

Baltic Exchange Charitable Foundation

Annual report and financial statements for the year ended 31
December 2022

Registered Charity No. 1178830

BALTIC EXCHANGE CHARITABLE FOUNDATION

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BALTIC EXCHANGE CHARITABLE FOUNDATION

Trustees' annual report (including strategic report)

Year ended 31 December 2022

ANNUAL AND STRATEGIC REPORT

The Trustees present their annual and strategic report along with the financial statements of the Charity for the year ended 31 December 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 2 to the financial statements and comply with the Charities Act 2011.

OBJECTIVES AND ACTIVITIES

The objectives of the Charity, as set out in its constitution, are:

- Such purposes and objects being charitable according to the law of England and Wales
- Relief of persons in need, within the definition of potential beneficiaries

The potential beneficiaries are the life members of the former Baltic Exchange Charitable Society; individuals engaged or formerly engaged in maritime activities; the spouses, civil partners, widows, widowers, issue or other dependants of the foregoing; and the employees and former employees of the Baltic Exchange.

The Charity was formed to take over the activities of the following charitable trusts:

- The Baltic Exchange Charitable Society
- The London Shipowners' and Shipbrokers' Benevolent Society
- The Baltic Charitable Fund
- The Bonno Krull Fund

The transfer of activities occurred on 31 March 2021 and the Charity now carries on the activities of the trusts transferred, namely:

- The provision of support of individuals in need
- The awarding of grants to institutions connected with the maritime industry

Activities in the year

Supporting individuals in need

The Charity supports individuals by the award of financial grants and the provision of interest free loans.

The financial grants are awarded as annual grants to help towards the payment of day-to-day expenses or as special grants to cover unexpected or unaffordable one off expenses incurred by the beneficiaries. The annual grants are paid quarterly and reviewed on an annual basis, whereas special grants are paid on an ad hoc basis as required.

In the year, the Charity continued to support eight (2021 – ten) individuals receiving annual grants and also paid special grants to a further five (2021 – four) individuals.

The Charity has six (2022 – six) secured loans to individuals; there was no change to these loans over the year.

Grants to institutions

During the year, the Charity awarded eleven (2021 – nine) grants to various institutions linked to the

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maritime industry and continued to pay two (2021 – four) grants previously awarded. The significant grants awarded in the year were:

| Recipient | Purpose of the award | £ |
|---------------------------------|--|--------|
| Ahoy | Support for Ahoy's work in providing water skills training to youngsters living in the Thames estuary region; this grant will be paid over three years | 30,000 |
| Wet Wheels | Wet Wheels designs, commissions and operates specialist purpose built catamaran speed boats to provide sea going experience for disabled people in wheel chairs. This grant was to support their work. | 5,000 |
| National Coastwatch Institution | Towards the production of revised and updated station manuals | 10,000 |
| Stella Maris | Stella Maris is the largest ship-visiting network in the world, which seeks to improve the lives of seafarers and fishers. The grant is to fund Stella Maris' work at ports around the world | 10,000 |

Public benefit

The Trustees have had regard to the Charity Commission's guidance on public benefit and will consider that guidance in their future activities.

Plans for Future Periods

The Trustees expect to continue the activities of the charity as described above for the foreseeable future.

FINANCIAL REVIEW

Financial performance

The Statement of Financial activities sets out the income and expenditure of the Charity for the year ended 31 December 2022. For the comparative period, the Charity was active only for the 9 months following the transfer of activities from the predecessor charities.

At their meeting in October 2022, the trustees approved the payment of the quarterly grants for January 2023 and thus the grants to individuals comprise 5 quarterly grants.

A revaluation deficit of £998,895 (2021 – surplus £565,000) arose on the investments, resulting in a significant reduction in the reserves over the year. Nevertheless, the Charity's closing balance sheet position is robust, with significant reserves and cash on hand in excess of £500,000.

Investment policy

The investment policy is as follows:

- Target return of 4% per annum after inflation (as measured by CPI)

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- Target asset allocation ranges as follows:

| | Lower bound | Upper bound |
|--------------------------------|-------------|-------------|
| Cash | -% | 20% |
| Government and corporate bonds | 10% | 30% |
| Total cash and bonds | 10% | 40% |
| UK Equities | 20% | 50% |
| International equities | 20% | 60% |
| Property | -% | 15% |
| Alternatives | -% | 10% |

- Overall medium risk approach

The trustees consider that the investments are held for the long term and therefore typically consider the investment performance over a rolling multi-year period.

Investment review

The portfolio showed an annualised net loss of 9.1% (2021 – a gain of 10.9%), against a target return of 14.5%. The trustees are disappointed by this result, but note that the target return is high due to a high inflation which has subsequently abated.

Reserves

The reserves comprise:

- Bonno Krull Endowment Fund

This is a permanent endowment fund which was created by the will of Bonno Julius Leopold Krull. The income from the fund is to be used to maintain the grave of Mr Krull and his wife, with any surplus to be used for charitable purposes connected to shipbroking and shipping.

- Restricted Funds

The restricted funds comprise the reserves of the former Baltic Exchange Charitable Society and the former London Shipowners' and Shipbrokers' Benevolent Society. The Baltic Exchange Charitable Society reserves are to be used to support the former members of the Society and their dependents. The London Shipowners' and Shipbrokers' Benevolent Society reserves are to be used to support those who have been involved in ship owning and ship broking businesses and their dependants.

The unrestricted funds comprise the funds from the other predecessor charity and the unexpended Bonno Krull income.

The Charity's free reserves comprise cash held in operating bank accounts and sundry debtors, less current creditors. The Trustees aim to draw down cash from investments as needed, maximising the funds available to invest and resulting in minimal cash held in operating bank accounts. This equates to a free reserves target of £nil. The current level of free reserves is £25,058, which is in line with the policy.

Principal risks and uncertainties, and risk management

The Trustees review the risks facing the Charity periodically and confirm that they have taken appropriate steps to manage the risks arising.

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The most significant risks that the Charity faces are:

- Market risk arising from the investments held by the Charity. The risk is mitigated by delegating day to day responsibility to professional investment managers, by splitting the investments into different portfolios and appointing two firms to manage the portfolios, and by having a split of investment types.
- Reputational risk as a result of potential beneficiary fraud. This is mitigated by undertaking robust reviews of applications and ongoing contact with the beneficiaries.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is a charitable incorporated organisation which was incorporated on 18 June 2018. The governing document is the Constitution.

Appointment of trustees

Under the Rules of the Charity, the trustees comprise:

- The Chief Financial Officer of the Baltic Exchange Limited;
- One individual appointed by the Baltic Exchange Council; and
- Up to ten individuals appointed by the Charity's trustees.

Trustee recruitment

The Board maintains a constant watch for suitable candidates to replace retiring Trustees from time to time.

Trustee training

Newly appointed Trustees are provided with a copy of the Constitution together with the Charity Commission's Guidance for Trustees. All Trustees are informed of updated charity investment guidance provided by fund managers as well as being encouraged to take up training seminars and workshops.

Management

The Charity has no staff and is managed by its Trustees. The Trustees are assisted by the secretary.

The Charity continues to share its secretarial services to the Corn Exchange Benevolent Society (Charity No. 207733).

Grant making policy

Grants to individuals

The Charity helps beneficiaries with annual grants that are paid in quarterly instalments and are based on income benchmarks which are set for single beneficiaries, married couples and families. All such grants are based on a recipient's financial circumstances which are reviewed at quarterly intervals. Emergency or one-off special grants are awarded as deemed necessary by the Trustees. Those claiming assistance are required to provide full details of income and expenditure, and financial need must be established before any help can be offered. The Trustees are always mindful of the "need" qualification in the Charity's objects. All grants are awarded after full consultation amongst the Trustees.

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Grants to institutions

The Charity principally supports institutions focussed in the maritime sector. These institutions in the main cover education, pastoral support to seafarers and their families and other related charitable works. These grants in the main are of a one-off nature but can extend on a repeat basis over a fixed period of time. All grants are awarded after full consultation amongst the Trustees.

REFERENCE AND ADMINISTRATIVE INFORMATION

Name and Registered Number of Charity

The Charity is registered as "The Baltic Exchange Charitable Foundation" and its registered number is 1178830.

Principal Address

The principal address of the Charity is PO Box 6311, Newbury, RG14 9RF. The Charity's email address is anthony.carroll@becf.co.uk.

Names of Trustees

The Trustees who acted during the year and subsequently were as follows:

| | |
|--------------------------------------|--------------------------------------|
| WM Robson (Chairman) | DA Petropoulos |
| RT Reed | MA Read |
| CJ Nolan | FWA Crouch |
| MR Jackson | LC Varnavides |
| EB Mavroleon (resigned 14 July 2022) | NA Harper (resigned 24 July 2022) |
| CM Morton (resigned 24 July 2022) | KA Marsh (appointed 11 October 2023) |

Investment advisers (as at 31 December 2022)

- Thomas Miller Investment Ltd, 90 Fenchurch Street, London, EC3M 4ST.
- Quilter Cheviot Limited, Senator House, 85 Queen Victoria Street, London, EC4V 4AB

Bankers

- Royal Bank of Scotland Plc, 36 St. Andrew Square, Edinburgh, Scotland, EH2 2YB
- National Westminster Bank Plc, 250 Bishopsgate, London EC2M 4AA

Independent examiner

- Julie Mutton, Evelyn Partners LLP, Onslow House, Onslow Street, Guildford, GU1 4TL

Approved by order of the board of Trustees and signed on their behalf by:



WM Robson
Chair of the Trustees
Date: 26/06/2024

BALTIC EXCHANGE CHARITABLE FOUNDATION

Trustees' responsibilities statement

For the year ended 31 December 2022

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable regulations). Under that law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity 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 accounting estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records which are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the constitution. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BALTIC EXCHANGE CHARITABLE FOUNDATION

Independent Examiner's Report to the trustees of Baltic Exchange Charitable Foundation

I report to the trustees on my examination of the accounts of Baltic Exchange Charitable Foundation for the year ended 31 December 2022, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the notes to the accounts, including significant accounting policies.

Respective responsibilities of trustees and examiner and basis of report

As the trustees of the charitable incorporated organization you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

1. Accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. The accounts do not accord with those records; or
3. The accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

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

Julie Mutton
Julie Mutton (Jun 26, 2024 16:15 GMT+1)

Name: Julie Mutton
Fellow of The Institute of Chartered Accountants in England & Wales

Address: Evelyn Partners LLP
Onslow House
Onslow Street
Guildford GU1 4TL

26/06/2024

BALTIC EXCHANGE CHARITABLE FOUNDATION
Statement of financial activities
For the year ended 31 December 2022

| | Notes | Un- restricted Funds 2022 £ | Restricted Funds 2022 £ | Bonno Krull Endow- ment Fund 2022 £ | Total Funds 2022 £ | Total Funds 2021 £ |
|---|-------|--------------------------------------|----------------------------------|--|--------------------------|--------------------------|
| Income: | | | | | | |
| Donations and legacies | 6 | 1,000 | 200 | - | 1,200 | 190 |
| Investment Income | 7 | 115,984 | 124,118 | - | 240,102 | 180,185 |
| Other income | | 252 | - | - | 252 | - |
| | | <u>117,236</u> | <u>124,318</u> | <u>-</u> | <u>241,554</u> | <u>180,375</u> |
| Funds transferred from predecessor charities | | - | - | - | - | 9,759,408 |
| Total | | <u>117,236</u> | <u>124,318</u> | <u>-</u> | <u>241,554</u> | <u>9,939,783</u> |
| Expenditure: | | | | | | |
| Raising Finance | | | | | | |
| Investment management costs | | 18,023 | 39,786 | 6,136 | 63,945 | 40,227 |
| Charitable Activities | | | | | | |
| Grants to individuals | 8 | - | 105,211 | - | 105,211 | 15,605 |
| Grants to institutions | 9 | 63,553 | - | - | 63,553 | 61,981 |
| Grave maintenance | | 322 | - | - | 322 | - |
| Support costs | 10 | 17,073 | 32,092 | - | 49,165 | 32,728 |
| Governance costs | 11 | 22,478 | 42,253 | - | 64,731 | 63,877 |
| Total Expenditure | | <u>121,449</u> | <u>219,342</u> | <u>6,136</u> | <u>346,927</u> | <u>214,418</u> |
| Net (losses)/gains on Investments | 12 | <u>(291,169)</u> | <u>(610,413)</u> | <u>(97,313)</u> | <u>(998,895)</u> | <u>565,079</u> |
| Net movement in funds | | <u>(295,382)</u> | <u>(705,437)</u> | <u>(103,449)</u> | <u>(1,104,268)</u> | <u>10,290,444</u> |
| Total funds brought forward | | <u>2,608,026</u> | <u>6,750,357</u> | <u>932,061</u> | <u>10,290,444</u> | <u>-</u> |
| Total funds carried forward | 16 | <u><u>2,312,644</u></u> | <u><u>6,044,920</u></u> | <u><u>828,612</u></u> | <u><u>9,186,176</u></u> | <u><u>10,290,444</u></u> |

BALTIC EXCHANGE CHARITABLE FOUNDATION

Balance sheet

As at 31 December 2022

| | Note | 31 December 2022 £ | 31 December 2021 £ |
|--|------|--------------------------|--------------------------|
| Non-Current Assets | | | |
| Investments | 13 | 8,539,123 | 9,029,705 |
| Current Assets | | | |
| Debtors: amounts falling due after more than one year | 14 | 315,639 | 315,639 |
| Debtors: amounts falling due within one year | 14 | 15,749 | 86,941 |
| Cash at bank and in hand | | 520,006 | 1,041,691 |
| Total Current Assets | | 535,755 | 1,128,632 |
| Liabilities | | | |
| Creditors: amount falling due within one year | 15 | (194,341) | (168,532) |
| Net Current Assets | | 341,414 | 960,100 |
| Creditors: amount falling due after more than one year | 15 | (10,000) | (15,000) |
| Net Assets | | 9,186,176 | 10,290,444 |
| Bonno Krull Endowment Fund | 16 | 828,612 | 932,061 |
| Restricted Funds | 16 | 6,044,920 | 6,750,357 |
| Unrestricted Fund | 17 | 2,312,644 | 2,608,026 |
| Total Charity Funds | | 9,186,176 | 10,290,444 |

The trustees acknowledge their responsibilities for complying with the requirements of the relevant Acts with respect to accounting records and preparation of financial statements

The financial statements were approved and authorised for issue by the trustees and signed on their behalf by:

W. M. Robson

WM Robson

Date: 26/06/2024

BALTIC EXCHANGE CHARITABLE FOUNDATION

Statement of cash flows

For the year ended 31 December 2022

| | 31 December 2022 £ | 31 December 2021 £ |
|--|--------------------------|--------------------------|
| Cash flows from operating activities | | |
| (Deficit)/surplus for the year | (1,104,268) | 10,290,444 |
| Less: transfer of assets to the Charity from predecessor charities | - | (9,759,408) |
| | <u>(1,104,268)</u> | <u>531,036</u> |
| Losses/(gains) on investments | 998,895 | (565,079) |
| Change in debtors | 71,192 | (16,094) |
| Change in creditors | 20,809 | (137,444) |
| Investment income | (240,103) | (171,400) |
| Net cash used in operating activities | <u>(253,475)</u> | <u>(358,981)</u> |
| Cash flows from investing activities | | |
| Cash and cash equivalents transferred from predecessor charities | - | 652,728 |
| Additions to investments | (5,051,955) | (1,954,682) |
| Interest and dividends | 240,103 | 171,400 |
| Proceeds on disposals of investments | 4,543,642 | 2,230,317 |
| Net cash (used in) / generated from investing activities | <u>(268,210)</u> | <u>1,099,763</u> |
| (Decrease)/increase in cash and cash equivalents | <u>(521,685)</u> | <u>740,782</u> |
| Cash and cash equivalents at beginning of year | 1,041,691 | 300,909 |
| Cash and cash equivalents at end of year | <u>520,006</u> | <u>1,041,691</u> |
| Analysis of cash and cash equivalents | | |
| Cash at bank and in hand | 203,650 | 489,702 |
| Cash held as part of the investment portfolio | 316,356 | 551,989 |
| Cash and cash equivalents at end of year | <u>520,006</u> | <u>1,041,691</u> |

Non-cash transactions

There were no significant non-cash transactions in the current year.

BALTIC EXCHANGE CHARITABLE FOUNDATION

Notes to the financial statements

For the year ended 31 December 2022

1 Status

Baltic Exchange Charitable Foundation ("the Charity") is a charitable Trust governed by its constitution dated 18 June 2018. The charity number is 1178830. Its principal address is PO Box 6311, Newbury, RG14 9RF.

2 Accounting policies

The principal accounting policies are summarised below.

Basis of preparation

The accounts have been prepared in accordance with The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") including Section 1A, and with the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102 (effective 1 January 2019). The financial statements are also prepared in accordance with the Charities Act 2011.

The charity is a public benefit entity as defined by FRS 102.

Judgements and estimates

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make judgements and estimates in applying the company's accounting policies that may have a significant impact on the amounts recognised in the financial statements.

The only material judgement relates to the recognition of constructive obligations to the recipients of grants, as detailed the policy below and the creditors note. There are no material estimates affecting the carrying values of the assets as at the year end.

Fund accounting

Unrestricted Funds

These are funds which can be used in accordance with the charitable objects of the charity at the discretion of the Trustees.

Restricted Funds

These are funds are to be used for specific purposes as specified by the donor.

Endowment Funds

These are funds which can be used in accordance with the donor imposed restrictions.

Going concern

The trustees are confident that the Charity is a going concern. The investments held are expected yield positive returns and cash generated from investments is forecast to be adequate to support grant commitments and administrative costs for at least 12 months from the date of this annual report.

Income

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income, when its receipt is probable and when it can be measured with reasonable certainty.

BALTIC EXCHANGE CHARITABLE FOUNDATION

Notes to the financial statements (continued)

For the year ended 31 December 2022

2 Accounting policies (continued)

Expenditure

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities, they have been allocated on a basis consistent with the use of the resources.

Grants are accrued when a constructive obligation is created in the mind of the grant recipients. The trustees judge this to arise when the Charity has communicated its intention to pay a grant to the recipient and the amount of the obligation is the grant that will be paid up to the next grant review date.

Investments

Investments are a form of basic financial instruments and are initially recognised at their transaction cost and subsequently remeasured at fair value at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses on revaluations and disposals throughout the year.

Recognition of Liabilities

Liabilities are recognized as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure.

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the group becomes a party to the contractual provisions of the instrument.

Investments in listed shares and bonds are classified as basic financial instruments and accounted for as set out above.

Loans to beneficiaries are classified as public benefit concessionary loans are recognised initially at the transaction value and subsequent at impaired cost.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the group will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and short-term deposits with an original maturity of three months or less. Cash and cash equivalents includes cash held by investment managers.

3 Employee information

The Charity had no employees (2021 – none).

4 Trustees

No trustee was remunerated in the period (2021 – none). No expenses were incurred by trustees and reimbursed to trustees in the period (2021 – none).

5 Taxation

The Charity is exempt from tax on income and gains falling within sections 524 to 536 of the Income Taxes Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the period.

BALTIC EXCHANGE CHARITABLE FOUNDATION

Notes to the financial statements (continued)

For the year ended 31 December 2022

6 Donations and legacies

| | 2022 £ | 2021 £ |
|--------------|--------------|------------|
| Donations | 1,200 | 190 |
| Total | 1,200 | 190 |

7 Investment income

| | 2022 £ | 2021 £ |
|------------------------|----------------|----------------|
| Interest and dividends | 240,103 | 180,185 |
| Total | 240,103 | 180,185 |

8 Grants to individuals

| | 2022 £ | 2021 £ |
|--|----------------|---------------|
| Quarterly grants | 81,100 | 7,895 |
| Special grants | 14,998 | 7,710 |
| Christmas grants | 9,113 | - |
| Total | 105,211 | 15,605 |
| Grant awarded, but unpaid at start of the year | - | - |
| Grant obligation transferred from predecessor charities | - | 56,683 |
| Grant obligation settled during the year | (91,690) | (72,288) |
| Grant awarded, but unpaid at end of the year (all due within one year) | 13,521 | - |

All grants are made to individuals who are in need.

The quarterly grants are recurring grants which are subject to an annual review and which provide additional income to the beneficiaries to enable them to have an acceptable standard of living. The Christmas grants are one off grants made in the wintertime to provide beneficiaries with assistance to meet additional costs at that time of the year. Special grants are generally one off grants to meet an immediate need.

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Notes to the financial statements (continued)
For the year ended 31 December 2022

9 Grants to institutions

| | 2022 £ | 2021 £ |
|--|---------------|---------------|
| Donations to Institutions | 63,552 | 61,981 |
| Total | 63,552 | 61,981 |
| Grant awarded, but unpaid at start of the year | 64,160 | - |
| Grant obligation transferred from predecessor charities | - | 101,600 |
| Grant obligation settled during the year | (84,712) | (99,421) |
| Grant awarded, but unpaid at end of the year (all due within one year) | 43,000 | 64,160 |
| Due with one year | 33,000 | 49,160 |
| Due after more than one year | 10,000 | 15,000 |
| | 43,000 | 64,160 |

Details of the significant grants to institutions are given in the accompanying annual report.

10 Support costs

| | 2022 £ | 2021 £ |
|--------------------------|---------------|---------------|
| Secretarial fees | 38,017 | 22,550 |
| Administrative expenses | 11,068 | 6,241 |
| Rent | - | 2,275 |
| Bank charges | 80 | 1,266 |
| Loss on foreign exchange | - | 395 |
| Total | 49,165 | 32,727 |

11 Governance costs

| | 2022 £ | 2021 £ |
|--------------------------------|---------------|---------------|
| Evelyn Partners' remuneration: | | |
| - Independent examination | 10,000 | - |
| - statutory audit | - | 27,300 |
| - accountancy fees | 52,003 | 34,548 |
| Legal fees | 2,728 | 2,029 |
| Total | 64,731 | 63,877 |

BALTIC EXCHANGE CHARITABLE FOUNDATION

Notes to the financial statements (continued)

For the year ended 31 December 2022

12 Gains/(losses) on investments

| | 2022 £ | 2021 £ |
|--|------------------|----------------|
| Proceeds of sale | 4,543,642 | 2,230,317 |
| Market value | (4,398,081) | (2,170,767) |
| Realised gainson sales | 145,561 | 59,550 |
| Net unrealised gains/(losses) | (1,144,456) | 505,529 |
| Net gains/(losses) on investments | (998,895) | 565,079 |

13 Listed investments at market value

| | 2022 £ | 2021 £ |
|--|------------------|------------------|
| As at 1 January 2022 | 9,029,705 | - |
| Transferred from predecessor charities | - | 8,740,837 |
| Additions | 5,051,955 | 1,954,106 |
| Disposals | (4,543,642) | (2,230,317) |
| Unrealised gains/(losses) | (1,144,456) | 505,529 |
| Realised gains | 145,561 | 59,550 |
| As at 31 December 2022 | 8,539,123 | 9,029,705 |

Analysis of investments by category of holding

| | 2022 £ | 2021 £ |
|------------------|------------------|------------------|
| Alternatives | 803,694 | - |
| Equities | 4,149,101 | 6,016,671 |
| Bonds | 3,517,641 | 2,883,708 |
| Cash equivalents | 68,687 | 129,326 |
| Total | 8,539,123 | 9,029,705 |

14 Debtors

Amounts falling due within one year:

| | 2022 £ | 2021 £ |
|-------------------|---------------|---------------|
| Other debtors | - | 72,700 |
| Accrued dividends | 15,749 | 14,241 |
| Total | 15,749 | 86,941 |

BALTIC EXCHANGE CHARITABLE FOUNDATION
Notes to the financial statements (continued)
For the year ended 31 December 2022

14 Debtors (continued)

Amounts falling due after more than one year:

| | 2022 £ | 2021 £ |
|------------------------|----------------|----------------|
| Loans to beneficiaries | 315,639 | 315,369 |
| Total | 315,639 | 315,369 |

Each loan to a beneficiary is secured on the beneficiary's property, is interest free and repayable at the option of the beneficiary or in the event of the beneficiary's death, a material change in the beneficiary's circumstances, the sale of the property, or the property no longer being the beneficiary's (or their spouse's) principal residence.

As at the year end, there were no extant loan offers (2021 - £nil) which had not been taken up.

15 Creditors

Amounts falling due within one year

| | 2022 £ | 2021 £ |
|-------------------|----------------|----------------|
| Trade creditors | 12,804 | - |
| Donations payable | 46,521 | 49,160 |
| Accruals | 135,016 | 119,372 |
| Total | 194,341 | 168,532 |

Amounts falling due after more than one year

| | 2022 £ | 2021 £ |
|-------------------|---------------|---------------|
| Donations payable | 10,000 | 15,000 |
| Total | 10,000 | 15,000 |

16 Summary of funds

| | Unrestricted Funds £ | BECS Restricted Fund £ | LSSBS Restricted Fund £ | Bonno Krull Endowment Fund £ | Total Funds £ |
|------------------------------------|----------------------------|---------------------------------|----------------------------------|---------------------------------------|------------------|
| As at 1st January | | | | | |
| 2022 | 2,608,026 | 5,806,724 | 943,633 | 932,061 | 10,290,444 |
| Income | 117,236 | 108,039 | 16,279 | - | 241,554 |
| Expenditure | (121,449) | (176,020) | (43,322) | (6,136) | (346,927) |
| Gains/(losses) on investments | (291,169) | (539,587) | (70,826) | (97,313) | (998,895) |
| Balance at 31 December 2022 | 2,312,644 | 5,199,156 | 845,764 | 828,612 | 9,186,176 |

BALTIC EXCHANGE CHARITABLE FOUNDATION

Notes to the financial statements (continued)

For the year ended 31 December 2022

16 Summary of funds (continued)

| | Unrestricted Funds | BECS Restricted Fund | LSSBS Restricted Fund | Bonno Krull Endowment Fund | Total Funds |
|-----------------------------|-----------------------|----------------------------|-----------------------------|----------------------------------|-------------------|
| | £ | £ | £ | £ | £ |
| As at 1st January 2021 | - | - | - | - | - |
| Income | 79,477 | 89,430 | 11,468 | - | 180,375 |
| Expenditure | (105,187) | (86,463) | (18,536) | (4,232) | (214,418) |
| Gains on investments | 228,367 | 258,753 | 7,125 | 70,834 | 565,079 |
| Funds transferred in | 2,405,369 | 5,545,004 | 943,576 | 865,459 | 9,759,408 |
| Balance at 31 December 2021 | <u>2,608,026</u> | <u>5,806,724</u> | <u>943,633</u> | <u>932,061</u> | <u>10,290,444</u> |

Bonno Krull Endowment Fund

This is a permanent endowment fund which was created by the will of Bonno Julius Leopold Krull. The income from the fund is to be used to maintain the grave of Mr Krull and his wife, with any surplus to be used for charitable purposes connected to shipbroking and shipping.

BECS Restricted Fund

The restricted fund comprise the reserves of the former Baltic Exchange Charitable Society, which are to be used to support the former members of the Society and their dependents.

LSSBS Restricted Fund

The restricted fund comprise the reserves of the former London Shipowners' and Shipbrokers' Benevolent Society, which are to be used to support those who have been engaged in the business of ship owning or ship broking, and their dependents.

17 Analysis of net assets between funds

| As at 31 December 2022 | Unrestricted Funds | BECS Restricted Fund | LSSBS Restricted Fund | Bonno Krull Endowment Fund | Total Funds |
|--------------------------------------|-------------------------|----------------------------|-----------------------------|----------------------------------|-------------------------|
| | £ | £ | £ | £ | £ |
| Investments | 2,115,591 | 4,661,620 | 906,328 | 855,584 | 8,539,123 |
| Debtors due after more than one year | - | 315,639 | - | - | 315,639 |
| Debtors due within one year | 5,481 | 7,808 | 2,460 | - | 15,749 |
| Cash at bank and in hand | 279,280 | 99,784 | 27,299 | 113,643 | 520,006 |
| Creditors due within one year | (180,820) | (13,521) | - | - | (194,341) |
| Creditors after more than one year | (10,000) | - | - | - | (10,000) |
| Inter-fund balances | 103,112 | 127,826 | (90,323) | (140,615) | - |
| Total | <u>2,312,644</u> | <u>5,199,156</u> | <u>845,764</u> | <u>828,612</u> | <u>9,186,176</u> |

BALTIC EXCHANGE CHARITABLE FOUNDATION

Notes to the financial statements (continued)

For the year ended 31 December 2022

17 Analysis of net assets between funds (continued)

| As at 31 December 2021 | Unrestricted Funds £ | BECS Restricted Fund £ | LSSBS Restricted Fund £ | Bonno Krull Endowment Fund £ | Total Funds £ |
|--------------------------------------|-------------------------|---------------------------|----------------------------|---------------------------------|-------------------|
| Investments | 2,374,079 | 4,861,977 | 865,090 | 928,559 | 9,029,705 |
| Debtors due after more than one year | - | 315,639 | - | - | 315,639 |
| Debtors due within one year | 5,456 | 79,520 | 1,965 | - | 86,941 |
| Cash at bank and in hand | 489,611 | 406,682 | 142,783 | 2,615 | 1,041,691 |
| Creditors due within one year | (168,532) | - | - | - | (168,532) |
| Creditors after more than one year | (15,000) | - | - | - | (15,000) |
| Inter-fund balances | (77,588) | 142,906 | (66,205) | 887 | - |
| Total | 2,608,026 | 5,806,724 | 943,633 | 932,061 | 10,290,444 |

18 Prior year statement of financial activities

| | Unrestricted Funds £ | Restricted Funds £ | Bonno Krull Endowment Fund £ | Total Funds £ |
|--|-------------------------|-----------------------|---------------------------------|-------------------|
| Income: | | | | |
| Donations and legacies | - | 190 | - | 190 |
| Investment Income | 79,477 | 100,708 | - | 180,185 |
| | 79,477 | 100,898 | - | 180,375 |
| Funds transferred from predecessor charities | 2,405,369 | 6,488,580 | 865,459 | 9,759,408 |
| Total | 2,484,846 | 6,589,478 | 865,459 | 9,939,783 |
| Expenditure: | | | | |
| Raising Finance | 10,656 | 25,339 | 4,232 | 40,227 |
| Charitable Activities | | | | |
| Grants to individuals | - | 15,605 | - | 15,605 |
| Grants to institutions | 61,981 | - | - | 61,981 |
| Support costs | 11,028 | 21,700 | - | 32,728 |
| Governance costs | 21,522 | 42,355 | - | 63,877 |
| Total Expenditure | 105,187 | 104,999 | 4,232 | 214,418 |
| Net gains on Investments | 228,367 | 265,878 | 70,834 | 565,079 |
| Net movement in funds | 2,608,026 | 6,750,357 | 932,061 | 10,290,444 |
| Total funds brought forward | - | - | - | - |
| Total funds carried forward | 2,608,026 | 6,750,357 | 932,061 | 10,290,444 |