

REGISTERED COMPANY NUMBER: CE014359 (England and Wales)
REGISTERED CHARITY NUMBER: 1178830

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023
FOR
BALTIC EXCHANGE CHARITABLE FOUNDATION**

Cresswells Accountants (UK) Limited
Chartered Accountants
and Statutory Auditors
12 Market Street
Hebden Bridge
West Yorkshire
HX7 6AD

BALTIC EXCHANGE CHARITABLE FOUNDATION

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BALTIC EXCHANGE CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2023

The trustees who are also directors of the Charity for the purposes of Companies Act 2006, present their report with the financial statements of the Charity for the year ended 31st December 2023. The trustees have adopted the provisions of 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 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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

BALTIC EXCHANGE CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2023

OBJECTIVES AND ACTIVITIES

Significant activities

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 (2022 - eight) individuals receiving annual grants and also paid special grants to a further five (2022 - five) individuals.

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

During the year, the Charity awarded nine (2022 - eleven) grants to various institutions linked to the maritime industry and continued to pay two (2022 - two) grants previously awarded. The significant grants awarded in the year were:

Ahoy were awarded a grant of £10,000 in the year. Support for Ahoy's work in providing water skills training to youngsters living in the Thames estuary region. The original grant awarded of £30,000 in 2022 was payable over three years.

Wet Wheels were awarded a grant of £10,000 in the year. 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.

Ian Dundas was awarded a grant of £5,000 in the year to support private treatment of his rare form of cancer. He has since deceased.

Mission to Seafarers were awarded a grant of £15,000 in the year. They are a regular beneficiary of BECF for their pastoral work with seafarers around the globe.

National Coastwatch Institution were awarded a grant of £10,000 towards the production of revised and updated station manuals.

Sailors Society were awarded a grant of £10,000 for their continued support for their pastoral work with seafarers around the globe.

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.

BALTIC EXCHANGE CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2023

OBJECTIVES AND ACTIVITIES

Grantmaking

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.

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.

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.

ACHIEVEMENT AND PERFORMANCE

Investment performance

Investment policy and strategy are reviewed by an investment sub-committee that meets the Charity's investment managers regularly during each year, and performance is measured against targets set. A medium level of risk approach was confirmed.

FINANCIAL REVIEW

Financial position

The Statement of Financial activities sets out the income and expenditure of the Charity for the year ended 31 December 2023.

Existing grants for 2023 were paid on 1st January 2024. Approval for payment of 2024 grants was agreed at the trustees meeting in February 2024. Any amendments to the payments on January 1st were adjusted retrospectively.

A revaluation surplus of £166,394 (2022 - deficit £966,977) arose on the investments, contributing towards an increase in the reserves over the year. The Charity's closing balance sheet position is robust, with significant reserves and cash in hand of £80,110.

Investment policy and performance

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.

The investment portfolio is structured in a way that can withstand adverse market conditions and is considered by the trustees to be well placed to protect the fund's value and also to produce the sort of income required for the Society's charitable activities. The income target agreed with the advisers was again comfortably reached, and the return for the year was satisfactory for the Society's needs. The fund consists of a spread of gilts, corporate bonds, equities and cash, the allocation to each sector being continually under review.

The value of the portfolio at the end of 2023 stood at £9,090,125 (£8,539,123 in 2022).

BALTIC EXCHANGE CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2023

FINANCIAL REVIEW

Reserves policy

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.

Unrestricted Funds

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.

FUTURE PLANS

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

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

Recruitment and appointment of new trustees

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.

Organisational structure

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).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

CE014359 (England and Wales)

BALTIC EXCHANGE CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2023

Registered Charity number

1178830

Registered office

Southgate Chambers
37-39 Southgate Street
Winchester
SO23 9EH

Trustees

W M Robson Chairman
Ms K A Marsh Trustee (appointed 11.10.23)
D A Petropoulos Trustee
R T Reed Trustee
M A Read Trustee
L C Varnavides Trustee
C J Nolan Trustee
F W A Crouch Trustee
M R Jackson Trustee

Auditors

Cresswells Accountants (UK) Limited
Chartered Accountants
and Statutory Auditors
12 Market Street
Hebden Bridge
West Yorkshire
HX7 6AD

Advisers

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Baltic Exchange Charitable Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware;
and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

BALTIC EXCHANGE CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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

The law applicable to charities in England & 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 law). The trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure for that period.

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

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

The trustees are responsible for keeping sufficient accounting records that 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 Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware. They have taken all steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that

AUDITORS

The auditors, Cresswells Accountants (UK) Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 29 October 2024 and signed on its behalf by:

.....
W M Robson - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF BALTIC EXCHANGE CHARITABLE FOUNDATION

Opinion

We have audited the financial statements of Baltic Exchange Charitable Foundation (the 'charitable company') for the year ended 31st December 2023 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions 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 the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF BALTIC EXCHANGE CHARITABLE FOUNDATION

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

- we obtained an understanding of the legal and regulatory frameworks applicable to the company and the sector in which it operates. We determined the following laws and regulations were most significant: The Companies Act 2006, FRS102 and Health and Safety Act.
- we obtained an understanding of how the company is complying with those legal and regulatory frameworks by making inquiries to the management.
- we assessed the susceptibility of the company's financial statements to material misstatement including how fraud might occur. Audit procedures performed by the audit team included:
- identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud.
- understanding how those charged with governance considered and addressed the potential of override of controls or other inappropriate influence over the financial reporting process.
- challenging assumptions and judgements made by management in its significant accounting estimates.
- identifying and testing journal entries.
-

assessing the extent of compliance with the relevant laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF BALTIC EXCHANGE CHARITABLE FOUNDATION

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Cresswells Accountants (UK) Limited
Chartered Accountants
and Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
12 Market Street
Hebden Bridge
West Yorkshire
HX7 6AD

Date 29 October 2024

BALTIC EXCHANGE CHARITABLE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST DECEMBER 2023

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	<u>31,274</u>	<u>258,395</u>	<u>-</u>	<u>289,669</u>	<u>209,637</u>
EXPENDITURE ON						
Raising funds	3	-	52,392	-	52,392	63,945
Charitable activities						
General		<u>143,002</u>	<u>89,447</u>	<u>-</u>	<u>232,449</u>	<u>282,982</u>
Total		<u>143,002</u>	<u>141,839</u>	<u>-</u>	<u>284,841</u>	<u>346,927</u>
Net gains/(losses) on investments		<u>-</u>	<u>166,394</u>	<u>-</u>	<u>166,394</u>	<u>(966,977)</u>
NET INCOME/(EXPENDITURE)		(111,728)	282,950	-	171,222	(1,104,267)
Transfers between funds	10	<u>11,824</u>	<u>(119,075)</u>	<u>107,251</u>	<u>-</u>	<u>-</u>
Net movement in funds		(99,904)	163,875	107,251	171,222	(1,104,267)
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>2,312,644</u>	<u>6,044,921</u>	<u>828,612</u>	<u>9,186,177</u>	<u>10,290,444</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>2,212,740</u></u>	<u><u>6,208,796</u></u>	<u><u>935,863</u></u>	<u><u>9,357,399</u></u>	<u><u>9,186,177</u></u>

The notes form part of these financial statements

BALTIC EXCHANGE CHARITABLE FOUNDATION

BALANCE SHEET 31ST DECEMBER 2023

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS						
Investments	6	2,309,510	5,845,825	934,790	9,090,125	8,539,123
CURRENT ASSETS						
Debtors	7	4,408	321,138	1,073	326,619	331,388
Cash at bank		<u>20,731</u>	<u>59,379</u>	<u>-</u>	<u>80,110</u>	<u>520,006</u>
		25,139	380,517	1,073	406,729	851,394
CREDITORS						
Amounts falling due within one year	8	<u>(112,309)</u>	<u>(17,546)</u>	<u>-</u>	<u>(129,855)</u>	<u>(194,340)</u>
NET CURRENT ASSETS		<u>(87,170)</u>	<u>362,971</u>	<u>1,073</u>	<u>276,874</u>	<u>657,054</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,222,340	6,208,796	935,863	9,366,999	9,196,177
CREDITORS						
Amounts falling due after more than one year	9	<u>(9,600)</u>	<u>-</u>	<u>-</u>	<u>(9,600)</u>	<u>(10,000)</u>
NET ASSETS		<u><u>2,212,740</u></u>	<u><u>6,208,796</u></u>	<u><u>935,863</u></u>	<u><u>9,357,399</u></u>	<u><u>9,186,177</u></u>
FUNDS	10					
Unrestricted funds					2,212,740	2,312,644
Restricted funds					6,208,796	6,044,921
Endowment funds					<u>935,863</u>	<u>828,612</u>
TOTAL FUNDS					<u><u>9,357,399</u></u>	<u><u>9,186,177</u></u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st December 2023.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

The notes form part of these financial statements

BALTIC EXCHANGE CHARITABLE FOUNDATION

BALANCE SHEET - continued
31ST DECEMBER 2023

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 29 October 2024 and were signed on its behalf by:

.....
W M Robson - Trustee

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

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 revaluation and disposals throughout the year.

Realised gains and losses

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

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the Statement of Financial Position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

BALTIC EXCHANGE CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST DECEMBER 2023

1. ACCOUNTING POLICIES - continued

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 in the creditors note. There are no material estimates affecting the carrying values of the assets as at the year end.

Going Concern

The trustees are confident that the Charity is a going concern. The investments held are expected to 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.

Financial Instruments

Financial assets and financial liabilities are recognised in the balance sheet when a group becomes 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 along with 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 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 original maturity of three months or less. Cash and cash equivalents includes cash held by investment managers.

2. DONATIONS AND LEGACIES

	2023	2022
	£	£
Investment income	272,246	240,103
Donations	1,835	1,200
Other Income	2,704	252
Exchange rate variance	<u>12,884</u>	<u>(31,918)</u>
	<u>289,669</u>	<u>209,637</u>

BALTIC EXCHANGE CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST DECEMBER 2023

3. RAISING FUNDS

Investment management costs

	2023	2022
	£	£
Portfolio management	<u>52,392</u>	<u>63,945</u>

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2023 nor for the year ended 31st December 2022.

Trustees' expenses

	2023	2022
	£	£
Trustees' expenses	<u>723</u>	<u>975</u>

5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	<u>117,236</u>	<u>92,401</u>	<u>-</u>	<u>209,637</u>
EXPENDITURE ON				
Raising funds	18,023	39,786	6,136	63,945
Charitable activities				
General	<u>103,426</u>	<u>179,556</u>	<u>-</u>	<u>282,982</u>
Total	<u>121,449</u>	<u>219,342</u>	<u>6,136</u>	<u>346,927</u>
Net gains/(losses) on investments	<u>(291,169)</u>	<u>(578,495)</u>	<u>(97,313)</u>	<u>(966,977)</u>
NET INCOME/(EXPENDITURE)	(295,382)	(705,436)	(103,449)	(1,104,267)
RECONCILIATION OF FUNDS				
Total funds brought forward	<u>2,608,026</u>	<u>6,750,357</u>	<u>932,061</u>	<u>10,290,444</u>
TOTAL FUNDS CARRIED FORWARD	<u>2,312,644</u>	<u>6,044,921</u>	<u>828,612</u>	<u>9,186,177</u>

BALTIC EXCHANGE CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST DECEMBER 2023

6. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1st January 2023	8,539,123
Additions	13,457,383
Disposals	(13,072,774)
Revaluations	<u>166,393</u>
At 31st December 2023	<u>9,090,125</u>
NET BOOK VALUE	
At 31st December 2023	<u>9,090,125</u>
At 31st December 2022	<u>8,539,123</u>

All investments were held within the Charity's investment portfolio.

7. DEBTORS

	2023 £	2022 £
Amounts falling due within one year:		
Accrued Dividends	<u>10,980</u>	<u>15,749</u>
Amounts falling due after more than one year:		
Loans to beneficiaries	<u>315,639</u>	<u>315,639</u>
Aggregate amounts	<u>326,619</u>	<u>331,388</u>

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) principle residence.

As at the year end, there were no extant loan offers (2022 - None).

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	14,401	12,803
Donations payable	28,744	46,521
Accrued expenses	<u>86,710</u>	<u>135,016</u>
	<u>129,855</u>	<u>194,340</u>

BALTIC EXCHANGE CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31ST DECEMBER 2023**

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Donations payable	<u>9,600</u>	<u>10,000</u>

10. MOVEMENT IN FUNDS

	At 1.1.23 £	Net movement in funds £	Transfers between funds £	At 31.12.23 £
Unrestricted funds				
General fund	2,312,644	(111,728)	11,824	2,212,740
Restricted funds				
BECS Restricted Fund	5,199,157	121,547	(128,052)	5,192,652
LSSBS Restricted Fund	845,764	11,173	100,068	957,005
BCF & BK Combined	<u>-</u>	<u>150,230</u>	<u>(91,091)</u>	<u>59,139</u>
	6,044,921	282,950	(119,075)	6,208,796
Endowment funds				
Bonno Krull Endowment Fund	828,612	-	(827,539)	1,073
BK Endowment Fund	<u>-</u>	<u>-</u>	<u>934,790</u>	<u>934,790</u>
	<u>828,612</u>	<u>-</u>	<u>107,251</u>	<u>935,863</u>
TOTAL FUNDS	<u>9,186,177</u>	<u>171,222</u>	<u>-</u>	<u>9,357,399</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	31,274	(143,002)	-	(111,728)
Restricted funds				
BECS Restricted Fund	115,066	(92,043)	98,524	121,547
LSSBS Restricted Fund	23,048	(33,731)	21,856	11,173
BCF & BK Combined	<u>120,281</u>	<u>(16,065)</u>	<u>46,014</u>	<u>150,230</u>
	<u>258,395</u>	<u>(141,839)</u>	<u>166,394</u>	<u>282,950</u>
TOTAL FUNDS	<u>289,669</u>	<u>(284,841)</u>	<u>166,394</u>	<u>171,222</u>

BALTIC EXCHANGE CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST DECEMBER 2023

10. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.22 £	Net movement in funds £	At 31.12.22 £
Unrestricted funds			
General fund	2,608,026	(295,382)	2,312,644
Restricted funds			
BECS Restricted Fund	5,806,724	(607,567)	5,199,157
LSSBS Restricted Fund	<u>943,633</u>	<u>(97,869)</u>	<u>845,764</u>
	6,750,357	(705,436)	6,044,921
Endowment funds			
Bonno Krull Endowment Fund	932,061	(103,449)	828,612
TOTAL FUNDS	<u>10,290,444</u>	<u>(1,104,267)</u>	<u>9,186,177</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	117,236	(121,449)	(291,169)	(295,382)
Restricted funds				
BECS Restricted Fund	76,122	(176,020)	(507,669)	(607,567)
LSSBS Restricted Fund	<u>16,279</u>	<u>(43,322)</u>	<u>(70,826)</u>	<u>(97,869)</u>
	92,401	(219,342)	(578,495)	(705,436)
Endowment funds				
Bonno Krull Endowment Fund	-	(6,136)	(97,313)	(103,449)
TOTAL FUNDS	<u>209,637</u>	<u>(346,927)</u>	<u>(966,977)</u>	<u>(1,104,267)</u>

BALTIC EXCHANGE CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST DECEMBER 2023

10. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.22 £	Net movement in funds £	Transfers between funds £	At 31.12.23 £
Unrestricted funds				
General fund	2,608,026	(407,110)	11,824	2,212,740
Restricted funds				
BECS Restricted Fund	5,806,724	(486,020)	(128,052)	5,192,652
LSSBS Restricted Fund	943,633	(86,696)	100,068	957,005
BCF & BK Combined	-	150,230	(91,091)	59,139
	6,750,357	(422,486)	(119,075)	6,208,796
Endowment funds				
Bonno Krull Endowment Fund	932,061	(103,449)	(827,539)	1,073
BK Endowment Fund	-	-	934,790	934,790
	932,061	(103,449)	107,251	935,863
TOTAL FUNDS	<u>10,290,444</u>	<u>(933,045)</u>	<u>-</u>	<u>9,357,399</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	148,510	(264,451)	(291,169)	(407,110)
Restricted funds				
BECS Restricted Fund	191,188	(268,063)	(409,145)	(486,020)
LSSBS Restricted Fund	39,327	(77,053)	(48,970)	(86,696)
BCF & BK Combined	<u>120,281</u>	<u>(16,065)</u>	<u>46,014</u>	<u>150,230</u>
	350,796	(361,181)	(412,101)	(422,486)
Endowment funds				
Bonno Krull Endowment Fund	-	(6,136)	(97,313)	(103,449)
	<u>499,306</u>	<u>(631,768)</u>	<u>(800,583)</u>	<u>(933,045)</u>
TOTAL FUNDS	<u>499,306</u>	<u>(631,768)</u>	<u>(800,583)</u>	<u>(933,045)</u>

11. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st December 2023.

BALTIC EXCHANGE CHARITABLE FOUNDATION

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2023**

	2023 £	2022 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Investment income	272,246	240,103
Donations	1,835	1,200
Other Income	2,704	252
Exchange rate variance	<u>12,884</u>	<u>(31,918)</u>
	<u>289,669</u>	<u>209,637</u>
Total incoming resources	289,669	209,637
EXPENDITURE		
Investment management costs		
Portfolio management	52,392	63,945
Charitable activities		
Grants to institutions	58,645	63,553
Grants to individuals	<u>77,447</u>	<u>105,211</u>
	136,092	168,764
Support costs		
Management		
Trustees' expenses	723	975
Wages	29,475	38,017
Telecoms	504	493
IT & Website	1,944	1,854
Storage & office expenses	5,744	4,690
Insurance	26	3,056
Bank charges	<u>412</u>	<u>80</u>
	38,828	49,165
Governance costs		
Grave maintenance	285	322
Accountancy and legal fees	<u>57,244</u>	<u>64,731</u>
	<u>57,529</u>	<u>65,053</u>
Total resources expended	<u>284,841</u>	<u>346,927</u>
Net income/(expenditure) before gains and losses	4,828	(137,290)
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	<u>166,394</u>	<u>(966,977)</u>
Net income/(expenditure)	<u>171,222</u>	<u>(1,104,267)</u>

This page does not form part of the statutory financial statements