Marine protected areas in the Mediterranean

In the Mediterranean just 0.04 per cent of the sea is protected from fishing and of the 1,200 or so designated marine protected areas (MPAs), few deliver the conservation gains that they were designed for. BLUE is working throughout the Mediterranean to designate new and improve existing MPAs. BLUE's projects tackle illegal, unreported and unregulated (IUU) fishing, and promote sustainable small-scale fishing.

BLUE's Mediterranean projects protect endangered species, vital Posidonia seagrass and enable community-driven conservation.



Turkey

In collaboration with the Mediterranean Conservation Society, BLUE is working to provide enforcement and management for the largest highly protected MPA network in the Mediterranean, supporting an ambitious designation banning bottom trawling and purse seining and creating large no-fishing zones. This will see the effective protection from bottom trawling of 55,000 hectares of sea and 10,500 hectares of no-fishing zones, and will support one of the few Mediterranean artisanal fishing communities dominated by women.

Expenditure in year*
£106,362
Expenditure over life of project**
£106,362
<small>*See note 18a - 'Turkey'</small>

55,000 hectares protected from bottom-towed fishing gear	10,500 hectares of no-fishing zone
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Mallorca

Expenditure in year*
£21,349
Expenditure over life of project**
£21,349
<small>*See note 18a - 'Mallorca'</small>

BLUE is working with the Mallorca Preservation Fund, Marilles Foundation and LIFE (Low Impact Fishers of Europe) to investigate and report illegal fishing around the Balearic Islands to develop a seafood certification scheme that will support small-scale fishermen who fish sustainably within protected areas. The illegal-fishing report is ammunition to ensure effective protection of Mallorca's existing marine reserves.

Italy

BLUE is working towards a new MPA around Salina Island, which could pave the way for a broader Aeolian protection. Ninety per cent of local fishermen in Salina and Stromboli have signed up to Responsible Fishing Codes of Conduct supported by restaurants and hotels, which are promoting certified sustainable seafood. An education programme has linked fishermen and researchers with school children, educating students about sustainable fishing and marine biology. The Ministry of Environment visited the Aeolian Islands in October 2020 to urge local mayors to protect their seas. The newly formed Salina MPA commission, backed by local stakeholders including fishermen, is the first of its kind in the Aeolians and is pushing for protection.

Expenditure in year*

£84,208

Expenditure over life of project**


£623,263

*See note 18a - 'Aeolians + Italian Rollout'

BLUE is helping to improve marine protection by working in the existing Italian MPAs Torre Guaceto and Egadi. The areas have been encouraged to adopt fishing codes of conduct and expand the no-take zones in existence. Insulated fish boxes and mobile fish markets have been provided to allow fishermen involved to sell sustainable, traceable, high-quality fish at a fair price.

90% fishermen signed up to the Responsible Fishing Codes of Conduct.

225 people reached through events and presentations featuring the Aeolian Island marine education programme.



Seagrass traps more carbon per square metre than rainforests do.



Image Credit: Danny Copeland

The Caspian Sea

The Caspian Sea is home to the most critically endangered group of species on the planet- sturgeon. By addressing the causes of the potential road to extinction for sturgeon, BLUE is addressing broader environmental issues in the Caspian region. The first MPA in the Caspian Sea has been designated as an international hope spot, encouraging other endemic fish stocks to recover. Ultimately, enforcement of marine protection is the largest hurdle in the Caspian and BLUE is tackling this through education, awareness programmes and development of sustainable, alternative livelihoods such as aquaculture and eco-tourism.



Namibia



The Namibian Islands' Marine Protected Area (NIPMA) covers **400km** of coastline, an area of around **10,000km²**

Expenditure in year*

£17,898

Expenditure over life of project**

£67,197

*See note 18a - 'Namibia'

After successfully partnering with Namibia Nature Foundation (NNF), the team there have dedicated their time to monitoring the coastline and keeping a close eye on concerning events. NFF have had stakeholder consultations with the Ministry of Fisheries and Marine Resources, and discussions about the adequacy of the zoning, present regulations and levels of monitoring are progressing well.

1] A Heaviside's dolphin, which only live off the coasts of western South Africa, Namibia and southern Angola. Credit: Jean-Paul Roux.
2] The NIMPA contains almost all of Namibia's endangered African penguins.

Patagonia



Expenditure in year*
£178,318

Expenditure over life of project**
£818,664

*See note 18a - 'Patagonia'

In 2020, BLUE partnered with Tompkins Conservation Chile to support an ambitious five-year programme to survey, map and designate new marine protected areas in Patagonia’s fjords, to protect the fragile ecosystems from destructive salmon farming. The Tompkins Conservation research and discovery vessel left port in November 2020 to document some of the last untouched Patagonian fjord ecosystems, with the aim of presenting arguments for protection to the Chilean government.



Image Credit: Tompkins Conservation and Rewilding Chile



Maldives

In response to illegal and excessive fishing of vulnerable species, BLUE ran the social media campaign #FishForTommorrow. This campaign helped to familiarise Maldivians with fish species particularly susceptible to overfishing and to secure public support for their protection. The NGO Maldives Resilient Reefs (MRR) was set up in July 2020 working to restore coral reefs in the Maldives as climate resilient ecosystems for the benefit of people, nature and the businesses that depend on them. In September 2020, MRR’s project manager Shaha Hashim successfully enrolled in the Masters by Research programme at the University of Exeter to establish historical baselines for conservation goals.

Expenditure in year*
£109,347

Expenditure over life of project**
£441,659

*See note 18a - 'Maldives'

23

species of Parrotfish legally protected from fishing in September 2020, just two months after BLUE's successful #FishForTommorrow campaign ended.

The campaign reached **4.5 million** people.



Bottom Image Credit: Shaha Hashim (MRR Project Manager)

BLUE Units

To achieve maximum impact, BLUE works using a combination of top-down intervention to influence policy and improve governance of our seas, and bottom-up project delivery to prove the efficacy of ocean conservation for marine life and communities. We have developed a number of specialised units to support and amplify our work:

- **BLUE Media** uses a range of media from short films to social media campaigns, and from virtual reality experiences to mainstream television to inspire ocean conservation.
- **BLUE Legal** challenges unsustainable fishing and uses the legal system to support BLUE'S strategic interventions.
- **BLUE Education** is developing imaginative, engaging materials and hands-on education programmes to inspire all ages to become ocean advocates.
- **BLUE Investigations** works to research and expose overfishing and other methods of over-extraction. Our investigations team works closely with our media and legal team to shine a light on overfishing and other harmful marine activities.
- **BLUE Science** uses strategic scientific evidence, position papers and academic publications to support BLUE's mission.
- **BLUE Policy** works to engage with policy makers to implement and change policy to deliver sustainable fishing and marine protection.
- **BLUE Carbon** aims to demonstrate and quantify the value of the ocean and marine habitats to mitigate and adapt to climate change. Monetising the value of ocean life would be a game changer for conservation.
- **BLUE Economics** aims to use economic models and innovative finance to unlock a quantum increase in ocean conservation finance, prove the economic viability of sustainable fishing, and examine the perverse economics of subsidised overfishing.



BLUE's ongoing development

Thriving in uncertain times

The year from 31 March 2020 to 31 March 2021 was a challenging one for the whole world. BLUE not only survived but thrived, doubling its income, taking on more projects than ever and increasing its workforce to over 30. With our Somerset House office closed from 6 March 2020, the team quickly and brilliantly adapted, becoming – if anything – more productive than before. We developed new ways of working, including delivering online conferences which were viewed by thousands.

In order to remain nimble and effective as the organisation grew, we developed specialist “units” which both support our projects and are centres of innovation. With eight units in total, BLUE is pleased to resemble an octopus with our ongoing projects forming the head/body and specialist units as tentacles. New units which have particularly thrived over the last year include BLUE Investigations, BLUE Legal, BLUE Economics and BLUE Carbon.

Virtual meetings, while tiring on the eyes, mean that communication between teams based around the world has been better than ever. Regular updates from teams in the Maldives, St Helena and the Aeolians, as well as around the UK coast meant that BLUE continued to have a united sense of purpose.

Now that the office is open once again, we are combining the best of home working with in-person meetings to offer flexible options to those who are now based further away from BLUE's London headquarters and those who prefer to come regularly to the office. Monthly ‘think tank’ meetings aim to bring everyone – or nearly everyone – together for one day to maintain a friendly spirit of innovation. It is particularly important for our many new starters that the strong spirit of fun and collaboration is upheld in the fantastically hardworking and driven team at BLUE.

BLUE's strategy for the coming year

Biodiversity protection and climate action are inextricably linked in the ocean. BLUE's work to protect and restore life in the ocean and to tackle overfishing has been given a further impetus by the urgency of the climate crisis and by emerging science which suggests that bottom trawling releases more stored carbon than is emitted by the entire global aviation industry.

BLUE has been pointing out since its inception in 2010 that destructive fishing and fishing beyond scientific limits are bad for everyone, including the fishing industry. But the fact that overfishing is increasingly understood to be a major contributor to climate change brings new urgency to the need to curb it.

BLUE will continue to pursue its five strategic aims of protecting as much of the ocean as possible, tackling overfishing, restoring species and habitats, supporting models of low-impact fishing and raising awareness about the crisis and the solutions in the ocean.

But more than ever, BLUE will focus on the link between oceans and climate. Key interventions

in the coming year are to help fill the knowledge gaps around ocean health and climate health: The need to better understand and quantify the carbon absorbing capacity of the seabed, kelp and pelagic fish are key scientific questions of our time, along with just how much carbon is released by bottom towed fishing in these habitats.

BLUE will also urge politicians to recognise the role of ocean protection in reducing climate impact and to ensure that marine protected areas are actually protected, which means entirely free of destructive fishing.

We haven't got much time. Scientists have agreed that we have until 2030 to make the changes necessary to protect the ocean and avert runaway climate change.

The good news is that protecting and restoring marine life and habitats can be done relatively quickly and easily with the right policies in place. And restoring life in the ocean can make a major contribution to closing the emissions gap. BLUE will work more urgently than ever to protect the ocean so that it can in turn protect us all.



Financial review

The accounts are set out on pages 48 to 71.

Donations amounting to £6,306,295 (gross) (2020 - £4,033,518 (gross)) plus £2,000,000 for the AIMPACT Endowment Fund were received during the year. The significant growth in restricted income is expected to be maintained or exceeded in future due to BLUE's growth and development as an organisation. The funding pipeline is robust and diverse and includes a substantial multi-year donation agreement of £1,670,000 per year for three years, major potential corporate grants and increased support from individual donations and trusts and foundations.

Income in the year was boosted by a generous unrestricted donation of £1,000,000 to support BLUE's core operations and strategic development provided scope for agile and responsive reactions to risks and opportunities in this year of uncertainty and provided confidence in supporting the 'free reserves' available.

Growth in expenditure to £4,158,194 (2020 - £3,620,842) was driven by a significant increase in project work during the year. This trajectory is set to continue in the coming years as delivery of on-the-ground project objectives becomes feasible once again, and as new projects and strategic units that began in 2020/21 build momentum. BLUE continues to invest in governance while maintaining a lean operational structure, with 89% (2020: 86%) of expenditure dedicated to charitable activities, 7% (2020: 8%) on governance costs and 4% (2020: 6%) on costs of raising funds.

Total funds held as at 31 March 2021 amounted to £4,565,730 (2020 - £2,411,794) plus £2,000,000 held in a separate account and invested in sustainable funds for the AIMPACT Endowment Fund. The increase in funds held reflects the expenditure required to fulfil objectives on an increased number of projects in the next financial year, plus the growth in 'free reserves' required to adhere to BLUE's Reserves policy (see below). The Trustees are confident that reserves will not prove to be excessive in light of the current economic uncertainty, the level of future activity anticipated and the growing number of BLUE's projects.

Going Concern

The trustees of Blue Marine Foundation have examined the 24-month forecast of income and expenditure for both organisational operations and carrying out the planned charitable activities and are confident that Blue Marine Foundation remains a going concern. Despite the challenging economic and working environment, BLUE continues to deliver conservation impact and attract continued support for both new and existing projects. BLUE's agile and reactive nature has proven to be resilient and effective in adapting to change, and BLUE's financial position is supported by a strong reserves policy. There are no material uncertainties that challenge the going concern assumption.

Reserves policy

"Free reserves" held at 31 March 2021 (consisting of amounts which could be spent excluding restricted funds and fixed assets and without disposing of investments), amounted to £1,982,015 (2020 - £1,033,893).

These reserves fall within BLUE's Reserves Policy of between six- and eighteen-months' expenditure (lower limit £936,582, upper limit £2,809,747).

Any funds generated during a financial period which are not needed to meet day-to-day unrestricted expenditure requirements are placed in a savings account until required.

The Trustees have agreed a policy in respect of reserves that address the following financial objectives:

- After taking account of any unrestricted funds designated to potential projects, at least six months operating and governance costs should be available within unrestricted funds (held in instant access deposit accounts) to enable the charity to sustain its operations and cover any short-term funding requirements should any unforeseen circumstances arise.
- To ensure the continued success of the charitable company (and to enable it to have continuing support for the visionary thinking it has so far demonstrated) where funders are sought for specific (restricted fund) projects, they will also be requested to contribute/ donate a proportion of their overall giving to help cover ongoing unrestricted expenditure.

On a regular basis, and on the provision of considered proposals (reviewed against BLUE's proposed project criteria) by the executive team, specific consideration will be given by the

Trustees as to whether any unrestricted funds should be set aside and designated for use to explore potential project opportunities. Such designations of unrestricted funds will ordinarily only be considered if, in the opinion of the Trustees, the first objective above is met though this is subject to Trustees' discretion.

Fundraising Policy

BLUE's trustees are committed to ensuring that fundraising activities are carried out in an ethical manner and BLUE is committed to adhering to the Code of Fundraising Practice as set out by the Fundraising Regulator. BLUE agrees with the four values supporting the standards in the Code:

- Legal. All fundraising must meet the requirements of the law.
- Open. BLUE will be open with the public about its processes and will be willing to explain (where appropriate) if asked for more information.
- Honest. BLUE will act with integrity and must not mislead the public about the cause it is fundraising for or the way a donation will be used.
- Respectful. BLUE will demonstrate respect whenever it has contact with any member of the public.

BLUE has an in-house fundraising team whose efforts are focused on raising funds from established trusts and foundations, corporate partners and high-net-worth individuals. BLUE does not have widespread engagement with the general public, run digital campaigns or use third party fundraisers.

BLUE carries out due diligence and has agreements in place with all corporate partners and commercial participators.

BLUE has received no complaints about its fundraising in the year ended 31 March 2021.



Remuneration Policy

BLUE aims to maximise its impact through paying fair salaries to reward talented people. BLUE is committed to ensuring that we pay our people fairly to attract and retain the right skills to have the greatest impact in delivering our charitable objectives. In determining BLUE's remuneration, the Remuneration Committee considers all relevant factors including benchmarking against the charity sector, the complexity of the role, the experience of the member of staff and ensuring the pay is responsible in line with our charitable objectives. The objective of the Remuneration Committee is to ensure that the senior management and staff team are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Charity.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to benchmarking with other charities ensuring BLUE remains sensitive to the broader issues of executive pay and the gender pay gap.

Investment Policy

BLUE's governing documents permit investment of funds where the purpose of the investment falls within BLUE's charitable purpose, including the creation and management of Endowment Funds. All of BLUE's investments will be invested with a qualified professional asset manager or managers, authorised by the Financial Conduct Authority (FCA).

The AIMPACT Endowment Fund is managed by a dedicated AIMPACT Committee made up of at least three members, at least one of which will also be a Trustee of BLUE. The Trustees of BLUE authorise the committee members to make investments and expenditures within the purpose of the fund. The AIMPACT Committee provides thrice-yearly reports to the BLUE Trustees covering 1) disbursements made to the beneficiary 2) the status of projects financed by the fund and 3) annual investment performance reports. Investment objectives are followed as per the agreed Statement of Investment Principles.

Because BLUE's investments are made for the benefit of the global environment, the investment committee members seek, where possible, to invest the fund with managers who adopt an environmentally sustainable approach to investment. In particular, the committee seeks to avoid investment in companies which contribute disproportionately to climate change, are involved in mining, particularly deep-sea mining and which are involved in or support overfishing. Companies with poor governance, poor human rights records and poor treatment of employees are also avoided where possible. BLUE requires that investee companies report on the environmental, social and governance performance of their investments as well as the financial performance.

Risk Management Policy

BLUE takes a pro-active and agile approach to risk management and considers the following three elements to be essential in ensuring the risks are properly understood, mitigated and prepared for. This risk management policy has been re-conceptualised as a result of the global pandemic, following a review of the adaptability and strengths of BLUE in its response to the rapidly evolving challenges and identifying weaknesses in the face of unpredictable circumstances.

Element 1: Risk Register

BLUE maintains a traditional risk register, updated and approved by the Board of Trustees on an annual basis. The risk register is presented as part of the annual independent audit of accounts. The purpose of the risk register is to:

- 1) Provide a library of foreseeable external and internal risks, scored on likelihood and impact.
- 2) Prompt preventative action to update policies and procedures to mitigate risks where possible.
- 3) Identify the most serious risks that require further response planning.

BLUE recognises that a risk register is only a small part of a resilient organisation's risk management approach and understands that the risk register is limited to dealing only with foreseeable, predictable risks.

Element 2: Risk Culture

The global pandemic has proven the need for a more reactive approach to risk-management and BLUE considers organisational culture to be a key factor in its resilience. BLUE recognises the following aspects as critical to maintaining a strong risk-aware culture throughout the organisation:

- Tone from the top. Senior management discuss risks their projects or departments are facing openly, visibly taking responsibility for mitigating them. Lines of communication are short and messages are well distilled across all levels of the organisation.

- Open and honest communication. Regular weekly meetings are held with the purpose of open and honest communication about project progress. This is a safe space for every member of staff to air concerns about risks impacting project delivery, timescales or budgets.

- Focus on well-being. Regular sessions are organised by BLUE's independent HR advisor on wellbeing, providing a safe space to air concerns about risks impacting someone's safety, ability to work effectively, or mental health.

- A pragmatic approach. BLUE uses policies and practices that work when applied in real life. Risk mitigating measures (e.g. risk assessments) are kept simple to avoid administration overload. Staff understand what is required of them before undertaking hazardous activities and therefore always follow the procedures.

Element 3: Risk Response Plans

The aim of a response plan is to facilitate the organisation and empower the right staff members to be more agile and reactive in combatting serious risks when they occur. BLUE has created six risk response plans to enable staff to react quickly and decisively should there be a risky situation requiring urgent attention.

The risk response plans cover scenarios that could occur relating to financial risks, legal/libel risks, HR risks, PR risks, data security risks and health and safety risks.

Each response plan involves a small committee of senior staff, plus one trustee representative from the board. Each response plan contains the triggers, i.e. situations or events would trigger the response plan being actioned, the staff members that are responsible for managing the situation, the steps that the decision-makers and committee are expected to follow in their response, including additional factors to be considered, and prompts regarding appropriate communications and follow-up.

Other Policies

BLUE strives to be a transparent, accountable and trustworthy organisation. In line with these objectives, many policies are publicly available on BLUE's website, including the Sustainability policy, Business Engagement policy, Anti-bribery and Corruption policy, Anti-fraud policy and Reserves policy.

Structure, governance and management

The names of the directors who served throughout the year, unless otherwise stated, are noted on page 2. The directors of the charitable company are also charity trustees for the purposes of charity law.

The liability of each guarantor in the event of a winding up is limited to £10. At 31 March 2021 there were 10 guarantors.

New Trustees are nominated by simple majority of votes at any meeting of the Trustees. New Trustees are provided with guidance as to their responsibilities from existing Trustees, from the Senior Executives and from BLUE's Terms of Reference. The duration of a Trustee's term will be three years, with annual reviews by both parties. Any Trustees approaching the end of their three-

year term may stand for re-appointment for a further three-year term.

The charitable company is governed by Memorandum and Articles of Association dated 12 February 2010. Application of income of the charitable company is limited to the promotion of its objects. Decisions are made by simple majority of votes cast at a meeting of the Trustees.

The Trustees continually assess the risks to which the charitable company might be exposed and adjust the charitable company's strategies and implementation of objects accordingly.

The trustees are aware of the Charities Governance Code and are taking steps to incorporate the code into the structure and culture of BLUE. The governance committee meets on a six monthly basis and progress will be reported on an ongoing basis.

BLUE's charitable objectives

The objects of the charitable company under the terms of the Memorandum of Association for this period and the future are:

- To promote for the benefit of the public the conservation and protection of the physical and natural environment by promoting marine preservation, preventing marine biodiversity decline and restoring marine habitats.
- To advance the education of the public in the conservation and protection of the marine environment.

The Trustees, having regard to the Public Benefit Guidance published by the Charity Commission, consider that the purpose and activities of Blue Marine Foundation satisfy the requirements of the public benefit test.

Trustees' responsibilities in relation to the financial statements

The trustees (who are also directors of Blue Marine Foundation - "the charitable company" - for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and group

and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each Trustee is aware, there is no relevant audit information of which the company's auditors are unaware.

Each Trustee has taken all reasonable steps that he or she ought to have taken as a Trustee in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Sayer Vincent LLP was appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees and signed on their behalf by

Arlo Brady
Chairman, Board of Trustees

Date: 23 November 2021

Independent Audit Report

Opinion

We have audited the financial statements of Blue Marine Foundation (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

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 group financial statements section of our report. We are independent of the group and parent 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 relating 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 Blue Marine Foundation'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.

Other information

The other information comprises the information included in the trustees' annual report, other than the group 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 group 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 group 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 group 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements

- The trustees' annual 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors 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' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 group or the parent 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 auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, , which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:

- Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance

- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;

- The internal controls established to mitigate risks related to fraud or non compliance with laws and regulations.

- We inspected the minutes of meetings of those charged with governance.

- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.

- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.

- We reviewed any reports made to regulators.

- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.

- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring

due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

Jonathan Orchard
Senior statutory auditor

Date: 16 December 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor.
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

FINANCIAL STATEMENTS

For the year ended 31 March 2021

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2021

	Note	Unrestricted £	Restricted £	Endowment £	2021 total £	Unrestricted £	Restricted £	Endowment £	2020 total £
Income from:									
Donations and legacies	2	2,051,889	4,254,406	2,000,000	8,306,295	1,488,937	2,544,581	-	4,033,518
Other trading activities		5,417	-	-	5,417	9,638	-	-	9,638
Investments		418	-	-	418	3,299	-	-	3,299
Total income		2,057,724	4,254,406	2,000,000	8,312,130	1,501,874	2,544,581	-	4,046,455
Expenditure on:									
Raising funds	3	166,885	-	-	166,885	213,099	-	-	213,099
Charitable activities	3	918,574	3,072,698	-	3,991,272	994,987	2,411,959	-	3,406,946
Tax payable by subsidiaries	8, 12	37	-	-	37	797	-	-	797
Total expenditure		1,085,496	3,072,698	-	4,158,194	1,208,883	2,411,959	-	3,620,842
Net income for the year		972,228	1,181,708	2,000,000	4,153,936	292,991	132,622	-	425,613
Transfers between funds		(26,631)	26,631	-	-	(32,250)	32,250	-	-
Net movement in funds		945,597	1,208,339	2,000,000	4,153,936	260,741	164,872	-	425,613
Reconciliation of funds:									
Total funds brought forward		1,074,538	1,337,256	-	2,411,794	813,797	1,172,384	-	1,986,181
Total funds carried forward	18	2,020,135	2,545,595	2,000,000	6,565,730	1,074,538	1,337,256	-	2,411,794

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 19 to the financial statements.

Balance sheet

As at 31 March 2021

	Note	The group		The charity	
		2021 £	2020 £	2021 £	2020 £
Fixed assets:					
Intangible assets	9	7,563	11,830	7,563	11,830
Tangible assets	10a 10b	57,177	30,697	30,357	30,697
Investments	11	2,000,000	-	2,000,200	200
		2,064,740	42,527	2,038,120	42,727
Current assets:					
Debtors	14	533,124	559,109	563,019	559,420
Cash at bank and in hand		4,153,902	2,179,090	4,148,902	2,174,090
		4,687,026	2,738,199	4,711,921	2,733,510
Liabilities:					
Creditors: amounts falling due within one year	15	(186,036)	(368,932)	(184,312)	(364,241)
Net current assets		4,500,990	2,369,267	4,527,609	2,369,269
Total net assets		6,565,730	2,411,794	6,565,729	2,411,996
Funds:					
Endowment funds	18	2,000,000	-	2,000,000	-
Restricted income funds		2,545,595	1,337,256	2,545,595	1,337,256
Total unrestricted funds		2,020,135	1,074,538	2,020,134	1,074,740
Total funds		6,565,730	2,411,794	6,565,729	2,411,996

Approved by the trustees and signed on their behalf by:

Arlo Brady
Chairman, Board of Trustees

Date: 23 November 2021

Consolidated statement of cash flows

For the year ended 31 March 2021

	2021		2020	
	£	£	£	£
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	4,153,936		425,613	
Depreciation charges	20,049		10,219	
Dividends, interest and rent from investments	(418)		(3,299)	
Losses on disposal of fixed assets	-		770	
Decrease /(increase) in debtors	25,985		(161,424)	
AIMPACT Endowment Fund	(500,000)		-	
(Decrease)/increase in creditors	(182,896)		176,554	
Net cash provided by operating activities		3,516,656		448,433
Cash flows from investing activities:				
Dividends, interest and rents from investments	418		3,299	
Purchase of fixed assets	(42,262)		(38,769)	
Net cash used in investing activities		(41,844)		(35,470)
Change in cash and cash equivalents in the year				
Cash and cash equivalents at the beginning of the year	2,179,090		1,766,127	
Cash and cash equivalents at the end of the year		5,653,902		2,179,090

Notes to the financial statements

for the year ended 31 March 2021

1. Accounting policies

a) Statutory information

BLUE Marine Foundation is a charitable company limited by guarantee and is incorporated in the United Kingdom

The registered office address is 3rd Floor, South Building, Somerset House, Strand, London WC2R 1LA.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary BMF Trading Limited on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

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

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The Covid-19 pandemic has created significant operational and financial pressures on the charitable sector. Having considered BLUE's successful adaptation to remote working and project delivery, the promising fundraising pipeline, and having reviewed updated cashflow forecasts, the trustees consider the adoption of the going concern basis in preparing these financial statements is appropriate.

Key judgements that the charity has made which have a significant effect on the accounts include future grants. Future grants payable are only provided for in the financial statements when there is a constructive or legal obligation for the Charity to pay out for future grants at the year end, which is dependent on the terms and conditions of the grant agreement between the Charity and the grant beneficiary.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value

1. Accounting policies (continued)

of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

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.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

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

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

k) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

The Charity has reanalysed the support cost allocations to be more reflective of the direct cost of the charitable activities, including prior years for comparison.

l) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

– Office equipment	straight-line over	3 years
– Fixtures and fittings	straight-line over	3 years
– Leasehold Improvements	straight-line over	5 years

Notes to the financial statements
for the year ended 31 March 2021

1. Accounting policies (continued)

- n) Intangible assets - Leasehold**
Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation any any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.ses.

Amortisation is provided on the following basis:

– Website Development	straight-line over	3 years
– Trademarks	straight-line over	3 years
- o) Endowment Fund**
Blue Marine Foundation is the custodian of the Ascension Island Marine Protected Area Community Trust “AIMPACT”. In the year, Blue Marine Foundation received a donation of £2,000,000 for the establishment of the trust. Blue Marine Foundation shall hold the capital of £2,000,000 in perpetuity, on trust, as an endowment for the Trustee’s charitable objects. BLUE shall hold on trust and apply all and any income of the AIMPACT, including income earned through investment ofthe Endowment Fund to, or for the benefit of the objects determined in the Deed of Trust.

At 31 March 2021, £500,000 of the original funds had been invested long term. The remaining £1,500,000 are being gradually invested in the post balance sheet period. As it is the trustees duty to ultimately invest the full donation long term, the full £2,000,000 has been recognised as a fixed asset investment.
- p) Investments in subsidiaries**
Investments in subsidiaries are at cost.
- q) Debtors**
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.
- r) Cash at bank and in hand**
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.
- s) Creditors and provisions**
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due
- t) Financial instruments**
The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.
- u) Pensions**
Contributions in respect of the charity’s defined contribution pension scheme are charged to the Statement of Financial Activities for the year in which they are payable to the scheme.
- v) Foreign Currency**
Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the average rate of exchange for the year. Exchange differences are taken into account in arriving at the net incoming resources figure.

2. Income from donations and legacies

	2021				2020			
	Unrestricted £	Restricted £	Endowment £	Total £	Unrestricted £	Restricted £	Endowment £	Total £
Donation and legacies								
Corporate donations	244,613	2,475,846	-	2,720,459	200,163	353,944	-	554,107
Donations received from individuals	1,090,293	634,165	-	1,724,458	267,442	576,844	-	844,286
Donations received from Private Foundations*	197,363	1,080,897	2,000,000	3,278,260	158,832	929,724	-	1,088,556
Auction and events income	12,947	-	-	12,947	24,309	582,228	-	606,537
BMYC Membership donations	45,000	-	-	45,000	320,000	-	-	320,000
Donations in kind	384,179	-	-	384,179	348,657	-	-	348,657
Gift Aid	64,454	38,776	-	103,230	169,534	-	-	169,534
Other Income	13,040	13,049	-	26,089	-	4,824	-	4,824
Government funding	-	11,673	-	11,673	-	97,017	-	97,017
	2,051,889	4,254,406	2,000,000	8,306,295	1,488,937	2,544,581	-	4,033,518

*Donations received from Private Foundations include:

Aeolian Islands Prservation Fund | Ciner Charitable Trust | Clore Duffield Foundation | EQ Foundation | Garfield Weston Foundation | Givingforce Foundation | John Ellerman Foundation | Kindlink Foundation | National Fish and Wildlife Foundation | Percy Lea Charitable Trust | Ruth Smart Foundation | Stichting Adessium Foundation | Swarovski Foundation | Swiss Philanthropy Foundation | The Brook Foundation | The Charities Trust | The Don Quixote Foundation | The Sackler Trust | The Whitley Animal Protection Trust | UBS Optimus Foundation | Waterloo Foundation | Zoological Society of London

The trustees would like to thank the following companies that provided pro-bono support to BLUE:

		2021 £	2020 £
Donated services			
Freud Communications	PR Support	188,000	197,000
Steve Edge	Design Support	83,700	45,500
Latham & Watkins LLP	Legal Support	39,613	37,812
Rawlinson & Hunter	Accounting Support	36,564	38,260
Yachting Pages	Marketing	35,000	-
Engel & Volkers	Marketing	1,302	-
Ocean Life	Media Content	-	15,000
David Churchill	Photography	-	9,060
Tom Ponsonby	Website Support	-	6,025
		384,179	348,657

Notes to the financial statements for the year ended 31 March 2021

3a. Analysis of expenditure (current year)

	Raising funds	Charitable activities	Governance costs	Support costs	2021 Total
	£	£	£	£	£
Staff costs (Note 5)	132,722	1,077,245	206,054	-	1,416,021
Direct costs	2,102	1,868,440	-	-	1,870,542
Markets and branding	-	1,004	-	33,057	34,061
Programme related events	-	-	-	5,425	5,425
Consultancy	-	84,403	-	88,845	173,248
Travel and subsistence	-	28,954	-	(852)	28,102
Office costs	-	5,078	-	4,265	9,343
Premises costs	-	900	-	78,817	79,717
IT costs	-	1,697	-	25,430	27,127
Other costs	-	2,883	-	84,332	87,215
Depreciation and amortisation	-	1,923	-	18,126	20,049
Bank charges	-	123	-	4,619	4,742
Legal and professional fees*	-	347,616	43,069	-	390,685
Auditor fees	-	-	11,880	-	11,880
	134,824	3,420,266	261,003	342,064	4,158,157
Support costs	32,061	260,227	49,776	(342,064)	-
Governance costs	-	310,779	(310,779)	-	-
Total expenditure 2021	166,885	3,991,272	-	-	4,158,157

* Includes pro-bono services provided of £384,179

Expenditure split	4%	89%	7%
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3b. Analysis of expenditure (prior year)

	Raising funds	Charitable activities	Governance costs	Support costs	2020 Total
	£	£	£	£	£
Staff costs (Note 5)	163,627	721,450	193,641	-	1,078,718
Direct costs	6,880	1,629,278	-	-	1,636,158
Marketing and branding	-	-	-	44,528	44,528
Programme related events	-	5,766	-	27,312	33,078
Consultancy	-	93,503	-	56,764	150,267
Travel and subsistence	-	128,866	-	23,483	152,349
Office costs	-	9,206	-	17,657	26,863
Premises costs	-	5,952	-	68,968	74,920
IT costs	-	827	-	34,107	34,934
Other costs	-	6,293	-	(4,762)	1,531
Depreciation and amortisation	-	1,967	-	8,252	10,219
Bank charges	-	151	-	4,478	4,629
Legal and professional fees*	-	310,397	47,626	-	358,023
Auditor fees	-	-	13,828	-	13,828
	170,507	2,913,656	255,095	280,787	3,620,045
Support costs	42,592	187,791	50,404	(280,787)	-
Governance costs	-	305,499	(305,499)	-	-
Total expenditure 2020	213,099	3,406,946	-	-	3,620,045

* Includes pro-bono services provided of £348,657

Notes to the financial statements for the year ended 31 March 2021

4. Net income / (expenditure) for the year

This is stated after charging/ (crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	15,782	9,249
Amortisation of goodwill	4,267	970
Operating lease rentals:		
Property	76,491	71,745
Auditor's remuneration (excluding VAT):		
Audit - current year	11,880	9,700
Subsidiaries	-	-
Other services	-	-
Foreign exchange gains or losses	68,055	(28,441)

5. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	1,089,963	918,879
Employer's contribution to defined contribution pension schemes	137,598	52,657
Employers national insurance contributions	121,234	99,867
Other staff costs	67,226	7,315
	1,416,021	1,078,718

5. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (continued)

Number of employees receiving employee benefits (excluding employer pension costs and employer's national insurance) during the year:

	2021 No.	2020 No.
£60,000 - £69,999	-	1
£70,000 - £79,999	1	-
£90,000 - £99,999	1	-
£100,000 - 109,999	2	1
£120,000-129,999	-	1

BLUE launched a salary sacrifice for enhanced employer pension contributions scheme in year ending 31 March 2021.

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £576,057 (2020: 447,335). This has been restated to include director-level employees.

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2020: £nil). One trustee Callum Roberts received payment of £17,056 for professional services supplied to the charity, which was outstanding at the year end (2020: £4,240).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £31 (2020: £836) incurred by 1 (2020: 2) members relating to attendance at meetings of the trustees.

6. Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 23 (2020:20).

7. Related party transactions

There are donations totalling £250,063 (2020: £235,760) from related parties. There are no donations from related parties which are outside the normal course of business.

Other creditors include £1,687 (2020: £1,687) due to directors in respect of the funds advanced upon incorporation of BMF Trading Limited. The balance is interest free and repayable on demand.

Appleby Consultancy Services Limited, a company of which TPS Appleby is a director provided consultancy services of £41,406 (2020: £29,463).

Rawlinson & Hunter, a partnership in which D C Davies is a partner, provided pro bono accounting services to the charity and its subsidiary amounting to £36,563 (2020: £38,620).

Freud Communications, a public relations company of which A K O Brady is a director, provided pro bono PR services of £188,000 (2020: £197,000).

3WhiteHats Ltd, an SEO company of which A K O Brady is director, provided services of £6,480 (2020:nil).

Notes to the financial statements for the year ended 31 March 2021

7. Related party transactions (continued)

Clore Duffield Foundation, a foundation of which Dame Vivien Duffield DBE is a trustee and chairman, whom is a family member of G L Duffield, made donations of £25,500 (2020: £500).

All the above related party transactions were entered into at arms' length rates, subjected to appropriate benchmarking and were approved by the Board of Trustees in accordance with the Charity's constitution.

The Charity has taken advantage of the exemptions in FRS 102 from disclosing transactions with other members of the group.

8. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The group's charge to corporation tax in the year was:

	2021 £	2020 £
UK corporation tax at 19%	37	797

9. Intangible fixed assets

The group and charity

	Website development £	Trademark £	Total £
Cost			
At the start of the year	18,302	1,767	20,069
Disposals in year	-	-	-
At the end of the year	18,302	1,767	20,069
Amortisation			
At the start of the year	7,161	1,078	8,239
Charge for the year	4,000	267	4,267
At the end of the year	11,161	1,345	12,506
Net book value			
At the end of the year	7,141	422	7,563
At the start of the year	11,141	689	11,830

10. Tangible fixed assets

10a. The group and charity

	Motor Vehicles £	Leasehold Improv. £	Office Equipment £	Total £
Cost				
At the start of the year	-	5,000	45,500	50,500
Additions in year	26,820	-	15,442	42,262
At the end of the year	26,820	5,000	60,942	92,762
Depreciation				
At the start of the year	-	2,917	16,886	19,803
Charge for the year	-	1,000	14,782	15,782
At the end of the year	-	3,917	31,668	35,585
Net book value				
At the end of the year	26,820	1,083	29,274	57,177
At the start of the year	-	2,083	28,614	30,697

10b. The charity

	Leasehold Improv. £	Office Equipment £	Total £
Cost			
At the start of the year	5,000	45,500	50,500
Additions in year	-	15,442	15,442
At the end of the year	5,000	60,942	65,942
Depreciation			
At the start of the year	2,917	16,886	19,803
Charge for the year	1,000	14,782	15,782
At the end of the year	3,917	31,668	35,585
Net book value			
At the end of the year	1,083	29,274	30,357
At the start of the year	2,083	28,614	30,697

All of the above assets are used for charitable purposes.

Notes to the financial statements for the year ended 31 March 2021

11. Investments

Group and Charity

	2021 £	2020 £
AIMPACT investment funds	2,000,000	-
Subsidiary undertakings	200	200
Cost and net book value at 1 April and 31 March	2,000,200	200

At 31 March 2021, £500,000 of the AIMPACT funds (see note 1(o)) had been invested in managed funds with Liontrust Asset Management. The remaining £1,500,000 are being gradually invested in the post balance sheet period.

Charity only

	2021 £	2020 £
Subsidiary undertakings	200	200
Cost and net book value at 1 April and 31 March	200	200

Details of the subsidiary undertakings are set out below:

	Country of incorporation	% held	Activity
BMF Trading Limited 200 Ordinary shares of £1 each	England	100	Providing support to activities of Blue Marine Foundation

12. Subsidiary undertaking

The charity owns the whole of the issued ordinary share capital of BMF Trading Limited, a company registered in England. The company number is 07004094. The registered office address is Third Floor, South Building, Somerset House, The Strand, London, WC2R 1LA.

The subsidiary is used for non-primary purpose trading activities by providing marketing and branding services to commercial organisations. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are distributed under Gift Aid to the parent charity.

The trustees CMJ Gorell Barnes, GL Duffield and AS Blount are also directors of the subsidiary.

12. Subsidiary undertaking (continued)

Summary of subsidiary results

	2021 £	2020 £
Turnover	275,649	156,706
Cost of sales and administration costs	(5,180)	(2,952)
Profit on ordinary activities before interest and taxation	270,469	153,754
Interest payable	-	-
Profit/(loss) on ordinary activities before taxation	270,469	153,754

Taxation on profit on ordinary activities	(37)	(797)
Profit/(loss) for the financial year	270,432	152,957

Retained earnings		
Total retained earnings brought forward	(200)	(6,089)
Profit for the financial year	270,432	152,957
Distribution under Gift Aid to parent charity	(270,232)	(147,068)
Total retained earnings carried forward	-	(200)

The aggregate of the assets, liabilities and reserves was:

Assets	54,330	14,014
Liabilities	(54,130)	(14,014)
Net Assets	200	-

Allotted, called up and fully paid shares	200	200
Reserves	-	(200)
Total funds	200	-

Amounts owed to/from the parent undertaking are shown in note 14.

Notes to the financial statements

for the year ended 31 March 2021

13. Parent charity

The financial activities shown in the Consolidated Financial Statements includes those of the Charity's wholly owned subsidiary BMF Trading Limited.

Summary of financial activities undertaken by the Charity

	2021 £	2020 £
Donations and Legacies	8,306,295	4,033,520
Costs of raising funds	(167,400)	(213,643)
Charitable activities	(3,949,416)	(2,936,931)
Other	(36,164)	(466,520)
Interest receivable	418	3,299
Net incoming resources	4,153,733	419,725
Funds brought forward	2,411,996	1,992,271
Funds carried forward	6,565,729	2,411,996

14. Debtors

	The group		The charity	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	109,612	102,755	90,552	91,535
Other debtors	13,088	-	9,637	-
Prepayments	68,582	63,257	68,582	63,257
Amounts due from group undertakings	-	-	52,406	11,531
Accrued income	341,842	393,097	341,842	393,097
	533,124	559,109	563,019	559,420

15. Creditors: amounts falling due within one year

	The group		The charity	
	2021 £	2020 £	2021 £	2020 £
Trade creditors	48,748	301,390	48,748	301,390
Other creditors*	13,699	13,645	12,012	9,751
Pension scheme liability	13,924	7,133	13,924	7,133
Accruals	74,684	11,640	74,684	11,640
Other taxation and social security *	34,981	35,124	34,944	34,327
Deferred income (note 17)	-	-	-	-
	186,036	368,932	184,312	364,241

*The 2020 tax and social security has been restated from other creditors to other taxation and social security.

16. Deferred income

	The group		The charity	
	2021 £	2020 £	2021 £	2020 £
Balance at the beginning of the year	-	18,911	-	18,911
Amount released to income in the year	-	(18,911)	-	(18,911)
Amount deferred in the year	-	-	-	-
Balance at the end of the year	-	-	-	-

Notes to the financial statements
for the year ended 31 March 2021

17a. Analysis of group net assets between funds (current year)

	General unrestricted £	Restricted funds £	Endowment funds £	Total funds £
Intangible fixed assets	7,563	-	-	7,563
Tangible fixed assets	56,093	1,084	-	57,177
Investments	-	-	2,000,000	2,000,000
Debtors	344,873	188,250	-	533,123
Cash at bank and in hand	1,780,843	2,373,060	-	5,653,903
Creditors	(169,237)	(16,799)	-	(186,036)
Net assets at 31 March 2021	2,020,135	2,545,595	2,000,000	6,565,730

17b. Analysis of group net assets between funds (prior year)

	General unrestricted £	Restricted funds £	Endowment funds £	Total funds £
Intangible fixed assets	11,830	-	-	11,830
Tangible fixed assets	28,615	2,082	-	30,697
Debtors	153,577	405,532	-	559,109
Cash at bank and in hand	1,192,597	986,493	-	2,179,090
Creditors	(312,081)	(56,851)	-	(368,932)
Net assets at 31 March 2020	1,074,538	1,337,256	-	2,411,794

Notes to the financial statements
for the year ended 31 March 2021

18a. Movement in funds (current year)

Notes to on table on pages 68-69

Purposes of endowment funds

The Ascension Island MPA Conservation Trust (AIMPACT) fund is supporting a marine protected area for the benefit of the global environment, managed as per the agreed Statement of Investment Principles.

Purposes of restricted funds

Restricted funds are held for expenditure in the 2020/21 financial year. The balances are held for the following purposes:

[A] Delivering models of sustainable fishing (Lyme Bay, Aeolians, Italian Rollout, Mallorca). Funds held for planned activities for the ongoing development of Lyme Bay and Aeolians demonstrator sites, and expansion to new locations during 2021/22.

[B] Securing large-scale marine protected areas (St Helena, Ascension, Dutch Caribbean, Turkey, High Seas): Funds received relate to multi-year grants with remainder of expenditure planned for 2021/22.

[C] Restoration (Solent, Blackwater, Wild Oysters, Integrated Habitat Restoration, Sturgeon): Funds held for planned activities for the continuation of the feasibility studies and restoration of oysters, seagrass and saltmarsh in the Solent, and continuation of developing Sturgeon restoration project in Wales.

[D] Stopping bad fishing practices (RFMOs, Offshore Marine Reserves). Funds received relate to multi-year grants with remainder of expenditure planned for 2021/22.

[E] Connecting people with the sea (National Marine Parks, Digitising BLUE Projects, BLUE Education, BLUE Economics). Funds received relate to multi-year grants with remainder of expenditure planned for 2021/22.

Purposes of designated funds

Designated funds have been created in the 2018/19 financial year by the board of trustees for the following purposes:

[A] Political Engagement is charitable expenditure on legal consultancy for reacting to political situations and taking opportunities to advise on relevant policy. The expenditure in the year was used for work on UK fisheries legislation.

[B] Project Scoping is charitable expenditure on scoping new projects prior to funding being received.

[C] Self-Funded Projects is charitable expenditure on projects deemed vital to the mission of the Charity for which external funding will not be found. The expenditure in the year was used for carrying out work on designating an MPA in the Tristan de Cunha islands.

[D] The BLUE Science Unit, BLUE Investigations Unit and BLUE Legal Unit is charitable expenditure to seed fund the creation of three BLUE strategic units.

*2021 projects 'North Devon', 'West Scotland', 'Berwickshire', 'Jersey' and 'UK Consortium' split from 2020 project 'UK Rollout'

Notes to the financial statements

for the year ended 31 March 2021

18a. Movements in funds (current year) continued

	At 1 April 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2021 £
Endowment funds:					
AIMPACT	-	2,000,000	-	-	2,000,000
Restricted funds:					
Aeolians	150,475	83,036	(63,033)	-	170,478
Ascension	135,522	194,327	(344,327)	14,478	-
Asia	16,035	10,840	(367)	-	26,508
Dutch Caribbean	-	36,250	(27,473)	-	8,777
Blackwater	-	52,312	(45,365)	-	6,947
Caspian	17,113	-	(1,500)	-	15,613
High Seas	82,213	60,950	(66,280)	-	76,883
Lyme Bay	74,152	141,951	(177,242)	-	38,861
North Devon*	14,040	-	(1,407)	-	12,633
West Scotland*	15,308	-	(13,490)	-	1,818
Berwickshire*	-	172,244	(69,400)	-	102,844
Jersey*	58,000	165,549	(84,122)	-	139,427
Maldives	157,707	54,952	(109,347)	-	103,312
Media Unit	86,048	286,986	(233,016)	-	140,018
Med Roll Out	16,169	10,000	(17,295)	-	8,874
Namibia	28,111	15,000	(17,898)	-	25,213
National Marine Parks	14,621	123,111	(111,177)	-	26,555
Patagonia	65,000	384,786	(178,318)	-	271, 468
SAFE Initiatives	57,446	17,950	(75,372)	-	24
Solent	106,203	355,643	(213,308)	-	248,538
St Helena	138,405	100,338	(181,177)	-	57,566
Sturgeon	9,932	83,490	(51,626)	-	41,796
Integrated Ecosystem Rest.	-	63,420	(31,112)	-	32,308
Wild Oysters	-	153,640	(41,294)	-	112,346
UK Consortium*	94,756	74,815	(80,289)	-	89,282
Kelp	-	94,530	(37,262)	-	57,268
Species at Risk	-	64,170	(29,685)	-	34,485

	At 1 April 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2021 £
Restricted funds (cont.):					
HPMAs	-	117,185	(42,430)	-	74,755
Italian Rollout	-	34,587	(21,175)	-	13,412
Mallorca	-	22,451	(21,349)	-	1,102
Turkey	-	250,000	(106,362)	-	143,638
Digitising BLUE Projects	-	22,218	(9,769)	-	12,449
Ocean Governance	-	79,120	(43,265)	-	35,855
Offshore Marine Reserves	-	187,500	(54,455)	-	133,045
RFMOs	-	170,000	(68,780)	-	101,220
Barclays Carbon	-	107,065	(91,432)	-	15,633
CVC Carbon Credits	-	150,000	(138,983)	-	11,017
BLUE Carbon Unit	-	54,800	(26,372)	-	28,428
BLUE Education Unit	-	105,440	(114,098)	12,153	3,495
BLUE Economics Unit	-	53,750	(32,046)	-	21,704
Barclays Reaction Fund	-	50,000	-	-	50,000
Barclays Exploratory Fund	-	50,000	-	-	50,000
Total restricted funds	1,337,256	4,254,406	(3,072,698)	26,631	2,545,595
Designated funds:					
Political Engagement	-	-	(15,416)	15,416	-
Project Scoping	-	-	(20,623)	20,623	-
Self-Funded Projects	-	-	(17,902)	17,902	-
BLUE Science Unit	-	-	(60,110)	60,110	-
BLUE Investigations Unit	-	-	(82,844)	100,000	17,156
BLUE Legal Unit	-	-	(74,359)	200,000	125,641
Unrestricted funds:					
General funds	1,074,538	2,057,724	(814,242)	(440,682)	1,877,338
Total unrestricted funds	1,074,538	2,057,724	(1,085,496)	(26,631)	2,020,135
Total funds	2,411,794	8,312,130	(4,158,194)	-	6,565,730

18b. Movements in funds (prior year)

	At 1 April 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2020 £
Restricted funds:					
Aeolians	71,862	201,893	(123,280)	-	150,475
Ascension	915	250,000	(115,393)	-	135,522
Asia	-	51,259	(35,224)	-	16,035
Big Marine Data Project	24,718	82,686	(107,404)	-	-
Blackwater	-	36,108	(36,108)	-	-
Caspian	-	25,000	(7,887)	-	17,113
High Seas	165,786	20,000	(114,073)	10,500	82,213
Lyme Bay	110,930	127,444	(164,222)	-	74,152
Maldives	71,610	160,821	(83,974)	9,250	157,707
Media Unit	60,519	249,985	(224,456)	-	86,048
Med Roll Out	73,672	48,385	(105,888)	-	16,169
Namibia	-	75,000	(46,889)	-	28,111
National Marine Parks	-	118,273	(103,652)	-	14,621
Patagonia	-	431,835	(366,835)	-	65,000
SAFE Initiatives	-	229,050	(171,604)	-	57,446
Solent	33,940	238,727	(166,464)	-	106,203
St Helena	262,248	-	(136,343)	12,500	138,405
Sturgeon	-	10,000	(68)	-	9,932
Tristan Da Cunha	-	40,000	(40,000)	-	-
UK Rollout	296,184	148,115	(262,195)	-	182,104
Total restricted funds	1,172,384	2,544,581	(2,411,959)	32,250	1,337,256
Designated funds:					
Political Engagement	-	-	(24,567)	24,567	-
Project Scoping	-	-	(40,223)	40,223	-
Self-Funded Projects	-	-	(40,139)	40,139	-
Unrestricted funds:					
General funds	813,797	1,501,874	(1,103,954)	(137,179)	1,074,538
Total unrestricted and designated funds	813,797	1,501,874	(1,208,883)	(32,250)	1,074,538
Total funds	1,986,181	4,046,455	(3,620,842)	-	2,411,794

19. Operating lease commitments payable as a lessee

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property	
	2021 £	2020 £
Less than one year	45,493	40,487
	45,493	40,487

20. Controlling party

The charity is controlled by its Trustees.

21. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The Memorandum of Association provides that every member, as defined by Clause 8 of the Articles of Association, is liable to contribute a sum not exceeding £10 in the event of the company being wound up while he or she is a member. At 31 March 2021 there were 10 (2020: 11) members.



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